



**First Session — Thirty-Fourth Legislature**  
of the  
**Legislative Assembly of Manitoba**

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**STANDING COMMITTEE**

on

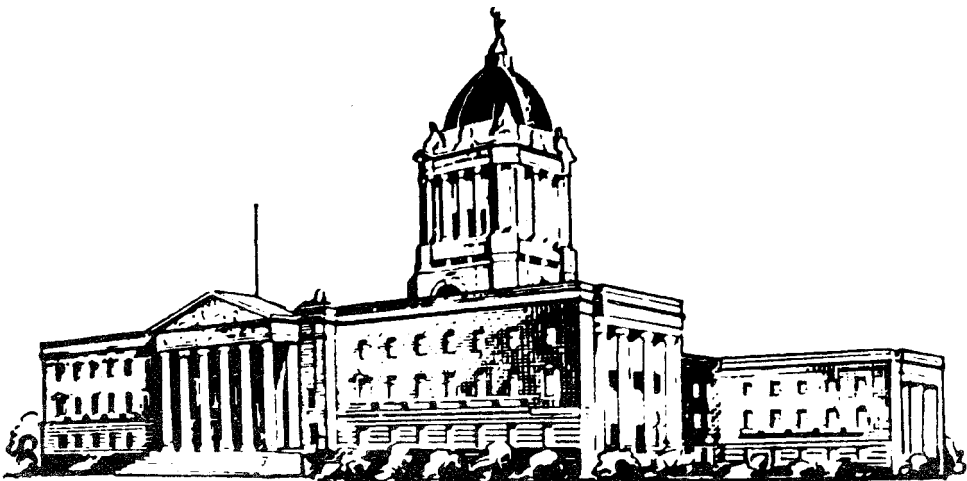
**AGRICULTURE**

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*Chairman*  
*Mr. Ed Helwer*  
*Constituency of Gimli*



**VOL. XXXVII No. 1 - 8 p.m., WEDNESDAY, DECEMBER 14, 1988.**

**MANITOBA LEGISLATIVE ASSEMBLY**  
**Thirty-Fourth Legislature**

**Members, Constituencies and Political Affiliation**

NAME	CONSTITUENCY	PARTY
<b>ALCOCK, Reg</b>	Osborne	LIBERAL
<b>ANGUS, John</b>	St. Norbert	LIBERAL
<b>ASHTON, Steve</b>	Thompson	NDP
<b>BURRELL, Parker</b>	Swan River	PC
<b>CARR, James</b>	Fort Rouge	LIBERAL
<b>CARSTAIRS, Sharon</b>	River Heights	LIBERAL
<b>CHARLES, Gwen</b>	Selkirk	LIBERAL
<b>CHEEMA, Gulzar</b>	Kildonan	LIBERAL
<b>CHORNOPYSKI, William</b>	Burrows	LIBERAL
<b>CONNERY, Edward Hon.</b>	Portage la Prairie	PC
<b>COWAN, Jay</b>	Churchill	NDP
<b>CUMMINGS, Glen, Hon.</b>	Ste. Rose du Lac	PC
<b>DERKACH, Leonard, Hon.</b>	Roblin-Russell	PC
<b>DOER, Gary</b>	Concordia	NDP
<b>DOWNEY, James Hon.</b>	Arthur	PC
<b>DRIEDGER, Albert, Hon.</b>	Emerson	PC
<b>DRIEDGER, Herold, L.</b>	Niakwa	LIBERAL
<b>DUCHARME, Gerald, Hon.</b>	Riel	PC
<b>EDWARDS, Paul</b>	St. James	LIBERAL
<b>ENNS, Harry</b>	Lakeside	PC
<b>ERNST, Jim, Hon.</b>	Charleswood	PC
<b>EVANS, Laurie</b>	Fort Garry	LIBERAL
<b>EVANS, Leonard</b>	Brandon East	NDP
<b>FILMON, Gary, Hon.</b>	Tuxedo	PC
<b>FINDLAY, Glen Hon.</b>	Virden	PC
<b>GAUDRY, Neil</b>	St. Boniface	LIBERAL
<b>GILLESHAMMER, Harold</b>	Minnedosa	PC
<b>GRAY, Avis</b>	Ellice	LIBERAL
<b>HAMMOND, Gerrie</b>	Kirkfield Park	PC
<b>HARAPIAK, Harry</b>	The Pas	NDP
<b>HARPER, Elijah</b>	Rupertsland	NDP
<b>HELWER, Edward R.</b>	Gimli	PC
<b>HEMPHILL, Maureen</b>	Logan	NDP
<b>KOZAK, Richard, J.</b>	Transcona	LIBERAL
<b>LAMOUREUX, Kevin, M.</b>	Inkster	LIBERAL
<b>MALOWAY, Jim</b>	Elmwood	NDP
<b>MANDRAKE, Ed</b>	Assiniboia	LIBERAL
<b>MANNES, Clayton, Hon.</b>	Morris	PC
<b>McCRAE, James Hon.</b>	Brandon West	PC
<b>MINENKO, Mark</b>	Seven Oaks	LIBERAL
<b>MITCHELSON, Bonnie, Hon.</b>	River East	PC
<b>NEUFELD, Harold, Hon.</b>	Rossmere	PC
<b>OLESON, Charlotte Hon.</b>	Gladstone	PC
<b>ORCHARD, Donald Hon.</b>	Pembina	PC
<b>PANKRATZ, Helmut</b>	La Verendrye	PC
<b>PATTERSON, Allan</b>	Radisson	LIBERAL
<b>PENNER, Jack, Hon.</b>	Rhineland	PC
<b>PLOHMAN, John</b>	Dauphin	NDP
<b>PRAZNIK, Darren</b>	Lac du Bonnet	PC
<b>ROCAN, Denis, Hon.</b>	Turtle Mountain	PC
<b>ROCH, Gilles</b>	Springfield	LIBERAL
<b>ROSE, Bob</b>	St. Vital	LIBERAL
<b>STORIE, Jerry</b>	Flin Flon	NDP
<b>TAYLOR, Harold</b>	Wolseley	LIBERAL
<b>URUSKI, Bill</b>	Interlake	NDP
<b>WASYLYCIA-LEIS, Judy</b>	St. Johns	NDP
<b>YEO, Iva</b>	Surgeon Creek	LIBERAL

**LEGISLATIVE ASSEMBLY OF MANITOBA**  
**THE STANDING COMMITTEE ON AGRICULTURE**  
**Wednesday, December 14, 1988**

**TIME — 8 p.m.**

**LOCATION — Winnipeg, Manitoba**

**CHAIRMAN — Mr. Edward Helwer (Gimli)**

**ATTENDANCE - 11 — QUORUM - 6**

*Members of the Committee present:*

Hon. Messrs. Cummings, Findlay, Orchard,  
and Penner  
Messrs. Chornopyski, Harapiak, Helwer,  
Patterson, Roch, and Uruski

**APPEARING: Bill No. 28:**

Mr. K. Sigurdson, National Farmers' Union  
Mr. K. Proven, National Farmers' Union  
Mr. E. Guest, Western Grain Elevator  
Association  
Mr. G. Arason, Manitoba Pool Elevators  
Mr. E. Geddes, Keystone Agricultural  
Producers  
Mr. T. Dooley, Keystone Agricultural  
Producers  
Mr. A. Dickson, Farmers' Union, Local 514  
Mr. G. Jones, Private Citizen  
Mr. I. Jones, Private Citizen  
Mr. R. Ages, Manitoba Coalition Against Free  
Trade  
Mr. L. Ross, Private Citizen  
Mr. J. Whitaker, Private Citizen  
Mr. F. Tait, Private Citizen

**Bill No. 29:**

Mr. R. Munroe, Manitoba Cattle Producers'  
Association  
Mr. T. Dooley, Manitoba Cattle Producers'  
Association  
Mr. K. Sigurdson, National Farmers' Union  
Mr. G. Jones, Private Citizen  
Mr. D. McLaren, Private Citizen  
Mr. D. Fulton, Private Citizen

**WRITTEN SUBMISSION PRESENTED BUT NOT  
READ**

Mr. E. Hiebert, Private Citizen

**MATTERS UNDER DISCUSSION:**

Bill No. 28 - The Agricultural Producers'  
Organization Funding Act  
Bill No. 29 - The Cattle Producers'  
Association Amendment Act

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**Clerk of Committees, Mrs. Janet Summers:** We have to elect a Chairman. Are there any nominations? Mr. Penner.

**Hon. Jack Penner (Minister of Natural Resources):** I would like to nominate Ed Helwer.

**Madam Clerk:** Are there any further nominations? Mr. Helwer, will you please take the Chair?

**Mr. Chairman:** We have two Bills to be considered this evening. I have a list of persons wishing to appear before this committee.

Bill No. 28, The Agricultural Producers' Organization Funding Act. Persons wishing to make presentations:

Mr. Keith Proven, National Farmers' Union  
Mr. Ed Guest, Western Grain Elevator Association  
Mr. Edward Hiebert, Private Citizen  
Mr. Tom Dooley, Keystone Agricultural Producers  
Mr. Earl Geddes, Keystone Agricultural  
Producers  
Mr. Ken Sigurdson, National Farmers' Union  
Mr. Allan Dickson, Farmers' Union Local 514  
Mr. Goldwyn Jones, Private Citizen  
Mr. Ian Jones, Private Citizen  
Mr. Robert Ages, Manitoba Coalition Against  
Free Trade  
Mr. Lyle Ross, Private Citizen  
Mr. John Whitaker, Private Citizen

Bill No. 29, The Cattle Producers' Association Amendment Act. Persons wishing to make presentations:

Mr. Bob Munroe, Manitoba Cattle Producers'  
Association  
Mr. Tom Dooley, Manitoba Cattle Producers'  
Association  
Ken Sigurdson, National Farmers' Union  
Allen Dickson, Farmers' Union Local 514  
Mr. Goldwyn Jones, Private Citizen  
Mr. Doug McLaren, Private Citizen  
Mr. David Fulton, Private Citizen  
Mr. Robert Ages, Manitoba Coalition Against  
Free Trade  
Mr. Lyle Ross, Private Citizen

Should anyone else wish to appear before this committee whose name is not recorded, please advise the Committee Clerk and your name will be added to this list. No one else then? Does the committee wish to impose a time limit on the length of public presentations?

**Mr. Bill Uruski (Interlake):** Mr. Chairman, I think we should proceed to hear the presentations as expeditiously as possible and let them go through. We have agreed that we are going to devote tonight to presentations. We will not be going to clause by clause

\* (2005)

so we should not try to limit ourselves or the presenters in their presentations.

\* (2010)

**Mr. Chairman:** It is permissible, if the committee so wishes, to allow out-of-town presenters to speak first, since it may be difficult for them to return if another meeting has to be held to accommodate all presenters.

What is the will of the committee? The Honourable Minister.

**Hon. Glen Findlay (Minister of Agriculture):** I would suggest you follow by the list as presented.

**Mr. Chairman:** Follow the list as listed? Okay. We will start with No. 1, Mr. Keith Proven from the National Farmers' Union.

**Mr. Keith Proven (National Farmers' Union):** Mr. Chairman, my name is Keith Proven. Would it be in order to allow Ken Sigurdson to have some introductory remarks? He would be finished and then I would continue in this one-time spot.

**Mr. Chairman:** It is up to the committee here, the will of the committee. (Agreed) No problem, okay.

**Mr. Proven:** I will call on Ken Sigurdson then.

**Mr. Chairman:** Mr. Ken Sigurdson from the National Farmers' Union.

**Mr. Ken Sigurdson (National Farmers' Union):** Mr. Chairman, certainly a lot of National Farmers' Union members would have liked to have been here tonight to make presentations on Bill No. 28 and Bill No. 29, but because of the season and because of the short time, certainly people could not make it in. We certainly would not like to see this Bill passed in this kind of fashion and this type of lack of democracy where people cannot be heard on the legislation.

I would say that farmers out in the country scarcely know what Bill No. 28 and Bill No. 29 are all about. To us in the National Farmers' Union, Bill No. 28 and Bill No. 29 represent unwarranted Government intrusion into the affairs of farmers and farm organizations in Manitoba. Bill No. 28 and Bill No. 29 will provide legislative funding for virtually every farm organization or commodity group in this province, with probably the exception of the National Farmers' Union.

We see a lot of problems in the farm community; we see the drought; we see the lack of drought payments going out to farmers. Yet the priority seems to be to fund private groups and hurry on with this type of legislation. We sort of question where the Manitoba Government has been in the whole drought issue, which is a real crisis, and we also question where some farm organizations have been on this issue. Priorities seem to be in other places.

Clearly this legislation was drafted by the Keystone Agricultural Producers and no input was provided by

any other farm organizations, or no input was even requested by any other farm organization. We have had a lack of consultation; we have had a lack of information. Why do we have this lack of consultation and this lack of information? Really because the Government wants to fund their friends or have made some kind of commitments during the election or otherwise to these people.

We recommend that a White Paper be issued, full discussion take place out in the country on these two Bills followed by public hearings.

We met with Laurie Evans on Friday of last week. He indicated to us that there was no great rush to proceed with this legislation and that he made the commitment that we could have public hearings out in the country. We were quite pleased Mr. Evans took that position. I think it would be a real step for democracy in that farmers would have an opportunity to be heard on this issue.

\* (2015)

Anyway, we do not take lightly the fact that the Government is legislating one particular group to represent all farmers in this province. We have never requested that one particular group, ourselves, represent all farmers. We have never indicated, at any time, that we are the only group that represents farmers.

So with that, I am going to now turn it over to Keith Proven, he is right behind me here, and he is going to present a brief, by Region 5 of the National Farmers' Union. I will ask questions, as well as Keith, after his presentation. Thank you.

### BILL NO. 28—THE AGRICULTURAL PRODUCERS' ORGANIZATION FUNDING ACT

**Mr. Proven:** We are not particularly pleased at having to present the Manitoba region of the National Farmers' Union's position on Bill No. 28, The Agricultural Producers' Organization Funding Act.

Democracy and rural Canada are the things that the National Farmers' Union holds most dear, but this particular piece of legislation contravenes and demeans both of these ideals. The stated objective of this legislation is to provide a unified voice for Manitoba farmers. Fortunately, you cannot, as yet, legislate the same philosophies for farmers any more than you can for any other segment of society. It would be as though you could legislate all the political Parties into one, thus eliminating the need for elections.

You could also then eliminate the need for any meaningful discourse carried on between different ideologies. This legislation demonstrates a true contempt for the intelligence of farmers. It dictates to this group in society that you are not capable of electing and selecting your own farm group. Any time a Government removes an opportunity for democratic actions by any group within society, it weakens all of society. The historical perspective of this legislation does indeed trace its way back for many years and many

farm organizations. There has always been a diversity of opinion within farm groups, historically.

In western Canada, 70 to 75 years ago, not everyone supported the idea of wheat pools. Hard work and organizing were the keys to providing the collective bargaining tool that farmers needed. As it is today, no organization can possibly be responsive to its membership as long as that membership is forced by law to belong to that organization.

It is very difficult for us to provide a critique of this legislation and not be accused of criticizing the organization which is most closely attached to it. This legislation is remarkably similar to the position paper that the Keystone Agricultural Producers (KAP) gave many candidates during the last provincial election. KAP must invariably be drawn in as co-authors of this legislation and therefore will also suffer the political fall-out.

We, as an organization, have worked together with KAP and other farm organizations on specific projects and have been pleased to do so. However, the political reality of the farm community is one of diversity of approach and end goals. We, in the National Farmers' Union, wish farmers would have a common thoughtfulness for rural Manitoba's future. Unfortunately, this legislation reeks of 25 years of none too subtle manipulation by the Faculty of Agriculture, University of Manitoba.

As an undergraduate in the middle 1960s, I was very aware of the contradictions in the Faculty of Agriculture approach. On one hand, we had a maligning of cooperative marketing (Canadian Wheat Board, supply management marketing boards and cooperatives) combined with the idea that farmers could and should join an organization for all farmers. If the Faculty of Agriculture had presented a cooperative approach to marketing and rural living, we probably could have had a single organization that would have represented farmers and rural Manitoba's views.

\* (2020)

Instead, we have farmers and farm groups at each other's throats in an effort to be the last person or group left in rural Manitoba. To say we are upset by the cultural genocide of the last 10 years would be an understatement. Farmers leave, services leave, and rural communities leave. When is there ever going to be a Government that would address this problem? When will there be leadership in rural Manitoba that will say "enough is enough"? Every time a farmer is lost, we are lessened as a cultural group. You cannot legislate this attitude change, it must come from all of those factions involved in agriculture and rural Manitoba. It must start soon, as we will have one large city in Manitoba with no rural roots left.

To actually offer a critique of Bill No. 28 is giving it far more attention than it deserves. However, if we are to accept the normal means of expressing concern over the proposed legislation, then a critique we must offer.

In the Act, we go to Part II, Agricultural Producers' Organization Certification Agency. This concept is

probably the most destructive part of the legislation. It would allow, quite possibly, for four urban men with no direct involvement in farming to choose the farmers' organization. If I was a KAP member, I would be quite ashamed to know that a majority of farmers did not choose my group, but a group of "city folk" did. The actual choice of this method by KAP shows how insecure they are about their position in rural Manitoba. It also shows that this Government has not thought through the process at all.

Picture this scenario if we have a new Government in a couple of years. Change the legislation to have the president of the Manitoba Federation of Labour, president of the Consumers' Association of Canada, Manitoba Branch or maybe the president of the Manitoba Medical Association choosing the farm group. These people would be certainly classed as farmer-neutral and would not side with any one group, but what the hell would they have to do with what farmers need?

The question of criteria for choosing the certification group are ludicrous. If membership numbers are a criteria, then the Manitoba Pool Elevators should be eligible. MPE has more members than any other farm group in Manitoba. If being anti-cooperative is a criteria, the Manitoba farm business groups would be the most qualified. If an inability to make a crucial policy decision is a criteria, KAP would qualify (witness free trade, Meech Lake, etc.).

So where does this leave farmers, with no criteria and no effective voice in the choice of their organization? This whole certification-recertification is so undemocratic. It is completely unbelievable that any Legislature would consider the control of this legislation.

Part 3—Collection of Memberships. The incredible weakness of this concept is who is going to pay for the collection process? We understand that a number of businesses have already expressed a concern over the added bookkeeping costs to them. Again, who pays? I guess every farmer does, member or non-member.

Other questions must be asked. When will collection agencies know when they have exceeded \$75.00? How will farmers get the excess back? What will be the percentage taken at any one time? Obviously, this process has not been thought through at all and will not be workable.

\* (2025)

Part 4—Funding of Designated Producer Organizations. If Bill 28 has a conception of one unified voice for farmers, then why would you want to fund other farm organizations? This can only lead to more antipathy between farm groups. Commodity groups become very insular to other farmers. This leads to more competition and does not allow farmers to share common grounds and address common problems.

If commodity groups can vote to be checked off, why cannot every farmer involved in this legislation have the same right? If a 60 percent majority is good for one organization, why is it not good for the general farm organization?

Referring to Part 5—General Provisions. Sort of tongue in cheek, I say to you, appointment of inspectors, we notice in the legislation, appointment of inspectors to check the bookkeeping. Questions to ask: will they be called Keystone KOPs or KAP KOPs? Will they wear black hats with white printing? Will they carry guns? For a Government that espouses getting off the back of the average citizen, they have a strange way of showing it.

In summary, if this Government and KAP really want to do something for rural Manitoba they should: 1) Admit that there is a crisis of monumental proportions in rural Manitoba; 2) Stress that farmers must learn to work and market collectively for the betterment of all; 3) Help put marketing procedures in place that will allow for a Cost of Production formula; 4) Help educate consumers to the true costs to society of the Cheap Food Policy; 5) Move in a direction of sustainable agriculture, one that is less dependent on high cost inputs; 6) Foster an attitude of caring about one's fellow citizens in rural Manitoba rather than one of competitive survival; 7) Pull the farm groups together to start a dialogue of common interest if it is not too late.

Bill 28 in no way addresses the underlying problems of rural Manitoba. It will simply further institutionalize fear, greed, apathy and the exodus out of rural Manitoba. Submitted by, National Farmers' Union.

**Mr. Chairman:** Are there any questions for Mr. Proven?

Thank you very much. We have one question. Mr. Uruski.

**Mr. Uruski:** You criticized Bill 28 in its entirety. If one was to ask you should farmers have the right to have a farm organization in the province—one farm organization—what would your answer be?

**Mr. Proven:** My answer would be that if 50 percent plus one of farmers vote for a checkoff and a farm organization, then that would be the will of the farmers.

**Mr. Uruski:** So that you would be advocating a vote if there was to be a vote amongst farm organizations.

There are provisions in Ontario which allow for more than one farm organization to receive a checkoff, as I understand. How do you view that type of a proposal?

**Mr. Proven:** If you are to listen to the legislation, then the aim of the legislation is the one voice, so it would be difficult to fund a number of organizations to provide a unified voice. Speaking as our organization, we would neither qualify nor would be able to apply for any funding under this legislation.

\* (2030)

**Mr. Uruski:** Mr. Chairman, why would you not qualify to be certified as one organization under this legislation?

**Mr. Proven:** Our national Charter would preclude that as a national organization.

**Mr. Laurie Evans (Fort Garry):** Mr. Chairperson, I believe it was Mr. Sigurdson in his address indicated

that he had been talking to me and I had made the statement that public meetings could be heard. This is correct, but what I would need to know from you is what justification do you feel there is for having public meetings. My statement that there could be public meetings was based on the necessity of getting more information out there. I am wondering whether you still feel that there is lack of understanding of what is the intent of this motion that would justify having public hearings?

**Mr. Proven:** Certainly, Laurie, there is a lack of information among farmers. If you ask farmers what Bill 28 or 29 were, I would hazard to guess that 75 percent to 80 percent of them would not know what you are talking about. They probably will start noticing it when they get it deducted off their cheque. That is the road we are heading on right now.

When they will find out, their first reaction will be what in the world is happening? Really, I think Government has a responsibility to find out what people think. KAP has never had 50 percent of the farmers in Manitoba, the National Farmers' Union has never had 50 percent of the farmers in Manitoba join to it.

Really, what we are entering here is a totally undemocratic situation where Government is picking somebody out and saying we are going to provide you with legislated funding just because we sort of like you, or I do not know what exactly the criteria was.

**Mr. Laurie Evans:** I was wondering, Mr. Sigurdson, whether you would speculate as to what percentage of the farmers in Manitoba, if I walked up to them on a single basis and said do you understand Bill 28, and know the implications of it, could they give me a fairly detailed understanding of Bill 28, and what percentage of it would be prepared and able to do that?

**Mr. Proven:** Like I said, Laurie, I figure that probably 75 percent would not know.

**Mr. Laurie Evans:** Would not know.

**Mr. Proven:** Yes, that is right. Again, I am just guessing, it is just a ballpark figure.

**Mr. Findlay:** I would like to ask Mr. Proven a couple of questions, please. You indicate that you would prefer a vote of 50 percent plus one determining if there should be a general farm organization. If that vote was held, you would say then that 100 percent of the farmers would have to be checked off. They would have no right to object to that checkoff. Is that right?

**Mr. Proven:** We consider that if the majority votes in favour, then the majority would rule.

**Mr. Findlay:** That means that everybody would be forced to pay a levy. Is that right?

**Mr. Proven:** We said that if they vote in favour of a farm organization, then we would discuss whether the compulsory checkoff would be a part of that. I assume the question would be, are you in favour of a compulsory

checkoff for a farm organization? If 50 percent plus one said, yes, then that is what we get.

**Mr. Findlay:** You realize this legislation requires anybody to have a continuous vote, called an up front opt out, if you are a true objector, which you obviously are, that you will never be checked off or never be forced to be checked off, because you have that right to opt out or exercise your vote; to opt out or opt back in later on if you so desire. I would consider that somewhat more democratic than forcing everybody to have to abide by 50 percent plus one.

**Mr. Proven:** What you are saying here, though, is 25 percent of the farm population—if KAP represents 20 to 25 percent—are dictating to the other 100 percent, because it is a tune of semantics. If you want me to define voluntary and compulsory, I will. Voluntary to me is when somebody asks me if I want to join and then I sign up. Compulsory to me is when you are already on the list and you have to write a letter back saying, I do not want to be on the list.

**Mr. Findlay:** I consider that pretty voluntary if you have the right to say you do not want to be checked off.

**Mr. Proven:** Necessarily, we are going to agree to disagree on what the terms voluntary and compulsory mean.

**Mr. Chairman:** Thank you. No further questions? Mr. Penner.

**Mr. Penner:** One question. Are you of the view that this will restrict other organizations from existing in the province?

**Mr. Proven:** I do not think there is any question that it will restrict. If you give one organization the kind of war chest, the compulsory war chest that they will have, then the difficulty in organizing farmers is going to be made a hundredfold harder, no question.

**Mr. Penner:** Again, one step further. Do you see that this would restrict a national organization from existing in the province?

**Mr. Proven:** Absolutely not. We will exist for as long as we have members, but also we have to speak for farmers of Manitoba and that is what we are doing now.

**Mr. Penner:** Do you say that the provisions that are provided under this Bill which give the right to any farmer to indicate that they would like their contribution to a farm organization to be subtracted from income derived of a farmer, is that a right that a farmer should have?

**Mr. Proven:** I guess the discussions we have had are, if you market one hog, do you take the whole \$75 off that one hog which would then leave you with \$5 plus your stabilization payments? If you market two sheep, does that take the whole membership? Again, what we are saying to you is, in the legislation you have given

the farmers no chance in selecting the farm organization. You have given four people with no relationship, other than an academic one to farming, to choose the organization.

**Mr. Penner:** I would still like Mr. Proven to answer the question. I would still like to know from Mr. Proven whether he thinks that farmers should have the right to indicate that they would like a deduction to be made off of income to support a farm organization?

**Mr. Proven:** If they vote for it, yes. Checkoffs are not an anathema towards the farmers' union policy. Checkoffs in favour of a marketing action are favoured by us. This has no marketing action. It does not strengthen the farmer in the marketplace at all. But if 50 percent plus one voted for the privilege of being checked off from their sales, then that would be democracy.

**Mr. Penner:** Are you of the view that you have, if you are given the right to object to whatever, that that is a right that you should maintain?

**Mr. Proven:** I think the right has to come up front. That is a voluntary right, not a compulsory right.

**Mr. Penner:** Would you agree that if a deduction is made off your income, for whatever means, that you be given the right to ask for a refund or an indication that that deduction should no longer be made? Would that be a clear indication that you no longer want that to happen?

**Mr. Proven:** I think again, as the Minister of Agriculture asked if I voluntarily say that I want to be checked off, then that becomes voluntary. This is not voluntary.

**Mr. Allan Patterson (Radisson):** Am I correct in assuming from what you say that you are against the concept of one, more or less, single voice for Manitoba farmers, or is it that you seem to have an antipathy towards the KAP.

**Mr. Proven:** To say I have an antipathy towards KAP would not be true. Some of their viewpoints we have agreed to disagree on but we do function together, as I mentioned in the brief, and we have functioned together on a number of occasions. What I am against is the fact that there has never been any groundwork done to provide farmers with a common way of meeting the problems head on. As I said in the start of our brief, that without having common goals, without having some common view to what we want, then you cannot legislate that common view. You cannot do it. We are so divided now that I would estimate it would take 10 years of hard work to bring farmers around to one looking at what we need in rural Manitoba to save rural Manitoba, just by talking with each other. Once we thrashed it out as farm organizations then maybe we could be looking at legislation that would make it compulsory for there to be one organization.

**Mr. Patterson:** What would you advocate, just various commodity groups?

**Mr. Proven:** I am not in favour of just commodity groups. As I mentioned in the brief, commodity groups become insular. It always has been that way amongst farmers. The National Farmers' Union does not operate in that function. We have all commodity groups who are involved in making policy. I sit beside apple growers from Prince Edward Island, potato growers from Prince Edward Island, apple growers from Nova Scotia, and we make a common agricultural policy that we think will work for all farm operators. We realize that there are differences in our marketing and our markets but we also realize that we have a common goal in wanting to retain what we have in rural Canada. So I am not against everybody being together. I am for that. But historically we have always had the play off of different commodity groups, one against the other. Cattle people want cheap feed barley, so they will work for cheaper feed grain. Feed grain people want the export price. We have the commodity groups working against each other now but we cannot legislate them together.

**Mr. Patterson:** Well, what do you mean specifically by retaining what you have in rural Manitoba or any other province, for that matter, how do you see this as attacking that?

**Mr. Proven:** It does not address the fundamental problem and that fundamental problem is you cannot legislate an attitude of cooperation. You cannot legislate unity.

\* (2040)

**Mr. Patterson:** Yes, but in what specific way does this attack what we have in rural Manitoba today, and that presumably you feel is desirable to maintain?

**Mr. Proven:** What do I believe we should retain in Manitoba?

**Mr. Patterson:** In what specific way do you feel this attacks what you are trying to protect—

**Mr. Proven:** Well, by legislating—

**Mr. Patterson:** —what you have in rural Manitoba?

**Mr. Proven:** Okay. By legislating one particular philosophy you do not allow the other philosophies to have a discussion or input into formulating farm policy, and that is exactly what will happen.

**Mr. Chairman:** Thank you. Mr. Uruski, you had one final comment.

**Mr. Uruski:** Mr. Chairman, in your brief you talked about the appointments of the certification agency being the most destructive and being urban-oriented, or just about urban-oriented, as President of the Union of Manitoba Municipalities was an elected politician. If you were to have a group which was to do any kind of viewing or determining, who would you recommend as being appointed to a group, or would you?

**Mr. Proven:** I would not allow any farm organization to give up the right, or farmers to give up the right,

to elect their own organization. This is purely undemocratic that you would allow four people with no relationship to agriculture other than I said, purely coincidental, to select a farm group for farmers. It is ridiculous. There is not another segment of society which would allow that to happen to themselves. Teachers would not; MLAs would not; you would all go back to the voters to be selected. I think that is all that farmers could ask for.

**Mr. Penner:** Mr. Proven, under what section of the Act do you see the rights to elect the organization taken away?

**Mr. Proven:** Under the Agriculture Producers' Organization Certification Agency which is appointed by the Minister of Agriculture.

**Mr. Penner:** Unless I misunderstand that section of the Act, that section would only identify the organization that would be provided with the funding mechanism. I am not sure whether I understand correctly what you are trying to say. I wonder if you are trying to indicate to the committee that other organizations would not have the right to exist or be funded by whatever mechanism they chose to in this method. I am wondering, the question is to you, do you see the right to elect organizations, or the directors of an organization, being taken away from farmers through this method?

**Mr. Proven:** I am certain that the directors within the organization would be elected in the same way as they are now. But given that if you choose the one organization, KAP, with 5,200 members, if they were selected by the Ministers or this legislation's selection group, then they would be selected for the 20,000-plus farmers which, to me, means that you eliminate 75 percent of the farmers from having an actual vote on a group that will represent them.

**Mr. Penner:** Mr. Chairman, I am wondering under section of the Act you would find that it is indicated that all farmers must belong to this organization, or any given identified organization.

**Mr. Proven:** Again, we will enter into the semantics of compulsory and voluntary. I know I am not allowed to ask questions but, Mr. Penner, what is your definition of voluntary and what is your definition of compulsory?

**Mr. Penner:** The other question, Mr. Chairman, is what section of this Act do you see philosophies enshrined? You indicated in your remarks a little while ago that a certain philosophy was enshrined by the Act. Could you identify for us, please, which section of the Act you see the philosophy that you were referring to enshrined in this Act?

**Mr. Proven:** No, I do not think I mentioned it.

**Mr. Penner:** I am sorry, Mr. Chairman, then I misunderstood.

**Mr. Proven:** I never mentioned that any philosophy would be enshrined. Just a group.



**Mr. Penner:** Okay. Thank you.

**Mr. Findlay:** Just one quick question. You represent the National Farmers' Union. How many paid up members would you have in Manitoba right now?

**Mr. Proven:** Eight hundred.

**Mr. Patterson:** I feel a little concern with what seems to me to be your attack on the Faculty of Agriculture at the university. I speak, first of all, not as a farm boy, and I have not worked in agriculture or agribusiness, but nevertheless, I am an agricultural graduate from the Ontario Agriculture College and a recently retired faculty member of the University of Manitoba.

It seems to me that the dean of any Faculty of Agriculture in Canada would have a significant farm background as with any directors of the various schools and the president of the Manitoba Institute of Agrologists. The only individual I see here whose office's name conceivably could not be a farm boy, so to speak, or farm girl, would be the president of the Union of Manitoba Municipalities who may not have that experience.

I would like to speak somewhat in defence of my two colleagues here, the the Honourable Minister, a former member of the faculty, and my colleague, the Member for Fort Garry (Mr. Laurie Evans), who still is. Persons of this ilk, I think, have the interests of agriculture and farmers generally very much at heart. I cannot understand your, as I say, what I perceive to be your attack on them.

**Mr. Proven:** I will try and draw an analogy. Did you say you were part of a faculty once?

**Mr. Patterson:** Not of agriculture.

**Mr. Proven:** Not of agriculture.

**Mr. Patterson:** The University of Manitoba.

**Mr. Proven:** As I recall, the U of M has a number of labour unions along with the faculty association that involve themselves in bargaining for their respective bodies—the people who work within the buildings, the custodians, the guards, controllers, a number of different unions.

What you are saying to me is that with legislation, if we took the University of Manitoba, threw all those unions together but had a certification body, the certification body would then be allowed to choose the particular organization within that university that would represent all of the unions together. To me, that would be analogous to what you are doing here. Therefore, there would be no faculty organization, no Canadian Union of Public Employees. There would just be the certification agency choosing which one would best represent all the unions on the University of Manitoba campus. If we took numbers, it would not surprise me, but CUPE might be the largest organization and would therefore represent Mr. Evans or Mr. Findlay if he was still there working.

\* (2050)

**Mr. Patterson:** I do not quite buy your analogy. The proper analogy you should be making is with the faculty itself. Where we have in the university several faculties—Agriculture, Engineering, Management, of which I was a member, and Arts, Science and so on—they are all the professoriate, all with different specific interests but nevertheless directed towards the same goal of education, research, teaching and service but in different specific areas in the same way that farmers have different commodities, but to throw the other support groups in, the analogy falls down.

**Mr. Proven:** I think we will probably disagree because I would think that in the labs that I can remember at the University of Manitoba, if it were not for the staff who cleaned the labs up and worked with the projects, then you would have had no operation of that university. So it seems to me that you are all together in one.

**Mr. Chairman:** Thank you for your presentation.

I call the next speaker, Mr. Ed Guest of Western Grain Elevator Association. Before you start, Mr. Guest, we would request of committee members and presenters to wait until they have been recognized by the Chair to speak. By recognizing each speaker, it enables our recorder to activate the proper microphones.

**Mr. Ed Guest (Western Grain Elevator Association):** Honourable Ministers, Mr. Chairman, Committee Members, Ladies and Gentlemen.

I would first like to point out that I have one of my senior principals here with me today, Mr. Greg Arason, and if during question period you have some questions for either one of us, we would be more than pleased to answer them.

We welcome the opportunity to appear before you today to discuss this Bill which is extremely important to both the agricultural producer and our industry in total.

We are here today representing the Western Grain Elevator Association. Our association consists of the major grain companies that would most seriously be affected by The Agricultural Producers' Organization Funding Act, Bill No. 28. A list of our member companies is attached to the paper that you have been presented with today for your ready reference.

You can well imagine that we are fully dependent on the success of the agricultural community for our existence. In that regard, we are compelled to address the issue before you.

In order to be in a position to market grain, there must be an elevator system in place, a system that can respond to the needs of the producers and the marketplace. This system, commonly called the country elevator system, is subjected to the many cost factors facing all other industries in Canada and we must recover those costs in order to stay in business. Over the years, rules and regulations have been placed on the industry that cost operational dollars. There is only one source for that revenue and that source is the agricultural producer.

Many stories have been circulated in the media lately as to the producers' plight due to ever-increasing costs of doing business. One of these cost items has certainly been elevator tariffs. Grain companies, over the years, have been asked or told that they must perform functions that are not related to grain company operations. In an effort to cushion the effects and to still remain in business, tariffs to producers have been increased as marginally as possible. We certainly have no difficulties in justifying tariffs to cover our operating costs, but we are being forced to include many costs over which we have absolutely no control, such costs as those proposed by Bill No. 28. Producers should know up front what their costs are and what services they are paying for.

Let us first say that we are not opposed to a producer check-off system if that is what producers want. If such a system provides funds or research and development that assists producers in their operations, it may well benefit the entire agricultural sector, including our member companies. To collect funds on a compulsory basis for any other reason should be at the discretion of the individual producers. The Bill before this committee today generates confusion and will be costly to our industry. We are also certainly concerned with the potential producer resentment it may cause.

Bill 28 will cost producers a considerable amount of dollars. According to the 1986 Government of Canada Census, there were 27,300-plus agriculture producers in Manitoba. At \$75 per producer, that raises in excess of \$2,000,000.00. Of that total, there are over 20,000 grain producers and their share of the up-front costs will be in excess of \$1.5 million. This, of course, does not take into consideration the hidden costs to producers that are certainly associated with this Bill.

Our member companies and others are being told that they must:

- maintain and scrutinize a list of producers selling \$500 or more of agriculture products;
- they must make the dollar collection;
- they must record the transactions;
- they must be responsible for banking the monies;
- they must pay those monies out within 30 days of receipt;
- they must maintain records for 2 years;
- they will possibly be required to collect fees and maintain records for multipurpose organizations;
- they will be subject to inspections;
- and they will be subject to fines and liability for fees and interest for something that is not in our company's operations.

These records and transactions cannot be accomplished at no additional cost. At the absolute extreme minimum, our companies will be out of pocket between \$6 and \$10 for each transaction handled. In total, this provides again, at the minimum, extra costs from \$120,000 to \$200,000 with a potential costing of as much as \$275,000.00. Those are pretty high administrative costs. Bear in mind, gentlemen, that these are minimum numbers. This could end up costing Manitoba producers for the checkoff as much as \$2.25 million.

Our companies must be reimbursed for their costs of operations. Producers should certainly know what their costs are. The costs should not be hidden, which creates false impressions if they are hidden in tariffs. The Agricultural Producers' Organization Certification Agency should have to reimburse the companies for their expenses. Regardless of how the reimbursement is made, it is still a cost to producers.

Bill 28 imposes financial burdens on the grain companies for non-grain business and then makes the companies liable for fines of up to \$1,000.00. This is extremely unreasonable and certainly unacceptable. There is definitely no justification whatsoever for imposing liability on a company for procedures that have nothing to do with their business operations. Our elevator personnel are employed to carry out the business of operating a grain elevator and not to be a collection agency for other agencies.

The formation and maintenance of lists will cause confusion and marketing problems for both producers and grain companies. As the program is not mandatory, our member companies will have no way of verifying who has written, on short notice anyway, to have their names withdrawn from the list. With only partial lists, producers may deliver to companies where their names do not appear to avoid payment. To add to the problem, many producers sell both grain and other products such as livestock and dairy products. Further, of the 24,000 permit bookholders in Manitoba, many hold more than one permit book. Companies should not be confronted with the confusion and ill will that could be caused by such circumstances.

\* (2100)

In summary, Mr. Chairman, we feel The Agricultural Producers' Organization Funding Act, Bill No. 28, will be detrimental to the grain industry; be a costly program to administer both for producers and grain companies; will not provide the companies with reimbursement for their time and services; will provide for unacceptable liability on the companies; will certainly be confusing and generate ill will. Producers should be aware of all the costs they are being faced with. They should be able to see the returns for those dollars.

We are strongly opposed to hiding costs to producers. If hidden, all Manitoba producers will pay whether they have opted out or not. Agricultural companies should not have administrative costs levied on them for non-grain business. Grain companies should not be made liable for operations which have nothing to do with them. Producers and grain companies should not be put in a potential adversary position as these lists may put us.

Finally, Mr. Chairman, it is our recommendation that Bill No. 28 creates too much confusion and is too costly to producers and agricultural companies to be passed, at least in its current form, at this time.

We will certainly be pleased to answer any questions you may have and would, at your request, work with you further on this matter. Thank you.

**Mr. Findlay:** I would like to ask Mr. Guest if he takes any checkoffs now on a producers grain check?

**Mr. Guest:** I alluded to that earlier in that there are a number of checkoffs that the companies have to perform that are costing the companies money, that are hidden costs to the producers, and it does generate ill will to the grain companies because the farmer says, why are your tariffs so high? We are not like the gas companies who have a sign on their gas pumps saying our share of the revenue is "X" and the Government's share of the revenue is this, or the other agency's share of the revenue is such.

**Mr. Findlay:** Would Mr. Guest like to identify those checkoffs?

**Mr. Guest:** You put me in a little bit of a spot. I cannot answer all of them. I might defer to Mr. Arason for some of them.

**Mr. G. Arason (Manitoba Pool Elevators):** The main checkoff or levy that we collect and forward is the Western Grain Stabilization.

**Mr. Findlay:** What does that cost you per transaction?

**Mr. Arason:** The cost that we have and the cost that we developed here, which are cited in our brief prepared by one of our member companies, indicate that these kinds of bookkeeping efforts cost us in the range of \$6 to \$10 when we do it.

**Mr. Findlay:** Are you reimbursed for those costs for WGSA?

**Mr. Arason:** Partially.

**Mr. Findlay:** What amount?

**Mr. Arason:** Right off the top of my head I cannot tell you Mr. Findlay. I know we do receive some return.

**Mr. Findlay:** You say \$6 to \$10.00. Would you like to itemize those figures for me to see how you come up with the \$6 to \$10 cost?

**Mr. Arason:** I will not break the cost down. I will tell you the things that we foresee having to do, keep records, which involves people, probably take up space on our computer systems, which are already overtaxed as far as capacity goes. We are currently rationing our operational systems, and in the light of the farm situation and what we have done with our costs, we have held back on computer expense but it is a significant expense. The fact that we will be subject to review at any time. The subject that will be liable to fines and I know who any person is when it comes to fines in our organization because I am the guy that is at the end of the line. The cost of providing staff and the elevator is a significant cost. The more bookkeeping and the more transactions they do, the more people we have to have around. These things tend to happen at times of the year when other activities, grain comes in when we are selling farm supplies and we are selling fertilizer. It cannot be evened out through the year. So we have peaks in our workload.

**Mr. Findlay:** You must have done some analysis to determine the \$6 to \$10 per transaction. I would like

to ask you how many people you would have to hire in addition to what you presently have on staff now?

**Mr. Arason:** As I said, this is an association presentation. Those numbers were prepared at the association's request by one of our member companies. I was not the member company that provided that information.

**Mr. Findlay:** In other words, you are saying you cannot verify these figures?

**Mr. Arason:** Not specifically. We gave you a range. We think it is reasonable.

**Mr. Findlay:** If you were to receive reimbursement for your true costs of doing this, would that satisfy the gist of your presentation here tonight?

**Mr. Arason:** It would go a long way towards satisfying our concern, yes. We feel that we have been ignored and not consulted on this as an industry and as organizations in businesses that will be responsible for a large part of the workload.

**Mr. Chairman:** Other questions? Mr. Uruski.

**Mr. Uruski:** In your brief, Mr. Guest, your association, does it cover all the elevator companies operating in the Province of Manitoba or are there any companies operating outside of your association?

**Mr. Guest:** There are two or three small elevators other than represented by our members.

**Mr. Uruski:** Would Mr. Guest indicate that the majority of the 20,000 grain producers that are in the province would be deliver through the organizations that support this brief?

**Mr. Guest:** Yes.

**Mr. Uruski:** In your brief, you talked about confusion. We have had earlier presentations indicating that most farmers really do not understand what is actually going on at the present time. Would your association recommend that there be public hearings on this legislation and to hear farmers views and others who may wish to present views out in rural Manitoba?

**Mr. Guest:** I think I stated earlier that our concern is that (1) it will costly to the system; and (2) that there can be confusion for member companies. Whatever is done to eliminate both of those things would be fine.

**Mr. Laurie Evans:** I would like to ask much the same question that Mr. Uruski asked, and that is, of the farmers that your represent, what percentage of them do you feel are adequately informed about Bill 28 and the implications of it to them as individuals?

**Mr. Guest:** I am sorry, I really cannot answer that question. We are not here representing farmers and farm organizations. We are here representing the grain

companies that would, under this Bill, have to handle the transaction, so I really cannot answer that question.

**Mr. Laurie Evans:** Can you give an opinion, based on the farm membership of the companies that belong to your organization? Are you satisfied that there is good understanding of this legislation within the farming community?

**Mr. Guest:** I can only answer your first question, that I cannot give an opinion because I do not have one at this time, I am sorry.

**Mr. Penner:** Do all the companies that you represent in your association hold the views that have been expressed here by you and Mr. Arason?

**Mr. Guest:** Yes, they do.

**Mr. Penner:** Mr. Chairman, how many of these companies operate in Manitoba?

**Mr. Guest:** All except Saskatchewan Wheat Pool and Alberta Wheat Pool, I am sorry, and Weyburn Terminals. There are three.

**Mr. Penner:** Are the majority of these companies farmer owned, that operate in Manitoba?

**Mr. Guest:** No, they are not.

**Mr. Penner:** Excuse me, the question is are the majority of the companies farmer owned?

**Mr. Guest:** No.

**Mr. Penner:** Do the companies that are represented by your association lobby on behalf of the farmers?

**Mr. Guest:** The companies that I represent are certainly supportive of farmers, because without them and without them being successful our companies would not be in business.

**Mr. Penner:** Thank you.

**Mr. Findlay:** I would like to ask Mr. Arason. Manitoba Pool, which is where he works, had a meeting of its delegates here not too long ago. Was Bill No. 28 addressed by the delegates? Was there a position taken by the delegates with regard to the presentation you are making here tonight?

**Mr. Arason:** No, as Bill No. 28 was not the subject of debate at our annual meeting. The position that I am representing here tonight is the position of an association of which Manitoba Pool is part, and it is in association of operating companies.

**Mr. Findlay:** Your former owned cooperative, I would understand.

**Mr. Arason:** That is correct.

**Mr. Findlay:** The farmer, or the delegates that represent those farmers, were not asked on this important question?

**Mr. Arason:** The process we go through in our organization, as far as taking policy positions or positions on questions such as this, are not normally initiated by management. They are normally initiated by the members themselves.

The delegates, if I can explain, our policy positions and the debates that take place at our annual meeting are based on resolutions that come from the grass roots. They are not resolutions introduced by management and we did not ask them.

**Mr. Penner:** That is my next question. Did you, as management, ask your delegates if they supported the position you are bringing forward here tonight?

\* (2110)

**Mr. Arason:** No, we did not. I can tell you that I had discussed this issue with our board of directors and informed them that I was going to be here tonight in my capacity as a member of the Western Grain Elevator Association, and I am here, if that clarifies anything.

I should say that while the association supports this brief, in its present form, it is a brief that is representative of a group of varying opinions. There is some opinion, I think, in our association it is fair to say that would say, stop the Bill altogether. What we are saying, as an association, is that we think it has some deficiencies; we think those deficiencies should be addressed. We are not objecting to the principle as much as we are objecting to the mechanics.

**Mr. Findlay:** I will repeat my earlier question. If you receive compensation for a fair cost, would that address your major concern?

**Mr. Arason:** I think that is the substance of our brief. Their major concern is the cost and the fact that those costs are not obvious, and those costs will be absorbed or passed through our tariff structure.

**Mr. Laurie Evans:** Mr. Arason, are you in the position to answer the question that was asked of Mr. Guest? What percentage of the farmers that belong to the Manitoba Pool Elevators are adequately informed about Bill No. 28 and the implications of that Bill to them?

**Mr. Arason:** I am not sure I am in a significantly better position to answer that Mr. Evans. I can say that from reading our minutes that come in from our locals throughout the province, and we have just gone through a series of annual meetings, that this has not been a subject that has been discussed at length in those meetings, from my reading of those minutes. You will appreciate, I think, if you understand the process that Manitoba Pool is going through right now, we have had another subject on the agenda which has tended to dominate the discussion of those meetings. It is a larger question for us as an organization, that is the amalgamation.

**Mr. Laurie Evans:** Mr. Chairperson, I am very concerned. I support this legislation in principle, but I am very concerned about any legislation that is going

to move through the system rapidly and then find out after the fact there are a significant number of farmers who did not understand the nature of the legislation. It is my view, with a Bill that has been in various stages of preparation for a long period of time, I personally do not have any difficulty seeing it slowed up for a period of time, if the majority of farmers feel there is merit in public hearings. What is your view as to the merits, or lack thereof, of public hearings?

**Mr. Arason:** Certainly, representing Manitoba Pool here now, if I can speak—I think I am being asked on behalf of Manitoba Pool—we are an organization, I think, that would support full public discussion of any legislation that affects farmers. We have had hearings on major issues before and I think our members, from discussion, I think if I read our board of directors feeling on this issue, they feel that there would be some merit in delaying the implementation of this legislation so that there could be full discussion with farmers and a better understanding, and not a lot would be lost if we did see that happen. In fact, it could be some significant gain.

**Mr. Findlay:** I would like to ask Mr. Arason if he is aware of there ever having been any meetings out in rural Manitoba by organizations talking about a funding mechanism through a checkoff?

**Mr. Arason:** Yes, I am aware of that.

**Mr. Findlay:** How many of those meetings might there have been in rural Manitoba over the last two to three years?

**Mr. Arason:** I am aware that, for instance, KAP meets regularly. I am also aware that a number of our members, a good portion of our members, belong to that organization and, as such, have had discussion of the general issue through that process.

**Mr. Findlay:** You did not give me a number of meetings, but would you say there has been a general discussion, over the last two to three years, on this particular topic amongst farmers in general, through meetings of all shapes and descriptions?

**Mr. Arason:** I would not disagree with the suggestion that there have been meetings around the country. Where I would question was whether there has been significant discussion of the various aspects of this Bill and, in particular, the way it was worded. As I said, it is not our intention here to object to the notion of a general farm organization or the funding of such. It is some particular aspects of this legislation that gives us concern.

**Mr. Findlay:** I am just going on the statements to the previous answers. I think you have indicated some interest in whether the legislation should continue or not continue. So I would have to ask you if you, as a representative of Manitoba Pool, support the concept that there should be a funded farm organization that can speak on behalf of farmers in Manitoba?

**Mr. Arason:** I think our organization would generally support that. We have had various discussions, in our

annual meetings in the past, perhaps not this year but in the past we have had discussions of the concept. As you can appreciate, there have been opinions on both sides, and you are probably going to hear those tonight, because we do represent a broad cross section of farmers. But in general, I would think that—and I am on a little thin ground being a management person trying to speak on a policy issue. I think, in general, we could say that.

**Mr. Penner:** Mr. Chairman, I would like to ask Mr. Arason, and I see that one of the directors of MPE is also here, if he feels too uncomfortable answering some of the questions I certainly would not blame him. Maybe one of his directors might answer in his place seeing we are dealing with some of the questions that deal, or that deals specifically with the membership.

I am wondering, Mr. Arason, if your company being a—and we are all aware—being of farm member-owned company and also are quite aware that you do lobby on, specifically your company, lobbies on behalf of farmers at times. Do you see that it would be possible for your company and your board of directors to enter into the kind of lobby efforts, on behalf that they do periodically, and belong to organizations that they do and enter into various discussions at various levels, even into world organizations? Would it be possible for them to do the kind of work they do, on behalf of farmers, if they were forced to depend on voluntary contributions to fund those kinds of activities?

\* (2120)

**Mr. Arason:** Certainly, there is no doubt the pool and the pools have had a significant interest in farm policy issues and will continue to do that. I think through our delegate structure and through our membership structure, local committees and subdistricts, whoever, they see that as a cost of doing business in a cooperative and that is part of and it is up front. We present them with a statement every year that says what prairie pools cost them, and they know to the nearest dollar what our fees for organizations like CFA and our input into prairie pools is.

They accept those costs and they recognize them as part of the operations in Manitoba Pool Elevators. They, whether they are voluntary or not, it may be a moot question because they recognize that as part of the cost of Manitoba Pool and hence portrayed directly to them.

**Mr. Penner:** Can you tell us how you collect those fees?

**Mr. Arason:** They are part of the budgets that we present, and they are assigned to our various operating departments as overhead costs on a percentage basis.

**Mr. Penner:** In other words they are collected through the marketing of grain?

**Mr. Arason:** Partially.

**Mr. Penner:** Thank you.

**Mr. Findlay:** Could you give us a figure as to what it would cost for every member to carry out your lobby efforts on behalf of farmers?

**Mr. Arason:** I do not have a grants and donations budget in front of me, but it is in the hundreds of thousands of dollars, I can assure you of that. With our fees to prairie pools and CFA, the costs of having our directors attend meetings, travel costs, our president, the vice-president, etc., preparation, research. We have a policy research analyst that does work on policy issues as a staff person, that is a cost.

**Mr. Findlay:** Those costs, would you call them voluntary or compulsory, going by the previous definitions we heard here this evening?

**Mr. Arason:** They are costs that members of Manitoba Pool have accepted as being legitimate. They put forward resolutions. They expect us to carry them to the various levels of Government. They recognize the costs that are involved in doing that and they have continued to indicate they want us to do that. I would say that we do not put a per person dollar amount on that, but they are well aware of the costs when they see our annual statement every year, and our delegates are presented with those numbers.

**Mr. Findlay:** Does an individual producer delivering to your organization, delivering grain or doing business with the organization have any opportunity to opt out of those costs?

**Mr. Arason:** Only to the extent that he can choose not to do business with Manitoba Pool Elevators.

**Mr. Chairman:** Thank you, Mr. Arason. Our next presenter is Mr. Edward Hiebert.

**Mr. Harapiak:** Mr. Uruski has a brief that was given to him by Mr. Hiebert to be read into the record, and I am wondering if maybe we should leave that until the last.

**Mr. Chairman:** Okay. Is that the will of the committee? (Agreed)

Our next presenter is Mr. Tom Dooley from the Keystone Agricultural Producers. Mr. Dooley.

**Mr. Earl Geddes (Keystone Agricultural Producers):** Mr. Chairman, Mr. Dooley is with us as an assistant, as our solicitor. I am Earl Geddes, and I will be the next presenter, I believe.

**Mr. Chairman:** Go right ahead then.

**Mr. Geddes:** Forgive me for the glass of water. I have a bit of a cold.

Mr. Chairman, Members of the committee, those of us representing Keystone Agricultural Producers here this evening, I have my first and second vice-presidents here with me, as well as one of our other executive people, our general manager, Bob Douglas; our assistant in the office, Mac McCorquodale; and also

our solicitor, Mr. Dooley, with us this evening. We have chosen to represent one presentation from our organization at this time, although there are many producers out there who would love to be with us this evening.

Keystone Agricultural Producers, more formally called "the KAP," are pleased to have this opportunity to express a number of views for consideration as you deliberate the disposition of Bill No. 28, The Agricultural Producers' Organization Funding Act.

Our remarks will be relatively brief because the KAP, over some years, has sought this type of legislation embodied in Parts I to III of Bill No. 28 and, therefore, fully supports the adoption of this Bill by the Legislative Assembly.

The KAP believes this is becoming ever more evident to agricultural producers in Manitoba that their livelihoods and their resulting quality of life are often influenced more by decisions which are made by others "beyond the farm gate" than those production and marketing decisions which they make on their individual farming operations.

The KAP believes, as well, that it is becoming increasingly evident to agricultural producers that if their contribution as a highly productive sector of society in Manitoba is to be appropriately recognized, they collectively need to provide themselves with effective, unified, adequately funded, representative vehicles to protect their interests whenever and wherever decisions which affect their lives are made.

In raising these two thoughts, we are not suggesting for a moment that they represent a totally new revelation for agricultural people in Manitoba. Quite the contrary, there is a long history beginning at approximately the turn of this current century of attempts by forward-thinking people in the farming community to establish united organizations to effectively represent their policy interests.

A glance at the history to which we refer indicates that while some farm policy organizations did achieve some considerable successes for a time, their fortunes eventually waned and new ones were established to replace them. A closer look at the history reveals that more often than not the organizations to which we refer fell victim to the repeatedly proven reality that funding based on an annual, individual solicitation basis is extremely costly and difficult to maintain.

There are some who feel that if memberships in a general farm policy organization are not obtained by means of an annual membership solicitation campaign, such an organization might "lose touch" with its constituents, those being individual farmers. The KAP, to the contrary, believes that with more adequate funding a general farm policy organization could be much more effective in the two-way communications process with its constituents with the added benefit that the significant resources, both being human and monetary, previously dedicated to membership solicitation activities could be directed to the more important tasks of developing sound agricultural policies and working toward the enhancement of farm life off the farm.

\* (2130)

Since its inception in 1984, KAP has maintained a publicly stated objective of striving to achieve the development of a more adequate and stable means of generating adequate funding to operate an efficient general farm policy organization. Members of the Legislature have, on a number of occasions since that time, been asked to assist farmers in achieving this objective by creating a mechanism to facilitate the collection of membership fees. The legislation provided in Bill No. 28 would provide such a mechanism.

Some members of the committee will be aware that since 1972, farmers in the Province of Quebec have benefitted immeasurably from the efforts of a very effective general farm policy organization, l'Union des Producteurs Agricoles, (UPA) to which all agricultural producers in Quebec are required to belong and contribute membership fees.

In the course of the discussions which have taken place over time preceding the introduction of Bill No. 28, there have been some who have expressed a belief that farmers should be asked, by referendum, whether or not they would favour the establishment of a membership collection mechanism for a general farm policy organization, based on deductions from agricultural marketings. We would remind the committee that other important agricultural entities in Manitoba have been put in place without a vote amongst those affected.

The KAP believes Bill No. 28, as drawn, provides for an ongoing referendum amongst producers. First of all, specific provision has been made for any certified organization to be challenged for the right to use the fee collection mechanism.

Secondly, with producers having been left the right to choose whether or not to participate, unwillingness on behalf of any producer to allow his or her membership to be renewed in any given year would be a very effective way to indicate a lack of confidence in a certified organization.

We understand that a number of purchasers of agricultural commodities, whose assistance and cooperation would be required by the adoption of Bill No. 28, have raised some questions relating to the extent of additional effort required on their behalf by the legislation and also its implications with respect to the confidentiality of their business dealings with their clients.

The KAP believes that those who buy farm produce must be assured that the responsibilities of the purchasers would be restricted to those delineated in the Bill, and that responsibility for the development of membership lists, including the elimination of duplication of deductions, etc., would be totally that of the certified organization. The KAP would envision that the effecting of the collection mechanism across the various commodities would take place gradually, beginning with those purchasers whose records of transactions with producers were most readily accessible.

The KAP also believes that the certified organization would also be obliged to consult very closely, and be

prepared to establish both agreements and special procedures designed to ensure the confidentiality of producers and purchasers, a term missed out of your presentations, business dealings.

The KAP believes a general farm policy organization, aided by the mechanism provided in Bill No. 28, could truly have its finger on the pulse of the farming community in Manitoba. I will stray here, a wee bit from the text in that never before in this province have we had an opportunity to take a look at any particular area of this province and say, how well are they being represented by a farm organization?

The action in this Bill that provides the opportunity for an individual producer to say, no, I do not want any part of your organization, very clearly allows us to go to that area and say, why not? What did we do wrong? Is the elected person the wrong person? Are the policies of the organization wrong? Have we misrepresented something that you wanted us to do? We have never had that ability before in the history of this province. I do not believe Quebec has it now. This legislation in Manitoba would do that very clearly and that is the most positive part, personally, that I see in the legislation.

We believe the existence of a strong general farm policy organization would raise the consciousness of farming people regarding the importance of their act of participation in the consideration of issues which affect them. We believe farmers would want to participate because of the realization that they were contributing towards helping themselves.

Particularly, in times of difficult economic circumstances such as those currently being experienced by agricultural producers, the business of farming can seem to be a somewhat solitary one for those engaged in it. We believe the existence of a strong general farm policy organization would give farm families an extra degree of confidence, a feeling of belonging, a feeling that someone other than themselves was looking out for their interests.

The KAP believes additionally that an adequately funded general farm policy organization could also be of major assistance in a non-partisan manner—and I highlighted that in my text—to the provincial Government and Opposition Parties both in the identification and development of sound agricultural policies which would serve the interests of farming and non-farming Manitobans alike, and in providing valuable support in discussions and negotiations with other Governments and agencies, a support to Government itself.

The KAP has made the Minister of Agriculture aware of a number of minor amendments to Bill 28 which the KAP believes should be made to strengthen its ability to accomplish the objectives for which it was intended. We would like to briefly mention a number of those proposed amendments for your consideration as a committee.

(1) First of all, we believe that in Section 37(1), it should be amended to ensure that no one, other than a purchaser, could be prosecuted under Part 3 of the

Act. In our view, the thrust of Part 3 of the Act is to regulate purchasers, not producers, organizations, the agency or indeed the Minister, and only purchasers should be liable to a prosecution under Part 3 of the Act.

(2) We would recommend that the word "maximum" be eliminated from the heading in the second line of Section 26 and the word "other" be replaced with the word "greater" in order to ensure that any organization which structures itself as a qualified organization is reasonably prepared and able to carry out programs of consequence to the farming community. We do not believe that an adequate job can be done of representing the farming community by an organization charging a very minimal annual fee. Purchasers should not be asked to participate in a collection system unless the amount being collected significantly surpasses the cost of collection.

(3) Although Part 4 does not pertain directly to general farm policy organization, we believe some wording changes should be made to clarify potential questions such as the status under this section of entities which have plans under The Natural Products Marketing Act. Clauses 31(2)(h) and 32(1)(b) attempt to deal with this conflict by identifying whether or not a program is funded under the Act. However, Section 34(1) fails to provide a method of monitoring or supervising whether or not the fees collected are used on the proposed program. We would also suggest that Clause 34(1)(h) be modified to state that only organizations must furnish their financial statements to the agency, not purchasers.

Mr. Chairman, and members of the committee, Bill 28 represents a historic legislation for Manitoba. Bill 28 contains legislative provisions which are of major importance to the agricultural community in Manitoba and which, as such, we believe should be adopted by this Assembly prior to the recess of this Session.

\* (2140)

Those currently holding leadership responsibility in Keystone Agricultural Producers believe Bill 28 represents a major step towards the achievement of the stability in general farm policy representation in Manitoba which has been so diligently sought after by agricultural leaders in Manitoba for the past 85 years. On behalf of the farming community, we would like to express both our appreciation and congratulations to those Members in Government and those Members of the Opposition Parties for both their foresight and support in recognizing the importance of this legislation and their courage and pioneering spirit in putting it into place.

Thank you very much, and I would be prepared to answer whatever questions you may have.

**Mr. Findlay:** I would just ask Mr. Geddes. On how many occasions has the general concept of what is embodied in this legislation been discussed across Manitoba at farm meetings?

**Mr. Geddes:** I could do a rough calculation for you, but I know that back in 1983, when the concept of a

general farm policy organization was initiated by a group of people, that group of people met in 23 communities around the province in I believe December, or I think it was January '84—I am sorry—and then again in April of '84 in 16 communities. I know that since that time, on an annual basis, there have been 12 meetings around the province, and I would venture to guess that this topic has been discussed at each and every one of those meetings, so you can do the calculation. I think quite a few times.

If I might add to that, and I am anticipating a question further to that about the awareness in the community of this proposed action, this type of a funding mechanism for general farm policy organization, and if I might, Mr. Chairman, I would like to just make a comment on that.

**Mr. Chairman:** Mr. Geddes, go ahead.

**Mr. Geddes:** In this past month of November, following the introduction for second reading of Bill 28 and Bill 29, but specifically Bill 28, we have held 12 district meetings across this province—which is I suppose similar to the number of meetings and probably in excess of the number of meetings that would be held in public hearings—where over 1,400 people participated in those meetings and there was a very clear delineation of Bill 28 in those meetings and what its implications were for the farm community.

Early in November, there was a CBC Radio noon show that offered the entire population of Manitoba an opportunity to understand that Bill 28 was done for that purpose. Our newsletter, which goes to in excess of 5,000 farm family homes, more than that many farmers, had a very clear delineation of Bill 28 in it. I have a file of media coverage here right from the Manitoba Co-operator Editorial through several other papers that have very clearly explained the implications of Bill 28. That is over a history of four years now. It is not like it happened yesterday.

I will go back to the question that was asked and I think Mr. Proven answered it for us. When we talked about voluntary or compulsory, his definition of voluntary was that you have to ask each person whether or not Bill 28 does that. That is voluntary in my mind. I would say the general farming public has a better perception—and it may be not specific detail but a general perception—of Bill 28 than they do of any other piece of legislation that you will pass in this Session or any other.

**Mr. Findlay:** Quebec has an organization with a compulsory checkoff. Do their producers have a vote to achieve that checkoff?

**Mr. Geddes:** Yes, they did. It was held in 1971, I believe. The process has been in place since 1972. The significant difference is, however, that in Quebec the formulation used to supply the funding mechanism for UPA is that of the Rand formula which means if you have the majority vote, you must participate. Producers in Manitoba told us very clearly that they did not want that. They told us for the last four years, or four-and-



a-half years now, they do not want an organization that they have to participate in. They want to be able to say no. They can with Bill 28.

**Mr. Uruski:** Mr. Geddes, I spoke to the former Minister of Agriculture approximately a month ago regarding the collections of dealing with UPA. He indicated to me that there was no vote at the time that it was brought in, as well that there was no legislation, but he also indicated to me that although the UPA would want to have a mandatory checkoff, all farmers do not contribute to UPA. Some do not pay. Basically, they in fact opt out unofficially. I think that is generally the position held. I thought there was a vote as well when the checkoff came in.

Going through your brief, I would like to ask you how you read the legislation or your legal counsel reads the legislation for opting out. How do you interpret the procedures for producers to opt out as are written in the legislation? What is your interpretation? According to your brief on page 3, you say, "producers having been left the right to choose whether or not to participate." Could you take us through your understanding of how you see this Bill working in that opting-out provision?

**Mr. Geddes:** Not wishing to disagree but in the development of Keystone Agricultural Producers, one of the resource people that we used outside of our many contacts inside of UPA was Albert Elan who lives at St. Laurent, Manitoba. We visited with him in his home and we had him in meetings in Winnipeg with us. I am quite sure that there was a vote. It may not have been a specifically government-sponsored vote, Mr. Uruski, but there very definitely was a vote in Quebec in regard to that legislation. I agree that some producers do not pay in Quebec, but it is approximately 3 percent of the producers and they are essentially outside of the law in that province by not paying. They do not have a legal right to opt out. It is just very simply the fact that farmers are not apt to take their neighbours to court because they are not participating in that action. They do however publish those names in some of the municipal offices and there is a fair degree of peer pressure in Quebec to participate.

My perception, and it is a very simple one, of how the opting-out mechanism inside the legislation works and if I am incorrect in my perception, I would ask Mr. Dooley to give me a correct interpretation, is that upon receiving a membership list, a list of names and—that is all you receive is a list of names from a purchaser, nothing else, people that have sold more than \$500 to them. This certified organization's responsibility would be to take all of those names and ensure no duplication and, in written form, go to the individual producer and say, your name appears on this list. We are going to submit that list to that purchaser to withhold your annual membership fee. The producer then has the option of saying, no, I would rather it came from another area, or saying, no.

**Mr. Chairman:** Do you have another question, Mr. Uruski?

**Mr. Uruski:** Yes, I have a number of questions, Mr. Chairman. Is Mr. Geddes familiar with the check-off

legislation in Ontario? Is my understanding of it fairly accurate that more than one general farm organization is allowed to receive funding under the Ontario check-off legislation?

**Mr. Geddes:** My interpretation of the present situation in Ontario, and it is having discussed it with members of the Ontario Federation of Agriculture yesterday, is that they are hopeful that a Bill will be entered into the Legislature there. Certainly it has not been drafted at this point. The concept that had been put forward was a joint effort between the Christian Farmers' Federation and the Ontario Federation of Agriculture in Ontario; Christian Farmers' Federation, being a very select and designated membership group, the Ontario Federation of Agriculture being a wide open membership organization. I am not sure there has been a commitment by that Government yet to the type of legislation that they are asking for. I think they are also asking for mandatory legislation, Mr. Uruski, but I may be in error there.

**Mr. Uruski:** Would you be supportive of having more than one agency certified under this legislation if it was possible?

**Mr. Geddes:** Mr. Chairman, the standing policy of Keystone Agricultural Producers has been since our annual meeting in 1985, the first one, that there would be a funding mechanism for one general farm policy organization in the province of Manitoba and I guess that we hear rumours that this Bill is somewhat suspiciously like different proposals that our organization has put forward.

\* (2150)

We see no problem whatsoever with there being more than one organization in the Province of Manitoba, and Bill 28 allows that. But, we do have a problem by designating more than one farm organization to use the mechanism. In our discussions, in our research in putting this organization together, it was painfully obvious which organizations were most successful in Europe, in the United States and in Canada, and they were the ones where there was a good funding mechanism for one organization to represent a particular region.

There was nothing in that research which showed that one well funded organization had a particular philosophical leaning throughout its history; but that had it been able to maintain a secretariat, a research and a so-to-speak lobby section that could be effective on behalf of farmers, plus a communications network that is so necessary today, the quick answer is, no.

**Mr. Uruski:** Mr. Chairman, you spoke about the \$500 limit in terms of where the checkoff begins. In your presentation you suggested some changes to the portion of, or the amount of checkoff based and it relates to the amount that a producer sells of \$500 or more. Do you have some views as to—is the \$500 limit the cutoff? Should it be something different?

Many would argue that sales of \$500 would clearly constitute hobby farming. In fact, you could have one

cow and sell it, and would you envisage a \$75 checkoff if I had one cow? Or, yeah, one breeder turkey, that will be worth \$75, but it will not be worth \$500, or do you view some other amount that should be a general starting off point for a checkoff? You know, where are you at in terms of an organization? I remember in speaking with your executive director that \$500 at the time seemed like going after really, really those who cannot be considered as being actively involved in farming to any significant degree.

**Mr. Geddes:** I think my reference to \$500 in our presentation or in my comments, sorry, was a reference to the point where a purchaser would have to supply a name not, to the point where the checkoff began. I would suspect it would be in the by-law of whichever organization was certified, the level, or the point at which you would begin a checkoff from producers.

The important piece in the Legislation in that regard is in the section which deals with qualifying an organization. In the by-law, an organization must accept into its membership any producer of agriculture products in the Province of Manitoba. In my mind, that is what is important there. All farmers have a right to belong regardless of what level they participate in. I guess, jokingly from time to time, we have suggested that if you only sell \$500, but you have an "F" plate on your farm truck you are taking advantage of farm policy. So maybe you should contribute.

**Mr. Uruski:** Of Governmental policy, maybe not farm policy.

**Mr. Geddes:** I think agricultural policy is a cooperative effort, Mr. Uruski, as we emphasize in our presentation that a good strong farm organization can be very useful to good agricultural policy in the Province of Manitoba. I think if we look in the history books, some of the governmental policy is really policy developed from a farm organizational position.

**Mr. Uruski:** Well, Mr. Chairman, maybe I am not understanding Mr. Geddes clearly. Are you saying to me that the \$500 figure as far as you are concerned, in the legislation, is a guideline to which the certified farm organization will then decide to, whether or not it wishes to collect—I am not understanding you on that because I just do not know. The legislation is not clear and I am not sure we will be debating that and discussing that section tomorrow, those sections tomorrow, but I am just not sure where KAP is in this area.

**Mr. Geddes:** Mr. Chairman, I guess the number \$500 is not Keystone Agricultural Producers number in the Bill itself. Our organizational perspective of who is a farmer is one that anyone who is actively involved in the production of agricultural produce for profit essentially is a farmer. I think we can go through our membership list and we can find a number of people who are very much hobby farmers who produce \$1,000 or \$800 or \$2500 worth of produce and want to belong to the organization. They are very much farmers in their own minds and they are having the benefit of good agricultural policy, so certainly we welcome them into our membership.

I am not sure it is proper from our perspective to suggest at what level a producer is a farmer or at what level of sales. All that legislation does in my mind is provide a list of names which a certified organization would consider as farmers, to ask.

**Mr. Tom Dooley (Keystone Agricultural Producers):** If I could just bring into focus a couple of provisions in the statute I think they may help Mr. Uruski in the course that he is pursuing. This really does tie into a question asked five or so minutes ago and that is, how does the fee collection mechanism work?

Section 25 of the statute indicates that if a purchaser receives from a certified organization a request to withhold from the money that is owing for product delivered by a particular producer that that purchaser must withhold the money and must remit it.

Now, Section 28 of the Act indicates that at the same time a notification goes out to a purchaser of product to make a deduction with respect to that particular individual, an identical notice must go out to that farmer so that farmer is on notice that there has been a request to make withholding so that there is full knowledge by both the purchaser and the vendor that there is a request.

\* (2200)

Next, Section 29 of the Act indicates that when that member gets the notification that he can object. He can object through the procedure set out in Section 29 saying, no, I do not want this deduction to be taken off. I do not want to become a member of the organization. That individual does not have to become a member. No deduction will be made. If through inadvertence of any kind a deduction has been made, he is entitled to a refund of it.

The question becomes how does a certified organization know who to ask to make a deduction with respect to any particular individuals. That is where that \$500 concept comes in. The certified organization must know who does business with who.

What it would do, as an example under Section 25, it would write a letter to the Hog Producer Marketing Board saying I would like a list of all of the farmers—maybe that is not good. We will use the Milk Board, okay, a letter to the Milk Board saying we would like to have a list of all of the milk producers who sell milk through your board. When notification of that comes out, the Milk Board must provide a list of producers who sell more than \$500 a year worth of milk. Now that gives them the information that they can send the request out that we referred to earlier.

Really, the \$500 concept is just a trigger mechanism for trying to find out who is selling to who, and then the whole mechanism works from there. It is not a threshold, it is not a plateau of any kind. It is simply a method of being able to put this fee collection mechanism into place by knowing who buyers are and who the farmers they are doing business with are.

**Mr. Uruski:** Mr. Chairman, do you see a staggered fee structure based on annual sales of producers and

having a cutoff after a certain point? There are producers who probably sell \$2,000 or \$3,000 or \$5,000 worth of product a year. Does KAP envisage saying to those that they will contribute proportionately or equally in terms of fees?

**Mr. Dooley:** Mr. Chairman, this statute does not establish a certified or a farm organization. It does not establish the mechanism by which people become members or cease to become members of organizations. It does not establish a democratic control structure for an organization.

It does one thing and one thing alone, and that is it provides a mechanism for collecting fees from purchasers of farm products. The only intrusion into the organization that occurs is that if you want to have the benefit of this Act, you cannot charge more than \$75 a year in a fee without permission from a certified agency. Secondly, when the money comes in, you may treat it as an application for membership. Those are the only intrusions.

In answer to your question, Mr. Uruski, this Bill does not interfere with how an organization establishes its membership structure and its fee structure, and any organization making use of this Bill could establish any kind of fee structure, including the kind you are referring to, as long as it does not go over a \$75 per annum threshold without permission from the certifying agency.

**Mr. Uruski:** It is possible though that fee could be increased if the agency approved it.

**Mr. Dooley:** Correct.

**Mr. Chairman:** Mr. Evans.

**Mr. Uruski:** Mr. Chairman, I am sorry, I just have about three more questions of Earl, if I could.

Earl, does your organization oppose having a referendum or a vote on this legislation to see whether producers in fact will support a particular organization that is to be certified. Let us say there is only one organization that comes forward. Would KAP still be favourable to having a referendum to see, to test the tide of the membership of producers in the province?

**Mr. Geddes:** Mr. Chairman, the correct answer is, yes, we would be opposed to that. We feel that the drafting of the Bill makes it completely unnecessary.

**Mr. Uruski:** Mr. Chairman, would you oppose having legislative hearings throughout the province on this Bill during the break over the next, say, 60 days to 90 days—there will be hearings on other matters and if we were to hold committee hearings throughout the province.

**Mr. Geddes:** It would have to be demonstrated that there would be value to such hearings before we would consider it. It is not something we have considered as an organization.

**Mr. Uruski:** You spoke about Bill 29. Does your organization support Bill 29?

**Mr. Geddes:** Yes, we are on record as supporting Bill 29.

**Mr. Uruski:** Are you aware that Bill 29 confers different powers than those conferred in Part IV of Bill 28 and, if you are in favour of 29, are you also in favour of Part IV in Bill 28?

**Mr. Geddes:** Mr. Chairman, I am aware that there are some differences between Part IV in Bill 28 and Bill 29. Bill 29, as I understand it, is an amendment to an existing Act. Bill 28 creates a new situation.

**Mr. Uruski:** Is there any reason in your mind to say that any commodity group, including cattle producers, could not or should not fall under Bill 28 now that it is coming in, likely to pass about the same time as Bill 29 or otherwise? If you were in, say, the pulse growers in Manitoba, you would be looking at the provisions of Part IV of Bill 28 if you wanted to check off for promotion purposes, as I read the legislation. Would you look favourably to, being a member of pulse growers, having to get the majority of your members to support a checkoff under Part IV of Bill 28, while at the same time you would be looking over your shoulder and saying, why would a Government give the cattle producers a completely different provision under Bill 29? Is that not an inconsistent position to take?

**Mr. Geddes:** I do not see anything in Bill 28 in Part IV that forces any commodity group to use that structure to gain a funding mechanism. It is an option. Any group could proceed as MCPA has with Bill 29.

**Mr. Uruski:** Mr. Chairman, in terms of farm organizations and the difference that does exist in the farm community in terms of opinions, it is inevitable that there will be times when farm organizations will take stands which obviously will get into a political area and are not agreeable to all. That has already happened this fall in terms of the farm school tax issue and is being debated in your organization, where the organization has taken the position that the change in school tax assistance of moving to the flat 25 percent has, in many areas, reduced benefits to farmers, and yet you support this method.

It has been pointed out in one of the municipalities that the full-time farmers there have—and we discussed this with you, this area in the RM of Brokenhead where about 249 farmers received \$50,000 less this year than they did last year. Does that not ultimately get into an area which I believe will have to occur, and that is the area very much in terms of how and who you represent in terms of the political sphere of the policies of an organization?

**Mr. Geddes:** Mr. Chairman, I think it is a fair question. Obviously, in that one particular policy issue, there are areas of the province that would feel that they fared rather unfairly out of that but I think, if we count many of the other municipalities, quite the opposite is true in that case and in that policy decision that was one of a fair way to share education tax, not one of the

way of putting money into the agricultural community, and we based our policy on that. What I like about the legislation that we are debating here this evening or questioning is that it allows those producers in Brokenhead municipality to very clearly register their disapproval with a policy initiative of a general farm organization. In that way then, the general farm organization has that pulse that I talked about. You can go back into the area and see what you did wrong.

**Mr. Uruski:** Am I hearing you correctly, Earl, that if there were a number of other situations in which the number of producers in various municipalities who would come forward and show that in fact the change in policy that has occurred year over year has been detrimental to their benefits, directly to the benefits that they received year over year, and they in fact are losing money by the new policy. Your organization, you are saying, may in fact change its policy?

**Mr. Geddes:** Mr. Chairman, our organization is having an annual meeting on the 11th, 12th and 13th of January, and what our 160 delegates tell us to do, we will do. Perhaps that is our policy structure. It has very little to do with Bill 28.

**Mr. Laurie Evans:** Thank you, Mr. Chairperson, just a couple of questions to Mr. Geddes, I gather from your comments that you are satisfied that the level of understanding of this legislation is adequate in the rural areas.

**Mr. Geddes:** I am satisfied that as an organization Keystone Agricultural Producers has done everything possible to educate as many producers in the Province of Manitoba as we can. Having been involved in policy development for a period of time and yourselves as legislators, I am sure that you realize it is impossible to bring everyone up to a 100 percent understanding on these types of issues. I think the demonstration of the exercise we have gone through for four years in a row of discussing this concept in 12 different districts each year, our annual meeting each year has passed a resolution supporting the concept of the funding mechanism. The press has covered that every year since we started the organization. I am not sure what else we can do. We can hold public hearings around the province but you will probably get less than the 1,400 we had at our district annual meetings and most likely the ones in attendance will be the ones we had there already. I feel that unless you do a mailing, as is required in the legislation, to every farm home, there is very little else you can do that has not been done now.

\* (2210)

**Mr. Laurie Evans:** I have a little difficulty with the concept. You have indicated that in the initial decision as to which would be the certified agency, assuming there is more than one that applies, that you would not be in favour of a ballot.

Now, the difficulty I have with this is at the end of two years, if there is a challenge, assuming that KAP were the first one to be certified or the one that was

granted certification in the first case, at the end of two years you were challenged by some other organization and the decision as to which one would be certified at the end of that two years is left up to the certifying agency, which uses primarily the decision as to how many members belong to the two organizations that are then being considered. If everyone who has not opted out is identified as then being a member of the original certifying agency, it would in effect make the first one that was certified the one that would be certified forever because the membership would always be all of those who had not decided to opt out.

Therefore, I cannot see how any other agency could ever replace the first one that was certified. If you are not prepared for a plebiscite at the first instance, it would seem to me that a plebiscite would have to be held if a second agency sought certification after the first term. Is there a flaw in my argument?

**Mr. Geddes:** Mr. Chairman, in response to the argument and I would not suggest there is a flaw in the argument, what Bill 28 does is provide a funding mechanism for a certified farm organization. To replace the organization, and now I speak from a producer perspective, you can do two things. You can form another organization and bring membership into it and challenge every two years. You also can, because it is a democratic process, get duly elected to the certified organization and change it in that fashion.

That is very much open to change. That is similar to any union in the country, any organization that represents, that has a funding mechanism. You have the right to get elected and to change policy direction or whatever. But what Bill 28 does allow is the option for myself. When Mr. Uruski 10 years from now has decided he will leave politics is the president of Keystone Agricultural Producers and I do not like the direction he is taking the organization, I can start another organization and challenge him eventually and take the certification away. That is what the Bill allows to happen.

**Mr. Laurie Evans:** My understanding of this is if you are satisfied that there are 27,000 some odd producers, and I am not going to argue with that figure, my interpretation would be that in order for the first organization that is certified to be effectively challenged you would have to have over 50 percent of that 27,000 having opted out. Otherwise, they would be still identified as members of the first one. Then the certifying agency would look at that and they would say, "Well, there is still more than one half of farmers who have not opted out of the original and they are still members." I cannot see the mechanism.

**Mr. Geddes:** Mr. Chairman, if I might, I would let Mr. Dooley make a comment there.

**Mr. Dooley:** Mr. Chairman, there is one mandatory provision in the Act that I would like to point out, and that is in Section 18 of the Act on page 8. It indicates in making a decision as to which of two competing initial organizations that are qualified should be certified, "that the agency shall—"shall" reads "must"—"certify the certified organization which in its opinion represents the greatest number of producers."

That is the only thing it must do. It must choose the one that in its opinion represents the greatest number. What process does it go through in attempting to determine which represents the greatest number? That is found in two areas. The temporary one, for the first certification, is in 18(3) and the more permanent one is in 20(3). What that says, Mr. Evans, is that in making its decision "the agency may," not shall, "(a) review lists of persons who have currently paid annual membership fees, and (b) take whatever steps or proceedings which it considers necessary or desirable to make its decision, including holding hearings." I think you could read further, because that is permissive and expansive, including having plebiscites if it chooses, etc.

\* (2220)

It can do whatever it wishes to determine which organization the producers of Manitoba would wish to support between the two that are competing. So its opinion represents the greatest number of producers. So that is the only thing it must do. It must choose the one that, in its opinion, represents the greatest numbers.

Now, what process does it go through in attempting to determine which represents the greatest number if it chooses, etc. It can do whatever it wishes to determine which organization the producers of Manitoba would wish to support between the two that are competing. So, it is not a matter of matching membership lists. It says the agency may look at them, but it does not say that is a determinant. It says the agency may hold hearings, but that is not a determinant; it may do whatever it wishes. The only thing it must do is, once it has formed its opinion as to which represents the greatest majority, it must certify that organization.

**Mr. Laurie Evans:** I would like to ask Mr. Dooley a question then. If in the initial stages you get two groups seeking certification, one of them claims to have roughly 5,000 members and the other one claims to have roughly 1,000 members, but you know the total membership is 27,000, are you satisfied that because one has five out of 27, and one has one out of 27 that you can say automatically that one that has 20 percent of the farmers as opposed to the one that only had 5 percent of the farmers should, in fact, be certified without a plebiscite. I have problems with that.

**Mr. Dooley:** What I am saying, Mr. Evans, is that under the statute the certifying agency must take or may take whatever steps or proceedings that it considers appropriate in order to determine which of those two organizations the 27,000 would prefer. It may take whatever steps it deems necessary. It may choose to hold a plebiscite; it may choose to hold hearings; it may choose to review membership lists. Who knows what it may choose to do? It may choose to do all three of them. It is not going to be determined by membership lists. That is the judgement and the faith and confidence that we have to have in the statesmen who will form up the certifying agency.

**Mr. Laurie Evans:** Well, I guess my question is to Mr. Geddes. If the certifying agency in its wisdom or lack

thereof decided that a ballot should be held, if there are two or more groups seeking certification, would you see any problem? What would be the negative implications as far as you are concerned with them making that type of a decision if, as Mr. Dooley says, it is within their realm of doing that?

**Mr. Geddes:** Mr. Chairman, we would have no problem with that. We support entirely Bill 28 as it is drafted. Obviously, if that is one of the avenues that a certifying agency feels is required to determine which organization should be certified, we support it because it is part of the legislation that provides for a funding mechanism for a general farm policy organization. My earlier answer was that we did not think it was necessary to hold a plebiscite at this time.

**Mr. Laurie Evans:** Well, this may sound as though I am becoming academic, but would your attitude be quite different if the two organizations, one had 3,000 and one had 2,000. I mean 5,000 and 1,000 seems a long way apart but 3,000 and 2,000 would be close enough that I think any group would want to have a ballot on that before they made the decision, if 3,000 versus 2,000 were being picked to represent 27,000 farmers. I guess my preference would be to see that in the legislation.

**Mr. Geddes:** Mr. Chairman, if that were the case, that would be the responsibility of the certifying agency to determine. It is not my perception that is the case.

**Mr. Findlay:** It was raised by Mr. Guest, the cost of collecting the checkoff. If his costs were close to right or whatever the costs may be, would you see any problem with them being paid whatever the costs were to carry out those administrative functions?

**Mr. Geddes:** Mr. Chairman, I think, in earlier proposals that we have made to different Governments, our organization has suggested it would be perfectly reasonable for a general farm organization to bear the cost of collection of fees. I cannot make a comment on Mr. Guest's assumption of numbers. They seem a little high to me, but I do not have any way of knowing whether they are or not. We have offered to meet with him and discuss it.

**Mr. Findlay:** Is any purchaser presently carrying on a check-off program for your organization?

**Mr. Geddes:** Yes, certainly there is more than one organization or purchaser now carrying on that function for us. Manitoba Sugar Company is one of them. There are others ready and prepared to perform that function as this legislation is proclaimed.

**Mr. Findlay:** What charges are they charging for that service?

**Mr. Geddes:** Mr. Chairman, those who are performing the function at this point are passing no charge on to the organization.

**Mr. Uruski:** Mr. Chairman, to Mr. Dooley. Is the determinant factor—I am just following up on the

question Mr. Laurie Evans raised about what the certifying agency can do—is not the determining factor as to which organization is to be certified, contained in 20(1) at the end there, that the organization as the certified organization which in the opinion of the agency represents the greatest number of producers in Manitoba, if there is a challenge to certification? Is that not the determining factor, not whether or not they have the most members, or they may not have the most members or other factors? Is that not the determinant factor, that it is the number of members will be the determining factor of which organization shall be certified?

**Mr. Dooley:** I was about to agree with your last statement, Mr. Uruski. The determining factor is exactly what it states in both 18(1) and 20(1) and that is that the agency must certify the competing organization that in its opinion represents the greatest number of producers. It does not say in its opinion has the greatest number of members. It says, represents the greatest number of producers. Then, in 20(3) or in 18(3) on the temporary side of things, it indicates that in order to make that determination, the agency may, not must, do certain things including looking at who has paid memberships and also taking whatever steps or proceedings it considers necessary or desirable to make its decision including holding hearings.

Both of those sections could if it would be symbolic and make a difference, both of them could go on to say or conducting a referendum. I do not think it would add anything to the statute because I think it is implicit that it may do whatever it wishes in order to make the determination as to which represents the greatest number of producers.

**Mr. Chairman:** Thank you, Gentlemen. Our next presenter will be Mr. Allan Dickson, Farmers' Union.

**Mr. Allan Dickson (Farmers' Union, Local 514):** Mr. Chairman, ladies and gentlemen, pardon my cold tonight.

I am here before you representing Local 514 of the NFU and we have met and discussed this particular legislation. I do not have a lengthy brief at this time. We have not had very much time to prepare for this but we have a couple of concerns which I would like to bring before you tonight.

Our general position is in agreement with the NFU executive which has spoken before me. We are against the general checkoff. Amongst our local, though, we have discussed some "what ifs" and how we would feel if there was to be a checkoff. We felt that if this legislation were to proceed that we think that farmers should be allowed the option of a choice as to which organization they should like to fund. For example, if a farmer wanted to choose whether he was going to have his money go toward KAP or whether he was going to have his money go towards the NFU that the farmer should be allowed that choice. Farmers need the freedom of choice and they have to be allowed some expression as to what their will would be. If an organization, perhaps, did not represent their interests

on a particular issue that they could direct the funds to go where they would like them to go to.

Our present Government is an example of how things can work if you do not have a majority. We do not have a majority Government at the moment but if the people in the Legislative Assembly can work together, they can still govern. We do not want to talk strictly about numbers. If you talk strictly about numbers, I could see why one particular farm organization would want to come before and say, well let us just look at the numbers and fund the organization that has the biggest numbers. The particular governing body we have in power at the moment does not have a majority of seats but that does not mean they are not the best people for the job. They elected more Members than any other Party and, as such, they are sitting here today.

I guess one other person I recall talking about minority rights and that was Charlie Mayer when he was talking about Bill C-92, that even minorities have rights.

I will limit those comments for my presentation then and try to entertain any questions you may have.

**Mr. Chairman:** Thank you, Mr. Dickson.

**Mr. Uruski:** I will take Mr. Evan's question and ask you, what area is Local 514?

**Mr. Dickson:** The general area of Lowe Farm which would be south and west of Winnipeg.

**Mr. Uruski:** Would you feel that farmers in your area would be generally knowledgeable about the provisions Bill No. 28 and the check-off provision?

**Mr. Dickson:** It would be my general feeling that if you are referring to Bill No. 28 that there are a lot of farmers who are not fully aware of all the implications involved here and that there could be something gained to having further discussion on this matter.

**Mr. Uruski:** Your local talked about the option of farmers directing their check-off or their fees to the organization of their choice. Are you basically saying that if there were three organizations that were up for certification, would you leave all three names for the farmers to decide which one of those would be eligible for their funding?

\* (2230)

**Mr. Dickson:** You are posing a question which we discussed, although we were talking about whether a farmer should have a right to fund KAP or the NFU or whether -(Interjection)- We did not discuss another organization but we did say and we did think that in Canada we have a multi-Party system and we do not have to vote either Republican or Democrat here in Canada. So we had thought that there are different Parties in Canada, there is room for them and possibly if there were another organization that wished to represent farmers and farmers wished to support that organization, then I could not see a problem. I would not want to stop them.

**Hon. Clayton Manness (Minister of Finance):** Mr. Dickson, I would just like to add one question as a supplement to Mr. Uruski's. Using your logic of—and you put in the analogy of political Parties and I understand what it is you are saying, but would you still support that concept if there were as many as 10 or 12 or beginning of regional groups, groupings coming together in the guise of being public farm policy spokespeople and requesting funding, would you extend it beyond that? In the context of the political Parties as we understand it—I understand your analogy—but if you did not have restrictions, that could very quickly multiply into large numbers. Would that be a concern to you?

**Mr. Dickson:** So I understand your question is, at what point do you draw the line? How many organizations can you have there? That is a good question. I do not know if I have the answer for you. Our main concern was that with the particular legislation, it appeared to us from looking at it there was going to be no choice. It was going to be one organization or nothing. It looked to us that it was a foregone conclusion as to which organization it was going to be. So we felt that if the legislation were going to have to pass, the least we could ask for was that at least the farmers would be offered a choice as to which organization he would like to fund and the two that came to mind for us were KAP and NFU.

**Mr. Chairman:** Thank you, Mr. Dickson. Mr. Goldwyn Jones, our next presenter. Mr. Jones, go ahead. You can start.

**Mr. Goldwyn Jones (Private Citizen):** Mr. Chairman, Members of the Legislative Committee.

Hats off to the architects of the Report of the Manitoba Commission on Farm Organizations designed in 1962 by Messrs. J.C. Gilson, J.M. Nesbitt and E.J. Tyler. The report was a follow-up to strategizing by farm organizations of the day to try and devise an organization to fit the needs of Manitoba farmers. At that time of great farmer discussion and debate, the architects felt it was time for all farmers to be part of the same organization. I would like to quote briefly from that report:

“With the rise of the provincial farmers' unions during the latter part of the 1940s, the stage was set for a decade of conflict and controversy between these organizations on one hand, and the provincial federations of agriculture on the other. It is this conflict to which we will now turn our attention. We will attempt to demonstrate that the issues that separated the two farm organizations in Manitoba during the 1950s had many parallels in the preceding 40 years of farm organization history in western Canada. It would seem to indicate that if we are to achieve lasting unity in the years ahead, we will have to seek for a fundamental change in the structure of farm organizations.”

The two organizations struggled with how to amalgamate their differences into one organization. What was found was that “the present conflict of philosophy between the Manitoba Federation of

Agriculture and the Manitoba Farmers' Union is by no means unique. Most of the issues which presently separate the two farm organizations have also been the basis for conflict and dissension within farm organizations of the past. Any action taken to reconcile the present differences of opinion between the Manitoba Federation of Agriculture and the Manitoba Farmers' Union must include every possible precaution against a repetition of the mistakes of the past if farm unity is to have any degree of permanency.”

The goal of the 1962 report was to somehow diminish the differences of the two organizations. Those differences, if anything, have been manifested, not diminished. They have been manifested not because there were two organizations, but because there were two separate philosophies which could and would not be welded into one organization. Even though the old Manitoba Federation of Agriculture became the Manitoba Farm Bureau and then the Keystone Agricultural Producers and the Manitoba Farmers' Union became Region Five of the National Farmers' Union, philosophies remained separate and apart. The distinction between those two farm philosophies is very clear. The National Farmers' Union asked for and received its federal charter to be a national farm organization in 1969. It was established on the principle that farmers would voluntarily and democratically organize themselves. It was understood that the organizing was to be done by farmers.

Bill No. 28 makes no attempt to help farmers organize themselves. Instead it establishes a “certification agency,” which will choose the farm organization it feels most likely will represent the needs of farmers. Has the Manitoba Government lost faith in the democratic process? Has the Manitoba Government decided that farmers cannot nor should not have the right to make those decisions on their own? The idea that a “certification agency” outside of the farm community would choose the farm organization for that community is ludicrous.

While Bill No. 28 provides farmers the right to opt out in protest, it gives a certified organization a legitimacy which could be used by Government to diminish any other organization's opinion. In times when rural communities are in flux and when there is a need for discussion of many complex issues to ensure an agricultural base for the future, we must question why a Government would support a monopoly voice over agricultural policy decisions.

While the report of the Manitoba Commission of Farm Organizations of '62 discussed how farmers would structure themselves into one organization, if possible, this Government has taken upon itself to structure a farm organization on a basis of a decision of a “certification agency.”

We feel that the Manitoba Government could play a more important leadership role by following the views of the Manitoba Commission of 1962, and this is the quote:

The Commission believes that it does not have the prerogative to tell the farmers of Manitoba what specific type of organization they should

have or what the particular functions and responsibilities of the organization ought to be. This is the prerogative of farmpeople themselves: first, because the selection of a farm organization involves value judgments and personal philosophies, which the commission cannot establish for farm people; second, because persons who must live with and who will be affected by the consequences of a decision as vital and as far reaching as one of choosing a farm organization must surely have the right to make this decision themselves.

If this Government feels it has the right, through legislative power, to select the value judgments and personal philosophies for its farmpeople, then it has missed the point of providing leadership within a democratic society. As the report of 1962 very clearly indicated, it is one thing for farm organizations to work towards establishing a common farm organization. It is quite another for a Government to establish one farm organization. Thank you.

**Mr. Chairman:** Thank you, Mr. Jones. Are there any questions? If not, thank you very much for your presentation.

**Mr. Uruski:** Mr. Chairman, can Mr. Jones indicate what type of leadership and proposals would he see that the Manitoba Government could foster, which would move the diverse opinions of farm organizations to work towards a common farm organization?

\* (2240)

**Mr. Goldwyn Jones:** I think, in my opinion anyway, that a Government must recognize that especially in agriculture in this country there is a diversity of opinions, and the process that Governments have used in this country in forming, what farmers hope they use in forming agriculture policy, is that the voices are heard from and the Government takes its leadership role and provides the legislation. That way, everyone is heard. The opinions are heard. But on the question of—and it has often been stated that, oh, it would be certainly useful if farmers could speak, if one organization could speak for them, and I think that is an unfair statement. It is sort of a misnomer because I do not think we demand that sort of conformity from any sector of our society.

So I think what Government should do is listen to the farm organizations and develop some realistic agricultural policy for this country which, in my opinion, we have not had. I do not know whether I answered your question or not. I have worked within the National Farmers' Union for several years and I have done a considerable amount of canvassing, asking farmers to voluntarily join the organization. There is a tremendous difference of opinion out there. I do not believe that it is realistic to expect farmers to speak in one voice.

**Mr. Uruski:** Thank you.

**Mr. Patterson:** Mr. Jones, the previous speaker from your organization said something to the effect that you

sought to protect what farmers had . . . in rural Manitoba.

There is some implication in the statement that this would have some ill effect on the farmer. If we could wave a magic wand and if this were passed and off and running tomorrow, how specifically would you predict that your life, as a farmer, would be different in six months hence or two years hence, holding everything else, the weather and so on, the cost?

**Mr. Goldwyn Jones:** I think the question is, if you say one group is the group, and that is essentially what this certification agency does, the point can be argued, you know. There are several fine points that can be argued that it does and it does not, but essentially it does. I think that the minority views and the voices of other farm organizations will eventually be lost, maybe not right away, but eventually lost. I think that would be to the detriment of the farm community. There is some concern out there in the community of the kind of representation that farm organizations have been providing when they are talking to Governments or other sectors of the industry.

**Mr. Patterson:** You have not quite answered my question. I said specifically, how would your life change? Would you have trouble putting shoes on the kids' feet or you would have more shoes and so on? Would you have trouble getting your produce to the market or getting a fair price for it?

**Mr. Goldwyn Jones:** I suppose that depends on what takes place. I do not think, and I think you know as well, certainly you are not going to see some catastrophe develop or something major take place overnight. I think what you are doing is you are setting a precedent which says to the rest of society that farmers cannot make up their own minds, that they have to have the Government telling them what to do. I do not think that is the impression that we want to leave. As I mentioned, the process has been that the Government has invited the various groups in and listened to their opinions and went about formulating farm policy. A lot of us have disagreed with various policies but we have agreed with some. That is the way it happens.

**Mr. Patterson:** Thank you.

**Mr. Laurie Evans:** So I gather then, Mr. Jones, that you are just philosophically opposed to Bill 28. In other words, there are no modifications of 28 that would not alter the intent that could still satisfy you? Or am I correct that you are just philosophically opposed to Bill 28, period, that you do not feel that one farm organization can in fact represent all farmers in 1988 or in the next few years?

**Mr. Goldwyn Jones:** Yes, I would agree with that.

**Mr. Chairman:** If there are no further questions, thank you, Mr. Jones.

The next presenter is Mr. Ian Jones, private citizen.

**Mr. Ian Jones (Private Citizen):** Thank you, Mr. Chairman, members of the committee.



I would just like to say that as a person, I have my own personal views and not everybody agrees with me, and you know farmers, they all have different views and they cannot all be represented by one farm organization.

Speaking from the point of view of a farm youth, I feel that young people are very disillusioned about the future of agriculture and the rural community. The reason for the exodus of youth from the rural community is farm foreclosures and the deterioration of services in their communities. Rural people have no idea about how to change the face of the rural community to meet the uncertain future. Because of their lack of ideas, rural youth feel powerless about working towards a community that has a place for them.

What is needed in the rural community is an organization that recognizes the problems that exist. The problems of unemployment, underemployment and lack of leisure-time activities result in youth abusing alcohol and drugs, unwanted pregnancies and suicide. Any rural organization intending to represent the interests of rural people must begin the process of recognizing the problems and facilitating the dialogue towards solutions.

The Bill, in my view, will establish a certification agency that will undoubtedly select the Keystone Agricultural Producers as the general farm organization in Manitoba. This is so obvious that even the editorial staff of the Brandon Sun wrote a November 2 editorial entitled "Is it KAP or nothing?"

The selection of KAP will not provide rural Manitoba with the policy that is needed to develop a viable rural community. KAP's status quo policy has never recognized the problems that exist in the rural community. Blind adherence to that status quo will merely continue support for policies that have brought rural Manitoba to its present crisis. What is really needed is an organization that crosses political lines and allows for more than one point of view to be heard, an organization that moves towards solutions that will develop a viable rural community. Thank you.

**Mr. Chairman:** Thank you, Mr. Jones. Are there any questions? If not, thank you very much, Mr. Jones.

**Mr. Ian Jones:** Thank you.

**Mr. Chairman:** Our next presenter is Mr. Robert Ages, Manitoba Coalition Against Free Trade.

**Mr. Robert Ages (Manitoba Coalition Against Free Trade):** I am Bob Ages. I am the coordinator of the Manitoba Coalition Against Free Trade and I would like to thank the committee for the opportunity to speak here.

I should mention I will not go through all the lists of organizations that are part of the coalition and are part of the Pro-Canada network of which we are the Manitoba section. We have had a number of lobbies on the issue of free trade with the parties here and I am sure they have that in their files.

\* (2250)

Just briefly, for example, we have a number of churches like the Catholic Bishops Conference, United Church and the inner church organization, GATT FLY, the National Action Committee on the Status of Women, nurses' organizations, anti-poverty groups, environmental groups, the National Farmers' Union, union federations such as the Canadian Labour Congress and the Confederation of Canadian Unions, and a number of others.

You may ask, "Why are we speaking here?" A lot of our members certainly would not know the difference between a cow and a steer without checking the owner's manual. But, like most Canadians and most Manitobans, especially Manitobans and prairie people, a lot of us, our families come from the farm, some of us were born on farms and almost all of us have friends or relatives who are still on the farm, and we may not be as expert as many of the people here on the complex issues facing farmers, but we do have a deep concern for rural Canada and what we read about and hear about in the papers. As I said, while we may not be expert on the complexities of these issues—malting barley 1 and 2, and what grains and what board—we try to think about it, we are concerned, and we would like to help out in this important process of trying to sort out some of the difficult issues that have been raised by especially Bill 28.

I think we have something to contribute in that. As you know, a number of the groups I have mentioned, if not most of them, are lobbying organizations like you are talking about setting up. Many of them are funded by Government grants or by checkoffs and other methods. So in that way there is expertise that crosses the different lines between rural and city life and many of the issues we have grappled with and tried to some extent resolve, if not always successfully.

Finally, in why we are here, I guess the credit mostly has to go to Prime Minister Brian Mulroney who taught us in the course of the free trade debate that we have to stand together, look at the issues that affect each other and not allow the sort of isolation between city people and farmers, between churches and union people to continue. Even if we are not experts, we have to try to understand the issues and participate in the debates.

On reading Bill 28 and listening to the discussion, it seemed to me that the goal perhaps put forward is laudable in having an effective lobbying organization and making sure that it has the financial resources to sustain itself, but I have real problems with process and with the mechanism set up. It seems to me that the certification process is in fact undemocratic. I would compare by analogy with the union organizations that we have as part of the Pro-Canada network and the coalition and how they are funded.

They do have a dues checkoff which, as people know, does not have the opt-out mechanism which we mentioned is part of Bill 28. In the Labour Code there are a number of protections in terms of becoming the certified bargaining agent in terms of having the access to that dues checkoff that do not exist in this Bill. There is no Government body that says, based on whatever vague criteria, this union or that union will represent everybody in this shop or in this industry.

There are sign-up procedures which are overseen by the Government but not controlled. There are voting mechanisms that are overseen but again not controlled, that are open and fair to make the decision. It comes in the issue that has been raised by Members here and Laurie Evans from the Liberal Party about plebiscites, referendums. That is not in the Bill. It is left open. I think, at the very least, it should be made explicit in the Bill.

Around the opting-out provision, it has been suggested that this makes it democratic, this allows people not to be forced by the Government to participate in an organization. While we will have to see if the Bill goes through, if it in fact works out that way, I have some real troubles with it based on my own experience.

Reading Hansard on this debate and in other debates, I know that Members of the Conservative Party have a somewhat critical view of the union movement and some of the criticisms may have some legitimacy, but in my view and experience, if there is a problem with the union movement, it is not so much that the structures or the constitutions are not democratic but there is a problem, as there are in many organizations, with apathy and inertia.

It seems to me that it is hypocritical for the Conservative Party to support this Bill which seems to me depends precisely on that phenomenon to maintain and establish the organization that they would like to see be this one certified bargaining agent. The fear is that yes, you can get this letter and you can send it in and say I do not want to be in this organization and that appears on the surface in theory to be democratic. If farmers are not very different from everyone else in society, there will be a lot of people who just do not bother, who get the letter with the piles of bills that I know farmers get regularly and say, geez, I really should find out what that is about, decide whether I will be in or out; I have got combining to do; harvesting to do; I have got bills to pay; I will think about it at some other time. It goes in the pile on the kitchen table and it does not get done. I think that is going to be a real problem. So, whatever the claims are I think to a large extent you set this up, you are going to be setting up one, in reality, compulsory farm organization.

When I read the Bill, Section 21(b) combined with Section 27 just jumped out at me. I will not go into detail because Laurie Evans brought that up; the fact, that once you have the membership list and once you accept the fact that the money coming in is the equivalent of an application for membership, you make that organization, in fact, that gets the first certification. In reality, the organization that will be there in perpetuity, and there is very little chance of that being changed.

So all the things about two-year certifications and about reviewing the process may sound nice in theory. I think in practice the actual mechanisms will in fact turn out to be certification in perpetuity, and it is a real problem with this Bill. As I said, that while having an effective lobbying organization for farmers is a laudable goal, the mechanism has problems with, I think the Government should delay this Bill or retract it, and look seriously at some of the other effective funding

mechanisms, relationships between lobbying groups have with the Government at the federal level. The Secretary of State, for example, his funds went into these lobbying groups; often it allows for one big group, sometimes a variety.

As long as they have shown that they represent a significant number of the people in that area are legitimate groups doing good work. There is that way of doing it, there is other ways of doing it. There are alternatives. We are not saying there should not be a farmers lobby group; it should not be financially stable; I think there are ways of doing it which do not bring in all these problems.

I think, finally, that it is understandable in reading this Bill and listening to debate, why the Conservative Party has brought it in and why they support it. It seems to me, as a city boy, who could be wrong on this, but it appears to me that it is the pay-off for KAP's silence essentially on the free trade issue—probably the most important issue to face farmers and Canadians in the last 100 years—are reading, and this is from the response we have got from farm people writing and phoning in to us, part of the campaign is that in fact there was a lot of disagreement and a lot of questions within the farm community on free trade; a lot of questions raised in the meetings of the Government and other organizations; and a lot of doubts about this free trade thing.

Frankly, a number of the leadership of the Organization of Farm Communities did not speak out on the issue. Our feeling is that was essentially the quid pro quo. I think we have already seen the result in that we raised the issue of the Wheat Board, the problems of the GATT protections that were claimed but the understanding we had that the United States Government in this round of GATT negotiations would actually try to get rid of those protections in GATT.

\* (2300)

In fact, that is exactly what we saw in Montreal with the statement of Clayton Yeutter; exactly what we saw with John Crosbie supporting the American position, so all those things that are already coming to fruition and it is only going to get worse. What we find disturbing is that the Liberal Party, which I had the honour and privilege to come in contact with and work with closely on this issue, would support this Bill which seems to me to be precisely a transparent manoeuvre by the Conservatives here to take a step toward implementing that Free Trade Agreement, the implications of the Free Trade Agreement, which seems to me to be the transformation of rural Canada into essentially a factory farm system under the control of the big multinational corporations like Cargill and Continental. That is always a controversial position. As I said, I am not an expert, but that is how it appears to me, and we might be interested in discussion.

It seems to me really that the basic problem—and I hope you will forgive me if I am simplifying very complex agricultural issues—but farmers are getting low prices for their commodities, much lower than the cost. On the one side they have low-priced commodities

and high input costs. They also, of course, have the problems of drought and the weather, but even I would not have the audacity to blame this entirely on the Conservative Party.

**Mr. Ages:** What it essentially it comes down to, you have the—

**An Honourable Member:** Drought and pestilence is our problem.

**Mr. Ages:** Maybe a little, who knows? But basically the situation that the cost of the inputs actually become greater than the value of the outputs, and my understanding of what goes on is that the people who control the input cost to a large extent are the large multinational corporations; the pesticide companies, the seed companies, and also the people who control to a large extent the output values are again the large multinational companies like Cargill and others.

The extent that things like wheat boards and pools, either Government or farmer-owned, intervene in the marketplace may serve the interests of farmers, though obviously there are problems and people have different discussions, but there are real problems with that. It seems to me that while the Conservatives claim to represent and support the farm community, if by supporting the corporate ideology that in fact controls the problem of input and output not meeting, they are really not helping farmers.

There is an old saying that you cannot run with the foxes and hunt with the hounds. Seems to me the Conservative Party has performed this amazing feat, and largely successfully, for generations. I do not understand it but they certainly deserve our admiration for their phenomenal clerical skill in performing this.

So it is my perception, and I firmly believe the majority of urban people, many of whom voted Liberal in the provincial and federal elections. With all due respect I would suggest that Liberal Members of this committee bring these questions back to their caucus to reconsider the real ill-advised support for this Bill. Perhaps with this felicitous situation where we have a minority Government, we can come up with a better way of reaching this laudable goal of having an effective farm group that does not have the kind of problems we have already talked about. Thank you very much.

**Hon. Glen Cummings (Minister of Municipal Affairs):** I think first of all I want to comment and a question. I am afraid Mr. Ages, when he refers to apathy, has probably insulted almost every farmer in Manitoba, and I would ask him if he supports a vote for the formation of a farm organization.

**Mr. Ages:** I think having a vote would certainly seem to be a better process than what is outlined in the Bill. I think what would be better, though, would be a system where legitimate farm organizations have adequate funding and will work in their own process toward unity, at least in action, and perhaps some day in organization would probably be the best option, but certainly what you are suggesting would be better what is in the Bill right now.

**Mr. Cummings:** If there was a vote, if a majority of the farmers of the province voted in favour of an organization, would you support compulsory membership?

**Mr. Ages:** Well, I think in these sort of things you have to respond to the kind of people and the constituency that you are looking at and say, I am a city boy but I used to be a truck driver and spent a lot of time picking up seed and delivering seed and things. One of the nice things about farm people, you do not just sign your bills and send you off. You are always in for coffee or lunch and talk about a lot of stuff and I know that farm people, even if I might think it might be better for them for it to be mandatory and more effective, I think you have to respect the culture in farm communities. There are a lot of people like those options of opting out and so I think you definitely have to look at that. I would not want to enforce my opinion that, you know, so you would be much better off if anyone is in it, you got more money, more effective, you should do it. It is up to them and my feeling is, like, for instance, farmers, they would really like that option of opting out and we should probably respect that, unless I am wrong in that perception.

**Mr. Cummings:** Mr. Chairman, that is what the Bill indicates.

**Hon. Donald Orchard (Minister of Health):** In the rules of the House we are prevented from imputing motives, unless those to whom motives are impugned get up and call a point of order. Mr. Ages, I will have to tell you, I take offence at your indication that silence was purchased by the leaders of the farm organizations during the election and the free trade debate in return for this legislation, because the silence that was purchased returned in every rural constituency in Manitoba a Member of Parliament in support of free trade.

I suggest that you ought not to impugn those kind of motives. Mr. Ages made the reference that somehow the trade union philosophy was not represented properly in this Bill as you interpret the position of Members of the Progressive Conservative Party. I wonder if Mr. Ages, you could indicate whether after one becomes a member of a certified union, if as an individual member of that union, you have the option at the end of each month to claim back your union dues?

**Mr. Ages:** No, but there is understanding in the evolution of labour relations in Canada that unions are not a lobbying organization. In fact, they do so some lobbying but the main purpose is understood is collective bargaining and we can argue about the other stuff. It is a very small part of what your unions go to and you benefit directly from what the union negotiates for you.

Lobbying is not so clear. I know people in my shop, I am a union person at CN, who are not always happy with the union, but I have never heard them take up the suggestion what I have made that if you do not like what the union negotiated, why do you not take your three weeks or four weeks holidays, or why do

you not accept your \$15 an hour or give some back. No one wants to do that. A lobbying organization is very different. You are not getting that direct benefit out of it in money dollar terms. I think if you were talking about a marketing organization, that is very directly organized and you are only getting \$2 a bushel and they go out and they make sure your get \$3 or \$4 a bushel, someone who said, I want that \$4 but I do not want to pay my \$75 a year is basically trying to get a free ride. So you are talking about two very different things—collective bargaining and lobbying.

**Mr. Orchard:** Mr. Chairman, the analogy you made then, in your remarks, was not correct then.

**Mr. Ages:** In what way?

\* (2310)

**Mr. Orchard:** In that the analogy and the philosophy of the Conservative Party as it is reflected in your opinion of their view on labour unions, is not properly reflected in this legislation because it has nothing to do with it. So your statement was incorrect.

**Mr. Ages:** I am saying that what you are trying to do is take a union type checkoff when it does not really apply. Maybe it was not clear because I tried to go over it very quickly.

**Mr. Orchard:** Okay, well then—

**Mr. Ages:** Basically, I think we are agreeing. Reading the Bill, it is very close to a union type checkoff, compulsory checkoff, and yet there are very different purposes for the organizations. I think that is where the Bill goes wrong. You should be looking, more comparing it with the lobbying type organizations on how they are funded through things like Secretary of State, Department of Culture at a provincial level and things like that, would be a much better analogy to use. I think you are absolutely right, Mr. Orchard. Maybe you should look at that.

**Mr. Orchard:** Then just one final question. Then you are saying that there is no opt-out provision in the unions but yet you are aware that there is an opt-out provision in this Bill?

**Mr. Ages:** Yes, but as I said, if it worked, it might all right. I have real doubts whether it would work. We could argue about whether farmers are less apathetic than other people. I think people are people. It is a problem in all organizations.

I believe that people from KAP when they talked about their difficulties of maintaining a voluntary organization without having this kind of mechanism is very difficult. That is why this Bill is before us. It is a reality. I am not trying to insult farmers. Some people are real activists and will commit themselves and pay their dues all the time. Many people will not, it is not their interest and it is a problem. That is why this Bill is here, trying to look at a long-term stable form of funding. So there must be some problem with that kind

of thing or you would not need this Bill. Farmers would be so active and dedicated they would sent their \$75 off every year without even having to ask them.

**Mr. Chairman:** Thank you, Mr. Ages.

**Mr. Ages:** Thank you very much.

**Mr. Penner:** Just a comment, not a question. I am, I guess, somewhat surprised at the comments made by the person, first of all, in suggesting that this Government tried to muzzle anybody on any issue.

Secondly, I want to clearly indicate, as a farmer and as an elected representative in this province, that the reason farmers need to be collectively represented, I think, was just clearly demonstrated here just a few minutes ago. When those that pretend to know and be knowledgeable make the kind of statements that I have just heard, make me somewhat apprehensive about not proceeding with this type of legislation. I think it is a clear demonstration why there should be a mechanism struck such as we are proposing and that there be an allowance made for farmers to speak for themselves.

**Mr. Chairman:** Thank you, Mr. Penner.

Our next presenter is Mr. Lyle Ross, private citizen.

**Mr. Lyle Ross (Private Citizen):** Good evening, Mr. Chairman and Committee Members. I am Lyle Ross from East Selkirk. I farm there with my wife, Sandra. We have not a large farm but it is a mixed farm, raising a number of commodities, none of them in a major way, but I have had 15 years of experience organizing farmers in Manitoba through various positions in the National Farmers' Union so I am quite personally aware of the problems and the set of general discussions leading up to this whole question of one general farm organization or any farm organization. And of course the one referred to most often is the fact that organizations often have problems having funding so could probably be called poor. But there is also a saying that has been said in the past and that is "flour given to the poor in contempt will give them nothing but the bellyache" and I think farmers are going to get a big bellyache out of this Bill. Personally, probably the most demeaning part of this legislation is the creation of the agency, the certification agency. It is really setting up a group of non-farmers to determine who will represent farmers.

One of the keys to any organization is having control of your funding and the way I interpret this legislation the agency is the one that has to approve any membership, changes in fee structure. Determining their own fee structure is not deemed under this legislation to be left in the hands of a democratic farm organization.

There is another section dealing with the agency that I find particularly demeaning and that is dealing with part 4, I believe, but in eligibility to vote in a referendum and it says "the agency shall determine all matters respecting the conduct of a referendum, including what producers are eligible to vote." It is taking the determination of who is a producer out of the hands of producers and vesting it with non-producers.

The main purpose, as I can read into this creation of an agency to make these decisions, is much the same reason as there has been a traditional argument and a philosophical difference of view as to whether there should be, on marketing structures, a marketing commission with members appointed by the Minister responsible or a producer-elected marketing board. The National Farmers' Union, representing our particular philosophy on behalf of farmers has always maintained in marketing structures, since they are set up under legislation by the Government, regulated by the Government of the Day that the Government of the Day has to take the responsibility for how those marketing structures operate.

Therefore ministerial appointments or executive council appointments by the Government to a commission then are clear, there is a clear case of responsibility and accountability. There is no hesitation that the people selected are reflective of the Government's will in how those marketing structures operate. We have always argued that when you have elected marketing structures, then it sets up a political structure in the country between producers and it sets up tensions between producers that do not help unity, and can sometimes not reflect the best producer interests.

It is also understood that probably the Minister in charge would be appointing producers to those positions, but we say the accountability would be clear.

It seems to me that by setting up this agency under this legislation it is—I am suggesting it may be an attempt by the Government to distance themselves and not be accountable for the decisions of this agency, rather than take the responsibility themselves to make the appointment of the farm organization they wish to hear.

There is another point dealing with that, the same question and the need to have one general farm organization speaking for all farmers, and there seems to be an assumption that if there is one farm organization speaking for all farmers that that advice will then be listened to by the Government of the Day.

Clearly I do not think there is any necessary correlation between what one general farm organization tells the Government and what the Government will in fact do. I think there it has often been referred to the UPA and their structure. It seems to me the UPA was against Free Trade, but the Quebec Government is for it, so obviously in that situation the view put forward by the one general farm organization was not being followed by the provincial Government.

I think that when we look at the need or the desire for that, I do not think we should be fooled into thinking that the Government of the Day will follow what one farm organization tells them.

I want to talk just a little bit about the role of canvassing because I have done a lot of it. The role and, yes, the canvassing is always membership recruitment, but I think oftentimes we overlook the fact that the canvassing is actually the educational job that is being done with farmers in the countryside. Every

time you are canvassing with farmers you are providing information to them on a one-to-one basis, and when I use the word "farmers" I mean women, men and youth because they are all part of it. I do not see any simple way, or better way really, than that kind of education taking place. Yes, it is expensive to do that kind of thing but it seems to me when that has been done there has been a more educated and aware farm community. Maybe there is a price to pay for having an educated and aware farm community and maybe that is the price.

\* (2320)

What having an organization based on voluntary contribution and canvassing has always meant is that if the funds dry up then the leaders stop running around the countryside spending the money, because there is no money to do it. They usually get back into the countryside talking to the people to find out what is wrong. I think under this proposal there is really not going to be anything to prevent farm leaders who I say are, by necessity, political people looking after their own interests to maintain their positions in the organization, and if there is money there to keep them going, they will keep going, I suggest.

There is a contradiction in this Bill in the idea of having one general farm organization in the first part of the Bill, and then in the latter Part 4 of the Bill—I believe it is Part 4—setting up the provision for the commodity checkoffs. The contradiction is if one farm organization is going to do the job, why is there provision to set up many more? I indicated to you what my definition of a voluntary membership is. I make the choice and I make the offer, or if I am asked then I have the right to say yes or no. It is not a question of trying to retrieve something after, it is not a question of being put in and then asking my way out.

If I am to take this legislation as I interpret it, as it is written, what this could mean for me in this legislation's definition of "voluntary" is that every two years I would have to indicate that I wanted to opt out of the certified organization. That would be a decision I would have to actively pursue every two years.

On our farm we have cattle, we have sheep, we have goats, we have hay that we sell. We have wheat, barley, oats, canola, flax and fine seeds. If I listed the times that I market those commodities, I have for cattle approximately five times a year; sheep four times; goats twice; hay, I say once, because there really is not a process there in our area as such. It is mostly direct to farmers. Wheat, five times; barley, three times; oats, five times; canola, six times; flax, three times; fine seeds, once.

Under the second part of the Bill, my interpretation is that every time I make a sale of my commodity I have to remember to give my authorization number. If I forget to give my authorization number—and I just took a rough estimate—that could be 34 times a year that I would be making a sale of any one of those commodities. I am making an assumption here that under this legislation each of those commodities that I produce, a group of producers could get together

and draw up a petition and say that we would like to have an organization funded by a checkoff and then we would go through the referendum process. I would not even be determining whether I was a producer or not. That would be these non-farmers that would say that.

I could be having to say "no" 34 times a year just under the second part of this Bill. That I do not really call a voluntary system if I am always having to say no. If I forget to give my authorization number then I am out to lunch. There is no provision for me to retrieve any funds that may be checked off because of my forgetfulness to give my authorization number, as I interpret this Bill. To me, that is not a voluntary system by my definition. I cannot see how it could be in anybody's definition. Historically, I think the rules of the farm movement anyway have been protection of the legitimate rights of farmers, an educational role to understand the conditions that we try to produce and look for solutions.

I have no doubt that I am going to continue working with other farmers who believe the same way that I do on what we need in agriculture, what we need not only in agriculture but in urban communities as well and, as such, will continue to work with the farmers who think like I do and the alliances we can make with people in the cities. I have no doubt that I will continue to do that. But I see this legislation as not really doing the job that is needed for farmers. I really think it is going to isolate farmers; I do not think it is going to unify them; I think it is going to set up more divisions between them. So I just really cannot support the legislation at all. Thank you.

**Mr. Chairman:** Thank you. Are there any questions for Mr. Ross? If not, we will carry on.

Mr. John Whitaker.

**Mr. John Whitaker (Private Citizen):** My name is John Whitaker. I farm with the family east of Erickson and reproduce beef cattle. I am speaking in opposition to Bill 28, and my opinions on Bill 29 would be essentially the same, but I will not be making a separate presentation.

The situation as I see it now is that I feel my personal opinion has an influence on rural issues being dealt with by Government, whether by conversation or phone call to an MLA, by letter or by joining a farm organization whose policy I am in agreement with. But with the creation of a compulsory farm organization a trend will be established whereby a Government will stop listening to people like me or to interest groups or to organizations when they want guidance on rural or farm issues and instead will be turning to the compulsory farm organization.

One characteristic of organizations of this type is that due to their size and the fact that they represent all farmers, difficulties arise on arriving at positions on controversial topics. Often because the farm community does not have a single opinion, especially on controversial topics, they arrive at no opinion at all. The Government is then in a position to decide without

consultation or consideration of such opinions as mine since they would have concluded that the compulsory farm organization was representing farmers.

The price of this legislation to me then is a lessening of my personal political influence on Government policy and consequent effects on income and lifestyle. Thank you.

\* (2330)

**Mr. Chairman:** Thank you. We have one more presenter who put his name forward, a Mr. Fred Tait.

**Mr. Fred Tait (Private Citizen):** Thank you, Mr. Chairman. I came here tonight not well prepared without prior knowledge that this committee was meeting tonight, but I think maybe some of the comments I will have tonight will maybe be fairly representative of a segment of the rural Manitoba that I come from. I am one of those farmers who are considered small farmers, hobby farmers. We make up 40 percent of the rural population of farmers. We produce approximately 10 percent of the product.

In dealing with the legislation of this Bill you have before you, I would like to first of all comment of the experiences I personally had while I was a member previously of the Manitoba Cattle Producers under a compulsory checkoff system. I was a faithful member of that organization. I attended their meetings regularly. I took a very active part in the organization. It was much to my dismay as a small producer, whereas a meeting of the Senate Agricultural Committee met in Portage La Prairie in December of 1982, my representative of my organization made a presentation to that committee suggesting that we should have a national beef stabilization program that would exclude the first 24 cows from every producer's herd in this country. At that time, that represented 75 percent of the producers in Manitoba and including myself, and I had paid the cost of putting that presentation forward. That is a weakness, you will see, in the legislation we are talking about with redoing the funding from Manitoba Cattle Producers and renewing an organization called KAP.

KAP's original proposal, I have talked to people in the KAP organization. When they first approached me, they were talking about an organization that would represent those farmers in Manitoba who had annual sales in excess of \$10,000.00. On that basis, I would have been periodically a member and periodically exempted from the organization. At this point, they are talking of lowering the requirements to a level of \$500, which opens a whole new area for consideration.

I have neighbours who live on small acreages, who work in town, who work on different jobs in construction, such as myself, who may have one steer. The kid is in a 4H program. I ask you to size up a hypothetical situation that the beef cattle prices are adjusted. We have had an achievement day. That calf sold for \$510.00. Does KAP take the \$10 or do they take the \$75? I know families in my neighbourhood who raise four or five hogs. They butcher two, sell three. Does KAP take the \$75 over the \$500 or do they straddle it again? Those questions have to be addressed.

Another thing that bothers me about this present legislation is, when KAP first talked to me personally about having an organization, they talked about an elected body. They said at that time anybody with total sales of less than \$10,000 they would see as not participating in the election. I wonder, if this issue is forced to a vote, will KAP again take the same position or will they allow the small producers with one calf to have their say-so in the proposed referendum.

If you, in your wisdom, see the need to go forward with this legislation in this manner and people who work for the rural municipalities come forward to you and ask for legislation of similar intent for their benefit, how will you react? Will you act equally or will you act in a discriminatory manner?

There are many more questions that should be brought forward in discussing this legislation, but the hour is late and I will leave my comments. If there are any questions, I will try and answer them.

**Mr. Chairman:** Any questions for Mr. Tait?

**Mr. Findlay:** The legislation sets up a funding mechanism. It does not tell the organization that it will be certified, at what level they will decide to start collections. That organization has the right to choose anything above the \$500 mark. That is just to indicate producers who sell that amount. I am aware they will pick a figure above that to start the checkoff. That is a decision that the organization will make. If you are talking KAP, it is a duly elected organization through 12 districts in the province, so it is pretty democratically set up so that argument can be carried on at that basis.

**Mr. Tait:** As I have pointed out earlier though, they have already indicated to me two levels: for an election, producers over \$10,000 in gross sales; for a legislated organization, producers with over \$500.00. There is a contradiction there that should be dealt with.

**Mr. Chairman:** If there are no other questions, thank you, Mr. Tait. We have one other, one Mr. Edward Hiebert, who has presented a brief to Bill—do you want to present it or you could present it—

**Mr. Uruski:** Mr. Chairman, I understand that this can be reproduced as if it was read into the record and if it can, because the gentleman did ask me to read it into the record and if it will be reproduced as read in the record, let it be distributed.

**Mr. Chairman:** Thank you, Mr. Uruski.

That concludes this portion. Regarding Bill No. 28, that is it.

**Mr. Uruski:** Are there any other presentations on Bill 28? Okay, we can go to 29.

### **BILL NO. 29—THE CATTLE PRODUCERS' ASSOCIATION AMENDMENT ACT**

**Mr. Chairman:** Okay, we will go on to Bill 29. Bill No. 29, is it the will to proceed with it in the order that it is printed that was read off?

Our first presenter is Bob Munroe, Manitoba Cattle Producers' Association. Mr. Munroe, you can start while they are being distributed.

\* (2340)

**Mr. Bob Munroe (Manitoba Cattle Producers' Association):** Thank you, Mr. Chairman. Ladies and Gentlemen, Mr. Minister, Members of the committee, I have been accused of dating myself with the beginning of this brief, but they have finally found out how long I have been involved in the cattle business.

In the mid-1950's, the Manitoba Stock Growers' Association was formed with the understanding that a united voice representing all cattlemen would be much more effective in assisting the growth of the cattle industry in Manitoba. This was expanded in 1972 to include the Manitoba Beef Cattle Performance Association, Cattle Breeders Association, Pure Breeds Association with support from the Dairy Cattle Breeders Association. This amalgamation of groups was named the Manitoba Beef Growers Association.

The MGBA operated on a membership basis until 1978 when a further amalgamation of the MGBA and the Cow-Calf Association, thus forming the Manitoba Cattle Breeders Association under Bill C-25. The purpose and need of Bill C-25 was to provide a united voice for Manitoba cattlemen with a proper method of funding.

As was identified by the Manitoba Beef Growers from 1972 to '78, the lack of reliable funding created a non-productive use of time in membership drives and other funding schemes. I would suggest that at least 50 percent of board time was spent on these issues, instead of attending to the concerns of cattlemen.

What Bill 29 does is relieve the elected board of directors of this onerous task and allows the "voice" of Manitoba cattlemen to be "financed" by Manitoba cattlemen at no cost to the taxpayers of Manitoba.

The Manitoba Cattle Breeders Association, when properly funded by their own members, can be an extremely effective source of information for a Department of Agriculture and indeed the whole Government if given the time to put the expertise it represents into action. An example of this type of involvement was the initial thrust to have a countervail placed against Irish and Danish manufacturing beef being imported to Canada from these countries with the aid of a very rich export subsidy. This countervail fight was financed by Canadian cattlemen and MCPA was very involved in this successful endeavour.

The MCPA since 1984 has expressed to the Manitoba Government the need for Manitoba's entry into the National Tripartite Stabilization Plan. Another example of the MCPA concerns were expressed when the Manitoba Government initiated the deliberately discriminatory One-Owner Finishing Plan under the Manitoba Beef Commission. I might explain that this was the way the Honourable Mr. Uruski described this plan at a meeting in his office. We at that time in 1984 fought to have the feedlots included and stated quite clearly that the plan would be devastating to feedlots and packing plants in Manitoba.

Our concerns and advice were completely ignored in 1984, and I do not have to delineate further than the following statistics: in 1984, the cattle kill in Manitoba—this was cattle of Manitoba origin—was 252,664 head; in 1988, the cattle kill in Manitoba of Manitoba origin was 140,000.

The MCPA is not by nature a negative-thinking organization but in fact an association with expertise in many fields with many new and innovative ideas and a willingness to cooperate with the Department of Agriculture and all other organizations, having as their goal the well-being of our industry.

(The Acting Chairman, Mr. Glen Cummings, in the Chair.)

With a member of our association on the Board of Directors of Keystone Agricultural Producers representing the red meats sector, as well as two voting members on the board of the Canadian Cattlemen's Association, it is readily apparent that MCPA, when properly funded and supported as in the proposed Bill 29, can be a valuable and exciting association to the Province of Manitoba.

The main concern of the original Bill C-25 was the unsatisfactory refund procedure. Bill 29 has set up a new procedure which allows a cattleman to opt out before the checkoff is deducted. This opt-out procedure requires minimal effort, and we feel that it is the least onerous on the non-supporting member while still giving some stability to our association.

Concerns may be raised as to the fact that an opt-out person will not be contributing to the association but will reap the benefits of the more open-minded and innovative thinking people. We in MCPA feel that this allows a type of ongoing referendum in support of our association. It essentially says that if the association is not representing the concerns of the industry, enough members will opt out to effectively close down the association. Nothing can be fairer and we accept the challenge.

Thank you, Mr. Acting Chairman. I will entertain any questions.

**The Acting Chairman (Mr. Cummings):** Questions? Mr. Uruski.

**Mr. Bill Uruski (Interlake):** Mr. Munroe, in your brief, do I take from your statistical analysis on page 2 that the reason that cattle kill numbers dropped in Manitoba was as a result of the one-owner finishing plant?

**Mr. Munroe:** Yes.

**Mr. Uruski:** And that is the only factor?

**Mr. Munroe:** That is the main factor. It—

**The Acting Chairman (Mr. Cummings):** Mr. Munroe.

**Mr. Munroe:** —preferred uncompetitive—I am sorry, Mr. Acting Chairman.

**The Acting Chairman (Mr. Cummings):** It is okay. Go ahead.

**Mr. Munroe:** I will behave from now on.

**The Acting Chairman (Mr. Cummings):** It is okay. I just had to get your name on the record. Go ahead, please.

**Mr. Munroe:** It was the uncompetitiveness of the people that were getting a Government subsidy as opposed to the feedlots were not allowed to join the plan that created largely the demise of the feedlot industry in Manitoba.

**Mr. Uruski:** Would you believe that the additional subsidies in Alberta and in Ontario would not have been a contributing factor to that?

**Mr. Munroe:** Yes, of course, they are a contributing factor. We are again competing with the treasury on an uneven basis.

**Mr. Uruski:** Would you have the statistics of how many calves left the province on a year-by-year basis which would then in fact be part of the story of the decreasing kill numbers?

**Mr. Munroe:** Yes. As near as we can find out, last year, the calf departure from Manitoba was in the vicinity of 180,000 calves.

**Mr. Uruski:** Mr. Acting Chairman, can Mr. Munroe indicate to me whether he has looked at Bill 28?

**Mr. Munroe:** Yes, I have looked at Bill 28.

**Mr. Uruski:** Is it your interpretation that Part 4 of Bill 28 deals with checkoffs for various commodity producers?

**Mr. Munroe:** My interpretation of the Section 4 of Bill 28 would be for those commodities that have yet to receive any type of funding.

**Mr. Uruski:** Is there anything in Bill 28 that would prevent the cattle producers from achieving what they are attempting to achieve in Bill 29?

**Mr. Munroe:** Yes, inasmuch as Bill 29 is unique, it is an amendment to unique legislation that is already on the books. There are certain things that I do not feel that Section 4 would comply with our philosophy.

**Mr. Uruski:** As I understand the present legislation of MCPA that the process of collection of fees is by voluntary membership, the present legislation, not Bill 29. Am I correct in that?

**Mr. Munroe:** I would have to verify what present legislation Mr. Uruski is referring to.

**Mr. Uruski:** Bill 29 purports to amend a Bill because there are certain sections that are being amended, and that is the Bill that I am speaking about. Does the Manitoba Cattle Producers' Association not have a Bill now that has been enacted by this Legislature?



**Mr. Munroe:** We have a Bill C-25 that was amended by Bill C-90 which did not allow us to collect funds.

(Mr. Chairman in the Chair.)

**Mr. Uruski:** Bill C-90 does contain a provision, the present Cattle Producers' Act, for a voluntary membership contribution. Is that not correct?

**Mr. Munroe:** I suppose any organization can have a voluntary membership contribution whether there is a Bill in effect or not.

**Mr. Uruski:** I am not even trying to debate that. You are right, you are absolutely right. I am not even trying to get into an argument on the point at all. All I want to establish is that there is a voluntary checkoff now.

Can you explain to me what Bill 29 will do differently that the existing legislation is not doing?

**Mr. Munroe:** Under Bill C-90, we do not have the authority to have anybody collect a checkoff. Under Bill 29, it gives us the authority to authorize somebody to collect the checkoff. We do not, at this time, have a voluntary checkoff.

**Mr. Uruski:** Can that same process not be achieved under Bill 28?

**Mr. Munroe:** Not to my understanding.

**Mr. Uruski:** Thank you.

**Mr. Chairman:** Any other questions? Mr. Evans.

**Mr. Laurie Evans (Fort Garry):** One point of clarification that I would like, Mr. Munroe, is in relationship between the Manitoba Cattle Producers' Association and the Manitoba Cattle Feeders' Association. The concern I have here is that it would appear that the Manitoba Cattle Producers' Association, through Bill 29, would have the opportunity for a checkoff, but if the Manitoba Cattle Feeders' Association were to go through and utilize Bill 28, seeking a commodity checkoff, you would be in effect asking for a checkoff on the same commodity twice.

Do you have any comment on that or do you see the possibility of these two associations getting back together and forming one unit so that the potential problem does not exist?

**Mr. Munroe:** Yes, Mr. Evans. If I could go back four years or so, when the feedlots were left out of the Beef Commission plan, the MCPA immediately started to lobby the Government to have them included either in that plan or in some other plan. We got nowhere. The cattle feeders, we met with them. We were at the meeting in Portage where they were formed. We felt that possibly a two-pronged attack on that Government might have more effect or we might get some niche that we could get something for the feedlots. This failed and I have no concern, whatsoever, what the Cattle Feeder' Association will come back into the feedlot committee of our association.

\* (2350)

**Mr. Chairman:** Any other questions? Thank you very much, Mr. Munroe.

**Mr. Munroe:** Thank you, Mr. Chairman; and thank you, committee.

**Mr. Chairman:** Our next presenter is Mr. Tom Dooley, the Manitoba Cattle Producers' Association.

**Mr. Tom Dooley (Manitoba Cattle Producers' Association):** Mr. Chairman, I am not presenting a brief. I am simply here for back-up technical help to those producers who are presenting briefs.

**Mr. Chairman:** Thank you, Mr. Dooley.

Mr. Ken Sigurdson, National Farmers' Union. You have no brief to present at this time? Mr. Sigurdson.

**Mr. Ken Sigurdson (National Farmers' Union):** I guess we just saw the demonstration of the thing between voluntary and compulsory. When it is a voluntary organization, certainly, the support is not there for it. So what the people are really trying to do with Bills 28 and 29 is trying to gain support without actually having that support, and gaining support by default. Farmers are—well, somebody said apathetic. I never said apathetic. I think farmers are too busy to be fooling around filling out forms and writing in for collections. Really, what it represents is a tax. The Government is taxing commodity groups for again somebody they feel that they like.

I would just like to relate an experience that happened to us in Alberta in the National Farmers' Union. Under The Natural Products Marketing Act, in Alberta there is a checkoff on beef and it is compulsory. It is non-refundable. In that legislation, there is a provision that if 10 percent of the people sign a petition they can call for a vote on the Alberta Cattle Commission. So about three years ago the NFU members combined with the cow/calf group in Alberta and went around and collected signatures on a petition and they got 3,200-and-some-odd signatures calling for a vote.

Eight months later, their Government of the Day was still challenging the authenticity of the names on the petition and I think they found out something like 27 of the producers were not actual producers, but I think they still had enough people to call a vote on the existence of the Alberta Cattle Commission.

After that procedure, the Government of the Day rewrote the legislation and I think they required—and I am not exactly sure on the figures—15 percent of the producers owning 15 percent of the cattle would be required before a plebiscite would be held. I think the headline in the Western Producer was, "In Alberta the cattle vote."

So really these things are kind of a joke. Checkoffs are really dependent on the Government of the Day and, certainly, if we see the Keystone Agricultural Producers strongly opposed to free trade, for instance, or the Meech Lake Constitutional Accord, I do not think

the Conservative Government in Manitoba would be quite as ambivalent towards them as they are right now. They would probably be in here asking for a checkoff and receiving the warm response that they are.

Checkoffs are established by legislation and people are really subject to that legislation. It is again something that in a democratic society people like to make decisions; they like to make decisions on what they do. When Government interferes with farm organizations, which this Government is doing with Bill 28 and Bill 29—And Bill 29 in particular where we could conceivably see something like 20 or 30 different types of checkoffs—farmers really will not know what is going on. You are going to have checkoffs for hogs and eggs and who knows what kind of producer organizations.

Anyway, that is all I want to say. I think the cattle industry needs more long-term solutions to their problems rather than checkoffs. They need their marketing system restructured so that producers can receive a fair return for their production, and certainly we saw, when we had the beef checkoff in Manitoba, no progressive ideas coming from the cattle producers at that time. That is all I want to say on that particular Bill.

I would answer any questions if there were any.

**Mr. Chairman:** Are there any questions for Mr. Sigurdson? Thank you.

Mr. Allan Dickson, Farmers' Union. Mr. Allan Dickson, is he here?

**An Honourable Member:** He went home.

**Mr. Chairman:** Mr. Goldwyn Jones.

**Mr. Goldwyn Jones (Private Citizen):** I will be very brief. My concerns are much the same as I outlined on the previous Bill. When the checkoff was in place I was one of the producers who asked for the refund to be mailed back to me. It was a very clumsy mechanism and many farmers in Manitoba were not even aware of what the checkoff was being used for.

The MCPA—I think most cattle producers in the province recognize that they are the parent of the Canadian Cattlemen's Association which has a long and colourful history of protecting the interests of the meat trade and the Alberta cattle industry, so I do not think that the farmers in Manitoba really need this legislation at all. Thank you.

**Mr. Chairman:** Thank you. Have you any questions to Mr. Jones?

Mr. Doug McLaren.

**Mr. Doug McLaren (Private Citizen):** Mr. Chairman and committee members, I welcome the opportunity to make a few brief comments, and they will be brief. I would have welcomed the opportunity earlier in the evening, in the year, and indeed in the decade.

A funding mechanism such as proposed with our Bill, Bill 29, will allow the directors of the association to

direct their time and energy towards the improvement of our industry.

I am a full-time farmer, and probably half or a little better of my income comes from the cattle industry.

We had a funding mechanism that was removed with Bill 90. At that time there were about 93 percent of the cattle producers funding that organization and about 7 percent had requested refunds.

\* (2400)

I view the funding mechanism that we have or are hoping to receive to provide us with some opportunities in the cattle business in Manitoba. I have just highlighted three or four of those. In the area of stabilization I think is one. It is near and dear to my heart. It is something I have been lobbying for for a long time to restore Manitoba's competitive position, utilizing our regional comparative advantages of which we have many. We have low cost, high quality roughages available for the production of calves. We have an ability to grow silage in the Red River Valley and in other areas of Manitoba second to none in this country. We also are producers of feed grains and can further process those very effectively through cattle.

We are centrally located in this country to access the eastern market, to access the eastern seaboard market in the U.S. and to indeed access the California market of which there is approximately 25 million people down there, which is the same population as we serve domestically.

We also have an opportunity to participate in stop loss stabilization which will allow us to remain internationally acceptable.

We have market opportunities. The Japanese market have removed some of their import quotas. They have a population of 120 million people. It is estimated that their consumption of beef is going to go from 60 thousand tonnes to 394 thousand tonnes in three years, with a potential by the turn of the century to go to 800,000 tonnes. That is a big market, gentlemen, providing we can meet their specifications. We have a job to do as an industry. A well-funded organization can do that job.

We can expand, as I have mentioned, into the U.S. market, 250 million people; we are not that far away from them. We enjoy basically a fair trading situation with them now. It is not totally free but it is fair both ways.

There is also some significant populations of other countries, the so called Pacific Rim countries. We can fund some research activities as an association, VIDO being a primary one. We are actively involved in scours vaccines which I believe would be a factor in just about every cow/calf producer's life. Shipping fever and pneumonia, I battle on a daily basis as do most people involved in the feeding of cattle, and any kind of research that we can have that would aid us would be gratefully received.

VIDO is industry driven and needs industry funding. There are areas of equipment design and development

that would benefit our industry. As cost recovery becomes more and more a reality, there is an increasing reliance on private or industry funding for all of this research.

And finally, we participate in the Canadian Cattlemen's Association, and I allude to the fact that a well-funded provincial organization contributes to CCA to not only protect and promote Manitoba's share of the national industry but also represents Manitoba's cattlemen on national and international issues.

Thank you, and I would endeavour to answer any questions that you may have.

**Hon. Glen Findlay (Minister of Agriculture):** When the checkoff was originally in place under Bill C-25, and before it was removed under Bill C-90, the purchasers of cattle at basically auction marts took the checkoff off and sent it in to MCPA. Were there any difficulties encountered in that process at that time?

**Mr. McLaren:** Not to my knowledge.

**Mr. Findlay:** Did they charge anything for that service?

**Mr. McLaren:** Yes, they were allowed to retain, I believe one cent.

**Mr. Findlay:** 1 percent?

**Mr. McLaren:** One cent.

**Mr. Findlay:** Out of 50 cents—which was 2 percent.

**Mr. McLaren:** When the checkoff was removed, it was \$1.00. So it was one cent out of \$1.00.

**Mr. Findlay:** Okay.

**Mr. McLaren:** They have not indicated any lack of desire to go back to doing that?

**Mr. McLaren:** I am sorry.

**Mr. Findlay:** They are prepared to go back to doing that?

**Mr. McLaren:** Yes, certainly, with full support.

**Mr. Findlay:** Thank you.

**Hon. Glen Cummings (Minister of Municipal Affairs):** Mr. Chairman, regarding the checkoff that was originally used, was it required that it be indicated annually that someone did not wish to participate?

**Mr. McLaren:** It was a refundable checkoff, so it was any monies deducted during the year were refunded at the end of the year.

**Mr. Uruski:** Can you tell us what revenues MCPA took in on an annual basis if you recall before the checkoff was removed?

**Mr. McLaren:** Approximately \$300,000, I would guess.

**Mr. Uruski:** Mr. Chairman, could you tell us what kind of revenues you would be receiving from the voluntary checkoff presently?

**Mr. McLaren:** I think it is in the area of \$20,000 on an annual basis, somewhere around there.

**Hon. Jack Penner (Minister of Natural Resources):** Mr. Chairman, can you clarify for me what the checkoff was before? Was it a dollar a head?

**Mr. McLaren:** Yes.

**Mr. Penner:** You paid 1 percent of it. The checkoff was a collection fee.

**Mr. McLaren:** Yes.

**Mr. Penner:** So that is 1 cent out of every dollar that you collected?

**Mr. McLaren:** Yes.

**Mr. Penner:** I find it rather interesting that the grain companies, or the association here before indicated that they would deem that their costs would be in the neighbourhood of 10 percent or better in collection and you indicate that the organizations or the mechanism that you use to collect could be done for about 2 percent of the fees collected. I wonder whether that is a direct reflection of the grains industry efficiency or whether they just do not know what the cost of collecting these kind of fees might be?

**Mr. McLaren:** My only response, Mr. Chairman, would be to indicate that we in the cattle business are sure as hell efficient.

**An Honourable Member:** Good answer.

**Hon. Donald Orchard (Minister of Health):** Mr. McLaren, obviously there is substantial support among the Cattle Producers' Board. Would you speculate or anticipate that you would be able to achieve with this checkoff that approximate 90 percent participation by cattle producers?

**Mr. McLaren:** Yes, Mr. Chairman, I have every confidence that we would be in that range.

**Mr. Chairman:** Any other questions? If not, thank you very much, Mr. McLaren.

Mr. David Fulton.

**Mr. David Fulton (Private Citizen):** Thank you, Mr. Chairman. I am speaking as an individual producer tonight. As you know, I have been involved to a considerable extent in the cattle producers' organization. I wanted to try to cover essentially four areas, that I thought the organization is important to the industry in four areas.

One is that I wanted to talk a little bit about checkoff amounts as far as other cattle organizations within the country are concerned, how these funds are used, the

need for that farm organization or that cattle organization and how these organizations work and can work for the betterment of the industry.

First of all, I would like to talk a little bit about the amounts that other provinces have, and as you know, there are checkoffs in every other province in Canada except for this one in Manitoba. Alberta operates a checkoff which happens to be compulsory at \$1.50 a head. B.C. is \$1.75 a head. Saskatchewan is \$1 a head. Ontario is \$1.85 a head which is a compulsory checkoff. Nova Scotia, New Brunswick and PEI have a smaller, less defined types of checkoffs.

These funds of course are primarily designated as a single organization. They channel those funds where necessary into the federal organization which they tend to support, which is the Canadian Cattlemen's Association with that direct input on a single organization which can have a great deal of influence on a national scale. If we have a number of organizations within a province that do have input into those organizations, and I am looking for example at the Alberta Cattle Feeders' Association, or the Saskatchewan Cattle Feeder's Association, or the Manitoba Cattle Feeder's Association, those types of organizations, the route to the Canadian Cattlemen's Association is through the primary organizations which are those organizations funded by checkoff in order to get their ideas and their input to the Canadian Cattlemen's Association. That is why it is extremely important that we do have a strong provincial organization that can achieve that kind of a task.

I will move on to a little bit about how funds are used by the Manitoba Cattle Producers' Association or also other organizations within other provinces. Of course, and Doug has mentioned the Canadian Cattlemen's Association, VIDO, which is a research facility that we previously funded which, as Doug has mentioned, has come up with vaccines and health care products that are extremely important and have had a very strong economic benefit to the industry.

The Beef Information Centre, Doug has not mentioned very much about that but it is a major organization that is of course used on a national basis to promote our product. The reality of today is that we need to continue to promote that product, and I am not saying just from the point of view of promoting it for selling purposes, but we also need to correct some inadequacies that are generated in the public's eye or the consumer's eye with regard to cholesterol and with regard to the chemicals that might be used in the production of beef.

These funds are also used for research purposes. We think that the need for strong funding of these organizations will also lead to strong policy development and I propose to talk a little bit about that further and of course those funds that are generated for the Cattle Producer's Association would also go, of course, to provide adequate staff to do the research and the kinds of work that need to be done.

The need for the organization is essentially for the development of programs as a result from input from producers. Now, I think there is a very strong need,

and I have presented this kind of philosophy to Governments in the past and I know that I have presented that kind of information to Mr. Findlay with regard to how programs should be developed within the agricultural sector, in particular within the cattle industry because that is the one that we are most closely concerned with.

Essentially, the drive of it is that you let the farm organizations from the grass roots, let the information come up, let the ideas come up through the organization and develop the programs by that organization. They know what they want out there. The grass-roots producers know what they want out there. Let that be developed by those organizations. We have, when properly funded, the proper research facilities and the proper kind of people to deal with that. The role of Government and bureaucrats of course, as I see it, is to implement that policy or that program or to provide that opportunity to get an Act through the House if it is necessary to do that and to dot the "i's" and cross the "t's" and that sort of thing. That is what we see as the role of that policy of those kinds of organizations.

\* (0010)

How these cattle organizations work, as you know, is that producers will have input into the Cattle Producers' Association and of course, we, from that point, would have direct input from a lobbying point of view into both the provincial Government as well as the federal Government. We also move that up the chain to the Canadian Cattlemen's Association which, as Doug has mentioned, is really aiming at a three-tier or three-pronged sort of an approach. They do have input as far as the provincial level, certainly on a federal level and also on an international level.

I think that there is some truly strong needs for these kind of organizations to also have input into other organizations, and I speak a little bit of the Beef Commission. The Beef Commission, as you know, is an appointed board. It is represented by a number of producers who are appointed by Government to run the affairs of the Beef Commission. I think there is a real strong need for that organization or those producers that are involved there to get input, to have the pulse on the producer to know what is necessary. That is why a strong farm organization like the Manitoba Cattle Producers' Association is required to do that.

I think I will end my comments there. I would be pleased to answer any questions that you may want to pose.

**Mr. Findlay:** I would like to ask Dave, in going back to a question that was asked earlier by Mr. Evans as to do you see the Feedlot Association being able to come back in under the umbrella of MCPA once the organization can be funded and can then actively pursue the initiatives that the feedlot people want?

**Mr. Fulton:** That is a real possibility. We do have a resolution on the books from our annual meeting last Friday which essentially directed us to return to the Cattle Feeders' Association to ask them to rejoin our association. We are certainly prepared to act on that, in that vein.

As I mentioned previously, there are Cattle Feeder Organizations in two other provinces at least. I see no real difficulty with those kinds of organizations existing. There is perhaps some difficulty in requiring two checkoffs to operate those. I think a healthy organization, and we see that very kind of thing happening in Alberta where the Alberta Cattle Feeders, for example, has a considerable amount of influence and a considerable amount of input into the Alberta Cattle Commission which of course is the organization that collects the checkoff, and that works extremely well.

If the Manitoba Cattle Feeders' Association does not see fit to rejoin our organization, I see not a problem there. I think that we can certainly work with those producers and that we value their input as well as anyone else that is in the business.

**Mr. Findlay:** In my mind, and I am sure in the eyes of many cattle people, the greatest injury to the cattle industry is the curb to the feedlot sector and the greatest need for recovery is in that sector. Because of events that have happened over the past few years here in this Province, we have a long way to recover to get back to where we were. It is very important in my mind that you pursue with them that initiative to work together in that process.

**Mr. Chairman:** Are there any other questions?

**Mr. Orchard:** Just a comment, Mr. Chairman. I would just like to indicate to Mr. Fulton that was a very well-reasoned presentation in committee tonight. At a quarter-past-12, that is much appreciated.

**Mr. Uruski:** Just a question, David. You have been appointed by the Minister to act as Chair of the Beef Commission. Is that correct? David, by your remarks, you were not indicating that you would be ending the meetings—the producer meetings of the commission—seeking the views of producers as a new Chair, were you?

**Mr. Fulton:** No, I am not suggesting that at all. In fact, we had a meeting today as a matter of fact, and that is a real possibility that we will be continuing those meetings, if and when there is adequate information that we need to impart to producers or that we need input to them.

It is also, I strongly feel, our responsibility as a commission to take input from other farm organizations, be that KAP, be that Cattle Producers Association or be that Manitoba Cattle Feeders or individual producers as well. I mean we are open for that kind of comment. Thank you.

**Mr. Chairman:** Are there any other questions?

**An Honourable Member:** No.

**Mr. Chairman:** Thank you, Mr. Fulton.

Our next presenter is Mr. Robert Ages, Manitoba Coalition Against Free Trade. He has gone? Okay.

Mr. Lyle Ross. Is Mr. Ross here yet? He has left. Mr. Fred Tait. We had one name added here.

Before the committee rises, we need unanimous consent to have Mr. Cummings take the Chair tomorrow morning for me. I am going to be late.

**Mr. Cummings:** Is there consent of the committee to deal with the Bills right now? If we are prepared to deal with them expeditiously there might not be a reason to come back tomorrow morning.

**Mr. Uruski:** I was trying to indicate to the committee that legal counsel, and I have raised it with the Minister, is preparing some amendments for me. In fact, those amendments will not be ready until tomorrow morning.

I think it was the intention, Mr. Chairman, to hear presentations tonight, by agreement, and do the clause by clause tomorrow morning. That is essentially the agreement that we had tonight

**Mr. Chairman:** Committee rise.

**COMMITTEE ROSE AT:** 12:19 a.m.

**WRITTEN SUBMISSION PRESENTED BUT NOT READ:**

Brief by Edward Hiebert  
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Phone 1-864-2102  
Dec. 13, 1988

I table this brief as a member active in the farm community as a producer of grain, contributing editor to a farm paper, and as one who has, in an ongoing way, continued to highlight and focus rural attention on a range of concerns facing the rural community, two of which have become provincial agenda: farm purple fuels and rural telephone reform.

Pertaining to Bill 28, I will deal point by point on a few of the sections which I believe need to be addressed further.

**INTRODUCTION:** As an overview, as I read the present form of the farm organizing checkoff legislation, it may unintentionally entrench a rigidity and direction in the future that would not be in keeping with farmers' wishes once the details are understood. The problem is that in the future the present form of the Bill will sanction the status quo instead of supporting the dynamic and leading edge required for our farm sector to build on and develop its viability in the marketplace.

**CLAUSE-BY-CLAUSE STUDY:** The clauses will be dealt with by exception using the notations as published in Bill 28.

Page 3, Section 3(2):

(i) Although the agency shall consist of four or five members, only four references are mandated. I would recommend five be prescribed by law. In today's world gender parity has significant merit and I believe at least one female representative would be in order, such as from the Home Economics Department now referred to as Human Ecology.

(ii) I take objection to the fourth prescribed member, item (d), the president of the UMM, as being one of the representatives. Having dealt with the question of rural telephone reform, I have found the executives and secretary of the UMM to be strong supporters of the status quo and quite willing to use their powers and influence to prevent growth and change in the interest of the rural population. Specifics can be requested.

In lieu of the UMM representation on the agency, I would like to recommend another step towards prescribing gender parity by law, and personally would recommend someone from the Women's Institute (provided they would not be seeking certification). The other possible prescribed members are quite acceptable.

Page 3, Section 3(3):

(1) Section 3(3) appears to contradict 3(2) simply on the basis of volition of whether some prescribed members will sit or not. With only four prescribed members listed and if one or more refuses appointment, we are automatically into the provisions of 3(3).

3(3) grants that only three agency members are required if any of the prescribed are not willing to participate while 3(2) states the group's size shall be four or five.

(ii) Instead of granting the Government of the Day to choose agency members at their pleasure, an indirect form of directing farm affairs, as well as political reinvolvement in the selection process, it would be preferable to add several additional possible members to the prescribed list in 3(2), giving the hierarchy of participation. This would add further stability, for since the present list is only four long and a minimum of four are required, the present arrangement inadvertently puts the Government of the Day back to square one into the political involvement which this whole panel section is to avoid. So, clearly, more members listed would be more appropriate.

Page 3, Section 3(4):

The term of office is too vague and again makes the appointments at the pleasure of the Government of the Day. The term of office would be ongoing for the four or five prescribed representation areas. However, should a lower order member serve on the agency, that member should have status for a prescribed period of time, after which, should a prescribed member of higher hierarchy become available, then and only upon clearly prescribed time frames should the lower order member be replaced.

Page 3, Section 5(1):

As with 3(3) point (ii), this section makes it the duty of the Government of the Day to designate the chairperson and vice-chair. This clearly reserves a lot of control for the Government in helping farmers establish their own advocacy organization. Couple this clause with the right to fill in extra members should others not be willing, makes the whole process far too subject to the interests of the Government of the Day thereby removing the impartiality of the intended agency.

It would be my recommendation that the Government neither makes the certification choice directly as a political choice as the tabled legislation proposes, nor that the Government of the Day can use its influence unduly in shaping the content of the agency. Therefore, if the intent is to depoliticize this enabling checkoff legislation, then surely the participating agency members themselves should be able to elect these two positions of chair and vice-chair.

Page 7, Section 16(2):

Subsequent sections allow for the formation of multiple commodity groups and that these must be endorsed by at least 60 percent of the then to be prescribed eligible voters. Much as there may be widely different and valid interests among different commodity producers, so too are the interests of the farming population as a whole. If the legislation is to truly enable farmers to organize their way towards a future more in keeping with their aspirations, then 16(2) should be modified in two ways:

(i) Legislation enabling for the possibility of a multiplicity of certified organizations. This would require a subclause dictating that the funds be shared on a pro-rata basis of membership or, better still, be designated by each contributing producers as to what proportion of his/her checkoff will go to which certified organizations.

(ii) If only one organization will be allowed, then before being certified, the organization should be ratified by plebiscite similar to the commodity groups. This option becomes more important should 16(2) not be modified to allow for more than one certified organization. If more than one group can be certified, point (i) then gives farms enough democratic latitude to have a more active voice in shaping their future.

16(2) as it now reads, is particularly offensive. Our Government is a democratically elected Government. However, the present form of the legislation will force the equivalent of a communist one-party-state format on the farm community. To have only one certified organization ignores the plurality among farmers. Equally odoriferous is the fact that this group will be authorized and mandated by the Government without giving farmers an opportunity to speak via plebiscite whether an organization is desirable. This is a requirement in the case of commodity groups and likewise should certainly be the case if only one certified organization is to be allowed.

Sections 17, 18 and 19 may institutionalize a certified organization well after it has served its usefulness by giving an unusually disproportionate advantage to an existing certified organization. Except for the interim phase of Section 22(1)(2)(3), Sections 17 through to 19 grant the existing organization a two-year notice time before another organization might be legally open to be certified if at all by the selection agency.

Allow me to explain. After the interim period of certifications until 1990, Section 19(2) provides for the annual automatic renewal of certification for a two-year period. Hence, if an organization wishes to apply for certification, essentially two years notice must be given

before the agency may even consider a change in certification.

The existing organization has the guaranteed funds to mount a re-election campaign while the other or others must use privately generated funds to mount such a campaign which is guaranteed by these proposals to last for two years. Such a provision over such a lengthy time gives far too much advantage to the status quo certified organization to the detriment of a vital and ever progressive farm community.

Section 20 further entrenches and institutionalizes the first group to receive certification. By legislation, all producers, save those that have formally dropped out of the plan, will be paid up members of the certified group. This implies that both the active as well as the passive supporters are automatically deemed to be active supporters of the then certified organization while the challenging group can only have active supporters used for their count.

This section is tantamount to changing our democratic election process to one where those that DO NOT vote are deemed to support the Government of the Day in addition to those who actively support and vote for the Government while the opposition vote is limited entirely to active votes. Such a format is clearly unacceptable and is equally unacceptable for a democratically supported farm organization.

Such means of enshrining the status quo or incumbent are more undemocratic than those practised in Russia and should not even be contemplated here by democratically elected representatives who wish to support the democratic process.

Allowing for more than one certified group removes this obstacle. Further, if only one group is to serve as the certified group, farmers should, by law, have the right, by plebescite, for prescribed periods to endorse another or reject the certified group.

29(2)(c) is objectionable in that a certified organization may induct producers back into the program every two years even though they chose to opt out. This would necessitate the producers to keep opting out every two years. Allowing the organization to induct any producer who has opted out is a form of harassment and must not be allowed by statute.

Again, if this provision is allowed to stand, producers can be wearied by the process and resign themselves to participation or forget to file a rejection as it appears no notice must be given that they will be reinducted. This lack of adequate notice gives particular unscrupulous power to the certified organization under 29(2)(d).

29(2), as I read it, will grant a refund of monies collected limited to those that were collected after notice of objection is received (not sent). Not only may a producer not be aware of reinduction and the unusual

biannual means required to serve notice of rejection, but that monies collected during a time a producer was unaware of being reinducted, those monies are not refundable.

A more acceptable practice would be as the one used by Western Grain Stabilization. New producers are automatically entered but are given full information as to their rights and how much time they have to serve rejection. If rejection is served, all fees for the year, regardless of when rejection is served, are refunded. Furthermore, once a producer has opted out, only at the producer's initiative may he/she opt back in. These WGSA provisions would make this plan much more acceptable.

SUMMATION: The proposed legislation may help add financial viability and therefore capacity to more effectively lobby collectively for the producers' betterment. However like religions, state religions tend to decay as little conviction is required to be part of the group. Smaller groups of voluntary participants who work with conviction tend to be much more effective and wholesome than state mandated participation.

Furthermore, the specific clauses referred to above not only grant unusual powers to the Government of the Day in deciding upon the composition of the agency, but also give the certified organization too much power. Far too much protection is given to the certified organization to remain as the one. Further, the legal right to harass non-participants by inducting them into the organization every two years and keeping any monies so collected even if subsequently a rejection notice is given is unacceptable.

One final comment. As a private citizen, I have my own duties and schedules, including have scheduled an out-of-town visit with someone who has cancer. The notice given in order for me to be able to plan my affairs and present my brief to the Standing Committee on Agriculture was less than adequate. This legislation has been tabled quite some time ago. I understand that since the election, this will be the first time this body will be sitting, and now to have this process move forward with but one day's notice to presenters is certainly less than adequate. I have, as just mentioned, due to a friend's illness, made plans to be out of town and to be jerked about as one-day notice due is not only inadequate but circumvents the democratic process and I wish to register my dissatisfaction and disapproval.

If there are any further steps that I might avail myself of being heard, I ask that I be so advised. Furthermore, if the committee should wish to afford me a further opportunity or has further questions, I could be made available beginning with December 21, 1988, and contacted at the above number and address.

(Edward Hiebert)