

Fourth Session – Forty-Second Legislature
of the
Legislative Assembly of Manitoba
Standing Committee
on
Social and Economic Development

Chairperson
Mr. Len Isleifson
Constituency of Brandon East

Vol. LXXVI No. 3 - 6 p.m., Monday, March 21, 2022

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MANITOBA LEGISLATIVE ASSEMBLY
Forty-Second Legislature

Member	Constituency	Political Affiliation
AL TOMARE, Nello	Transcona	NDP
ASAGWARA, Uzoma	Union Station	NDP
BRAR, Diljeet	Burrows	NDP
BUSHIE, Ian	Keewatinook	NDP
CLARKE, Eileen, Hon.	Agassiz	PC
COX, Cathy	Kildonan-River East	PC
CULLEN, Cliff, Hon.	Spruce Woods	PC
DRIEDGER, Myrna, Hon.	Roblin	PC
EICHLER, Ralph	Lakeside	PC
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FONTAINE, Nahanni	St. Johns	NDP
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GOERTZEN, Kelvin, Hon.	Steinbach	PC
GORDON, Audrey, Hon.	Southdale	PC
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GUILLEMARD, Sarah, Hon.	Fort Richmond	PC
HELWER, Reg, Hon.	Brandon West	PC
ISLEIFSON, Len	Brandon East	PC
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KINEW, Wab	Fort Rouge	NDP
LAGASSÉ, Bob	Dawson Trail	PC
LAGIMODIERE, Alan, Hon.	Selkirk	PC
LAMONT, Dougald	St. Boniface	Lib.
LAMOUREUX, Cindy	Tyndall Park	Lib.
LATHLIN, Amanda	The Pas-Kameesak	NDP
LINDSEY, Tom	Flin Flon	NDP
MALOWAY, Jim	Elmwood	NDP
MARCELINO, Malaya	Notre Dame	NDP
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MICHALESKI, Brad	Dauphin	PC
MICKLEFIELD, Andrew	Rossmere	PC
MORLEY-LECOMTE, Janice	Seine River	PC
MOSES, Jamie	St. Vital	NDP
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NESBITT, Greg	Riding Mountain	PC
PEDERSEN, Blaine	Midland	PC
PIWNIUK, Doyle, Hon.	Turtle Mountain	PC
REYES, Jon, Hon.	Waverley	PC
SALA, Adrien	St. James	NDP
SANDHU, Mintu	The Maples	NDP
SCHULER, Ron	Springfield-Ritchot	PC
SMITH, Andrew, Hon.	Lagimodière	PC
SMITH, Bernadette	Point Douglas	NDP
SMOOK, Dennis	La Vérendrye	PC
SQUIRES, Rochelle, Hon.	Riel	PC
STEFANSON, Heather, Hon.	Tuxedo	PC
TEITSMA, James	Radisson	PC
WASYLIW, Mark	Fort Garry	NDP
WHARTON, Jeff, Hon.	Red River North	PC
WIEBE, Matt	Concordia	NDP
WISHART, Ian	Portage la Prairie	PC
WOWCHUK, Rick	Swan River	PC
<i>Vacant</i>	Fort Whyte	
<i>Vacant</i>	Thompson	

LEGISLATIVE ASSEMBLY OF MANITOBA
THE STANDING COMMITTEE ON SOCIAL AND ECONOMIC DEVELOPMENT

Monday, March 21, 2022

TIME – 6 p.m.

LOCATION – Winnipeg, Manitoba

**CHAIRPERSON – Mr. Len Isleifson
(Brandon East)**

**VICE-CHAIRPERSON – Mr. Greg Nesbitt
(Riding Mountain)**

ATTENDANCE – 6 QUORUM – 4

Members of the committee present:

Hon. Messrs. Goertzen, Johnson

Messrs. Bushie, Isleifson, Maloway, Nesbitt

SUBSTITUTIONS:

Mr. Brar for Mr. Bushie at 6:36 p.m.

APPEARING:

Mr. Diljeet Brar, MLA for Burrows

Hon. Jon Gerrard, MLA for River Heights

*Hon. Alan Lagimodiere, Minister of Indigenous
Reconciliation and Northern Relations*

PUBLIC PRESENTERS:

*Bill 12 – The Peak of the Market Reorganization
Act*

Pamela Kolochuk, Peak of the Market

*Peter Loewen, Garden Valley Vegetable Growers
Ltd.*

WRITTEN SUBMISSIONS:

Bill 9, The Scrap Metal Act

Logan Orloff, Orloff Scrap Metals

MATTERS UNDER CONSIDERATION:

Bill 4–The Path to Reconciliation Amendment Act

Bill 9–The Scrap Metal Act

*Bill 12–The Peak of the Market Reorganization
Act*

* * *

Mr. Chairperson: Good evening. Will the Standing Committee on Social and Economic Development please come to order.

Our first item of business is the election of a Vice-Chairperson.

Are there any nominations?

Hon. Derek Johnson (Minister of Agriculture): Mr. Nesbitt.

Mr. Chairperson: Mr. Nesbitt has been nominated.

Are there any other nominations?

Hearing no other nominations, Mr. Nesbitt is elected Vice-Chairperson.

So, this evening's meetings—pardon me. This meeting has been called to consider the following bills: Bill 4, The Path to Reconciliation Amendment Act; Bill 9, The Scrap Metal Act; and Bill 12, The Peak of the Market Reorganization Act.

I would like to inform all in attendance of the provisions in our rules regarding hour of adjournment. A standing committee meeting to consider a bill must not sit past midnight to hear public presentations, or to consider clause-by-clause of a bill, except by unanimous consent of the committee.

We have received some written submissions. You should all have them in front of you. It has been received and distributed to you from Logan Orloff of Orloff Scrap Metals.

Does the committee agree to have this document appear in Hansard transcript of this meeting?
[Agreed]

So, prior to proceeding with public presentations, I would like to advise members of the public regarding the process for speaking in committee.

In accordance with our rules, a time limit of 10 minutes has been allotted for presentations, with another five minutes for questions from committee members.

If a presenter is not in attendance when their name is called, they will be dropped to the bottom of the list. If a presenter is not in attendance when their name is

called a second time, they will be removed from the presenter's list.

The proceedings of our meetings are recorded in order to provide a verbatim transcript. Each time someone wishes to speak, whether it be an MLA or a presenter, I first have to say the person's name. This is the signal for the Hansard recorded to turn the mics on and off.

Also, if any presenter has any written materials for distribution to the committee, please send the file by email to the moderator, who will distribute it to the committee members.

Thank you for your patience, and we will now proceed with public presentations.

Bill 12—The Peak of the Market Reorganization Act

Mr. Chairperson: So, I will now call on Pamela—pardon me—Kolochuk, from Peak of the Market.

Pamela, if you could—I'll invite the moderator to invite them into the meeting. And if I could just ask that you unmute yourself and turn your video on, when you're ready.

Good evening, Ms. Kolochuk. Please proceed with your presentation.

Pamela Kolochuk (Peak of the Market): So, I'm here to speak for Bill 12, which is The Peak of the Market Reorganization Act. I'm the CEO of Peak of the Market. Ignore my mess behind me. This was very short notice, so I'm meeting in my basement with you right now.

But, what I'm here to speak about is for the bill. Peak of the Market is very excited to have this legislation presented to MLAs in—within the Legislature. We believe that this is going to help us move forward into, you know, the 21st century.

The legislation that currently exists for Peak of the Market is outdated and hasn't been updated for many years. And when we looked at whether or not we should amend legislation in order to move it to the 21st century, or to, you know, abolish all legislation, we looked at many different options on how we could do this.

And at the end of the day, the growers and the board felt that the easiest—well, not the easiest—the best thing to do for growers in order to remove limitations and remove the monopoly that currently exists was to remove all legislations.

This will essentially help small growers because there won't be any limit on them for growing any product that's currently regulated, which is potatoes, carrots, onions and parsnips, as well as remove quota. So quota has been a limiting factor on the current Peak of the Market growers and also on growers that wanted to enter the market because you have to grow more than a certain amount of acres and you have to apply for quota.

So with this legislation it removes all of those rules and limits on growers in Manitoba and enables them to grow as much as they want and whatever they want, and also be able to sell it to whomever they want to. So being restricted to only being able to sell through Peak was also, you know, a bit of a limitation on some growers because they wanted to work with retailers directly, and this legislation removes that requirement.

So a grower can grow as much as they want, but they can also sell it through what—however they want. They don't have to use Peak as the marketing agency, and while we would love to sell their product, they don't have to sell it through us. So I think this is really beneficial to, you know, ag producers—horticulture producers in Manitoba, and we've spoken to quite a few of them in regards to this bill and the removal of the legislation, and they feel the same as we do that it's positive for them as well as for us.

What this also does is it provides us the stability to expand nationally. While we can ship product outside of Manitoba, we're limited in our ability to own assets outside of Manitoba, as well as, you know, the product and efficiencies that come with it.

So by, you know, removing all legislation, it allows Peak of the Market to look at establishing itself in different areas of the country as well as into the United States. We ship 40 per cent of our product to the United States and a lot of it is shipped in bulk because we aren't able to have a packing facility in the United States, and most of our growers are, you know, half an hour from the border in Winkler. So removal of, you know, the rules surrounding this legislation would enable us to be able to set up and create efficiencies in ways that we can't do that today because we're limited to being within Manitoba and only holding assets within Manitoba.

I want to let you know that, you know, this isn't a decision that was made lightly. So board of directors and growers have spent over two years discussing, you know, this bill that has now come to fruition. We started this conversation in the fall of 2019 and, you

know, I'm proud to say that all of growers are in favour of this change, and we've—we meet on a regular basis in order to discuss anything that, you know, may come up or risks associated, and we feel that, you know, the risk to Peak of the Market, considering the fact that we've been in business for 80 years, is very limited, and instead the benefit to small growers outweighs any of those risks.

So that's why we want to make sure that we can have this bill move forward, and we also want to make sure that this bill can move forward and be proclaimed prior to April 30th. I know there's lots of snow outside, still, but, you know, growers and horticultural growers are looking at seeding, hopefully, before the end of April and looking at what they're planting and buying seed, and the sooner that we can have this bill proclaimed, the sooner they can make decisions regarding their crops for this year.

And I would really hope that we can enable those small farmers to be able to expand and support themselves this year, especially in a time where, you know, we're exiting a pandemic and people are able to be, you know, a little bit more social with each other and be with each other. We want to make sure that we enable those small farmers to be able to support their families as well as support the farmers' markets and any other markets that they are wanting to sell into this year.

Thank you.

Mr. Chairperson: Thank you very much for your presentation.

Do members of the committee have any questions for our presenter?

Hon. Derek Johnson (Minister of Agriculture): Yes, I just want to thank you for taking the time to come in today, and I appreciate you making the time and see you have a box of potatoes that are sliced surgically thin there, behind yourself—Old Dutch, I believe it was.

But I also want to thank you for your contribution that you put into this bill and, like, consulting and how important it is not just to yourself, but to everybody else in your field. And we understand that Bill 12 will deregulate the potato market. We are the only province in Canada with a quota system on potatoes, and so we're happy that we can do this, not just for yourselves but for other producers around the province as well.

* (18:10)

And then, just, the benefits from some of the smaller producers that were limited to five acres that we can now—they will be able to expand their market share and choose to sell to whomever they wish, including yourselves.

And we're happy to understand that growers will also be able to form co-ops as—to form little partnerships so they can share a piece of equipment, maybe, for potato washing, for example, and how this opens the doors for them, as well.

So, I hope that both opposition parties will grant your wish and ensure that this moves forward in a timely manner.

So, thank you again for coming in.

Mr. Chairperson: Ms. Kolochuk? Any comments?

P. Kolochuk: Thank you, Minister Johnson, I appreciate that.

Mr. Chairperson: Mr. Gerrard.

Mr. Brar? Mr. Brar, go ahead.

Mr. Diljeet Brar (Burrows): I just wanted to say thank you for your presentation and wanted to say thanks to the team of Peak of the Market for the hard work they have done for the producers of Manitoba.

Just wondering about if we have any market research or modelling that tells us what kind of effect this change might have on the prices of root vegetables in the grocery stores.

P. Kolochuk: The prices of groceries—or vegetables in grocery stores isn't going to change very much. There's competition today in Manitoba. Retailers can source product from anywhere they want. They don't have to buy it from Peak, so there's healthy competition within our retail stores.

So the price isn't—I mean, I'm going to say the price isn't going to change, but CP Rail is currently on strike and transportation is increasing, and you saw the price of gas, so that's going to be your influence on change in price. It's not going to be Peak being the influence on the change in price, or the deregulation of legislation.

Hon. Jon Gerrard (River Heights): Yes, I just want to say, Pamela, thank you for the effort that you and your board have made over the last couple of years. We wish you all the success.

The Liberal Party, we support this measure and just hope that it works out well for you and for all the farmers involved.

Thank you.

P. Kolochuk: Thank you, minister Gerrard, I appreciate your support.

Mr. Chairperson: Any further questions from the committee?

Hearing none, thank you very much for your presentation.

So, now I will call on our second presenter, Peter Loewen, from Garden Valley Vegetable Growers Ltd. and ask the moderator to invite them into the meeting. I would ask that you unmute yourself and turn your video on.

Good evening and welcome, Mr. Loewen. The floor is yours. You may start your presentation at your will.

Peter Loewen (Garden Valley Vegetable Growers Ltd.): Thank you very much. I—just as a way of introduction, my name is Peter Loewen. I am owner of Garden Valley Vegetable Growers here in Winkler-Morden area, and I'm the current chair of Peak of the Market.

And I won't take much of your time because I think Pam gave you a good summary and report on what we as a board have done. And I would reiterate that—what Pam said about us as growers being in unanimous decision for having this bill move forward.

I am the smallest potato grower, currently a member of Peak of the Market, and so, for me, I think the risk is probably the highest if I think of what this bill could do. But I just would like to say that, as growers, we've come to the decision that this is best for horticulture and vegetable production in Manitoba to, kind of, open the doors to other growers to not have restrictions in their decision making.

As Pam said, April 30th is coming up. We're, as growers, making decisions to plant and acquire seed to grow what we want to grow this year, so this will allow the—some of the small growers that I've talked to in the last while to make some decisions for their farm. If they want to increase even by half an acre and they were restricted to do that before, now they're able to do that. So, as a grower, I'm in favour of the bill and would also like to see it move forward with your support.

That's it. Thank you.

Mr. Chairperson: Thank you, Mr. Loewen.

The floor is now open for questions.

Mr. Johnson: Yes, I just want to thank you for also taking your time to come in and present here tonight. It's important to see democracy in the making, I suppose. Now you kind of understand how it goes. I know we sat down and explained, you know, how the bills go through the process. So thank you for having the patience and understanding that you don't just sign something and have it completed. It's very important that we have public input like this in committee stage, and thank you for participating in that and also the valuable input in designing—or the making of Bill 12.

And I think everyone around the table, here, understands the importance and timelines. It's very tough for producers to make decisions at the last second on their farms. So it's very important that we get this done in a timely manner. So we will endeavour to do that for you.

Thanks, again, for coming in tonight.

P. Loewen: I say a big thank-you to you, Minister Johnson for that, as well. Thanks for your time and effort on this, for sure.

Mr. Brar: Wanted to say thank you, Peter, for your presentation and thoughts.

P. Loewen: Thank you, as well.

Mr. Gerrard: Thank you, Peter. I think that the support from you and the other board members who are also growers is really important in this becoming a success. I am presuming that you and the other growers are going to be committed to selling through Peak of the Market, at least in the next few years, and I wish you all the best, both on behalf of the growers and on behalf of Peak of the Market.

P. Loewen: Thank you, minister Gerrard. I really feel that as growers, we are very committed to continue to work together. That's what got us started with Peak of the Market, way back when, and through all the changes that we've seen and gone through as growers, we still feel that we're stronger together to present our produce to the world, essentially, than we are trying to do it ourselves.

So I'm very confident that Peak of the Market will be here to stay for a long time to come.

Mr. Chairperson: Yes, Mr. Loewen, thank very much for joining us this evening for your presentation.

That concludes the presenters I have listed before me.

* * *

Mr. Chairperson: So the question for the committee: in which order does the committee wish to proceed with clause-by-clause consideration of these bills? Numerical? Does everyone—[interjection]—pardon me?

An Honourable Member: Numerical, anyway.

Mr. Chairperson: Numerical. So numerical is fine.

Bill 4—The Path to Reconciliation Amendment Act

Mr. Chairperson: So we will proceed with clause-by-clause, numerically, starting with Bill 4.

Does the minister responsible for Bill 4 have an opening statement?

Hon. Alan Lagimodiere (Minister of Indigenous Reconciliation and Northern Relations): The Path to Reconciliation Act was unanimously passed in Manitoba Legislature in 2016. The act sets out the government's commitment to advancing reconciliation, guided by the Truth and Reconciliation Commission's Calls to Action and the principles set out in the United Nations Declaration on the Rights of Indigenous Peoples.

On November 26th, 2021, I introduced amendments to The Path to Reconciliation Act that would establish the calls for justice of the National Inquiry into Missing and Murdered Indigenous Women and Girls, MMIWG, as a key component of the government's approach to advancing truth and reconciliation.

It is necessary that Manitoba acknowledges the calls for justice within The Path to Reconciliation Act. It will help to shine further light on the importance of addressing the systemic causes of all forms of violence, including sexual violence against Indigenous women, girls and 2SLGBTQQIA+ peoples.

We recognize that there is lots of work that remains to end violence against Indigenous women and girls, and 2SLGBTQQIA+ peoples. All Manitobans must play a role in addressing these harms.

* (18:20)

Indigenous women, girls and gender-diverse peoples are disproportionately affected by gender-based violence, and it's our government's priority that everyone has the right to safety and the right to live free from violence.

The legislative amendments affirm that the Manitoba government will be guided by the calls for justice in the national inquiry into MMIWG alongside the calls of action of the Truth and Reconciliation Commission and the principles set out in the United Nations Declaration on the Rights of Indigenous Peoples.

We are committed to working collaboratively with Indigenous peoples to keep women, girls and 2SLGBTQQIA+ people safe, and to supporting families and survivors who have been impacted by these tragedies. I would like to acknowledge and honour the women, girls, families and Indigenous communities who have shared their personal tragedies and grief as part of the national inquiry.

We honour their pain with a commitment to continue working together to meaningfully address the calls for justice. We are committed to honouring the memories of those who we have lost, and I offer my deepest respect to the Indigenous women and girls, men and boys and two-spirited peoples who have been taken from us far too soon.

We acknowledge that there has been great pain. We are listening to Indigenous peoples. We have heard from Indigenous peoples, and we will continue to listen and hear them. In addition, we are taking steps in reconciliation. We know this is not the end, and there are many more things we as government can do, but this is a stepping stone in reconciliation.

Miigwech.

Mr. Chairperson: And we thank the minister for those comments.

Does the critic from the official opposition have an opening statement?

Mr. Ian Bushie (Keewatinook): While Bill 4 is a step to recognizing the report of missing and murdered Indigenous women and girls, and we are supportive of this step, more needs to be done to prioritize reconciliation and their protection here in Manitoba.

Support and solidarity with families of MMIWG is more than just words or adding a few lines of legislation. It also requires real action. It also requires financial support to deal with the underlying issues that contribute to missing and murdered Indigenous women, girls and two-spirited individuals.

So, again, we are seeing words here and not actions by this government. So it is our hope that

Bill 4 is just a start for this government in working to reconcile a relationship with Indigenous Manitobans.

Miigwech.

Mr. Chairperson: And we thank the member for those comments.

So, during the consideration of a bill, the enacting clause and the title are postponed until all other clauses have been considered in their proper order.

Clause 1—pass; clause 2—pass; clause 3—pass; clause 4—pass; enacting clause—pass; title—pass. Bill be reported.

Bill 9—The Scrap Metal Act

Mr. Chairperson: The next bill for consideration on clause by clause is Bill 9.

Okay, so here we are, clause by clause on Bill 9.

Does the minister responsible for Bill 9 have an opening statement?

Hon. Kelvin Goertzen (Minister of Justice and Attorney General): I do have an opening statement and it's as much to answer questions that came up during the second reading portion of the debate. And I appreciate the questions that come up at second reading. I always think it's a good way then to try and answer them at committee.

I think that they were posed by the member for Elmwood. He asked whether there was data and experiences from other provinces regarding the enforcement provisions.

I can tell him that—I mean, the department's looked at other areas. That's largely anecdotal. There have been reports of 16 violations issued to scrap metal dealers in British Columbia over the last decade. One violation issued to a scrap metal dealer in Alberta in 2021 with similar legislation, but there wasn't sort of a tremendous amount of data. He did ask about why the bill does not include incarceration as potential penalties.

So the bill has vicarious liability for scrap metal owners for their employees. Vicarious liability is an absolute liability. It's not based on fault. It's strict liability provisions; it's not based on, like, a speeding ticket, you know. You don't have to have intent to speed; you simply did it and that's enough. And the Supreme Court of Canada has ruled that imprisonment based on absolute liability violations violates the Charter of Rights and Freedoms. Consequently a

decision was made to include the strict liability provision and forego a prison term.

So, strict liability, but it doesn't have the prison term because the vicarious liability, which exists in the act for the owners of these shops for their actions of their employees would make it, according to our legal folks, a violation of the Charter based on previous court decisions.

So I hope that answers the question for the member for Elmwood.

The last question he asked—I think it was him—who asked to provide a list of those who were consulted with in preparation for Bill 9.

In fall of 2020, the department engaged in a two-month public consultation and stakeholder engagement on the EngageMB online survey regarding possible scrap metal deal legislation. The survey was open to the public, and the results on the legislation are set out in the March 1st, 2021 edition of what we heard.

In addition, the department held meetings with the Manitoba law enforcement agencies of the RCMP, WPS, BPS—Brandon Police Service—First Nations policing service, the Association of Manitoba Municipalities, MKO, MMF, and also the department consulted with the department internally of Municipal Relations and the Constitutional Law branch. So those are the consultations leading up to the bill.

I won't repeat the comments that I made at second reading because I'll probably repeat them at third reading, but I wanted to ensure that the member for Elmwood had questions—or, answers to the questions that he posed during the second reading Q and A that I didn't have the answers to at that time.

Mr. Chairperson: I thank the minister for those comments.

Does the critic of the official opposition have an opening statement?

Mr. Jim Maloway (Elmwood): The Manitoba NDP has long advocated for this type of legislation contemplated by government, Bill 9, and recognizing that scrap metal trade is currently not regulated enough to prevent the sales of stolen scrap metal such as catalytic converters, bicycles, copper wire and more. The theft of these items is a risk to health and safety, the environment and of course individuals whose property is stolen.

It's especially a tremendous inconvenience and expense to the vehicle owner who has to pay some of the costs out of his own pocket in terms of the catalytic converters.

Let's be clear: scrap metal theft is so profitable that it attracts organized crime. In fact, in BC, I believe they—I read an article there the other day indicating that last year there was, like, \$4 million generated by catalytic converter sales. So this is not unlike 10, 12 years ago, under the previous government, where we had to deal with auto thefts. We had, like, classified level 4 auto thefts that were—the cars were just being stolen constantly, and it wasn't until the government—it took them a couple of years to get around to doing it, but they finally figured out the only way they could stop it was by giving incentives to car owners to install anti-theft devices. Do you recall that? And they gave several hundred dollars—it was substantial.

But guess what? The thefts just dried up after that. But only after the government got focused and got tough did the results show, and we will—we are planning an amendment to ask the government to look into the idea of having MPIC, under these circumstances—MPI—sorry—administer a catalytic converter engraving program where vehicle identification numbers—VIN numbers—are engraved on catalytic converters.

Evidently the catalytic converter is really the only—I'm told—the only part of a car that doesn't have a number on it, and deduct \$100 from the vehicle insurance premium for the vehicle, where applicable.

* (18:30)

And also, we were—we did discover that, evidently, in Ontario, there was thought given to force the auto part manufacturers to actually put serial numbers on catalytic converters, because that would be a huge advantage right there. Meanwhile, Alberta is chasing around, after three years now, starting off with, like, what, 400 converters a year and now 2,000—over 2,000 a year. And this is with the legislation, right?

So, minister says that, you know, it's—enforcement is a big issue, and he's probably right about that. But it's a whole bunch of different things. It's the legislation; it's the enforcement to the legislation. But, meanwhile, somebody has to be talking to the Prime Minister to find out why we can't get serial numbers put—or—yes, numbers put on these catalytic converter parts.

And the scrap metal dealers, of which Mr. Orloff is just one—by the way, these people are quite surprised that they only found out about the meeting tonight from us about an hour ago. But—so why they weren't—I don't know what the consultation process was here, but—and, you know, I'm just not sure, but they are—there's two dealers now that are claiming that they just found out about this right now. But they, too, are using the argument about, well, you know, we can't solve the—you know, expect us to solve the problem ourselves, but we can't do it.

So, I think we would be helping them a lot if we were to—the Premier (Mrs. Stefanson) were to contact the Prime Minister and see if something could be done about putting the serial numbers on the parts in the first place, and then we'd all be working together, because the scrap metal dealers, then, wouldn't feel like they were being the—carrying the can for the whole issue. And I know that's not what the government has in mind here.

So, we're happy to see the government follow through with our lead on the legislation. It's unfortunate that—and I say that only because we have a bill that has stricter penalties than what they do, and we also are requiring the scrap metal dealers to keep the information for five years, rather than two. I'm just not sure what the—you know, what led you to follow the two-year plan rather than five-year plan, but I know that in a lot of areas of real estate, insurance and so on, we're required to keep—income tax—we're required to keep five years for real estate, six years for income tax. So two years doesn't sound to me like a long enough—especially since complex investigations might spread over a—longer than a two-year period.

So the Bill 9 will also—well, I'll leave that out—forget it—my bill will double the fines for individuals and corporations, allow for jail time, unlike the government bill. And we're, of course, trying here to deliberately target organized crime. And scrap metal theft is serious issue; it should be taken more seriously by the government. So, we're happy to see the government follow our lead. It's more work—but more work needs to be done and a more comprehensive approach should be taken.

I want to thank you very much, thank the minister very much for their initiative on this, and maybe we can do some more of these.

Mr. Chairperson: Thank the member for the statement.

So, during the consideration of a bill, the enacting clause and the title are postponed until all other clauses have been considered in their proper order.

Also, if there is an agreement from the committee, the Chair will call clauses in blocks that conform to pages, with the understanding that we will stop at any particular clause or clauses where members may have comments, questions or amendments to propose.

Is that agreed? *[Agreed]*

Okay. Clause 1—pass; clauses 2 and 3—pass; clause 4—pass; clauses 5 through 7—pass; clauses 8 through 10—pass; clauses 11 through 14—pass; clauses 15 through 18—pass; clause 19—pass; clauses 20 and 21—pass; enacting clause—pass; title—pass. Bill be reported.

**Bill 12—The Peak of the Market
Reorganization Act
(Continued)**

Mr. Chairperson: We'll now move on to Bill 12.

Committee Substitution

Mr. Chairperson: Okay, so, order please. I would like to inform the committee that under our rule 85(2), the following membership substitution has been made for this committee, effective immediately: Mr. Brar for Mr. Bushie.

* * *

Mr. Chairperson: Thank you.

So, moving on to clause by clause for Bill 12, does the minister responsible for Bill 12 have an opening statement?

Hon. Derek Johnson (Minister of Agriculture): This bill will eliminate regulatory restrictions that prevent producers from growing and marketing table potatoes and root crops, which include carrots, onions, parsnips, rutabagas in Manitoba, and continue Peak as a not-for-profit corporation under The Corporations Act.

Under the current regulations, independent growers cannot grow more than five acres of potatoes and are only allowed to sell them at farmer's markets. They are also not allowed to co-operate with each other.

This bill will remove all regulatory restrictions, enabling independent growers to grow as many table potatoes and root crops as they want, and sell to whoever they want, and to incorporate with other

growers—to co-operate with other growers to market their table potatoes and root crops.

The bill will continue Peak of the Market as a not-for-profit corporation under The Corporations Act, and will no longer be subject to government control via the Farm Products Marketing Council.

Mr. Chairperson: We thank the minister for those comments.

Does the critic from the official opposition have an opening statement?

Mr. Diljeet Brar (Burrows): Chair, Peak of the Market operates in Manitoba under The Farm Products Marketing Act, and sells Manitoba-grown vegetables in Canada, the United States and, occasionally, overseas.

We are proud of Peak of the Market as a Manitoba success. They have grown quality produce in Manitoba for 72 years and supplies over 120 different varieties of Manitoba-grown vegetables. We are looking forward to a bright future.

Peak of the Market is a major player in the table potato supply in Manitoba. As it stands now, Peak of the Market's annual gross revenue is around \$120 million and was named one of the top 100 Canadian food and beverage companies in 2017.

Manitoba farmers grow more than 9,000 acres of fresh market potatoes and 600 acres of carrots for Peak of the Market every year. The company and its growers employ more than 1,000 people in Manitoba.

Supply management through decades has made Peak of the Market a strong market participant with a powerful brand.

The bill before us changes these arrangements. We want to work with producers to ensure this industry continues to be a success.

Thank you.

Mr. Chairperson: And I want to thank you for those words.

So, during the consideration of the bill, the enacting clause and the title are postponed until all other clauses have been considered in the proper order.

Also, if there is an agreement from the committee, the Chair will call clauses in blocks to—that conform to pages, with the understanding that we will stop at any particular clause or clauses where members may have comments, questions or amendments to propose.

Is that agreed? [*Agreed*] Thank you.

Clause 1—pass; clauses 2 through 4—pass; clauses 5 and 6—pass; clauses 7 and 8—pass; clauses 9 and 10—pass; clause 11—pass; schedule—pass; enacting clause—pass; title—pass. Bill be reported.

* (18:40)

The hour being 6:40 p.m., what is the will of the committee?

Some Honourable Members: Rise.

Mr. Chairperson: Committee rise.

COMMITTEE ROSE AT: 6:40 p.m.

WRITTEN SUBMISSIONS

Re: Bill 9

To our elected members of the Legislative Assembly of Manitoba,

I am writing this in response to Bill 9, otherwise known as The Scrap Metal Act. As a small business owner directly affected by this act I am herein going to outline my concerns, both for my business, my employees and for the members of the general public that depend on the services my company offers.

First off, let me state for the record that I do understand and support the spirit of this act. Reducing scrap metal theft is in everyone's best interest and has my full support. Here at Orloff Scrap Metals we have always endeavoured to work hand in hand with law enforcement agencies to stonewall attempts to by thieves to sell stolen metal items.

My objections to this bill lie strictly with the proposed implementation of this act. Through my consultations with members within the policing community we are already enforcing a great many of the proposed provisions, in excess of what is currently legislated. However, many of the provisions within the proposed Bill 9 are both unreasonable and impractical and will cause longstanding harm to industry on a large spectrum and the general public at large.

To begin, I feel it best to outline the business model that businesses in my industry implement. Scrap metal dealers across the province provide a critical service for the community and commercial industry. This was never more apparent than during the Pandemic, where it was deemed that we were essential to the province at large and needed to stay open to conduct our operations. Indeed, we have tremendous overlap with many other industries. We provide a streamlined service for the proper recycling of metal byproducts

across a wide range of industries. From old auto parts from repair shops to metal off cuts from fabrication and manufacturing companies and everything in between, we provide a streamlined and flexible way for companies all across the province to stay both efficient and green.

These services are equally important for the general public as well. The fact that we offer a monetary return for scrap metal waste incentivizes the collection and proper disposal of many tons of waste that may otherwise be mishandled. Instead of ending up in the dumps, or worse, we provide a regulated facility to drop these materials off to be properly handled. This model has organically created a whole subspecies of hard working, enterprising individuals who fill in the gaps we can't and help other members of the public by collecting and transporting smaller amounts of household metal recyclables. These individuals use their own time and vehicles to go to places we cannot and help elderly citizens, families and people otherwise incapable of getting their scrap metal to us with the loading and removal of these items.

It is this latter group of individuals that this bill stands to harm the worst. These hardworking, honest individuals do not deserve to have their entire way of life disrupted due to the thefts of a significant minority of criminals. Often they need the payment for the metals they drop off just so that they can fill their gas tanks to go to their next cleanup site. They also should not have to be treated as suspects every time they conduct a transaction, nor should they have to spend inordinate amounts of time conducting these transactions with us.

This leads in to another major concern I have with this bill. The amount of working hours this excessive collection of data will require will severely hamper our ability to deliver the essential services I have outlined above. Everything we do to deliver our services, both to the public and to commercial industry, runs through the very diligent and conscientious hands of our office staff. At present we have two full time employees who handle our administrative duties. They handle everything from writing bills of purchase and paying customers to processing transactions with commercial accounts. We also handle our own payroll in house as well as provide the numerous reports and surveys demanded of us by government at both a Provincial and Federal level. This is already almost more than they can handle and the amount of paperwork and time some of the provisions in Bill 9 propose will increase the strain on these employees tenfold.

Hiring and training more staff just to comply with this act is not feasible. We are not a large multinational corporation. Rather, we are a local family owned business trying to survive in an industry filled with multinational competitors. We are exactly the type of business that our publically elected officials claim to represent. We employ locally, are owned locally and any profits we make are kept local rather than feeding into foreign owned corporations and interests. What you have proposed in Bill 9 will disproportionately harm businesses like ours that don't have access to entire networks of administrators like these major multinational companies have.

As mentioned, we are already taking it upon ourselves to carry out a great deal of the checks and balances that were suggested in Bill 9. While most can be streamlined to your specifications, I take particular issue with the following provisions:

Section 2 (b): The requirement to take a photograph of the person's face that provides sufficient detail to identify the person:

If we are already recording all of the details of the seller directly off of their government issued identification then what possible need could there be for this? All this seemingly amounts to is unnecessary time and resources spent by my staff. In addition, this will undoubtedly be a very contentious issue among most of the public as most will certainly find it a violation of their space. It is certain this provision will subject our office staff to anger and verbal abuse. Anyone in the office is already recorded on our security cameras and again, we are recording the details directly off of their IDs, so this really seems unnecessary while also being highly contentious.

Section 5:

This is another issue that will be of particular hardship to a small business like ours. As mentioned, we are a family business of modest size and as such we only have three designated signatories in our organization. These signatories are all Orloffs and are often working on the front lines to keep our business running smoothly. Having to always ensure that a signatory is in the office to sign cheques for customers will cripple our operations.

There is also the issue that many of our customers may not have bank accounts. We take pride in providing an environment for some of the less fortunate members of society to earn a living by collecting scrap from the neighbourhood. Many of the local businesses around

here save their scrap just so that these individuals can collect it and bring it to facilities like ours. Forcing us to pay them by cheques will almost certainly cause many of these individuals to use the services of parasitic cheque cashing services. This is yet another way that smaller people will be harmed by this legislation.

We also have serious concerns about what the "prescribed amount" will be before cheques are required. Trying to tie a dollar amount to this seems inappropriate as the values of scrap metal can swing drastically at any given time.

For example, at current record high rates a mere few appliances can often exceed \$100.00. If this is to be done it would make a lot more sense to tie it into a prescribed amount of weight. Even then, if this is all being considered due to concerns about a select few "restricted items", why tar all commodities with the same brush? Why hinder the proper recycling of every metal item when the particular concerns are with these select few materials?

In closing, I implore those who are pushing this bill ahead to seriously reconsider certain aspects of this bill. What is being proposed will:

1. Push out small businesses
2. Negatively hinder green/recycling efforts
3. Disproportionately harm marginalized individuals
4. Disproportionately harm small/local businesses and their employees and hand advantages to multinational corporations
5. Cripple the delivery of our services to public and industry alike. Services that were considered essential throughout the pandemic.

We would embrace the opportunity to work with policy makers to address the issues put forth in Bill 9. I believe that there is a way forward to address the issues at hand without choking out the smaller businesses in the industry or penalizing the vast majority of honest members of the public who collect scrap metal for a living. I urge our policy makers to take great care in pushing forward more regulation than is necessary here and doing more harm than good.

Regards,

Logan Orloff
Orloff Scrap Metals

The Legislative Assembly of Manitoba Debates and Proceedings
are also available on the Internet at the following address:

<http://www.manitoba.ca/legislature/hansard/hansard.html>