



**National Farmers Union
Presentation to the
Canadian Wheat Board (CWB)
Electoral Review Panel**

**Saskatoon, Saskatchewan
August 17, 2005**

Summary of Recommendations

National Farmers Union Presentation to the CWB Electoral Review Panel August 17, 2005 Saskatoon, SK

The National Farmers Union recommends:

1. That the CWB Electoral panel extend the public consultation period, and that public hearings be held in rural communities across Western Canada.
2. That the report of the CWB Electoral Review Panel to the Minister Responsible for the Canadian Wheat Board be made public, and that full public discussion take place before any recommendations are acted upon by the Minister.
3. That the one permit book/one-vote system be retained. No person who markets through the CWB should be disenfranchised by having his or her vote taken away. Nor should they face “effective” disenfranchisement by having the relative weight of their vote diminished. The criteria for voting should be the same as the criteria for obtaining a permit book. If changes to the criteria for obtaining a permit book are to be explored, then that is a separate question from the electoral process.
4. That changes be made to the Canada Elections Act to facilitate a transfer of the responsibility for conducting the CWB Election process to Elections Canada, and that responsibility for enforcing provisions of the electoral process also be transferred to Elections Canada.
5. That the existing electoral boundaries be retained.
6. That the preferential ballot system be retained.
7. That the minimum voting age remain at 18 years.
8. That the existing eligibility criteria for candidates remain as it is;
9. That the Code of Conduct for CWB Candidates, Directors, and the CWB during election periods continue to allow for the Board and Directors to have full participation in the business of the Board.
10. That the timing of CWB Director elections be held during the January-March period. Alternatively, that the timing of elections remain as it currently is.

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Introduction

The National Farmers Union welcomes the opportunity to present our views to the Canadian Wheat Board electoral review panel. The NFU is a democratic organization whose membership includes farm families from across Canada. In western Canada, our members produce both Board and non-Board grains and oilseeds, livestock and other commodities.

The NFU has long been a strong supporter of the Canadian Wheat Board and other single-desk marketing agencies which operate on behalf of, and in the interests of, farmers.

The short notice for the timing of the electoral review panel's hearings unfortunately leaves many farmers unable to participate. The harvest is getting into full swing just as the panel is holding hearings across the prairies, and it is difficult for farmers to leave their combines and swathers to attend the three meetings scheduled for mid-August. The tight time frame set out by the federal government also leaves little time for farmers to respond in writing by the September 30 deadline. The hearings should be conducted at more than a single centre in each province, and be structured to allow for maximum participation.

It is our understanding that the consultation process itself is open to the public. **It is our recommendation that the report from this panel to the Minister Responsible for the Canadian Wheat Board also be a public document.**

The NFU will continue to provide input into the issue of CWB Electoral Reform as the panel prepares its report. In the interim, we respectfully advance the following principles which we believe are critical to ensuring the CWB remains a strong marketing agency operating in the interests of farmers.

Democratic elections

The National Farmers Union favours a system that provides equality for farmers, irrespective of the amount of land they own or rent; or the volume of production they generate. While the current one-permit book/ one vote system is not without flaws, it is preferable to a weighted ballot system designed to give undue political influence to large operators, absentee landowners and non-farming interests.

One of the hallmarks of the Canadian Wheat Board, throughout its history, has been the principle of fairness for all farmers. Equality of access for quota deliveries to the CWB

system, and equality in voting criteria have ensured the CWB is responsive and accountable to farmers across the prairie region.

The NFU recommends retaining the one permit book/one-vote system. No person who markets through the CWB should be disenfranchised by having his or her vote taken away. Nor should they face “effective” disenfranchisement by having the relative weight of their vote diminished. The criteria for voting should be the same as the criteria for obtaining a permit book. If changes to the criteria for obtaining a permit book are to be explored, then that is a separate question from the electoral process.

It has been noted that voter participation has declined in the CWB elections. If the weighted ballot were to be implemented, it is likely the level of voter participation would fall even more, since those whose votes counted for less would not have sufficient incentive to cast their ballot.

The principle of democracy would be severely compromised if a weighted ballot system was introduced. Discriminatory practices aimed at benefiting a select few larger operators are not in the best interests of the farming population or communities across western Canada.

Indeed, implementation of a weighted ballot would severely undermine the basic democratic process. In the August 11, 2005 edition of the Farmers Independent Weekly, editor John Morriss makes a convincing case for why a weighted ballot is a bad idea. *“You don’t have to think about this too long until you are reminded of Winston Churchill’s dictum about democracy being the worst form of government except all the others. For good or for ill, it’s one person, one vote, regardless of age, sex, education or any other measure. Once you break that principle, where do you stop?”*

The principle of fairness and equitable access is one which is widely recognized and accepted as essential among the vast majority of western Canadian farmers. It is a fundamental principle of the co-operative movement, as well as organizations with a wide membership base. For example, the Farmer Rail Car Coalition (FRCC), which represents a broad range of farm organizations and rural municipal governments across the west, has adopted this principle as one of its four major objectives: *“...To recognize fair and equitable access by all producers to the rail transportation system. It is recognized that there must be fair and non-discriminatory access by all producers, shippers, commodities and geographic regions and that the access process must be transparent.”*¹

While there are instances where more than a single permit book per farm operation can result in more than one vote per farmer, the reality is that such instances do not have much of an impact on the overall outcome of elections.

¹ Submission to the Review of the Grain Transportation and Handling System, March 9, 1998, Farmer Rail Car Coalition.

On the other hand, wholesale changes to the balloting system to provide larger operators with increased influence in election outcomes could have significant and far-reaching effects, skewing the overall direction of the Board and its operations.

The one permit-book/one vote system will also ensure that landowners who rent their land on a crop-share basis are eligible to vote.

Election Coordination

The involvement of a government-appointed, independent, third-party agency whose mandate is to ensure fairness and integrity in the process would alleviate many of the problems associated with past elections. The experience of the 1998, 2000, 2002 and 2004 elections indicates that the practice of contracting with a private accounting firm to conduct the elections is less than satisfactory.

The NFU has long called for changes to the Canada Elections Act to allow Elections Canada to conduct the electoral process for the CWB Director elections. We continue to advocate that the CWB elections be transferred to Elections Canada.

At present, the mandate of Elections Canada is to *“administer the Canada Elections Act, which is a legislation setting out the process respecting the election of members to the House of Commons, and the Referendum Act, which provides for referendums on the Constitution of Canada. Elections Canada’s role is therefore to conduct federal elections, by-elections and referendums by planning, coordinating and monitoring these electoral events and by reporting on them.”*²

Elections Canada has also provided non-partisan “technical assistance and consultation services to organizations that have requested it”, according to Chief Electoral Officer Jean-Pierre Kingsley. While the current *Canada Elections Act* does not permit Elections Canada to conduct CWB elections, a change in that legislation could pave the way for a transfer of responsibility.

Clearly, Elections Canada has the necessary resources, expertise, and integrity to carry out fair elections, perform necessary audits, and establish accountability and enforcement procedures.

The Voters List should continue to be made up of permit book holders.

The NFU believes the body in charge of the CWB election balloting process must be not only be untainted by past discrepancies, it must also be seen to be bias-free. Having Elections Canada in charge of the CWB electoral process is the most logical solution.

² Letter from Jean-Pierre Kingsley (Chief Electoral Officer, Elections Canada) to Stewart Wells (NFU President), March 9, 2005.

Candidate expenses and conflicts-of-interest

A serious concern for the National Farmers Union is the flagrant flaunting of the conflict-of-interest and candidate expense guidelines by certain candidates and third-party interveners during CWB elections. **We believe there needs to be much stronger enforcement of the rules, and realistic penalties for those who choose to break the rules.**

For example, Jim Downey, an anti-orderly marketing candidate in the 2002 CWB Director election in District 9, exceeded the \$15,000 spending limit without facing legal consequences. There have also been a number of concerns raised about a member of this panel. Mr. Porozni's involvement with Monsanto and his failure to disclose that conflict of interest when he ran as a candidate for the CWB in 2002 has been criticized. The conflict of interest guidelines for candidates must be enforced, and the disclosure requirements for third-party interveners must also be enforced.

There is a need for an appropriate enforcement process – and this would be achieved by transferring the CWB election to Elections Canada, where such provisions currently exist.

Further recommendations:

The NFU further recommends:

That the existing electoral boundaries be retained.

The Canadian Wheat Board was established to market grain from across Western Canada, with districts representing delivery collection areas. The existing boundaries are also relevant to the type and quality of grain produced in each district. Imposing the provincial boundary system on the existing districts is unnecessary.

Retain the preferential ballot system.

The preferential ballot system allows voters to register their choices in a meaningful and accurate way. The alternative to the current preferential ballot would inevitably be the development of a “party-based” system, which is not in farmers' interests.

Retain the minimum voting age of 18.

Retain the existing eligibility requirements for candidates.

Retain the Code of Conduct for candidates, CWB Directors and the CWB during election periods.

The CWB's current code of conduct for the organization and incumbent directors does allow for business as usual and for candidate directors to represent or speak for the CWB during the election period as well as continued full participation on the Board of Directors. The suggestion has been made by opponents of the CWB, that the CWB Directors who are running for re-election should be forced to take a leave of absence, and that the CWB avoid any activities that could be construed as political or controversial during the election period. Such a proposal, however, would simply paralyze the organization for four months, and allow opponents of incumbents to say anything without rebuttal. The NFU believes the CWB needs to be free to continue business as usual during election periods, including undertaking defense of its policies. CWB Directors standing

for re-election also must continue to be able to fulfill their Board responsibilities during the election period, which include representing and speaking for the organization.

The NFU also recommends that the timing for elections shift toward a mid-winter period between January and March, with information and ballots not to be issued before the second week of January. Alternatively, our second choice would be to have the election period remain as it currently is.

All of which is respectfully submitted by the National Farmers Union.