

## **MINUTES**

### **MONTANA SENATE 53rd LEGISLATURE - REGULAR SESSION**

#### **COMMITTEE ON BUSINESS & INDUSTRY**

**Call to Order:** By J.D. Lynch, Chair, on February 18, 1993, at 10:00 a.m.

#### **ROLL CALL**

##### **Members Present:**

Sen. J.D. Lynch, Chair (D)  
Sen. Chris Christiaens, Vice Chair (D)  
Sen. Betty Bruski-Maus (D)  
Sen. Delwyn Gage (R)  
Sen. Tom Hager (R)  
Sen. Ethel Harding (R)  
Sen. Ed Kennedy (D)  
Sen. Terry Klampe (D)  
Sen. Francis Koehnke (D)  
Sen. Kenneth Mesaros (R)  
Sen. Doc Rea (D)  
Sen. Daryl Toews (R)  
Sen. Bill Wilson (D)

**Members Excused:** None.

**Members Absent:** None.

**Staff Present:** Bart Campbell, Legislative Council  
Kristie Wolter, Committee Secretary

**Please Note:** These are summary minutes. Testimony and discussion are paraphrased and condensed.

##### **Committee Business Summary:**

Hearing: SB 74, SB 361, SJR 20, SB 411  
Executive Action: SB 74, SB 411

#### **HEARING ON SB 74**

##### **Opening Statement by Sponsor:**

Senator Tom Hager, Senate District 48 stated 74 would allow detached facilities for banks in urban areas. He turned the floor over to John Cadby to explain further.

**Proponents' Testimony:**

John Cadby, Montana Bankers Association, stated SB 74 would recognize the need for additional customer service facilities in larger communities. He stated SB 74 was designed to provide additional teller facilities in the suburbs of larger towns such as Great Falls and Billings. He stated SB 74 was drafted and introduced before the Bankers had their summit meeting and reached a compromise on interstate banking and detached facilities. He stated all of the above issues are encompassed in HB 358 which will be coming to the Committee. He stated SB 74 should be tabled so as to not jeopardize HB 358.

**Opponents' Testimony:**

None.

**Questions From Committee Members and Responses:**

None.

**Closing by Sponsor:**

Senator Hager closed on SB 74 asking that it be tabled.

**EXECUTIVE ACTION ON SB 74****Motion/Vote:**

Senator Rea moved SB 74 be TABLED. The motion CARRIED UNANIMOUSLY.

**HEARING ON SB 361****Opening Statement by Sponsor:**

Senator Tom Towe, Senate District 46, stated SB 361 addresses pawnbrokers fees. He stated the pawnbrokers don't fall under the usury laws and they may not, under the present law, charge more than 3% per month (line 16 and 17, page 1). He stated the concern was that pawnbrokers charge more than 3% per month. Senator Towe stated there should be a civil penalty against the pawnbrokers which is the same as the usury penalty. He stated any person who is charged for more than the usury amount may sue for a forfeiture of double the sum or charge of the action. He stated the reason why pawnbrokers don't follow the usury laws is because other expenses make it impossible to charge such a low rate. He proposed an amendment to SB 361 which would be inserted as follows:

Page 1, line 18: after the word "charge" insert "an initial fee of" and after the word "than" insert "25% plus".

He stated SB 361 will read as follows:

"A pawnbroker or junk dealer or their employees or agents may not charge an initial fee of more than 25% plus 3% a month for interest, commission, discount, storage and caring for the property..."

**Proponents' Testimony:**

Mike Smith, President, Pawnbrokers Association, stated pawnbrokers generally give small loans of \$10 to \$50 over a short period of time. He stated pawnbrokers need to charge higher finance charges because they would be forced to go out of business otherwise. He stated the service fees charged include research, police checks, defective merchandise, appraisals, bookkeeping, storage and other expenses. He provided a brochure to the Committee explaining what pawnbrokers do (Exhibit #1).

Ben Brown, First National Pawn, stated pawnbrokers are a "convenience store" for money. He stated there is a minimal cost of \$2 to write a loan and with a 3% ceiling on interest, the pawn shops would go out of business. He stated the average loan is \$40, and he would lose 80 cents per loan at 3%.

Mike Sprague, Chairman, Ponderosa Pawn, Inc., stated there is a "subculture" in society which needs extra money between paychecks in order to survive. He stated pawnshops are needed for these people in order for them to get money for necessities.

**Opponents' Testimony:**

None.

**Questions From Committee Members and Responses:**

Senator Klampe asked Mr. Brown if the "purchase option" fee of 20% was a way to get around the 3% interest rate.

Senator Klampe asked Senator Towe if his amendment of 25% fee would allow for as much as a 45% charge. Senator Towe stated the "purchase option" would not be added to the 25% fee. He stated there was no duplication on the fees.

Senator Mesaros asked Senator Towe how he arrived at 25% as a fee amount. Senator Towe stated he had talked to some pawnbrokers and 25% seemed to be the average amount. Senator Mesaros stated he understood most pawnbrokers charged 20%. Senator Towe answered he wasn't sure if 25% was a good number and he hadn't had the chance to see if it was acceptable to the pawnbrokers.

Senator Gage asked Mr. Brown when a person comes back and wants to keep their item in the pawn shop for another month, if the pawn shop writes up another loan or if they make a continuance. Mr. Brown stated the charge is a recurring charge, and the loan is rewritten every month.

Senator Gage asked Mr. Smith what percentage of loans are redeemed. Mr. Smith stated 80% to 90% of all loans are redeemed.

Senator Christiaens asked if there was anyone in the room who charged more than 20% on their loans. Darryl Smith, Bridger Pawn, stated he charges 25% and Gary Reed, Bozeman, stated he charges 25% to 30%. Senator Christiaens stated there should be a provision in the law which would allow for a reasonable rate for the pawnbrokers.

**Closing by Sponsor:**

Senator Towe stated he would like to see SB 361 pass. He stated it would be fair to the pawnbrokers and the people who utilize their services.

**HEARING ON SJR 20**

**Opening Statement by Sponsor:**

Senator Bill Yellowtail, Senate District 50, stated SJR 20 was a resolution urging the resistance of the implementation of the North American Free Trade Agreement (NAFTA). He stated NAFTA has been the matter of considerable controversy, but is on the "fast track" for approval. He stated it is an agreement between the U.S., Canada and Mexico. He stated NAFTA would pose disastrous consequences for Montana. He stated the point was the Montana Congressional Delegation has to protect the interests of Montana. He went over the clauses in SJR 20 and listed what they would protect. He stated NAFTA would allow Mexican commodities to be produced and imported into the U.S. He stated some of those commodities included 58 pesticides which are banned in the U.S. He stated the U.S. cannot hope to compete with such a situation.

**Proponents' Testimony:**

Pam Egan, Executive Director, Montana Family Union, stated the NAFTA agreements contain trade conditions which would make a free trade block out of the three unions. She supplied a chart of economic indicators for the Committee (Exhibit #2). She then supplied the Committee with a copy of a pay stub from a Mexican worker (Exhibit #3). She stated some workers in Mexico are paid as little as 59 cents an hour. She stated under the NAFTA, the plants in the U.S., whose average hourly manufacturing rate is \$14.77 an hour, would be asked to compete with the wage scale in

Mexico. She stated there are no minimum wage standards or environmental wage standards in Mexico. She stated the movement of the plants to Mexico has already cost the U.S. over 500,000 jobs. She stated if NAFTA were to be signed, there would be a loss of another half million jobs. She stated it doesn't benefit Mexico either because the U.S. plants would exploit the workers who are willing to supply labor for so cheap and with no standards to protect them. She stated the four areas of concern with NAFTA are: lack of labor standards and U.S. job loss; the unfair pressure on U.S. agriculture; lack of enforcement of environmental standards; and a loss of state and U.S. sovereignty. She also supplied the Committee with copies of various articles regarding trade between the nations (Exhibits #4 - #7).

Don Judge, Montana State AFL-CIO, stated he supported SB 361 and offered an amendment (Exhibit #8). He stated the Montana Delegation has to get involved to take care of Montana's interests.

Fran Marceau, State Legislative Director, United Transportation Union, stated his support of SJR 20 and his opposition to NAFTA. He stated the state vehicle license laws for truck drivers out of the country will be suspended. He stated Mexican commercial drivers' licenses are issued to 18-year olds, and 21 is the minimum for the same type of license in the U.S. He stated Mexico does not require demonstration of skills regarding hazardous cargo or use of air brakes. He stated the U.S. currently requires hazardous waste haulers to display warning signals and be trained in emergency response procedures. He stated NAFTA does not specify such training or regulation, and there is no way to monitor the drivers.

Tim Harris, Vice President, East Helena Steel Workers, stated Mexican compensation and environmental standards are less stringent than in the U.S. He stated NAFTA would create a good incentive for Asarco to move its plant to Mexico. He stated he would like the Committee to support SJR 20.

Bob Stephens, Montana Grain Growers Association, stated he supported SJR 20.

George Paul, Executive Director, Montana Farmers Union, stated he supported SJR 20.

Paul Hocks, Northern Plains Resource Council, stated he supported SJR 20 and was particularly concerned about the sovereignty issues.

John Manzer, Teamsters Union, stated he supported SJR 20.

Jamie Doggett, Montana Cattle Women, stated she supported SJR 20.

**Opponents' Testimony:**

None.

**Questions From Committee Members and Responses:**

Senator Gage asked Senator Yellowtail if he would have any opposition to including the purchasing of gas subsidies in SJR 20. Senator Yellowtail stated he wouldn't object. Senator Gage asked Senator Yellowtail if he would mind if the Committee directed SJR 20 to the President as well as the members of the Delegation. Senator Yellowtail stated he wouldn't object and thought that was an excellent idea.

**Closing by Sponsor:**

Senator Yellowtail thanked the proponents to SJR 20 and stated NAFTA would have a wide range of impact on the state and the communities. He thanked the Committee for its suggestions of amendments to SJR 20. He stated SJR was a protectionist bill. He stated NAFTA would not allow for a level playing field in free trade among the nations.

**HEARING ON SB 411**

**Opening Statement by Sponsor:**

Senator Bianchi, Senate District 39, stated SB 411 would clean up the current language in the real estate laws. Referring to page 5, the last paragraph, he stated a realtor would not be allowed to list property which is not actually listed or for sale.

**Proponents' Testimony:**

Lance Clark, read from prepared testimony in support of SB 411 (Exhibit #9).

**Opponents' Testimony:**

None.

**Questions From Committee Members and Responses:**

Senator Rea asked Senator Bianchi if he would be opposed to an amendment proposed by Mr. Clark. Senator Bianchi stated he had no objections to the proposed amendment.

Closing by Sponsor:

Senator Bianchi closed on SB 411.

EXECUTIVE ACTION ON SB 411

Motion/Vote:

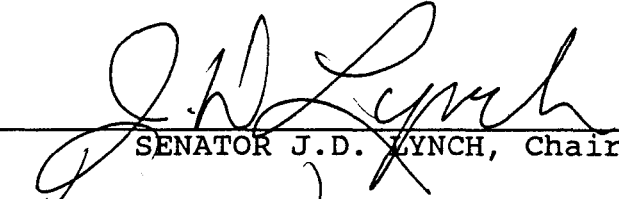
Senator Mesaros moved SB 411 BE AMENDED (410251SC. San). The motion CARRIED UNANIMOUSLY.


Motion/Vote:

Senator Mesaros move SB 411 DO PASS AS AMENDED. The motion CARRIED UNANIMOUSLY.

ADJOURNMENT

Adjournment: 11:35 a.m.

  
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SENATOR J.D. LYNCH, Chair

  
\_\_\_\_\_  
KRISTIE WOLTER, Secretary

JDL/klw

# ROLL CALL

SENATE COMMITTEE Business & Industry DATE 2/18/93

NAME	PRESENT	ABSENT	EXCUSED
Senator Lynch	✓		
Senator Christaens	✓		
Senator Bruski-Maus	✓		
Senator Gage	✓		
Senator Hager	✓		
Senator Harding	✓		
Senator Kennedy	✓		
Senator Klampe	✓		
Senator Kuehnke	✓		
Senator Mesaros	✓		
Senator Rea	✓		
Senator Toews	✓		
Senator Wilson	✓		

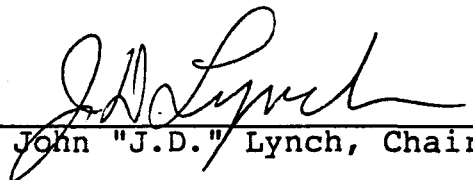


SENATE STANDING COMMITTEE REPORT

Page 1 of 1  
February 18, 1993

MR. PRESIDENT:

We, your committee on Business and Industry having had under consideration Senate Bill No. 411 (first reading copy -- white), respectfully report that Senate Bill No. 411 be amended as follows and as so amended do pass.

Signed: 

Senator John "J.D." Lynch, Chair


That such amendments read:

1. Page 5, line 4.

Following: "property"

Insert: "belonging to others"

-END-

 Amd. Coord.  
Sec. of Senate

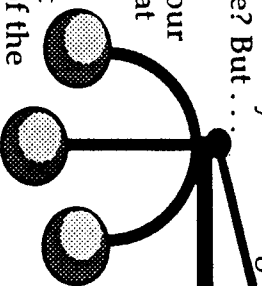
401251SC.San

# Just what is a Pawn Shop?

EXHIBIT NO. 1  
DATE 2/18/93  
BILL NO. 58361

## Pawn Shops — Home for great bargains

You see them in the various parts of town and you have been wondering just exactly what is a pawn shop, how do they work and why are they becoming more common place? But . . . you haven't asked.



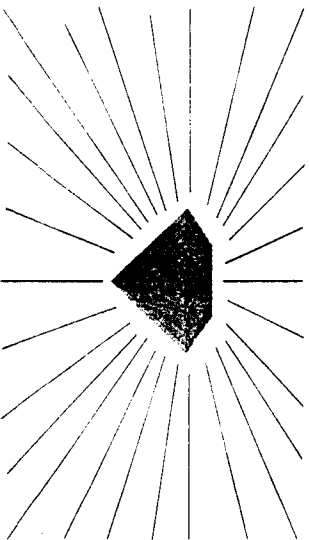
Well to answer your question, let's look at the history of pawn shops. Pawn shops date back to ancient times and are one of the earliest recorded lending institutions. During the late middle ages the House of Lombard in Europe had a group of pawn shops. The sign of the House of Lombard was the three golden balls and this sign was associated for years with the pawn industry.

The pawn industry came to America with the first settlers and in the early part of this century pawnbroking was regarded as the main source of consumer credit. With the rise of large consumer credit institutions, such as finance corporations, savings and loan associations, and credit unions, the pawn shop is no longer the major source of consumer credit. But the pawn shop still plays a vital role in the area of providing consumer credit.

The general public needs to borrow small sums of money that other sources are not willing to provide and this resulted in the rise of popularity of pawn shops. What chance do you think you would have in securing a \$300.00 or smaller loan from a financial institution for a 30 to 90 day period? The cost of the paper work alone prohibits them from making such loans on a regular basis.

Good value at a good price. Get the most for your dollar. Vast savings on outstanding merchandise. A good deal. Bargain basement and close-out prices everyday. Where can you find these things and much, much more? At your local pawn shop.

If you are interested in saving money and finding great values, the pawn shop is the place for you to go. Today's pawn shop has it all. Quality merchandise at outstanding prices is what the modern pawn shop is all about.



Previously owned merchandise of excellent quality can be found on the shelves of your local pawn shop. Every time a pawn broker loans on an item he knows that someday it could be on his shelf for sale. Therefore, he only will deal in good quality merchandise. Also, the pawn shop is an established business. The pawn broker is not here today and gone tomorrow like the flea market, auction sale, garage sale, or the guy selling out of a van on the side of the road. Today's pawn broker knows his business is only as good as his reputation and he wants to maintain a good reputation. It's as simple as that.

The variety in the pawn shop is amazing. Since the merchandise is pre-

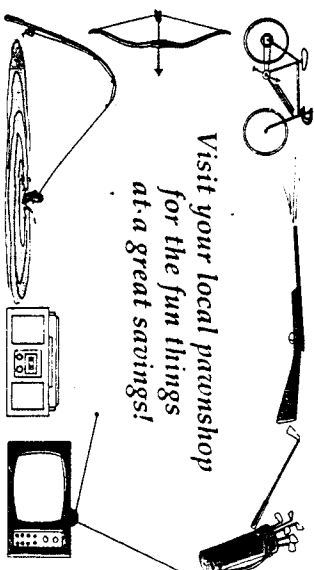
viously owned, the number of makes and models of merchandise can almost be limitless. You just never know what you may find in today's pawn shop.

You may be asking, "Isn't a lot of the merchandise in a pawn shop stolen?" Today's pawn brokers are regulated and licensed by the state to insure they do not deal in stolen merchandise. All transactions are closely monitored by law enforcement agencies to see that pawnshop merchandise is not stolen. As stated earlier, the pawn shop is an established business enterprise, not here today and gone tomorrow. Rest assured that the merchandise you find in the pawn shop is not stolen.

So, what are you waiting for? There is a world of bargains to be found in your neighborhood pawn shop. Check it out. You'll be glad you did.

## Pawn shopping is fun

Visit your local pawnshop for the fun things at a great savings!



Shopping in your local pawn shop is fun. No where else can you find the value and the variety offered on the shelves of your local pawn shop. There is no other business like the pawn business, and no two shops are run just alike. The vast majority of pawn shops are managed by individual owner operators, making each one a little different from the other.

## ***Basic Economic Indicators of U.S., Canada, and Mexico, 1990***

	<b>Gross Domestic Product</b>	<b>Population</b>	<b>Per Capita Gross Domestic Product</b>	<b>Average Hourly Manufacturing Wages</b>
U.S.	\$ 5.5 trillion	250 million	\$22,000	\$14.77
Canada	\$517 billion	26.5 million	\$19,500	\$16.02
Mexico	\$236 billion	88 million	\$ 2,680	\$ 1.80

**A free trade deal with Mexico would link  
very different economies  
with the potential for massive dislocation of workers.**

*Source: CIA, The World Factbook 1991  
OCED, Main Economic Indicators, April, 1992*

SENATE BUSINESS & INDUSTRY

EXHIBIT NO. 2

DATE 2/18/93

BILL NO. SJR 20

*luna254affcio 2/93*

# CONDUCTORES Y COMPONENTES ELECTRICOS V S.A. DE C.V

OURLY

sinopp (R)

PERIODO	FECHA
15 91	08 04 91

14 04 91

NUMERO	NOMBRE	A.P.C.	REGISTRO DEL MESS	SIG
				0
DIVISION	TURNO	LINEA	DEPARTAMENTO	PUESTO
	2			OP01

PERCEPCIONES	UNIDADES	IMPORTES	DEDUCCIONES	IMPORTES	SALDO
SUELDO NORMAL	42.50	68,731.39	A.S.	4,165.00	8,327.00
COMPENSACION	1.65	2,668.40	DIF. CAMBIO	43.01	
SEPTIMO DIA		11,900.00	DED CAFETERIA	50.00	
UNO ASIS.		14,172.00			
ACUMULADO INFONAVIT		PERCEPCION TOTAL	DEDUCCION TOTAL		SOBRE DE PAGO
BASE ANUAL INFON.		97,471.99	4,171.99		
ACUMULADO ANUAL		EXENTO ANUAL	NETO A PAGAR		
907,832		SUELDO BASE	93,300.00		
		11,900.00			

PAY STUB FROM  
PACKARD ELECTRIC (DIVISION OF G.M.)  
MANUFACTURING PLANT IN JUAREZ, MEXICO

44.15 TOTAL HOURS  
NET PAY FOR 44 HOURS: \$30.49

PESO CONVERSION TO U.S. DOLLARS - 3060 pesos/\$1 U.S.  
93,3000.00/3060 = \$30.49

.69 cents per hour

SENATE BUSINESS & INDUSTRY  
EXHIBIT NO. 3  
DATE 2/18/93  
BILL NO. 558 20

# Wheat

## From Page One

"I have to refer you to my boss in Great Falls," said Miller.

Miller did discount some of the wilder rumors circulating in the Wolf Point area.

"No fires have been shot out and there is no tractor blockade here," Miller said. "Actually it has been very civilized. The farmers around here know that it is a corporate decision."

Miller's boss, Kerry Schaefer, assistant regional manager for General Mills' grain division in Great Falls, said he would not answer any questions concerning the Canadian grain influx "unless we get a chance to hear what is going on the radio or the material that is being printed."

"We don't feel that is unreasonable, so there are no misunderstandings or misquotes," he said. Schaefer also declined the opportunity to fax a statement to the Gazette.

Johnson said he did not know "to what degree the Canadian grain is

hindering shipment. A record amount of grain is being moved. In some places there is a 60-day backlog for grain rail cars."

Jim Brown, manager of the Farmers Elevator Co. in Wolf Point, said Wednesday, "We have not bought any Canadian grain; no, we have not. We are full." He added that he expected a 52-car train for loading to arrive between Feb. 15 and Feb. 28. Farmers Elevator Co. has a 300,000-bushel capacity in Wolf Point, Brown said.

The United Grain Corp. in Wolf Point is concentrating on handling the contracts it has with area farmers and is not buying the Canadian grain.

Jerry Weinmeister, manager for United, said his 550,000-bushel facility was full. He said he expects a 52-car unit train Feb. 22.

Weinmeister said he had "no knowledge of any farmers being turned away from the General Mills elevator."

Dave Wemmer, who runs the Peavey Co. elevator, said "we are not at this time" buying Canadian wheat. His 400,000-bushel facility is not full now, Wemmer said, "but we have

been loading a train a week for the past several. About the time we get full, a train shows up."

Johnson, the MGGA's vice president, said that normally Canadian wheat is imported each year, "but it is high-quality milling wheat."

"It is low-quality this year, and is coming across the border in North Dakota and Montana," Johnson said. He added that during 1992 about 42 million bushels of Canadian wheat came into the United States. He estimated that in 1993, about 50 million bushels would come in.

"That is a significant increase and it is plugging up some elevators," Johnson said.

Although it is generally believed that the low-quality wheat is headed for cattle feed in the United States, Johnson and Rep. Pat Williams, D-Mont., speculated that it may end up elsewhere.

"We believe that some is going to domestic mills where it is being blended up with higher-quality wheat," Johnson said. He also acknowledged that that may increase the demand for more higher-quality U.S. wheat.

Williams, who happened to be in

Glasgow and Glendive on Wednesday, said, "I want to pursue this. I intend to investigate whether the Canadian wheat is being blended and shipped West for export rather than being used for feed."

Such a maneuver is a violation of U.S. law, said Williams.

"Actually both farmers and ranchers are getting it in the neck on this," Williams said. "Truckers are taking U.S. corn to Canadian feed lots and are then back-hauling the wheat."

A spokesman for the Canadian Wheat Board in Winnipeg, Manitoba, said he did not know the tonnage or destination of the frost-damaged wheat.

"It is feed wheat," said Rod Edwards, information officer for CWB. "About half our crop fell into that grade this year. There is pretty active movement."

He said statistical information on exports would not be available until August. "The marketing year is Aug. 1 to July 31. We are in the middle of the marketing year. I've seen no stats myself."

"It is my understanding that it is livestock feed, but what areas it is going to, I don't know," he said.

# Canadian wheat flows to Hi-Line

By JIM GRANSBERY  
Of the Gazette Staff

A sharp influx of Canadian wheat is filling elevators along Montana's Hi-Line, restricting marketing opportunities for Montana grain farmers.

In Wolf Point, the General Mills elevator is taking in numerous truck loads of weather-damaged Canadian wheat. The influx apparently began around Feb. 1. General Mills managers in both Wolf Point and Great Falls declined to discuss the issue with The Billings Gazette.

Three other grain elevators in Wolf Point are not taking the Canadian wheat, but they are at or nearing capacity with local wheat.

Additionally, the perennial shortage of grain hopper rail cars has been aggravated this year by a number of problems — a large, late corn crop, a large wheat crop and weather delays throughout much of the Western United States.

"It is my understanding that General Mills in Wolf Point is taking in the Canadian grain," David Sage, vice president of the Montana Grain Growers Association, said Wednesday. Sage is a grain producer at Poplar.

"I hope that those with contracts can deliver," Sage said. He added that he was not aware of any farmer with a contract with General Mills being turned away from delivering contracted grain, "although it is possible."

Sage said Canadian grain was coming across the Montana border "all along the Hi-Line."

"From Plentywood to Shelby, it is their best market right now," Sage said.

Randy Johnson, executive vice president for the MGGA in Great Falls, said Wednesday, "This is nothing unique to Wolf Point. It is happening across the state." Johnson added that he thought other elevators besides General Mills were buying the imported grain.

Kevin Miller, the General Mills elevator manager in Wolf Point, declined to answer questions about the Canadian grain influx.

(More on Wheat, Page 11A)

Wolf Point

hindering shipment. A record amount of grain has been loading a train a week for the

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# Trade rep promises help in Canadian grain dispute

By PHILIP BRASHER  
Associated Press Writer

WASHINGTON — An upcoming audit of the Canadian wheat pricing system will discourage Canada from undercutting American farmers, the U.S. trade representative says.

A U.S.-Canada review panel declined last week to find Canada guilty of dumping unfairly subsidized wheat in American markets but did call for periodic, independent audits of the Canadian Wheat Board.

Canada has refused to allow Americans to look at the board's books to determine whether its wheat prices reflected the true cost of the grain.

The audits "will encourage the CWB to strictly abide" by the U.S.-Canadian free-trade agreement, Trade Representative Mickey Kantor said in a letter to Sen. Byron Dorgan, D-N.D.

"In the meantime, I assure you that I will continue to give this issue my close personal attention," Kantor wrote.

Kantor said he was disappointed that the panel did not agree with the U.S. allegations and that he will bring up the grain dispute when he meets with his Canadian counterpart, Michael Wilson, in mid-March.

American producers question whether the audits will do them any good.

"It will be refreshing to see the Canadians be required to disclose information for audit in the future, but frankly I don't think it will mean much in our quest for trade fairness," Dorgan wrote Kantor in reply.

The review panel said that subsidies Canadian farmers receive from their government should not be used to decide whether their wheat is priced below cost. Those subsidies were the heart of the U.S. case.

"You're not going to find unfairness, because you've taken the unfairness and set it aside," Dorgan said in an interview Tuesday.

U.S. imports of Canadian durum, spring wheat and barley have increased dramatically in recent years.

American farmers say that has contributed to recent declines in U.S. prices for durum and spring wheat. Durum, which is used to make pasta, is difficult to grow, but it had traditionally fetched a premium price.

The Bush administration initially dismissed the farmers' complaints but later agreed to challenge Canada's grain pricing through procedures set up in the 1986 free-trade agreement.

Canada shipped more than 15 million bushels of durum into the United States last year, giving it 20 percent of the U.S. market. Before 1987, U.S. millers didn't buy any Canadian durum.

SENATE BUSINESS & INDUSTRY

EXHIBIT NO. 4

DATE 2/15/93

BILL NO. 533 20

Great Falls Tribune  
Tuesday, February 9, 1993

# Trade panel rules against U.S. farmers

By PHILIP BRASHER  
Associated Press Writer

WASHINGTON — A U.S.-Canada review panel on Monday ruled against American farmers who say Canada is dumping unfairly subsidized wheat in U.S. markets, a senator said.

The panel concluded that subsidies Canadian farmers receive from their government should not be counted in calculating whether their durum wheat is priced below cost, said Sen. Byron Dorgan, D-N.D.

U.S. imports of Canadian durum, spring wheat and barley have increased dramatically in recent years. American farmers say that has contributed to recent declines in U.S. wheat prices.

The Bush administration initially dismissed the farmers' complaints

but later agreed to challenge Canada's grain pricing through procedures set up in a 1986 free-trade agreement.

Dorgan said the review panel's decision was ridiculous.

"U.S. negotiators sold out the interests of American farmers when they negotiated the U.S.-Canada free-trade agreement and now we learn that the agreement's dispute-resolution mechanism is a hoax," Dorgan said.

"When the dispute panel does not consider major segments of Canada's cost in producing durum in evaluating whether the Canadians are unfairly selling in the U.S. market, then these people have thrown common sense out the window."

The Canadian embassy put off making any comment on the ruling until Tuesday, a spokeswoman said.

## Williams says ruling no surprise

By Tribune Staff

unfair trade."

Since last fall, Montana farmers have been riled at Canadian grain being trucked to Montana. "It's really causing quite a row in eastern Montana along the Hi-Line," said George Paul of the Montana Farmers Union.

"We had an indication several days ago the panel wouldn't act on our argument," he said.

Williams said a big problem remains, however. The Canadian Wheat Board still handles all of its dealings — including doling out rail subsidies to farmers and grain companies — in secret.

"Until they open up, we'll never know if they are engaging in

up at this point they are considering physical action — picketing elevators." Grain-trade estimates say about 40 percent of Canada's 1992 wheat crop was damaged by frost and moisture and that damaged, feed-quality wheat is what's being shipped to Montana.

SENATE BUSINESS & INDUSTRY  
EXHIBIT NO. 6

DATE 2/18/93

BILL NO. STR 20



# Baucus tackles Canada-wheat trade problems

By Tribune Staff

WASHINGTON — U.S. Sen. Max Baucus, D-Mont., has introduced a bill he hopes will counter what he believes to be unfair Canadian wheat-trading practices.

Baucus said Friday that he is concerned that agriculture was effectively exempted from the Canadian Free Trade Agreement of 1989. And he said that exemption was continued for Canada under the North American Free Trade Agreement.

Called the Fair Trade Grain Act of 1993, Senate Bill 324 would:

- Require end-use certificates on imported grains. Canada uses such certificates. An end-use certificate ensures that imported grain is not mixed with Canadian grain.

Baucus is concerned that without a U.S. end-use certificate, Canadian grain will be mixed with U.S. grain and could be slipped into U.S. farm export program shipments — hurting the U.S. farmer.

- Direct the Secretary of Agriculture to use the Export Enhancement Program to promote wheat shipments to Mexico to counteract the effects of low-priced, subsidized Canadian grain in the Mexican market.

- Initiate unfair trade cases against Canadian wheat imports to end unfair pricing on U.S. sales by the Canadian Wheat Board.

"American wheat farmers got a poor deal under the Canada Free Trade Agreement. Thanks to the tactics of Canada and cooperation of the Bush Administration, they were not able to improve on the deal in the North American Free Trade Agreement," said Baucus, who is chairman of the Senate Subcommittee on International Trade. "This is sim-

ply unacceptable."

He said that while Canada may be a good trading partner in many sectors, in regard to wheat, "Canadian practices put Japan to shame. Free trade means that everyone plays by the rules, not that the U.S. plays by the rules, and Canada ignores them."

"I am determined to level the playing field for American wheat farmers."



Baucus

Baucus said that Canada continues to provide export subsidies on all wheat exports to the United States — expected to hit 42 million bushels this year by carving out a

special exemption from a prohibition in the Canadian Free Trade Agreement. And Canada still gives wheat export subsidies to Mexico, he said.

He is also concerned that Mexico is not on the list of eligible countries under the Bush Administration expansion of the Export Enhancement Program by 1.1 billion bushels.

He had hoped that Bush would have countered subsidies by the European Community and Canada.

Because the government-chartered price-setting monopoly, the Canadian Wheat Board allows the price of exported wheat to be much lower than domestic prices, he said.

And Canada captured some 76 percent of Mexican market "through these cutthroat pricing policies while the Bush Administration sat on its hands."

SENATE BUSINESS & INDUSTRY

EXHIBIT NO. 7

DATE 2/18/93



# Montana State AFL-CIO

Donald R. Judge  
Executive Secretary

110 West 13th Street, P.O. Box 1176, Helena, Montana 59624

406-442-1708

## PROPOSED AMENDMENTS TO SJR 20

Insert at p. 2 line 25:

(5) - immediately eliminating the tariff on feeder cattle imported from Mexico, potentially increasing imports of Mexican feeder cattle by 100% or 10% of all cattle on feed in the U.S.,

- preempting the Meat Import Act which limits beef imports in the U.S.,
- allowing Mexico to ship more of its current domestic production to the U.S. and supply Mexico's domestic demand with cheaper imported beef from Europe and other Latin American countries,
- undermining consumer confidence in the safety of beef products by placing even more strain on the already over-burdened and underfunded U.S. border inspection system;
- threatening livestock feeding operations by driving the closely associated meat-packing plants to Mexico,

Insert at p.5 line 18:

(6) increased border inspection for meat safety, protection against Mexican imports of beef from Europe and South America, and provisions for protection against flooding of the U.S. feeder cattle market;

SENATE BUSINESS & INDUSTRY  
EXHIBIT NO. 8  
DATE 2/18/93  
BILL NO. SJR 20

Montana Association of REALTORS®

TESTIMONY ON SB 411

Bianchi Senate Business & Ec. Development Thurs., Feb. 18, '93

Mr. Chairman and Members of the Committee....

For the record, I am Lance Clark, Public Affairs Director with the Montana Association of REALTORS®. An organization representing approximately 2,500 REALTORS®.

I am here today in support of SB 411. The bill before you is about protection of the consumer; the buyer of real property. There have been cases of buyers travelling hundreds and thousands of miles to view property that has been advertised often for leads, but that has not been listed and moreover it isn't even for sale. Ladies and gentlemen of the committee the law needs to be clarified.

The new language in subsection 2 of Section 1 on page five of the bill resolves this very problem. A signed listing agreement must occur between the seller of the properties and the broker or salesperson before property is advertised.

MAR does have an amendment to this legislation on page five: starting on line 4: add after the word property belonging to others, because an individual should be able to advertise his/her own property without an agreement.

With this testimony, I am certain individuals who have experienced this problem firsthand will attest to the problem and the resolve set forth in this bill.

SENATE BUSINESS & INDUSTRY

EXHIBIT NO. 9

DATE 2/18/93

NAME Nancy Griffin

ADDRESS Suite 4D, Power Block - Helena

HOME PHONE \_\_\_\_\_ WORK PHONE 442-4479

REPRESENTING Montana Building Industry ASSOC.

APPEARING ON WHICH PROPOSAL? SB 367

DO YOU: SUPPORT \_\_\_\_\_ OPPOSE X AMEND \_\_\_\_\_

**COMMENTS:**

the MBIA supports HB 470 - elimination  
of the independent contractor exemption  
this bill (SB 367) does not change  
current situation which requires  
application for and certification of  
independent contractor status. In order  
to correct the many abuses and  
uninsured employees in the construction  
industry a 100% elimination of the  
exemption is required. As the adax goes  
an ~~independent~~ employee is an independent  
contractor who was just injured.

**WITNESS STATEMENT**

PLEASE LEAVE PREPARED STATEMENT WITH COMMITTEE SECRETARY

DATE 2/18/93

SENATE COMMITTEE ON Business & Industry

BILLS BEING HEARD TODAY: STB-20, SB 74, SB 361, SB 411

Name	Representing	Bill No.	Check One Support Oppose	
Bill LEARY	MT. BANKERS ASSN.	SB 74	✓	
John CADBY	MT. BANKERS ASSN.	SB 74	✓	
Mike Sprague	Ponderosa Pawn Inc.	361		✓
Jack Mack	alias Smith & Jones Cassidy County	361		✓
Ben Brown	1st Nat'l Pawn Inc.	361		✓
DARRYL C. SMITH	BRIDGER PAWN BZN SILVERBOW Sales Co. BZN	361		✓
Lee R. Ash	Cargo Liquidators + Pawn Blys	361		✓
Dale W Smith	Smith Bros Pawn Helena			✓
Bab Stephens	MT Grain Storage Assn	STB 20	✓	
John Manzer	Teamsters Union	STB 20	✓	
Michael MIZENKO	ST. FRANKS #129, Plumbers UNIO	SSB-20	✓	
Riley Johnson	NFIB	SB 74	✓	
F. G. Marceau	UTU	ST 20	✓	
Paul Hanks	NPRC	ST 20	✓	
George V. Paul	Farmers Union	STB 20	✓	
Lance Clark	MT Assn Realtors	SB 411	✓	

### VISITOR REGISTER

PLEASE LEAVE PREPARED STATEMENT WITH COMMITTEE SECRETARY

DATE 2/18/93

SENATE COMMITTEE ON Business & Industry

BILLS BEING HEARD TODAY: SJR-20 SB 74 SB 361 SB 411

Name	Representing	Bill No.	Check One	
			Support	Oppose
Don McAndrew	himself - Bozeman Realtor	SB 411	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Michael Smith	mt Dora broker	SB 411	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Don Judge	MT STATE AFL-CIO	SJR 20	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Wm. Egan	MT. ST. Conf of Elect & R	SJR 20	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Jam. Egan	M+FLU	SJR 20	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Tim Harris	USWA	SJR 20	<input checked="" type="checkbox"/>	<input type="checkbox"/>
JAMIE Doggett	MT Cattlewomen	SJR 20	<input checked="" type="checkbox"/>	<input type="checkbox"/>

## VISITOR REGISTER

PLEASE LEAVE PREPARED STATEMENT WITH COMMITTEE SECRETARY