



Resolutions For 2009-2010

**The Manitoba Chambers
of Commerce**
Entrepreneurial Spirit • Community Values

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INTRODUCTION:

The Resolutions contained in this document represent policy positions that have been proposed by either local member Chambers and then debated and approved at the MCC’s Annual General Meeting held **April 24 to 26, 2009**, at the Gimli Lake View Resort in Gimli. Accredited delegates of the local Chambers cast the votes.

Approved Resolutions become the official position of the MCC and form part of its lobbying program for the year following the AGM.

Because of their contemporary nature, Resolutions have an effective life span of one year, although they may be resubmitted at a subsequent AGM.

NORTHERN AGRICULTURE

Preamble: By mandate of the Healthy Child Committee of Cabinet, the Northern Food Prices Project was established in July 2002 and completed in December of that year.

The mandate of the Northern Food Prices Project was to submit a report to Healthy Child Committee of Cabinet identifying strategic options to address the concern about high food prices in northern Manitoba. This concern is related to the nutritional health and food security of northern citizens. The purpose was further defined to focus on one specific aspect of the issue: strategic options that could reduce the retail price of nutritious foods to northern citizens.

A primary recommendation of the Northern Food Prices Report, 2003 was as follows:

“Northern Food Self-Sufficiency Initiative – a comprehensive and long-term strategy to build local food provision activity and capacity in the north. As nutritious foods are produced, harvested, processed and marketed locally, the costs may be reduced by replacing the imported product with a local food supply.”

In the November 2006 Speech from the Throne the provincial government pledged to expand the Northern Foods Project, which among other things encourages and provides support for gardening, rearing poultry and food preservation.

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Resolution: That the Government of Manitoba work with the University College of the North and the Faculty of Agricultural and Food Sciences at the University of Manitoba to develop a research program for northern agriculture.

PRODUCT OF CANADA LABELS

Preamble: Canada requires food products to contain a minimum specified percentage of Canadian content, for the label to say, "Product of Canada". The requirements for use of the label were studied last year and a parliamentary report from national consultations with industry, led by MP James Bezan (Interlake), was prepared.¹ This report recommended revising the long standing previous level of a minimum of 51% to a new level of at least 85% Canadian content to be eligible for use of the Product of Canada label.

The Federal Government subsequently implemented a 98% level of Canadian content for use of the Product of Canada label. Revised labelling guidelines for Product of Canada claims came into effect on December 31, 2008. They were developed to promote compliance with subsection 5(1) of the *Food and Drugs Act* and subsection 7(1) of the *Consumer Packaging and Labelling Act*. The Canadian Food Inspection Agency enforces the requirements of the *Food and Drugs Act* and the *Consumer Packaging and Labelling Act* to protect consumers against product misrepresentation.

Resolution: That the Government of Canada revise, from 98% to 85%, the Canadian content percentage required for a food product to be eligible to use the Product of Canada claim on its label.

TEMPORARY FINANCIAL ASSISTANCE FOR HOG PRODUCERS

Preamble: Until recently the Manitoba hog industry was contributing approximately \$1 billion to the Manitoba economy and employing up to 14000 people, exporting to the USA the highest number of live pigs in Canada (about 1.5 million market hogs and 4 million weanlings annually).

The hog industry has fallen on hard times in recent months due to rising feed and other input costs and falling market prices.

The implementation of mandatory Country of Origin Labeling (COOL) legislation in the USA has had a drastic negative impact on Manitoba's export of live pigs.

¹ "PRODUCT OF CANADA" CLAIMS: TRUTH AND TRANSPARENCY ARE NECESSARY, Report of the Standing Committee on Agriculture and Agri-Food, James Bezan, M.P. Chair. June 2008. 39th PARLIAMENT, 2nd SESSION

The governments of all of the other major pig-producing provinces in Canada (Alberta, Saskatchewan, Ontario and Quebec) have introduced major cash payment programs to shore up their hog industries, yet Manitoba, the largest pig producer in Canada, has not.

Resolution: That the Government of Manitoba immediately introduce a temporary cash payment program to assist Manitoba hog producers to counter the impacts of COOL and see them through this unprecedented financial crisis.

OPENING UP CANADA'S INTERPROVINCIAL TRADE

Preamble: In January 2009, Canada's Premiers signed, along with the Prime Minister, a Declaration regarding the Agreement on Internal Trade (AIT). This declaration contains two key amendments to the existing AIT and marks a significant milestone toward eliminating internal trade barriers and enhancing labour mobility in Canada.

The two amendments pertain to improved labour mobility and an enhanced dispute resolution mechanism.

Little progress has been made on the issue of barriers to trade created by tax subsidies.

Resolution: The Provinces and the Federal Government eliminate tax subsidies that constitute or propagate barriers to interprovincial trade within the provinces of Canada.

LACK OF AFFORDABLE HOUSING

Preamble: The Provincial Unemployment rate sat at 4.9% as of January 2009. This is higher than it was a year ago (3.8%) but there are still 5,000 more jobs in the province than there were a year ago. That is because the total workforce increased by 8,800 people. Provincial employers are still struggling to find employees to fill vacancies.

Initiatives are being undertaken by the provincial government, municipalities and private industry to emigrate workers from foreign countries to fill these positions.

A challenge that faces these groups is a lack of affordable housing for these immigrants once they come to Manitoba. Part of the Provincial Nominee Program requires that perspective immigrants have Sufficient Settlement Supports.

The lack of affordable housing in the smaller and rural areas makes this more of a challenge.

Resolution: That the Government of Manitoba over the next 12 months in consultation with key stakeholders:

- a) identify the extent of the need for entry level housing in Manitoba and**

- b) **develop and implement a strategy to meet that need.**

PAYROLL TAX

Preamble: Manitoba's Payroll Tax is paid by employers with a permanent establishment in Manitoba. Payrolls of between \$1.25 Million and \$2.5 Million pay 4.3% on the amount in excess of \$1 Million and payrolls over \$2.5 Million pay 2.15% of the total payroll (the first \$1 Million is not a deduction).

Manitoba continues to have one of the highest employer payroll rates in the country and is the only Western province to maintain this tax.

Resolution: **That the Government of Manitoba commit to a series of annual reductions in the payroll tax, through a variety of increases in the exemption level and decreases in the rates, with the ultimate goal of eliminating this tax by 2013.**

MODERNIZING GOVERNMENT

Preamble: The 2009 Budget of the Government of Manitoba identified practical strategies to reduce costs and modernize government, targeting three key areas:

- 1) improving service delivery for citizens and business;
- 2) strengthening the control and management of public resources; and
- 3) strengthening the capacity of our civil service.

The Budget documents defined 'modernizing government' as:

“... constantly improving the way government operates to ensure the provision of the best possible services to all Manitobans. It is about identifying what works and moving ahead with those efforts, while improving on activities and services that can be better achieved in a more effective, efficient, innovative and affordable manner.”

This Resolution follows up on a 2008-2009 Resolution called “Provincial Government Spending.”. The Government responded to that Resolution by defending its level of spending, however, it did not specifically respond to the suggestions in the Resolution (reproduced below).

Resolution: **That the Government of Manitoba:**

- a) **create a culture in the public sector that inspires and rewards employees for finding efficiencies;**
- b) **review all programs every year to determine where the payoffs are the greatest and identify areas where spending can be reduced or eliminated;**

- c) further to the efforts described in b), establish a Commission on Efficiencies that engages the public in an effort to determine if the services provided by the Province are being done in a cost-effective and efficient manner; and
- d) consider the use of ‘sunset clauses’ in all new program spending.

PROMOTION OF AIRSHIPS

Preamble: Over the past 10 years, the ice road network in Manitoba has gone from 55 to 60 days of usage to 20 days or less in some years.²

Manitoba and Ontario build 5,000 kilometres of ice roads each year. The costs of converting this ice road network into all-weather gravel roads is approximately \$2.5 billion with an annual maintenance cost of \$50 million. This is significantly more than the cost of building ice roads for Manitoba and Ontario which is less than \$20 million annually.

Airplanes could also be used to supply remote communities but in addition to their high operating costs, landing strips would have to be improved to accommodate larger aircraft. This idea is so easily dismissed that no estimates of using cargo airplanes to replace ice roads exist.

Thompson is ideally situated to serve as a freight distribution centre to remote northern Manitoba and Nunavut communities but can only serve some remote Manitoba communities for a short period of time through the winter road network.

Resolution: **That the Government of Manitoba consult with the University of Manitoba Transport Institute to investigate and promote the use of airships as a year-round means of freight transportation to service northern Manitoba and Nunavut, and that it target the year 2009 to conduct a ‘test run’ between Thompson and at least one remote community.**

MUNICIPAL INFRASTRUCTURE

Preamble: Municipalities are playing an ever greater role in the lives of Manitobans. Today’s municipal council has to balance community economic development, land use planning, and infrastructure renewal and development with a limited tax base and an increased reliance on application-based grants.

² The information in this preamble is incorporated from “Global warming forcing a re-think of how best to supply remote communities”, October 23 2007, by Barry Prentice, a professor of supply chain management at the University of Manitoba

Federally, municipalities have benefited from a GST rebate, the sharing of the federal gas tax and the new Building Canada Fund. Provincially, municipalities have benefited from the sharing of provincial income tax, the Building Manitoba Fund, and supports in several other areas. While these efforts are welcome, now more than ever municipalities need new tools to deal with new responsibilities and new expectations.

Resolution: That the Government of Manitoba add to its funding streams for municipalities by, on an annual basis, allocating the equivalent of one percent of the provincial sales tax to municipalities for municipal infrastructure. Further, that the distribution of this revenue be on a per capita basis.

ENHANCING AIR SERVICE IN MANITOBA

Preamble: Brandon, the second largest City in Manitoba, has been without air service for some time and that lack of air service hinders both tourist and business development opportunities across Manitoba and into Eastern Saskatchewan. Moreover, recent developments regarding the inability to safely operate air ambulances in emergency situations have created a major safety concern for all of Western Manitoba.

Resolution: That the Federal and Manitoba Governments fund the installation of an instrument landing system (ILS) and improved lighting capabilities at the Brandon airport so as to provide enhanced air service to Western Manitoba.

KEEPING THE LINK TO THE UNITED STATES OPEN

Preamble: Provincial Highway 75 is the main north-south artery connecting much of western Canada to the United States and an integral part of the Centreport concept for Winnipeg and the province of Manitoba. There are over 800,000 vehicles that pass through the Emerson/Pembina border crossing every year, nearly half of which are commercial vehicles. There is over \$12 billion worth of raw materials, manufactured goods and grain that crosses annually. The vast majority of this is either coming from or going to Winnipeg and travels along highway 75 to get to its destination, making this a very vital byway in our province.

Provincial Highway 75, however, runs parallel to the Red River which is prone to flooding during the spring. It has been closed off 6 times in the last 12 years, often for weeks at a time. While this has very tragic results to the local economies of the towns along its route, there is a much larger picture that is affected on a much larger scale. The flow of goods is diverted hundreds of kilometers adding to the cost of shipping (not to mention the environmental impact of extra fuel). There are often delays and, at times, cancellation of shipments due to the detours involved. The extra costs involved are mostly passed on to the consumer. Tourism, which is just getting warmed up for the season, is stalled as travelers find alternate routes. Many areas of all Manitoban's lives are affected by even a small flood in the Red River Valley.

The main issue is the closing of Highway 75. In truth, very little of the highway is actually submerged. Currently there is only about 16 km of the 105 km that is covered in water with most of it being only a few inches below the surface. Raising just this portion of highway as well as the bridge over the Morris River would keep this main transportation link open in all but the worst of flooding conditions.

Resolution: That both the Government of Manitoba and the Government of Canada use a portion of their infrastructure budgets to raise the section of Highway 75 and the bridge crossing the Morris River that is currently submerged by the Red River flood waters, with the purpose of keeping the highway open for the movement of goods along this vital trade corridor.

HIGHWAY NUMBER 10

Preamble: The condition of Highway Number 10 has deteriorated to such disrepair it has been deemed unsafe by heavy truck operators carrying potatoes, potash, cattle, hogs, grain and fertilizer, western Manitoba travelers, tourist traffic to the famous International Peace Gardens with its proposed 52 million dollar upgrades, the gateway to Manitoba and Canada.

Highway Number 10 connects to U.S. highways 281, 2 and 5, which North Dakota is completing a 90 million dollar upgrade. The U.S. port of entry is also proceeding with a 20 million dollar upgrade to facilitate the large animal scanning and unloading area on two parcels of land being leased from the International Peace Gardens. Highway Number 10 also connects Manitoba Highways 2 East West, 3 East West, 23 East West and the Brandon bypass.

Resolution: That Government of Manitoba ask the National Highways Board to designate Highway Number 10 a “National Highway” and rebuild/re-surface the portion of Highway Number 10 from Highway #2 East, South to the U.S. border.

WCB PROPERTY OWNERSHIP

Preamble: *The Workers Compensation Act* mandates the Workers Compensation Board (WCB) to promote safety and health in workplaces and prevent and reduce the occurrence of workplace injuries and disease. However, the WCB has engaged made investments beyond the organization’s mandate making speculative investments in retail and residential property in Ontario, Alberta, and in Manitoba that have no relation to its mandate or operations of the WCB.

Resolution: The Workers Compensation Board of Manitoba liquidate all speculative property investments not related to its operations and services.

MAKING MANITOBA THE BEST PLACE FOR MINING

Preamble: In March 2009, industry ranked Manitoba in 8th place globally in the Fraser Institute's [Survey of Mining Companies 2008/2009](#). Four years ago it was in 1st place.

Industry representatives surveyed indicated that the global economic slowdown has cast a pall over the mining industry with the vast majority of mining executives saying they expect a severe pull back in exploration activity and at least 30 per cent of exploration companies going out of business.

The mineral industry is affected by the current global recession. Base metal prices have fallen by almost 70% over the past two years and analysts have not yet given assurances that we will be seeing recovery in the near future.

Manitoba's second largest primary industry, mining, is at risk as Manitoba is the least competitive jurisdiction in Canada, according to the PricewaterhouseCoopers Canadian Mining Taxation: 2007 Edition.

Resolution: **That the Government of Manitoba,**

(a) on a high priority basis demonstrate, from the office of the Premier and throughout, commitment to make Manitoba the best place in the world to engage in the mining business,

(b) establish a Premier's Mineral Economic Advisory Council ("MEAC") to advise government on steps to make Manitoba the best place to do business in mineral exploration and development, value-added processing and manufacturing ("the mineral industry"). Further, that the MEAC consider making recommendations respecting, but not be limited to, the following:

Regulations

- 1. Expediting the permitting process with clear processes and timelines;**
- 2. Harmonizing the provincial and federal review process, with the objective of making Manitoba the lead jurisdiction;**
- 3. Developing a "One Window" process for all permitting;**
- 4. Reducing assessment fees for the next 3-year period given the unusual economic hardships faced by mineral exploration SMEs.**

Taxation

- 5. Eliminating the cap on the Mineral Exploration Assistance Program ("MEAP") program and fully funding the program to committed levels;**
- 6. Further reducing taxes to be competitive to Saskatchewan and Ontario;**
- 7. In the public interest, government resource revenue sharing with Aboriginal Communities with due regard to the Quebec and British Columbia approaches.**

Duty to Consult

- 8. Creating clarity about aboriginal consultation standards in Manitoba;**
- 9. Developing and resourcing a comprehensive mineral industry awareness program targeted at Northern and Aboriginal Communities;**

Other

- 10. Addressing other matters deemed helpful to accomplish (a) above.**