



Second Session - Thirty-Seventh Legislature

of the

Legislative Assembly of Manitoba

**DEBATES
and
PROCEEDINGS**

**Official Report
(Hansard)**

*Published under the
authority of
The Honourable George Hickes
Speaker*



MANITOBA LEGISLATIVE ASSEMBLY
Thirty-Seventh Legislature

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LEGISLATIVE ASSEMBLY OF MANITOBA

Tuesday, April 17, 2001

The House met at 1:30 p.m.

PRAYERS

ROUTINE PROCEEDINGS

MINISTERIAL STATEMENTS

Canada-Manitoba Adjustment Program 2

Hon. Rosann Wowchuk (Minister of Agriculture and Food): Mr. Speaker, I rise today to make a statement about the federal-provincial farm aid program or CMAP 2. As the Legislature is aware, our Government announced in March that it would participate in the federal government's \$500-million assistance package. We have committed \$38 million, our share of the aid package. The total payment to Manitoba producers will be approximately \$92 million.

The program delivery will be targeted to the grains, oilseeds and specialty crops sectors as it is these areas which have suffered the greatest income losses, mainly as a result of high subsidies paid to the United States and European farmers. The program will be administered by the Manitoba Crop Insurance Corporation and will be similar to last year's Canada-Manitoba Adjustment Program or CMAP. However, there are a number of important differences.

Under CMAP 2 farmers will be able to select their best income year of 1997, 1998 or 1999. This is important particularly for farmers who have suffered through more than one bad year and for whom an average would lessen their entitlement.

This year, we will also be including forage seed as an eligible crop. Forage seed production is an expanded area of our agriculture industry, and this recognizes the price losses faced by the forage seed producers. I am very pleased to announce that we will be accommodating beginning farmers by adjusting their sales between two crop years so that they will be eligible for full benefits. This change will be

retroactive for the original CMAP program, and beginning farmers will be eligible for both CMAP and CMAP 2. CMAP 2 payments will flow in two instalments. An initial payment of 75 percent of the estimated total will be made in May, with the final payment made in early fall after all applicants have been received and processed.

Mr. Speaker, while we acknowledge that more assistance is required for our grain and oilseed producers, we are pleased to get this money into the hands of farmers for the upcoming crop year.

Mr. Jack Penner (Emerson): Mr. Speaker, first of all, let me thank the minister for having made the announcement today for the forage seed producers. I think this is good news, and also for recognizing that our young farmers are an integral part of the ongoing development of our agricultural industry.

* (13:35)

Our agricultural industry is economically one of the most important sectors in our economy. Our processing industry depends on it; our manufacturing industry depends on it; our secondary industry such as machinery manufacturing and others depend on it. It is also extremely important to note that this Government must, without question, do everything in its power to see to it that the young farm community be given every opportunity that is physically possible to ensure that we have a continuation in our rural communities of the development that has been started previously and that should be ongoing.

So I again want to thank the minister for the changes that she and her Government have made to this program. It will be welcome news especially to young farmers and forage seed producers.

Hon. Jon Gerrard (River Heights): I ask leave to speak on the minister's statement.

Mr. Speaker: Does the honourable member have leave? *[Agreed]*

Mr. Gerrard: Mr. Speaker, I rise to thank the Minister of Agriculture for clarifying how the \$92 million will be split up among the farmers of this province. I think farmers should be pleased that some aid is arriving. I think the minister has made some significant steps in allowing for the best income year to be used in adjusting sales for beginning farmers.

I will reserve comments until later until I fully understand the implications of how you will adjust for beginning farmers. I think that it is now a month and a bit after the initial announcement and producers were wondering about the delay to the decision. There are producers who are wondering about why it is May instead of sooner, but at least we can be happy that the decision is now made and that the money should start flowing soon.

Flood Conditions

Hon. Drew Caldwell (Acting Minister of Conservation): Mr. Speaker, I have a ministerial statement on flood conditions. The minister is out surveying flooding in the province today.

Mr. Speaker, flood conditions and forecast update for April 17, 2001: Levels of the Red River rose less than one third of a foot at most points during the past 24 hours. It may be possible to reduce the predicted crest at some points. Updated forecasts will be available later today when the latest data from the United States is analyzed. It is beginning to appear that ring dike closures may not be required except for a possible minor operation in Emerson. It is unlikely that PTH 75 will need to be closed.

* (13:40)

Levels of the Assiniboine River continue to fall from Spruce Woods to Winnipeg. Levels are rising slowly from Millwood to Brandon where minor flooding of valley lands has begun. There is still considerable snow to melt on tributaries such as the Birdtail Creek and the Little Saskatchewan River, so the Assiniboine River will likely experience somewhat accelerated

risers by the weekend following expected milder weather. However, it now appears unlikely that there will be serious flooding along the upper Assiniboine or its tributaries unless there is significant rainfall. Much snow also remains on higher ground in the Dauphin and Swan River area. A fast melt with some rain would create a significant risk of flooding. This situation will be watched very closely for the next several days until the risk subsides.

Levels of the Roseau River are stable with only minor changes since yesterday. No significant further rise is anticipated unless heavy rains develop. Water is close to the top of the Gardenton floodway but overtopping is now unlikely.

The Souris River is presently cresting at levels significantly lower than 1999. Low-lying areas are flooded from the international boundary to Hartney. Rafferty and Alameda reservoirs in Saskatchewan, as well as Lake Darling in North Dakota are being operated in a manner which will minimize the duration of flooding along the Souris River in Manitoba.

The crest on the Pembina River is in the Swan Lake area today. Minor flooding of the valley is expected in the La Rivière area later this week. Levels of the Whitemud River continue to fall at Westbourne. Levels of the Fisher River at the Peguis Reserve continue to fall. Residents will be re-admitted to their homes once water quality in this area has been tested.

Levels of the La Salle River crested over the weekend with only minor flooding. Overland flooding continues to be an issue in St. Laurent and Ashern but is expected to subside during this week.

The weather outlook is quite favourable at this time. Little precipitation is expected from now through the weekend. Milder temperatures during the next few days will be followed by cooler temperatures on the weekend, resulting in an overall gradual melt in the Riding Mountain and Duck Mountain areas. Thank you, Mr. Speaker.

Mr. Harry Enns (Lakeside): I thank the minister for this update, and I think, along with

all Manitobans and all members of the House, we take some comfort in the more optimistic report contained therein.

I am hoping perhaps the Minister of Government Services might have a statement as well to make because, although there is reason for more optimism with respect to our major rivers, many, many municipalities are undergoing some very severe difficulties. Hundreds of bridges, culverts, roads are being washed out. What the local government officials are requiring who are making commitments of machinery, money and time right now is some indication from the Government that they will in fact be dealt fairly with respect to sharing some of these costs.

One specific comment I cannot let go, Mr. Speaker, if I turn to page 3 of the minister's release, when it says that particularly references to the Souris River is presently cresting at levels significantly lower than 1999, low-lying areas are flooded from the international boundary to Hartney, the Rafferty and Alameda reservoirs in Saskatchewan as well as Lake Darling in North Dakota are being operated in a manner which will minimize the duration of flooding along the Souris River in Manitoba.

You know, Mr. Speaker, if you listen carefully, this Chamber still echoes with the outrage and the howls from members opposite when the Saskatchewan government dared propose the building of the Rafferty and Alameda dams. I am pleased to note, coming from the mouth of an NDP minister, that these two projects are now adding significantly to the protection of our environment as well as to the long-term supply of water.

Hon. Steve Ashton (Minister responsible for Emergency Management): I have a statement, Mr. Speaker. I am very pleased to bring a statement to the House. I am sure the Member for Lakeside (Mr. Enns) will be pleased to hear some of the updates in this case from the perspective of Minister responsible for Emergency Management. In fact, I just returned from the member's constituency. My colleague the Minister of Conservation (Mr. Lathlin) along with the MLA for the Interlake are currently assessing the situation in the Interlake.

* (13:45)

As was indicated to the House by the Acting Minister of Conservation, the weather conditions over the Easter weekend helped improve the flood forecast, although there were a number of urgent situations that are still being monitored. Levels of the Red River have remained stable, although agricultural flooding remains a serious concern in the Red River Valley. There is also concern about the rising level of the Roseau River which has resulted in preventive action in the Stuartburn area and a disaster declaration by the R.M. of Franklin. North of Winnipeg the R.M. of St. Laurent and the R.M. of Westbourne have both passed resolutions declaring a local state of emergency as a result of overland flooding. In addition, overland flooding caused by the Fisher River resulted in a decision by Peguis First Nation to relocate a number of residents from threatened areas.

On Monday, the Premier (Mr. Doer) and I travelled to Emerson, Stuartburn and Rosenort to survey the flood situation. Just this morning, as I mentioned earlier, I went with the Minister of Conservation to the Interlake. I can indicate a number of local governments have made decisions to pile sandbags and cut roads to prevent rising flood waters. The Manitoba Emergency Management Organization is monitoring and co-ordinating provincial supports with local governments, and I can indicate that as of today we have opened flood liaison offices in both Morris and Melita. There are a number of provincial roads that have been closed due to impassable conditions. I can table a copy of current road closures and detours for information in the House later on. I can also indicate that I would encourage people considering travel anywhere in the affected areas of rural Manitoba to contact the Department of Transportation, and I can also indicate we are monitoring very closely the situation with Highway 75. We are hearing reports almost on a daily basis as to whether it will require closure. I can indicate that we will make sure that we inform the public of that and would encourage, once again, the public to stay tuned.

Mr. Speaker, a number of local governments have started to estimate the financial cost of the flooding. Estimates are very preliminary, and

obviously we will be assessing potential cost factors over the next period of time. It is premature to speculate on Manitoba's level of financial contribution and whether indeed we will be seeing federal cost sharing under the Disaster Financial Assistance. Obviously, our No. 1 focus right now, as is the No. 1 focus of the affected municipalities, is on dealing with the urgent situation. But I can certainly indicate to the members opposite, particularly the Member for Lakeside (Mr. Enns), that we indicated yesterday—the Premier, myself and I know the Minister of Conservation (Mr. Lathlin) indicated today—that we will obviously be doing everything possible to make sure that affected municipalities and affected individuals will have access to the Disaster Financial Assistance program and the normal levels of assistance that are out there. In fact, I hope to be able to make some sort of announcement or update on the situation of November, because very much this was an extension of the situation that developed in November with the excessive moisture, and that is what caused some of the significant impact.

I will perhaps table the rest of the statement. I will just finish by saying that I want to give a particular note of credit to the many of our government employees who have been out there working very hard. Mr. Speaker, I had the opportunity to visit the people who were working at St. Laurent on both Friday and Sunday, and I think those of you who will remember the weather on Sunday will understand the dedication. It was minus seven. There was about a 50 kilometre wind, and I know one of our Department of Transportation employees had that wind in his face for an entire 12-hour shift while we pumped water from one side of Highway 6 to the other.

I will tell you the work that has been done by the Department of Conservation, Emergency Management, Department of Transportation, if we had medals we should be giving them out to our employees for the kind of work they put in. That is part of being a Manitoban, Mr. Speaker, the kind of dedication we see from our employees out there working with the municipalities, working with local residents, and I tell you I am very proud as Minister of Transportation and Minister responsible for

Emergency Management just to be a part of it. Thank you.

* (13:50)

Mr. Glen Cummings (Ste. Rose): Mr. Speaker, I thank the minister for his statement and his update. I appreciate my colleague's tolerance to allow me to respond to this statement because the Whitemud Watershed, which is not a major watershed in terms of the Red River Valley and the Assiniboine, nevertheless is a major watershed which covers my entire constituency and part of the member from Portage's constituency, as well. There has been an enormous amount of overland flooding that has occurred, not with the 10-foot-high walls of water that might be seen in some of the other watersheds but damaging to personal property. As I mentioned last week, numerous roads, bridges, culverts have been destroyed. Our roads have been cut in order to accommodate the water, and in fact that is still going on as we speak today in various parts of the watershed.

I would estimate—and as the minister said, any estimations are very preliminary and very, very rough—that there are likely in excess of 200 bridges, crossings, culverts, road repairs of some significance that are going to have to be made in the areas of Westbourne, Glenella, Alonsa, Lakeview and probably Lansdowne, as well, will all be areas that will be very likely in need of some disaster assistance because of the magnitude of the repair bills that they will be faced with.

I appreciate that the minister says that they will respond compassionately. I would remind him that at times like this the other consideration is that as the disaster repair bills increase, it then starts to become recognizable that additional mitigation works may well be useful in order to offset future disaster costs. That is an important consideration in the Whitemud Conservation, because when you consider that the Whitemud Conservation District is one of the few responsible conservation districts that has accepted responsibility for a large portion of the drainage, they took responsibility for the drainage, but they have a large number of these culverts and crossings within their budget and they, too, will be an authority that will probably

severely strain and exceed their available resources.

So I thank the minister for his update, and I would invite him and the Minister of Conservation (Mr. Lathlin) to join the member from Ste. Rose any time to review some of the damage.

TABLING OF REPORTS

Hon. MaryAnn Mihychuk (Minister of Industry, Trade and Mines): Mr. Speaker, I am pleased to table three copies of the 1999-2000 Annual Report for the Manitoba Trade and Investment Corporation, copies of which have already been distributed in accordance with the intersessional procedures.

Introduction of Guests

Mr. Speaker: Prior to Oral Questions, I would like to draw the attention of all honourable members to the gallery where we have from Lockport School 48 Grade 9 students under the direction of Mr. Tony Mravnik. This school is located in the constituency of the honourable Member for Gimli (Mr. Helwer).

On behalf of all honourable members, I welcome you here today.

ORAL QUESTION PERIOD

1999 Flooding Disaster Assistance

Mr. Stuart Murray (Leader of the Official Opposition): Mr. Speaker, time and time again in this House and during a series of strategic photo ops, we have heard this Government champion itself as a saviour of farmers and of rural Manitoba. Unfortunately, this opportunistic behaviour is not translating into jobs or opportunities or hope for the future. Businesses are closing and families are leaving.

Out of another photo op yesterday we see the Premier is now promising disaster assistance for Manitobans affected by this year's flooding. He said: In these communities where we are responsible, absolutely.

*(13:55)

Mr. Speaker, while I am pleased that the Premier is acknowledging his Government's responsibility in assisting Manitobans suffering from the effect of this year's flooding, he seems to have forgotten those businesses and families still suffering from the effects of the '99 flood. Will the Premier please inform the House when he plans on treating those Manitobans with the same level of respect? When will the Doer government provide the support of those still suffering from the effects of the 1999 flood?

Mr. Speaker: Order. I would just like to take this opportunity, and I note that we have an unusually large number of visitors in the public gallery today, I would just like to remind members of the public who are with us today in the gallery that our rules and practices of the House do not allow members of the public to participate in the proceedings here in the Chamber, which includes applauding. I appreciate your co-operation.

Hon. Gary Doer (Premier): I have said time and time again in this House that we believe in a national disaster assistance program. We participate in a national disaster assistance program. We will continue to participate as a funder of and hopefully a recipient of the pooling benefits of a national disaster assistance program. That national disaster assistance program is a federal-provincial area of responsibility. Members opposite would know that. The flooding was in May and June of 1999 and, unlike the 1997 flood and the disaster assistance in Québec and Ontario with the ice storms, the federal government has approved by Order-in-Council and by press release in the year 2000, February 2000, the region as a disaster assistance region but has not approved any of the funds that should flow.

We believe and our money is absolutely on the table but we require a federal agreement on the disaster assistance. As late as four weeks ago, the Minister responsible for EMO met for the first time with the federal Defence Minister who is responsible for disaster assistance, pointed out that in particular in the areas of weed programs and fertilizer input costs those were

covered under the Red River flood with a federal-provincial disaster assistance program, not a provincial program but a federal-provincial program. Mr. Speaker, we are absolutely committed to our share of that money.

Rose Report Implementation

Mr. Stuart Murray (Leader of the Official Opposition): Well, Mr. Speaker, aside from still awaiting support from the Doer government, these farmers continue to face ongoing international agriculture subsidy disputes, low grains, oilseeds and specialty crop prices, and dramatic increases in the costs of fertilizer, fuel and chemicals, all of which have made farming difficult if not impossible for many Manitoba producers. Farmers are similarly still challenged by dramatic increases in taxes on farm buildings and land due to higher education taxes, huge increases in transportation and handling costs and the cumulative negative effect of several years of adverse weather conditions on crop production. In fact, nowhere is the situation more severe than in those areas of Manitoba that were devastated by flooding and excessive moisture in 1999. Manitobans are still suffering, and the Rose report is in the corner collecting dust.

Will the Premier please inform this House if his Government intends to implement any recommendations of the Rose report dealing with economic development and, if so, when can we expect them to be implemented?

* (14:00)

Hon. Gary Doer (Premier): The ramblings of the member opposite are quite curious. He worked for former Prime Minister Mulroney who applied the GST on motive fuel, unlike the situation of the federal, of the provincial tax—

Some Honourable Members: Oh, oh.

Mr. Speaker: Order.

Mr. Doer: Mr. Speaker, a couple of weeks ago, when the member opposite was asked would he join and pay \$38 million if he was in

government to join the federal program to get \$93 million, being that all of us agree the federal program is not enough, he would not give a position. But a week later they had \$38 million to spend on the Kenaston underpass. Unlike members opposite—

Some Honourable Members: Oh, oh.

Mr. Speaker: Order. I am having a very difficult time hearing the response from the First Minister, and I need to hear who has the floor in case there is a breach of the rules or parliamentary language. I would ask the cooperation of all honourable members.

Mr. Doer: We knew the federal-provincial program was not enough to deal with the input costs which have been described by the member opposite with the low prices in grain and oilseeds, based on the subsidies from the U.S. which is rising and from Europe which is intolerably high at 58 cents on the dollar, but we were faced with the choice of whether to go in and get \$93 million for the province with the \$38 million amount of money that we were required to invest in the program or not to go in and get nothing.

The member opposite was asked the question of whether he would join the program, and he said he could not take a position. But a week later his member said we should spend \$38 million on a Kenaston underpass. Thank goodness we spent it on farmers for the \$93 million. *[interjection]*

Mr. Speaker: Order.

Mr. Doer: I believe that this House has to unite about the situation for farmers. The member opposite can attack us for being "opportunistic." He can attack us for being this and that and everything else, but at the end of the day, after Question Period is over, there is still not going to be enough support for the family farm in Manitoba unless we unite and go to Ottawa with one voice. So we believe strongly that this House has to unite under the resolution that we have brought forward. We have a resolution on the Order Paper, a resolution that was given to members opposite two weeks ago.

I think we should get on with the debate. No provincial government, no matter what their political stripe, can match the treasury of the United States; no provincial government can match the treasury of the European federal governments. It is time our farmers got the subsidy—or not subsidy support, but the investment support so the family farm can survive in this very tough year. It is time for us to unite in this Chamber to say that, Mr. Speaker.

Economic Growth Rural Manitoba

Mr. Stuart Murray (Leader of the Official Opposition): Well, Mr. Speaker, the First Minister starts off by saying "I believe." I think the question that we are all wondering is do Manitobans believe him when he says these things.

Mr. Speaker, thousands of acres of land are for sale or rent around Manitoba because producers are getting out of farming. Many of these people are leaving rural Manitoba, forced to seek out new opportunities. Young farmers are quitting and taking their children and families elsewhere. Schneider's scrapped its plans to expand Manitoba at a loss of 1100 jobs. Versatile is looking at relocating more than 250 jobs to North Dakota. Brett-Young Seeds thinks the pastures might be greener in Alberta and has considered leaving Manitoba because the business environment here remains so uncompetitive.

Mr. Speaker, aside from ignoring the Rose report, can the Premier please outline what concrete steps this Government is taking to help stem the flood of rural business closures and to offer hope to communities devastated by the 1999 natural disasters and the agriculture crisis?

Hon. Gary Doer (Premier): Mr. Speaker, the Rose report recommended income support for agricultural producers, and we have contributed \$40 million last year on top of doubling the income support in the provincial budget at the Department of Agriculture and another \$38 million to access \$93 million. That is not enough.

The Rose report also recommended dealing with tuition fees. Members opposite would be familiar with the nature of the hurt for tuition fees. We have lowered the tuition fees at all universities that include many students from rural Manitoba to those faculties, but I would admit that there is a greater burden on rural and northern families because of the cost of residency.

Mr. Speaker, you know we can go on about statistics. *The Globe and Mail* report this weekend had us moving up in the area of economic development. I have just got another report on the Budget, an independent report on the Budget. The bottom line is that there have been improvements on the livestock situation here in Manitoba in terms of livestock incomes. There is a serious, serious income challenge and weakness in the Canadian farming support system for the family farm involved, primarily with grain and oilseeds. I think it is really important because every member in this House knows that agricultural support, agricultural income, the survival of the family farm is also the survival of many Manitoba communities.

We should unite in this Chamber under this resolution. The more we fight, the more the federal government stays away from the responsibilities. The more we unite the stronger we are with Ottawa, and I am recommending we unite.

Some Honourable Members: Oh, oh.

Mr. Speaker: Order.

Income Tax Rates Provincial Comparisons

Mr. John Loewen (Fort Whyte): Mr. Speaker, in their pre-Budget submission to the Minister of Finance, the Business Council of Manitoba identified the need to keep Manitoba's taxes competitive as the most important issue facing our province. Their submission urged the Doer government to send a clear message to entrepreneurs and business that Manitoba is open for business. Instead, the Doer government chose to inflict Manitobans with the highest tax rates outside of Québec. Does the Minister of Finance actually believe that Manitoba remains

tax-competitive when a family of four earning \$60,000 a year pays \$2,280, or 63 percent more than the same family in Ontario? Is that tax competitive?

* (14:10)

Hon. Greg Selinger (Minister of Finance): Mr. Speaker, under the 12 years of the former government they had an opportunity to eliminate the surtax; they did not do it. We did in our first year. For 12 years under the former government, they had an opportunity to get rid of the net tax; they did not do it. We did it in our first Budget. For 12 years they had an opportunity to increase the non-refundable tax credits so that all families would benefit by having more income sheltered from the first dollar of taxation. They did nothing. We did it in our first Budget. They reduced the property tax credit by \$75, about 25 percent. We have increased it by 60 percent in our first two Budgets.

I will give further information in the next two questions.

Mr. Loewen: The Finance Minister really believes what he has just said. If he really believes that Manitoba remains tax-competitive, why is it that a single-earner in British Columbia earning \$60,000 this year will pay \$1,800 per year less or 35 percent less than the same single-income earner in the province of Manitoba?

Mr. Selinger: Mr. Speaker, if you were to look at the cost of living for a family in B.C. versus the cost of living for a family in Manitoba, any of the tables, you will see that a two-earner family of four at \$60,000, the tax burden in British Columbia for all provincial tax levies is \$5,187. It is \$5,002 in Manitoba, \$185 less. When you go further down the table, the advantage is enormous. It is over \$11,000.

Mr. Loewen: The minister should listen to the question because I was referring to a single-income earner. If he checked his numbers he would see that.

What I would ask the Minister of Finance is: Why did he not avail himself of the information supplied to him by the Business Council of Manitoba? Why did he not hear their

advice and do something to ensure that Manitoba would remain tax-competitive?

Mr. Selinger: When you have reduced corporate income tax rates 11.7 percent for the first time since the Second World War, that pales by comparison anything the former government has done on taxes.

Angiogram Testing Waiting List

Mrs. Myrna Driedger (Charleswood): Mr. Speaker, Mr. Jack McDowell recently spent \$700 of his own dollars to travel to Regina for an angiogram because he was told he would have to wait four months before he could have this same test done here in Manitoba. In fact, there are some 300 Manitobans waiting for an angiogram in our province.

Mr. Speaker, can the Premier (Mr. Doer), in light of the fact that during the election he promised Manitobans that he would slash waiting lists, explain to Mr. McDowell and any other Manitoban who might be contemplating going to Saskatchewan for an angiogram why they have to wait four months in this province for this test?

Hon. Dave Chomiak (Minister of Health): Mr. Speaker, I thank the member for that question, so I can explain to the people of Manitoba that in 1990 Manitoba had eight angiography suites, eight in the province. During the terrible Tory years, we were down to three angiography suites that were cut by members opposite when members opposite controlled the purse strings and cut the province of Manitoba. We are adding capacity for the first time in a decade.

Some Honourable Members: Oh, oh.

Mr. Speaker: Order. I am sure all members will have a chance to ask a question.

Diagnostic Testing Waiting Lists

Mrs. Myrna Driedger (Charleswood): Can the Premier, in light of the fact that during the election he told Manitobans that he was going to fix health care in six months with \$15 million,

he was going to stop the flow of patients going outside of the province for treatment, can he now explain to Manitobans why this is still occurring? Why has he broken his promises to Manitobans? Why do we have highway medicine in Manitoba?

Hon. Dave Chomiak (Minister of Health): Mr. Speaker, I was doing some calculations this morning to determine some of the situation, and if the members opposite had not cut the Faculty of Medicine in 1993 we would have 120 more Manitoba-trained doctors. If only they had not cut. If they had not closed the nursing schools at Misericordia, at St. Boniface, at Health Sciences Centre and tried to close the LPN program, we would have hundreds more nurses trained to provide the services necessary. We spent a 45% increase in funding for equipment in our first year's Budget compared to the first year that they came into office after the '95 election, after the major cuts.

Diagnostic Equipment Funding

Mrs. Myrna Driedger (Charleswood): Can the Premier (Mr. Doer) tell Manitobans why he allowed his Minister of Health to sit on \$18.6 million of federal funding targeted for diagnostic equipment for six months before making an announcement, and why he is denying Manitobans timely access to diagnosis and care by allowing his minister to now sit on the second year's funding of \$18.5 million, and that will not be spent for another year? Can this Minister of Health or this Premier tell us why they have not taken that \$37 million and put it into the diagnostic equipment, as it was meant to be spent?

Hon. Dave Chomiak (Minister of Health): I thank the member for that question because it allows me to correct so many of her inconsistencies and inaccuracies.

Mr. Speaker, during 12 years in office they could not negotiate one agreement with the federal government. In our first year, we negotiated that equipment agreement. We put it together, and within the last two years, count them, eight CAT scans, eight CAT scans in rural and northern Manitoba, Steinbach, Morden, The

Pas, Boundary Trails. Contrast that with members opposite who forced the hospitals to buy CAT scans and then would not fund them and denied the funding for operating CAT scans. I ask Manitobans to judge. Eight this year, this year and last year, eight new CAT scans or shutting down the CAT scans at Concordia and Seven Oaks as happened during the past 12 cut-full years of the Tory government.

Manitoba Hydro Debt Projection

Mr. Harold Gilleshammer (Minnedosa): There have been many expenditure announcements made by Manitoba Hydro over the last few months, including the building of a road at South Indian Lake and converting Hydro plants in Brandon and Selkirk.

My question to the minister responsible: Are any or all of these projects adding to the debt of Manitoba Hydro, which the minister is projecting at \$6.2 billion?

Hon. Greg Selinger (Minister charged with the administration of The Manitoba Hydro Act): In the Budget Papers, it indicates that there has been an increase in the debt in Manitoba Hydro. When I examined that question, half a billion of that was due to promissory notes that the previous government did not record as debt and which were required to be reported.

Another \$250 million was for the purchase of Centra Gas, and the remaining amount is entirely due to the movement in the Canadian dollar, which has gone down in relation to the American dollar and is covered by revenues from the United States for Hydro.

* (14:20)

Debt Reduction

Mr. Harold Gilleshammer (Minnedosa): In a time of unprecedented growth in government revenue through taxation and transfer payments, why is the Government taking \$102 million out of Manitoba Hydro into the general revenue stream, money that could be used to address this debt?

Hon. Greg Selinger (Minister charged with the administration of The Manitoba Hydro Act): Mr. Speaker, in 1989 the former government entered into an agreement with Manitoba Hydro called the water power rental agreement which, when I first discovered it, was footnote 17 in the back pages of the Hydro report. We have abolished that agreement and brought hydro water power rental rates to the Ontario level which is still 60 percent lower than the B.C. level.

Public Utility Board Review

Mr. Harold Gilleshammer (Minnedosa): Given that the chair of the Crown Corporations Council has said that policies that directly or indirectly affect rates require the approval of the Public Utilities Board, will the minister commit today to referring Hydro expenditures to the Public Utilities Board?

Hon. Greg Selinger (Minister charged with the administration of The Crown Corporations Public Review and Accountability Act): Mr. Speaker, I have said continuously that the Public Utilities Committee of the Legislature will have the opportunity to review this matter. The Public Utilities Board has written, as I understand it, the member opposite and explained their responsibilities, and they have clarified their role in terms of his request and said it is outside of their jurisdiction.

Flood Prone Areas Property Buyouts

Mrs. Louise Dacquay (Seine River): Last week I raised the issue of the status of the buyout for 28 residents of Greenview and St. Mary's roads south of the floodway. The Minister of Conservation (Mr. Lathlin) stated, and I quote: We are over 50 percent completed on the work.

In my view, this is totally erroneous, and the affected residents are very concerned about the accuracy of that statement.

Mr. Speaker, could the First Minister confirm that only four out of the twenty-eight property owners have finalized their buyout and vacated their homes?

Hon. Gary Doer (Premier): I will take it as notice on behalf of the minister.

An Honourable Member: What?

Mr. Speaker: The question has been taken as notice on behalf of the minister.

Mrs. Dacquay: Mr. Speaker, will the First Minister today commit to providing compensation should any of these families suffer flood damage because of his Government's delays in finalizing the buyout?

Mr. Doer: Mr. Speaker, certainly the issue of the location the member has raised is an issue that is ongoing. We are following the same laws and procedures that have been followed by previous governments.

I should say that I am hopeful, Mr. Speaker, that the continuing forecast for water and levels of water will not in any way have a situation as we had in 1997 where the floodway, for example, had to be used at a higher level. Members opposite will recall the Water Commission report that did indicate certain damages did occur in the Grande Pointe area and the Ritchot area because of the operation of the floodway. I think it was 7000 or 8000 cfs above the protocol levels.

Mr. Speaker, the Water Commission report also said that the construction of the Z-dike or Brunkild dike did increase the water volumes, but they, in their opinion, did not feel that that operation provided for any increased damage at Ste. Agathe. We still have other claims. In fact even in Rosenort yesterday there were unresolved claims that are still before the Government, so the answer to the question is we are doing everything possible to prevent damages in any location in the province.

Income Assistance Disabled Recipients—Marginal Tax Rate

Hon. Jon Gerrard (River Heights): Mr. Speaker, my question is to the Minister of Finance (Mr. Selinger). When an individual with a disability who is on income assistance begins to earn income, the income is clawed back at a rate of 70 percent. That is, for example, for every

\$1,000 earned, the Minister of Finance grabs \$700, a 70% marginal effective tax rate.

Can the Minister of Finance tell this Legislature why he has an effective marginal tax rate of 70 percent for individuals who are among the most disadvantaged in our society and why this marginal tax rate is higher than the marginal tax rate on the highest income earners in this province?

Hon. Tim Sale (Minister of Family Services and Housing): I think, as the honourable member knows, we will be bringing out a white paper on disability policy within the very next little while, and I agree with him that incentives are very important in terms of assisting people to make a connection with the labour force. There are many issues in the white paper that will be dealing with the question of employment, employability, disability, and I look forward to his comments and reactions to the paper when it is published.

Mr. Gerrard: My supplementary to the Minister of Finance. I ask the Minister of Finance: When his 70% clawback acts like a tax, feels like a tax and smells like a tax, when will the minister stop taxing people with disabilities at such a high and outrageous, odious rate?

Mr. Sale: As the member and most members of the House know, social assistance of all kinds is a program of last resort. While we may wish to provide every conceivable incentive for people to regain attachment to the workforce and we have been working very hard on that through our Building Independence program and through other supports to help people reconnect with the workforce, the fact is that as a program of last resort inevitably one must reduce the social assistance level as employment income replaces it. The question is at what rate and what cutting point. I think that is an issue the white paper will discuss quite thoroughly. I will be interested in the member's reaction to the proposals the Government is putting forward in the paper.

Mr. Gerrard: Ma question supplémentaire au ministre des Finances: Pourquoi le ministre met-il un impôt si haut pour les personnes handicapées dans notre province?

Translation

My supplementary question, to the Minister of Finance: Why does the minister put such a high tax on people with disabilities in our province?

Hon. Greg Selinger (Minister of Finance): Je remercie le député de River Heights pour la question. C'est une bonne question, les taux d'imposition pour les personnes qui sont handicapées. On doit se souvenir que le gouvernement fédéral a coupé complètement son appui aux personnes qui sont sur l'aide sociale. Ce n'est pas une bonne chose qu'ils ont fait ça. Maintenant c'est complètement la responsabilité de la province. On aura un livre blanc. On encourage les personnes handicapées à participer au marché du travail. C'est une bonne chose. Beaucoup de personnes ont la capacité de gagner de l'argent, de faire une contribution à leur qualité de vie, et on a d'autres idées dans le livre blanc qui sera sur la table dans quelques semaines. Merci.

Translation

I thank the member for River Heights for the question. It is a good question, the taxation rates for people with disabilities. It should be recalled that the federal government completely cut its support to people who are on social assistance. It is not a good thing that it did so. It has now become entirely a provincial responsibility. We are going to have a white paper. We encourage people with disabilities to participate in the labour force. This is a good thing. Many people have the capacity to earn money and contribute to their own quality of life. We have other ideas in the white paper that will be on the table in a few weeks. Thank you.

Canada-Manitoba Adjustment Program Beginning Farmers

Mr. Stan Struthers (Dauphin-Roblin): My question is for the Minister of Agriculture (Ms. Wowchuk). There is no activity more important to the Dauphin-Roblin constituency than agriculture. There is no activity more important to rural Manitoba and indeed it forms a large part of the Manitoba economy.

I am particularly concerned with beginning farmers entering a career in agriculture. I would wonder if the minister could explain how she has improved the new CMAP program to include beginning farmers.

* (14:30)

Hon. Rosann Wowchuk (Minister of Agriculture and Food): Mr. Speaker, I thank the Member for Dauphin for raising this particular issue because our young farmers are very important to the economy of Manitoba. In the first CMAP program the program was a transportation adjustment. Beginning farmers were not excluded in the first CMAP. However, under the details negotiated with the federal government, they were not able to get a full entitlement because they could only include a partial year's sales.

With the new program, we recognized that beginning farmers are vitally important to our industry and need to be treated in a more equitable manner. In order to accommodate them under CMAP we had to do an amendment to the original agreement that was negotiated with the federal government. That has now been signed, and I am pleased to say that producers who started farming either in 1999 or 2000 will be able to include the sales of the first seven months of the following year in order to get a full-year coverage. This will help young farmers get their share of—

Mr. Speaker: Order.

East St. Paul High Voltage Hydro Lines

Mr. Ron Schuler (Springfield): The Minister responsible for Manitoba Hydro is aware the citizens of East St. Paul have serious concerns about the safety of a proposed Manitoba Hydro development planned for my municipality. More specifically, they are concerned about possible hazardous health effects, including cancer, emitted from high voltage hydro lines. Can the Minister reassure my constituents that he will take steps to ensure that no new hydro lines are built behind homes in East St. Paul until he can, with 100 percent certainty, attest to the safety of

Manitoba Hydro's plans to double the high-voltage lines in my community?

Hon. Greg Selinger (Minister responsible for the administration of The Manitoba Hydro Act): First of all, I would like to thank the Member for Springfield for the question. We should bear in mind that this project to extend these hydro lines for this community were initiated by the former government under a board appointed by the former government, and the application for the environmental licence was applied for by the former government. When we took office this project was well under way. The environmental licence came back with all the due diligence done by the Department of Conservation and Environment. They said there was no risk.

The member raised the question with me. He met with the residents as well, and I took their concern about health risks to their families and children seriously. We have hydro lines throughout the breadth and length of Manitoba in every community, so this is an important question.

What I did with this question is I referred to the Clean Environment Commission, and I asked them to review all the research findings with respect to hydro lines and what their impact is on the public. The Clean Environment Commission brought in a world expert, a Doctor Mandel, reviewed the literature and had a full-day session with public health officials from across Manitoba. They have prepared extensive documentation on the impact of hydro lines, and I will provide a summary of this report to the member opposite as well as all the documentation which I have asked to be forwarded to his office at the earliest convenience.

Mr. Schuler: Mr. Speaker, I would like to table a document put forward. It comes from Exponent's Web site. If I could please have this tabled for the minister. Mr. Speaker, did the Minister know that Exponent or Doctor Mandel and the group—that is the group that helped facilitate the round table—provides advisory and consulting support to electric utilities, prepares and defends environmental reports and impact statements? Basically, their motto is "Have gun,

will travel." I would like to ask the minister did he already know the answer that that round table was going to come forward with before he even posed the question?

Mr. Selinger: The Clean Environment Commission is an arm's-length body and I asked them to convene a review of this literature and to make sure that these hydro lines were safe wherever they go in Manitoba. Now, this Doctor Mandel—who, by the way just as a matter of interest, grew up in Winnipeg—is an epidemiologist who has a world-class reputation for reviewing the causes of cancer.

The consensus findings by all the experts at the meeting, including public health officials, including members of CancerCare Manitoba—that would be Dr. Harry Johnson, the department head for imaging physics and radiation protection at CancerCare Manitoba. They conclude the following: The weight of evidence from studies over the past 30 years does not support the conclusion that there is an association between EMFs and health-related problems, including cancers such as leukemia. Among the key-supporting studies that show no association between EMFs and childhood leukemia were the National Cancer Institute study of '97 and the Canadian study by McBride in '99.

Mr. Speaker: Time for Oral Questions has expired.

MEMBERS' STATEMENTS

Agriculture Crisis

Mr. Leonard Derkach (Russell): Mr. Speaker, once again, the visitor's gallery of our Legislature is filled with producers and people from rural Manitoba concerned about the crisis being faced by Manitoba farmers, their families and rural communities. Although we now have the minister's statement regarding the CMAP program, it must be acknowledged that this will not address the hurt that is out there. Input costs continue to rise, while commodity prices are in a seemingly constant state of decline. It goes without saying that low prices have put pressure on farmers, their families and on our communities.

I want to congratulate my colleague the member from Emerson for bringing this matter to the Legislature at the earliest possible opportunity, that being the opening day of the spring session. I also want to congratulate him for bringing forward the motion to allow us here in this Legislature to debate this very important issue. I look forward to the debate and, having been involved in bringing organizations of this type together, I am confident that this afternoon will be a day all of us can take some pride in as we jointly and co-operatively work towards addressing the real rural crisis in Manitoba.

Budget

Mr. Jim Rondeau (Assiniboia): Mr. Speaker, I rise today to draw the attention of the House to the record of responsible tax relief that this Government has provided for Manitobans. Our two budgets are providing \$218 million in income and property tax cuts by the year 2003. Our Government is working diligently to achieve sustainable balance between increasing resources in priority areas such as health care and education and providing responsible tax relief and forward planning. We are providing property tax relief in this Budget that will save Manitobans \$27 million this year alone.

In Winnipeg, the result of our last two budgets will be a 6% reduction in property taxes. In 2001, we have renewed our commitment to balanced budget spending and our priorities of responsible tax relief and that is to all Manitobans, including corporations, businesses, small business owners and the average citizen.

The year 2000 marked the first time that Manitoba's provincial Budget reduced property taxes while also reducing income taxes and business taxes. We are doing it again by cutting the middle-income tax rate to 14.9 percent by 2003. Manitobans will be enjoying a 10.5% decrease in the provincial income taxes by 2003 based on our past two budgets. With the 2001 Budget, 4000 more low-income Manitobans will be removed from the tax rolls. We have increased the basic personal tax credit from \$578 to \$802, which will help all Manitobans. We have increased the child tax reduction from \$250 to \$300 per child. We are addressing the pension liability which has been neglected by all

governments over the past 30 years. Our Government is keeping its commitment to provide responsible balanced sustainable tax relief for all Manitobans and an excellent quality of life for everyone. Thank you.

Princess Patricia's Canadian Light Infantry

Mr. Harold Gilleshammer (Minnedosa): Mr. Speaker, last Thursday Defence Minister Art Eggleton announced that over the next three years the soldiers and families of the 2nd Battalion Princess Patricia's Canadian Light Infantry will be relocated to Shilo.

I was pleased to be in attendance at CFB Shilo last Thursday, along with my colleague the Member for Turtle Mountain (Mr. Tweed) and many, many other municipal officials. There were reeves, mayors, members of the Brandon Chamber and others, the Economic Development Board, members of Parliament, past and present, and many of the candidates. Virtually everyone was there. As Reeve Scotty McIntosh said, it was a great day to be in Shilo.

*(14:40)

Minister Eggleton's decision finally ends what has undoubtedly been a long and stressful waiting period for the military personnel and families involved. The decision also puts to rest fears about the future of CFB Shilo. For the individuals and communities involved, I am pleased that Minister Eggleton has finally made the move to relocate these forces to Shilo.

As an area MLA, I want to take this opportunity to welcome the men and women of the 2nd Battalion and their families to the Shilo area. I am confident that our communities will provide the services and facilities they will need to ensure a happy and prosperous lifestyle and a safe and welcoming environment in which to raise their families. Thank you.

Post-Secondary Education

Ms. Nancy Allan (St. Vital): Mr. Speaker, I rise today to draw attention to the House for the significant investments that we are making in young people through our post-secondary education system.

In our 2000 Budget, we made an historic 10% reduction in tuition fees for colleges and university students, making good on one of our five election commitments. In 2001, we are proposing to hold tuition at this reduced level by providing \$13 million to Manitoba's colleges and universities to compensate them for lost tuition revenue. To ensure that our post-secondary institutions remain among the best in Canada, affording world-class opportunities to our young people, we are proposing to increase overall operating grants to our post-secondary institutions by 3.8 percent.

Another key component of our plan to restore hope to our young people was to reverse the trend of low college enrolment in Manitoba. Through our Government's College Expansion Initiative, we are addressing the need for training among Manitoba's youth to prepare them for the jobs of tomorrow. Budget 2001 is proposing to allocate \$10.9 million for the College Expansion Initiative, including support for leading-edge programming. Our 2001 Budget is proposing to increase support to the successful Manitoba Bursary Program, announced last year, by \$300,000 this year to help students who lack some of the financial means to attend our universities and our colleges.

Our 2001 Budget also builds on the largest capital investment in decades, \$101 million to colleges and universities: \$31.5 million is allocated for the Red River College expansion in Winnipeg's Exchange District; for our universities, \$50 million is going to the University of Manitoba, \$14 million to the University—

Mr. Speaker: Order. The honourable member's time has expired.

Andrew Dean Wychnenka

Mr. Jim Penner (Steinbach): Mr. Speaker, it is my pleasure to rise today and inform the House of a young man in my constituency whose bravery and quick thinking saved a life and earned him the Silver Cross of Canada.

Late last year, Mr. Speaker, Andrew Dean Wychnenka of Pansy, Manitoba, now 15, was presented with the Silver Cross for Bravery by

Canada's Governor General in Ottawa. His award comes as a result of his actions on August 9, 1999, when a horrifying accident occurred on their family farm. Andrew was called out of the house by his young brother, who told him there had been an accident. What Andrew found was his brother Stephen badly injured from a tractor flip, which had momentarily pinned his head beneath the tractor.

Mr. Speaker, I am pleased to say that this terrible accident does not have a fatal ending. Using the skills he learned as a Boy Scout, Andrew quickly took steps to turn the still-running tractor off, diagnosed the symptoms of internal bleeding, helped his brother breathe and ensured help was coming by instructing that 911 be called. Steinbach RCMP officers have commented that this was one of the most disturbing accident scenes they have come across and that without Andrew's quick thinking it is unlikely that his brother would have survived the accident.

Mr. Speaker, we all hope that we are never involved in an accident such as this, but if we are we would like to be lucky enough to have someone like Andrew Wychnenka nearby to lend assistance. Young Manitobans distinguish themselves in a number of ways each and every day. Andrew can say he saved a life.

On behalf of all members of this Assembly, I extend my congratulations to Boy Scout Andrew Wychnenka for a job well done and wish Stephen well in his continued recovery.

ORDERS OF THE DAY

House Business

Hon. Gord Mackintosh (Government House Leader): I would ask Mr. Speaker for the unanimous consent of the House to allow the agricultural resolution to be brought forward from the notice paper— it is pages 7 and 8—in order to be debated this afternoon. That resolution in fact had been provided effectively as notice to the Opposition two weeks ago, and indeed the last three RESOLVED clauses though were added with regard to the Standing Committee on Agriculture and notice was provided to the other side as to the nature of

those RESOLVED clauses before the resumption of the session. So there has been effectively notice provided to members.

Mr. Speaker: Is there unanimous consent of the House to allow the agricultural resolution to be brought forward from the notice paper in order to be debated this afternoon? The resolution can be found on pages 7 and 8 of the Order Paper. Is there unanimous consent? *[Agreed]*

Mr. Mackintosh: I would also seek unanimous consent for the speaking time limit and debate of the resolution to be limited to 10 minutes per member and that the warning light be activated at eight minutes. That is to ensure that there is a decision of the Legislature made at the sitting today.

Mr. Speaker: Is there unanimous consent for the speaking time in debate for the resolution to be limited to 10 minutes per member and the warning light will be turned on with a two-minute warning at eight minutes? Is that agreed? *[Agreed]*

Mr. Mackintosh: Finally, I seek agreement of the House for the question to be put on the resolution at 5:45 p.m., with all necessary votes to be held at that time.

Mr. Speaker: Is there agreement of the House for the question to be put on the resolution at 5:30 with all the necessary votes to be held at that time?

Some Honourable Members: 5:45.

Mr. Speaker: I will reread that. Is there agreement of the House for the question to be put on the resolution at 5:45, with all necessary votes to be held at that time? *[Agreed]*

Mr. Mackintosh: It would be the intention of the Government to announce the standing committee sitting if the resolution passes, as we expect and hope that it will, at the end of the day. Just an advance notice, a more detailed notice to follow, but it would be our intention that the Standing Committee on Agriculture meet at 6:30 tomorrow night to determine how to proceed with consideration of the agriculture resolution.

As well, Mr. Speaker, we will seek consent for the expansion of the number of members on the committee particularly to accommodate the membership of the Member for River Heights (Mr. Gerrard) on the Standing Committee on Agriculture.

There seems to be some agreement that we deal with this, recognizing that it is anticipatory. I would like to announce, pending the disposition of the resolution today, that the Standing Committee on Agriculture will meet at 6:30 p.m. on Wednesday, April 18, in order to have an organizational meeting to discuss how to proceed with consideration of the agricultural resolution.

Finally, I do seek the agreement of the House to vary the membership of the Standing Committee on Agriculture so that during the consideration of the agricultural resolution the membership of the Agriculture Committee will be 14 instead of 11 and that, of the 3 members being added to the committee, one member come from the Government caucus, one member from the Official Opposition caucus and the honourable Member for River Heights (Mr. Gerrard) be the third additional member of the committee?

Once the committee has completed its consideration of this issue, the committee membership would go back then to the 11 members with the three additional members to come off the committee membership list.

Mr. Speaker: Is there agreement of the House to vary the membership of the Standing Committee on Agriculture so that during the consideration of the agriculture resolution the membership of the Agriculture Committee will be 14 instead of 11 and that, of the three members being added to the committee, one member come from the Government caucus, one from the Official Opposition caucus, and the honourable Member for River Heights (Mr. Gerard) be the third additional member of the committee?

Once the committee has completed its consideration of this issue, the committee membership will go back to 11 members with the 3 additional members to come off the

committee membership list. Is there agreement?
[Agreed]

* (14:50)

Committee Changes

Mr. Peter Dyck (Pembina): I move, seconded by the Member for Turtle Mountain (Mr. Tweed), that the composition of the Standing Committee on Agriculture be amended as follows: Russell (Mr. Derkach) for Pembina (Mr. Dyck); Morris (Mr. Pitura) for Steinbach (Mr. Jim Penner); and the one added, Ste. Rose (Mr. Cummings).

Motion agreed to.

House Business

Mr. Marcel Laurendeau (Opposition House Leader): Mr. Speaker, I am just wondering, do we need a formal motion to put the Member for River Heights (Mr. Gerrard) on the committee? Should I add him on that one? I was just wondering if we could add the Member for River Heights onto that passed motion?

Mr. Speaker: On the motion passed, is there agreement to add the honourable Member for River Heights—I have it in my hand—as a member of the agricultural committee? [Agreed]

Mr. Speaker: It has been announced that the Standing Committee on Agriculture will meet at 6:30 p.m. on Wednesday, April 18, 2001, in order to have an organizational meeting to discuss how to proceed with the consideration of the agricultural resolution, that is, if the agricultural resolution is passed today. [Agreed]

Resolution

Federal Farm Aid

Hon. Rosann Wowchuk (Minister of Agriculture and Food): Mr. Speaker, I move, seconded by the First Minister (Mr. Premier), that

WHEREAS increasing agricultural subsidies provided by the United States and the European Union federal treasuries continue to depress world prices for grains and oilseeds; and

WHEREAS Manitoba grains and oilseeds producers continue to have their margins decline

because of low prices and rapidly increasing input costs, especially for fuel and fertilizer; and

WHEREAS the Manitoba government and producers requested immediate assistance for grains and oilseeds producers from the federal government for the 2001 crop year; and

WHEREAS the federal government responded with \$500 million, dependent upon a provincial contribution of 40 percent, which was denounced as inadequate by Canadian farmers and farm organizations; and

WHEREAS provincial agriculture ministers from Manitoba, Alberta, Saskatchewan, Ontario and Québec requested an additional \$500 million in federal support to address the immediate crisis; and

WHEREAS the Manitoba government, despite limited financial resources, announced that it would provide \$38 million toward the aid package; and

WHEREAS the Premier of Manitoba has written the Prime Minister, demanding that he be involved in this critical issue.

THEREFORE BE IT RESOLVED that the Legislative Assembly of Manitoba urge the federal government to recognize federal support supplied in other countries and immediately provide at least a further \$500 million in assistance for grains and oilseeds producers; and

BE IT FURTHER RESOLVED that the Legislative Assembly urge the federal government to be more aggressive on the international stage in fighting for the removal of foreign subsidies for agriculture; and

BE IT FURTHER RESOLVED that this resolution be referred to the Standing Committee on Agriculture and the committee be empowered to make such changes to the wording of the resolution as the committee deems advisable; and

BE IT FURTHER RESOLVED that the Standing Committee on Agriculture holds such meetings at such times and places as it may be

deemed advisable to receive briefs and hear representation;

BE IT FURTHER RESOLVED that the Standing Committee on Agriculture report to the Assembly in a timely fashion.

His Honour the Lieutenant-Governor, having been advised of the contents of this resolution, recommends it to the House, and I would like to table the Lieutenant-Governor's message at this time.

Motion presented.

Mr. Speaker: I just want to add that the Lieutenant-Governor's message has also been tabled along with the resolution.

Ms. Wowchuk: Mr. Speaker, I am very pleased to be able to rise today to speak on this important issue, and I want to say that I very much appreciate the co-operation that has taken place prior to this session to have this resolution come forward. Mr. Speaker, there were discussions between the House leaders and correspondence between the House leaders as early as March 22, talking about the beginning of the session and the need for a discussion on the resolution. In fact, the date as early as April 11 was proposed by our House Leader to have this discussion take place. Certainly there has been correspondence from the Leader of the Opposition (Mr. Murray) to our Premier (Mr. Doer) supporting this resolution. So I am very pleased that we were all able to co-operate and have a debate on this very important topic.

As we look at the issue, Mr. Speaker, and if think back about what farmers were saying when they rallied here at the Legislature, farmers said at that time that they were not happy with the \$500 million, that there was need for more support for our producers. At that time we told producers that we had two options, and it was either to take this package or have no package at all. We gave our word to producers that we would take this package, but we would continue to lobby, and there have been letters that have gone from our Premier and from premiers across the country, asking that the federal government recognize their responsibilities. That is why we are bringing this resolution forward and,

recognizing how serious this issue is, is why we are asking that the Standing Committee on Agriculture be involved and that all people involved in the industry, whether they be farmers or business people or municipal leaders or politicians, have the opportunity to take part in this discussion.

It is an unprecedented step that we are taking to have the Standing Committee on Agriculture not only hear from the public here in the Legislature, but we are going to take this committee out to rural Manitoba for people to have an opportunity to share their views and give their suggestions on how this situation can be improved. But ultimately, Mr. Speaker, the most important thing is that we have a united front amongst municipal and provincial leaders and farm organizations to send a strong message to the federal government on how serious this situation is and how important agriculture is to the economy of this province, and not only to this province but to the economy of Canada. Agriculture plays a very important role in our international trade. Canada is known around the world for our agricultural products, but our producers cannot continue to produce these commodities at these high input costs along with low commodity prices. You wonder what the reason for the low commodity prices is, and we know that there are several reasons. But basically it is the high level of subsidies that are being provided in other countries.

We heard in Question Period that in Europe subsidies are close to 58 cents on the dollar. In the United States it is over 40 cents and continues to rise. Here in Canada our support is somewhere in the range of 11 percent now, and there is no way that our producers can compete with those kinds of subsidies. We have to recognize that, as we talk about diversification, grain production still is an important part of our economy. Our livestock industry cannot expand if we do not have grain production in this country, but our grain producers cannot survive at these low prices. We have to get the federal government to either have the subsidies reduced or put some money in. In the meantime, the subsidies will not be reduced in a very short time, so we have to have the support. The federal

government has to recognize the importance of western Canada to the economy of this country.

* (15:00)

The grains and oilseeds sector has been experiencing for a number of years declining prices and declining federal support, and the biggest decline, Mr. Speaker, was the loss of the Western Grain Transportation, better known as the Crow benefit. When that ended in 1995, Manitoba producers lost \$116 million per year from our federal government. That was an agreement that was supposed to be in place in perpetuity, but the federal government at that time thought that this was going to be their good will gesture toward reducing subsidies under the World Trade Organization.

However, the removal of the Crow benefit went far beyond what was required, and Canada went forward playing, you know, the good boy scouts. They were going to reduce their supports, but the other countries have not followed. I can tell you, the other countries are telling us, particularly in Europe, that it is not their intention to reduce their subsidies. So, if we value our agriculture industry, we are going to have to have a government that is committed to recognizing the importance of agriculture.

So, Mr. Speaker, I say those words, and I know that here has been a lot of effort. When we listen to what municipal leaders are saying, municipal leaders are saying that we have to have a united front to go to Ottawa. The Keystone Agricultural Producers spearheaded a letter-writing campaign which called on the federal government to make the family farm a priority. Part of the letter to the Prime Minister states that, and I quote: The large subsidies paid to agricultural producers in other countries make it impossible for the family farm in Canada to survive without timely and adequate support from our federal government. This is the message that we have to take to the federal government.

The federal government has to recognize the importance of our family farms, and this is not just about our farmers. This is about our rural communities. This is about our hospitals. This is about our schools in the rural community

because, as we lose families in rural Manitoba, pretty soon you are losing services in the community. There is not enough children to keep the schools open.

So there has to be a long-term plan, and that is the message we have taken to the federal government. We need short-term help. We need help to get through this crisis. Part of that is the \$500 million that the federal government put forward, but that is not enough, and that is why provinces have joined together to ask the federal government for additional support. Then we have to work on interim programs, but ultimately we have to work towards long-term solutions to ensure that farmers and people living in rural communities can continue to play the important role that they do play, that is, producing the food for our country and producing food for export.

Farmers also play another very important role, and that is managing, being responsible and taking care of the soil, one of our most important assets. That is an important role they play, and sometimes it is not recognized. That is why it is very important that at this time, Mr. Speaker, we all stand together and send a strong message to Ottawa, pass a resolution here that tells Ottawa they must take more responsibility.

I look very forward to going out to hearing the presentations here in Winnipeg, but I also look forward to going out to rural Manitoba. I meet with farmers on a regular basis in the constituency that I represent, but this will be an opportunity for farmers, rural people and urban people to share their thoughts on the agriculture industry. It will be an opportunity for urban people to show their support for the agriculture industry and stand behind the farming community, and it will be an opportunity for rural people to stand together to make a very strong statement to the federal government.

So, Mr. Speaker, I am very pleased that we are having this opportunity today to talk about the challenges, the challenges of low commodity prices for our producers and the challenges of high input costs and also the challenges that are ahead of us as we work through this immediate crisis and then work on toward long-term solutions.

There is no doubt about the problems that are facing our rural communities, and I want to point to our young people. We announced today in our CMAP program our commitment to our young people and the need for them to have more support, but without additional support from our federal government, it is a very serious challenge that we are facing and one that is very important to the economy of this province.

I look forward to hearing the speeches today from members of the Legislature because that is our job as legislators, to debate this, but I look forward to the next stage of this unprecedented step of having the Agriculture Committee go forward to hear the views of Manitobans.

Mr. Speaker: Order. The honourable member's time has expired.

Mr. Leonard Derkach (Russell): Mr. Speaker, thank you for the opportunity to speak to this resolution today. First of all, I want to acknowledge the agricultural producers and people from rural Manitoba who have taken the time to drive into Winnipeg today to be with us during this debate. I think this is an extremely critical debate in terms of getting off on the right foot in terms of supporting our agricultural producers and our rural communities.

Mr. Conrad Santos, Deputy Speaker, in the Chair

I also want to acknowledge and I want to thank the minister for bringing this resolution forward because, once again, I think it is a step in the right direction. We may disagree in this House from time to time on issues because of our political differences, but, Mr. Deputy Speaker, this goes beyond the boundaries of politics. I think we have to set some of our politics aside when it comes to dealing with the economic, the social and, indeed, to those critical issues that are so important to our rural communities, our families and the people who live in our province.

Mr. Deputy Speaker, although this is an issue that has been around for some time, we have had difficulty in consolidating our message, and not only have we had that difficulty but, indeed, the agricultural producers of Manitoba

have had some difficulty in trying to get a common message across to government, whether it is at the provincial or the federal level. Indeed, some of the programs that have been introduced over time have not worked. Although excessive amounts of money have been spent on programs, we have found that a lot of the money has been eaten up by administration, and money often does not find its way to where it is needed most.

I speak about the agricultural crisis because I live it on a daily basis. I live in a community that depends on agriculture. I live in a community where the entire community depends on how the agriculture system works, on how the agricultural producers do. Mr. Deputy Speaker, as the agricultural producers fall from the landscape, we also see businesses closing, we see services declining whether they are in education or whether they are in health, and we see the entire community become deprived of the kinds of qualities of life that that community should be able to enjoy.

Mr. Deputy Speaker, we had a demonstration at this Legislature not that long ago, and producers came out en masse to try to emphasize to the government here in Manitoba and, indeed, right across the country about the crisis that was facing our country, if you like. The only way that we are ever going to get any recognition of this problem is if we, indeed, stand shoulder to shoulder and we go forward to the federal government. I say this has to be led by the Premier (Mr. Doer). Yes, my leader will stand beside him. I know he will. I should not speak for him, but I know he will on this issue stand beside him and demand of the Prime Minister of this country that indeed this part of the country needs to be treated not as a second-class part of Canada but needs to be treated like any other jurisdiction in this country.

* (15:10)

Mr. Deputy Speaker, I was almost shocked when I looked at the numbers that came out with regard to the support that was going out to the producers in western Canada from the CMAP program. I could not believe that a farmer in Ontario would be getting in the neighbourhood of twenty-some dollars per acre while a farmer in Manitoba would be getting less than ten. Now, we do not know where those numbers are

going to be at precisely, but I would have to say that if you have a disparity of that magnitude then certainly there has to be something wrong with the approach that is being taken in trying to level the playing field within our country and indeed even outside the borders of our country.

Either we are not getting our message across to Ottawa or there seems to be some kind of a problem in Ottawa acknowledging that where the real hurt is in agriculture, because we in the Prairies are the furthest point from any transportation ports that export our product, and indeed we have the highest costs when it comes to transportation.

The Minister of Agriculture (Ms. Wowchuk) just talked about the Crow rate benefit that largely helped rural Canada, western Canada. When that was taken away everybody understood that indeed there would be a replacement of that in terms of the diversification emphasis that would be placed in this part of the world and indeed in the transportation routes that would be upgraded to a level where our products could move freely across this nation.

That has not happened, Mr. Deputy Speaker, and those issues have to be addressed as well, but those are more long-term issues. The immediate crisis facing our province and facing our rural communities is that of cash injection to allow our farmers, our producers to put their crops in this year.

When the Government took office I know that the Premier (Mr. Doer) of our province said that his relationship with Ottawa would be better than ours was. Well, I think the reality has struck home. The Minister of Agriculture (Ms. Wowchuk), in an unprecedented move, walked out of a meeting with the federal minister because of her frustration. I saw the Minister of Agriculture also retreat from a rally in front of the Legislature.

These are not easy issues to face, but we as people who undertake those responsibilities have to face those unpleasant circumstances and we have to look those people in the eye and we have to tell them the truth. Are we with them or are we not?

Today I am pleased that the Minister of Agriculture has come forward with a resolution. As I say, the contents of that resolution may not necessarily reflect every aspect of what we would like to see in the resolution, but I have to acknowledge the fact that today she has brought forward a resolution that is going to be debated. We can move forward from here, move forward to support the people of this province that need the support.

At the same time, I have to say that there is still lingering disappointment in the way that the matter of the 1999 flood was handled. I know this does not have anything to do with the flood of '99, but there are families in western Manitoba who are still feeling the effects of that disaster. Although we see some families in southern Manitoba today facing some potential flooding, it comes nowhere near to what those people have faced over the course of the last two and three years, because those people could not put a crop in that year and many of them could not put a crop in the following year. You cannot exist in any business if in fact you are fighting Mother Nature and there is no one there to help you.

When we were in government, I have to say, as Minister of Rural Development, I was an integral part of helping to make sure that money went into that area immediately. We had the support of our Cabinet to move money in there even though we knew Ottawa was not on side, but something had to be done. I know the Premier (Mr. Doer) of our province has said today that money is there on the table provided that we get the federal money. Well, sooner or later the Premier will have to act because we cannot leave those people out there hanging while we continue to argue about whose responsibility it is.

Mr. Deputy Speaker, we acknowledge that there is a great federal responsibility here, but, on the other hand, if we have money that should flow, we need to get that money into the hands of these people so that they can get on with their lives, so that communities can continue to rebuild and sustain themselves.

Mr. Deputy Speaker, I know my time is running short. This is but one small step towards a resolution. We have the farm organizations

who have come together. I was happy to be at the meeting in Shoal Lake when Murray Downing [*phonetic*] walked across and shook hands with the president of Keystone Agricultural Producers and said let us work together. They are working together. We have in the Legislature a spirit of co-operation in working toward a resolution to this very, very serious problem. I do not want to stand in the way of the resolve of this problem. I want to be a part of the solution to this problem, and members on this side of the House want to be a part of the solution to this problem as well.

So, Mr. Deputy Speaker, although this is one step, the next step is to get a meeting with the Prime Minister with members from this Legislature. Indeed, I say let us reach out to Saskatchewan, let us reach out to other provinces who have the same problem, and let us walk together to make sure that Ottawa understands the seriousness of this matter and that, indeed, Ottawa responds in a way, as it should, to meet the needs of the people in these communities so that these communities can continue to survive, can sustain themselves and can continue to enjoy the quality of life that other Canadians enjoy.

Thank you very much, Mr. Deputy Speaker.

Hon. Gary Doer (Premier): A lot of what I am going to say is going to be very consistent with the previous two speakers on this resolution. I, too, was at Shoal Lake a few weeks ago, maybe about a week before the meeting referenced by the Member for Russell (Mr. Derkach), and over and over and over again at that coffee shop, at that meeting room in the back of the restaurant we were at, there were stories of young farmers believing that any equity they had left in their farm was going to be at risk if they planted another crop. There were farmers who had owned farms for generations who were afraid that any of their sons and daughters would continue in farming and own the family farm and be saddled with the situation where their worth and value is at risk, not just their income but their whole life savings is at risk just by planting a crop.

There were people worried about the future of their communities, and they kept asking me

and asking us, and I guess they are asking all of us, does the federal government not understand that we are the most effective and efficient producers anywhere in the world, that we produce more effectively than anyone? This is not a crisis of our doing; this is a crisis that was created by a combination of federal policies to reduce the investment in transportation as a good will gesture with the world international community which resulted in not good will in return but subsidies going up and up and up in the United States as our investments went down and down and down.

It is not a crisis of anyone's doing, and it is important to get that message across, not just to members of this Legislature, but it is important to join the farmers who are here today, who have been at rallies in the past and who will join us in the future, because this resolution will not do anything unless we can continue to mobilize the public of Manitoba. That is why I think it is so important that all of us are agreeing, not just to debate this resolution here but take this debate outside of this building into the communities across Manitoba, to tell the story in the most human way possible because people have been left in a situation, the family farm has been left in a situation that is absolutely heartless, when you consider what has happened over the last six or seven years.

* (15:20)

I cannot believe that when we took the measure in Canada as a federal government to reduce the Western Grain Transportation, or the old Crow rate, and that move was started in 1992—the first \$100-million tranche was taken away and then the next \$1.1 billion was taken away—if you make a move that is so-called good will in nature and if the other parties, your other competitors, do not in-hand move the same way, what is your contingency plan? What is your long-term contingency plan? To sacrifice the family farm in western Canada for your "good will" at a world trading organization table? That is absolutely heartless in terms of what it means to the western Canadian producer.

If after a couple of years of so-called good will the subsidies go up four times in North Dakota and ten times in Europe, you have a

responsibility as the person who made that decision in good will to in good will reinvest that money back in the family farm, in investing and maintaining the family farm in western Canada. There is no other moral position you can take. There is no other economic position you can take, and there is no other position that we can allow the federal government to take than to restore the good will to farmers after you failed to reduce by good will the subsidies in our trading partners.

On top of this, of course, is the rising input costs, and members opposite have raised that. We have listened to that. We know it. For our own households, energy prices are a significant increase. For a producer, it is a quadruple whammy in terms of the costs of maintaining the family farm, whether it is in the fuel prices they pay, directly or indirectly through the fertilizers and other input costs, it is brutal to have a situation where you have negative income, declining input income, and have rising and dramatically rising input costs for the family farm.

We need to unite; members have said that before. We need to unite in the short term for the \$500 million that we agree upon is required, and we need to unite in the long term. We have been involved for two years now in short-term programs. We had to write a cheque last year for \$40 million to access \$60 million. We had to write a cheque this year for \$38 million to access the \$93-million total. At the same time, we knew both years it was not enough, and both years the money only became available because there was a so-called surplus at year end by the federal government. I do not think the federal government has decided whether the family farm is effective and efficient and needs their investment to deal with this commodity crisis, or whether they are going to treat us like other producers in commodity markets and just allow the situation to resolve itself in the most Darwinian way.

I have heard people talk about the East Coast fisheries. There is no comparison, absolutely no comparison between our situation and the East Coast fisheries, and we have to make that very clear. This is efficient and effective producers. The only reason the prices

are too low to make a living is because of the subsidies in North Dakota that are paid for by the U.S. federal government that are four times greater than the investments here in Manitoba and in Canada.

Sure we can improve some of the programs provincially. We improved the crop insurance programs for coverage. We are working on livestock initiatives, as the former members did. There is some-\$170 million in tax relief in terms of areas that would be subject to taxation under the provincial sales tax and other taxes. We are trying to get more rural doctors. We are working on strategies on drainage that is a real serious problem in some of our communities. We are working on drinking water, which of course is very, very important for our communities. We have equalized the hydro rate. We are proposing to equalize the hydro rate. We hope we can pass that in an expeditious way in this round in the Chamber. Hydro rate equalization is the least of what we can do in this Chamber.

We will work with leadership, whether it is the grass-roots leadership, the KAP leadership, the AMM leadership. We have good, hardworking leaders throughout our communities who have good ideas of how we can move forward in a very positive way, but we need to be united. We need to be united with Ottawa. If they think we are divided they will stand back and just let the chips fall where they may, and the chips will be painful.

Every family farm that goes down will be painful. So I call on members in this Chamber to work in a united way. We know that when we are divided we have no chance with Ottawa. We know when we are united it is tough with Ottawa. I was in Ottawa last year with the Member for Arthur-Virden (Mr. Maguire) and other members of the Opposition, the Member for River Heights (Mr. Gerrard), and we met twice, three times with the federal government. We met with all our leadership, our farm leadership, our municipal leadership. We met with the federal Minister of Finance. We met with many ministers, the Minister of Agriculture. It took us three months, four months just to get that commitment for the ad hoc program at the end of the year.

Yes, we have to unite with other provinces. We are in contact with Alberta, Saskatchewan, Ontario and other provinces. Last time it was just Saskatchewan and Manitoba. I pledge to members opposite we will do everything with you and with the farm leadership if we stay united and work united on behalf of the future of our economy, and that is the future of the family farm. Thank you very, very much, Mr. Deputy Speaker.

Committee Change

Mr. Gregory Dewar (Selkirk): Mr. Speaker, I move, seconded by the Member for Dauphin-Roblin (Mr. Struthers), that the composition of the Standing Committee on Agriculture be amended as follows: the Member for Wolseley (Ms. Friesen) be added to the committee.

Motion agreed to.

* * *

Mr. Jack Penner (Emerson): I guess I consider it an honour to follow the Premier, and I thank him for the remarks that he made, because I think he was sincere in addressing the difficulty in agriculture as he sees it. I also want to thank the Minister of Agriculture (Ms. Wowchuk) for agreeing to bring forward a resolution that we can consider for debate today.

I want to say to both the Premier and the Minister of Agriculture that we had the opportunity late last week to meet with the farm organization, the Keystone Agricultural Producers. They also brought Mr. Murray Downing [*phonetic*] and one of his colleagues. We had the Machinery Dealers Association as well as a representative of the retailers association on farm supplies at the meeting.

We had hoped that this would be an all-encompassing meeting between Dr. Jon Gerrard, the Liberal leader of the House, myself and my colleagues, as well as the Minister of Agriculture, that she might be there. However, as the occasion arose, it was not possible for her to be there. Hopefully she will consider an amendment that we will bring forward at the end of my remarks that we might add to, because I think it encompasses some of the concerns that

we heard the general farm organization express, as well as Mr. Downing [*phonetic*] and the two representatives that were there.

We had occasion that same day to meet with the entire AMM board, and they, of course, voiced again also their concern to our entire caucus about the agricultural and the economic dilemma, the crisis they call it, that rural communities were facing. We have seen time and time again where young families picked up their whole lives and left. Not because they wanted to, Mr. Deputy Speaker, but because they were forced to. There was simply not enough income in what they were doing in agriculture to sustain themselves in their community. And what has that done to our community? Well, one community, the town of Melita, has 40 for-sale signs on homes in their town. I think that speaks very, very loudly about the economic disaster going on in rural Manitoba.

We have another municipality, in the entire municipality there is one family left with children under school age. Again, I think that speaks very loudly for what is going on in the rural communities especially driven by agriculture.

We can blame this on many things, Mr. Deputy Speaker. I think when we look at the debates that have gone on in Parliament, in the House of Commons, when we look at some of the debates that have gone on in this building, we can point fingers at each other. Yet nobody, nobody in this building, has the wherewithal, the intelligence to understand what is really going on, nor do we have collectively an ability to move the economic crisis in agriculture to a point of resolve unless, as the Premier (Mr. Doer) has so eloquently stated, we get co-operation and a cohesiveness in this country between all provinces, indeed all the farm organizations and indeed the co-operation of the federal government.

* (15:30)

There are only two ways to resolve this, Mr. Deputy Speaker, and that is to recognize that we are into a trade dispute, some call it wars, some call it other, but basically it is a very fundamental, very simple kind of thing. The

farm organizations in the United States have said: We cannot be left out in the cold when Europe starts applying subsidies. Europe has made a socio-economic decision. They are going to keep nine million people in rural Europe. They simply do not want to spend the money to build the infrastructure and the social programs to bring them into social settings such as Mexico City or Sao Paulo, Brazil, or for that matter, New York or Los Angeles. They simply do not want to see the economic decay and the social decay that goes on when you bring huge hoards of people into one area and watch the deterioration when you cannot handle it, nor can you provide the services. So they made the decision to keep those nine million people on the land. What is the cost? To them it is not a cost. To them it is an investment.

We spent two weeks two years ago in Germany, visiting with government officials, visiting with farmers and mayors and reeves in towns, in some of those smaller communities, and we asked them: What does this do? They said to us: It builds an economic backbone which will give us strength the likes of which no other economy will have. That is something that our federal government does not clearly understand. Mr. Premier, I am not sure that you and your administration fully comprehend the economic impact of that kind of statement. I am not sure that we on this side of the House fully comprehend what that means. When you take away the ability of a young couple to make a living, you take away the necessity of a school in that area; you take away the necessity of a hospital in that area; you take away the necessity of recreational facilities; you take away the necessity of a general store and a post office; and the community dies. How do I know that? I just need to look at my little community of Halbstadt. There is no post office anymore. There is no credit union. There is no general store. It has all gone. Why? Because the young people left. It is not the older people that left. We are still there, and I consider myself—I have to because I am one of the oldest citizens in our community and many of my neighbours are very similar to my age. Where are the young people? They are gone. Most of them are gone.

That is why it is so urgent that we meet and discuss and debate today why we must fix the

crisis in rural Manitoba. That is why it is so important that our Premier not stop his unrelenting approach to bring a resolve and this issue to Ottawa in a much more meaningful way than has happened till now. I say "in a much more meaningful way" because, when I look at the numbers that were brought forward by the program that we have just announced and a new one that we have just come forward, it is important to note that—I need to ask the Deputy Speaker: Does my 10 minutes count on the amendment that I am going to make?

Mr. Deputy Speaker: Yes.

Mr. Jack Penner: Did yours include the resolution? No? Okay.

Mr. Deputy Speaker: You are speaking on the main resolution and then speak to the amendment.

Mr. Jack Penner: What I am asking is whether I can have a few extra minutes to put forward an amendment that I intend to propose to the House. It is a friendly amendment, I think. All I am asking is for that consideration. Thank you.

What I was going to suggest is that the disparity that has been caused by the program which gives Newfoundland \$46 dollars an acre and Manitoba \$7.45 an acre for support price is simply not sustainable over the long term.

Mr. Deputy Speaker: The member's time is two minutes.

Mr. Jack Penner: Could I then move

THAT IT BE FURTHER RESOLVED that the Standing Committee on Agriculture study and make recommendations, including an examination of whether an additional \$500-million federal expenditure would fulfil the needs of grains and oilseeds producers—that should be added after the second RESOLVED—thirdly, after the third RESOLVED, that would then become the fourth RESOLVED.

BE IT FURTHER RESOLVED that the Standing Committee on Agriculture study and make recommendations with regard to a meaningful, long-term, sustainable approach to

agriculture programming that will allow Manitoba producers to be competitive with their counterparts in the rest of Canada; and

BE IT FURTHER RESOLVED that the Standing Committee on Agriculture study and make recommendations with regard to an approach to building and sustaining rural communities in Manitoba, including how to produce growth in value-added, higher value agriculture and agrifood industries as well as industrial and manufacturing opportunities.

I move this amendment, seconded by the honourable Member for River Heights, Dr. Jon Gerrard.

Motion presented.

Mr. Deputy Speaker: The amendment is in order. Is the House ready for the question? Is there any debate on this amendment? The one that is on the floor of this Assembly now is the amendment itself. Since the honourable Member for Emerson had not spoken on the amendment yet, if he wishes, he can speak on the amendment, 10 minutes again.

Mr. Jack Penner: Thank you very much, Mr. Deputy Speaker. My colleagues say they give me latitude to speak on the amendment if I make it very short, so I will accede to their wishes.

There are just a few issues that I wanted to raise and bring to the floor. I was speaking last week to a fellow by the name of Mr. John Donner [*phonetic*] from Ontario, who is a corn producer in Ontario. He had just received the provincial portion of the new program that had been announced just recently by the federal government. The Ontario government has already paid its portion out to its farmers. This corn producer's portion of just the Ontario payments amounts to \$21 an acre. That is 40 percent of the total amount that he is going to receive. That means, in my view, that he would probably get another close to \$30 an acre from the federal side. That would make it very close to \$50 an acre in round numbers, according to my calculations.

It has been estimated by many that the total amount that will be received by Manitoba

producers is going to amount to roughly about \$8 an acre. Why have we got Ontario producers, corn producers receiving roughly \$50 an acre and Manitoba producers receiving \$8 an acre under a program negotiated by our Minister of Agriculture and agreed to by our Cabinet in this province? I do not understand this. Remember that this formula was brought to the attention of our previous minister, who refused to sign on to it. Now, I am asking you, Mr. Deputy Speaker, and this House whether there is some way, whether we can just find some way, in a united manner, when these kinds of discussions come up in the future, that the minister would come to those of us that have some knowledge in agriculture and debating and negotiating these agreements, that she would come to us then and also ask for all-party agreement and concurrence and help in negotiating.

* (15:40)

We have often offered her assistance, that we will go with her to Ottawa when she has her ministerial meeting. We will sit in the back benches, but when she needs some advice, we will offer the advice free.

We say that this is important. We believe that there needs to be a more equitable way of distributing the amounts of money, especially in Manitoba. The hurt could not be greater than it is right here, because the Crow benefit had the largest impact on all the provinces. Therefore the saving by the federal government of doing away with the Crow benefit cost Manitoba producers far more than anybody else in Canada. Therefore, the compensation here should be higher than anywhere else in Canada, not at almost the lowest point.

So we ask that consideration of the Government, Mr. Deputy Speaker, and we ask for future consideration on behalf of all our farmers in Manitoba, because these are the essence of those that will continue to make sure that a rural community survives.

Hon. Drew Caldwell (Minister of Education, Training and Youth): Like many in this Chamber, I am not foreign to a cab of a tractor or a cab of a grain truck in harvest time. My family on both sides, Mr. Deputy Speaker, have

been part of the agricultural fabric of Manitoba since the turn of the 19th century. The Caldwell family in western Manitoba are well known as agriculturalists, as farmers. My great-grandfather Andrew, whom I am named after, homesteaded in the Pipestone-Reston area at the turn of the 19th century, and I spent many, many years of my life on family farms in western Manitoba. On my mother's side, in the Rands family—I was speaking with the Member for Portage (Mr. Fauschou) last week, and the Rands and the Elgert family in the Portage area in fact have farmed with the Member for Portage in years past and continue to do so. So I come at this issue very much like many Manitobans, as someone who has lived and continues to live in spirit, if not in practice, on the farms of our province.

Mr. Deputy Speaker, it is no secret the last number of years have been very difficult times for producers in Manitoba. The ending of the Crow rate, the imposition of free trade, first at the continental and now hemispheric level, the advancing of subsidies both in the European context and in the North American context have all dealt great blows to the agricultural sector in our province. The grains and oilseeds sector have been experiencing a number of years of declining prices, declining federal government support.

In the spring of 1999 in my own part of the province in western Manitoba when I was the elected representative for the Association of Manitoba Municipalities and before that the Union of Manitoba Municipalities for western Manitoba, I had first-hand knowledge and first-hand experience with the flood devastation that took place in my part of the province in western Manitoba as a UMM and later AMM official with my colleagues at the municipal level in the municipalities, towns and villages of western Manitoba. I know first-hand, as does my colleague for Brandon West (Mr. Scott Smith), as do my colleagues from Dauphin (Mr. Struthers), from Swan River (Ms. Wowchuk), from other rural areas of the province, we know at a personal level from families, from our own experience, from friends who have experienced the difficult circumstances of the agricultural economy over the last decade.

Mr. Deputy Speaker, when the Western Grain Transportation Act was terminated in 1995, something that I am very proud that we on this side of the House were opposed to, Manitoba producers lost \$116 million of federal support in one stroke.

An Honourable Member: Per year.

Mr. Caldwell: Per year, my colleague from Dauphin underscores, Mr. Deputy Speaker, \$116 million in one stroke per year.

It is important to note that the WGTA was terminated by the federal Liberals, as the Premier (Mr. Doer) noted earlier, as a good will gesture towards reducing subsidies under the World Trade Organization. That good will gesture has cost us all dearly in this province, has caused untold suffering and hardship for many of our constituents.

Producers' input costs have increased dramatically, steadily increased. In 2000, farm operating expenses, on average, rose by 8.5 percent in the province of Manitoba. In a letter to Prime Minister Chrétien sent last month, Premier Doer emphasized that our producers are, and I quote: caught in an international subsidy war that is not of their making and that can only be addressed by federal supports and long-term trade initiatives.

Mr. Deputy Speaker, these are the same arguments that our Government took to the federal government in 1999-2000 upon forming Government and which resulted in a program for Manitoba worth a hundred million dollars at a 60-40 cost-shared ratio. These were the same arguments made by the honourable Minister of Agriculture and Food (Ms. Wowchuk) when she attended a meeting in early February with her counterparts from across the country. At that time, provincial ministers agreed to presenting a united front to the federal government in requesting additional federal direct assistance to alleviate the critical situation in the agriculture sector throughout Canada.

Many other organizations are in agreement that the federal government should take more responsibility for helping producers in their current crisis. For example, the Keystone

Agricultural Producers spearheaded a letter-writing campaign which called on the federal government to make family farms a priority. Addressed to the Prime Minister, the letter states, quote: that large subsidies paid to agricultural producers in other countries make it impossible for the family farm in Canada to survive without timely and adequate fiscal support, financial support from your government.

In addition, the Association of Manitoba Municipalities has written to the Prime Minister requesting additional federal support and noting that, quote: only the federal government has the resources to make an impact on the agriculture crisis that is devastating the rural economy.

I want to give credit to President Wayne Motheral, who drafted that letter on behalf of the AMM to Prime Minister Chrétien. I have had the privilege of working with Mr. Motheral over a number of years. Certainly he is well, well respected in both the agriculture community, as an agriculturist himself, producer himself, but more widely in the political arena as a municipal leader of some stature in this country.

Our Government has discussed the farm crisis with these two organizations, with the Keystone Agricultural Producers and with the Association of Manitoba Municipalities as well as with a number of other rural organizations and producers, in the last few weeks and months, indeed in the last 18 months since assuming office.

* (15:50)

The Premier (Mr. Doer) discussed this matter during a rural tour of 20 communities last month. My colleague from Brandon West and myself discussed this issue widely both within our constituency and within the region of western, southwestern, Parklands and central Manitoba. Everyone that we speak to is in agreement that the federal government has a responsibility to do more and indeed must do more. That is why the resolution as amended and the resolution that was put forth by the Government today calls upon the federal authorities, federal government to provide at least a further \$500 million in assistance for

grains and oilseeds producers as well as requesting the federal government to be more aggressive in fighting international subsidies.

In the Premier's (Mr. Doer) letter to the Prime Minister we also pointed out that the federal government continues to collect the excise tax on farm fuels, which are exempt, Mr. Deputy Speaker, I am very proud to say, from provincial sales tax. I credit the Finance Minister and my colleagues in caucus for continuing that exemption. This federal tax raises \$20.4 million a year in Manitoba. In fact, the Manitoba government provides \$170.5 million to farmers in direct financial support in taxation revenues forgone. We have argued that using cost-sharing formula adhered to in direct support would imply \$255.7 million in enhanced federal funding.

Our Government also recognizes the seriousness of the issue for the province as a whole and has taken the very rare and significant step of also requesting that the resolution be referred to a legislative committee to seek input from the public. Public hearings would offer a transparent and open process through which we could develop a united Manitoba position to send to the federal government, and I implore the members opposite to go forth on behalf of Manitoba producers in a united fashion. Thank you, Mr. Deputy Speaker.

Hon. Jon Gerrard (River Heights): Mr. Deputy Speaker, I rise to speak on the amendment and the resolution.

In some ways it is incredible that we are here only a few days after the Budget talking about the agricultural crisis and the need for drastic additional measures. It is extraordinary in the sense that after a budget you would expect that there would be a very clear action plan in place, and there was not. So what is surprising, first of all, and rather extraordinary is that we need to go through this program and this committee and the extensive investigation of the situation in rural Manitoba and a clear action plan because there was a failure of an action plan in the Budget.

There are, of course, not only problems with the Budget, but there is a very real crisis in rural

Manitoba at the moment. That crisis is apparent for anyone who has spent any time in rural Manitoba in the last weeks and months. Almost daily, I am receiving letters from people in rural Manitoba talking about problems in the farm community, the not just thousands but tens of thousands of acres which are up for sale or rent. It is important that we have better documentation because right now what we have is a lot of anecdotal information, but it is very disheartening and very concerning.

I am receiving letters day by day about the falloff in business, people who have farm implement businesses, who have supply farm inputs, that there is a dramatic decrease in expenditures and of course a tremendous ripple effect because of the very difficult circumstances in the agricultural community at the moment. It is important to comment a little bit about where we are, about this transition that is occurring now and the transition which is occurring, yes, in response to removing the Western Grain Transportation Act subsidy as it was in support of the railways and the farmers. When I go out in the agricultural community and the question is asked was it something that had to change, almost without exception, people agree that the WGTA subsidy had to go and that there had to be a new approach, because that change was necessary to build the agriculture not only of the future but the processing industries and the many other secondary value-added industries which are going to be so important for Manitoba in the future.

Of course, we are into our current situation because not only was the traditional support to transportation gone, but we have low commodity prices, low grain and oilseed prices. We are in a situation now where it is not just one grain, but it is essentially all grains and oilseeds which are very low at the moment. We can hope that the circumstances are similar to those in the 1970s where, all of a sudden, there was sufficient global shortfalls and prices rose dramatically and quite quickly. Let us hope that maybe that is going to happen, because it would sure make a difference. Right now where the commodity prices are, there is quite clear very, very difficult circumstances in the farming community, that there is a need for help, and that there is a need for governments to become involved in trying to

work with farmers and those in the agricultural community to find solutions.

There are problems that many farmers have mentioned this time, that they are so strapped at the moment that it is difficult to find the equity to make the changes which are needed to be made. So there is a need for access to capital, and this is probably most acute among young farmers. We need to help in ways that will facilitate and bring the benefits of the changes to the WGTA while protecting those who are in difficulty because of those changes.

It is important as we go out in the committee, the standing committee, that we listen to people and that we are able to make the case, that we are able to make the case here in Manitoba and we are able to make the case with the federal government that there are needs and that those needs, as the amendment states, are not just the additional dollars but is that the right amount and what is the right amount? Second, what is the long-term sustainable view of agriculture because that is vital, and if this committee does not address that long-term view, as well as the short-term needs, it will have failed and that is why this amendment is so important.

There needs to be a long-term vision for rural communities, as well, because it is easier to get through the real difficulties if we know that there is going to be something much more positive ahead, and that is why the last BE IT RESOLVED in the amendment is so important that we cannot have this committee meeting without addressing this area as well as the others.

So I am keen to go with the committee, to work with the other members of the committee, to work together to find a made-in-Manitoba solution. Let there be no mistake that the Liberals are behind the farmers in Manitoba, and I will be there as the MLA for River Heights and as the Leader of the Liberal Party to make sure that every stone is unturned, that everything is done that can be done by this committee to support people in our rural areas, in our agricultural community. As I have said, it is very important that we look federally and that we look provincially, that we do not pretend that

this can just be passed on to some other level of government because there is a vital responsibility at the provincial level. That responsibility, as we go around in a time when there is a lot of concern about foot and mouth disease, means that we have to be careful of our livestock industry because of this threat as well as the threat which is right there, right now, to our grain and oilseeds producers.

* (16:00)

There are some critical questions that are part of what we need to ask, of course. We cannot understand why the Rose report was never implemented. It is important that we have advice from farmers, not only about subsidies and dollars but from people like Owen McAuley who have other suggestions about a vision and a future in addition to just providing more dollars.

It is important that the problems in drainage are substantively addressed, not by doing a little tinkering as the members opposite did in the Budget. There is a veritable chaos in drainage out in rural Manitoba at the moment which is being hardly touched by the NDP government, and though it may be the fault of the previous Conservative government, it is a really, really important area which is not being adequately addressed and needs to be addressed. It is important that we ask, not just for more money in comparison to Ontario, but why there is that difference. Part of the reason is that we have lower value produced per acre here and higher risk, and we need to be looking at how we can lower that risk and increase the value of what we produce per acre. That is part of the challenge of this committee.

Lastly, in the way that this was put together, there is an addition that I would like to make, and it is an amendment, Mr. Deputy Speaker, which makes a small change to the wording of the amended resolution. I think those words have just been taken by my colleague next door, but I will give you them in brief and provide momentarily to the—

I move, seconded by the Member for Portage la Prairie (Mr. Faurshou), that the motion be further amended by adding the following: In the fourth BE IT RESOLVED

clause after "the rest of Canada" the words "and the United States" because I think it is important that we are competitive, not just with the rest of Canada, but that we are competitive with the United States and we have a vision of how we are going to be competitive. Thank you.

Mr. Deputy Speaker: Basically this amendment is a subamendment of the amendment by adding the words "the rest of Canada" adding after that phrase "and the United States."

Point of Order

Mr. Darren Praznik (Deputy Opposition House Leader): I look to the other side for some advice on this, because this subamendment is such a very small change in wording, and I believe under *Beauchesne's*, speakers are restricted in speaking to the matter before the House. Although the original motion is very broad and of course the amendment to it is fairly broad and I think allows a great deal of latitude for all members to canvass their views on the subject, the subamendment is very, very restrictive. If there is a willingness on the part of the other side, perhaps the House would then accept the subamendment. They may take a different view on the amendment, which would be perfectly fine if that is their choice, but it would allow then the Deputy Premier the latitude to speak on the broader issues here rather than just the very technical narrow points of the subamendment.

I would suggest, Mr. Deputy Speaker, that if the other side is prepared to accept the subamendment at this particular time, then we can return to the debate of the larger issues that are before us. I think that would accommodate the Deputy Premier and it certainly would not take away from the Government's position on the general amendment.

Hon. Jean Friesen (Deputy Premier): I think, yes, when we moved to the amendment in the middle of the debate, I think we headed down this road, and we are now at the narrowing of that with a rather narrow subamendment. I think it is our intent to accept both the letter and the principle of the subamendment and, if we can, then perhaps in the spirit that the Member for Lac du Bonnet (Mr. Praznik) suggested, speak

broadly to both the original motion and to the amendment, if that is acceptable to all sides.

Mr. Praznik: Since we are in the spirit of good will, if the Deputy Premier is indicating that the Government is prepared to accept the subamendment and the amendment, if I heard her correctly, I look for advice. [*interjection*] Just the subamendment. Then perhaps we could just ask the House, canvass the House if it is the willingness of the House to accept it and we can get on with the debate.

Mr. Deputy Speaker: Is there any sentiment on the part of the members of the Chamber to accept the subamendment without any debate? Is that agreed? [*Agreed*]

* * *

Mr. Deputy Speaker: The debate continues on the amendment as amended.

Ms. Friesen: I do speak as Member for Wolseley on this issue. I recognize that Wolseley is not an agricultural constituency and that I do not come from a farm and that I do not have a farming background.

But, Mr. Deputy Speaker, I think what is important to recognize is that all members of the House, whatever their background, whatever their origin, whatever their experience in Manitoba, I think are bringing their various concerns for rural Manitoba and for the farming community and particularly for the grain and oilseed sector of our agricultural community and that we are bringing those to this House today and that we are looking at both the subamendment and later the resolution that was submitted to the Opposition two weeks ago from this side of the House.

It is an important issue and I am delighted that the Opposition and the Member for River Heights (Mr. Gerrard) have agreed to debate it today. It is a debate which comes in the middle of what is for the Legislature a very important part of its legislative year, and that is the Budget. The Throne Speech and the Budget are the two times when the Government has the opportunity to lay before the people the basic proposals and basic suggestions for the future of Manitoba. To

interrupt that and to make this a part of and a sense of that Budget debate I think is an indication of the importance which is accorded to it from all sides of the House and from the Manitobans in all of our communities in which we live.

Mr. Deputy Speaker, farmers in Manitoba, in the Canadian Prairies and the American plains, have faced many, many difficult times. Many of you I know have heard your grandparents, I expect it would be, speak of the winter of '07. It certainly is etched on the minds of people and farmers in particular in Saskatchewan and Manitoba. It was an extremely difficult winter, and it led to many farms being lost.

We look again perhaps to the more immediate memory of many of us of the 1930s and the early '40s, of the droughts and the grasshoppers, of the later floods and of the tremendous impact that climate and weather have had upon farming, and particularly grain farming, in the Canadian Prairies.

* (16:10)

What we are seeing now, Mr. Deputy Speaker, is an issue that is made by man. It is not an issue that has been made by weather, by drought; it has been made by man. It has been made by changes in policy, and it is at certain times and in certain parts of the province certainly exacerbated—the floods of the southwest, the disaster in the Red River Valley, the various other disasters which have fallen on Manitoba agriculture over the years, certainly since the 1940s. The flood of three years ago was by no means an isolated event, although it was a very large one.

But what I think is so striking in the issues that we are facing today is that they are issues which are brought about by changes in policy at the federal level. They are brought about by changes in policy, as well, at the international level, but they are changes where we were represented, in the case of Manitoba and Saskatchewan, by the federal government. Those increases in supports to agriculture, the subsidies in the United States and in many parts of Europe, are certainly ones where we depended

upon, in fact had no other alternative than to lean upon the federal government and to assume and to ensure that they dealt with our interests. There are many, many ways I think in which Manitobans and people in Saskatchewan and other farmers have felt themselves to be very disappointed, to be let down, perhaps to have been betrayed by the kind of policies that the federal government has pursued over the recent years.

Similarly, man-made policies, not drought, not grasshoppers, not serious and disastrous winters but man-made policies, ones which withdrew the Crow rate, the federal grain transport subsidies which brought in over a hundred million dollars to Manitoba alone every year, those were withdrawn and they were withdrawn very quickly. Those were man-made policies which governments at the federal level must bear the responsibility for. They did it very quickly. They did it without consideration for the long-term survival of agriculture, which I think in the rate of population growth that the international community is seeing, it is going to be absolutely pivotal that we retain the production for that international market that we are going to need over the next 20 to 30 years.

So, Mr. Deputy Speaker, in the grain and oilseeds area farmers are seeing increasing difficulty, and they are seeing it at a time when the population structure of rural communities and indeed of that sector of the agricultural industry is such that it is time for the next generation to take over. In community after community across the grain-growing part of Manitoba, we hear the same story, and it is tremendous uncertainty and a loss of faith in the future.

I think there are many communities, whether they were industrial communities, communities where, for example, steel companies—which is the background I come from—were closed overnight with no consideration for a transition for the future of workers and their families. I think there is a great deal of recognition from people who have faced those conditions to acknowledge and to understand the kind of conditions that people are facing in parts of Manitoba.

The Premier (Mr. Doer) spoke of the increase in gas prices that is facing householders across the province, that very sudden and very difficult situation that people are faced with through no fault of their own. The market again has ruled. As we purchase our gas from elsewhere and have little control over those prices, they are feeling, in a small way or a smaller way, I should say, the same kind of vulnerability that farmers in the grain and oilseed sector are facing.

So man-made reasons, Mr. Deputy Speaker, I think, it is important to recognize. I support the intent of the resolution, the original resolution, which is to hear the voices of Manitobans, as have the AMM, for example. I have met very recently with the AMM, as has the Cabinet as a whole, and heard the results of some of the discussions that they have been having with mayors and reeves around the province.

We have also met with KAP, with other organizations around the province who are very clearly giving us the same message. It is important that we hear from all Manitobans. Perhaps some people may think it seems redundant, but I was part of the committee which went around Manitoba to hear the Charlottetown deliberations, and there is nothing more powerful than the voices of the people who are experiencing the difficulties and can voice their opinions to a committee, to have them recorded, to listen to the voices of their neighbours, to hear the voices from other parts of the province. It is a very, very powerful message, and it is one that I think this Legislature is in fact endorsing in taking this step, as the minister has suggested, to take the committee to rural Manitoba.

I want to say that I was disappointed in the Member for Roblin (Mr. Struthers). I think he referred to the Minister of Agriculture as retreating from the demonstration on the steps of the Legislature. I thought that was a very unfortunate observation. I think nothing could be further from the truth, and similarly I think the Member for River Heights (Mr. Gerrard), when he said that the Budget had failed to address the needs of rural Manitobans, must in fact be a member who has not read the material that is there for the diversification loans, for the prairie grain roads, for infrastructure, for crop insurance

and the increase overall in funding for agriculture.

There is no one, I think, who would acknowledge that there is not more to be done, and I hope that I will have the opportunity. I see that my light is flashing. I hope that I will have the opportunity later on to speak of what we are doing in rural Manitoba. This is not the time. Now is the time to in fact endorse the unity which I think is coming from all sides of the Legislature, to endorse a committee that will hear the voices of all Manitobans and that will take them together for a strong, united and successful voice in Ottawa.

Mr. Deputy Speaker: Before I call upon the next speaker, the Chair wants to clarify the records. The point of order raised by the Member for Lac du Bonnet (Mr. Praznik) is not really a point of order but a suggestion which led to the adoption of the subamendment without debate as part of the amendment.

Mr. Darren Praznik (Lac du Bonnet): Mr. Deputy Speaker, it is a privilege for me today to rise in support of the amendment which we hope that the Minister of Agriculture and her colleagues will accept and support when it comes to a vote and then ultimately the passage of this unified resolution presented here today.

Mr. Deputy Speaker, a lot can be said about the way this Government has handled this particular issue. I think there are many very valid criticisms that can be made, but today is not the day necessarily for us to go through those because what is ultimately important in today's exercise is that this Legislature does speak with a united voice, that this Legislature does send a message to the government in Ottawa that we are united in the need for additional support for our farmers today. There are rare occasions in the history of this Legislature where we have been able to muster that kind of unified support, and it looks in fact like we will do this today.

The fact that the Leader of the Liberal Party (Mr. Gerrard), speaking on behalf of Manitoba Liberals, has joined in this effort is very significant because Mr. Chrétien in Ottawa may not want to listen to Manitoba New Democrats, he may not want to listen to Manitoba

Conservatives, but he should be at least listening to Manitoba Liberals because his own party members from western Canada are telling him that his efforts in dealing with western agriculture are in fact inadequate to meet the need that is there.

I would make this appeal to the Minister of Agriculture (Ms. Wowchuk) though today, in the spirit of unity that is happening here, because it is ultimately her and her Premier (Mr. Doer) who will have to convey this message to Ottawa. We hope that they do it with the same kind of effort that they have put into some of the health issues that the Premier has referenced today where he was able to get an arrangement from the federal government for \$36 million towards purchasing new equipment. He referenced that with pride. He just has not spent the money yet, but the fact that he claims success I hope he puts the same effort in it.

I say to the Minister of Agriculture, I would really hope that she would consider accepting the amendment that has been moved by the Member for Emerson (Mr. Penner) to the resolution because it is an amendment that much effort went into to try to expand somewhat and strengthen the issue as being approached by this Legislature.

I will give her a very strong reason why that amendment, which really talks about more than just the immediate need, is, I think, critical to strengthening her argument with Ottawa, and that is this, Mr. Deputy Speaker. I have been a member of this House now for 13 years. For four elections the people of Lac du Bonnet have sent me here. On and off throughout that time, and I know the Member for Lakeside (Mr. Enns) has been here longer than any of us, perhaps longer than many of us combined but over those years, in his two terms as Minister of Agriculture, how many times have we seen the same crisis come to us in agriculture? After a few decent years we are back into the low commodity prices sometimes compounded by drought or too much rain, and we are back into the negotiations with Ottawa for another emergency support program. We have seen this.

* (16:20)

I remember first elected in 1988, the big topic was getting agricultural support. That led, if I am not mistaken, eventually to the GRIP program and a number of things. We had some better years in which the issue was less prominent, but here we are again today. What this amendment does is talk about a wider issue. It talks about long-term sustainability. If we are going to argue as westerners with the national government that they should be investing additional money into really what is a short-term subsidization of agriculture to get it over a hump, if we are going to ask for those dollars, then a responsible government should be asking what is the long-term issue here, what is the long-term solution, how are we going to deal with agriculture in the long-term because we just cannot be dealing with it every five years? Farmers do not want to be at the door every five years. We have to have some long-term solutions.

So the amendment moved by my colleague, the Member for Emerson (Mr. Jack Penner), adds some of those issues to the mix that will be going to the committee that, if passed, if developed in those public hearings, will allow this Minister of Agriculture (Ms. Wowchuk) and this Premier (Mr. Doer) to be able to say to the federal government that we are not just here for a short-term, quick fix answer, but we need, we want, to be part of developing a long-term solution so that we are not at the door, every so many years, of the federal treasury for these quick fixes.

So I appeal to her today to maybe put aside some of the legitimate concerns she may have about some new ground here, as a minister who has to answer to a Treasury Board, and to accept this amendment that will give this committee a little bit of a wider mandate to strengthen her argument with Ottawa that we are not just at the door for a short-term payment, although that is an immediate need, but we are also coming to grips with that long term.

I ask the Deputy Speaker how many minutes I have remaining. *[interjection]* I have four minutes.

I want to talk a little bit in my remaining time about that long term, because we today send a message to the federal government as well, fight the subsidy war, and, yes, it should be

fought, but it has been fought for a decade, more than a decade, and we realistically know that unless something drastically changes, it is highly unlikely we are going to see a lot of change to that subsidy war in the immediate future. So that means we as westerners, we as Manitobans and our agricultural community have to start looking. If we get this money and we survive this, what do we do with our agriculture? How do we position ourselves in that subsidized world to survive?

The challenge for the Government across the way is to be bold in that long-term discussion, because I know any time you are talking about some of the changes that agriculture needs for the long term—I am not talking about this payment. We need this payment. We need it now to survive. But, if we are going to talk about the long term, some of those things require bold action. Some of those actions were taken by this party when it was in government.

The Member for Lakeside (Mr. Enns), I give full credit, was probably one of the most bold, forward-thinking Agriculture ministers this province has had. I stood with him when he was lambasted about moving to dual marketing hogs. Without that we would not have seen the opportunities in that industry grow. I witnessed the current Minister of Agriculture (Ms. Wowchuk) shrink from that debate, walk away from it. She has now gained some backbone because she recognizes that, subject to the appropriate environmental concerns that have to be met, that being able to feed our grain and produce a value-added product is part of that long-term strategy. It is very important. Developing other means of consuming our grain here to produce value-added product is very much a part of it.

It may require the Government to take bold steps to increase the irrigation capacity of our province, water retention issues. It means people who have supported the New Democratic Party in the past may be angry at them if they have to be proponents of increasing the irrigation capacity in some parts of our province so we are growing more potatoes and more vegetables and exporting them and getting land out of grain in a subsidized world. It also requires the Minister of Finance to be bold.

You know, I really wonder, and I throw this out on the table. Why are we not looking in this Budget to having reduced the provincial tax on grain alcohol going into gasoline? Why would we not want to see gasoline that has the 10 percent grain alcohol added, paying two cents a litre less than regular gasoline. If that were the case there would not be one gallon of the old regular gas sold in this province.

If we could do some things with the Wheat Board to ensure that that benefit was passed on to farmers, we create another market in which we would not have to be worried about the high cost of transporting grain.

I mean, I do not have all the answers here, but it will require this kind of bold policy development if we are going to see those long-term answers. It is going to require a Minister of Agriculture who is prepared under the current system to go to Ottawa and argue for more dairy quota so we can get into more cheese production in this province, more chicken quota so we can produce more chickens.

Out of all of these, is any one the answer? No, but these issues are all going to have to be dealt with if we are going to see our agriculture have the option, because, you know, the trade war is not going away and it is not going to be easily settled if this Government is not prepared to be bold in those areas.

My time is coming to an end. I just want to say I challenge this Minister of Agriculture to accept this amendment so we can have the full discussion about the long term, which strengthens her argument for the short term money with Ottawa. Thank you, Mr. Deputy Speaker.

Ms. Wowchuk: Mr. Deputy Speaker, I have been listening to the comments of members opposite, and I want to address a few issues that have been raised.

When this resolution came forward, it was to get the federal government to address the immediate issue, the crisis, and put in additional funds. I want to tell the members that along with that, we have been working on interim and long-term solutions. The whole issue of reviewing the

programs that are in place right now and whether they are adequate or whether they can be improved on is something that we have to work on in the interim, but definitely what the Member for Lac du Bonnet has spoken about, long-term solutions, are very important and solutions that we have to work with. I have to tell the member that those are issues that are being addressed by all provinces, and we are working on what it is we can do to address the long term.

When I looked at the amendment, and I had the opportunity to raise the issue with the Member for Emerson (Mr. Jack Penner) when he brought these amendments forward, I said my concern is are you looking to have a long, drawn-out process that will not come forward with solutions quickly because my view is that we should be going out and listening to the producers and the presenters and make some recommendations very quickly. I had a discussion with the member from Emerson. He tells me that that is the intention of the resolution. This is not a stalling tactic; this is something that will be worked on. It is not the intention of creating almost another bureaucracy that is going to start to look at all kinds of reports and recommendations because that would not be what we would want to see.

We want to see a committee go forward, go out and listen to the people in Winnipeg, listen to the people in rural Manitoba and then make recommendations to the Legislature that we can pass on to the federal government, because this industry is one that is facing great challenges, one that is facing huge changes, and one that we have to work along with to ensure that our communities and our farming community does survive. So if that is the intention of the resolution, to have it look at a broader area but not be used as a stall tactic to have this studied for a long period of time, that would be acceptable, because I would not want to see us looking at something that is very, very long term.

* (16:30)

I have to address a few issues, Mr. Deputy Speaker, that have been raised. I want to address the comments by the member from River

Heights, who said he is surprised that we are bringing this resolution forward now. I am disappointed that the member would make such comments when, on March 22, a letter was sent to the House Leader for the Opposition and to the Leader of the Liberal Party (Mr. Gerrard) indicating clearly that it was our intention to propose a resolution to the House, not because there was not a plan, but to give all members the opportunity to speak on this important issue and then take it forward to the public.

We could get into the whole discussion on what is in the Budget or what is not in the Budget, but we are going to revert back to budget discussions tomorrow, and we can have that opportunity then, but to say that he is surprised is not quite accurate because it was a discussion between all parties saying that it was very important that we have this, that arrangements were being made to have the discussions. The resolution was passed on a couple of weeks ago in order for comment to be made on it so it is not that there is no plan. It is because we think that issue is very important, and all members of the House agreed that this was a very important issue, and it should be addressed.

Mr. Deputy Speaker, another issue that I want to address is the issue of the comments that members have made on other provinces getting \$20 an acre. They are talking about acreage payment. I want to bring the members back to remember that there has been a change in formula. The previous Minister of Agriculture did not agree with the change in formula. We did not agree to the change in formula because it shifts away from risk management and moves over to cash receipts. Yes, we did sign it. Eventually we had to sign it. The reason we signed it was because we got an agreement that Manitoba would not lose money. With \$10 million that we were supposed to lose, we would be maintained at that level. Plus we got a commitment to have the program reviewed within three years.

That is why we finally agreed, because we thought it was time to move forward. But if you look at this information that is put forward by Mr. Lloyd Pletts [*phonetic*] that the members keep referring to, it is comparing cultivated

acreage and dividing the money up based on cultivated acres. Well, the formula is not based on cultivated acres. The formula is based on cash receipts. There are certainly inequities in the program, but for the member to say that Ontario is getting \$19 an acre and Manitoba is only getting \$7 an acre, well, we will have to work out the final amount, but I believe Manitoba's payment will be slightly higher than \$7 per acre. It is based on the formula. It takes into consideration cultivated acres. It takes into consideration horticulture production in other provinces versus grain production. It is all based on cash receipts, and it is something that the federal government has said that they will evaluate. I hope that we can get this program back to where it should be and that is covering risk; that is really what has to be covered.

There was some discussion as well about the amount Ontario was being paid, and in reality the Ontario government has not even decided what they are doing. They are going to be targeting their money at the horticulture sector, not at the grains and oilseeds sector. So there are numbers that are being put out that say that the payment for other provinces is going to be at a much higher level. This is quite a simplistic formula that was worked out for these numbers, and they are not really accurate because that is not the amount of money that is going to be going to producers in those provinces. Each province will decide how they are paying out the funds.

So, Mr. Deputy Speaker, I want to again say that I think that this is a great opportunity for us to talk about the challenges facing our agriculture industry and the need for much greater recognition of the industry and what the industry contributes to the province. I think taking it out to the public and taking it out to rural Manitoba to have those discussions will certainly enhance all of our knowledge about what the challenges are that are facing the communities and will also add to the importance of the issue and help us as we take this issue forward to the federal government. *[interjection]*

The member opposite asked whether I knew what was needed. Well, Mr. Deputy Speaker, that is the purpose of this, to hear from the public what is needed. We have a big challenge

ahead of us as we move from the short-term to long-term solutions. Agriculture is changing dramatically. There are things that we can look in this province. Certainly the member suggests the ethanol. We know that we are going to have more potato production in this province. We know that we are going to have more livestock in this province, and certainly there would be nothing better that I would like than to have more quota in this province and given that we are the lowest cost of production we should certainly have more quota. When we lost the Crow, that should have been part of the negotiations. As we gave up the Crow, we should have negotiated some of those things to get more production in Manitoba.

Mr. Deputy Speaker, so I say to the member, I hope that their amendment is not intended as a stalling tactic, that it means that the recommendations that are made by the producers and presenters will be listened to, and from there we can build a solid case to take to the federal government.

House Business

Mr. Marcel Laurendeau (Opposition House Leader): On a bit of house business, Mr. Deputy Speaker, I wonder if you might canvass the House to see if we might waive private members' hour.

Mr. Deputy Speaker: Is there sentiment on the part of the members to waive private members' hour? *[Agreed]*

* * *

Mr. Mervin Tweed (Turtle Mountain): I thought I would use a little bit of my time just to acknowledge the fact that maybe it is getting a little later in the day as we are starting to see the discussion on a unity amendment break down a little bit and start to deal with other issues outside of the amendment and the resolution that we have in front of us.

Mr. Deputy Speaker, one of the things that I have learned a long time ago, and I think it is important today, is when you are trying to present an argument, particularly to a federal government, that you do not necessarily have to defeat the opposition, but you have to show that

what you are offering is viable and doable and presentable and also acceptable. I was reading an article in one of the papers today, and I just want to read a paragraph from it. I think it sums it up how producers not only in Manitoba but, I would suggest, across Canada are feeling and some of the resentment that they are feeling because of this. The article goes on to state that, when Montreal aircraft manufacturer Bombardier argued that heavily subsidized Brazilian aircraft were artificially stealing a market for Canadian aircraft, Ottawa recently granted a \$2-billion assistance package.

Now the question that the article asks is: How is that situation, Ottawa providing assistance to offset foreign subsidies threatening a Canadian industry, materially different from the situation facing Canadian grain and oilseed farmers? In fact, the \$2 billion in assistance granted to Bombardier is a similar amount as requested by Canadian grain and oilseed farmers from federal and provincial governments to offset U.S. grain and oilseed subsidies.

The article then goes on, Mr. Deputy Speaker, to ask why is Bombardier assisted in a time of crisis when Canadian grain and oilseed farmers are rebuffed. Why is it that some argue the free market should take its toll on grain and oilseed farmers when a Montreal manufacturer is sustained? They list the numbers and the value of oil and grain right now is \$24 billion in revenue, and it creates approximately 660 000 jobs in the industries in agriculture. Bombardier represents \$13 billion in revenue and 15 000 employees.

* (16:40)

I think that is the whole crux of the issue, the fact that we can argue forever about how much and what it is worth and how much is being spent differently by federal governments, but the bottom line is, if you are going to have a policy that treats one industry in Canada that competes with foreign industry markets and you work with them and work out a deal to offer subsidies and loan write-offs and loan write-downs, why would you choose one industry over another? Particularly, why would you choose one industry that is creating more jobs, creating more revenue in billions of dollars to the

provinces and into the country of Canada over another?

I think that is probably where we are at in this argument. We have been fighting in this House for several years now. Fighting is probably a strong word, but disagreeing at least on the method that we would take to present to the federal government our position unified as Manitobans, and again, as the Member for Emerson (Mr. Jack Penner) had suggested, I would think it should be unified on behalf of all Canadian producers.

It is not a Manitoba issue. It is a Canadian issue. It is rural Canadian issue. It is small-town Canada that is going to suffer dramatically if we cannot get this message sold in a proper way to our federal counterparts to participate in this type of program. Whether we argue that a half a billion dollars, \$500 million, is enough or not, it is the number that is out there today that suggests that we can survive, to move forward and continue to develop new policy that will address the future. I think that part of the resolution, although it is not in here and it is not part of the amendment, I think it is something that we all have to be aware of and we all have to consider in this same paper.

Mr. Vanclief, the Minister of Agriculture for the federal government, talks about our producers having to diversify and they have to look at alternative ways of creating income, and I agree with that. I do not disagree, and I do not think there is a producer out there that will disagree with that type of statement. I would say to you that the problem arising today is a cash flow problem; it is a cash shortage problem. It is a lack of value for what we are producing.

It is easy as politicians for us to say, and it has been said to these producers time and time again, find something else to produce. Find something else that is more valuable that you can sell in the world markets. I think that they have heard the message, our producers have heard the message, and in Manitoba we have seen a great movement towards alternative ways of creating income on the farm. At the same time, that takes a huge injection of cash, and when you put the two together, the shortfall and the world pricing versus the subsidization in the

European and the U.S. markets and the push to diversify, the two just cannot happen at the same time.

I think the federal government has to be responsible and take responsibility for today, and that is in acting in a way that will create a short-term fix. I only see this as a short-term fix, but I think it is incumbent upon the federal government and also upon the provincial governments to develop policies that will sustain agriculture in a very substantial way over the next five, ten, fifteen years.

It is interesting that the Deputy Premier (Ms. Friesen) speaks about the Budget and the opportunities that are there, and I think that is a prime example of an opportunity that governments provincially can do to influence these types of directions. We did not see, and I am not going to turn this into a budget debate, but you have an opportunity to offer certain tax incentives. You have opportunities to create funding for risk capital, and we have seen it in recent months where the mandates of grow bonds have expanded. We have opportunities now in the Crocus and ENSIS Funds, accessed to create agricultural development. Originally labour-sponsored funds, are now being accessed to create agricultural development.

I think that those are things that provincial governments have an obligation and have the ability to do. We have often heard the story about the money in rural Manitoba that comes to Winnipeg or comes to Toronto at tax time, and none of it comes back. What we have to do is have the system set up in design so that the investment can come back from the eastern part of Canada and from Winnipeg out into rural Manitoba and that there be an incentive for those people to do that and to want to do it, to create the opportunities that are out there and that we can use to grow our communities in perhaps a different direction but still in an agricultural-based direction.

There are many things that are impacting today's agricultural producers. We have not only high costs, but we have consumers demanding for safety and a higher level of safety and stewardship of the land. We have high costs in the technology side. All these things have to be addressed in a long-term plan. Do we need the

problem solved today? The problem solved today, or at least addressed today, is to support this resolution and the amendment that has been brought forward by the Member for Emerson (Mr. Jack Penner), not leave it at that, but to go out and talk to people, as has been done in the past by previous governments, find out what direction this province needs to go in to sustain our agricultural communities and support this type of amendment.

So, Mr. Deputy Speaker, I am pleased to support the Member for Emerson's amendment and to the Minister of Agriculture (Ms. Wowchuk) to her resolution. I think it is a step forward for us all, but I think, more importantly, it is a step forward for agriculture.

Mr. Stan Struthers (Dauphin-Roblin): Mr. Deputy Speaker, it is indeed a pleasure to rise today and speak a little bit about a crisis that is gripping rural communities in our province and other parts of our country. I want to, first of all, congratulate our Minister of Agriculture for bringing this resolution forward today, making this discussion possible here in the House. I want to thank all members who have stood on both sides of the aisle and spoke I think very much from the heart, and I think have pretty succinctly described the situation that we face in rural Manitoba.

I do not want it to just be left as a farm problem. I do not want it to be left just as a rural Manitoba problem. It is not just something that afflicts our small communities, because I think if we have learned anything in the past it is that the larger communities depend a whole lot on our small rural communities. If we have not learned that yet, then we are doomed to make the mistakes of the past and watch one little community after the next roll up its sidewalks and call it a day. We have seen this happen in the past. I do not want to make those mistakes again. That is why what we need out of here is a united strong message for the federal government. That is why I am glad that the Member for Emerson has put forward his amendment, along with the original resolution of our minister, the Minister of Agriculture.

I want to just briefly speak a little bit about one of these little communities, a little

community that has had quite a history here in the province of Manitoba. It is a community in the Parkland area. It is Rorketon. Rorketon is a small community north of Ste. Rose. After World War I, the community was thriving. It was a bustling little community. As a matter of fact, I was the principal at the school there and taught history at the Senior 4 level.

* (16:50)

We took out some excerpts from a book by the title of *Where Nests the Water Hen*, by Gabrielle Roy. In that book, it described the little community of Rorketon as bustling, that every Friday night the train would come to Rorketon and people would come to the train station. They would meet that train, and it would be a big party. People would be meeting and gathering, going shopping, partaking in everyday life in a very vibrant little community. This lasted for quite a number of years. This is not just the story about Rorketon, Mr. Deputy Speaker. This is a story about so many of our little communities in rural Manitoba.

I asked four students in that history class if they would be interested in doing a project, doing a history of the community of Rorketon, and they were quite excited to do this. They brought people in who had lived all their lives in Rorketon, elderly people who could remember what Rorketon used to be like. They brought in pictures. They told stories, and we recorded those stories.

Well, it turns out that Rorketon at one time had two lumber stores. Rorketon at one time had a movie theatre. Rorketon had implement dealerships, grain elevators. It had a CN station with a section crew, an agent running the CN station. It had tracks that came up north of Ste. Rose to Rorketon. The CNR was a part of that community. It had several stores—grocery stores, clothing stores, hardware stores. It had garages. It had a hotel. In the area, there were a number of school districts each with a little school and a larger school in Rorketon. It had a vibrant fishing industry. It was quite a bustling community.

What can we say about Rorketon today? Well, in some ways Rorketon is different. It does

not have a movie theatre anymore. It does not have the CNR. It does not have the tracks or the station. It does not have the grain elevators. It does not have the lumber stores. It does not have any implement dealerships like it had generations ago. It only has the one school in the whole area, and it is quite a small school now. Ten years ago it had 154 students, and this is kindergarten to Grade 12. This is not uncommon across rural Manitoba.

But there are some things about Rorketon that are the same as they were generations ago. There is a spirit in this community. There is a spirit in Rorketon that says we are not going to let our little community just die.

For those of us in this House who have taken the time to visit some communities around the province, for those of us who have lived all our lives in little communities all across this province, even those in this House who live in the big city of Winnipeg who I was particularly proud of from both sides of this House who are able to stand in this House and talk knowledgeably about our communities in rural Manitoba, as a rural Manitoban it makes me feel good that my friends in the city take this issue seriously.

There is a spirit in Rorketon. There is a group of people in Rorketon who band together and talk about what they are going to do in their community, how they are going to make their community even better than what it is now. They are determined not to let this little town die. The question is: Where are the rest of us? Are we going to stand up in this Legislature, Tories and New Democrats and Liberals, are we going to stand up with the people in Rorketon and our other communities who are fighting back, or are we going to watch our Legislature, as it has done so many times on this issue, just disintegrate, divide? For once are we going to stand up united?

Do we owe the people of Rorketon that? Do we owe the people of Menzie that? Do we owe the people of Benito that? Do we owe all those people, all those little communities across this province at least the respect to get along in this House long enough that we can send a united, strong message to Ottawa that says our little

communities matter and that what our little communities depend on is a strong agricultural presence.

It is no big mystery about why Rorketon is not as bustling a community now as it was a couple of generations ago. It is pretty clear. As goes agriculture so goes our little communities.

We have to capture that co-operative movement that built the Rorketons of Manitoba in the first place. That is our job as leaders here in the Manitoba Legislature. We have to take that and we have to go forward. Do we owe the people of Rorketon that much? Mr. Deputy Speaker, you bet we do.

Mr. Glen Cummings (Ste. Rose): I am pleased to have an opportunity to put a few comments on the record in support of this Legislature being able to stand together and support a motion of support for the agricultural community at a time when it is most important that we send the proper message, in credit to the Member for Dauphin-Roblin (Mr. Struthers), talk about what is happening to our small communities. In fact, this debate, as far as I am concerned, is not just about whether or not we agree or disagree on some of the details of how the Government can respond to the challenge that we have. It is about whether or not we can come out of here with the leverage that some unity in this House can bring. I challenge the Government, as well as my colleagues and myself, to the fact that not only do we have to have unity from this Chamber in speaking to Ottawa, we have to have unity from the major organizations, the farm organizations and our municipal organizations, in putting forward that message, and that message has to be resonating in Ottawa.

I recognize that we could spend a lot of time today talking about leverage that I would like to see the current government use. I recognize that we all have a responsibility in that respect. However, this is about hardball negotiations, Mr. Deputy Speaker. This is about the future of some of our communities like the community that the member from Dauphin just spoke about, but also like the community of Glenella and numerous other small communities that are in ridings like mine.

It is very difficult, as I was just saying to the Minister of Family Services (Mr. Sale), to make it abundantly clear to the larger population of this province and to the larger community across Canada about the impacts that are occurring as a result of the systemic changes that are occurring in agriculture, many of which we anticipated, but they are now being compounded by world price fixing, if you will, world trade wars that are beyond our boundaries by far and beyond our control in many respects. We are looking, all of us, on behalf of our constituents, for some recognition and support from the larger population of this country to wake up and smell the coffee, because if we have the kinds of dramatic changes that seem to be on the horizon, and in fact are in place today in some of our communities, particularly those who were also income damaged by inclement weather in '99, we are going to see a change in the supply chain in this country. We will see a change in the ability of this province to produce a foreign trade surplus. We will see a change that will probably be irreversible.

I know some of us, myself included, look with some considerable interest at what the New Zealand government did as a national government in terms of dealing with their debt and their deficit, but in the process they darned near destroyed their agricultural community. Now they are a very small country, and they went into a situation where they stripped out all federal supports to their agricultural community and what we are facing—

An Honourable Member: And social programs.

Mr. Cummings: Well, the members on the other side think that I am suddenly waffling on balanced budgets. Listen to the concept that I am concerned about. The fact is that our country is not doing what it can do legally within the Free Trade Agreement. It is not positioning this country and its farmers to defend themselves in the international grain trade situation that is currently at play, and it is being compounded by weather conditions in certain locations and compounded by dramatic cost increases that none of us anticipated. At least if there is somebody in this room who knew what natural gas was going to do last summer, they are a

whole lot smarter and I would imagine a lot richer than I am. That was an unexpected blow into the agricultural community because we saw a doubling of our fertilizer, particularly nitrogen, at a time when we could least afford it and many least expected it.

* (17:00)

So, Mr. Deputy Speaker, I want to leave only one message with the Government and with my colleagues. That is that this is about leverage. This is about being able to pull together in support of our rural communities at a time when they need it. It is not about showing moral support. It is about making real tough presentations to Ottawa, and it is not going to be tough enough if it is just made by legislators alone. It has to include that broader impacted community out there. I know that they want to be involved. I know they have already been involved, but to this point we have not yet made it click in Ottawa that there is a disaster that is probably going to go a lot deeper.

I will put a couple of numbers on the record that make it very difficult for many people who are not involved in an agricultural community to accept what is happening out there. I know a number of farmers in my area who have shared their financial difficulties with me, and some of them are very successful farmers. Let me preface this by saying that.

One farm which involves two brothers will indicate that they have buried a quarter of a million dollars in their business in the last couple of years because of losses. That is a lot of money. If you are living on a \$32,000-a-year salary, you must say to yourself, my goodness, if they have that much money to lose, why do they need public support. The bottom line is that they are at the bottom end of the food chain. They may well be supporting the job or part of the job that pays that \$32,000 salary. They are certainly one of the contributing factors in a burgeoning transportation industry to mention just one of the many that agriculture is directly impacted by and requires their services.

Let us take that number and modify it. If the average successful one-operator or family operation out there, and one operator is a

misnomer because generally in a family operation you will have certainly a husband, a wife and probably one or two dependents that are involved, it would not be unreasonable to understand that they have lost or reinvested in their farms. Where did that money come from? Some of it came from a federal program. Some of it came out of their NISA, which is money that they contribute to themselves. Some of it came out of their RRSPs. Some of it came out of their savings.

I know farmers who took an inheritance. Their father passed away, and they took the inheritance and plowed it back into their farm to keep it going. That is the kind of battle that farmers are facing out there and in fact engaging themselves in. I would say that this Legislature has a responsibility to provide the leverage to talk to Ottawa, to remind them that, if there are going to be these kinds of changes occurring in agriculture, there had better be a better way of transitioning it because, if we do not, we will see a restructuring in the agricultural economy that will be unwelcome and unnecessary and will have very negative effects on our communities locally and on our province as a whole. With that, I urge all members to accept a unanimous position here today.

Mr. Scott Smith (Brandon West): There have been some wise words put out from both sides here today, and it does my heart a lot of good. I know some of the members have mentioned unity and a strong front that we need to come forward with, and I very much value those opinions. I very much recognize those opinions. The Member for Dauphin-Roblin (Mr. Struthers) did a bit of an analogy on a small town and reaction to it.

Regardless of whatever constituency we represent here in this House, we can all trail our roots back to agriculture here in Manitoba. The Member for Brandon East (Mr. Caldwell) had mentioned farming being in his family and the understanding of farming in his family for a number of years. As well, with myself, I know with a father that had a membership in his family of 17 and a mother of 8 and her family coming from the Morden area and the Treherne area, many of those members were into the farming industry. In fact, I can pinpoint just about every

part of this province that our family is involved in farming.

The one farm in particular that I pay attention to and had quite a bit to do with is a farm that is just outside of Brandon. It has been in our family for 118 years and has been in the grains and oilseeds, although diversified in the last number of years into livestock. We have seen the transition, and quite often, as I have mentioned in this House before, agriculture and farming, although I am in the city of Brandon. As we all are now in the city of Winnipeg, we all have close friends and family members that are within the communities in the agricultural sector, as producers or people that are reliant on the agricultural sector.

When you take the impact, not only to the producer but to an area that I come from in Brandon, it is dramatic. The background I come from, as well as on city council in the city of Brandon, I was a member on the AMM and, as well, a member of the Federation of Canadian Municipalities that dealt with the farming crisis in Canada. This, we have all agreed and many have mentioned, has not happened overnight. The Crow rate removal was certainly a huge impact, someone had mentioned in terms of the \$116,000, \$118,000, \$120,000, it depends on where you are getting your numbers from, in one blow to the grains and oilseeds sector. That certainly had a bearing.

I think what we are hearing from every member in this House is that we do have to have an extremely strong resolution, and I believe that the Agriculture Minister has presented that. I know the members of the Opposition have had a chance over the last couple of weeks to look at that resolution that was brought forward by our Ag Minister and the ability to make some amendments, which is fair ball, and some very good amendments at that that the member from Emerson has brought forward.

The members of AMM, when I was involved in that fine organization, as well brought this issue to the doorsteps of this Legislature over the past decade. It comes up from time to time. I know in our discussions here we may disagree in some of the matters that are brought forward to us, but I think we will all

agree that the strength of taking this forward to the federal government is optimum and is one of the most important things in the province of Manitoba for us to bring forward and bring forward in force.

I know starting at the farm gate, it is brought forward to the local jurisdictions, and they are very supportive of these measures. We may agree or disagree on the amount of dollars that are accepted. I know with the federal government's latest program, the \$38 million that we put forward to be matched by \$52 million by the federal government, some had argued it is not enough. Others had argued it should not be accepted. Others had argued it should be accepted. We can debate that issue till the cows come home, so to speak.

One thing is for sure, when you are choosing door one or door two, I believe the solution was very good to jump in and say the bird in the hand is better than nothing. Many, many of the producers and friends that I have in the industry had agreed with that. That is something we can debate as a separate issue. We will all agree it is not enough. I would be the first one to say that certainly it is not enough, but it was a step that had to be taken and I believe the right one.

The amendment as produced and put forward to us has to be brought forward with the federal government coming on line when we have nine cents on our dollar to compete against 38 cents, four times, right across the border that our neighbours are receiving. It does not matter whether you are in agriculture or what business you are in, when you try to compete against deep pockets like that it is virtually, absolutely impossible.

We heard the member opposite mention that over the past period of time, whether it be five or six or ten years, people have been digging into their life savings. They have been digging into inheritances, as the member had mentioned. They have been digging into the bank accounts that are being depleted terribly. We cannot compete without a national government that is going to back up our producers here in this province of Manitoba, along with the provincial government.

I know the member from River Heights might have had a change of heart over the past decade once he has really sat down and looked at this issue. I hope that his strength in seconding the amendment that was brought forth from the members opposite maybe has brought a change in heart to some of the folks that he may speak to on a federal level.

* (17:10)

I know a big part of the problems that have been down to the producers and to the farm gate have been on a national level. The previous government in administration certainly backed farmers in many ways.

This Government certainly has backed farmers in a huge effort in the last two years. A 6.4% increase in the Agriculture budget is nothing to sneeze at, I do not think, Mr. Deputy Speaker. I guess we could get into a line-by-line debate with that with any member opposite at a later time, which I would be more than willing to do. I see the member is nodding on that, so I can tell you I look forward to that.

The issue of unity is expected by our producers here in Manitoba. They expect us to do the business in this House, put all our resources together and take this to a national level. As mentioned, in my heart I hope we can do that very strongly.

I know in the Federation of Canadian Municipalities, this is not just in Manitoba. It is not just on our farm gates. This is across the entire country, and I think there is the strength. We have mentioned some of the producers in Ontario getting a different level of funding which the Minister of Agriculture (Ms. Wowchuk), I believe, explained reasoning for, but one thing is for sure that, when the Europeans are getting—the number changes daily as well—56, 57, 58 cents percent contribution by their national party, it is virtually impossible for our producers to sustain. The input costs that have been seen over the last, especially the last six years, if not seven years, in comparison to what our producers are receiving on their product is outrageous.

The federal government has done very little on their fuel subsidies, on that end of it, and I believe that is an area for exploration that they should look at long and hard.

The federal government has got to get into the game. When we signed into the WTO Agreement, one of the first things that happened was a patent throw out by the government to get rid of the freight rates and the Crow rate in Manitoba. Mr. Deputy Speaker, we talk of transition, and that is a great word to use when we all say "transition" or "diversify" or get into other things, is a nice word to use, but without a focused plan and no planning by the federal government for a length of time, well, everybody cannot be in the livestock industry. Everybody cannot be one thing or you are competing against your neighbour on the farm gate and nobody is making enough money to pay for input costs, even in agriculture. It has been diversification we have seen on a lot of farms. It has been successful.

Thankfully, some have used it, but many more have used life savings and spent off the inheritance, so to speak, to the point where there is no one interested in getting back into farming, and none of the younger generation is interested in getting back into the farming.

Mr. Deputy Speaker, to finish this off and to wrap this up, I hope that we can get together on this issue. I hope we can take this issue to the federal government in a strong, united way. I hope we can stand together on this issue to put forward that the federal government has got to get behind this agricultural disaster throughout Canada, not just Manitoba but to support the resolution that we bring forward, and hopefully the resolution that our minister has put forward is going to benefit producers at the farm gate and the smaller communities in Manitoba.

So I thank you, Mr. Deputy Speaker, for the small amount of time I have had to speak on this issue and leave it up to others to decide.

Mr. Larry Maguire (Arthur-Virden): Mr. Deputy Speaker, it is my privilege to rise in the House today to speak to this important issue as well, as many of my colleagues have already had that opportunity to do and many members of the

government, and I commend the Minister of Agriculture and my colleagues for both the motion and the resolution and the amendments that have been placed before this House today. I think if, in the end, we can come to some agreement in regard to pulling these together, we will be a long ways down the road to providing some leadership in this issue for Ottawa, as some of the members have spoken to today. However, I would have to agree with the honourable Member for River Heights (Mr. Gerrard) when he seconded this motion and in his talk today that, just because we are pointing the finger in regard to a number of the concerns being in Ottawa, you cannot totally confiscate yourself of the responsibility as a provincial government in regard to this particular issue and matter either.

Mr. Deputy Speaker, we have only got a few minutes to speak to this, but I have received many letters in regard to the importance of this issue. Some of them are from municipalities, and I would just like to quote from this one. Attached is a copy of the council's resolution requesting senior levels of government to give further thought to the farm income prices in Canada. This is of major importance to the economic stability of our community as well as many others across the country. Therefore, we encourage further consideration of funding for the farming sector. That came from the Rural Municipality of Pipestone. That is just one indication. There are many examples of where the shortfall arises in this whole process. There are two things that I have always preached, if you will, in this House. One is about the shortfall of the situation that we are looking at overall in the debate on agriculture low income caused by the U.S. subsidies, as has been pointed out in the resolution and our discussion over the last year and a half. If I have one concern, it is the fact that we are going to the country with a debate when we have had debate for a year and a half, but hopefully we will be able to come up with some kind of supportive resolution in that whole manner.

The other issue is, of course, the flood of 1999 in western Manitoba. Our leader spoke to that today, and I was quite proud of the fact that he led off with that whole area of debate in this important issue to try to drive home the concern of our region. One of the issues that was not

there a year ago that is there now was we always said, well, why did the federal government—we will throw it back.

What is so different in southwest Manitoba? If it is so bad, why did the farmers not take money out of NISA. Well, a year ago, Mr. Deputy Speaker, the numbers were not out of NISA. They had not had the results done from their accounting to show the need to take it out. In 1999, the numbers that I have here by electoral district in the province of Manitoba show that the Brandon-Souris area, the area I would say most affected by the 1999 flood in Manitoba, indicates that, of the dollars that were triggered out of NISA, there is 10 percent more dollars taken out in that region than any other area of Manitoba. That very much shows the degree of the hurt in that particular region. So this government has not recognized that, but I guess we are trying to come to an overall consensus.

Mr. Deputy Speaker, I would also, in this whole debate, because of the importance and severity of that area, request that one of the issues here publicly today that we deal with in regard to the committee that is going to travel around Manitoba is that I challenge, and we will deal with this in committee tomorrow night, that the minister seriously consider coming to Melita with one of those public meetings that we will hold in the rural area of Manitoba. Then she can come and her colleagues can get a real good first-hand drift on what the problem is in that particular area.

Mr. Deputy Speaker, I know my time is up, but I guess I just have to say that, you know, this is a matter of trust. Today the Premier (Mr. Doer) spoke about how the Rose report was for farmers. Well the Rose report was for the businesses of that region. We have been seeking support from the Premier for support for the farmers for a year and a half. They are very concerned that the Government has no plan and does not understand the kinds of issues that it is coming to the country to discuss, so maybe they will receive a lot more education and a lot more information when they get to the country to deal with those kinds of issues. So I guess, if it is a matter of trust that you are trying to get people to understand, you know, Premier Gary Doer got off on discussing today the issues of tuition fees

and how he had cut tuition fees for the people of western Manitoba, but that is exactly what was done with the CMAP program.

Mr. Speaker in the Chair

Tuition fees have been cut for all students in Manitoba, not just those in southwest Manitoba, and it is the same as with CMAP. They took the money out of negative margins that would have most likely accrued to the farmers in southwest Manitoba and spread it out over all of the farmers in Manitoba, albeit they needed it, as I have said many times, but they took the negative margin out and spread it around the province and so therefore definitely negatively impacted the region with the most hurt. Thank you, Mr. Speaker.

* (17:20)

Hon. Steve Ashton (Minister of Transportation and Government Services): I am very pleased to be able to speak very briefly on this resolution and commend all those who have been part of the process in both the initial discussion and the debate today, and I particularly want to comment on the excellent speech by the Member for Dauphin. I can indicate to the Member for Dauphin-Roblin (Mr. Struthers), I thought it was a very good way of capturing what this is all about because what we are debating here, I think, what we are discussing as members of the Legislature is the importance of all of us, no matter where we live in this province, in supporting each other. I have had the opportunity, the great honour as Minister responsible for Transportation, a department that is vital to all of the province and particularly rural Manitoba as well as the Minister responsible for emergency management to work with many people throughout rural Manitoba, to travel throughout rural Manitoba.

In fact, just earlier today I was in St. Laurent looking at the flood situation. Yesterday I was in a number of areas in southeast Manitoba looking directly at the flood situation. In fact, well before we had an emergency I took the time to go to Melita and meet with 600 municipal officials in Brandon afterwards. I can tell you that the one message I heard from people was the fact they appreciated that we would take the time to do that. I say we collectively because, as I said to

people when I went to the flood affected areas yesterday, when I go as a minister responsible for any of the departments, really what we are indicating is the support, both the moral and the logistical and financial support of the entire province of Manitoba. I think that is an important note.

I want to stress again as we work towards what I hope is critical here the importance of having consensus on these issues. I appreciate the comments of the Member for Arthur-Virden (Mr. Maguire) referencing since 1999 the situation in southwest Manitoba, because quite frankly if there is one area of clear consensus that I think has been quite evident, it was recently released documents that the member for Parliament for the area, Mr. Borotsik, brought to public attention, the fact that the federal government had the option to do what we have been calling for in this House collectively, I believe, for the federal government to do a lot more than it has done. For example, in terms of the identified areas we indicated they could have done far more in terms of fertilizer, covering some of the cost the provincial government did cover in terms of forage and forage restoration and hay. So they had the choice, and they chose the easier route of saying no.

I took that message directly personally to Mr. Eggleton, the Minister responsible for Emergency Preparedness Canada. I can say with some regret that I think if the minister had taken the time to do what we have done, and when I say we, I think it is collectively, whether it be the Premier (Mr. Doer) or myself on the government side or many members of the Opposition, we know in Manitoba because we are a small province, we care about our neighbours, we know what is happening. I know there has been some real difficulty in the southwest. The Province of course put in \$70 million. The DFAA covered probably around \$18 million now. The federal contribution is there. For example, there is \$20 million worth of stand-alone money in the southwest alone, money that was put in by the provincial government that has not been matched at all by the federal government. That is unacceptable.

I do want to note the importance of taking a clear message also on agricultural support. I

mean, the bottom line here is we are up against the Europeans, we are up against the Americans. We need a concerted national effort. I think it is important to note as one looks at the situation in rural Manitoba, once again you see that sharing of concern, because not all areas are affected equally. Areas that are more heavily into diversified crops or in terms of livestock are certainly not facing the same situation as people involved in oilseeds and grain.

But the bottom line is, we are all in this together. I want to indicate my support as a member of this Legislature. I can say I come from a community that knows what it is like to be impacted by situations in the resource area. I know the Member for The Pas (Mr. Lathlin) and others, those of us from northern Manitoba, I can tell you, we identify because we even see in the community of The Pas today what is happening in another resource sector, in this case involving forestry, and where we see again, I mean, in this world of free trade it is amazing how when it comes to agriculture we see all sorts of non free trade, and the same when it comes to the lumber issues.

So the bottom line, it is kind of ironic as we speak with the Québec summit going on and talking about free trade in the Americas, I really think and I hope that this is an issue that is going to be on their agenda. Until we get down to deal with the reality of unfair subsidization by the Americans and the Europeans, we had better have the federal government prepared to get in there and support our farmers.

So I speak 100% support for this resolution, and I hope this all-party message will get through to Ottawa: Get rid of those unfair subsidies, but in the meantime support our farming communities.

House Business

Mr. Marcel Laurendeau (Opposition House Leader): Mr. Speaker, I wonder if we might canvass the House to see if we might delay the vote or not see the clock at quarter to to give an opportunity on this very important debate for a few more members to get in some five-minute speeches.

Mr. Speaker: Is there a willingness of the House not to see the clock? [*Agreed*]

* * *

Mr. Harry Enns (Lakeside): Mr. Speaker, a great deal has been said. I am delighted that we are on this issue demonstrating that politicians that we all are that on important issues we can come together and do what has to be done. That is to bring a strong voice on this issue to Ottawa, where the bulk of the problem rests. We all know that.

Our farmers know it. Our farm organizations know it. There is a challenge before Canadians, and we can do it in different ways. Time has eroded the farm lobby base that used to be here in this country. In fact, when I first came to this House, would you believe it, honourable members, the most important issues of the day were: Should we allow the city folks to colour margarine? For many years we did not let them colour margarine. In Québec they still cannot colour their margarine, because Québec dairy farmers are still that strong.

The other big issue the very first session that I came to was daylight saving time. Our city cousins wanted to get on the golf courses and fiddle around with the time, but that did not make sense to us country folks. We said we do not monkey around with the time. For a while we had one set of time in the city and a different time, standard time, in the country. Well, we got over those things, but, in a way these things epitomize what has happened to our society. Less than 3 percent of the 30 million Canadians are involved in agriculture.

In our own constituency, the constituency that I am very proud of, Lakeside, a rural constituency, I am very fortunate if I have 3 or 4 or 5 percent that are actively involved in farming. That has seeped into the Canadian way of doing things, and that is unfortunate. That is very unfortunate, because the same thing has happened in the United States and to a lesser extent in Europe, but, because of deliberate policies there, their federal governments, their national governments for social reasons and a reason that I will say is even more important, for

the provision of reasonably priced, in fact I will say it differently, cheap food for all our Canadians, we have let this situation continue.

I can sometimes hear the suggestions. I hear, well, look it, if we would just add 10 percent, 20 percent to the price of milk, the price of bread, a bottle of beer—well, no, better leave that alone because the Government puts enough taxes on that stuff. If it was just the breweries it would be something else. But if we would just add 10 or 15 percent to the price of food that would work its way back to the farmer, and we would solve the problem. It is not so. It does not work that way. Safeway grabs it. Everybody else grabs it.

* (17:30)

My friend who used to be a grocer here from Steinbach, he would grab it, and the farmer would still not be getting his share of the cheap food policy. So the way the Europeans have solved it, the way the Americans have solved it, and let us get rid of, let us be careful about how we use the word "subsidy." They have said it is in the national interest that we have abundant reasonably priced food in our country. If that means, as the Americans say, putting up X number of dollars to make sure that that food is produced, they do it, despite the fact that you have little states like North Dakota with a smaller population than Manitoba or South Dakota or the wheat growing states. When you compare them to New York, California, they have the same political problem that we have.

Do you realize that the city of Toronto puts in more members of Parliament than Manitoba, Saskatchewan and Alberta put together, never mind throwing in Montreal, Winnipeg and Vancouver?

Look, we are politicians. Let us understand what politics is all about. We have to be smart enough—and we are doing it today, I think—to join with the Minister of Agriculture (Ms. Wowchuk), join with this Government to convince the powers that be in Ottawa, look it, it is not a bad policy for everybody, but there has to be some fairness in it. So let us get away from looking at these kinds of support payments as outright subsidies to farmers. No, it is part of a national program to provide reasonably priced

food for all Canadians. It helps the Minister of Family Services' (Mr. Sale) budget out when he has to provide food for the people who cannot provide for themselves. It helps our hospitals out. It helps everybody out when we have quality, reasonably priced food. If it means putting up half a million dollars, half a billion dollars from time to time to make sure that that food is there then let us do it, because that is what the Europeans are doing. That is what the Americans are doing. We are not going to change them. We have to change our attitude, our thinking, about how we do it. Thank you very much, Mr. Speaker.

Mr. Harry Schellenberg (Rossmere): Mr. Speaker, I rise to speak on this agriculture crisis that we are facing in Manitoba and across Canada. I would like to mention the impact that this crisis has on the producers and their families. They are the ones who are on the frontline, and they are really feeling the pinch.

Before going any further, I welcome here the producers. I would like to point out our Budget. You could pick it up at the Finance Minister's office or either caucus rooms will have them, and it will tell you what has been done for producers, for agriculture, and also in other areas.

I feel quite comfortable speaking on this issue because of my rural roots. I was just talking to the Member for Ste. Rose (Mr. Cummings), because I was born and raised on the farm, and I mean born literally on the farm near Boissevain. I have done the chores and all the jobs and all the projects that go with it. I always find it interesting in talking to farmers, because that is my background.

I have taught school for about 10 years in rural Manitoba, 5 years in a one-room school near Homewood, Manitoba. I have taught in Carman. I have taught in Morden. I have taught in Melita, and of course, Winnipeg. So I feel I know the rural area. Also, I used to referee basketball all across Manitoba, and I did it for nothing, just like you people are farming for, excuse me, for nothing, maybe. Anyway, it is very enjoyable; therefore, I feel that I really do know rural Manitoba.

The farm cash receipts are way down. Wheat has declined by 11.9 percent in the year 2000. In '99, it decreased by 13.7 percent. The receipts for oilseed declined by 14 percent in the year 2000 and 44 percent in 1999, so we can understand the difficulties the producers are facing. The loss of the hundreds of family farms will close rural businesses, schools, hospitals, and eventually destroy the community, and the population shift will go to the urban centres. That is what is happening across rural Manitoba. There was a time when elevators were scattered across the Prairies and farmers in small towns had several elevators to choose from, but today we are fortunate to see one elevator when we drive for miles.

Rail lines are being abandoned, and the grain is being transferred by trucks to large centres. The prairie landscape is changing. There are various forces at work in farming that are causing this crisis; first of all, we blame the federal government for a lot of this, especially the federal treasury of the United States and European Union for their heavy subsidies. Our Government spends nine cents on a dollar to help the Canadian producers, while the United States spends 38 cents on every dollar. The Europeans receive 56 cents on the dollar. So we know what you are up against. The subsidies of Europe and the United States, along with the poor commodity prices, do not give our farmers a level playing field. I think that is why many farmers are here today, and that is why we are trying to unite today to present our message to Ottawa.

Our farmers are the most efficient farmers in the world, but when they are up against these high subsidies, it is almost impossible to compete. I should say probably the best farmers in the world, because often they come around here to see what we are doing here.

Mr. Speaker, I know we are short of time, and I will leave it at that. There are many more things, but I will work that into my Budget speech. Thank you very much.

* (17:40)

Mr. Frank Pitura (Morris): Mr. Speaker, I know that there are a lot of producers sitting up

here in the gallery today that have basically sat through the entire debates this afternoon and the speeches this afternoon. So I do not need to go into talking about the crisis anymore. I think it has been well explained. I know that they would like to go home. The best thing for them would be to go home and share with their communities the fact that this Legislature unanimously adopted a resolution together, so I hope that that will happen.

I do want to just talk to the process. I support the resolution as amended. I think it is a good resolution. If there are to be any changes, you have to remember, and I point this out to the Government side, that there is a further BE IT RESOLVED that the resolution as referred to the standing committee that this committee be empowered to make such changes to the wording of the resolution as the committee deems advisable. So whatever we pass here today, Mr. Speaker, we can certainly take it to the committee and refine it and put it into a form that we can all agree on.

I think, at the end of the day, when this resolution is carried, that we do not stop there, we carry this resolution to Ottawa to present it to Ottawa to the Prime Minister. It would also be appropriate, if I can make a suggestion, that we get the farm organizations, retail associations, dealer associations to ratify this resolution with their groups as well to add strength to it. I also think we should probably approach our sister provinces, Saskatchewan and Alberta, to get their support on this to bring home the fact that there is indeed a very major crisis affecting agriculture in Canada and that the federal Liberal government has to address it in a realistic way.

So all I would like to finish off with then, Mr. Speaker, is saying that I hope that we will pass this resolution before the hour of six o'clock and we can get on with getting the job done.

Mr. David Faurshou (Portage la Prairie): Mr. Speaker, it gives me great pleasure to rise this afternoon, not only as a legislator, but as a farmer. I am very proud to say that I am a producer of agriculture products and one that has shared this particular duty for generations.

We are debating a resolution, which I speak in support of, and I look to the Government and to the Opposition members of this Legislature, not as Government and Opposition, but as members, leaders of our community. It is incumbent upon ourselves as leaders throughout this province to inform the uninformed and to correct those that are misinformed. This particular crisis which we experienced in our rural Manitoba is not of our doing. It is crafted elsewhere, outside of our boundaries.

Mr. Speaker, the USDA crafted a particular survey which wanted to find out where in the world was the cheapest food produced. They fully expected that they would be found in rural USA. No, Sir, they did not find it in the USA. They found it in Canada. Where in Canada was found to be the cheapest source of food for consumers was right here in Winnipeg. The cheapest point in all of the world was right here in Winnipeg in relationship to the earning power of those, the consumers.

Mr. Speaker, I only have a few short moments, but it is incumbent upon ourselves to be leaders of our communities in this particular crisis so that we can alleviate what we have all heard in the coffee shops and in the papers, in the editorial columns. We have all heard and seen those subtle, satirical comments about farmers whining and complaining. That is not the case. We are very proud of what we have been able to accomplish, because we are a low-cost producer, not only in Manitoba or in our nation, but in the world. We should take great pride in that particular position. We must now show leadership.

Through this resolution I hope that discussion will come forward, not just a Band-Aid solution, short term. We need to look to the long term. I look to the First Minister to perhaps put together what even the counterparts in Saskatchewan have done insofar as looking through employ of the Westrac Group [*phonetic*], which is in my colleague's constituency of Brandon, that is undertaking the consultative process to find what the long-term future in agriculture must indeed hold for those persons that are going to look to their future and how government can in fact aid that diversification rather than encumber it.

Thank you ever so much, Mr. Speaker.

Mr. Edward Helwer (Gimli): Mr. Speaker, I feel it is an opportunity to speak on this motion that is important because it is a very important debate. I think it probably is one of the worst years for agriculture revenues in the last 40 years. I think I have been involved in the agriculture business, in agribusiness and as a farmer and as a businessman for many years and realize that our farmers are probably going through one of the most difficult years in history.

It is not so much an income problem. It is our inputs have gone through the roof. I think there are two things we have to do. I think our producers have to look at two programs. One is a cash program to get them through the crisis that they are in this year. Second is a program to deal with long term, to make agriculture a sustainable industry in Manitoba and in Canada for many, many years to come. We need a program that is going to be competitive, so our farmers can be competitive with other areas of Canada and of North America and also of the European Common Market.

But the federal government could do many things to reduce our costs, especially when you look at the excise tax on farm fuels, which make up a good part of that cost. When we look at what a litre of purple diesel fuel costs today and what it cost two years ago, the price has basically doubled, and there is excise tax on that. The federal government could reduce that and make farm fuel a lot more equitable out in the rural sector. There are also the inputs of fertilizer. All these things are users of natural gas whereby there is tax. There is the federal government collecting money on all these inputs that farmers are putting in to grow this crop. It is not the government subsidizing the farmers, it is the farmers subsidizing the consumers. How long in this country or any other country can the farmers afford to do this? That is why we need some assistance. We need a short-term program and also a long-term program.

Also the provincial government, I think, can do some things to make farmers a little more competitive also. As an example, the education tax on farm land should be reduced or taken off completely to make farmers more competitive in

areas. There is sales tax on farm buildings that could be reduced or taken off. There are many things, I think, that both the provincial and the federal governments could do without creating a big drain on their treasuries and yet would help the rural areas a lot.

There is a misconception out there that only 2 percent or 3 percent of the people in the country are producers. That is probably right, but it makes up 9 percent or 10 percent of the population of the employment people, especially in a province such as this, with all the value-added industries, all the fertilizer dealers, the farm equipment dealers and everyone else involved in supplying products to these farmers. So it is a much bigger industry than people really see, and if we lose our farm economy such as this, we will lose a lot more than the 2 percent or 3 percent of the population that some people seem to think.

The other important issue—just one more, and then I will pass on to someone else—is a communication issue. When there is a press release announcing so many dollars paid to a farmer, they think it is a government subsidy. Well, most of the time it is the Wheat Board returning to the farmer their own money. It is basically paying the farmer for their own products. It is not a subsidy, but it is written up in the news media as a subsidy. What we need is a better communication system, whereby we can explain to the public exactly where the farmers get their revenue. It is not all government, I can assure you. There is not as much subsidy out there as everyone else believes.

So that is part of what I have to say. I just want to say it is great to see the co-operation in this Legislature so that we can agree on a resolution that we can take to Ottawa and hopefully get some results. Thank you.

Mr. Peter Dyck (Pembina): I just want to briefly indicate that I support the resolution and the amendment to the resolution. This morning I had an opportunity to address several hundred farmers at the official opening of the Agassiz terminal, which is owned by Agricore, and the message that they sent me was very simple and straightforward. Number one, there is an immediate need of a cash injection that the

farmers need in order to be able to put their crop in. The other one was that we need a long-term sustainable approach to agriculture which is going to assist the farmers to plan in the years to come and which is going to give them an opportunity to be able to remain in agriculture, and so I want to support this resolution. I trust that we all will. Thank you very much.

Mr. Speaker: Is the House ready for the question?

Some Honourable Members: Yes.

Mr. Speaker: The question is as follows: Amendment as amended to the proposed Government motion, moved by the honourable Member for Emerson (Mr. Jack Penner), seconded by the honourable Member for River Heights (Mr. Gerrard),

THAT the motion be amended by adding the following after the second

Some Honourable Members: Dispense.

Mr. Speaker: Dispense.

THAT the motion be amended by adding the following after the second BE IT FURTHER RESOLVED clause:

BE IT FURTHER RESOLVED that the Standing Committee on Agriculture study and make recommendations, including an examination of whether an additional \$500 million federal expenditure would fulfil the needs of grains and oilseeds producers; and

BE IT FURTHER RESOLVED that the Standing Committee on Agriculture study and make recommendations with regard to a meaningful, long-term, sustainable approach to agricultural programming that will allow Manitoba producers to be competitive with their counterparts in the rest of Canada; and

BE IT FURTHER RESOLVED that the Standing Committee on Agriculture study and make recommendations with regard to an approach to building and sustaining rural communities in Manitoba, including how to produce growth in value-added, higher-value agriculture and

agrifood industries, as well as industrial and manufacturing opportunities; and

Mr. Speaker: Is it the pleasure of the House to adopt the amendment as amended?

Some Honourable Members: Agreed.

Mr. Speaker: Agreed and so ordered.

The question on the proposed motion as amended, moved by the honourable Minister of Agriculture and Food (Ms. Wowchuk), seconded by the honourable First Minister (Mr. Doer),

WHEREAS increasing agricultural subsidies provided by—

Some Honourable Members: Dispense.

Mr. Speaker: Dispense.

WHEREAS increasing agricultural subsidies provided by the United States and the European Union federal treasuries continue to depress world prices for grains and oilseeds; and

WHEREAS Manitoba grains and oilseeds producers continue to have their margins decline because of low prices and rapidly increasing input costs, especially for fuel and fertilizer; and

WHEREAS the Manitoba government and producers requested immediate assistance for grains and oilseeds producers from the federal government for the 2001 crop year; and

WHEREAS the federal government responded with \$500 million, dependent upon a provincial contribution of 40 percent, which was denounced as inadequate by Canadian farmers and farm organizations; and

WHEREAS provincial agriculture ministers from Manitoba, Alberta, Saskatchewan, Ontario and Québec requested an additional \$500 million in federal support to address the immediate crisis; and

WHEREAS the Manitoba government, despite limited financial resources; announced that it

would provide \$38 million toward the aid package; and

WHEREAS the Premier of Manitoba has written the Prime Minister, demanding that he be involved in this critical issue.

THEREFORE BE IT RESOLVED that the Legislative Assembly of Manitoba urge the federal government to recognize federal support supplied in other countries and immediately provide at least a further \$500 million in assistance for grains and oilseeds producers; and

BE IT FURTHER RESOLVED that the Legislative Assembly urge the federal government be more aggressive on the international stage in fighting for the removal of foreign subsidies for agriculture;

BE IT FURTHER RESOLVED that this resolution be referred to the Standing Committee on Agriculture and that the committee be empowered to make such changes to the wording of the resolution as the committee deems advisable; and

BE IT FURTHER RESOLVED that the Standing Committee on Agriculture hold such meetings at such times and places as it may deem advisable to receive briefs and hear representations; and

BE IT FURTHER RESOLVED that the Standing Committee on Agriculture report to the Assembly in a timely fashion.

Mr. Speaker: Is it the pleasure of the House to adopt the motion?

Some Honourable Members: Agreed.

Mr. Speaker: Agreed and so ordered.

Mr. Marcel Laurendeau (Opposition House Leader): Could you make that unanimous?

Mr. Speaker: Votes on both the amendment and the main motion were unanimously in support of.

* (17:50)

Hon. Gord Mackintosh (Government House Leader): Is it the will of the House to call it six o'clock, Mr. Speaker?

Mr. Speaker: Is it the will of the House to call it six o'clock?

Some Honourable Members: Yes.

Mr. Speaker: The hour being 6 p.m., this House is adjourned and stands adjourned until 1:30 p.m. tomorrow (Wednesday).

LEGISLATIVE ASSEMBLY OF MANITOBA

Tuesday, April 17, 2001

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