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Legislative Assembly of Manitoba
DEBATES
and
PROCEEDINGS
Official Report
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MANITOBA LEGISLATIVE ASSEMBLY
Thirty-Eighth Legislature

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LEGISLATIVE ASSEMBLY OF MANITOBA

Thursday, December 4, 2003

The House met at 10 a.m.

PRAYERS

ORDERS OF THE DAY

GOVERNMENT BUSINESS

House Business

Hon. Gord Mackintosh (Government House Leader): Mr. Speaker, would you please canvass the House to see if there is leave to do concurrence and third reading of the following bills: Bill 2, The Biofuels and Gasoline Tax Amendment Act; Bill 3, The Helen Betty Osborne Memorial Foundation Amendment Act; Bill 4, The Employment Standards Code Amendment Act; and Bill 202, The Nellie McClung Foundation Act, which I believe will actually be moved after Oral Questions, the last one, that is.

Mr. Speaker: Is there leave to do concurrence and third reading of the following bills: Bill 2, The Biofuels and Gasoline Tax Amendment Act; Bill 3, The Helen Betty Osborne Memorial Foundation Amendment Act; Bill 4, The Employment Standards Code Amendment Act; and Bill 202, The Nellie McClung Foundation Act. Is there leave? *[Agreed]*

CONCURRENCE AND THIRD READINGS

Bill 2—The Biofuels and Gasoline Tax Amendment Act

Hon. Gord Mackintosh (Government House Leader): Mr. Speaker, I move, seconded by the Minister of Energy, Science and Technology (Mr. Sale), that Bill 2, The Biofuels and Gasoline Tax Amendment Act; Loi sur les bio-carburants et modifiant la Loi de la taxe sur l'essence, reported from the Standing Committee on Social and Economic Development, be concurred in and be now read for a third time and passed.

Motion presented.

Mr. Mackintosh: Mr. Speaker, I understand there will be some further comment on this bill. There were certainly some very interesting and diverse presentations on this legislation in committee the other night from all across Manitoba. I think that there were some valuable insights shared. I want to acknowledge the assistance of the Opposition and the independent members in moving this forward for determination by this House. Thank you.

Mr. Jack Penner (Emerson): Mr. Speaker, The Biofuels and Gasoline Tax Amendment Act is an act that we have had significant discussions on. I think it is very apparent that this is in large part an enabling piece of legislation that would allow the Province of Manitoba to make rules by regulations as to how the administration would be done of the act and how the ethanol industry would be given direction.

Whether it is to mandate or not is all part of the allowance of this bill, although it does not proscribe it in this bill. I think there are numerous questions that will emanate out of this bill before we truly know what the impact of the bill will be. There will have to be, I think, significant further discussions with the industry, with the producers of the raw product as well as governments that are going to be impacted by this bill.

I think it is imperative that we as a society, and those of us that stand here in the Legislature, take a good hard look at what we are really trying to achieve with this kind of legislation.

Mr. Speaker, is it the economic benefactor or a rural development initiative that we are driving here? Is it a mandate to meet the Kyoto accord and the Kyoto agreements? Is it the environment that we are trying to protect with this bill? Are we trying to use this as an economic generator to try and derive dollars out of Ottawa to invest in our province without giving due diligence to the long-term economic impact to government and society?

I think those are the questions that we must really ask ourselves. What is the purpose of this kind of legislation? Why are we talking about

using a food substance to manufacture and produce a fuel supplement to an industry that is largely driven by fuel? If it was not for fuel and fuel energy, agriculture would simply be non-existent today in this province.

I look at this bill and these questions come to mind. If we are in fact really concerned about the environment, have we done the proper analysis to determine what the true environmental effect of biofuels really are? Is the net effect positive or negative on the environment? Does it take as much fossil fuel to produce the grain that will go into and drive the industry as the end product coming out of it and the net benefit on the environment?

I do not know, Mr. Speaker. I have read numerous reports on the effects to the environment of ethanol. In my view, the question is still out there: Will it or will it not? I think that is the one that we must answer.

This Government, Mr. Speaker, in its Throne Speech and again a year ago during the election campaign, drove hard the idea that we must protect the environment. We are not opposed to that. Our party is in total support of that kind of initiative.

They use the ethanol industry to meet the demands of Kyoto. Today, Mr. Speaker, when I look at what Russia is saying and when I look at some of the comments our own Prime Minister or Prime Minister-elect is saying, the question is still out there: Will we or will we not? Will this bill or this kind of legislation meet the needs of the environment? I do not think there is an answer.

Will other countries or will all the countries that have been talking about Kyoto, will they remain participants in Kyoto? Are they saying the economics of it at this time are simply too stringent on our economies to be able to move forward in that direction?

*(10:10)

I think we in Manitoba and in Canada must assure ourselves that we will not carry the whole economic load. Things that we do, whether it is in legislation or whether it is by economic

drivers such as the \$60-million incentive that Ottawa has put out there to the provinces to build an ethanol industry, are the right kinds of initiatives that will eventually lower our net emissions or whether this is a non-player in that event. If it is not an economic or if it is not an environmental benefit, and I know that there are some higher level officials in this Government today that are questioning the environmental effect of ethanol production, then if it is not a net benefit, then why are we doing this?

Are we then doing it simply to build another industry to try and create jobs and a market for our agriculture products? Is that the reason? Well, if that is the reason, then I think we should look at what is happening in some of our other provinces that have built ethanol industries before us.

I look at Ontario and I listen to what the Ontario corn producers are saying. Much of the product that is going into their ethanol industries is now being imported from the United States, a very highly subsidized corn being imported into Ontario and Québec to drive their ethanol industries. Will we be in a similar manner, in a similar state? I would suspect so, because once the industry is built it will have to go to the lowest cost denominator in order to remain competitive. We know that Minnesota and North Dakota and all the states in the United States that have built industries so far rely on a heavily subsidized commodity to go into those plants, namely corn. We know that. We know that the subsidy is somewhere in the neighbourhood of 40 to 45 cents a gallon, U.S. gallon, in the United States directly to the industry over and above the subsidies that are paid to the farmers to produce the corn.

How much money is society prepared to pay to maintain an industry that has questionable environmental effects? How much? I think we all in this Chamber need to ask ourselves that question. So far I have not heard the answer. The answers that I have heard so far are on both sides of the scale. One says, yes, there are environmental benefits. Others say, no, there is not.

Mr. Speaker, I think we need to be assured by those that have the ability to honestly look at this, not from an economic standpoint, but from

an environmental standpoint, and say, is there a benefit. And, if there is not, are we then prepared as a society forever and a day to keep pumping taxpayers' dollars into an industry that might need that kind of support over the long term? I do not know that. But I say, are we as legislators then prepared to commit our people in this province to an industry that might have to be subsidized for a long, long time.

Those are my concerns and those are many of the concerns that I hear in discussions when I have discussions in the general public. As far as the benefit to the farm sector, to the farm economy, there is a positive and a negative. The feed producers or the grain producers would like to see other industries built that would be consumers of their product. That is natural. The livestock industry, which is now a major part of our economic driver in this province, would like to see the feed costs come down. That is also a natural. I would suspect that both sides in that debate are wondering what this industry will do, being a large consumer of the raw grain product, and what will the need be for the end product coming out of these plants?

It has been touted as a net benefactor as a protein supplement. I am not sure where corn fits in that, but I would suspect that the starch content in corn would lead us to use corn because I think there is a greater degree of efficiency for alcohol production in corn than there is in wheat. I think the starch content in corn is significantly higher, and you could extract oil out of the corn as well at the same time, and you cannot do that out of wheat and some other grains.

I only raise these because they are questions in my mind, and I think we need some of those answers before we barrel headlong into an unknown that simply is begging answers.

So I say to you, Mr. Speaker, we have I believe a task ahead of us, and that is to ensure that we are on the right track with an ethanol industry. Personally, I think there is an opportunity for government to do this kind of stuff if we are satisfied that it will not take an ongoing commitment of taxpayers' dollars to keep the industry viable and running over a long period of time. Thank you.

Mr. Mervin Tweed (Turtle Mountain): Mr. Speaker, I just want to put a few comments on the record in regard to the bill.

Mr. Speaker, I have had the opportunity to represent one of the communities or areas that have been promoting the idea of an ethanol plant. Some members may be aware, and some may not, but the original direction that the communities I represent have gone was to create an alternative fuel source not using the grain as the raw material but the straw. I guess we saw this as more of a secondary opportunity for our producers to benefit from the product they produce. Not only would we be able to sell the grain for the feed and the processing that is needed, but the straw would be a secondary source and would be turned into the ethanol product.

Technology has certainly come a long way in that field but not far enough at this point to move forward. I know that the communities that are involved in this, the Turtle Mountain Sustainable Ventures corporation, have switched their focus somewhat to try and help them qualify for the package that is currently made available by the federal government.

Mr. Speaker, I find it interesting and I guess somewhat disconcerting, when we talked about ethanol in the early stages, it was talked about as being an alternative fuel system that was based on environmental issues. I remember when the Government talked about it initially, it was to meet the Kyoto agreements and help us qualify for some of the Kyoto funding that was available. I suspect that is still where the funding is going to come from, but I find it ironic that the government of the day, when they introduced this bill and throughout most of the discussions, Kyoto has been completely left out of the discussions.

As the Member for Emerson (Mr. Penner) has said, Mr. Speaker, in rural Manitoba we recognized it more as an economic development opportunity as much as environmental. I do hope that the environmental side will prove true, but I think in reality, as I said before when we were talking about the straw, we were seeing it as an economic opportunity for our communities and a secondary source of income for our producers.

I think it will still be that, but having the federal government I guess come late to the table with a certain amount of funding has forced this Government to respond. I think we all share a little bit of concern, and I suspect that the minister has a little bit of concern in the hastiness in which this bill was prepared and brought forward. It is hard for me personally to oppose the bill because it is an enabling bill that I see is going to benefit my communities in the future, but I think more discussion and perhaps more time and more deliberation in discussing it with the communities would have been to everyone's benefit. Having been in government and served in opposition, I have often heard that legislation and regulation made in haste often creates difficulties down the road because we do not take the time to look at the issues completely and prepare for those irregularities that happen along the way.

* (10:20)

The group from Turtle Mountain has come before the Province. They were at the committee the other night and made their presentation, and I can tell you, Mr. Speaker, and to the minister, that this is a group of dedicated individuals, many of them municipal that have spent countless hours preparing for this day. I do not think I would be representing their views properly if I did not express some of the concerns that they have had but also to give them the encouragement that they need to continue down this line. The proposal, as I understand it, for ethanol, and it has been explained to me by my groups of people, is that the production of ethanol for our communities, at most, will probably be revenue neutral, but what happens in the economy are the spin-offs that it will create in the livestock industry, in other technologies that are going to process the finished product and the by-products that are created, that is where the real economic development will take place, and those are the opportunities that we are looking at.

One of the concerns that I have—and I know that in the Throne Speech and in the past the government of the day has put a lot of emphasis on the environment—some of the communities, and I think rightly so, have a concern about the availability, I know that water is going to be a big issue, and I think that when we are dealing

with the environmental side of it, we have to make sure, and I think we all, as legislators, have to make sure that the environment is protected and the policies that we develop to enhance the production of ethanol protects the environment and the people that access and use the water and the sources of water that are going to be needed to produce this type of volume.

Early in the discussions, Mr. Speaker, it was thought that the ethanol plants were going to be spread throughout the province as part of the economic development plan, and I think realistically we will see one or two new plants in this province over the next few years, and it is just simply because it has to contain a certain volume to make it financially viable but also to create the attraction from the outside investment that we definitely need to move this forward.

Another concern I have is the fact that we are going to offer subsidies to the product. It concerns me somewhat, but I also know that to attract the investors, I suspect the Government is going to have to raise some capital or at least take some of the risks in raising the capital to attract the new investors that will be coming to our province to look at this.

I also have a concern about the mandating. I think it is certainly something that no Manitoban likes the idea of being mandated into using something. I think it is a regressive move to do that to people. I think the people in Saskatchewan who have already passed their legislation and did it about two years ago or a year and a half ago are finding that one of the concerns that they are running into is the fact that we mandated. With the availability of the products that are out there, I do not know and I am not comfortable if mandating the use of it is actually the way I would like to see it go. I would like to be able to sell something on the basis of its value and have people want to purchase that product rather than forcing consumers to use it, a product which they are subsidizing and also a product which they are probably going to subsidize through capital investment from the Province.

Certainly, it is an issue that has been out there for quite a while. I know that the federal government needed a mandate from the province to flow some funding to create the opportunities.

I would have to agree that I am concerned about the hurriedness that we have put this through. I hope that all the regulations that will follow this bill will be in the best interests of all Manitobans and not necessarily just in the interests of the Government in picking and choosing where these plants might go. I hope that all factors are considered and taken into account when the Government makes that final decision.

With that, Mr. Speaker, I did want to make the acknowledgement that the environment is an important issue in this. We heard from people at the committee whether it is a break-even proposal or a benefit or not a benefit. I think only time will tell, but I do look forward to the opportunities to bringing communities that I represent and communities that my colleagues represent to assist and help the Government in making this a bill that will be satisfactory to all Manitobans and all Canadians. So, with that, Mr. Speaker, thank you.

Mr. Glen Cummings (Ste. Rose): Mr. Speaker, I would like to put a few brief remarks on the record without repeating what was said on second reading. This debate continues to illustrate why we need to have a better process in terms of how we deal with significant legislation in this House because there was a good deal of information that we received at committee that is very useful in looking at the benefits of this bill or the benefits of moving down the road towards greater ethanol production.

I just want to pass comment on, without discrediting any of the presentations, on the one issue that a number of the presentations presented. That was that there is a real possibility that subsidized, out-of-country corn could come into plants in this province. There are, of course, two theories on that. One is that it is not a bad thing to have the Americans subsidize our ethanol plant so that we can feed the by-product to cattle and then ship it back. Not a scenario that I particularly admire, however.

I think the other consideration that the Government needs to take a look at is the source of feed stocks as illustrated by those concerns. I found it fascinating the one presentation that did in fact provide a model for how a closed loop could be developed that would set us apart from

the Free Trade Agreement so it would not be countervailable. It would probably need to be supported by ongoing research and plant development, but that is something that is probably not well enough funded in this country right now. It would be an opportunity for the province to become involved and expand that area because of the high competitive nature of agriculture. We need to take advantage of the very best technology that is out there. I suspect that a model that was presented where we would have a closed loop of possibly growing a product that is not universally licensed to be grown in this country but could be grown under contract so that it was a closed co-op or at least contract-only materials going into that plant would provide that protection.

A fascinating concept and yet one that has been around for a long time, Mr. Speaker. I guess I will repeat myself. All of this is being made possible to a large extent because the federal government is making tens of millions of dollars available across the country to develop the ethanol industry. We should go into this with our eyes wide open, knowing that government involvement, taxpayers' dollars, will be needed to invest in this industry to make it happen.

Certainly, as a rural member, I heard my colleagues' references. I think you will hear more of them reference that this moves very quickly from an environmental issue to an economic issue. That is fair ball given that the federal government has put the amount of money on the table that it has.

* (10:30)

If our society wants to move that way using taxpayers' dollars, then let us be sure that we put in place a system and a technologically advanced process so that we are able to squeeze every last nickel out of the benefits that may accrue as a result of further development of gasohol sales. The creation of the alcohol that is needed to make the gasohol, let us squeeze every dollar we can out of that without getting ourselves into countervailable arguments or becoming subject to American corn being the main feedstock.

Mr. Speaker, I am sure to our city friends and colleagues this is an argument that, well, so

okay, I can understand the economics of it, but what basis do we have to all be talking about this? One concern that I think would make it very simple is that everybody understands we have a hog industry in this province that consumes a lot of barley and a lot of corn, a lot of domestic corn. There is one thing that governs the price of every bushel of barley that is fed to our cattle and our hogs. That is, how cheap can we get American corn in here?

Then you put just a little bit above that for the Canadian barley. That is the price of the barley unless there is a shortage everywhere. That is why we continue on this side of the House to harp about that aspect of ethanol production. It is not because we are afraid of the competition. It is we are afraid of the reality of how the feedstock might, in fact, be acquired.

Mr. Speaker, I am prepared to see this bill move forward. I certainly will continue to watch the Government closely on how they might be involved in helping the federal government and the proponents within this Province who have put forward proposals or the Government would consider interacting and supporting those proposals so in fact we do get some of that first tranche of money into Manitoba.

I want to close on one simple thought, Mr. Speaker. If we are not part of the first *tranche* of this proposal from the federal government, I want it clearly understood by the federal government, which so proudly proclaims on the eve of having a new Prime Minister that they want a government for all of Canada, now is the time to show that they actually care about Manitoba.

Mr. Larry Maguire (Arthur-Virden): I too would like to put a few words on the record in regard to this Bill 2, The Biofuels and Gasoline Tax Amendment Act, that the Government has brought in during this session.

I appreciate the fact that we have a bill before us like this to discuss and debate the issue here in the province. I have some concerns that I would like to put on the record as well. Also, as my colleagues have spoken, saying that, from an economic development point of view, it is very difficult to speak anything but in favour of this type of a bill.

Of course, we need markets for our grains, for our livestock and other areas. I think that I would want to move forward and make sure that the Government is aware of the other issues that I know that they have looked at, one of them being wind and the other one, of course, being biomass fuels and being able to work more in the rendering industry, particularly because of what we are faced with right now and the importance that it has driven home to have a sound rendering industry in this province.

Mr. Speaker, I think there are many existing examples out there today in Canada and our neighbours to the south, the U.S., whereby many new products could be gained, much energy could be gained from the use of these products in a non-traditional manner than what we have thought of as just disposing of them in the past.

My colleagues have spoken about the need to address this issue from a Kyoto point of view. The minister has even acknowledged now that it is not so much an environmental issue, which they tried to sell. I assume that perhaps he had difficulty within his own caucus trying to sell this bill to start with. So he brought out the environmental issue to try and make sure that it passed within caucus to get discussion on the table to get the bill forward.

Since that time, he has acknowledged, and quite rightfully so, that this is not as much of an environment issue as he at first maybe thought himself or others that it was, but I am glad to see that they have done the work to acknowledge that this is not as much gain to the environment as they may have at first thought.

However, having said that, if there is a region of the world or of North America that can produce ethanol in an efficient manner, and I want to back up a minute, Mr. Speaker, saying that, there is no doubt, I think, that once you get ethanol in a vehicle that there is a saving in the emissions in the atmosphere. Of course, it is from the production side and the farming side and the production side and the processing side that the emissions are sent into the atmosphere that negates the gain from once you have put it in the vehicle.

Having said that, I think that it depends on the type of fuel source that you use, obviously,

and we with the hydro and the electricity that we have in the processing sector, could, should and will have an advantage in that processing sector if anyone has, as we move towards other sources of energy, like the hydrogen fuel cell.

Having said that, I would say as well that, as this industry evolves, I think we are taking a page from our American neighbours. Private companies in the United States, large companies have been producing ethanol for decades in the United States. I have had the opportunity of being in Kansas and touring some of the those plants some years ago. At the same time, there are co-operative groups of farmers coming together to be involved as a value-added, if you will, from their farm in the plants in the United States as well.

Many of them are working very well, but I think one of the misleading things that we have to be careful with this kind of a bill is that the Government in Manitoba has raised the expectations of so many communities around the province that they are going to be viable and eligible for one of these facilities.

Many of them, as has been pointed out, have done a tremendous amount of work already in their local communities to raise dollars to get the plans together. Mr. Speaker, they have been working on them for years. When I was Wheat Growers president, some members of our board of directors were already involved with one of these similar types of plants in Red Deer, Alberta, and it has had quite a struggle, even with the sale of the by-products from these plants. That is right in the heart of cattle country.

I do not think there are any easy fixes to these issues. I raise that because anyone looking at trying to do something in the 30-million-litre range or even maybe, as some of the presenters the other night indicated, under-80-million-litre range, as far as a plant, is not likely going to be very viable in the long term.

Mr. Speaker, that leads us to the point where we may only have one or two plants at the most in Manitoba, needing no more than 140 million litres of this product in the province to meet our 10% ration for ethanol. We have got an opportunity there, I think, to make sure that the

communities come forward with very viable plans.

I say to them, can you come forward with a plan that will run on no subsidies. I do not think that is viable when our American friends are subsidizing to the length that my counterpart or my cohort from Emerson, our Agriculture critic, just indicated. The high subsidies on American ethanol are there. They are going to stay there. The reason that I believe they are going to stay there, whether it makes any sense or not, is that the American population, as has their government, has made a decision, a defence decision that they are going to use ethanol to thin out the petroleum products that they have and be less reliant on off-shore oil, including the oil that they would get from Canada.

So, once that decision is made and they have moved from the 9 billion litres a year that they are using right now that over the next 10 years is predicted to move to 20 billion litres in the U.S. alone, then, I think it is incumbent upon us to make sure that we are doing everything we can to support that industry, to support our producers or farmers in the area.

Whether or not they raise these plants with wheat or with corn is not the issue here. Farmers are very adaptable. If they find that there is more money to be made in corn, they will, with the varieties that are coming on stream today and the research that is there and the companies doing research as well, find the right grain to use in these plants.

I have no doubt about that, and, as has been indicated by the Member for Turtle Mountain (Mr. Tweed), straw-based product may be one of those products that is used in these plants in the future.

Mr. Speaker, I have communities of Virden and Boissevain that are a part of that Turtle Mountain Sustainable Development group. Virden has a good plan of their own. Melita has had discussions with ethanol. I know that all of these communities have some expectations of being picked, if you will, by the—well, blackmail is too hard a word, maybe, to use, Mr. Speaker, but the fact of the reactionary process by which this bill has been outlined and spoken to by others

coming forward at this time with deadlines to it like this partly because of the need to capture some of that federal money that the federal government has put out there in the narrow time frame that they have got is making some decisions somewhat hasty.

* (10:40)

I wish there was more time to debate some of these issues, because I think that the Government has tried to say, well, we are going to give this industry an impetus to get going. We have 2 cents a litre for two years, 1.5 for three, 1 for three, and then eliminating it.

Mr. Speaker, as a farmer and a farm leader all of my life, I do not want to be a politician now who stands up in front of people and says that this is a viable opportunity for you people and you should dive right into it, then have the subsidies pulled away, and down the road the industry goes broke and not be viable in the sector. I do not think these are responsible political decisions on our behalf, to set up an industry in high hopes only to have it fail. Surely no one would do that intentionally, but we have seen it happen before. I think that is why due diligence really needs to be the bearer on this.

I will end my comments by saying that I have some difficulties in the area of mandating these kinds of things. They are different than a health issue, I think, like the non-smoking issue, Mr. Speaker, where I see that as a savings to the taxpayers of Manitoba, because we have a medicare system that does not allow them to attract and get the health needs that they may have in other areas. So, therefore, it is not the same kind of mandating in my mind, and I believe that we have to be very careful with this kind of a process. However, as I said earlier, we are somewhat forced into a time frame here with the federal government, but I do not think we should let them run our agenda totally, because all of those decisions could change on December 12, and we would be into a whole new mandate from the federal decisions and a whole new package of spending when their budget actually comes down in the spring.

So, Mr. Speaker, I will end my comments there. I hope that I have represented the views of

the people that I have talked to and who have given me advice on this throughout my constituency and across Manitoba in my role as rural development critic.

Mr. Speaker, I say that we need to move forward. There are only two ways that this can be done; that is to increase the fuel prices or to increase the subsidy that the manufacturers are getting through the process. We have to be cautious as to which way we go. Thank you.

Hon. Jon Gerrard (River Heights): Mr. Speaker, I rise to speak on Bill 2 and to provide the Liberal perspective on this legislation.

First of all, let me say, Mr. Speaker, that we will support this bill. We will support it on the basis that it seems wise to provide what would, in essence, be a level playing field among Ontario, Manitoba and Saskatchewan in terms of supporting the development of an ethanol industry.

Mr. Speaker, the other provinces have moved more quickly than Manitoba. One of the problems with, of course, looking at this legislation at the moment is that the present government has taken a long time to get it this far and having got it this far wants to push it through very, very quickly. This legislation could have been brought forward much earlier during the last four years with more time for consideration.

That being said, while we support this legislation, we do have some very considerable reservations. We are indeed very strongly opposed to one aspect of this legislation, and I will get into that later on.

First of all, Mr. Speaker, the issue of energy balance. We have heard presentations on both sides of this perspective. What I would say is this, that having looked at the documentation, that when you look, for example, at the report of David Pimentel, he makes the case that this depends on the question of energy balance to the extent to which you irrigate or do not irrigate. Well, on an individual farm basis you may irrigate or not. As I would read this, in fact, you may have a positive energy balance depending on how the grain is produced and how far you have to transport it to the site of the ethanol.

On the other hand, you may have a negative balance in some circumstances where you are using larger amounts or more costly input. Suffice it to say that it seems reasonable to conclude that there are at least some farms and some circumstances where you look at the energy balance that this can be positive. I think that this argument that on average or under some circumstances there may be a negative energy balance should not be used as the sole criterion to dismiss this legislation.

The second issue, Mr. Speaker, deals with climate change and greenhouse gases. There is a claim for a modest effect, a saving in something like 135 000 tonnes of greenhouse gas emissions. When looked at in the context of the total transportation, annual production of greenhouse gases in Manitoba, which is seven megatons per year, approximately, that this is a potential reduction of greenhouse gases. If one goes along with these estimates of about two percent it is not overall a large effect. The extent of this effect is debated depending on how you do the calculations.

Clearly we heard a presenter who had come back from a conference in Saskatoon recently. The argument was put and the discussion that many of these when you do a full balance may not in fact be as positive in terms of greenhouse gases as this indicates. Nevertheless, I think one can again argue that depending on the circumstances and the use, if the incentives are appropriate in terms of greenhouse gas reduction, this may possibly have some effect in light of what is happening with the Kyoto agreement and in light of the size of the reduction. It is not impressive that this should be the major reason for driving this legislation.

There has been an argument, and I think this is a valid argument, that not only should we have a level playing field with respect to Ontario and Saskatchewan, but that by being there we will offer not only rural economic development opportunities, but opportunities for innovation.

I was impressed, for example, by the presentation of Bob McNabb from the Minnedosa ethanol producers group. Bob McNabb makes the point, made the point at committee that the co-products from ethanol production may be as

important as the ethanol in how we proceed and in providing for innovation and development of the co-products as well as innovation in development of an ethanol industry. We may in the long run be positioning rural communities in Manitoba and Manitoba in a positive sense in this economic environment and in the future potential for rural economic development.

Mr. Speaker, I have listened to the various presentations, the Foxwarren Ethanol Agency, the Keystone Agricultural Producers, the Turtle Mountain Sustainable Ventures, the Pelly Trail Economic Development group, the Agassiz Agri-ventures, and all make a good case for making these changes as a way of promoting rural economic development and providing opportunities for communities.

I think, and I will come back to this, that it would have been smart to look at the alternative ways that the dollars here that were going to subsidize the industry could have been spent and whether this is the best way to spend in terms of rural economic development.

I think, Mr. Speaker, that from a farm and agricultural perspective, again the presentation by Bob McNabb I thought was quite helpful and useful. His presentation was helpful in part because in Minnedosa there is the current existing ethanol plant, and the members of the Minnedosa ethanol producers group have first-hand experience in Manitoba with ethanol production.

*(10:50)

Mr. Speaker, Bob McNabb's comments about winter wheat, the potential for improving the market for winter wheat, for making winter wheat the preferred feed stock for ethanol production, both the comments that he made in committee and some conversations that I had with Mr. McNabb afterwards suggest that his experience in this area in the Minnedosa area should be listened to carefully in this respect, and they may offer some significant agricultural opportunities which should be considered.

I listened to the Canadian Petroleum Products Institute's presentation, and clearly there are some aspects of their presentation which should be carefully considered in the implementation of this bill.

Mr. Speaker, I now come to the part of this bill where we disagree very strongly with the approach that the Government appears to be making.

What the Government appears to be doing in this bill is to take money from the gasoline tax that they themselves in their Throne Speech have indicated that they want to dedicate solely to the construction of highways and roads and infrastructure.

It seems to me, Mr. Speaker, that the presentation by Chris Lorenc in this respect was compelling, that having made that commitment in the Throne Speech, the design of this legislation is wrong, that it may be fair to use a subsidy, which amounts in comparable fashion to the 2 cents a litre or 1.5 cents a litre or 1 cent a litre but that it should be reported in the financial reports of the Government as a direct business subsidy, and it should be included in the budget of Industry, Economic Development and trade.

Mr. Speaker, I believe it is very important to do this, because I think it is very important that we should know and Manitobans should know exactly the amount of the business subsidy and where it is going and that business subsidies should not be hidden.

I listened carefully to the comments of John Pittman from the Manitoba Chambers of Commerce, and we agree that in general the approach here is a reasonable one in terms of give a subsidy that provides a relatively level playing field, but we would disagree in this one aspect, that I think that for real transparency, it should be reported as a business subsidy because that is what it is and that it should appear as a line item in the Department of Industry, Economic Development and trade.

I think it is important that all Manitobans should know the amount of business subsidy that this legislation proposes to provide to the ethanol industry in this province, and the calculations which I have made and which I have received, which I gather indirectly through Chris Lorenc are the result of calculations made by people within government, would suggest that at the peak of the subsidy at 2 cents a litre in one of

the early years that the subsidy will probably reach somewhere between \$20 million and \$30 million in a year.

Now, the precise amount, of course, varies with the consumption of gasoline and a number of other factors, but that is a substantial amount of money. It is important that we know precisely what that amount of money is and have it reported precisely in the budget of Industry, Economic Development and of trade. The total, over the eight years, again it is not entirely certain what that total will be, but even with a generally modest side of the calculations, it is fairly clear that that total is going to be in excess of a hundred million dollars in direct business subsidy that will be provided by this Government.

It is important that that number be known, and it is important that people realize, not only in this Legislature but elsewhere, that general citizens realize that what we are voting on is a business subsidy in excess of a hundred million dollars for a new industry. Citizens should know that what we are doing is making choices. People who are involved in rural economic development should realize that the hundred million dollars could be used in this way, but it also could be used in other ways. In that fashion, if one started with a hundred million dollars and said what is the best way of using this for rural economic development, it would be interesting to know whether one would have got precisely the same answer and whether there may be more efficient ways of doing that.

I think that, for example, in the discussion from one presenter on greenhouse gases, it was indicated that spending on the ethanol may be a much more expensive way to reduce greenhouse gases than other alternatives. My point here is that if you put it to market and list it as a business subsidy, then it is transparent and clear. We as legislators and citizens in Manitoba will know the amounts that are being spent on an annual basis, the total amounts estimated, and we will be in a better position to have choices. I think that one of the things that was missing in the discussion that we had was people bringing forward alternatives to this in terms of rural economic development, and that was missing because of the way that this was presented in this bill.

Mr. Speaker, I will close at this point. I want to reiterate this very important point that the reporting of this should be as a business subsidy and that it should not be hidden so that it is hard for people to see exactly what the amount is. We see that the Government has made a commitment in this Throne Speech to spend every penny of the road fuel taxes on the construction of highways and bridges and infrastructure related to highways and that we see this as an underhanded way of diverting money. I think many Manitobans would be quite distressed if the Government uses this approach to take \$100 million or more than that that should have been spent on building roads to divert to a business subsidy to ethanol.

That is where I close. Mr. Speaker, I hope the Government will listen and list this as a business subsidy rather than trying to hide it in a more indirect way.

Mr. Ron Schuler (Springfield): Mr. Speaker, I too wish to put a few comments on the record in regard to Bill 2, The Biofuels and Gasoline Tax Amendment Act. After having been appointed the critic for Energy, Science and Technology, the first bill that was presented came across my desk, and that was in early spring. I certainly had a good look at it at that time. Of course, that bill changed substantially from the one we have in front of us right now. What is unfortunate is that the Government chose to rather fight an election prematurely, and premature it was, rather than dealing with policy issues of great importance to Manitobans. In fact, the debate on this issue should have taken place during the spring session of this year where we would have had ample time to have dealt with the issue, where we would have been able to go out in the communities and have a better debate on the entire ethanol issue.

As I will be referencing later on, as we sat in committee, we could see that there are many, many different opinions, even on the same side. I think it is important that we allow broad policy debates like this to have ample time.

What happened in the meantime, Mr. Speaker, is the election was held. Of course, the first bill died on the Order Paper, and it became history. Somewhere along the way, the federal

government decided to enter the ethanol debate, putting forward \$100 million for what they called the ethanol expansion program and, unbeknownst to most, decided in their wisdom they were going to fund three plants at \$20 million and that the first \$60 million was going to expire on November 19, 2003.

* (11:00)

The Minister of Energy, Science and Technology (Mr. Sale) approached myself as the critic and said there was a problem with the federal program because there was such a quick expiry date put on the first \$60 million that something had to be done in Manitoba because we did not have enabling legislation.

October 1, the minister, the Member for Russell (Mr. Derkach) and myself met. We had discussions. The minister laid out very clearly what the difficulties were, that there was a time line and to be able to even bid on any of that money we needed enabling legislation. As the Opposition, we agreed we would look at giving leave to hurry-up mode on the bill. The minister said it would basically mirror the first legislation that had been brought in, in the spring, and that within two weeks he would have something available for the Opposition.

We waited patiently, waited three weeks, at which time I sent a letter to the minister, I would like to just read that for the record, in which we stated: Dear Minister, on October 1, 2002 a meeting was held in your office dealing with proposed ethanol legislation—it was Bill 11, The Biofuels Act. At that time you and your assistant, Patrick Caron, expressed concern about federal money expiring which was to be used to support an ethanol industry. Your request at that time was for leave to introduce new legislation dealing with ethanol, November 20, 2003, and, potentially, leave to deal with the legislation by December 4, 2003.

At that time, Mr. Speaker, you made a commitment that, within two weeks, we, the Official Opposition, would receive a spreadsheet identifying the changes to proposed Bill 11. This would allow for the Opposition to seek advice and opinions on the intended legislation in advance of it being introduced November 20.

It is now three weeks after our meeting and neither the Member for Ste. Rose (Mr. Cummings) nor myself have been contacted by you or your assistant. We would like clarification as to when we can expect a copy of the changes being proposed to Bill 11 as time is running out on this important issue and we would appreciate a response from you as soon as possible.

Signed, the critic for Energy, Science and Technology.

After giving the minister an encouraging nudge to move on with the legislation, Mr. Speaker, the response was immediate. By October 31, we had a meeting with the minister. Myself, the Member for Emerson (Mr. Penner), the minister and departmental staff sat down and had a long discussion on the bill.

At that time, the minister laid out clearly where he and his Government were intending to go with new legislation. The approach they were going to take was a subsidy and mandate approach, of course a 10-year subsidy scaled down. It is all in the legislation before us.

We again agreed to give leave. We said we would allow it to go into hurry-up mode, again, the time line being a lot tighter at that point in time because we had lost considerable time from the first meeting to when we actually saw legislation a month later.

To the credit of the department and the minister's staff, we did have a lot of follow-up questions and the minister and Rory, whose last name I do not know, but works for the Government, and Patrick Caron were very good at turnaround time in answering questions and getting us the information that we needed. We would like to thank them for that.

Again, keeping in mind that all the way through the difficulty for us on this was that it is a substantial piece of legislation. That hurry-up mode was something that we were very uncomfortable with.

Mr. Speaker, the bill was tabled and went through first and second reading and went to committee. Many presentations came forward. We were pleased with the thoughtful and well-

rounded presentations on both sides of the issue. Covered from a philosophical perspective on respect, A versus B, to real brass tacks kind of issues of local development, a lot of questions came forward and issues that I have dealt with in other speeches, the questions of: Is this a Kyoto commitment? Does this help with some of the obligations of what we can now call the crumbling Kyoto commitment?

What we found, Mr. Speaker, were presenters on both sides, presented credibly, laid out a lot of information, a lot of science. At best, for an environmental argument, I would say there is a hung jury. There seem to be compelling arguments on both sides.

The question of is this economic development..Again, we had a lot of debate on both sides of the issue. The question of will this benefit Manitoba farmers or will cheap, subsidized corn from the United States be the beneficiary. Again, we had healthy debate on both sides, the question of will this benefit U.S. farmers or Canadian farmers, arguments on both sides.

Throughout the whole process, Mr. Speaker, we have stated clearly and again here at third reading that hurry-up mode and the debate being cut short is a real difficult position for us, the Opposition, to be in. For legislation, this encompassing hurry-up is problematic. For legislation that is so involved in the lives of Manitobans, legislation that is in fact so invasive in all of our lives, hurry-up has to be problematic.

It will deal with taxes. It will deal with our very daily lives of how we transport ourselves, goods and services. As the minister knows, a seasoned politician in this Chamber, the Opposition's role is to see to it that legislation is given full debate. In fact, if you view this Chamber, unique in parliaments throughout the world, it is not a linear set-up. It is actually in a horseshoe because we have this committee system where we have a lot of public input. In this instance, again, hurry-up is problematic.

We as the Opposition again have agreed to allow this to proceed today to move forward. We do so with grave concern with the hurry-up mode. In the end, this was not necessary. The bill could have been dealt with in spring. Pure

political motives got in the way. An unnecessary early election was deemed far more important than dealing with the kinds of legislation like this and others that will be coming. Hurry-up mode is where we find ourselves.

I believe that, even at committee, there would have been a lot more presentations if more time would have been given. Alas, this is where we are.

In the end, I would like to wish all of those who did apply to the federal government and will be allowed to ask for some of that \$60 million, we wish them well. We know that there are a lot of communities who are looking at this who feel that this is going to be a big benefit, a strong impetus into their economy. We, as the Conservative Opposition, certainly wish them well. We hope that we have individuals at the federal level, at the federal cabinet table, who will be standing up for us, our political ministers at the federal level, that they will stand and fight for us as Manitobans and see to it that at least one of the three plants be located here. We wish all of our proponents well.

Mr. Speaker, I wish then to conclude my comments on Bill 2.

* (11:10)

Hon. Tim Sale (Minister of Energy, Science and Technology): In closing debate on this bill, Mr. Speaker, I want to again thank my colleagues, both on our side of the House and on the Opposition benches, for allowing us to move this bill along in response to the federal government's—

Mr. Speaker: Order. I just want to make a correction here. It is the mover of the motion that closes debate, so after the minister speaks, if other members wish to speak, you are still allowed to speak. It is only the mover that closes the debate.

Point of Order

Mr. Speaker: The honourable Government House Leader, on a point of order.

Mr. Mackintosh: My understanding is that the minister was intending to speak last. I think that

was the intention, so if there are members opposite that wish to add to the debate, we welcome that before the honourable member contributes.

Mr. Speaker: If there is a friendly agreement, because our rule states it is the mover of the motion that closes the debate, and the honourable Government House Leader was the one that moved the motion—I am only following the rules. If there is a friendly agreement, that is fine.

* * *

Mr. Sale: Thank you, Mr. Speaker, I appreciate the clarification. I also appreciate your adherence to our rules. I again underline my thanks to all members of the House for allowing this debate to move forward in a speedy fashion.

I have said many of the things that I would want to say on this bill, so I will be brief. I want to underline my concurrence with the comments of the honourable member who was my critic. I was his critic in Opposition. He has been my critic at various points. He has spoken strongly about the need for all of us to try and make sure that the federal government hears very clearly the level of support for the emergence of this industry from our rural communities.

I invite members opposite, through whatever channels they have access to, whether they are Liberal channels or other channels, to attempt to make it very plain to those who will make decisions on the allocation of the \$60-million initial federal support program that the case for Manitoba is strong on the basis of costs of production. It is strong on the basis of a mandate. It is strong on the basis of our community's engagement in this process because the goal of those who put forward this program at the federal level from the Liberal caucus, led by Julian Reed, by the way, a very formidable member of that caucus and a rural member from Brant, was precisely for community economic development and for the farming community of this country to have a ready market for feed wheat, feed grain, winter wheat that would otherwise not find its way as advantageously into the market as well as to develop the first steps in a transportation fuel economy that is not based on the fossil fuel industry.

As I have said in debate, there is no disagreement that at some point our economy has to evolve away from 100% dependence on fossil fuel and into a renewable fuel economy. There has been no technology in the world that I know of that has ever been introduced without some significant leadership on the part of government. Whether it was the action of Sir Rodmond Roblin to put in place the Manitoba Telephone System or whether it was the action of governments in the 1950s to create the Manitoba Hydro-Electric Commission, which was the predecessor to Manitoba Hydro, or whether it was actions to develop new forms of industry, aerospace, transportation, railways, airlines, all of these major infrastructures that we take now for granted as private sector driven, essentially had their origins in public policy. I believe this industry is no different, that the ability to take advantage of the technology, the markets and the opportunities to move, for example, distillers' grains into the human food chain, not just the animal chain, will depend on public sector leadership.

I want to, again, underscore my critic's thanks to the communities who came so readily to be enthusiastic about the opportunities and to call on all of us to do our very best to ensure that this industry is not only developed at a level for Manitoba's needs but becomes a supplier to the Ontario market, which the government of Ontario has recently announced will greatly expand when, in 2005, they move to a 5% mandate and several years later move to a 10% mandate, which will require in the range of 1.5 to 2 billion litres of ethanol to be produced to serve that requirement.

I see this as a great opportunity for many, many Manitoba communities, but it will require all of our support in a non-partisan way to ensure the opportunities can be fully exploited for the benefits of all Manitobans, all Manitoba rural communities, all Manitoba farmers.

I am encouraged, Mr. Speaker, by the tremendous support the Manitoba Chamber has given to this and the Keystone Agricultural Producers, who were unequivocally enthusiastic and appear to have done their homework extremely well in regard to the emergence of this industry, in fuel terms, in feed terms, by-product terms,

economic development terms. They have done their homework. They know it is a very good opportunity, but no opportunities ever are successful without hard work.

As I said to the honourable Member for Ste. Rose (Mr. Cummings) in committee the other night, this is just one step on the road to developing the kinds of industry opportunities that our rural communities want. All of us are going to have to be part of making that a reality. So I invite the collaboration of all members in making sure the federal government does not do what it did on the CF-18 and essentially reward a large market in the largest part of the country but indeed makes possible for the smaller provinces, namely Saskatchewan and Manitoba, to reap the rewards of their commitment to their rural communities and to ensure that a significant portion of that initial tranche of \$60 million comes right here to Manitoba to get this industry started. Once it is started I know it will grow.

With those remarks, Mr. Speaker, I thank all members and look forward to the passage and enactment of this legislation.

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

Some Honourable Members: Question.

Mr. Speaker: The question before the House is concurrence and third reading of Bill 2, The Bio-fuels and Gasoline Tax Amendment Act.

Is it the pleasure of the House to adopt the motion?

Some Honourable Members: Agreed.

Mr. Speaker: Agreed and so ordered.

An Honourable Member: Agreed on division, Mr. Speaker.

Mr. Speaker: Agreed on division.

Bill 3—The Helen Betty Osborne Memorial Foundation Amendment Act

Hon. Gord Mackintosh (Government House Leader): Mr. Speaker, I move, seconded by the

Minister of Labour (Ms. Allan), that Bill 3, The Helen Betty Osborne Memorial Foundation Amendment Act; Loi modifiant la Loi sur la Fondation commémorative Helen Betty Osborne, reported from the Standing Committee on Social and Economic Development, be concurred in and be now read for a third time and passed.

Motion presented.

* (11:20)

Mr. Gerald Hawranik (Lac du Bonnet): Mr. Speaker, in Canada the foundation movement started in Manitoba, and, as a result of it starting in Manitoba, we, in fact, have more foundations that are registered in Manitoba than any other province. We recognize the importance of foundations in Canada. They provide funding for other charitable groups and organizations in our province.

Mr. Speaker, I think the most difficult task of any charity is usually in raising enough money to carry out its charitable purpose, and foundations are funders of other charities, and, therefore, they, through donations to other charities, allow these other charities to deliver services to our community, services which our communities and our residents have, in fact, come to expect and deserve.

I recognize the importance of the Helen Betty Osborne Memorial Foundation in their charitable work. I believe it is an important foundation in memory of Helen Betty Osborne. The value of any foundation is really not in receiving donations but, in fact, in giving grants, bursaries and scholarships to any community. Without giving these grants, bursaries and scholarships, there is no reason to donate to a foundation. Giving to your community generally produces more donations which, in turn, helps the community even more.

This bill permits the Helen Betty Osborne Memorial Foundation to use the capital portion of the fund for the purposes of grants, scholarships and bursaries. Currently, the foundation only has the authority to use the income from the foundation, and that is really the only purpose for the bill.

Now, there are certain reasons why this bill should be introduced, one of which is the fact that many other foundations, in fact most foundations in Manitoba already have the ability to use income to give out grants.

The second reason is that because of low interest rates, low returns on investments, on capital, what has been happening is that because The Income Tax Act does have a requirement under it to give out 3.5 percent of the capital of any foundation in order to retain their charitable status, because of those low interest rates, they, in fact, have to dip into capital in order to comply with The Income Tax Act. Therefore, I believe that it is an important amendment, I think, to this foundation.

As a caucus, we had some concerns about the bill, and our concerns revolved around the fact that some donors who believed that the capital amount of their donation would be preserved in perpetuity may now be affected. Had they known that the capital was not going to be preserved, they may not have even given to the foundation.

Our concern was that the rules were being changed midstream without regard to the donors to the foundation who contributed to the capital of the fund. I can tell you, Mr. Speaker, with respect to this matter, the minister provided us with his written assurance that, in fact, the capital of the fund would be protected by way of regulation up to the time that the bill comes into force unless, of course, the donors otherwise direct.

In addition, as I say, the minister did provide us with that written assurance last week, and further to his written assurance, he say, further to expressed concerns about protecting direct donations given to the foundation on a presumed understanding that monies go to the capital fund, I propose that a regulation be drafted stipulating that the amount of donations made at the time the bill comes into force shall be protected from payment out for scholarships, unless donors otherwise direct in writing.

That was an important issue for us, and, in fact, at committee a few days ago, the minister also gave us that assurance that he would consult

with myself as critic in the area in order to draft the appropriate regulation to cover our concern.

With that, Mr. Speaker, I end my debate.

Mr. Kevin Lamoureux (Inkster): Mr. Speaker, I had opportunity in second reading to express concerns or thoughts in regard to Bill 3. I just want to reinforce that we want to ensure through regulations that the capital of the fund itself be protected in some form. Otherwise, as I say, I believe I had put on the record in second reading more comments as to the importance of the fund itself in many different ways.

With those few words, we are prepared to see it pass through third reading. Thank you.

Mr. Mackintosh: I thank members opposite for their contributions, their advice and for participating in pursuing this to a vote. This was, of course, legislation brought forward at the request of the board. We are very pleased at the vigour that they are showing as an organization now in fundraising. We are certainly seeing very positive developments at the foundation and look forward to their fundraising efforts this spring.

I invite all members to participate in that gala. The fundraiser has, I think, discovered a niche for fundraising and that is the auctioning of Aboriginal art. It certainly was a very great success for the first gala that took place last year.

I thank the members for their attention to this bill.

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

Some Honourable Members: Question.

Mr. Speaker: The question before the House is concurrence and third reading of Bill 3, The Helen Betty Osborne Memorial Foundation Amendment Act.

Is it the pleasure of the House to adopt the motion? *[Agreed]*

Bill 4—The Employment Standards Code Amendment Act

Hon. Gord Mackintosh (Government House Leader): I move, seconded by the Minister of

Labour (Ms. Allan) that Bill 4, The Employment Standards Code Amendment Act; Loi modifiant le Code des normes d'emploi, as amended and reported from the Standing Committee on Social and Economic Development, be concurred in and be now read for a third time and passed.

Motion presented.

Mr. Kevin Lamoureux (Inkster): Mr. Speaker, I wanted to put a few words on the record in regard to Bill 4.

Bill 4 is interesting in the sense that it is actually going to be the first real piece of labour legislation I have had the opportunity to speak to, Mr. Speaker. I guess I should start off by giving credit where credit is due. This bill is, in essence, broken into two parts. The first part deals with compassionate leave. The second part deals with parental rights in having EI benefits and then being able to have a job after being on those benefits. Both of those initiatives were, in fact federal initiatives. That is in fact why we have the bills before us today because the federal government looked at these two programs and thought that it was a progressive way of providing for the workers, not only in Manitoba but in Canada, a more compassionate way of dealing with a parent that has fallen ill or for a birth of a new child in a home, in allowing for a parent to remain at home. We see them at both extremes.

I was really encouraged to see legislation of this nature come forward that really reinforces good positive initiatives. It was encouraging to hear that the Manitoba Labour and Management Review Committee did get the opportunity to review and has unanimously supported what we are talking about today.

Mr. Speaker, what I wanted to really focus some attention on, because it is an issue that really is raised time and time again, the NDP like to take credit in a couple of issues. One is health care, that they rule on health care. We just take a look at their track record over the last four years. You will find that that is not the case.

On labour, this is one which I feel quite passionate about because I was around, Mr. Speaker, when the New Democrats killed final

offer selection. You know something? There are so many people, so many workers, the average worker in the province that benefited by final offer selection, yet this is the political party that killed final offer selection.

For those members, I can see a couple of them in dispute here, a bit confused. The member from Thompson should explain to the ones that were not around back in '88 and '90 when Mr. Jay Cowan and the member from Thompson, the current leader, the current Premier of our province, killed final offer selection. It was to the detriment of the workers in this province. All they had to do was support the Liberals' initiative that would have made final offer selection prevail. It would have been here today.

So I am a bit sensitive when it comes to labour legislation, because the New Democrats, time and time again, try to take credit for trying to represent the interests of the workers in this province, but the record is very clear that they do not.

When you take a look at this particular bill, the federal legislation to protect the parent that chooses to stay home passed in 2000. Many provinces have already brought in the legislation to protect the interest. Yet you have the New Democrats here in the province of Manitoba who are way behind the eight ball once again when it comes to protecting the interest of the parent, Mr. Speaker.

* (11:30)

In fact, one has to question why it is it took this Government so long to bring in this legislation. Well, this is not something that was new. Representatives from the Labour Management Review Committee have indicated that the department have received many phone calls saying that there are people that have been negatively affected and that there was in fact a need for this sort of legislative amendment. Why did it take so long for this Government to bring it in? I will suspect, Mr. Speaker, the reason is because of the second federal initiative, that being of compassionate care. When they saw the compassionate care issue, they realized yes, this is something that is positive, we want to bring it in.

In doing that, they figured well, just as well, bring this other component along with it,

because we are bringing in Bill 4. I believe it was more of a tag-on. Again, it amazes me how a government that likes to preach that they represent the workers lags behind so many other provinces when it comes to protecting their rights. Mr. Speaker, the record clearly shows that. Even representatives from the Labour Management Review Committee, in one of the reports, makes reference to the fact of the number of phone calls on this.

The first thing that comes to my mind is why then did this Government sit on that particular issue. Instead, what we see is legislation being brought through in the fashion that it is as opposed to why not come in a few days earlier to allow for more debate inside the Chamber, to allow for possibly more time in our committees, to allow for outside organizations, the average worker maybe, possibly for employers to be able to come to committee to be able to add comments, to be able to meet with critics. But instead, this Government did something which it opposed doing while it was in opposition. In opposition, this Government condemned the Tory government whenever they brought in legislation and said, we have to get this legislation passed and it has to be passed immediately; sorry for limiting debate and so forth.

When this Government was in opposition, Mr. Speaker, they did not tolerate it. They said that that was not the way democracy should work. Well, what happened to applying those same sorts of principles to the legislation that they bring to this Chamber? Instead they bring in the legislation. And I can appreciate why. The reason why we are prepared to see it pass third reading is, unlike this Government, we do care about the workers and we do see that this legislation will benefit the workers. We do care about compassionate leave, and that is the reason why we are prepared to see this bill pass today.

But shame on this Government, shame on a government that does not care for the workers, when, back in 2000, legislation was passed and this Government did absolutely nothing. Other provinces around us did, but not this Government because they like to preach that they care, but we know full well, like they do in health care, that their record speaks volumes. Actions speak louder than words. I trust and I hope that

we will see more progressive legislation coming from this particular ministry. I must say, I am disappointed. This minister has only been at the job for how long, and the only other piece of legislation after bringing in this was setting up the immigration group. I will tell you, I will reserve my comments on that speech, and, hopefully, I will get an opportunity to speak long and hard on that particular bill because I see what the Government is really trying to do here on that particular bill.

But having said that, I want to be sensitive to the need for other members to be able to speak on this bill. I hope we will see more labour legislation coming from this Government. My intention is to hold this Government accountable on the issue of labour because, quite frankly, they have done a disservice to the average working person in this province. They have done a disservice to the average union member in this province. They cater to the union elite, to their friends within the union elite. They do not cater to the average working man in this province. I take exception to a government that claims to represent the worker, but we know full well—*[interjection]*

To the Minister of Labour (Ms. Allan), working women are a part of the working force, so when I talk about the working people we are talking about men and women. I do not need to take lectures from a New Democratic Party that is in government that does not stick to the same sorts of policies that they stood up in opposition to talk about.

An Honourable Member: Are you for or against the bill?

Mr. Lamoureux: The Member for Thompson (Mr. Ashton) says do I support the bill. Well, Mr. Speaker, let me be candidly clear to the Member for Thompson, our minister of waters, I and the Liberal Party support this bill. It is the federal Liberal government that we should be thanking. If it was not for the Liberals in Ottawa, we would not have this bill here today. In fact, if this Government was more proactive we would not have the one component to this particular bill, because it should have been brought in well over a year ago. Some might even argue that it could have been brought in back in late 2000,

maybe the beginning of 2001, but I was prepared to give the Government a little bit of leeway.

I hope and I trust that this new Government of sorts will in fact spend more time reflecting on the days in which they were in Opposition, the pacing of Jay Cowan in the back here on the final offer selection debate, the way they killed final offer selection.

I am going to conclude, because the Member for Thompson might attempt to mislead the New Democrats, today's NDP, on what happened on final offer selection. You have your choice. You can go to the Member for Thompson, the Member for Thompson will sell you goods on the final offer selection. When you are done listening to the Member for Thompson, you come talk to me on the side here, and I will tell you really what did happen, the truth.

The truth will hurt, but there is a quote in the Bible that says the truth will set you free, and I am prepared to share the truth on final offer selection, because it was the New Democrats that killed final offer selection in this province. Shame on them because the only time in which they tried to do anything for the workers of this province is when we put their feet to the coals and maybe created a little bit of heat for them.

My intention is to make the New Democrats feel uneasy because they are not doing the types of things they should be doing to protect the workers of this province.

With those few words, I thank you for being able to speak on this particular bill as I indicated. It is a good bill. We look forward to it getting Royal Assent and we trust that the Government will attempt to get its act in order for the next session and we will get some more progressive legislation before us.

Mr. Stuart Murray (Leader of the Official Opposition): I rise to put a few words on the record with respect to Bill 4. I do want to say, Mr. Speaker, at the outset that I would like to acknowledge the work the Member for Springfield (Mr. Schuler) has done in bringing some of the issues, whether it is in this Chamber or at the committee level. I think his work has been

exemplary and I would like to acknowledge the time, effort and energy he has put into it.

I say that for two reasons: One is I know he is a very hardworking member, first and foremost. I think everybody in this Chamber knows that. Secondly, I think it is important to recognize that this legislation, once again, we find ourselves in what is called a sort of hurry-up mode, that is, how do we get this through as fast as we possibly can with ultimately what appears to be as little discussion on it? So that it allows to look at the enabling legislation the federal government has brought in.

* (11:40)

Mr. Speaker, I think whenever you are put in a position where you are trying to put legislation through in a very, very quick manner we find there are always issues that have to be dealt with. The Member for Springfield, working with the Minister of Labour (Ms. Allan), I think, did a commendable job in trying to point out some of the areas that perhaps could have been improved and acknowledging at committee level that there was no opportunity to look at any amendments, which is unfortunate but that is the process. The Doer government of the day will live with those decisions, as we have seen happening through this process of hurry-up legislation.

I do, as I say, want to pay credit to the Member for Springfield (Mr. Schuler) because, as the critic, he provided a lot of background. Some of the issues that were good, he was very, very clear to point out those that make sense, those issues that we absolutely stand in this House and want to support. I think he also did an exemplary job of pointing out some of the pratfalls, the trips and the traps, of this legislation. So I want to commend him for that.

I do find when we were looking at this bill and sitting in committee, there were a number of issues that stuck out in my mind. I think the Member for Springfield agrees with me on this that there are parts of this bill that make a tremendous amount of sense, should be done and should be passed immediately. There is always reference to the back part of this bill that would have benefited, and I think would have been strengthened, made stronger for the workers of

Manitoba, made stronger for those people, those men and women, that are part of our workforce in Manitoba, the men and women that make our economy go, the men and women that get up every morning. Whether they be single parents or whether they be families with respect to husband and wife, these people who get up and make a difference in the province of Manitoba, I think this could have been strengthened for the workers of Manitoba.

Mr. Conrad Santos, Deputy Speaker, in the Chair.

I am only reminded that it was the Doer government that rammed through legislation in their previous session that showed they were really not even pro-worker, that they would not allow a democratic vote for workers with respect to unionization, that they would allow the old, sort of union-boss ways of intimidation. I believe we could have strengthened this bill. We could have made it much better for the workers of Manitoba had we had an opportunity to really debate it properly in the Chamber, bring in Manitobans, men and women.

I will acknowledge and compliment the Minister of Labour (Ms. Allan). I know the Labour Management Review Committee met on this. I understand that. It is part of the process. I think that was how this came to fruition. I do not argue with that. My argument simply is that I believe it is wrong for a government to bring in legislation that so very much is focussed on hard-working men and women and basically does not give them a chance to look at this to ensure this legislation helps men and women in the province of Manitoba, the working men and women of Manitoba.

I want to specifically make a couple of comments. I do find that when we went through committee, again, I only point this out for the record, but we do know that even at committee there had to be a change made to 96.1(1), the bill they had been handing out at committee. They had to make an amendment, or, I should say, a proposed change from the Government because of an error.

I do not think it was a substantial error. I am not here to be critical of that. I am just again

suggesting, Mr. Deputy Speaker, that when you look at putting something through in a very hurried fashion, there is an opportunity that mistakes are made, and we saw that this was the case at committee.

I do have, Mr. Deputy Speaker, some issues that I would like to put on the record with respect to Bill 4, and it has to deal with 59.2(3) and all through that section, 59.2(4) and (5), and what I find is the issue about whether a family member has a serious medical condition with a significant risk of death within 26 weeks and they talk about certificates being issued in that clause.

Then they go on to another, 59.2(4), and they talk about, may wish to take leave under this section, at least one pay period unless circumstances necessitate a shorter period. Then they go on to another section, Mr. Deputy Speaker, 59.2(5), that talks about a copy of a physician's certificate is required.

I think, again, the point I would make here is quite simple, that what this should be is this legislation should be in place to make a very simple, well-thought-out opportunity for the men and women of Manitoba.

Mr. Speaker in the Chair

It should be a very straightforward explanation of what is required with respect to this part of the legislation, Mr. Speaker, but rather what it does, it becomes very confusing. I think rather than making it more understandable and more supportive for the hardworking men and women of Manitoba, it makes it more confusing for the employees.

Again, Mr. Speaker, I only draw it to the minister's attention and, indeed, the Doer government's attention, that had we had an opportunity to have a more fulsome debate, which I think is important around all legislation, I think that some of these issues could have come forward and been explained and explored and looked at, so that ultimately at the end of the day I think if we are going to put legislation in place for employees, that those employees should be able to look at this and say without any hesitation that they understand it, that it makes

sense, that they are appreciative because it represents the issues that are important to them, and I think that we missed the opportunity because of the hurry-up mode that we went into to get this legislation through.

I will make a couple of other comments that I saw in this, Mr. Speaker, and, again, I was looking at 96.1(2), the administrative costs, and I just find that this is quite unacceptable because, once again, I think we see that there is a history that we know with this Premier (Mr. Doer). He is a premier who is quite unusual, and I say that in the sense that I do not know too many premiers who take a rip at the business community the way that this Premier has done.

I always remind the Premier that it is because of hardworking businesspeople who create jobs for the men and women of the province of Manitoba, that it is because of those entrepreneurs who are trying, sometimes under some difficult situations put in by what we have seen with the Doer government in the past number of years with their labour legislation, that we see some of the difficulties that these businesspeople are put in, yet they try everyday to go out and grow their business.

They try everyday to go out and ensure that the men and women of Manitoba have an opportunity to work in the workplace to provide for their families, and what we find is that the Premier likes to make reference to the business community, the Chambers of Commerce, as, and I think his quote was, one-trick ponies.

* (11:50)

I find that it is incredible that he would take a run at the business community that way because it is those people who provide the taxes that allow him as the Premier of the Province, the Minister of Finance (Mr. Selinger) and the Government to create expenditures for programs. So, without those people in the business community allowing this province to grow on the basis of taxation that is being paid, then any government, regardless of their political stripe, would not have the opportunity to fund programs that are much required for the people of Manitoba. We have businesses already, in Manitoba, and of course, Mr. Speaker, when you talk about

the employees in that business, we all know that they are the highest taxed west of New Brunswick, and that is punitive to the hardworking men and women of Manitoba. We know that. That is put on by the Doer government.

What troubles me, Mr. Speaker, is the administrative costs in 96.1(2) that talks about an order that they must require the employer to pay an administrative cost of \$100 of any compensation ordered, whichever is more, to a maximum of \$1,000. It is 10 percent or a maximum of \$1,000. At some point you wonder do not the businesses in Manitoba pay taxes already. If they do pay taxes in Manitoba, why would they want to rip another pound of flesh from the employer? I have trouble with that particular clause because I believe, and again I think, that businessmen and women, the entrepreneurs, those people that employ the hardworking men and women of Manitoba, pay enough taxation that this clause should be struck. It should be taken out. We asked in fairness and again I make reference to the member from Springfield who, during committee, asked if there was an opportunity to make some friendly amendments to the legislation, was told that was not on, that there was no opportunity to do that. I know he will put his own words on the record with respect to this, but I do find, again, this is a punitive approach, an attack on business for no particular reason.

Now, some might look at it and say you are talking about \$100 or a maximum up to \$1,000. Mr. Speaker, first and foremost, it is the principle. The principle is that businesses pay taxes in the province of Manitoba. Some would argue they are too high. But the fact is that they pay tax in the province of Manitoba, and I would think that the taxation that they pay is enough, is adequate, would more than cover anything that is being referenced in Bill 4. Yet, the Government, the Doer government has to take another pound of flesh out of the business community by punishing them and saying, on top of the taxes that we already collect, you are now going to have to pay an additional \$100 or it could be up to \$1,000.

I find that repugnant because I think that this Government takes enough taxation out of the hardworking men and women, out of the busi-

nesses, that this clause should not exist in Bill 4. I find that it is interesting that was, I think it was in the Doer government's first mandate, the bill that they brought in. I think, if my mind serves, Bill 44 was the labour legislation that was anti-worker, and that did not allow workers in the workplace the ability to decide in a secret ballot whether they wanted to participate in a union or not. That right was ripped away from them.

So this is Bill 4. It is mini 4, mini , from 44 to 4. I believe what we should be talking about and debating in this Chamber is all about the workers of Manitoba and ensuring that those workers have legislation that supports them. Part of this legislation I acknowledge the Minister of Labour (Ms. Allan), absolutely does. She should deserve and the government should deserve and take credit for that because we support it. But I think there are parts of this legislation that, unfortunately, because we did not, we as legislators, we as the broader public, did not have a chance to really have a look at how this legislation will be played out to the men and women of Manitoba. I think that that is unfortunate. I do not for a minute say that the Labour Management Review Committee that was set up—I applaud them. I think they do good work. But they themselves, and I think they would admit, are not a perfect body. They would not purport to be a perfect body. I think the body, Mr. Speaker, comes down to the working men and women of Manitoba.

That is the body, the hardworking body that I believe should have had an opportunity to come forward, be part of this debate, to see how they could ensure that the language that was used, the direction that was used—when you are talking about compassionate leave, what are the issues that really make sense to the workers, because they do not know at this point whether they have to get a doctor's certificate, whether they have to ensure that they have one pay period, whether they have to ensure that they turn on a dime, whether they do a headstand. They are not sure, and I do not see in this legislation where it is clear what it is for the men and women of Manitoba to make this legislation work specifically for them.

I heard in some of the other comments that were made, I think they were made by the

minister responsible for—I apologize, it has just gone out of my mind, but the honourable member who brought in the bill on ethanol. I know that he made comments about the number of people who came forward at committee, came forward during the community hearings, who were all part of these discussions, and I think the words that he used was that the homework was extremely well done with respect to legislation in Bill 2.

I must tell you, Mr. Speaker, that I do not think that was the case with the entire Bill 4. I do not think that the homework was done. I do not think that there was an opportunity to ensure that we had a bill in front of us that really, really mirrored what is happening in the workplace or what is right for the workers, so that they understand this legislation very, very clearly.

Mr. Speaker, I want to be very clear, though. I think that the Minister of Labour (Ms. Allan) was put in an impossible position. I think she worked very hard and very diligently, and she brought these issues forward, but I think she was put in an impossible position by the Premier (Mr. Doer) of the Province of Manitoba by wanting to ensure that this legislation gets through so that he has the ability to trumpet what was done, to trumpet the fact that this was important, to trumpet the fact that they were able to in a hurry-up way get this legislation done.

So what did we end up finding? Again, I applaud the Minister of Labour. I think she was put in an impossible position. I think that under the circumstances, I believe that she got her briefing the same day as the Member for Springfield (Mr. Schuler) got his briefing on this bill. I think that that is not how we would like to see bills debated in this Chamber. I do not think it is helpful to the Government's side nor certainly for those of us on the Opposition side, and members across in Government were on the Opposition side and so have an understanding of why it is important that we as legislators have the opportunity to be part of this process.

I do believe, Mr. Speaker, that this bill has some merit. I have been very clear on the parts of the bill that I find troubling. Again, as I close, I want to congratulate the Minister of Labour (Ms. Allan) on her new position, and we look forward to many bills coming from her and debating with her in the Chamber those bills.

I do want to close by saying that I think the Premier of the Province of Manitoba, who will be delivering a speech to the Chamber of Commerce sometime next week on the state of the economic situation in Manitoba, I hope that rather than talk about all of the political rhetoric we hear from him, I hope that he stands up and his opening line to the Manitoba Chambers of Commerce is: I am delighted to speak to a group of one-trick ponies. I hope he is as honest with the business community in front of their faces, Mr. Speaker, as he is behind their backs in this Chamber. That is the kind of political rhetoric we hear from this Premier everyday. It is always something on the business community: They do not understand this; they do not get this; they do not do that; they are not here.

Mr. Speaker, those are the businesses that comprise the men and women of Manitoba who pay the taxation so that this Premier is able to do the kinds of things that he wants to do. I think it is important that, rather than speak out of both sides of his mouth and say one thing in this Chamber to diss the Canadian Taxpayers' Federation, the Manitoba Chambers, the Winnipeg Chamber which he has done in this Chamber numerous times, rather than hear him do that, I hope he has the fortitude to stand and do the same for the Manitoba Chamber when he addresses them.

Mr. Speaker: Order. When this matter is again before the House, the honourable Leader of the Official Opposition (Mr. Murray) will have unlimited time.

The hour being 12 noon, this House is recessed until 1:30 p.m. this afternoon.

LEGISLATIVE ASSEMBLY OF MANITOBA

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