

**First Session - Thirty-Ninth Legislature**  
of the  
**Legislative Assembly of Manitoba**  
**DEBATES**  
and  
**PROCEEDINGS**  
**Official Report**  
**(Hansard)**

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The Honourable George Hickes  
Speaker*

**MANITOBA LEGISLATIVE ASSEMBLY**  
**Thirty-Ninth Legislature**

<b>Member</b>	<b>Constituency</b>	<b>Political Affiliation</b>
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ALTEMEYER, Rob	Wolseley	N.D.P.
ASHTON, Steve, Hon.	Thompson	N.D.P.
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GERRARD, Jon, Hon.	River Heights	Lib.
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HAWRANIK, Gerald	Lac du Bonnet	P.C.
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## LEGISLATIVE ASSEMBLY OF MANITOBA

Thursday, October 25, 2007

**The House met at 10 a.m.**

*PRAYER***House Business**

**Hon. Gord Mackintosh (Minister of Family Services and Housing):** Mr. Speaker, would you canvass the House to see if there's leave for the two committee meetings called for Monday evening, the Standing Committee on Social and Economic Development and the Standing Committee on Justice, to start at 6:30 instead of the 6 p.m. set out in the rules?

**Mr. Speaker:** Is there unanimous consent for the two committee meetings called for Monday evening, the Standing Committee on Social and Economic Development and the Standing Committee on Justice, to start at 6:30 p.m. instead of 6 p.m. start, as required by the rules of the House. Is there agreement? [*Agreed*]

There is agreement.

**ORDERS OF THE DAY****PRIVATE MEMBERS' BUSINESS****SECOND READINGS – PUBLIC BILLS****Bill 209–The Historic Trans-Canada Highway Act**

**Mr. Speaker:** Is it the will of the House for the bill to remain standing?

**An Honourable Member:** Not standing. I haven't introduced it.

**An Honourable Member:** No, it hasn't been introduced.

**Mr. Speaker:** Is the House ready to deal with it?

**An Honourable Member:** No.

**Mr. Speaker:** No? Okay well, we won't proceed with it.

**Bill 210–The Workplace Safety and Health Amendment Act (Harassment in the Workplace)**

**Mr. Speaker:** We'll move to 210, The Workplace Safety and Health Amendment Act (Harassment in the Workplace).

**Hon. Jon Gerrard (River Heights):** Mr. Speaker, I move, seconded by the MLA for Inkster (Mr.

Lamoureux), that Bill 210, The Workplace Safety and Health Amendment Act (Harassment in the Workplace); Loi modifiant la Loi sur la sécurité et l'hygiène du travail (harcèlement dans le lieu de travail) be now read a second time and be referred to a committee of this House.

*Motion presented.*

**Mr. Gerrard:** Mr. Speaker, I'm moving at second reading The Workplace Safety and Health Amendment Act, an act which would provide for measures to reduce the extent of bullying in the workplace. This is a bill which we have, in fact, introduced once before at a previous session and which we're reintroducing. Part of the reason for bringing this back is that, in spite of some new regulations which the NDP have brought forward, the situation is still serious in terms of harassment in the workplace, and I continue to get calls and e-mails and people asking me to bring this forward because they see this as particularly important.

Bullying is a problem in the workplace both for employers and for employees. For employers, it is a cost, it is disruptive to have bullying in the workplace, and it hurts morale, so it hurts productivity. It hurts the workplace environment, and it's one of the causes for increased turnover and loss of valued employees because there's been bullying in the workplace. So it is important that we have approaches which are going to be effective in dealing with bullying in the workplace, and that's why we're bringing forward this bill.

It is important, interestingly enough, when we're talking about bullying in the schools, that we have measures not only which address bullying by young people, by students in schools, but that we have this complementary approach which will decrease the extent to which there's bullying at the workplace, that is, that teachers have been impacted by bullying, that the environment is one in which, sadly, there tends to be a higher rate of bullying directed at teachers. So it is important that we bring this forward to improve the workplace environment in our schools, but it is also important because that workplace environment has to be a model for students. The last thing we need is a workplace environment which is not as good as it could be.

This bill is a win-win. It is a win for employers because it provides a sensible way of dealing with bullying and reducing bullying. From experience in other jurisdictions, and from what we know in Manitoba, it will result in significant savings to employers in terms of lost workers and decreased productivity. Those savings for Manitoba will add up into the millions of dollars. That is one of the reasons, the economic reason as well as the human reason, why this should be proceeded with.

It is also a win for workers because, having a harmonious environment, an environment without bullying, is very, very desirable in a workplace. It improves morale. It improves productivity. Sadly, the people who are most impacted often are not necessarily the bullies themselves but the person who is the victim of the bullying. The person who is the victim of the bullying is the one who is most likely to have the emotional distress to leave the workplace because they don't like it and it may be a very valuable and important employee, worker, who is being affected. So we need this legislation and I hope there will be support from all the other parties to move this forward.

Sweden was the first country to protect workers against bullying in legislation passed in 1993. There are laws being enacted in Australia, North America, Canada. Québec had the first anti-bullying law in the workplace which came into effect June 1, 2004. The Québec law clearly includes not only physical but psychological harassment in the workplace. This definition of psychological harassment in the workplace is vexatious behaviour in the form of repeated hostile and unwanted conduct; verbal comments, actions or gestures that affect employees' dignity; and psychological or physical integrity that result in a harmful work environment for the employee. What we're trying to do in this legislation is to reduce the bullying, both the physical and, particularly, the psychological harassment, the psychological component.

\* (10:10)

Sadly, as I have already alluded to, the bullying in the workplace is more common than we'd like to believe. In the United States where there has been a study—sadly, there has not been a clear study in Manitoba alone—one in six workers have directly experienced destructive bullying in the last year. Where there has been bullying, 37 percent of the cases where bullying happened, where it stops, it's because the target, the person who is being

victimized, is either fired or involuntarily terminated; 33 percent quit; 17 percent transfer to another position with the same employer, and in only 9 percent of the cases is the bully transferred or terminated. So it has a disproportional, terrible impact on the person who is the victim and much less impact on the person who is the bully. That is why it is so important to change what's happening and to move to a situation where we have more harmonious workplaces in Manitoba.

Let me quote a study in Ontario which showed that 30 percent of teachers and education workers have been bullied by a parent or guardian; 24 percent have been bullied by a superior and 14 percent have been bullied by a colleague or co-worker. This tells you right there that there's a problem in the schools. Maybe it's worse in Ontario than here, but I'm sure that it is a problem, and certainly I've heard something about it from people who have had experience, but many of these individuals are loath to come forward to publicly talk about their experiences.

Based on calculations in, for example, the Australian state of Victoria, we can calculate that Manitoba has lost approximately 14 million a year in productivity due to bullying. There's clearly a strong reason to pass this legislation from an economic and human perspective, and I would urge MLAs from all parties to join the Manitoba Liberals in supporting and passing this legislation. Thank you.

**Mr. Doug Martindale (Burrows):** I rise to put some comments on the record on Bill 210, The Workplace Safety and Health Act (Harassment in the Workplace). This is an important issue and it affects many people. Of course, it shouldn't be a problem in the workplace but, unfortunately, in many workplaces it is.

I know that many organizations have tackled this problem. For example, the Conference of Manitoba and Northwestern Ontario of the United Church put in place a policy at least 10 years ago on harassment of all kinds, and every year when we go to the annual general meeting there is a handout for all of us about what the policy is of our conference of the United Church and also what to do if people feel that they have been harassed in any way.

So there is a mechanism, there is a process whereby people have resource people who are present at the annual general meeting that they can go to and resolve the problem or lodge a complaint. I'm sorry that I don't have the pamphlet here because

I think it would be interesting to put some of the details on the record.

I actually sent our policies to the New Democratic Party of Manitoba, and we have an anti-harassment policy. People are notified of that policy at provincial council meetings, for example. I know that some school boards have anti-harassment policies. I hope by now all of them do, but I'm not sure about that. I think every organization, whether it's government or private sector or non-government organizations or the volunteer sector, every organization and every employer, every workplace, should have harassment-in-the-workplace policies.

I am pleased to report that in 2002 the report of the Workplace Safety and Health Review Committee recommended that regulations be developed for the prevention of violence and harassment in the workplace, and the government of Manitoba accepted this recommendation. In 2002, we passed Bill 27, The Safer Workplaces Act, which added to The Workplace Safety and Health Act for the first time the following language: Under Regulations, Codes and Standards, Regulation 18(1): "The Lieutenant-Governor-in-Council may make regulations respecting the measures that employers shall take to prevent harassment in the workplace."

Since the passage of this legislation, the government has extensively consulted with stakeholders in order to develop a comprehensive package of amendments to health and safety regulations, including violence and harassment prevention policies. This consultation has been completed and the government enacted these new regulations this year. We've been aware of this, we brought in legislation, we brought in regulations, the regulations have been enacted, so we have already taken action.

The government of Manitoba remains hopeful that the Member for River Heights (Mr. Gerrard) will be supportive of this comprehensive package of improvements to workplace safety and health, which has had the benefit of consultation from employers and workers. I commend our Minister of Labour (Ms. Allan) because she does consult employers and workers, and she almost always gets unanimous consent for her legislation, not only recommendations that have support of both management and labour, but also the opposition parties. I think she's had something like six major bills approved unanimously in this Legislature—*[interjection]*—and it's now up to eight. I correct

myself. Eight bills. I commend her for getting such co-operation from all sides of the House, as well as business and labour in Manitoba.

These regulations offer a reasonable and practical approach to deal with workplace hazards, modernizing workplace safety and health regulations, recognizing the risk of violence and harassment in the workplace and ensuring that appropriate policies are in place to prevent this objectionable conduct. The provisions also complement protections that currently exist in Manitoba to provide protection against certain types of bullying behaviour in the workplace.

I've actually had a very interesting experience where an organization that I belonged to had a complaint about harassment, and they didn't really know what they were going to do about this because they've never had to mediate a situation like that before. So they asked me if I would be the mediator, and then they asked a woman so that there was gender parity, if she would be the mediator, and we said yes. It was with some trepidation that I took this on because I had never done anything like that before. But we met with the aggrieved party and we met with the person that had the accusation made against that individual, and we told them what the process was, that, if they didn't come to an agreement at the end of our session together, it was going to go on to the next higher level in the organization.

So we spent about two hours together and, fortunately, there was an apology made, and there were actually handshakes and a hug, and it was resolved to the satisfaction of everyone in the room, but it made me think. You know, I might get asked to do this again and I have had no training. So, what I'm going to do is go to Mediation Services—*[interjection]*

Well, it could be a career if I got out of politics, I suppose. Some day. Some day, I hope to continue working, but in another sphere. Who knows what will bring. I mean, would somebody hire me? I don't know. So I could start a consulting business.

So what I'm going to do is, after I finish, after I get my ATM gold at Toastmasters, I'm going to enrol at Mediation Services and I'm going to take their 23 hours of training and get a certificate from Mediation Services in mediation, in mediating conflicts. I've actually been to Mediation Services as a victim and went through a very successful mediation process which, as a result, did not proceed to court. So I plan to get some training so that if the

organization asks me again to be a mediator I will feel a little bit more confident, may have a few more skills, and I know that more and more people are doing this.

For example, I have a friend who is a private practice lawyer and he decided to get out of practising the usual kind of advocacy in the law profession and instead, he's a mediator. That's his specialty now, is mediation, probably labour mediation. I'm not sure; I should ask him. But more and more people, and even law firms are hiring paralegals and lawyers to specialize in mediation. Those are the kinds of people that we need to mediate harassment complaints in the workplace or in volunteer organizations.

\* (10:20)

The provisions also complement protections that currently exist in Manitoba to provide protection against certain types of bullying behaviour in the workplace. This refers to our regulations. The Manitoba Human Rights Code prohibits harassment on the grounds of specific characteristics, including ethnic background, religious belief, age and gender, as well as prohibiting objectionable and unwelcome sexual solicitations or advancements or any reprisals or threats of reprisals for rejecting a sexual solicitation or advance.

Manitoba's labour laws prohibit harassment against employees who exercise their statutory rights under employment standards, workplace safety and health, and labour relations legislation. Depending on the nature of the alleged bullying, individuals should also consider contacting the Manitoba Human Rights Commission, the Employment Standards division, the Workplace Safety and Health division, or the Manitoba Labour Board.

On June 5, 2002, during the Third Reading debate on Bill 27, The Safer Workplaces Act (Workplace Safety and Health Act Amendment), the Member for River Heights (Mr. Gerrard) stated, and I quote: "The background that has been provided to many studies of safety suggest that it is very important to get the processes right. It is also very important not to create the kind of punitive environment that will push people to not report, to cover up, because that is the absolute worst thing that can happen. One needs to have the open reporting." I'm quoting verbatim here. "One needs to have everybody working together to have an effective safety program in the workplace."

The government could not agree more and still awaits his support of the package of regulations that we consulted on in order to ensure that we get these processes right. Thank you, Mr. Speaker.

**Mr. Mohinder Saran (The Maples):** Mr. Speaker, thank you for giving me this opportunity to speak on this bill. Being an immigrant and being a non-white person, I had my share of workplace harassment. I had quite a bit of experience. If there had not been Bill 27, I could have supported the Leader of the Liberal Party (Mr. Gerrard), but we already have that bill. Why do we need this duplication when we already have that bill? Therefore, this should not have even come to the Chamber over here.

I can tell you these stories at the workplace, but things have been changing day by day by the exposure of the different cultures; the main culture being familiar with the different culture, they are having understanding day by day and it's getting better.

But regulating these things so strictly, it will make people hesitant to report such incidents. I can give you an example. I was working at one place where I used to go and check the boiler at one place and the facility manager used to know that the person from this cultural background comes over there. That facility manager knowingly put a paper, a joke paper, which says: If you have to hunt—I would use the word East Indians. I can't use that word he used, for that insulting word he used, and how you can hunt them: smell the curry, look at the rags around the bins, and you will find that you can hunt them.

How I handled that problem, I simply went to the human resources. I told them this paper should not be there, but I don't want that person to lose his job because that person may have a family and may have other people whom he's supporting, but I want to educate him. Therefore, this is the paper; you take the action. If you don't take the action, I can go to the media; I can go to the Human Rights Commission. There are so many possibilities I can do. But that manager was so understanding. He sent the memo that this kind of behaviour won't be tolerated. That person was moved from that job to—not that job, but that side, to the other side, and the case was closed. And it stopped.

Then there was also a policy, also they were yelling at the workplace. So, I suggested to our co-ordinator of equal opportunity, they should be stopped; nobody should be yelled at when he's at the

workplace. They brought the policy and the memo that that kind of behaviour won't be tolerated.

The place where I worked before coming to the Legislative Assembly, at that place, Infrastructure and Transportation, that department, there is already training going on under this bill that people are being trained, people are discussing these kinds of harassments, and already that's happening.

There is a difference between then and now. In 1971, we took our visitor friend to outside Winnipeg and the children were laughing at and looking at the funny turban. They were not understanding what kind of person this is. But, with so much exposure, so much media, not everybody knows who a Sikh is. So, we are learning more and more about the cultures, and because we are learning more about the culture, this is being eliminated. I think training from the beginning in schools and mixing the kids in the schools, it is eliminating this discrimination.

If we have restrictions, what will happen? The victim will be eliminated before they enter the workplace because who will like to have that kind of trouble? They won't let the possible victim come into the workplace and people won't be hired. We want to create affirmative action, and on the other hand, we are putting these kinds of restriction. These restrictions will stop people hiring the people who are possible victims. Therefore, we have to be pretty careful how we proceed in these directions, and there are necessity clauses in the already existing health and safety act.

That bill, The Safer Workplaces Act, it contains those clauses. Look at part 10, the harassment prevention policy: there are required statements, there are a lot of requirements on violence. Look at harassment policy, look at part 10.1(1): An employer must (a) develop and implement a written policy to prevent harassment in the workplace; and (b) ensure that workers comply with the harassment prevention policy.

Then again, look at 10.1(2): The harassment prevention policy must be developed in consultation with (a) the committee at the workplace; (b) the representative at the workplace; or (c) when there is no committee or representative, the workers at the workplace.

Then there are required statements. Those statements must be there. The harassment prevention policy must include the following statements: (a) every worker is entitled to work free of

harassment; (b) the employer must ensure, so far as it is reasonably practicable, that no worker is subjected to harassment in the workplace; (c) the employer will take corrective action respecting any person under the employer's direction who subjects a worker to harassment; (d) the employer will not disclose the name of the complainant or an alleged harasser or the circumstances related to the complaint to any person except where disclosure is (i) necessary to investigate the complaint or take corrective action with respect to the complaint, or (ii) required by law; (e) a worker has the right to file a complaint with the Manitoba Human Rights Commission; (f) the employer's harassment prevention policy is not intended to discourage or prevent the complainant from exercising any other legal rights pursuant to any other law.

\*(10:30)

The harassment prevention policy must provide information on the following procedures under the policy: how to make a harassment complaint; how a harassment complaint will be investigated; how the complainant and alleged harasser will be informed of the results of the investigation.

Posting Policy: An employer must post a copy of the harassment prevention policy in a conspicuous place at the workplace.

So Bill 27 already is covering all those requirements which the Member for River Heights (Mr. Gerrard) is proposing, so I don't think we need any duplication. Thank you, Mr. Speaker.

**Hon. Nancy Allan (Minister of Labour and Immigration):** I'd like to take this opportunity to congratulate my colleague, the new MLA for The Maples (Mr. Saran), in regard to his speech. I appreciate the fact that he has brought his perspective to this bill to the Legislature's attention.

I think it's important that we have the opportunity to listen to new views in regard to legislation in this House and particularly from his perspective, Mr. Speaker. He is someone who is a newcomer to the Legislature and a part of our diverse caucus, and we really appreciate having the opportunity to have him speak this morning on our legislation that we have already passed in regard to this very important issue, as well as the Liberal leader's legislation that has been introduced again.

I did have an opportunity to speak to this legislation, this proposed legislation, in May when the Liberal leader brought it forward, and I

appreciate the opportunity to speak to it again today. I will be reminding the Liberal caucus that we did pass comprehensive legislation in regard to workplace safety and health here in Manitoba in 2002. It was done by the previous minister responsible, the Minister of Labour, Becky Barrett, at the time, who did an incredible job here in Manitoba of consulting with the stakeholders.

She developed a task force that had representation on it from the employer stakeholders, the employee stakeholders and public interest. That was her approach to developing legislation, and I think it's a model that has served Manitoba well. When you're dealing with legislation that is very comprehensive and wide-ranging and where you're really trying to develop a new culture in Manitoba, you need to have all of the stakeholders involved.

That legislation was passed in 2002 and then the department of workplace safety and health embarked on a four-year consultation with stakeholders. Those stakeholders were very, very important to developing the comprehensive regulations that we brought in.

We developed our review process with the stakeholders. They represented not only employers and employees but they represented technical representatives, people who were well versed in particular areas that we were having a look at from different industry perspectives. It was really terrific for them to donate all of their time and energy. I do remember one day running into one of the stakeholders who was a representative from the construction industry, and he was kidding me because he said that he had some documentation that he had to take home that was about the size of a Manitoba telephone book, and he was going home to read it before his next meeting.

It really is terrific when you have this kind of commitment from the community and from the stakeholders who help you as a government to really work through very, very, sometimes complex and technical information. They were really, really committed to the process, and I really want to put on the record how much we appreciated working with them when we developed these comprehensive regulations.

As I mentioned in my speech in May, the legislation that the MLA for River Heights (Mr. Gerrard) has brought forward is a duplication of what is already in our Workplace Safety and Health regs. We have a new violence and harassment policy in our regulations. It is a violence and harassment

policy in the workplace because, as we have heard very clearly from the MLA for Burrows (Mr. Martindale) and the new MLA for The Maples (Mr. Saran), we felt that this was an issue in our workplaces here in Manitoba, and it was an issue that had to be dealt with by employers and workers together. It was very important that we had something in our regulations to deal with these kinds of issues: violence and harassment.

The genesis of this particular regulation, and probably the most important thing, is that the employer is required to identify and assess the risk of violence and instruct workers about that risk. There needs to be a violence prevention policy and a harassment prevention policy that is developed in consultation with the Workplace Safety and Health committee.

I want to remind everyone in this House that if an employer has more than 20 employees in their company, they must have, according to our legislation, a Workplace Safety and Health committee that meets ongoing and works with the management and works with the employees so that any issues can be brought forward that need to be addressed within that work environment.

The policies of the violence and harassment in the workplace regulation state that no worker shall be subjected to violence or harassment. The employee will take corrective action. The policy is not intended to discourage and/or prevent complaints from exercising other legal rights. The policy must provide information on specific procedures to be followed in the event of an incident of either violence or harassment.

I think the policy is working very, very well. I really think it's because of the consultation that we did with our stakeholders. I, once again, want to talk a little bit about some of the things that we did in regard to implementing our regulations. We worked with the employer stakeholders, and we put together a safety and health guide for small business. I don't know if members have seen that safety and health guide, but it was put together in consultation with and support of the Canadian Federation of Independent Business, the Winnipeg Chamber of Commerce and the Manitoba Federation of Labour Occupational Health Centre. Of course, it carries our safe work logo which has been a very, very important component of getting those injuries down here in Manitoba. We made a commitment to reduce injuries by 25 percent. We have reduced injuries.



Our recent reports from WCB show that we have reduced injuries by 22 percent. We are still working on reaching that target. There is more work to be done.

I really want to thank all of the communities and stakeholders that we work with because really it is everyone's job to work on having safer workplaces here in Manitoba. We're really trying to change the culture in regard to how we can provide employees with a better workplace, but also, I think it benefits everyone, Mr. Speaker, when we have policies and regulations in place that provide clarity in regard to how this can be achieved. Obviously, it's working here in Manitoba. We will continue to work on that.

We're going to be making some announcements in the near future in regard to how to continue the work that was started by the previous Minister of Labour, Becky Barrett, and it is obviously work that has been very important here in Manitoba because so many stakeholders and employers and community organizations have taken up this challenge in regard to how to reduce injuries and how to provide better workplaces here in Manitoba.

\* (10:40)

So I'd just like to say, Mr. Speaker, that I appreciate the opportunity to speak twice on this particular piece of proposed legislation that the Liberals have brought forward, but basically I think it's unfortunate that—I don't know if the MLA for River Heights (Mr. Gerrard) has had an opportunity to look at our Workplace Safety and Health regs and had an opportunity to look at what we have done here in this particular area, but we would be more than happy to provide him with any information if he requires it. Thank you very much.

**Mr. Rob Altemeyer (Wolseley):** Mr. Speaker, I move, seconded by the Member for Interlake (Mr Eichler), that debate be adjourned.

*Motion agreed to.*

**Bill 211—The Teachers' Pensions Amendment Act**

**Mr. Speaker:** Okay. We'll move on to Bill 211, The Teachers' Pensions Amendment Act. Is the House ready to deal with this? No? Okay, we'll move on to the next one.

**Bill 212—The Waste Reduction and Prevention Amendment Act**

**Hon. Jon Gerrard (River Heights):** Mr. Speaker, I move, seconded by the MLA for Inkster (Mr.

Lamoureux), that Bill 212, The Waste Reduction and Prevention Amendment Act; Loi modifiant la Loi sur la réduction du volume et de la production des déchets, be now read a second time and be referred to a committee of this House.

*Motion presented.*

**Mr. Gerrard:** Mr. Speaker, this bill would provide for a ban on the use of plastic checkout grocery bags, one-time-use bags in Manitoba. It is a measure which follows the leadership of the town of Leaf Rapids in Manitoba which was the first community in Canada to be a plastic-bag-free community.

This type of measure has been implemented in a number of other locations. San Francisco is an example. Rossland, B.C., is another example. Mumbai, India, a community of some 18 million people, is another example.

Just to talk for a moment about the extent of this problem. Based on an average of almost 1,500 plastic bags used in a year by an average family of four, that, for Winnipeg alone, we would probably have somewhere in the order of 300 million plastic bags used in a year. If only a third of those plastic bags ended up in the Brady Landfill site, that would be 100 million plastic bags in the Brady Landfill site. If two-thirds of them ended up in the Brady Landfill site, that would be 200 million plastic bags in the Brady Landfill. It is a large number.

I was down at the Brady Landfill quite recently, and there were plastic bags scattered all over the place and blowing here and there. You know, it's not good for the environment, it's not good for people, and it's time to change. Leaf Rapids and various other communities have shown that this is possible and we in Manitoba should show the leadership. We in the Manitoba Liberal Party are showing the leadership in introducing this bill and in introducing it today at the Second Reading stage.

I would hope that the other MLAs from all parties would support this bill. It is needed. The degradation time for plastic bags is slow. When they degrade, they break down into smaller and often toxic bits and chemicals, contaminating soil and waterways and increasing the extent of problems in our ground water, so we need to change for a whole variety of reasons.

I have talked publicly about this bill. It has had a lot of support. I've had many people come up to me and talk in very positive terms about this legislation. I would suggest to members that if we get together

we could pass this bill by the end of this session and have it implemented January 1 of 2009. So I hope I will have support, and with those few comments, I will close.

**Hon. Stan Struthers (Minister of Conservation):** I want to say, first and foremost, that the decisions that were taken in Leaf Rapids need to be highlighted. I've always contended that at the municipal level, we have many leaders who are willing to step up and do the right things for their communities. I don't think we applaud them enough, and that's the one thing that I agree with in the statement that the Member from River Heights (Mr. Gerrard) just put on the record here in the House. Those folks at that level too often toil in their municipal offices, at community meetings, at meetings in the communities, without the kind of recognition that they need. So I do applaud the work that they are doing and moving forward in dealing with what is one part of a big issue.

Now, what the Member for River Heights is doing, in all honesty, Mr. Speaker, is he's cherry-picking. He's taking one small issue, which in and of itself is a big issue, but it's small when you look at the problems that we are and could be facing in terms of reducing and reusing and recycling in this province, when we look at the stress and the strain that is associated with our landfills. The Member for Inkster (Mr. Lamoureux) talks about it being one small step. Well, we've been hearing from Manitobans that small steps aren't enough. They've been very clearly telling us that. Whether we're talking about paper and plastics and those types of products, whether we're talking about electronic waste, all the iPods and the different devices that you see people carrying around with themselves, whether you're talking about hazardous wastes that are being stored in people's basements and in the sheds out in the backyard, there's a whole big world out there when it comes to dealing with the waste streams in our province.

I looked across to the Member for Ste. Rose (Mr. Briese) who was a member of the interim Tire Stewardship Board who made some very good recommendations to this government in terms of handling the amount of tires that had been piling up all over rural Manitoba, in yards and scrap yards and landfills. We need to have not a narrow approach that we see being put forward here on one aspect of the waste reduction streams. We need to have that broad view, and we need to have the people of Manitoba involved in this. That's why, Mr. Speaker,

in terms of tires, we put together a draft regulation and went to the people of Manitoba with it. They gave us some very good advice. We incorporated that advice into the regulation. It fundamentally changed the way in which we deal with tires and the recycling of tires and the reusing of tires. That is why we fundamentally changed our approach in terms of that one waste stream. *[interjection]*

The Member for Inkster wants to know how it's going. Well, a few weeks ago I signed off on the business plan of the industry-led group that is going to be moving that whole envelope forward, not something directed by those of us in the Legislature, although that business plan does come to the Minister of Conservation, and I do get a chance to review it and I do get a chance to ask questions of the industry, but the industry is in the best possible position to make those kinds of long-term stable decisions when it comes to tires.

The industry, to its credit, have indicated quite clearly to me and to our government that they're willing to do that, and that they're willing to work with us to make sure (a) there's a revenue stream to make sure the program works well, and (b) that they make good environmental decisions over the long term when it comes to tires. This isn't something that we've just cooked up when we were members of the opposition. This is not something we just dreamed up one night. This is based on the very good oil and oil products recycling model that we have here in Manitoba.

\* (10:50)

You know, Mr. Speaker, sometimes we think we have to go to Europe or to the States or somewhere to find experts who can give us good ideas. Well, not always. We should learn from those, and I think the Member for River Heights (Mr. Gerrard) quite correctly has pointed to Europe in some of his—*[interjection]* And he's been to Leaf Rapids. I am relieved to know that he's been to Leaf Rapids. That's great. He should learn something along the way when he does that, though. It's not enough just to go there; you've got to learn a little bit from people who live there, but I do commend the Member for River Heights for venturing out from River Heights to places such as Leaf Rapids. One time he even attended a Rotary meeting in Dauphin which he reminds me of every now and then, and that's good.

Mr. Speaker, the oil-recycling program that we have in Manitoba is the model upon which all of the waste streams need to be designed. It's a successful

model. One of the keys of that model is that they look way back into the history of the product and they say, how can we produce less to begin with, so that we don't have to recycle so much in the end, so that we're not having to deal with a bigger problem.

We have to get tires in that same position and with the business plan that I signed off on, we will be there. We need to move electronic waste to that same position. No more can we have examples of iPods simply being thrown away because their battery can't be recharged, can't be removed. That's just wasteful, Mr. Speaker. We need to work with industry to make sure that we can design a product in the first place that lasts for more than 15 days past its warranty, that lasts long, that can be recharged or reused, rather than simply every time your iPod breaks down, you throw it into the landfill. We have to work with industry to prevent that from happening in the first place.

It's not that I have anything against iPods, Mr. Speaker, but all kinds of electronic gadgets that we have become accustomed to using in society fall into that same category. It's serious because those same conveniences that we have today, everything from computers to microwave ovens to BlackBerries, you name it, cellphones, contain lead, contain cadmium, contain all kinds of elements that we don't want to have in our landfills or leaching into our water table or becoming part of the environment unnecessarily, when we could be adopting a better model by which we contend with those materials in the first place, rather than at the end of the cycle by recycling them then.

We also have a situation with hazardous waste in which, again, we need to work with industry to produce less so that we don't have that kind of constraint and that kind of pressure on our system throughout the lifespan of the products.

So I think the Member for River Heights (Mr. Gerrard) has a little bit of it right, but he has to consider the bigger picture when it comes to all of these products, all of the waste streams. I think it would be a responsible move by our government to continue the work that we're doing right across the board in dealing with not just plastic bags, not just pop bottles, but actually dealing with the whole system so that it works best for all of those products. Thank you, Mr. Speaker.

**Hon. Jim Rondeau (Minister of Science, Technology, Energy and Mines):** Mr. Speaker, it's truly a pleasure to be the minister responsible for the

climate change branch and also the branch that's responsible for Green Manitoba, because they often are talking about where the Province is going as far as these issues, as far as recycling, climate change and changing patterns of behaviour to make Manitoba truly more and more green.

I'd like to thank the member opposite for bringing this bill here because I think it has some merit. But, by saying it has some merit, it means that as part of a solution, it has some positive benefits. However, I think when you're looking at a problem, and I know the member opposite was a physician, and what happens is a person breaks their arm, and then they break their arm again and again, you don't keep fixing the arm, you find out what the problem is. You find out the long-term problem. You don't just keep on fixing the end result.

So I urge the member to look at the long-term, comprehensive, big picture. I have faith in the man. I have faith in the member opposite because I think he is a very intelligent person. He can see the large picture. Although this is a huge problem, it's a global problem, it's a problem that deals with every one of the people in our province, everyone in the country and the globe, we need to come to solutions. And so I thank the member for presenting this idea because every idea can be incorporated, every idea can be looked at, listened to and see where you can put it together in the big picture. So thank you for the idea and thank you for allowing this to be debated and discussed.

I was at the climate change session two days ago. It was really interesting to hear how industry, government, retailers and people could really get it right. It was funny because we heard a story about Hamburger Helper. It was interesting to note because what it was, there was a desire from Wal-Mart, the largest retailer in the world, to decrease the amount of packaging and space, et cetera. So what they did was they straightened the noodles in Hamburger Helper. It sounds like nothing, but because of that, their boxes became 30 percent less wide. So they became thinner. Because of that, there was 33 percent less packaging. Because of that, there was less gas used to transport that Hamburger Helper because you could put more Hamburger Helper boxes in a truck. You could ship them cheaper. What's interesting is then there was less paper used when the Hamburger Helper was used and then there was less garbage. There was less packaging when it left the store. So it was not one answer. What it was was bringing together the retailers and all the people

to end up having a comprehensive large-world vision of how to reduce waste, how to use less and make it a better solution.

The whole idea about Hamburger Helper, straightening the noodles, is not a huge earth-shattering idea. But it was a huge difference. What they said was, basically, by the time you took it, it was a huge decrease in the amount of money and time and energy and garbage that we're throwing out, and all along the whole stream you have to look at it. So it's not just the plastic bag that took the item from the grocery store home, it was the whole value-added chain from the production, all the energy inputs, right to the end. So that's where you have to work. It's not going to be something as simple as banning one little thing.

What we want to do is look at a comprehensive approach to waste reduction from concept, from cradle to grave. So when you're looking at it, you're looking at the whole process. So it's working with consumers. It's working with business. It's working with government. It's working with regulators. It's working with a whole host of people.

I'll give you another example. It was quite simple because what happened was a few years ago there were lots of cellphones. Cellphones are now a disposable commodity. But what the trouble is on a cellphone, which I assume all members have in the Chamber and most people have in Manitoba, they would just be thrown into the waste stream. What would happen is that chemicals would leach into the environment. There'd be negative effects on the water table, negative effects on the environment.

\* (11:00)

**Mr. Speaker:** Order. When this matter is again before the House, the honourable member will have four minutes remaining.

The hour being 11 a.m., we will move on to Resolutions and we'll deal with Resolution No. 8—*[interjection]*

Order. We will deal with Resolution No. 8, Agricultural Input Costs.

#### House Business

**Mr. Gerald Hawranik (Lac du Bonnet):** On House business—*[interjection]*

**Mr. Speaker:** Order. I need to be able to hear this.

**Mr. Hawranik:** On House business, Mr. Speaker, I'd like to announce that the Age of Protection

resolution will be considered next Thursday, and that's sponsored by the Member for Minnedosa (Mrs. Rowat).

**Mr. Speaker:** So, the resolution for next Thursday will be Age of Protection that will be brought in by the honourable Member for Minnedosa.

The hour being 11 a.m., we will now move on to Resolution 8, Agricultural Input Costs.

#### RESOLUTIONS

##### Res. 8—Agricultural Input Costs

**Mr. Peter Dyck (Pembina):** I move, seconded by the honourable Member for Lakeside (Mr. Eichler),

WHEREAS the rising costs of agricultural inputs such as fuel and fertilizer are having an impact on Manitoba producers' bottom lines; and

WHEREAS, according to Agriculture and Agri-Food Canada, in 2005, the cost of fuel and fertilizer accounted for 15 percent of total Canadian farm expenses, or \$4.5 billion Canadian; and

WHEREAS with respect to fertilizer costs, every one cent per kilogram increase in the price adds about \$61 million Canadian to Canadian farmers' annual fertilizer bill; and

WHEREAS the findings of a national Ipsos Reid survey conducted for the Canadian Fertilizer Products Forum, which was released in October 2007, found that producers want "to have access to a variety of high-quality fertilizers and supplements in a timely fashion."; and

WHEREAS the Ipsos Reid survey found that farmers said that they "pay close attention to the cost of fertilizer and supplements when choosing their products . . ."; and

WHEREAS the Ipsos Reid survey found that farmers "said they would like to have more choice, for example, in nitrogen and phosphate products."; and

WHEREAS a recent study commissioned by the Keystone Agricultural Producers (KAP) examined the prices that producers from Manitoba and North Dakota paid for similar fuel and fertilizer products in the spring in 2007; and

WHEREAS the study commissioned by KAP found that, on a variety of fertilizer products, Manitoba producers paid an average of 33 percent more than their North Dakota counterparts, and, in

the case of anhydrous ammonia, they paid 63 percent more than their North Dakota counterparts; and

WHEREAS KAP and many producers have expressed concerns that fertilizer prices are not competitive in Manitoba compared with United States prices; and

WHEREAS KAP has indicated that they will ask the Competition Bureau to investigate fertilizer pricing in Canada; and

WHEREAS significant cross-border disparities in fuel and fertilizer prices make it more difficult for Manitoba's producers to compete in global agricultural markets.

THEREFORE BE IT RESOLVED that the government of Manitoba consider supporting KAP as it pursues the issue of fertilizer pricing with the Competition Bureau and the federal government.

Now, Mr. Speaker, I would like to have leave to amend this resolution, and add

WHEREAS the first shipment in recent years of fertilizer on October 17, 2007, through the Port of Churchill offers producers an additional source of supply of fertilizers; and

WHEREAS the Competition Bureau has declined to investigate fertilizer pricing in Canada.

THEREFORE BE IT RESOLVED that the provincial government continue to raise the issue of high fertilizer pricing with the federal government; and

THEREFORE BE IT FURTHER RESOLVED that the provincial government explore options to bring greater quantities of fertilizer through the Port of Churchill to provide producers with the broadest range of suppliers possible.

Mr. Speaker, sorry. I neglected to indicate—now, if you could go back, I think I have made the changes on your copies. I would ask that you refer to the first resolution—the main resolution, rather—and ask you to delete:

WHEREAS KAP has indicated that they will ask the Competition Bureau to investigate fertilizer pricing in Canada;

And if you would also delete the Resolved part:

THEREFORE BE IT RESOLVED that the government of Manitoba consider supporting KAP as it pursues the issue of fertilizer pricing with the Competition Bureau and the federal government.

If you could delete those two, please. Thank you.

**Mr. Speaker:** Okay. First of all, I'm going to read—the honourable member is asking leave for the resolution that the honourable Member for Pembina (Mr. Dyck) has moved, seconded by the honourable Member for Lakeside (Mr. Eichler), to read as such. It will read as:

WHEREAS the rising costs of agricultural inputs such as fuel and fertilizer are having an impact on Manitoba producers' bottom lines; and

WHEREAS according to Agriculture and Agri-Food Canada, in 2005, the cost of fuel and fertilizer accounted for 15 percent of total Canadian farm expenses, or \$4.5 billion Canadian; and

WHEREAS with respect to fertilizer costs, every one cent per kilogram increase in the price adds about \$61 million Canadian to Canadian farmers' annual fertilizer bill; and

WHEREAS the findings of a national Ipsos Reid survey conducted for the Canadian Fertilizer Products Forum, which was released in October 2007, found that producers want to have access to a variety of high-quality fertilizers and supplements in a timely fashion; and

WHEREAS the Ipsos Reid survey found that farmers said they pay close attention to the cost of fertilizers and supplements when choosing their products; and

WHEREAS the Ipsos Reid survey found that farmers said they would like to have more choice, for example, in nitrogen and phosphate products; and

WHEREAS a recent study commissioned by the Keystone Agricultural Producers (KAP) examined the prices that producers from Manitoba and North Dakota paid for similar fuel and fertilizer products in the spring of 2007; and

WHEREAS the study commissioned by KAP found that on a variety of fertilizer products, Manitoba producers paid an average of 33 percent more than their North Dakota counterparts, and, in the case of anhydrous ammonia they paid 63 percent more than their North Dakota counterparts; and

WHEREAS KAP and many producers have expressed concern that fertilizer prices are not competitive in Manitoba compared with the United States; and

WHEREAS significant cross-border disparities in fuel and fertilizer prices make it more difficult for

Manitoba's producers to compete in global agricultural markets; and

WHEREAS the first shipment in recent years of fertilizer on October 17, 2007, through the Port of Churchill, offers producers an additional source of supply of fertilizer; and

WHEREAS the Competition Bureau has declined to investigate fertilizer pricing in Canada.

THEREFORE BE IT RESOLVED that the provincial government continue to raise the issue of high fertilizer pricing with the federal government; and

THEREFORE BE IT FURTHER RESOLVED that the provincial government explore options to bring greater quantities of fertilizer through the Port of Churchill to provide producers with the broadest range of suppliers possible.

Is there unanimous agreement to delete those portions and to debate the resolution as I have just read it? Is there agreement? *[Agreed]*

**Mr. Dyck:** I want to thank the Assembly here for allowing two of the amendments to take place. Since this resolution was put forth, KAP has come back and indicated that the bureau has looked at this, and certainly they have ruled against so we felt that it would be advantageous, then, in that case, just to delete that part of it.

Mr. Speaker, I am pleased to put some words on the public record about the issue of agricultural input costs. The debate over rising farm input costs has been going on in Canada for many years. Producers have strong opinions on this matter because it affects their bottom lines.

This issue has been examined in Canada by a number of different organizations and agencies over the years. According to 2005 figures from Agriculture and Agri-Food Canada, the cost of fuel and fertilizer accounts for 15 percent of the total Canadian farm expense, or \$4.5 billion Canadian.

Moreover, Agriculture Canada research found that every one cent per kilogram increase in the price adds about \$61 million Canadian to Canadian farmers' annual fertilizer bill.

When you look at those figures, that's a very significant percentage of farm expenses. In these days of increasingly competitive global markets, Manitoba producers are always looking for ways to run their farms in the most cost-effective manner

possible. For some producers, rising input costs coupled with stagnant commodity prices may mean that they have to cut back on certain inputs such as fertilizers, pesticides or fungicides.

Ipsos Reid recently conducted a survey for the Canadian Fertilizer Products Forum that looked at attitudes and usage of fertilizer and supplements. The Ipsos Reid survey found that farmers said that they pay close attention to the cost of fertilizers and supplements when choosing their products.

The survey also confirmed what many already suspected. The main reason for decreasing the use of most products is concern over costs. For producers dealing with high input costs, it can mean a trade-off. They use fertilizers at agronomic rates in an effort to increase yields, and by having to cut back on fertilizer usage due to high input costs, they may experience reduced yields. This can have a negative effect on producers' bottom lines.

\* (11:10)

Manitoba's producers especially have looked across this province's southern border and wondered how it is that their American counterparts seem to enjoy lower costs on a number of identical or similar inputs. For years, there have been many questions about how it is that producers in North Dakota seem to be benefiting from lower input costs related to fuel and fertilizer.

In response to ongoing concerns over input costs, this past year Manitoba's main farm organization, the Keystone Agricultural Producers commissioned a study that looked at fuel and fertilizer prices that farmers in Manitoba and North Dakota communities paid last spring. The study was released last month, and it contained some very interesting findings. The report found that on a variety of fertilizer products, Manitoba producers paid an average of 33 percent more than their North Dakota counterparts, and, in the case of anhydrous ammonia, Manitoba producers paid 63 percent more than their North Dakota counterparts. For producers pencilling in their input costs, those are very significant differences.

A number of reasons was cited for the price gaps. One finding was that North Dakota dealers often source their fertilizer from American and Canadian sources. By comparison, Manitoba dealers primarily source only from Canada.

Other factors mentioned and included were pricing policies, the size of contracts and the amount

of product that dealers had purchased before last spring's price increase.

KAP study found that when it came to prices for farm gas and diesel, prices were relatively consistent during the time the study was undertaken. As KAP president, David Rolf noted, and I quote: Fertilizer prices are not competitive in Manitoba compared with those in the U.S., and that translates into money that came directly out of the farmers' pockets in this province.

Some probably find these findings even more disturbing given that Canada produces a significant amount of potash and nitrogen. Some estimates suggest that 95 percent of the Canadian potash is exported to the United States and half of the nitrogen goes south as well.

*Ms. Marilyn Brick, Acting Speaker, in the Chair*

Since KAP's study has been released in September, there has been another interesting event. On Wednesday, October 17, the first-ever ocean shipment from Russia to Churchill took place. This was achieved as part of the Arctic Bridge concept. And what was the product delivered? It was nitrogen fertilizer. According to the media reports, this fertilizer is bound for western Canadian farmers through the Saskatchewan-based buying group, Farmers of North America.

Jason Mann, who is chief operating officer with the Farmers of North America, said his organization expects to save \$40 a tonne on shipping costs alone by importing fertilizer through Churchill.

Some view the shipment as a potential catalyst for change. Farmers of North America Vice-President Glenn Caleval said, and I quote, "We do not expect to shake the domestic fertilizer industry to its knees, but with the support of committed members, we are proving through action that alternatives exist and that we will go anywhere in the world necessary to give farmers access to those alternatives."

Reacting to this shipment, KAP President David Rolf noted, and I quote: "It's almost unbelievable that fertilizer can be brought in from another country by ship, then shipped out to farmers across the prairies and still be a more affordable option."

Now, these latest developments are expected to keep the debate over the price of input costs simmering for some time. Based on its findings, the Keystone Agricultural Producers has asked the

Competition Bureau to investigate fertilizer pricing in Canada. If they were to investigate, I'm sure the findings would be very enlightening to Canadian farmers, many of whom are very sceptical about the price they pay for fertilizer.

In closing, I would encourage the members across the way to offer their support for this resolution. There's no question that cross-border disparities and fuel and fertilizer prices make it more difficult for Manitoba's producers to compete in global agricultural markets.

Furthermore, I would encourage the provincial government to consider supporting KAP as it pursues the issue of fertilizer pricing with the Competition Bureau. I know that they have already responded to it, but we need to do everything in our power to try and look at the issues regarding the disparities in the pricing that we see taking place today.

So, with those few comments, Madam Acting Speaker, I will allow others to debate this resolution as well. Thank you.

**Hon. Rosann Wowchuk (Minister of Agriculture, Food and Rural Initiatives):** Madam Acting Speaker, I want to thank the opposition for bringing forward this resolution and sharing it with us so that we could suggest some amendments to it. In fact, the amendments that were introduced by the member opposite were suggestions from this side of the House, amendments that would be more encompassing given some information that we had with regard to the Competition Bureau having rejected the case that KAP put forward, and as well, the issue of Churchill.

The member spoke about Churchill, and I want to say that I'm very pleased with the decisions that we have made, the federal government has made, to make investments in Churchill so that there is storage capacity there, so that there are improvements to the railway line and, indeed, we can build on the Arctic Bridge Agreement to bring product into the prairies and create some competition. I believe this kind of competition will certainly help producers.

Madam Acting Speaker, there's no doubt that producers face high input costs. It's interesting; every time that there is a slight rise in grain prices, the price of inputs, of fertilizer, go up. Prices of fertilizers tend to go up in the fall when there is some early application going on.

I can say to you, Madam Acting Speaker, that this is not only an issue as fertilizer, but there are many issues that we have worked on over time on cross-border issues. The issue of pesticides and herbicides, one that's available on one side of the border, one that's not available on the other side of the border, or very discrepant prices that take place on either side of the border.

But I want to say that I recommend KAP for reviewing this issue. One of the issues with KAP study is that it covers a very small and specific period of time. Some of the criticism from some people who have looked at the report is saying that, by looking at a very narrow issue or a narrow period, they are not getting the whole picture. I want to say that, on the whole, they are correct, but there are some sensitivities that the department has with these findings. But there's no argument that agriculture input costs, especially fertilizer and fuel costs, have accelerated dramatically during the past 12 years. And those accelerations have been, because as soon as—well, world prices of oil are one thing, but as commodity prices go up.

However, Madam Acting Speaker, although there are these high prices, I want to say that not all producers have to pay these high prices. Producers are very conscious, and do some very good due diligence as they do their shopping. They seek the best price. They have the opportunity for group purchasing, as the farmers of America did with group purchasing of fertilizer from Russia. But also, there are many other better management practices that our producers are endorsing that help reduce their input costs. Best management practice such as testing soils to ensure that the right amounts of fertilizer are being applied; zero tillage certainly results in reduced input levels, and, certainly, that's a benefit.

I want to say, as well, that my department staff can also be of great assistance in this process and are, work very closely with producers in areas such as cost-of-production models, and our department develops these costs-of-production models for most commodities. We help producers view their budgeting process accurately and look for opportunities to reduce costs of inputs.

Madam Acting Speaker, certainly, the whole issue of the price of fertilizer and fuel is one that is causing producers concern, but it is only one part of the whole agriculture budget that the farmer has to take into consideration. We know that farmers need some safety nets, and that's why we have been part of

designing a program, programs like CAIS, programs like crop insurance.

\* (11:20)

We hear many, many arguments about CAIS, about how it's not working properly, how it takes so long to get money to the farmer. There are improvements being made, but I want everybody to know that if producers' margins decline due to increasing costs, like the cost of fertilizer, then CAIS is there to support them.

The Manitoba government committed \$120.5 million in 2005-2006 and \$75.9 million in 2006-07. Of course, as I said, we continue to push for improvements to the programs because producers are looking for something that's more bankable, less complicated, and we are working on those.

Of course, there are other exemptions to costs that producers have that other people in the business sector do not have. Farmers can purchase marked fuel that is not subject to the 11.5 percent provincial fuel tax and that's a big help. That results in about \$39 million in foregone revenues on purple fuel for the provincial government.

There are PST exemptions on farm equipment, farm machinery, that also help the producers. When you talk to producers about this, they would like further exemptions to the equipment that they buy, but in reality that also is about \$42.3 million in foregone revenue. So there are some significant exemptions that are made for producers that help them with their input costs, and certainly the Port of Churchill, and those investments will bring competition into the market, and hopefully that will result in some lower costs. But, ultimately, we do have to continue to work and see how we can get the costs down, but it's very difficult to set prices in another country. It is through competition that we will see some changes for producers.

Madam Acting Speaker, I want to talk about a couple of other agriculture issues that are very important to producers and that put money into farmers' pockets. We've had the great debate about the Canadian Wheat Board and whether or not the Canadian Wheat Board should continue to be the single-desk seller of wheat. The studies show us clearly that the Wheat Board plays a great role in increasing the revenues for farmers and getting them a better return for their product, but we certainly haven't seen that support from the members opposite when it comes to talking about whether we should



privatize the Wheat Board or whether we should continue to offer farmers their support.

Another area where we continue to listen to farmers and listen to Keystone Agricultural Producers is on the education tax on farmland. Certainly we made a commitment when we were running for office that we would reduce education tax on farmland, and we keep building on that commitment. The members opposite will say that this whole thing should be removed, but, you know, when they were in office they never thought about it. In fact, they increased portioning. They increased farmers' costs, but this government continues in those reductions and, again, that puts significant amounts of money back into farmers' pockets.

In 2007, this particular year, those savings go from 60 percent to 65 percent and that, too, will put an additional \$29 million back into rural people's pockets.

Madam Acting Speaker, it's very difficult to determine why we have these higher costs. Traditionally anhydrous ammonia has been more expensive in North Dakota than it has been here, but recently there has been a change in that price. There are differences in handling and transportation costs between the United States and Canada. Industrial usage of anhydrous ammonia in the United States and the amount that they are using in various sectors leads to regular price fluctuations.

**The Acting Speaker (Ms. Marilyn Brick):** Order. The speaker's time has expired. We thank the minister.

**Mr. Ralph Eichler (Lakeside):** In regard to the bill brought forward by the Member for Pembina (Mr. Dyck), I am certainly pleased to be the seconder for this resolution. I think it speaks highly of the issue that's in front of us today.

I know the minister made reference to the small window in which the survey was taken. One of the things we have to look at when we're talking about any type of survey is the time that we're in right now. I know the government, unfortunately, likes to talk about the past, but right now we are dealing with the high input costs, and that's what this resolution was dealing with in dealing with the survey that was commissioned by KAP on the fuel and fertilizer costs. This was based on the studies in North Dakota and Manitoba, and we were very pleased to bring this resolution forward. I think it's significant, on behalf of the Member for Pembina, that he draws

attention to this issue, and we do hope we're going to get the support of the House on this particular resolution.

I know that the minister had started talking about education taxes as one of the ways of eliminating some of the hardship that's out there on that. I do want to clarify our position on that because we have clearly stated since 2003 we would eliminate farm taxes, education taxes on farmland, at that time. It wouldn't be a rebate program. The program that the minister's talking about that her government has brought in is a rebate system. We would be eliminating that. There would be no administration costs. I know the minister has challenged me on the amount of costs involved in administering that program and I asked her in the House the other day; \$1.5 million is what the cost is since the implementation of that program.

If the tax was an automatic rebate and not having to be applied for through the refund program—the farmers have to put that money up front in order to pay their taxes and then they get it back. That's exactly the problem with that particular program. But I do want to clarify where our party's at as far as elimination of the farm tax education side of things, on that issue.

The minister also talked about the CAIS program. She's agreed with us, as far as the CAIS program, that it is flawed. There is a significant time lapse between the time that producers apply for the money to be back into their pockets over those tough years, and she has also admitted several times that we need to make improvements to it. I know her and her staff have been working very diligently in order to make sure that that does happen. We know that the changes that are going to be brought forward—they're going to be in discussions with the minister and her staff, but to say that the CAIS program is working, it's certainly not. That's why they're looking at these changes and she knows that. So we know that the whole program needs to be re-evaluated in a way that's going to be sustainable for our producers.

That's what this motion's all about, is to make sure we're sustainable in the long run. When we look at the cost that's involved between us and North Dakota, in particular with the KAP study, out of Canada we're spending 15 percent of our input costs just on fuel and fertilizer. That is significant and that's what we're debating here. It's not so much our policy on education tax or the CAIS program or the new improved program, but that's basically what

we're talking about with this resolution. We don't want to get away from that because it is a significant increase in input costs that's been debated from years and years before.

I know we have to work on increasing our values for our products as we get them to the farm gate. We do those through a number of ways. We've been encouraging more value-added.

When we look at the cost that I know the Member for Pembina (Mr. Dyck) talked about, \$61 million goes into the annual fertilizer bill within Canada, and farmers are looking at ways to run their farms in a more effective manner. Farmers are so innovative. They're very creative. They do things in a way that is going to make their bottom line that much better. They're great stewards of the land. They certainly understand the input costs and the costs that they're going to get back.

\* (11:30)

In this day and age, when it comes to computers and the Internet world, they have ways and means of marketing their product. They forward-contract those costs and products. But still that doesn't deal with the cost of fuel and fertilizer. That's what this resolution is dealing with. So we're pleased that the Member for Pembina (Mr. Dyck) has brought it forward. We're also very pleased that, as the minister said, they made some suggestions to the amendment which we're very pleased that they did in fact bring forward, and look forward to them supporting this resolution.

But cutting back on fertilizer is not the answer, or any type of input cost when it comes to better farm practices. We have a large amount of debt, a large amount of debt whenever we're looking at the farm debt within the provinces of Canada. So we can't just not fertilize. These are one of the costs that we have to look at and deal with. We need to make sure that we do do that.

I know that the report also found that producers paid 33 percent more than those of their North Dakota counterparts. The anhydrous producers paid 63 percent more. So, what they're doing is they're pencilling out their costs; they're looking at these costs in a way in which they're going to be able to be sustainable in the long run.

I do want to quote Adrian Ewins from the Saskatoon Newsroom, and Graham Worden, who's senior manager of technical services board in regard to wheat. I think it's important that, in bringing farm

and city together, here's the calculation that they have printed: for a 560-gram, or 20-ounce, loaf of bread priced at a \$1.69, producing 560-gram loaf requires 670 grams of dough. Pricing 670 grams of dough requires 375 grains of flour. A farm gate wheat price of \$190 translates to about 19 cents per kilogram or 8.5 cents for 500 grams. That's 8.5 cents worth of wheat represents little or more than 5 percent of the price of that loaf of bread. That's the thing that we don't get across, and that's why we need the urban support, in order to make sure that they're educated in a way that realize the farmer's not the one that's receiving all the amount of money that's coming out of that \$1.69 loaf of bread. I think that's so important. We also look at the \$30 increase of wheat would translate to 1 cent; 1 cent on a loaf of bread if the price of wheat went up by \$30 with tax. So this is what we've got to look at whenever we're out there talking to our urban colleagues and bringing rural and urban together.

The other thing that I wanted to also get on the record is another article that was written in the September 20 edition of the *Western Producer*, and that's talking about labour costs account for 38 cents out of every dollar that the consumer spends on food: packaging, transportation, energy, advertising. Profits account for only 24 cents. Only 19 cents can be attributed to the extra of food ingredients like grains and oil seeds. What may be the biggest factor of all when it comes to escalating food costs is rising costs of energy. It takes energy to produce, ship, process, package and market food. As energy prices rise, the effect on food prices is magnified because the energy costs are a factor at every step of the process in getting food from the farm to the plate. So, in the level of rhetoric about food cost rise, inevitably we must be sure to direct the cost assessment to the appropriate areas.

So I know my time's just about up, Mr. Speaker, but I do want to make sure that we do understand the input cost and what effect it does have. But when you look at the overall picture in regard to the consumer at the end from what this is going to have for a cost to the house owner here in the city of Winnipeg, or to those rural communities that are involved in rural agriculture, we certainly want them to be able to have a clear understanding of our input costs, and this is very significant. So, with that, we look forward to the support from the government on this bill. Thank you.

**Hon. Eric Robinson (Minister of Culture, Heritage, Tourism and Sport):** Allow me to just

say a few words, and I know I'll be brief because there are a number of members on our side that would like to speak to the resolution.

*Mr. Speaker in the Chair*

I want to thank the Member for Pembina (Mr. Dyck) for introducing the resolution for consideration of all members, Mr. Speaker.

I'd like to say at the outset that our government has been very supportive of the interests of farmers and, of course, the Keystone Agricultural Producers' initiatives. The conclusion of KAP's report that was conducted by the PricewaterhouseCoopers group is correct in its findings that there is no argument that agricultural input costs, especially fuel and fertilizer, have increased dramatically in the past 12-month period. In this same period, primarily, as well, primary commodity prices in grain, oilseed and pulse crop areas have experienced similar happenings with respect to cost.

We on this side of the House, as members know, have provided more than \$158 million in support programs to help farmers through the BSE crisis, and we also created the industry-led Manitoba Cattle Enhancement Council which administers a much-needed investment fund for slaughter capacity projects.

I want to briefly talk, Mr. Speaker, about the investment this government made in partnership with our federal government. It was indeed an honour to have travelled to Churchill a couple of weeks ago. I'm also honoured to have Churchill as part of the Rupertsland constituency which I represent in this Legislature.

Mr. Speaker, you and I both know the value of Churchill, given its location, and you have grown up there. We were happy when the Prime Minister of this country, along with our Premier (Mr. Doer), along with the president of the Treasury Board, Mr. Toews, and the Minister of Northern Development, Mr. Strahl, made the announcement recently with respect to the investment made in the Port of Churchill as well as the Hudson Bay rail line.

We feel investing in the port and also the rail line is a wise investment because, in the long term, many people benefit, not only the town of Churchill obviously, but indeed the agricultural community. I believe that we all shared in that fine day that we had in Churchill which not only was an arrangement with two levels of government, the provincial government and the national government, but, indeed, also

solicited the input of OmniTRAX, which is the company that purchased the rail line back in 1997. So we were happy to be a part of that announcement to the community, and involving the private sector made a lot of sense in my opinion.

But, as well, on the subject of Churchill, I believe that exploring the trade corridor that the Minister of Agriculture (Ms. Wowchuk) spoke of earlier is of extreme importance that discussions continue on how we continue the trade initiatives that have been made with the Russians and exploring further the Churchill to Murmansk Arctic Bridge that we've talked about.

We saw this beginning a couple of weeks ago with the first shipment of Russian fertilizer through the Port of Churchill, Mr. Speaker. That was welcome news indeed, not only by this government but indeed I would think the agricultural community and all others that monitor the activities of that industry.

Also, recently, the first domestic shipment of Canadian Wheat Board grains went through to eastern Canada this past summer. Again, Churchill played a pivotal role in that activity.

\* (11:40)

I wanted to say a few brief words, Mr. Speaker. I don't ordinarily get up, as you know, on these issues relating to agriculture, but being a representative of the community of Churchill, and given the proven track record of the Port of Churchill itself, I felt it incumbent that I should rise in my place here in this Legislature and add my thoughts to the discussion of the resolution.

I commend my colleague from Pembina. This government is indeed a strong supporter of both farmers and rural communities. I think that we've more than demonstrated that on one occasion and I appreciate the members opposite for their interest in input costs of the agricultural industry. I'm sure that all of us would be interested in further initiatives that we're working on and have been discussed in some detail by our Minister of Agriculture, Food and Rural Initiatives (Ms. Wowchuk).

With that, Mr. Speaker, I'll defer my comments to my colleagues on this side of the House who I know will have further words to add to the resolution. Thank you.

**Mr. Stuart Briese (Ste. Rose):** Thank you, Mr. Speaker, for allowing me to speak to the resolution

on agriculture input costs, the private member's resolution. I know the resolution refers to both fuel and fertilizer and they certainly do tie together, but the topic of discussion seems to be more on the pricing of fertilizer.

In my own case, I've farmed for quite a number of years now in the Neepawa area and—quite a number, and when I started the farm certainly fuel and fertilizer prices were one of our lesser concerns. It's now become one of the major concerns and you've heard other speakers talk about the percentages.

But I think the biggest issue here is the differential pricing between Canada and the U.S. on fertilizer. We have Simplot producing fertilizer NH<sub>3</sub> in Brandon and hauling it across the line to American customers and Canadian farmers near the border going down and buying it back cheaper than they can buy it right from the plant in our own province. It seems like a very unfair practice. I'm told that in some cases the fertilizer is never unloaded from the truck. The truck turns around and comes back with the load, and it's still cheaper for us to bring it in that way. I don't think that's a very good practice. Last spring we were paying somewhere around 60 percent to 65 percent more than the Americans just across the border were for the same fertilizer.

We're in a business that basically pays freight both ways. We pay freight on our product going out and on our inputs coming in. I think we're maybe one of the only businesses—agriculture may be one of the only businesses that has that practice. That certainly ties in, when the fuel prices go higher, we're paying more for the freight on everything that comes into our places and then we pay the freight all the way to the seaport on our grains, on some of our grains, and freight to wherever the sales are on our livestock. So every time we see an increase in fuel prices, we see an increase on every product we use and that certainly increases on the fertilizer price as well.

We've been doing a number of things in agriculture for quite a number of years that I would call best practices. We have tried to tool our inputs to our production a lot more than we used to 20 to 25 years ago. Most farms are soil testing, putting on the fertilizer only as required where at one time we were a little bit at random. We went to continuous cropping, zero till operations that cut down on our fuel inputs. And when I say these things, it's best practices for the environment, too.

There's no doubt in my mind. They're going to ask me how long again, but I remember when we had the dust clouds floating around the country from what I would call probably poor farming practices. We have now gone to continuous crop. There's trash on the fields. We don't see those clouds of dust, and I remember them well. We make less trips over the field, we use less fuel, we tailor our fertilizer inputs to the crops which I think quite literally we don't get enough credit for the actions we take.

We talk about the high price of fertilizer and some of the things that kind of seem interesting to me, the hog moratorium or pause, as they choose to call it on the other side of the House, there's been a lot of experimentation done with the use of manure and fertilizing land and the levels that can be used, and the returns that farmers are seeing out of that are very, very good. We have huge areas of the province where there are no hog barns. The practices are good. There's no science backing on the hog moratorium and yet it continues. That can to a degree help on the costs of fertilizer by using products that are coming off those farms.

Fertilizer prices sometimes move very similar to what gasoline does when a long weekend is coming in this province. In between seasons the prices look fairly good. Last fall, the prices weren't too terrible bad. They were a lot higher than they had been previously, but when spring came and the farmers were actually out putting a lot more of the fertilizer on, the prices on nitrogen especially and anhydrous ammonia doubled. I don't think there was any real reason for that outside of the fact that the companies could do that and get away with it because quite literally, we don't grow a crop without those inputs. I believe that the Competition Bureau erred in not looking at this issue. I don't know what the timelines are on making another application to them to take a look at the pricing of fertilizer, but there's certainly pretty major problems with where the pricing is right now.

I was just doing some figures here, just now, that work out to about 40 cents a pound for nitrogen and anhydrous ammonia. Anhydrous ammonia is the cheapest form, and it's fairly common practice for some crops and the soil tests to call for a hundred or more pounds to an acre. Anyone can, I think, do the math on a 2,000-acre farm and start talking about \$40 an acre just for the nitrogen fertilizer. You'll also need quite a few other fertilizers besides because you have to give the plants a balanced diet.

I would certainly urge the minister or whoever is responsible to continue to follow this with the Competition Bureau. I think we need them to have a look at this problem.

As I said earlier, when I started farming, fuel and fertilizer weren't big considerations. We've got to the point now where they're the major considerations we have in agriculture and anything that can be done to help alleviate those problems, I think it's imperative that the government and the farm organizations attempt to make those changes.

With those few words, I thank you very much.

\* (11:50)

**Mr. Tom Nevakshonoff (Interlake):** Thank you, Mr. Speaker, for the opportunity to rise to speak to this private member's resolution, and I want to say that I'm going to speak in favour of it today. I think it's worth putting on the record that this new spirit of co-operation that we find ourselves in with regard to these private members' resolutions certainly is an improvement over the way things were done years ago where one side would speak the other's resolution out. I'm very impressed at the House leaders getting together and coming to agreement on these. It makes our time here so much more worthwhile I think.

The issue that really sticks in my mind about this whole debate is the issue of the Competition Bureau itself, Mr. Speaker. I remember the good old days long ago when we had the foreign investment review agency. They scrutinized very seriously any large corporations coming into our province, or into our country, to make sure that the interests of Canadians came first, and we've slipped somewhat in recent times. I think it was the government of Brian Mulroney that did away with the foreign investment review agency and constituted Investment Canada and basically threw the rules out the window and waltzed us down the road of free trade and so forth. This whole movement towards globalization sometimes is not in the best interests of the people themselves on the land.

Smaller producers, a case in point, I think. In light of that I think we have to take a look at the role of entities such as the Competition Bureau very seriously to see that they are indeed doing their duty, so to speak, and making sure that cartels aren't forming or things of that nature, and that the consumers are being protected.

I don't seriously know if that's the case, Mr. Speaker, and I have to question that. I only look back to the BSE crisis, the onset in 2003, as an example of this. I know that when the original BSE recovery program was rolled out and Manitoba thought that we were going to get a share of that, and ultimately, we got very little, debate began in the Parliament, I believe, regarding the possibility that the packers were forming into a cartel in a sense and were continuing to charge high prices and scooping up most of the government support payments. The producers, again, got left holding the short end of the stick.

I think this issue went to the Competition Bureau, and much as is the case here, they ruled at that time that there was no carteling and so forth. Probably, your average cattle producer might not necessarily agree with that so, if anything, what I would like to see is maybe the terms of reference and the guidelines of the Competition Bureau itself revisited by our government in Ottawa as a part of this whole process.

I agree with our minister and other speakers that the government of Manitoba has a role to play in assisting our farmers, whether that's intervening in the marketplace and trying to set prices, I don't think that's necessarily our role, but certainly, we have a role to play in the various different support programs.

The honourable minister mentioned the CAIS program and the money that the provincial government has put into that, \$120 million in '05-06, close to \$76 million this past year. These are sizable investments, if you could consider them that, on the part of the provincial government. The fuel tax exemption at \$40 million almost, the PST exemption, another \$40-plus million.

When you look at the amount of money paid out in excess moisture insurance, in crop insurance payments, I might add that our government has greatly enhanced the delivery of crop insurance and on and on and on.

I would like to also mention the farm school tax rebate. The Member for Lakeside (Mr. Eichler) was being somewhat critical of our approach, but they've never really fleshed out their position other than making general statements like we would just eliminate it. Well, sir, that's not your government to eliminate. These are school boards that collect these taxes. The provincial government already eliminated

the provincial education levy. That's gone already. That's our jurisdiction.

To suggest that the provincial government's just going to step into the realm of the school divisions and eliminate all of their taxes, you have to explain yourself further in that regard because, in essence, you're talking about the elimination of school boards or their reason for existence. I think that you might encounter some debate in that regard. So your flippant policy that we're just going to eliminate the school tax is a little bit facetious, to say the least. It's the advantage of sitting in the opposition that you can make flippant statements like that.

So we've taken a responsible approach to this. We've eliminated up to 60 percent. We're moving to 65 percent this year, and we've made a commitment in the last budget to go to 80 percent in a responsible manner and that's being effected. We're talking 25 million, 30 million more dollars into the pockets of our producers. We've acted on that. We're implementing that. So, you know, I think the members of the opposition should be a little more forthright in that regard.

I do want to talk about the Arctic Bridge as well. It's a topic that's near and dear to my heart. I have Russian ancestry myself. My father's parents came from Russia over a hundred years ago, so it's always been an interest to me. I've always been of the mindset that the superpowers, if you will, the Americans, the Russians, this world would be a much better place if these people could get along as opposed to squabbling, fighting proxy wars against each other and so forth. This Arctic Bridge is a prime example of precisely that.

So we've put this on the front burner and now we've got two-way trade. We're not just shipping wheat outward, but we're now bringing cargoes back in. This latest nitrogen fertilizer import through the port in Estonia, I believe it was, to Churchill was long overdue and a long time coming.

There's potential for other commodities as well, ore concentrations, for example, that could be used in our smelters in Thompson, in Flin Flon and, ultimately, who knows? We may be looking at the importation of liquefied natural gas into North America through this port as well. This is a distinct possibility, importations into the American upper midwest to cities like Minneapolis, to Chicago and so forth. This is where we should be going in the future. *[interjection]* Well, I'm being heckled by members opposite. Sometimes it defies logic what comes from across the way here but, you know, so be it.

When you look at the Arctic Bridge, you should also look at the air bridge as well, because we are talking with the Russians about an air bridge between the city of Winnipeg and the Russian Siberian city of Krasnojarsk to connect the American market to those huge markets in the far east, China, India and so forth.

So there's a lot of potential to go further on this front. We've made substantial gains to date and hope to continue.

**Mr. Speaker:** Order. The honourable member's time has expired. When this matter is again before the House, the debate will remain open.

The hour being 12 noon, we will recess and we will reconvene at 1:30 p.m.

# LEGISLATIVE ASSEMBLY OF MANITOBA

Thursday, October 25, 2007

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