



Fourth Session - Thirty-Fifth Legislature  
of the  
**Legislative Assembly of Manitoba**

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**STANDING COMMITTEE**

on

**ECONOMIC DEVELOPMENT**

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42 Elizabeth II

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*Chairperson*  
*Mr. Jack Reimer*  
*Constituency of Niakwa*



**VOL. XLII No. 26 - 7 p.m., MONDAY, JULY 26, 1993**

**MANITOBA LEGISLATIVE ASSEMBLY**  
**Thirty-Fifth Legislature**

**Members, Constituencies and Political Affiliation**

NAME	CONSTITUENCY	PARTY
ALCOCK, Reg	Osborne	Liberal
ASHTON, Steve	Thompson	NDP
BARRETT, Becky	Wellington	NDP
CARSTAIRS, Sharon	River Heights	Liberal
CERILLI, Marianne	Radisson	NDP
CHOMIAK, Dave	Kildonan	NDP
CUMMINGS, Glen, Hon.	Ste. Rose	PC
DACQUAY, Louise	Seine River	PC
DERKACH, Leonard, Hon.	Roblin-Russell	PC
DEWAR, Gregory	Selkirk	NDP
DOER, Gary	Concordia	NDP
DOWNEY, James, Hon.	Arthur-Virden	PC
DRIEDGER, Albert, Hon.	Steinbach	PC
DUCHARME, Gerry, Hon.	Riel	PC
EDWARDS, Paul	St. James	Liberal
ENNS, Harry, Hon.	Lakeside	PC
ERNST, Jim, Hon.	Charleswood	PC
EVANS, Clif	Interlake	NDP
EVANS, Leonard S.	Brandon East	NDP
FILMON, Gary, Hon.	Tuxedo	PC
FINDLAY, Glen, Hon.	Springfield	PC
FRIESEN, Jean	Wolseley	NDP
GAUDRY, Neil	St. Boniface	Liberal
GILLESHAMMER, Harold, Hon.	Minnedosa	PC
GRAY, Avis	Crescentwood	Liberal
HELWER, Edward R.	Gimli	PC
HICKES, George	Point Douglas	NDP
LAMOUREUX, Kevin	Inkster	Liberal
LATHLIN, Oscar	The Pas	NDP
LAURENDEAU, Marcel	St. Norbert	PC
MALOWAY, Jim	Elmwood	NDP
MANNES, Clayton, Hon.	Morris	PC
MARTINDALE, Doug	Burrows	NDP
McALPINE, Gerry	Sturgeon Creek	PC
McCRAE, James, Hon.	Brandon West	PC
McINTOSH, Linda, Hon.	Assiniboia	PC
MITCHELSON, Bonnie, Hon.	River East	PC
ORCHARD, Donald, Hon.	Pembina	PC
PALLISTER, Brian	Portage la Prairie	PC
PENNER, Jack	Emerson	PC
PLOHMAN, John	Dauphin	NDP
PRAZNIK, Darren, Hon.	Lac du Bonnet	PC
REID, Daryl	Transcona	NDP
REIMER, Jack	Niakwa	PC
RENDER, Shirley	St. Vital	PC
ROCAN, Denis, Hon.	Gladstone	PC
ROSE, Bob	Turtle Mountain	PC
SANTOS, Conrad	Broadway	NDP
STEFANSON, Eric, Hon.	Kirkfield Park	PC
STORIE, Jerry	Flin Flon	NDP
SVEINSON, Ben	La Verendrye	PC
VODREY, Rosemary, Hon.	Fort Garry	PC
WASYLYCIA-LEIS, Judy	St. Johns	NDP
WOWCHUK, Rosann	Swan River	NDP
<i>Vacant</i>	Rossmere	
<i>Vacant</i>	Rupertsland	
<i>Vacant</i>	The Maples	

**LEGISLATIVE ASSEMBLY OF MANITOBA**  
**THE STANDING COMMITTEE ON ECONOMIC DEVELOPMENT**

**Monday, July 26, 1993**

**TIME — 7 p.m.**

**LOCATION — Winnipeg, Manitoba**

**CHAIRPERSON — Mr. Jack Reimer (Niakwa)**

**ATTENDANCE - 11 — QUORUM - 6**

Members of the Committee present:

Hon. Messrs. Downey, Ernst, Hon. Mrs. McIntosh

Mrs. Carstairs, Messrs. Dewar, Laurendeau, Maloway, McAlpine, Reimer, Mrs. Render, Mr. Storie

**WITNESSES:**

Leslie King, Private Citizen

Stephen Roznowsky, Private Citizen

John Read and Randy McNichol, Manitoba Hotel Association

Larry Jocelyn, President and General Manager, Gordon Hotels and Motor Inns Limited

Leo Ledohowski, President and Chief Executive Officer, Hospitality Corporation of Manitoba, Inc.

George Bergen, Private Citizen

John Ford, Private Citizen

Daryl Silver and Keith Martin, Private Citizens

Keith Pierce, Manitoba Distillers Council

Peter Olfert, Manitoba Government Employees' Union

Wes Zieske, Private Citizen

Debbie Spence, Social Planning Council of Winnipeg

Ray Benoit, Private Citizen

Dale Neal, Private Citizen

Michael Moore, Executive Director, Manitoba Restaurant and Food Services Association

Welland Ritcher, Private Citizen

Peter Choate, Alberta Distillers Limited (Calgary)

Angie Loscerbo, Osborne Florist Ltd.

Henry Loewen, Conference of Mennonites of Manitoba

Chris Contant, C.C. Biggs Restaurant and Bar

**WRITTEN SUBMISSION:**

George Tsouras, Private Citizen

**MATTERS UNDER DISCUSSION:**

Bill 42—The Liquor Control Amendment and Consequential Amendments Act.

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**Mr. Chairperson:** Will the Committee on Economic Development please come to order. This committee will proceed with public presentations on Bill 42, The Liquor Control Amendment and Consequential Amendments Act.

I have a list of persons wishing to appear before this committee. For the committee's benefit, copies of the list of presentors have been distributed.

Also, for the public's benefit, a board outside this committee room has been set up with a list of presenters who have preregistered. Should anyone present wish to appear before this committee who has not already preregistered, please advise the Chamber staff at the back of the room, and your name will be added to the list.

At this time, I would like to ask if there is anyone in the audience who has a written text to accompany their presentation. If so, I would ask that you forward your copies to the Page at this time.

Is it the will of the committee to hear from out-of-town presenters first? [agreed]

I will ask the out-of-town presenters to raise their hands, and the Clerk will conform with the information on the list.

Is it the will of the committee to impose a time limit on the presentations?

**Hon. Jim Ernst (Minister of Urban Affairs):** Mr. Chairperson, given the long list of presenters, some 28 in total, who wish to provide information to the committee, I think it would behoove us to put some limit on presentations.

I would move that the committee limit the presentations and questions to a total maximum of 20 minutes per presenter.

**Motion presented.**

**Mr. Jerry Storie (Flin Flon):** Mr. Chairperson, this is becoming an unfortunate practice of the government to limit presentations.

Historically, committees have seldom imposed time limits, and I do not think the list of presenters is so long—we are not talking about hundreds of people—that we need to unduly limit them. Perhaps, as opposed to imposing a limit at this point, we could see how we proceed perhaps in three hours and then decide whether we want to amend the process, but in principle I think we should oppose this.

We deserve the time to consider this carefully. Previous legislative sessions have allowed, and previous committees have allowed, for time for discussion and questions, and I do not think there is any need to rush in and set a precedent on limiting debate in committee—limiting questions, I should say.

**Mr. Ernst:** Mr. Chairperson, I think it would be totally wrong for us to consider for three hours, let us assume, 10 or 15 presenters, and then say to the rest: No, you cannot have any more time. Even given the first group, it should be either applicable to everybody or to no one, so I think it is not what I moved.

**Mrs. Sharon Carstairs (River Heights):** Well, it is becoming a precedent, and I think it is regrettable. I have no difficulty in limiting presenters to 20 minutes, but if we are going to do this kind of thing, it should become a new rule of the House. We should not be doing it in committee. I think that, unless you have warned people ahead of time that they are going to have a 20-minute limitation, you have no right to impose one.

**Mr. Chairperson:** On the proposed motion put forth by the honourable Minister of Urban Affairs that the committee limit the presenters and questions to a total maximum of 20 minutes per presenter, all those in favour, please signify by saying yea.

**Some Honourable Members:** Yea.

**Mr. Chairperson:** All those opposed, please say nay.

**Some Honourable Members:** Nay.

**Mr. Chairperson:** In my opinion, the Yeas have it.

**An Honourable Member:** Recorded vote.

**Mr. Chairperson:** Recorded vote.

**A COUNTED VOTE** was taken the results being as follows: Yeas 5, Nays 3.

**Mr. Chairperson:** The motion is accordingly carried. We will now proceed with public presentations to Bill 42.

It has been brought to my attention that we have one person who is from out of town; just one moment, two people from out of town. I will then call Ms. Leslie King.

Did you have a written presentation, Ms. King?

**Ms. Leslie King (Private Citizen):** I have notes which I can leave with you after.

**Mr. Chairperson:** Okay. You may proceed then with your presentation.

**Ms. King:** I am Leslie Elizabeth King. I am the United Church Outreach minister for Carman Presbytery, which covers the south-central part of our province. It runs from the international border to Highway 2, Green Ridge to Cartwright. In addition to working in the United Church congregations, I have contact with other elements of the community, and I provide pastoral care for the Swan Lake Reserve community. So I have a broad base of experience and contact with a wide variety of people in this province, in a wide variety of circumstances.

I have served in this capacity for seven years, and I have come to understand some things that I did not understand before. It is because of those things that I would like to address this committee, and I thank you for the opportunity.

I would also like to express regret on the part of two other people who, I know, wanted to come, but because of the rush with which this was put together, they were unable to. One is an alcohol and drug counsellor, and another is a politician in the rural part of the province—not a provincial politician, a local politician.

\* (1910)

I have a number of points I would like to make. First, the United Church of Canada Conference of Manitoba and Northwestern Ontario and the All Native Circle Conference of the United Church of Canada, which is the only national conference we have, not a geographically based conference, are both on record as being opposed to easier access to alcoholic beverages for a wide variety of reasons. But the primary one is summarized in the All Native Circle Conference Third Annual Grand Council Meeting record of proceedings when the minister up at South Indian Lake said, alcohol is killing our people.

The second point I would like to make is that using a credit card for purchases is not the same as writing a cheque. When I write a cheque, I have to have money in my account to cover it. I have over \$14,000 in available credit, not counting a line of credit at the bank. That is over half my annual take-home salary. I could charge a lot of booze to my credit cards, and it would not do me any good or my family any good. All it would do would be to take the next half-year of my salary out of the economy. Using credit cards to purchase an unnecessary item such as alcohol is not a benefit to the economy. It is another way of mortgaging our future.

Third, I am rather concerned by the proposal to have for-profit wine stores. I am firmly convinced that all profit from alcohol sales should go into treatment for those who suffer from the ill consequences of alcohol. I am not talking only about substance addiction. I am talking about economic deprivation. I am talking about child neglect. I am talking about the reduction of additional inhibition towards socking your spouse. Most of the pastoral work I do deals with abuse issues, and in every single instance that I have come across in recent years, alcohol has been a factor. Without that income going into government revenues, there will be less income for treatment programs. At a time when people are suffering we do not need that.

Deregulating beverage rooms and hotels, in the rural part of the province particularly, I have never been into any of them in the city here, but in the rural part of the province they already smell like piss and vomit and spilled beer. If we deregulate that, it is going to get worse. We do not need that in our small communities. It certainly is not a good way to promote tourism; no one will want to go back.

I have concern about the greater availability of liquor licences. Our small communities do not have the same zoning by-laws which the cities have. In the village of Swan Lake, where I come from, there is a drive-in restaurant for hamburgers and fries and chicken; it is in a residential part of the village. Of course, when you have 300 people in town, most of it is residential. The property of this drive-in restaurant is adjacent to the property of a senior citizen's home. A senior citizen lives beside it.

Last year that business tried to get a liquor licence, and we were able to stop it. I do not have

the confidence that under the new legislation we will be able to. My neighbours will not get along as well as they do now because they will be fighting over the noise, over the inconvenience. It is going to seriously erode the quality of our small communities, and these small communities provide the base without which Winnipeg and the other cities could not survive as well as they do.

I have one last concern and, if possible, I would like a bit of clarification on this because it just does not seem to make any sense to me or, I am afraid, my information may be inaccurate. As I understand now, the cabinet will be the body that decides who gets the licences or permits for the private-for-profit wine stores—am I correct in that understanding?

**Floor Comment:** Not quite.

**Ms. King:** Pardon me? Not quite.

Could you—[interjection] Okay. If the cabinet is responsible for that, then I think we have elected those people for the wrong reason. It seems to me to be an unmitigated waste of time and executive power to decide who can sell wine. When I have spoken to people about this in the past week—and if I get accurate information I will pass that on to the people I have spoken to—but in the past week when I have spoken to people about it, they have been absolutely appalled. If I am anywhere near right, it is the dumbest political move I have ever in my life found the government about to make.

Even people who are not politically inclined think it is appalling. I would ask that you put this bill on hold until people, who want to have input into these changes, which will profoundly affect many lives, have an opportunity for full input. No one likes to see something like this rushed through, and that appearance of rush is creating a lot of suspicion. I thank you.

**Mr. Chairperson:** Thank you very much for your presentation this evening, Ms. King.

**Hon. Linda McIntosh (Minister charged with the Administration of The Liquor Control Act):** I just have a couple of quick questions. I see the member for Sturgeon Creek (Mr. McAlpine) has some, as well. I am not United Church. The member for Sturgeon Creek is, which is probably why he has different kinds of questions than I have.

You mentioned a couple of things I would just like some clarification on. I am well familiar with the All Native Circle Conference because my sister is on their board and I am very, very familiar with them,

good friends of mine. The United Church Conference, I am less familiar with, and I quite agree, they are on record against easier access to alcohol.

I am not quite sure how the establishment of wine stores leads to easier access to alcohol. From your comments, that was not made clear, but I am interested in your comment that all profits from liquor should go to alcoholism and treatment. Do you feel that is the case now?

**Ms. King:** I am not clear about what the current situation is regarding profits.

**Mrs. McIntosh:** Okay. I was just curious to know if the member was familiar with where the profits from liquor went now.

You mentioned greater availability of liquor licences. I am wondering what you are referring to there.

**Ms. King:** Extended hours for cabarets, if I understand correctly, the proposed changes. The ability to buy alcohol with a credit card. I mean, I can be overdrawn at the bank—

**Mrs. McIntosh:** But I am talking about greater availability of liquor licences. You have said you objected to the greater availability of liquor licences.

**Ms. King:** Sorry. As I understand the proposed legislation, restaurants which under the present legislation are not able to get licences or whose application can be successfully opposed, will now be able to get them, and it will be much more difficult to stop that process.

**Mrs. McIntosh:** You mentioned, as well, that rural hotels smell of piss and vomit now.

**Ms. King:** Yes.

\* (1920)

**Mrs. McIntosh:** I am wondering how you feel, that since they smell of piss and vomit now while they are regulated, removing regulations such as you no longer have to be told what kind of knife and fork to use, will suddenly make them smell differently. They are regulated now, and they smell of piss and vomit. We are lifting regulations. You know the types of regulations we are lifting, do you?

**Ms. King:** I do not have the details.

**Mrs. McIntosh:** May I just let you know then the types of regulations we are lifting are, we will no longer be telling restaurants what types of glasses to use, what types of cutlery to use. We will no

longer be telling restaurants that they have to apply for permission to close in the middle of the day for an hour, if they wish to, those types of regulations.

How do you think those will increase the smell of piss and vomit by removing them?

**Ms. King:** I know a number of hotel owners, and I know that whenever regulations are eased, advantages are taken. If it is cheaper to do things in a way which is less conducive to a pleasant social environment, it will be done.

**Mrs. McIntosh:** So you do not know the regulations. You are not familiar with the regulations we are removing, in other words.

**Ms. King:** Not in total, no.

**Mrs. McIntosh:** In the last question you asked, you felt that cabinet would be making the decision on the wine stores. For clarification, it is worded such that I guess cabinet could if cabinet wished to but, essentially, cabinet will decide the process by which those wine store licences will be granted. They could set up a separate body to do it.

However, the point is it will not be decided by the Liquor Commission. To do that would be unfair in that it is going to be a semicompetitive branch, and it is not proper to ask them to do that type of selecting. So we will have to set up another process which will be controlled, the process, by cabinet, because it has not yet been determined.

Anyhow, those are all my questions.

**Mr. Storle:** First of all, I want to thank Ms. King for her presentation. Just so that perhaps Ms. King will appreciate that her concerns about the deregulation of the industry are shared by others, some of the changes which the minister did not refer to, which I think you were alluding to in your comments, include licensed premises and hotel rooms need not be air conditioned. Carpeting, décor and quality of hotel rooms will no longer be regulated. Décor of washrooms in licensed premises will no longer be regulated. Décor on licensed premises will no longer—I think that was the point you were trying to make, in fairness to the presenter, Madam Minister.

The second point you are making is absolutely true, and the minister skirted the issue. The fact is that Section 17.1(2) of the legislation says, an agreement under subsection (1) is subject to the approval of the Lieutenant-Governor-in-Council, which means that cabinet makes the decision.

Unequivocally, cabinet makes the decision. [interjection] No, an agreement under subsection (1) is subject to—interjection] That is right. In other words, they make the decision. In others words, someone whom they do not want to get the licence will not get the licence. Someone whom they want to get the licence will get the licence. I agree and I have raised the same issue.

I wanted to explore a little bit more with respect to your concerns about the impact of imbibing, in any event. I am wondering whether you have any concerns, whether you see in your work any of the effects of consumption of alcohol during pregnancy, whether you are familiar with fetal alcohol syndrome, fetal alcohol effects. I am wondering whether you have any concerns about the easing of access to liquor in those terms.

**Ms. King:** Yes, I do, primarily because people are not adequately informed as to the zero tolerance which the fetus has for any degree of alcohol during the first six weeks of pregnancy. Some of that concern could be addressed through adequate education if the money was available to do that. However, the long-term effects of regular drinking but not identifiably problem drinking also create a greater pressure in a person's body system, create health problems, and we all know what is happening to the health budget in this province. We do not need any more pressure on that.

I know a young fellow who spent a year in jail because he has fetal alcohol syndrome and did not understand when someone asked him if he had killed somebody, that because he was already in jail, he could not have done it. Fetal alcohol syndrome and the fetal alcohol effect have devastating impacts on families.

The grief that parents feel when they finally realize they have done this to their child, the stress families go through in trying to help these children and young people cope, the cost that will accumulate to the province for the lifetime of these people who are not for the most part able to deal with their own lives, is at this point immeasurable, and it does not take much more alcohol than what people already have in order to create a brain-damaged child who cannot look after him or herself.

**Mr. Storle:** Just one final question from me, Mr. Chairperson, and that is a generic one.

What we are about here, what this bill does is reduce some of the controls that currently exist in

terms of access to alcohol and the way in which people can consume and enjoy alcohol to the extent they do, and I think it is fair to say that over the last decade, we have been easing the restrictions on the sale and consumption of alcohol.

I am wondering whether in your opinion—

**Mr. Chairperson:** I would just like to point out there are only two minutes left.

**Mr. Storle:** I am wondering whether in your opinion you have seen any noticeable change in the last few years. Should we be concerned about the fact that we are liberalizing the laws, easing the restrictions?

**Ms. King:** I have worked in communities which are in fairly desperate situations for most of my ministry, so I have not seen the normal pattern that many people might see. I cannot compare what I have seen to what might happen down the street here in the city.

**Mr. Gerry McAlpine (Sturgeon Creek):** You indicate that you speak on behalf of the Carman Presbytery and the Conference for Manitoba and Northwestern Ontario, for the United Church?

**Ms. King:** My job title is Carman Presbytery Outreach Minister. I am the outreach minister for the entire presbytery, but I am speaking as an individual rural pastor, and I mentioned the policies which the conference has.

**Mr. McAlpine:** But you are not speaking for all members of the United Church within the presbytery of Carman and the Conference of Manitoba and Northwestern Ontario.

**Ms. King:** Right at the moment, most ministers are on holidays, and I was not able to contact everybody. I have not been authorized as such to speak for everybody, but any United Church minister can quote established United Church policy, and I have done that.

**Mr. McAlpine:** And that is?

**Ms. King:** That is, we are opposed to the greater availability of alcohol.

**Mr. Chairperson:** I am sorry, but the presenter's time has expired.

**Mrs. Carstairs:** I have one very quick question.

**Mr. Chairperson:** One quick question, then.

**Mrs. Carstairs:** You raised your concern about regulations, and I must say I do not have any difficulty with owners of establishments being able to choose their own cutlery and their glasses.

I do have some problems, however, in decor, with respect to the potential debasement of women. Do you have any of those concerns?

(Mr. Marcel Laurendeau, Acting Chairperson, in the Chair)

**Ms. King:** Oh, yes, I do have, because the way the situation is now, when a woman goes into a rural hotel, it is like running the gauntlet in many instances. I am not talking about my own experience alone, but about women who frequent—you know, I am thinking of what women who frequent the hotels have told me and the methods they have had to develop to deal with it. It is not going to help women.

**The Acting Chairperson (Mr. Laurendeau):** Thank you very much for your presentation, Ms. King.

**Ms. King:** Thank you.

**The Acting Chairperson (Mr. Laurendeau):** At this time, we have one more out-of-town presenter, Stephen Roznowsky, No. 24. Do you have a written presentation, Mr. Roznowsky?

**Mr. Stephen Roznowsky (Private Citizen):** No, I just have some notes you can have after, if you so wish.

**The Acting Chairperson (Mr. Laurendeau):** Just carry on then.

\* (1930)

**Mr. Roznowsky:** This being a sort of Winnipeg-only hearing again really disenfranchises a lot of the rural communities that could be represented here. For me, it is an eight-hour drive to come in and out, a hotel room overnight, and I have to work tomorrow morning. I know the world does not end at the Perimeter, and Brandon, Dauphin or the North are not that far off to bring a handful of people.

Bill 42, I do have some concerns with. The consumption in boats, I applaud that that is regulated, but there are a few issues I do have that give me some great concerns. I will only deal with one of the issues, and that is the establishment of the privately-owned wine stores.

There are other issues, but I am sure the other speakers will address the other issues, like credit cards and that sort of stuff. With the privately owned and operated liquor product stores, there are two issues I am concerned about, and the two issues dealing with those two things are social versus economic.

Let us examine both of those in the context or terminology that the private entrepreneur is allowed to sell a controlled substance such as beverage alcohol. I am not saying the private entrepreneur in Manitoba is irresponsible when it comes to conducting business and selling shoes or food stuffs or any other products that are not controlled substances, but when you come to alcohol, I have some concerns because it becomes how much I can get away with, or how much I can get away with and not get into trouble or not get caught. Case in point is the scenario around cigarettes sold to individuals under 16 that has had some media press in the last couple of months.

The social versus the economic aspects of distributing beverage alcohol—I believe there is an adequate distribution system that is struck under the present Manitoba Liquor Control Commission that accomplishes these ends, having the social aspect of beverage control and not selling to minors or people under the influence and keeping in mind the economic aspects of providing that service to the public and distributing beverage alcohol to the public.

Studies have shown that the Liquor Commission does a good job. The Free Press studies, which have been in the paper several times, of the way the business is conducted at the MLCC and, of course, the public meetings that go on the road, much unlike these committee hearings, that go to southern Manitoba and the North and the city of Winnipeg, show that the public is well satisfied.

Of course, I know that people in this room know that we have private individuals delivering liquor to rural Manitoba through the vendor-distribution system. Let me tell you some differences about rural versus urban, in how those areas are run. People who have these businesses in the rural communities are known in the community; they are individuals that have other businesses, that have some responsibility within the community. There is more pressure to obey the rules because if they disobey the rules, if you have sold to a minor or if you have sold to a person under the influence, then you are very easily known.

The privately owned wine stores, I think, only the handful of concerns that are raised, are only the thin edge of the wedge where the vendors that sell in Manitoba can be expanded into the city of Winnipeg or the city of Brandon or the larger places like Dauphin or The Pas and the North. That gives



me some great concern, because, as I said before, there are two issues to deal with, and that is the social aspects of delivering beverage alcohol to the public.

Under the privately owned wine or liquor product stores, the price universality is gone because those stores, I am led to believe, are to be able to set their own prices for the products that they carry or whatever the market will bear, maybe not initially, but I could see that going in that direction. Another part that I have a problem with private individuals delivering the beverage alcohol to the public is quality control. Where you have a product that has a—there is a problem with the product that is on the shelves right now at the MLCC stores, if there is contamination of any sort, whether it is glass or whether it is some other substance that should not be in the product, it is withdrawn immediately.

I can see that the private individual having forked out the money or having control of the inventory or having paid for the inventory would be a lot less likely to pull it off the shelf because that would cost him some money to pull that stuff off the shelf that is contaminated, and it would endanger the public by selling contaminated product to the public.

I really see this as an Americanization of the liquor distribution system. I guess there are some other provinces across Canada—one of them is Alberta—that have been going in this direction. I also remind the committee that there was an incident of a minor buying beverage alcohol and getting killed in a car accident shortly after receiving or shortly after purchasing beverage alcohol from a privately owned liquor vendor.

Under the MLCC, under the control aspect of the distribution system, there are no pressures to accomplish the delivering of these products to the public, and under private ownership I believe there is a mixed message where there can be, and the potential is there, that some of the social aspects may be cut short to accomplish some of the economic means.

That is my presentation.

**The Acting Chairperson (Mr. Laurendeau):** Thank you very much, Mr. Roznowsky.

**Mrs. McIntosh:** Yes, thank you very much, Mr. Roznowsky. I appreciate the good comments you have made about the Liquor Commission, and I do agree that the Liquor Commission is doing a good job. We are very proud of our commission and its staff there. I believe, in fact, maybe you might be

familiar with what it is like to be a staffperson at the Liquor Commission. I commend you and your colleagues for the good work you do as employees of the Liquor Commission.

I would indicate there was a little slight error in one thing you said, in that you mentioned that the public hearing of this Liquor Commission has good attendance and good response. I just checked with the president, because I remember being very concerned about the fact that people were not showing up for our public hearings. The last three hearings in total had a total attendance of 10 over all three. So maybe we just have a different understanding of what a good turnout is, but that to me—and they were well advertised, as you know.

In terms of setting their own prices, again, I would just like to make a little correction there. The new private wine stores will have to, if they are carrying products carried by the Liquor Commission, sell them for the same price the Liquor Commission sells them for. The only place they will be able to have a different price is if they are bringing in a product that is not sold at the Liquor Commission.

\* (1940)

In response to your comments—and I believe Mrs. Carstairs asked a question, which the previous presenter, too, I think, had misunderstood—the regulations we are taking out are the ones that we feel are not that pertinent. We are not taking out all the regulations; we are leaving in the ones we think make a lot of sense—i.e., we still will govern advertising as part of the decor in hotel rooms. So that concern that was for the question Mrs. Carstairs asked is not being deregulated. I have a lot more I could say, but I know the time is limited. I know other people want to ask questions. I will just leave that. If you wish to respond to any of those?

**Mr. Roznowsky:** The committee hearings that are held for the Liquor Control Commission throughout Manitoba, I did not say that they were well attended; I said that there were no big concerns or complaints that were coming forward. The fact that they are not well attended means that the Liquor Commission is doing a real good job. I would take that as translation. If something was happening that was giving the public some concerns, you would see rooms full of people, you know, complaining, but that is not the case.

The price universality, and, of course, I just want to make one point, if you allow the privately run

wine stores to carry some products the Liquor Commission does not carry, that is very easy, because out of 10,000 known listings across the world, the commission carries whatever sells in Manitoba, but it is not very hard to circumvent that process to carry a lot, as they do in British Columbia, I believe.

I have been in some of the privately run wine stores in B.C., and that is probably one of the other points I should have made, is that there are wine industries in B.C. and in Ontario, and they have privately run wine stores because they have wineries. Unless we make wine out of chokecherries or rotten socks, we do not have one in Manitoba.

**Mrs. McIntosh:** Chokecherries, maybe. Rotten socks, I am not sure.

**Mr. Storie:** I want to thank Mr. Roznowsky for his presentation. He raised an issue I do not believe has been raised, and certainly I have listened to most of the debate on second reading, and that was the issue of product control, I think a genuine concern.

Certainly, in the last number of years, we have seen a number of major bottlers of wine have product removed, and I am thinking of some German wines that had glycol in them, and I am wondering where would the responsibility lie if those products were imported outside of the commission? In other words, they were a product that was brought in and priced via a private seller.

Who would ultimately end up responsible? I believe there was some serious health damage to individuals who drank that particular wine. Who is going to end up responsible?

**Mr. Roznowski:** Well, I would see the end seller being responsible, and that is why I am saying I have some concerns too to that question, because if you have imported a wine and it is not carried by the stores within the system, then they are not being tested as rigorously as the products that you would have in the system. So if you have imported some, maybe some product that is a one-only shot deal, then the chances of it being tested would have to be under the owner's initiative, and I question whether or not that, in fact, will happen.

It happens within the system now because we have lots of products that are distributed to the 50-some-odd stores throughout Manitoba, and periodic checks have withdrawn a lot of product,

whether it is contamination for glass, whether it is foreign substances.

The technology that is available today can pick up minute traces of substances such as arsenic, substances that are used for pesticides, are used in other countries, that are licensed in those countries but are not licensed here, so I do have concerns because there are a lot of contaminants that can make their way into the products that are distributed in our province.

**Mr. Storie:** Mr. Acting Chairperson, the other area I wanted to touch on, you referenced, I guess, the good reputation the Manitoba Liquor Control Commission has. Again, this has been discussed in debate at second reading, and it relates to the issue of money that the commission has already spent on retrofitting existing stores to establish specialty wine boutiques and to train staff to handle more "exotic" wines.

I am wondering what you believe is the reason for moving in this new direction? Why is it not sufficient just to have the commission expand their stock and continue on with the changes that have been taking place to improve the selection of wines and the availability of wines?

**Mr. Roznowsky:** Well, that direction I would have to sit in on government, I guess, because to me, that does not make sense. I think if the public is satisfied with the products we carry—we are always being upgraded or trained to have product knowledge, to carry—we have a department under the specialty wines selection I think is bar none to other provinces right across Canada. I think we have competent staff who can deliver that kind of service.

The only reason, and it is a gut reason, is that it has something to do with certain individuals pressuring maybe the government into getting some of these changes done for profit purposes. That is what gives me some concern.

**The Acting Chairperson (Mr. Laurendeau):** I would like to advise the committee, two minutes remaining.

**Mrs. Carstairs:** I think the minister must have misunderstood my question to the other presenter, as well, because it had absolutely nothing to do with advertising and everything to do with the decor and the walls of outlets selling liquor.

My question to you specifically is: Do you have any concerns about the hours and the days of

operation being different for the private wine stores from the Manitoba Liquor Control Commission?

**Mr. Roznowsky:** I certainly do. That is another one of the concerns because if you allow the selling or the hours of operation in one system and then control the other, namely the liquor stores, then you know the people are going to go where the hours are greater or are longer. So the hours of operation in any studies I have known, the sunset report from Pennsylvania, and all the studies that are done here in Canada, shows the greater accessibility, the longer hours always lead to crime and always lead to some mishap with the misuse of alcohol.

The concerns about hours of operation being longer in our liquor stores, I have big concerns with that, yes.

**Mrs. Carstairs:** Do you think that, for example, in many of the rural areas where the Liquor Control Commission does not operate a separate outlet, but, in fact, has a licence within a store, that this will cause difficulties when that store comes up in conflict with a wine boutique, for example, that may be located in the same community, and one could be opened on Sunday and one cannot.

**Mr. Roznowsky:** That is highly unlikely to happen because the vendors or the privately owned stores only exist in small rural locations, and I do not see the privately owned wine stores being located in small rural communities. I would see them being open in the urban centres. So I do not think that that is a concern.

**The Acting Chairperson (Mr. Laurendeau):** Thank you very much for your presentation, Mr. Roznowsky.

We will now move on to Mr. John Read and Randy McNichol, Manitoba Hotel Association. The presentation has been distributed, so you can just carry on.

**Mr. John Read (Manitoba Hotel Association):** Thank you very much, Mr. Acting Chairperson. Mr. McNichol will address the association's concern regarding the drafting of subsection 96 of Bill 42, and I will not touch on that issue during my presentation.

There are a dozen or so different licences issued under The Liquor Control Act. Of these dozen or so licences, three appear to function in a very similar manner. They are beverage rooms, cabarets and cocktail lounges, which for the most part, are known as bars. The similarity among the three

licences is that people can enter all three, consume alcoholic beverages without being required to order food.

To qualify for the privilege of obtaining and retaining any of these licences, certain requirements must be met and maintained. A beverage room licence can only be issued to a hotel which has a certificate of hotel registration and a licensed dining room. To obtain a certificate of hotel registration in Winnipeg, for instance, the property must provide a minimum of 40 guest rooms, and those rooms must be a minimum of 200 square feet. In addition, the property must provide parking spaces at the ratio of one space for every four licensed seats and two parking stalls for every three rooms. If these requirements are met, a beverage room licence must be issued. The licensee, in this case, must offer and continue to offer lodging and a licensed dining room.

\* (1950)

A cocktail lounge licence, on the other hand, can be issued to a holder of a dining room licence. The maximum seating capacity of a cocktail lounge shall not exceed 50 percent of the seating in a licensed dining room. The holder of a dining room licence and a cocktail lounge licence shall not obtain more than 60 percent of their revenue from the combined sale of liquor in both the dining room and the cocktail lounge. The licensee must offer food in the licensed dining room. The sole purpose of this operation is clearly not to function as an American-style corner bar.

On the other hand, a cabaret licence may be issued when the applicant can demonstrate to the satisfaction of the Licensing Board that the operation will introduce a satisfactory, high-quality standard of environment, decor, entertainment, food and service over and above that required for the issuance of a dining room/cocktail lounge licence.

There are restrictions. The seating capacity must be a minimum of 200 to a maximum of 300. The hours of operation will be between 5 p.m. and 2 a.m. There must be four consecutive hours of live entertainment between the hours of 8 p.m. and 2 a.m. and they must achieve a liquor-to-food ratio of 90 to 10 percent. So, while the end product appears in many cases to be the same and that being a bar, the route to obtaining a licence is very different.

In any case, the underlying reason for rooms, food ratios, seating restrictions or entertainment

requirements is to place the emphasis on some business activity other than the sale of alcohol, thereby preventing alcohol being sold on every street corner as with the American bar concept.

The Manitoba Hotel Association represents members who are holders of each of these three different classes of licences, and we respectfully request that no changes be made to The Liquor Control Act which would in turn impact on any of these requirements and thereby affect the consumption patterns.

We request that subsection 71(7) not be repealed. That section reads as follows: The holder of a dining room licence and a cocktail lounge licence shall not obtain revenue from the combined sale of liquor in the dining room and cocktail lounge in excess of 60 percent of the total food and liquor sales in the dining room and cocktail lounge.

We believe the liquor to food ratio should be entrenched in the act. Moving the ratio into regulations may make it easier to revise, but we feel it would not allow for public debate on the issues as changes to the act do. We believe that changes to the ratio should ultimately be made after public debate, since a change in ratio could affect the style of operation and consumption patterns of the public.

We further request that Section 73(4) which reads, No liquor shall be sold or served in a cabaret from 2 a.m. to 5 p.m. not be amended to change the time from 2 a.m. to 4 p.m. We believe it is important that the competitive position of licensees holding these three different and unique licences not be jeopardized by making what appears to be relatively minor changes now, but which could have a major impact on the style of operations and revenue in the future.

Bill 50 which received royal assent in July of 1991 did in fact disrupt the competitive position of these three licences when it permitted the holders of cocktail lounge licences to operate in a regular fashion seven days a week. This meant the beverage rooms and cabarets were the only two licences of the dozen or so which could not operate in a normal manner every day. Why? All three, cocktail lounges, cabarets and beverage rooms, are known as bars. Please correct this oversight with Bill 42. This discriminatory practice should be corrected. Cabarets and beverage rooms should be allowed to join the other tourist entertainment venues, sporting events, theatres, entertainment

centres and cocktail lounges to operate normally every day.

I would like to read at this time a letter that we received from the Manitoba and Northwestern Ontario Command of the Royal Canadian Legion. That letter is dated June 28, 1991. It is addressed to me as president of the Manitoba Hotel Association and it says:

"Further to your letter . . . requesting our support to have the Liquor Control Act amended to permit the sale of alcoholic beverage in hotel cocktail lounges and beverage rooms after 1 p.m. Remembrance Day.

"A resolution on this subject has been presented and approved at our recent Provincial Convention. Copy of the resolution attached . . ."

I will read the final paragraph of the resolution. It says:

**BE IT RESOLVED** that the Manitoba and Northwestern Ontario Command of The Royal Canadian Legion would not oppose an amendment to The Liquor Control Act permitting the sale of alcoholic beverages in hotel cocktail lounges and beverage rooms after 1 p.m. on Remembrance Day.

This now means that all veterans groups are now supporting the opening of beverage rooms on Remembrance Day, and we ask that you act on their request, on the legions' request, and remove Remembrance Day from the definition of a holiday in Section 1 of The Liquor Control Act.

To summarize, we respectfully request that Section 71(7) not be repealed, that Section 73 not be amended, that we remove the reference to Remembrance Day from The Liquor Control Act, and the act be consistently applied to allow beverage rooms and cabarets to operate in a regular fashion all days of the week. These two licences are the only ones now denied this privilege. We believe these amendments will result in fair and equal treatment for all licensees and remove the now discriminatory practices.

That is my presentation, Mr. Acting Chairman.

**The Acting Chairperson (Mr. Laurendeau):** Thank you, Mr. Read. Would you mind taking a few questions?

**Mr. Read:** Sure.

**Mrs. McIntosh:** Thank you very much, Mr. Read. I understand the intent of all you are asking for, and I do not want to take too much of your time to ask

for further clarification. I do understand what you are asking because I believe you were going to have Mr. McNichol share your presentation on the parking lot.

**Mr. Read:** Yes, Section 96.

**Mrs. McIntosh:** I wondered if you wanted to have him do that now.

**Mr. Read:** Fine.

**The Acting Chairperson (Mr. Laurendeau):** I would ask Mr. Read to just invite Mr. McNichol up at this time. If you could stay, Mr. Read, for some questioning. Go ahead, Mr. McNichol.

**Mr. Randy McNichol (Manitoba Hotel Association):** Mr. Acting Chairman and members of the committee, thank you. My name is Randy McNichol. I am appearing before you briefly tonight as counsel for the Manitoba Hotel Association to share with you the concern they have with respect to the proposed amendment to Section 96(1), what will now be (b)(1) of The Liquor Control Act if that amendment is moved and passed.

\* (2000)

As you know, Section 96(1)(b) presently already provides that the licensee of any licensed premises shall not permit disorderly persons to be in the licensed premises. The proposed amendment will add to that subsection (b)(1), which will have the further prohibition that licensees shall not permit disorderly persons who leave the licensed premises to remain in the building in which the licensed premises are located or in any other building or on any other land, including a parking lot, used in conjunction with the licensed premises.

It is the position of the members of the Manitoba Hotel Association that the present wording of that proposed amendment is unfairly broad and imprecise and will result in an unfair and undue onus being placed upon licensees.

The first area of concern is on a simple reading of the proposed amendment, to what patrons does it apply? I suggest to you that the amendment does not say that licensees are enjoined from permitting disorderly persons who are ejected from or asked to leave the licensed premises for disorderly conduct from thereafter remaining in other parts of the building. It merely says, they shall not permit disorderly persons who leave the licensed premises to remain in those other areas.

The present wording of the amendment, in my respectful submission to you, would apply to any

person who might have been on the licensed premises conducting themselves in a proper manner, not even consuming alcoholic beverages, but who then leaves the licensed premises and, while in the same building or a building used in connection with them or a parking lot adjacent thereto, for some reason conducts himself or herself in a disorderly manner.

The licensee of the licensed premises and his or her staff would then be required to deal with that individual under the proposed wording of the amendment. It would require them in effect to patrol and police the whole of the building in which licensed premises might be located and any parking lot adjacent thereto or used in conjunction with it, even though others in the building and third parties have access to and make use of that same building and that same parking lot.

The burden is such that I suggest that it was not intended to be imposed upon the licensee, but that is the effect of the plain and simple wording of the amendment.

The second concern is the breadth of the application of that wording. In my submission it obligates the licensee or members of the licensee staff to remove disorderly persons from, as the amendment says, anywhere in any building that the licensed premises are located or any other building used in conjunction with those premises.

Simple examples of how that would apply would mean it would extend to hotel and motel rooms and units used in conjunction with licensed premises or in which licensed premises are located. It would apply to restaurants, even if not licensed in the same building as licensed premises are located, and it would apply to any other premise or business located in the same building, even if not under the control of the licensee.

Rhetorically and legally, I ask the committee, how can the licensee possibly be responsible for those other areas, and what legal right—and I suggest there is none—would the licensee have to attempt to remove someone from the property of another?

The patron at that point, who has been asked to leave the licensed premises, may no longer be conducting himself or herself in a disorderly manner, yet the amendment would obligate the licensee to attempt to remove that person from the rest of the premises.

It is impractical and unworkable and would mean someone who left the licensed premises because they were cut off and wanted simply to return to their hotel or motel unit would have to be ejected entirely from the building and the premises.

Again, I suggest that the amendment was not aimed at curing that mischief, but the breadth of it and the draftsmanship of it are such that that is exactly what it would mean and that is the obligation it would impose on a licensee.

Lastly, the amendment obligates the licensee to remove disorderly persons from any parking lot used in conjunction with the licensed premises: any parking lot, no matter where located, no matter how large, no matter how dark or dangerous for the employees of the licensee, particularly female employees; and any parking lot, no matter even if it is separated from the licensed premises, so long as it is used in conjunction with them and third parties might be using it at the same time. It exposes the staff of the licensee to undue risk and danger, particularly in the evenings, and it raises as well the spectre that, on a simple application of it, a licensee in dealing with a disorderly person on a parking lot, who is under the influence of liquor and who has a car, would be asked by the licensee to remove himself or herself from the parking lot, implying, suggesting that they remove themselves and their vehicle. That is, they leave the parking lot and go out and drive upon the streets while under the influence.

That not only poses risk to innocent citizen; it exposes the licensee now to further civil liability. If persons who are served alcohol on their premises and leave them and drive an automobile and are involved in an automobile accident, there is the risk of civil liability attaching to the licensee.

So what the plain reading of the amendment does is impose on the licensee an obligation to put himself, and his or her staff, at further risk, and at further risk of further civil liability, depending on what the person who is removed from the parking lot thereafter does in terms of operating or not operating a motor vehicle.

I am sure that the draftsmen of this amendment did not think completely through the scope and breadth of its application to the practical world of the operation of hotels and licensed premises, but that is exactly the effect that it would have.

The members of the Manitoba Hotel Association ask you to recognize that the wording is flawed; that

it ought not to proceed in that manner; and that it ought to be removed, leaving the prohibition that now exists: that licensees are not allowed to permit patrons to be disorderly whilst in the licensed premises and have an obligation, as they presently do, to see to their removal or rejection.

**The Acting Chairperson (Mr. Laurendeau):** Thank you, Mr. McNichol.

I would like to advise the members of the committee, there are only five minutes remaining in the presentation, so if we could keep it specifically to the questions of the presenter, I would appreciate it.

**Mrs. McIntosh:** Mr. McNichol, thank you very much. The current wording, you feel, would be preferable to this. The current wording has, of course, "in or about the premises," not just "in the premises."

**Mr. McNichol:** Yes.

**Mrs. McIntosh:** Many of those points you raised were discussed by the legal drafters here. The wording they put together—we appreciate that you sent us in a legal opinion indicating that the wording that is here presented problems because it talked about property that was not under the direct control of the people who owned the premises or ran the premises. The legal drafter took your opinion and addressed the points in your legal opinion with an amendment which I would like to read with you and get your reaction to.

I will be bringing forward a amendment to this effect, but he indicates that adding in clause (e), by adding the words "and under the control of the licensee" after "used in conjunction with the licensed premises" in proposed Clause 96(1). Now our drafters here seem to feel that would fit your concern about it not being under their control. Do you concur with that, or have any comments on that before we proceed to our debate on it?

**Mr. McNichol:** It does address that concern, Madam Minister, the concern that I had raised being, how can a licensee effectively police and control the property of third parties? So it would apply only to property under the control of the licensee, and depending on what "under the control" means, it does not speak to the other issues I have raised. That is the ejection from hotel and motel units, and it does not address the concerns that I have raised on behalf of the members of the association relating to the policing of the parking lot, particularly at night, and the onus

that is imposed on a licensee to attempt to eject or remove disorderly persons, particularly under the influence of alcohol and likely to drive from those parking lots.

**Mr. Storie:** Mr. Acting Chairperson, I am wondering whether you would have any wording that would be more suitable, whether you have drafted some perhaps yourself, No. 1.

Number 2, a question that I am sure the minister is going to ask if I do not, and that is the question of how we control unruly behaviour on parking lots adjacent to licensed premises. I assume that this amendment is here because of some of the difficulties that have been experienced in the province with the behaviour of individuals who have been consuming alcohol on licensed premises. I am wondering whether, in your opinion, that this is simply a matter that should be left to the police, whether, in your opinion, the Hotel Association and those suppliers should not have any responsibility in that regard.

**The Acting Chairperson (Mr. Laurendeau):** Mr. McNichol, I would like to advise the members that the 20-minute time limit has—but Mr. McNichol, to answer.

\* (2010)

**Mr. McNichol:** Mr. Storie, the present law, and in particular the Criminal Code, prohibits disorderly conduct on public property. There is ample legal authority for the police to use that section and others to deal with that kind and type of conduct. If it is the aim and intent of the amendment to place some further onus on the licensee such that they will be alive to that concern and attempt themselves to inject themselves into that situation, the Manitoba Hotel Association, I believe, has already suggested to the minister that an appropriate wording for that section would be: permit disorderly persons to be in the licensed premises and will request the disorderly person who is ejected from the premises to leave the land, including a parking lot used in conjunction with the premises and under the control of the licensee.

That is, the licensee, when they throw them out, will tell them they are not only leaving the licensed premises, they are to leave entirely, but that will then, after making that request, end the licensee's obligation as it ends under the present regime where a person is removed for disorderly conduct from a licensed beverage room. If they refuse to go, the act provides that they can then be charged with

an offence by the police, and the same would apply with respect to the parking lot, but it would not extend the onus to have employees of the licensee, in particular female employees, if that is all who are there on the premises in the evenings, physically escorting someone out to a dark parking lot and attempting to eject them from it if they think otherwise.

**The Acting Chairperson (Mr. Laurendeau):** Mrs. Carstairs, with one short question.

**Mrs. Carstairs:** This one is to Mr. Read. On page 2 of your brief, you make the statement, a cabaret licence, et cetera, et cetera, will introduce a satisfactorily high quality standard of environment, decor, entertainment, food and service over and above that required, et cetera. Is it your understanding with the changes in the application that there will no longer be a licensing requirement which will require that a high quality standard of decor be met?

**Mr. Read:** My understanding would be that that would still remain in place. That paragraph is taken directly from the policy manual of the Manitoba Liquor Control Commission, and to obtain a cabaret licence, which is a very special licence in terms of how you have to perform under that, you have certain obligations of performance under that licence. Therefore, I would certainly think that the style of operation would still, in my opinion, be the responsibility of the Licensing Board of the Manitoba Liquor Control Commission.

**Mrs. Carstairs:** Just very quickly. Then what is your meaning of the words that the minister has used, saying that we are eliminating the regulations with respect to decor.

**Mr. Read:** I presume that would be that there will not be a continual inspection of such things they now do with respect to fire codes and health regulations, that this would, by and large, be left to the various fire departments and provincial Health or the City of Winnipeg health departments to administer those kinds of things, and I think Health would certainly, in my opinion, be stepped in if the situation existed which a previous presenter said did, where there was piss and vomit. That is a matter for the Health department to step in and clean up and probably not the Liquor Control Commission.

**The Acting Chairperson (Mr. Laurendeau):** Because of the technical nature of the questioning, I will permit one more from Mr. Storie.

**Mr. Storie:** Thank you, Mr. Acting Chairperson, I appreciate that. I think the Hotel Association deserves the indulgence of the committee given the importance of this issue to them.

My question, then, is two part, one to Mr. Read and one to Mr. McNichol. The first question is to Mr. Read, and he raised the issue of the 60-40 ratio in dining rooms and cocktail lounges, and I am wondering whether the association has done any sort of analysis on the number of people who are currently employed in that area and whether employment and job prospects for people is part of the Hotel Association's concern if that should change.

The other question was to Mr. McNichol on Section 96(1) that dealt with the restrictions on games that appear to be part of the new regulations and whether you have found a way around the legislation as it is proposed.

**Mr. Read:** To address the first question, I think what would happen if there is a change in the liquor to food ratio, and that is actually what we are talking about here, not the fact that it is moving from the act to regulations. We feel that, in a matter of time, it would then be reduced to some other sort of ratio.

What would happen then, you would see a decrease, I am sure, in what would now be known as cabarets, beverage rooms and, for that matter, the traditional cocktail lounge. You would then set up the American bar concept.

If there was no need for a liquor to food ratio, then every corner store could be a bar, and you would have no need for a restaurant any more than a hot plate or a microwave oven, and that would satisfy the requirements, and quite frankly, that is exactly what has happened in the province of Ontario, where it went to a single licence concept and where the food aspect has been removed from consumption.

**Mr. McNichol:** Mr. Storie, the Hotel Association had some very real and serious concerns about the proposed amendment that prohibited allowing persons to participate in a sport or game that poses a risk of injury to the participant because of the nebulous uncertainty of the wording.

I understand the minister is proposing an amendment and the wording of that amendment, I understand, is to address the concerns of the Hotel Association and be satisfactory to them, so I will not take up any more of your time dealing with it.

**The Acting Chairperson (Mr. Laurendeau):** Thank you, Mr. Read and Mr. McNichol.

Mr. Larry Jocelyn. For the committee's information, we did go to 25 minutes on that one.

**Mr. Larry Jocelyn (President and General Manager, Gordon Hotels and Motor Inns Limited):** My name is Larry Jocelyn. I am President and General Manager of Gordon Hotels.

**The Acting Chairperson (Mr. Laurendeau):** Mr. Jocelyn, do you have a written presentation?

**Mr. Jocelyn:** No, I do not.

**The Acting Chairperson (Mr. Laurendeau):** Just carry on, Mr. Jocelyn.

**Mr. Jocelyn:** I am sure I will not say it nearly as eloquently as Mr. McNichol has said it. I am seriously concerned about 96(1), the changes that are being made under (b)(1) to do with the parking lot. Perhaps, as an individual owner, I could give a specific example for the benefit of the committee as to some of the concerns we would have.

At the Assiniboine Gordon Inn on the Park in St. James, we have four and a half acres of parking for our customers, and they are centrally attached to our hotel at 1975 Portage. However, it should be noted—Mr. Ernst would know about this because for many years, we talked about trying to get lanes and so on changed, but two of our five major parking lots are segregated by city of Winnipeg streets.

Everybody is not listening. You are listening? Two of our five major parking lots are segregated by a city of Winnipeg street, Albany Street, and each of our five major parking lots are segregated, not once, but in many cases twice by proper city of Winnipeg back lanes.

I am asking you for a moment, members of the committee, would you imagine the control difficulties that if these changes were brought into effect, as an operator, particularly as Mr. McNichol has said, many of our management staff are females, they have to go out to the parking lot, and they have to tell the individual to leave the premises, they have been disorderly within the building. The individual steps on the street or steps on a lane and says, you know where you can go. I am not on your property. I think if he plans to step back on your parking lot the moment you turn your back, I am sure you can see the seriousness or the difficulties we would have.



I would think we want to be able to put this type of individual on notice at the beginning, and the wording that has been proposed by the Manitoba Hotel Association, and Mr. McNichol has covered it for your benefit, was that we would like to be able to indicate to the individual when they are being put out of the premises that they are to leave. They have instructions. We then have cause to call the police and have them evicted if they do not leave.

\* (2020)

That is what we want as operators, and I believe as a long-term taxpaying capital corporate citizen of this fine province of ours, the wording you put into your act, the changes you make, should help me to achieve the assistance of the police with your wording.

Thank you.

**The Acting Chairperson (Mr. Laurendeau):** Thank you, Mr. Jocelyn. Would you mind taking a couple of questions?

**Mr. Storle:** Mr. Acting Chairperson, I think Mr. Jocelyn's position is quite clear. I am hopeful that your personal circumstances outline the difficulty with this particular wording.

The other question I had asked Mr. McNichol, and perhaps you can give us some personal experience, as well. It deals with (b)(2), which talks about gaming, and I am wondering whether you have any concerns about the obligation for you to prevent any gaming which poses a risk. Would that eliminate darts?

**Mr. Jocelyn:** The minister has indicated, I believe, to Mr. McNichol that she was going to propose an amendment. Personally, I could live with and always have lived with the wording that exists today that says that whatever the commission approves in our various clubs and our beverage rooms would be satisfactory to me.

**Mrs. McIntosh:** I would like to thank Mr. Jocelyn very much for coming to make his presentation. We have been back and forth on this parking lot problem. I think we all have the same intent. We know what we are trying to get at, and we are struggling to find the right language.

So I appreciate the comments he has brought forward here today in terms of the way he sees this applying in the marketplace, and I hope when we finish up here tonight that we have somehow managed to wade our way through the language to a solution that will do what all of us wish to see

happen, which is to make the parking lots used in conjunction with your premises safe for everyone and give you the ability to interact in a very constructive way with the police.

Thank you very much, Mr. Jocelyn.

**Mr. Jocelyn:** Thank you.

**The Acting Chairperson (Mr. Laurendeau):** Thank you very much for your presentation, Mr. Jocelyn.

No. 3 is Mr. Leo Ledohowski. Do you have a written presentation, Mr. Ledohowski?

**Mr. Leo Ledohowski (President and Chief Executive Officer, Hospitality Corporation of Manitoba, Inc.):** Yes.

**The Acting Chairperson (Mr. Laurendeau):** I will just get it distributed.

**Mr. Ledohowski:** Yes, I have given 15 copies.

**The Acting Chairperson (Mr. Laurendeau):** Go ahead.

**Mr. Ledohowski:** I am here speaking on behalf of the Hospitality Corporation of Manitoba, Inc. I am the President and Chief Executive Officer. On page 1, I have given just a brief summary of what the firm is, so that you can understand from what viewpoint and what context I am going to be making my comments and my objections.

Firstly, our company has about \$30 million invested in the hospitality industry in Manitoba. We currently serve in all our premises, rooms, dining rooms, licensed premises, about two million people a year. Our employment roster is around 600 people. As you can see, I have changed it. The typist had made a mistake and put 500. We checked the last payroll. It was actually 585, so I rounded it off to 600.

As far as our hospitality industry holdings, we have approximately 200 guest rooms and Winnipeg's only two enclosed water slides. We are currently in the process of completing plans for adding guest rooms and more water slides.

Our licensed holdings currently held in expansion process are: Dining rooms, we currently have 1,150 seats. We are in the process of planning expansions of 250 to serve a total of 1,400 people. Banquet rooms operating under dining room licences, we currently serve 1,100 people. We have no expansion plans currently. Cocktail lounges, we currently have 550 seats. In process, we have for expansion 125 to serve a total of 675 people. Cabarets, we have two, current seats 700,

one in process for another 300 to serve 1,000 people. Our beverage rooms, we currently have four for 1,200 people. We have no plans to expand that component.

So our total licensed premises in addition to these other aspects of our hospitality business, we currently have capacity for 4,700 people. We are expanding 675, for a total of 5,375.

So as you can see, we have made major investments in this business. I think we are the largest in the industry. We are vibrant, expanding. It is difficult times. We have been working hard and trying to stay within the laws and are staying within the laws and being reasonably successful economically.

Within this context, we have certain objections to Bill 42 and the amendments. We have, right now, four dining room licences, four beverage room licences, four cocktail lounge licences, and two, soon to be three, cabaret licences. So you can see I do not represent just one category of licence. I am not pushing one point of view. The company is diverse, straddling all aspects of the hospitality business. We all got into our business knowing what the rules were and made our investments knowing what the rules were. I, on behalf of our company, made investments in all the categories.

We have a major problem. Unless there is an overriding public clamour or need, and in that case, very often the private concerns may have to be subjugated, but unless there is an overriding clamour or need, I think it is inappropriate, destabilizing and unfair to make changes that shift benefits and responsibilities between these different categories of licences. That is a major fundamental issue.

Unless you can show, and I do not think it exists and I have not seen it, a public clamour, a public demand for change—and the major objection we have is the removal of the 60/40 ratio out of the act and putting it into regulations. We have a minor one with the change of cabarets, moving the hours back to four from five. That is of a lesser concern. I think that the 60/40 move is a fundamental restructuring that has to be addressed, and I do not think it is being addressed.

The reasons for our basic objections—basically, fairness. Hundreds of millions of dollars have been invested based on the legal framework as it exists. Why should gains be made by legislative or administrative fiat instead of by the marketplace?

What would happen if we did the same thing to the turkey farmers or the chicken farmers or the—you know, we all work under rules and regulations, and unless you can start showing some greater public good that will arrive, I think we have to be careful. Abrupt changes such as this are very destabilizing to investment plans and to our investments.

The second reason—the market is fairly open as it exists. Different licences meet the different aspects of the marketplace. Whether by design or by accident, we have a very good system in Manitoba. I do not think there are any unreasonable barriers to investment in this business. There are all kinds of new places opening. There are lots closing. Some of us make money. Some of us lose money, but there are no unreasonable impediments to access.

The third reason, and this probably may be less from a business point of view, but as a citizen or possibly from your point of view, I think it has the major impact, the social impact. There are currently hundreds of licensed dining rooms spread throughout this city in all sorts of residential contexts. The potential for serious incompatibility problems arises as more and more licensed dining rooms over a period of time shift to the American bar concept. Do you want the possibility of another 1,000 bars in this province, many of which are inappropriately located in residential areas or other incompatible locations?

I am not saying that the moment you move it to a regulation this will happen, but it will over a period of time, and there will be no hearing process. City councillors do not get a chance to address the land use situation, and I can think of all kinds of places. I live very close to Corydon Avenue—all kinds of nice licensed restaurants, dining rooms. Start changing the character of some of these, and it will change.

It may take a year, it may take two years, it might take five years. Then some nice restaurant, somebody decides to retire, or their son takes it over, or for whatever the reason, the concept shifts and now becomes more of a bar, less of a restaurant. There is nothing necessarily bad with bars, but they operate on different hours, different context. An apartment block is right across the street from one of these restaurants.

The reason that I think that this type of thing can happen is we have had a precedent. That is my objection No. 4, the cabaret precedent. A number

of years ago, the Liquor Control Commission decided to change the food-liquor ratio for cabarets. This was done without appropriate discussions and input. The net result was major damage causing tens of millions of capital losses to beverage rooms and cocktail lounges in this city alone. Once this 60-40 ratio is taken out of the act, the danger is very real for a repeat of this type of situation.

\* (2030)

My final objection, and this really, I guess I could say I lay at the feet of the Legislature here, but I call it Sunday opening paradox. The pressure for change in the 60-40 ratio comes from a few operations whose problem is largely caused by the Sunday opening inconsistency. Lounges are open on Sundays. Beverage rooms are not open. Cabaret restrictions are such that, for all intents and purposes, cabarets are closed. The net result is that some cocktail lounges on Sundays are booming. They do an immense amount of business. That causes the food-liquor ratios to go out of whack.

So we have passed a law here, two or three years ago, for whatever the reason, and I respect the judgments, but we have passed the law saying that you will open, you will not. Now that we let you open and we have put all this business in your places, now we have to change the law again because you are not meeting the quotas. That one I also really have a problem with. Anyway, that is my basic objection. Those are my five reasons.

In closing, we at Hospitality do not see the reasons for the changes discussed here. We have four large dining rooms and cocktail lounges. We have no problem meeting our liquor-food ratios in each of our dining room-cocktail lounge locations. These ratios vary from 20 to 40 percent and, in each case, are substantial operations that meet the requirements of the law. We operate them as they were designed for.

I believe we have to seriously ask ourselves two fundamental questions. Where is the pressure coming from for these changes? I certainly see no public clamour saying, let us open up, let us take away the restrictions off of dining rooms and make them into more bars? Secondly, what are the consequences if we do make these changes? I believe that they are serious and substantial and should not be made without exhaustive public analysis by all parties, including the public.

I thank you very much on behalf of the Hospitality Corporation and all its varied constituencies for allowing me to make this presentation.

**Mr. Storie:** Thank you, Mr. Ledohowski, for the presentation. I guess it is opportune that you are speaking after representatives of the Hotel Association because part of the issues I had raised there was the issue of jobs and the net impact of the 60-40 ratio change on jobs.

I am wondering if, generally, you would say that bars and the serving of alcohol is less job intensive than the food portion of your business.

**Mr. Ledohowski:** Yes.

**Mr. Storie:** So that while we may be opening up bar spaces, we are going to lose on the employment end, from your perspective.

**Mr. Ledohowski:** I do not know how it would all wash out, like if you put all the pluses and minuses together. It is very obvious that for \$100,000 worth of food business, you have more employees than you do for \$100,000 of beverage business, but how it would all wash out throughout the whole system, I cannot say.

**Mr. Storie:** Mr. Acting Chairperson, I have to plead guilty to being one of the members of the Legislature in 1990 or '91 who listened to the arguments for liberalizing the cabaret licences and allowing the change of some of the conditions, I guess, but I would not want to make that mistake again. It seems to me we are talking about a much larger issue here, and your involvement in the city of Winnipeg and the number of people you employ I think should give everyone cause to give this issue sober second thought.

I am wondering whether you or the Hotel Association have had any serious discussions with either the ministry or the Manitoba Liquor Control Commission about the impact of this seemingly innocuous change.

**Mr. Ledohowski:** Yes, we brought it to their attention. We have had many discussions. I am obviously here because I do not think that we have made the impact I wish we had made. I really think this is fundamental and serious.

Remember, I am representing the Hospitality Corporation here, not the Hotel Association. It is very conceivable that through all these changes, we may make a lot more money. I do not know. They introduced the cabaret changes years ago, and I had to totally rechange our corporate

strategies. Just across the street, for example, from the Windsor Park Inn—well, not across the street, half a block away in a Safeway Store—they were going to open up a cabaret. So all of a sudden I wound up having to add cabarets to the hotels, which I had not intended to. I was going to operate with a beverage room, dining room, cocktail lounge, and I had to make some fundamental restructuring to the way I operated. We were very nervous. We danced for awhile, and we wound up making a lot of money with it.

Possibly, this might happen here again. We are positioned with a fair amount of capacity and talent and capital, and perhaps we could, but I am very, very nervous when these changes are being made, and I do not think all the pieces are being reconciled. I really do not.

**Mr. Storle:** It seems to me you asked the legitimate question. You said, where is the pressure? Certainly, I am not hearing, and I do not think members of the committee are hearing any clamouring for these changes. It seems to me you have answered the question, and that is in the success of cocktail lounges.

Are you recommending that we reverse the decision we made a number of years ago in terms of the cocktail lounges?

**Mr. Ledohowski:** From a personal point of view, you either do it one way or the other. You either reverse it or open us all up.

Now, I am not sure what the response will be from the other members of the Hotel Association. I am representing myself. I, personally, would like to see it closed. That is my personal preference, and I am sure it is anathema to many people in the industry, but if we are, and there are many reasons besides my personal preferences, then we should all be open.

**Mr. Storle:** Mr. Acting Chairperson, how much time does Mr. Ledohowski have?

**The Acting Chairperson (Mr. Laurendeau):** There is approximately seven minutes left, and Mrs. Carstairs—

**Mr. Storle:** One more question, Mr. Acting Chairperson, in fairness to everyone else, the Hotel Association has asked that subsection 71(7) not be repealed. I gather you are in support of that.

**Mr. Ledohowski:** That is the 60-40 ratio?

**Mr. Storle:** Yes.

**Mr. Ledohowski:** Yes, I do not think it should be repealed, and I have an additional concern which I did not put in my papers here, that right now, cocktail lounges are limited to 50 percent of dining rooms. That is in regulation.

The moment you take the 60-40 out of the act, it opens the door to make it not a 50 percent ratio but a one-to-one ratio. So now if I have a 300-seat restaurant, I can have a 300-seat bar. Now there is a danger in doing that because you might not meet the 60-40 ratio because you will sell too much alcohol.

What I am saying here is you are opening—I personally see it, and I do not know if that is the intent here, and I do not think it is the intent to open it up in that manner, but I think that will be the logical consequence of what is happening. I have no doubt about the proper intentions of the people involved here, but I really think this will be the logical consequence, whether it is intended that way or not.

**Mrs. McIntosh:** I will just ask quickly, because I know Mrs. Carstairs has a question or two, as well. I just wanted to ask you, I understand what you are saying here, Mr. Ledohowski, because we have discussed it before, and I understand your concern.

I just want to make something clear here, because I am just concerned about some of the comments made by the opposition that might be misconstrued for the record. I believe that the hotels would accept having beverage rooms open on Sunday, for example, in terms of levelling the playing field, as one method of levelling the playing field. Am I correct in that?

**Mr. Ledohowski:** The hotel industry association is on record as supporting Sunday openings. Are you asking me on the Hospitality Corporation's side whether we would be willing to make the trade of Sunday openings for 60-40?

\* (2040)

**Mrs. McIntosh:** No, I am just making reference to a comment that was made earlier about the cocktail lounges being able to be open on Sunday, the opposition having supported that and certainly would never support that type of movement again.

I am trying to indicate that would be something in your opinion—you may not yourself take that attitude, but you would not feel that would be ruled out of order for your industry if that were a move

that would come into play as levelling the playing field at some other point in time.

**Mr. Ledohowski:** Mr. Read speaks for the Hotel Association, but it is a resolution of the Hotel Association to push for Sunday openings.

**Mrs. McIntosh:** Just a couple of other questions. You mentioned about us repealing that section, the 60-40 food-liquor ratio, and just for clarification, it is not being repealed. It is being moved from act to regulation.

You are aware, I believe, that there is no other act in Canada that contains that clause and that, indeed, only four other provinces have that in regulation. Do you see problems in other provinces having occurred because they do not have that in their acts?

**Mr. Ledohowski:** I would make a couple of comments on that. I would suggest that the system we have in Manitoba is vastly superior to what exists right across this country. I do not know whether it was, again, like I said before, by design or accident or a combination of both.

I think we have a very efficient system that meets the public, has a reasonable amount of control, and I think that the others—and we have all made our investment based upon the existing environment.

I do not know that it is fair to say now, well, somebody else does not have it, so we will change the rules here. The historical context is different. I have absolutely no doubt in my mind that we have a superior system and superior facilities in Manitoba to any place else in Canada.

**Mrs. Carstairs:** Thank you, Mr. Ledohowski. You did not mention in your presentation that you also operate a number of hotel rooms, but I think we are all aware of that.

Does the parking lot problem create a certain difficulty for you? For example, if you have to get somebody off of the premises, what if they are a guest in your hotel?

**Mr. Ledohowski:** A major problem. Last year, when the Grey Cup was in Winnipeg, the Garden City Inn, the hotel was full. Some of them were in the restaurant. They were feeling pretty good. The restaurants are licensed premises. So, come on, guys, let us cool it down, let us go outside for a walk, no big issue really, you know.

The way the act is being proposed right now, if I am understanding it, I have got to kick them out of the rooms, get them off the site, get them out of the

buildings, and what could be just a minor issue becomes a major issue. I mean, if you own the Crowne Plaza downtown, you got the Shriners' convention. We know what conventions are like. Lots of times, people get together, they have a few drinks. Sometimes they are little loud. You get 50 people in a cocktail lounge and then say, come on, guys, let us cool it down. Do you kick out the whole convention? I mean, there are real problems the way it is written. It is really bad draftsmanship, in my opinion. I mean, I did not want to address that issue, but I personally see some problems.

**Mrs. Carstairs:** Thank you very much.

**The Acting Chairperson (Mr. Laurendeau):** Thank you very much, Mr. Ledohowski, for your presentation.

**Mr. Ledohowski:** Thank you very much.

**The Acting Chairperson (Mr. Laurendeau):** Mr. Ed Dandeneau.

George Bergen. Do you have a written presentation, Mr. Bergen? You can just carry on when you are ready.

**Mr. George Bergen (Private Citizen):** I come before you as a private citizen in the hope that all committee members have an open mind on the ultimate fate of this bill, a bill that, for the first time in Manitoba's history, would open the gates to the commercialization of liquor sale in potentially every corner of this province.

I urge all committee members to seek the withdrawal of this drastically amended proposed changes in Bill 42. I believe that the vast majority of Manitobans are either not aware of what is happening over here at this very moment or are entirely opposed to the wholesale amendments to The Manitoba Liquor Control Act.

As a citizen of this province, I do not want to see privately operated Happy Harry's corner bottle stores, shops across Manitoba open on Sundays, holidays or all hours of the evening. As a citizen of this province, I do not want to see the restaurants turned into neighbourhood late-night drinking establishments. As a citizen of Manitoba, I want our communities to have the right to retain the local option as to whether or not to allow liquor for sale in their community. Finally, as a citizen, I do not want taxpayers of Manitoba to suffer the loss of millions of dollars in revenues now obtained from the Manitoba Liquor Control Commission stores that

pay for our existing health care and education services.

In 1978 the provincial task force on the economy recommended that privately owned liquor sales be established outside of the Manitoba Liquor Control system. This was followed in 1979 by the then-government's Speech From the Throne announcement that liquor sales would be commercialized and turned over to the private sector. Then in 1981, the ministerial advisory committee on liquor control again recommended that liquor laws be introduced to allow corner store private commercialization.

Well, everyone here knows that the people of Manitoba rejected these initiatives.

The one positive aspect about these commercialization attempts made from 1978 to '81 was that the government of the day acted in an open and proper democratic fashion. This is not the case with Bill 42. In 1993, the government, for all intents, is operating in a secretive and clandestine way in pushing through major liquor act changes in the guise of removing antiquities from The Liquor Control Act.

It is my view that you cannot treat liquor products like just another food or beverage product in a market economy. Every study I have looked at makes a positive correlation between liquor availability on the one hand and crime statistics, family violence, vehicle accidents and so on. The 6 percent of the Manitoba business community, the hotel and beverage industry, may want the free reign of liquor sales. However, in my view other businesses in the community do not embrace that view.

The impact of provincial government revenues resulting from commercialization of liquor sales at a time of large government deficits and ongoing service cuts should be reason enough not to proceed with Bill 42. We know that about 12 percent of the Manitoba Liquor Control Commission sales in Manitoba come from wine sales. We also know that Quebec and Ontario have a number of years of experience with wine sales and its overall impact on their revenues. From this we can approximately estimate the short term as well as the long-term revenue losses of Bill 42.

The Manitoba government revenues from liquor sales operations in 1992-93 was \$141 million. The Minister of Finance (Mr. Manness) is estimating that in 1993-94 fiscal year this will rise to \$145

million. Transferring all wine sales to private operators would result in losses of somewhere between \$10 million and \$16 million. That necessarily will not happen, but nevertheless that might happen down the road as more and more wine stores get established.

(Mr. Gerry McAlpine, Acting Chairperson, in the Chair)

From the Quebec and Ontario experience it appears that giving up government monopoly on liquor sales in one area has quite a dramatic negative revenue-generating impact on the liquor industry as a whole. If you look at Statistics Canada, for example, the 1990-91 year, you will see that net revenue per litre in Manitoba is much, much higher than in Ontario and Quebec. For example, the net revenues per litre in Manitoba in 1990-91 was \$1.64 and in Ontario it was \$1.14.

If Bill 42 ultimately gives Manitoba Ontario's revenue structure, then Manitoba taxpayers in the long term could lose about \$40 million in revenues. I do not want my taxes to go up so that the hotel and beverage industry can pocket more money from increased liquor sales.

In closing, I want to say that the sale of liquor should not be an ideological issue. It should be a matter of conscience and common sense. Most important of all, I am asking you to reject Bill 42 if your constituents back home are against the commercialization of liquor. Thank you.

**The Acting Chairperson (Mr. McAlpine):** Mr. Bergen, thank you. Would you take some questions from the committee members?

**Mr. Bergen:** Sure.

**Mrs. McIntosh:** Mr. Bergen, you indicated that this would be the first commercialization of liquor sales in Manitoba in your opening remarks. I am wondering if you are aware that we have some hundreds of private liquor vendors and beer vendors in Manitoba now.

\* (2050)

**Mr. Bergen:** I realize that, but this is a new commercialization initiative as such.

**Mrs. McIntosh:** You are aware that given that we have hundreds of people selling liquor privately in Manitoba now that this addition of four or five other stores who would sell exclusively wine as opposed to exclusively beer is not new. It is new in terms of the product, but not new in terms of the concept of private people being able to sell liquor.

**Mr. Bergen:** It is not new in concept, but it is a new initiative and it is a major step toward a further commercialization.

**Mrs. McIntosh:** You indicated the Quebec and Ontario experience. Are you aware of how different their experience is from ours, and if you are, could you explain it to me, please?

**Mr. Bergen:** I am not totally familiar with the Ontario and Quebec experience. I did not have enough time to really look into the other provinces. Things were moving too quickly, but what I did look at was the revenue-generating capacity comparing the three provinces. For some reason or other, the revenue-generating capacity per litre is much, much greater in Manitoba and quite possibly has something to do with the fact that there is more commercialization of liquor in those other provinces.

**Mrs. McIntosh:** There is indeed more commercialization in those other provinces in that Quebec has—I am not sure of the exact number, we are talking in the thousands rather than the hundreds—Quebec some years ago embarked upon a whole cultural ability of wanting to be like France, and wine is sold in virtually every corner store there. It was a completely different experience.

One other question you raised, you indicated that local option would not be retained, and that is not correct. Local option, of course, will be maintained and it is spelled out in the act.

**Mr. Bergen:** On the first point, Quebec being able to sell wine in grocery stores and so on and so forth, it may be modelled something after what they have in France. I am not totally familiar with that either, but I know one thing, that the research that I did on France is that they have the biggest liquor problem in the world. I know that, in terms of alcoholism and problems that liquor brings.

On the second point, I interpret the changes as saying that, for example, if you have a small agency liquor store in the MacDonald municipality in one of the local towns, those townspeople would not then be able to have a petition to have a dry town. That is my interpretation of that act. For example, in the municipality that covers Steinbach, most of that municipality—what is the name of that municipality, Steinbach—they have a small agency store. Steinbach is a dry town. Is that correct? Under this legislation, my interpretation is that a wine store would be allowed to be established in

Steinbach because there is a liquor agency store in that municipality, but even if the store is—I believe it is Sarto.

**Mr. Storie:** Well, Mr. Acting Chairperson, just for clarification, Section 148(3) of the proposed legislation says, "no by-law under this Part shall have the effect of prohibiting a specialty wine store if there is a liquor store in the municipality." So, essentially, I assume that means if there has been a vote in the municipality to allow the establishment of a liquor store, the municipality then could not prevent the opening of a specialty wine store which could be interpreted, as you suggest, that they have no option, but in another respect they have already voted to allow the municipality to be partly wet.

(Mr. Marcel Laurendeau, Acting Chairperson, in the Chair)

I guess the more general question—I am usurping the minister's time here.

**Mrs. McIntosh:** It is okay. It is just if they are dry—if they vote to be dry, they stay dry, but it is—no point arguing.

**Mr. Storie:** Mr. Acting Chairperson, the more general question I guess is the direction we are heading generally with our alcohol laws and our consumption. I am wondering whether your being here tonight is an expression of concern about the privatization of the sale of alcohol, or is it generally with the relaxation of the laws governing the sale and the availability of alcohol.

**Mr. Bergen:** I have a family growing up in Manitoba, and my concern is with the increased assessability and availability of alcohol. I think that people of Manitoba are quite happy with the current system, you know, so why change it? Where is the pressure coming from? Is it coming from a few people that want to set up wine stores? I mean it does not make sense to me. Why make liquor more available?

**Mr. Storie:** Mr. Acting Chairperson, I think Mr. Bergen makes an excellent point, where is the pressure coming from, and it is something that we have been asking the minister as well. I think one of the previous presenters, or a couple of previous presenters, have raised the fact that there is no public clamour for these changes, and why the rush, and why the lack of consultation? Why the lack of opportunity for others in rural Manitoba and other parts of the province to be involved in this process?

**The Acting Chairperson (Mr. Laurendeau):** Thank you very much for your presentation, Mr. Bergen.

Mr. John Ford. Do you have a written presentation, Mr. Ford? If not, thank you very much and just carry on.

**Mr. John Ford (Private Citizen):** Good evening. I am John Ford. I have a small company called Vintage Wines of Canada. As the name indicates, we promote Canadian wine, vintage wines.

With due regard and respect for the first two presenters and the last presenter, I am going to take a different tact. I am going to, first of all, compliment the government for their initiative to establish the private wine boutiques and to reinforce that these wine boutiques are, as I understand it, going to be for the exclusive sale of wine, not beer and not liquor or liqueurs.

With the wines, you basically have your three types of wine. You have your very low-cost wines, between \$4 and \$5 bottles, then you have your medium wines and then, of course, your very high priced. If somebody was going to go out with the express intent of getting drunk, I think that they would be looking primarily at the lower-priced ones, because in a lot of cases the lower-priced ones are the fortified wines, and the people that, as I said, are looking to get drunk are going to be looking for the most bang for their buck. I do not think that they are going to be looking in a wine boutique at a \$7 to \$8 bottle of wine, generally.

As I said, Vintage Wines of Canada promotes Canadian wine products. I was very enthusiastic about pursuing one of these licences until I read in the newspaper about the minimum requirements, one of the minimum requirements being a minimum \$250,000 in liquid assets. That kind of cooled my jets real quick. I wonder if I could be brash enough to ask the minister if she would explain to me where the \$250,000 comes from. I have gone through a business plan, and I know that I could establish a vintage wine store specializing in Canadian wine, and I could do it for a whole whack less than \$250,000.

I wonder if I could ask another question, and that would be, if you have the initiative to go ahead with the private wine stores, why are you limiting it to five or six stores? Is there a connection between the five or six stores and the minimum \$250,000 liquid asset requirement?

\* (2100)

Talking to some accountants and financial planners, it appears that if a person has resources where they have \$250,000 in liquid assets, they generally have a net worth considerably higher, because the liquid assets would include cash, T bills, GICs, anything that could be turned into cash real quick. For every dollar in liquid, I am sure you would have \$1 or \$2 more in fixed assets, which would seem to me, at least, that these licences, at least the first batch of licences, could be directed at the more wealthy Manitoba businessman.

That is just about the end of my presentation. I just came really to ask a couple of questions, tell you a little bit about what I was proposing to do and to tell you that I was initially very excited about the concept and about the bill. Then all of a sudden, I was not so excited anymore. I was wondering if maybe you could help me out with a couple of these questions.

**The Acting Chairperson (Mr. Laurendeau):** Thank you very much, Mr. Ford. Would you mind taking a couple of questions? Maybe the minister will answer some of those questions.

**Mrs. McIntosh:** Thank you very much, Mr. Ford.

You asked where the figure came from. I would like to clarify your answers, because I appreciate the point you have made. The criteria is based upon what the start-up costs appeared to be in other jurisdictions. In Alberta, for example, the average cost of starting up one of these stores came in at around \$300,000. We wanted to make sure that people who were going to be applying were aware of that, that they did not think that they could come in with \$5,000 and get started, because we know the inventory alone would probably come in somewhere between \$100,000 and \$120,000 to \$150,000.

If you happen to already have a building free and clear and did not require the expenditure for the building, that of course would be something that you had that you would not need to count in that cost. We meant the whole range of anything that is convertible to cash. It could be a clear title on a mortgage. It could be, as you indicated, all of those other things that are easily converted to liquid.

We also anticipated, because it has happened in other jurisdictions, that there would be several groups of people, maybe two or three or four people coming together wanting to make application and pooling their resources. We also felt that in getting started—and this was the



experience in other places—there would be a period of time in which no revenue would be generated as start-up sales come.

Each application of course would be assessed. We are indicating that we anticipate someone would need to be able to access in the vicinity of \$250,000 based upon what happened, say, in places like Alberta. Each case would be individually assessed in terms of presenting the things that they have that would give them that amount of financial worth.

The actual average in Alberta was \$300,000. We did not want people getting their hopes up and planning on \$10,000, thinking they could make a start of it.

**Mr. Ford:** May I address that?

**Mrs. McIntosh:** You certainly may. I would appreciate your feedback.

**Mr. Ford:** With Canadian wines, Canadian wines right now, on a per capita basis or on a prorated basis, are probably the least known, the least publicized wines in the MLCCs right now. There was or still is to a point a general perception that Canadian wines are really awful wines. I can vouch for the fact that I have personally had many, many Canadian wines that are international quality.

That aside, we have identified about 44 Canadian wineries, and less than half of them are currently represented in Manitoba. The Canadian wines, through the Ontario Wine Council, the B.C. wine council and the vintners quality alliance are very, very interested in getting their wines into Manitoba.

The MLCC neither has a mandate or the manpower to do this, and so it is left up to individuals like myself to try to promote Canadian wine products. I think that—I just lost my train of thought. Let me go on to another thing.

**Mrs. McIntosh:** I do not know what figure you had in mind, because I certainly think that we are looking for creative ideas, and a store that would specialize in Canadian wines would be quite different from a store that would specialize in Chilean wines or something like that.

I do not know if you had a figure in mind or what you consider liquid assets, because I know chartered accountants and commerce people really will all talk about things and mean different things by liquid assets. Some people take it to mean literally, money in your hand, and other

people extend it almost to include fixed or capital expenses.

We are talking about the amount of money you can get your hands on. If the bank is willing to lend you \$100,000 and you have a clear title on a house and you have a few savings bonds, a little bit of money in the bank and a line of credit is available to you and the bank says that they are going to advance you a line of credit if you go into this operation, then those things become liquid. They become usable very quickly for you.

**Mr. Ford:** Well, first of all, with regard to the banks, I have looked into several financing options, and I do not think bank financing to somebody like myself would be available under any conditions, because the banks basically say that they are not in the business these days to do business.

I agree with you that when you are setting up one of these wine boutiques, your biggest expense is in fact going to be the inventory. Now, I have verbal agreements with several of the wineries, both in the Okanagan and in the Niagara, that they are so excited about the concept of getting their wines into Manitoba that they will give me the wines on a consignment basis.

Now if we have 150 wines that we could put into a store and the majority of these wines come in on a consignment basis, well, that is the bulk of your cost. As far as the premises go, if you found a premise—and I suggest that you could probably do this in less than 1,000 square feet. I do believe that most of the wine stores in Alberta, in Ontario and in British Columbia are less than 1,000 square feet, that your costs are not going to be that great.

So therefore I am just sort of wondering, if I was to approach on that basis and give a different spin to the concept, the fact that I do not have the \$200,000, would my application still be considered?

**Mrs. McIntosh:** I would suggest that if you can indicate that you have the equivalent start-up, the \$250,000 that we indicated was the figure that we in other jurisdictions knew was what the minimum that was required on the average to get going, you come in with an inventory already guaranteed that is worth that much, it is like money in the bank, so to speak, which is what we are talking about. It is not—well, I guess it would very literally be liquid. But you are saying in effect that you already have your inventory guaranteed.

**Mr. Ford:** The current economic situation in Manitoba, or not only in Manitoba but throughout Canada, forces business people to be very creative about certain things.

With regard to the premises, if I was to go out and, let us say, rent 1,000 square feet and pay \$20 a foot for this, if that was the asking rent, with the amount of space that is currently available in Manitoba, I am sure I can cut a deal with a landlord either for a lower rent or get him to throw in a whole pile of tenant improvements, which again brings down my costs.

So you are suggesting that \$250,000 is sort of an average cost based on other models in other provinces. I am going to say I am very nervous about this because this is what it is going to take me to get even to the application stage, it is probably going to cost me maybe \$5,000.

I cannot afford the \$5,000. So I am sort of looking at this and saying, well, I am not looking for any assurances. I am just saying that if I can come in with a really creative idea and show you that this is a very viable concept, is my application going to be judged along with the other applications, or is it just going to be thrown out? I do not have the \$250,000. The inventory will take care of a good chunk of that. A deal that I can work with a landlord will take care of another chunk of that.

This is why I say, I could put together a wine boutique in Winnipeg right now for \$50,000 or less.

**Mrs. McIntosh:** You are essentially saying that you have a line of credit on the actual beverages themselves.

**Mr. Ford:** Yes.

**Mrs. McIntosh:** We are indicating, as I have, that a line of credit—usually a line of credit is with the bank, but a line of credit would be considered cash that you can easily get your hands on, according to the definition that has been put down here.

The deadline for making a request originally had been indicated to be June 19, but because that had been a guesstimate as to when the session would end, the deadline has been extended until after the session ends. So you could phone and make an enquiry as to receiving an application.

What you would do, request for expression of interest is simply, you would phone and say I am interested in receiving an application; please put my name on the list.

\*(2110)

**Mr. Ford:** I think I was one of the first people that applied for this. I have got the application already, but I am scared right now to submit it, to put together the proposal and submit it because I am not—

**Mrs. McIntosh:** Well, the application does not cost anything to submit. The inventory credit is considered to be—

**Mr. Ford:** Is it?

**Mrs. McIntosh:** —an asset for this purpose. So filling out the application does not cost you anything, and if you have already got the application, great. Applications will still continue to be sent out until the session is completed.

**Mr. Ford:** Well, that is good to know. I am very happy to hear that the inventory will be recorded as part of the \$250,000.

**Mrs. McIntosh:** Yes.

**Mr. Storie:** I am glad Mr. Ford was able to come to committee and negotiate. It has worked out to be a very good process. I want to thank Mr. Ford for being here to make his presentation, because he was not alone in being shocked when he saw the criteria that were established for these particular stores. Notwithstanding our objection generally to the privatization of this industry, we appreciate Mr. Ford's interest in it. I guess if the government is determined to proceed with this, we want to ensure that this process is fair.

I wonder whether Mr. Ford finds it unusual that the government would attempt to interfere in what is a legitimate business decision of the private entrepreneurs who may want to apply. Is it not for them to decide how much they invest and under what conditions and what terms? Were you a little surprised that these kinds of conditions were imposed in the first place?

**Mr. Ford:** I was a little surprised when my figures—I have been working on this idea for some time about a private wine boutique, but when my figures came out so very different from the government's figures, I was a little concerned. Now that I understand that the inventory is regarded as part of the costs, that I do not have to prove that I have cash in my pocket worth \$250,000, that it can in fact include the inventories and things like that, I am a little more comfortable.

**The Acting Chairperson (Mr. Laurendeau):** I advise the committee there are two minutes left.

**Mr. Storie:** Just one other question, Mr. Ford. I am wondering whether you can perhaps give us an explanation, give us your opinion of the government's rationale for wanting to, first of all, establish these limits but, secondly, limit it to four or five, I think was the minister's first suggestion, approved by cabinet. Does that make any sense to you?

**Mr. Ford:** Well, somebody has to approve the licences. From what I understand, the ultimate decision will be cabinet's decision, but there will be recommendations by the MLCC to cabinet, at least this is what I understood. With the five licences or six licences, I have no idea why five licences or six licences. Why not 12 licences? I would like to see a study. I really would like to see a study that shows that vintage wines are a real cause of alcoholism. I would like to know why they would limit the number of the boutiques. I guess I am saying if somebody has a really good idea, if somebody can prove to you that they have the business acumen and the wherewithal, that they should be able to get a licence.

**The Acting Chairperson (Mr. Laurendeau):** Thank you very much for your presentation, Mr. Ford. We have gone beyond the 20 minutes again, Mr. Storie.

Mr. Daryl Silver. Mr. Silver, we have your presentation here, but I notice on your presentation you also have Mr. Keith Martin on it.

**Mr. Daryl Silver (Private Citizen):** Yes, I was just about to point that out. He is No. 16 on the list, and I will be giving the presentation jointly with him. He will actually be reading it.

**The Acting Chairperson (Mr. Laurendeau):** Okay, so it will be a joint. So we will take Mr. Martin from 16 up and join him with yours.

**Mr. Keith Martin (Private Citizen):** In the interest of saving time.

Thank you very much, Mr. Acting Chairperson. We are here tonight as private citizens. We are also here as consumers of wine in the province of Manitoba, and thirdly, we are here as two individuals who would be potentially interested in obtaining a wine store licence, just to put our presentation in context.

Our presentation will focus on private wine stores as mentioned in Bill 42. In general, we fully support this proposed legislation. The Manitoba government has monopolized and controlled the

distribution of liquor, including wine, in the province for many years. It has not, however, monopolized the retail sale of liquor. For example, there are 170 private for-profit liquor vendors in the province as of 1992, and those are rural liquor vendors.

In addition to their regular sales, they sold 2.6 million to licensees and received 2.9 million in discounts to provide this service to the public and to the licensees. Liquor was available from 2,562 outlets in 1992, which would include nightclubs, beverage rooms, sporting events, I should also say the private liquor vendors, et cetera. These are private, for-profit sales.

Two to four private wine stores would not significantly change the present system. We see a number of benefits with the specialty wine store program. Number one, as the key benefit, or the two key benefits of specialty wine stores, we see more knowledgeable staff, and we also see greater selection and variety being made available.

Secondly, we think the government would see increased revenue and be able to reduce its stock of slow-moving products. Thirdly, there would be greater access to wine for consumers. We see that as a plus. Fourthly, there will be new employment opportunities created. Fifth, there will be more wine education available. Sixth, consumers will be offered additional services, and finally, the ability to purchase wine on Sundays and by credit card is positive and progressive. It fits with consumer shopping preferences for most other retail products.

The wine store advantages listed above are more than our opinion, our vision. Alberta started a private wine boutique program in 1985 and has achieved all of the benefits listed above. The program is so successful, it has been expanded.

\* (2120)

Here are some Alberta facts. Alberta offers 4,500 wines to its citizens, while Manitoba offers approximately 1,050. Manitoba wine sales in the last five years have decreased by 3.7 percent, while Alberta has increased by 6.3 percent. Thirdly, the wine store program in Alberta has helped the provincial treasury to maintain revenues with regard to the sale of wines. Fourthly, all stores in Alberta offer wine education and numerous additional services. Fifthly, the Alberta wine boutique program has created 300 new jobs in Alberta. Finally, pricing by the private wine stores in Alberta has remained competitive with the

Alberta Liquor Control Board stores. I think there has been some concern that the private wine stores would set unrealistic prices.

We do have one criticism of Bill 42. The bill proposes both wine stores and wine sold from specialty food stores. We believe the numerous benefits of the program will be lost if the outlet does not focus on wine alone. Therefore, wine sold from specialty food stores will not advance the benefits we have listed.

In summary, the changes in Bill 42 are good ones that will benefit the wine consumer in Manitoba. You need only look to Alberta for proof. Each and every Manitoban we have talked to supports the proposed changes with specific regard to the specialty wine store program.

The Manitoba government has shown itself to be progressive, innovative and responsive to changing societal views and consumer preferences by its initiative with Bill 42. We fully support Bill 42 and urge the government to pass the proposed legislation taking into account our one concern with the food stores being allowed to sell wine.

Thank you for the opportunity to address this panel.

**Mrs. McIntosh:** Thank you very much, Mr. Martin, and I certainly appreciate your comments. I should just indicate for the record that those are, by far, the types of comments I have been hearing ever since the legislation was introduced. Those comments I have been hearing by the hundreds, and the others I have been hearing by the fives and sixes.

I would like to indicate in terms of the—I understand what you are saying about the product primarily being wine. We are talking about stores with food products or other products. We are talking about wine-related products, so you might have a store that would specialize in wines but maybe also have cheeses and fruits so that a wine and cheese function perhaps could have those things. We do not know yet if there will be any food product stores with food products being sold with wine because we do not know what the final outcome will be in terms of the applications, nor am I certain at this stage if we have a number of stores with food products, as well.

I understand the point you have made. I just wish to give that little clarification and thank you for your kind comments.

**Mr. Jim Maloway (Elmwood):** Mr. Martin, your group appears to be the most organized group as far as being on top of this issue. I did note, I believe it was May 19, you registered The Wine Shop of Winnipeg as a business name more than a month before the minister even announced the legislation, before we, as MLAs, were even aware of the legislation when she announced it on June 22. I wonder whether you could tell us how you became aware of this and how you became so well informed about this issue.

**Mr. Martin:** Certainly. This idea is one that, I guess, myself and my colleagues have lobbied on for some length of time. We undertook it as a long-term project some two or three years ago.

It was essentially coincidence, I suppose, that we registered a business name in May, and the legislation was introduced in June. We had attempted to register our business name much earlier than May. Unfortunately, our first two choices for our business name were already registered, or a similar name was registered in the province, otherwise we probably would have registered a name sometime last year. I guess we were as surprised as anyone when the legislation was introduced in June. We are certainly happy about it.

**Mr. Maloway:** Could you tell us what sort of lobbying efforts that you involved yourself in with regard to this?

**Mr. Martin:** We have met with the minister responsible for The Liquor Control Act. We have also met with representatives of the Manitoba Liquor Control Commission, including Mr. Smith, the CEO, essentially providing information based on research that we have done across Canada, primarily focusing on the Alberta example and experience but also pointing out differences in other provinces such as British Columbia, Quebec and so on.

I guess, as I mentioned in my earlier comments, we have actually been researching this idea for going on three years now. As consumers of wine, some of the better wines, it is something that I think should happen in Manitoba. It has worked very successfully in Alberta. They now have 23 private stores in Alberta. Granted, they have a much larger population, but it has been a very successful program in that province. Those consumers who are interested in consuming the better wines and

are interested in learning more about wines, it is an excellent system for that.

**Mr. Maloway:** Could you tell me how many times you met with the minister regarding this wine initiative and whether you met with any other members of the caucus?

**Mr. Martin:** I believe we met with the minister twice, and as far as other members of the caucus, no. We attempted to, but we did not get any offers to meet with us.

**Mr. Maloway:** Mr. Acting Chairperson, I did not get an opportunity to ask Mr. Ford a question, but I guess the same question could apply in this case and that is to do with the liquid assets that were being referred to. It is news to us all, I gather, that the inventory from a winery could be used as part of the \$250,000 working capital. I guess it is a surprise to you as well. It sounds to me as though it probably is. It begs a couple of questions here.

I gather one of the reasons for the wine stores is to have a variety of wines. I would ask you how much variety of wines are you going to have in a wine store if you essentially have the stock being fronted by one winery or two wineries? I would think that on that basis you would be dealing with a whole lot of the stock of just one winery.

The other question I guess I would have is who would really own these stores, because I believe—and I could be wrong here—but I believe there have been rules over the years against breweries and distilleries and so on from owning hotels and establishments such as that, the distribution network. It seems to me that if we are going to be allowing the assets of the stock provided by wineries as part of the working capital of these wine stores, that eventually these wine stores may in fact be owned by the wineries themselves.

So I wonder if you have any comments about either one of these observations.

**Mr. Martin:** I think in response to your first question, Mr. Ford, the previous presenter, was making reference to certain Canadian wineries that might provide inventory on a consignment basis. Certainly, our intention would be a wine store that would have an international selection. While you might make that sort of an arrangement with one or two Canadian wineries, that is only going to represent one small part of your overall selection. You are not going to get those kind of terms from wineries in Europe or other parts of the world. So

that may work for your Canadian selection, but not for your entire store.

Your second question, I was not quite clear on it, but I do believe that act at present makes a provision for a winery to have a retail outlet. I do not believe there are any in Manitoba at present, but I believe the act does make some provision for that at present.

\* (2130)

**Mr. Maloway:** Mr. Acting Chairperson, I was wondering whether you had done a site selection so far at this point and whether you had filled out your application and forwarded it to the commission or wherever it is being sent.

**Mr. Martin:** We have not, as yet, received an application, although Mr. Ford seems to have, so I will be pursuing that.

No, we have not selected a site. We certainly have some preferred areas of the city in mind. We have not decided yet whether we actually would make application. That will depend, of course, on what the final regulations and rules will be.

**Mr. Maloway:** Mr. Acting Chairperson, the \$250,000 minimum requirement in liquid assets, I assume that did not bother you at all or you were not worried about that aspect of the application.

**Mr. Martin:** Based on our business planning, that to us is a realistic figure when you consider an international selection of wines with an initial offering of perhaps 400 or 500 different wines and the required inventory of each one of those as well as your start-up costs for leasehold improvements and that sort of thing. That to us is a realistic figure.

**Mr. Maloway:** Mr. Acting Chairperson, are you in any way concerned that the cabinet will be making the decision on who gets these four or five wine store applications?

**Mr. Martin:** I guess we are not completely familiar with what the selection process is going to be. I have heard it suggested that the cabinet will make that decision. I certainly think it would be unfair to place that responsibility with the Manitoba Liquor Commission. You would, in effect, be asking them to choose who their competitors might be, and I think that would be unfair.

I think some other level of decision making is appropriate.

**Mr. Maloway:** Considering though that the government plan to only approve four or five of these liquor stores, do you not perhaps feel it would

be more appropriate if the government had some other way other than the cabinet making the decision of dealing with who gets these four or five application?

**Mr. Martin:** Again, Mr. Maloway, not being familiar with what the selection process is going to entail, it is hard for me to suggest what the process should be.

Certainly, there are many aspects to starting a successful business, any business: financial, management experience, product knowledge and a number of other things. I think there has to be a group that can fairly evaluate an applicant's strengths in those areas.

(Mr. Gerry McAlpine, Acting Chairperson, in the Chair)

**Mrs. Carstairs:** I notice that one of the benefits of the specialty wine store program you list in No. 7 is the ability to purchase wine on Sundays. Can you explain why it is more appropriate to be able to purchase wine on a Sunday than to purchase any other kind of liquor?

**Mr. Martin:** I guess my own personal views would be that other forms of liquor should be available on Sunday as well. We are focusing specifically on wine in our presentation and the wine store concept. Alcohol, including wine, is one of those very few products that is not available seven days a week. Tobacco products are available on Sundays. Certain other controlled substances, prescription medicines, I believe, are available on Sundays.

Certainly wine as we see it being retailed from a private wine store is not going to promote alcoholism in Manitoba. There is no evidence that similar programs, such as Alberta, have promoted alcoholism in their province, and we see no reason why wine should not be available on Sundays. That is the case, by the way, in Alberta. The stores there have the option of being open Sundays. Some choose to open, some do not.

**Mrs. Carstairs:** Do you think then it would be entirely appropriate for the Manitoba Liquor Control Commission to be open on Sundays as well as the wine stores?

**Mr. Martin:** Again, from a personal perspective, I enjoy Sunday shopping. There are many times when I would like to be able to go and purchase a bottle of wine or a cooler or some other product on a Sunday when you happen to be out of it, and you are not able to.

The retailers, in particular the private retailers in rural Manitoba that operate their store are not allowed to make those sales on Sundays, and they have to close that part of their store. I do not represent them, but I am sure they would also like to be able to serve their customers seven days of the week as opposed to six.

**Mrs. McIntosh:** Mr. Acting Chairperson, I would just like to indicate to Mr. Silver, in light of the line the questioning took from Mr. Maloway which zeroed in on you personally, you may not know that you and your confreres are famous now and your names have appeared in Hansard on a couple of occasions because you had registered a business name. We have been criticized here on our side for wanting to set up private wine stores for our Tory friends. I just wonder for the record if you would be good enough to indicate to the members here when you first met me and under what circumstances.

**Mr. Martin:** It would have been in 1991, Madam Minister, we wrote to you requesting a meeting with you to make a presentation on this subject, on the wine boutique subject. As a result of that, you agreed to hear from us. We met with you in June of 1991, I believe it was. We had not previously met, and we had one follow-up meeting some time in 1992. I believe it was the fall of 1992.

**Mrs. McIntosh:** You certainly do not have to answer this because I have no intention of prying into your own personal life, but you have been accused of being Tories and hence that was why I saw you apparently. If you do not mind answering, do you have any party affiliation? If you do not wish to answer, you certainly do not have to.

**Mr. Martin:** I guess I am not sure what party affiliation means. I am not a registered member of any party.

**Mrs. McIntosh:** I do not wish to put you on the spot. I just wanted to clarify that for the record so that those who were trying to make those insinuations would have the correct information put before them.

I thank you for your interest, and you have been very active lobbyists for this cause. I appreciate your enthusiasm. Thank you.

**The Acting Chairperson (Mr. McAlpine):** Your time has expired. Thank you.

I call Mr. John McDougall, Mr. Keith Pierce. Do you have a written presentation, Mr. Pierce?

**Mr. Keith Pierce (Manitoba Distillers Council):** Yes, I do.

**The Acting Chairperson (Mr. McAlpine):** Okay, it is being distributed, and you can proceed whenever you are comfortable.

**Mr. Pierce:** Mr. Chairperson and honourable members, it gives me a great deal of pleasure to be here tonight to speak to you. I am speaking on behalf of the Distillers Council of Manitoba. We represent the major distillers in Canada, and our association being in Winnipeg and Manitoba, Seagram, Gilbey, Alberta Distillers Limited, Schenley's, Walkers and Corby Distilleries Ltd., are the major distillers in Canada.

In particular, I would like to address the private wine store issue. I would like you to take note that our association is not speaking against the licensing of private wine stores; however, we do have some major concerns regarding the following points:

The loss of jobs in Manitoba unless there is some protection for the current importing agent or company that all products brought into the province of Manitoba must have a recognized agent representing these products. This will ensure the retailer and the buying public that only quality products would be brought into the province. This would also make sure that all consumer and corporate labelling regulations would be maintained.

Current legislation on core packaging sizes would be adhered to. If the current 76 licensed full-time agents working in Manitoba are not protected, there definitely would be quite a few job losses occur in our province.

It is well-known fact that private wine stores in Alberta went to Europe and tried to go direct with an awful lot of companies who currently had full-time agents representing them in the province of Alberta. In some cases, they were successful as they used the threat that if they did not get the product on a direct basis, they would not carry it in their stores.

\* (2140)

I can cite my own company as an example. Four years ago, we had one full-time employee in Manitoba. As of today's date, we now have four full-time employees.

If we started to lose some of our import agency lines, we would have to seriously look at our

manpower situation. Our company is not the only one that would have to do that.

I would like to sum up by asking you to please ensure the legislation you are about to pass is clearly spelled out and fair to all of us who live and work in this province.

I would like to thank you all for allowing me to stand before you and present our views for your consideration.

**The Acting Chairperson (Mr. McAlpine):** Would you entertain some questions, Mr. Pierce?

**Mr. Pierce:** Yes, I will.

**Mrs. McIntosh:** Thank you very much, Mr. Pierce, for your presentation. I particularly appreciate the concise way that you came straight to the point and made your point so clear. We have been made aware of this concern, and we have it under discussion as a topic of concern that has been brought to our attention, so this would not be something that would be required in legislation, but it is one that we are looking at, just to let you know that it has been brought to our attention. We appreciate the concern you have raised here.

**Mr. Pierce:** Thank you very much.

**The Acting Chairperson (Mr. McAlpine):** No questions? Thank you very much for your presentation, Mr. Pierce.

**Mr. Pierce:** Mr. Acting Chairperson, if I may mention, I would like to apologize for Mr. McDougall who unfortunately is out of town and was not aware that today was going to be the day that the session was called. Mr. McDougall is the president of the Manitoba Wine and Spirits Association, and his views were also about the same as these. We are very concerned about the job situation.

**Mrs. McIntosh:** Just for clarification, I understand that you maybe cannot speak exactly for Mr. McDougall. I know how hard it is to get to these committee hearings. They are difficult to get to sometimes. I have had that experience when I was a private citizen trying to appear before committees, and it was very, very frustrating.

The concerns Mr. McDougall would have raised would have been the same that you have raised. Is that what you are telling us? Just for clarification.

**Mr. Pierce:** Yes, honourable minister, they would have been probably a little more so because the Manitoba wine and spirits association are basically representatives in the province who carry domestic

Canadian wines and imported wines. We, the Distillers Council, are more into the liquor end of it.

**Mrs. McIntosh:** Thank you very much. Thank you for that information.

**The Acting Chairperson (Mr. McAlpine):** Thank you, Mr. Pierce, for your presentation.

We have had a request for about a 10-minute recess. Is the committee in agreement? [agreed]

Okay, we will call the committee back to order at, say, 10 to, and we will call Mr. Peter Olfert at that time, when we come back.

The committee recessed at 9:43 p.m.

### After Recess

The committee resumed at 9:53 p.m.

(Mr. Chairperson in the Chair)

**Mr. Chairperson:** May I bring the committee back to order, please.

At this time, I will call the next presenter, Mr. Peter Olfert. The brief has been distributed, Mr. Olfert. You can start whenever you are ready.

**Mr. Peter Olfert (Manitoba Government Employees' Union):** Thank you, Mr. Chairperson.

As you know, the Manitoba Government Employees' Union represents hundreds of workers who will be directly affected by the proposed changes to The Liquor Control Act. In addition to the people who handle the distribution and sales of alcoholic beverages, our membership also includes Alcoholism Foundation employees, counsellors, child protection workers, social workers, nurses and psychologists. These people have all a proprietary interest in how alcohol is treated in this province.

When consumption increases, those who deal with the fallout from abusive alcohol are directly affected. That is why I am here today, and that is why I am asking the committee to table this legislation in its current form so that province-wide public consultation and discussion can take place. There is no rush needed at all.

Over the last several decades, there has been research conducted by the Alcoholism Foundation of Manitoba, the Addiction Research Foundation of Ontario, and many other organizations, which illustrates very clearly that the availability of alcohol is directly related to both the level of consumption and the level of abuse in a society.

The minister's glib assurances that the changes outlined in this bill will not have any negative impact on Manitobans flies in the face of hundreds of studies to the contrary. Allowing private wine stores to operate seven days a week will increase availability. By largely deregulating the hotel industry in terms of food provided, cleanliness, food-alcohol sales relationship, and so on, there will in all likelihood be more alcohol sold from more licensed premises than ever before.

As I said at the outset, it is clear from the evidence that abuse increases when overall consumption increases. When abuse increases, so do all of the other attendant social problems. Spousal abuse, work-related dysfunction, child abuse, accidents and suicides will all become more prevalent and more serious.

There is a human cost in all of this, and at the risk of sounding crass, there is a dollar value as well. It costs health care dollars, Family Services dollars, MPIC dollars, and job-related dollars to deal with the problems created by this drug.

The revenue crunch which this government is now facing will only be exacerbated by Bill 42. If these private wine stores are allowed to go ahead, it will mean that every bottle of wine sold privately will cost the government money. When our health care, education and other social programs are already underfunded, and the staff are already overworked, it does not seem to me to make much sense to bring in legislation which has the potential to increase funding problems and the social problems which are already inadequately dealt with.

I also find it hard to understand why we need private wine stores at all. The MLCC currently carries no fewer than 1,162 brands of wines on its shelves, 500 of which are specialty wines. No private wine store could even begin to carry that variety, nor could a private wine store hope to equal the level and quality of service provided by the MLCC staff.

The employees have received very intense training about wines and provide Manitobans with very informed product information. Out-of-province visitors often comment on the variety and service which is available here. So the MLCC and its workers are not the reason for private wine stores.

I think the question should be, who will benefit from this privatization? The majority of Manitobans are presently quite satisfied with the level of service



and the variety of products provided by the liquor board. Those who already have a problem with alcohol will clearly not benefit from the increase in accessibility. The victims of alcohol-related accident and abuse will not benefit. In fact, the only beneficiaries likely in all of this will be the owners of the private wine stores.

I suspect it is no coincidence that this legislation is framed so that the cabinet will directly be granting these wine store licences. It all has a distinct odour of patronage about it.

How much in real dollars is the government going to lose with this legacy? The minister claims that it will only cost the province about \$150,000 next year, but if you look at some of the other provinces which this government seems in such a hurry to emulate when it is convenient, one can see that the potential loss to our system is much greater.

In Ontario, for example, the total net income to the province per litre of sale was \$1.14 in 1991. In Manitoba that same year the total net income per litre of sales was \$1.64. This 52-cent difference could translate to a multimillion-dollar loss to the province's coffers.

This legislation clearly has the potential to be as much, a bill to subsidize the already privileged as it does to change our liquor laws. At the outset, I made a plea for province-wide public hearings to be held before changing our liquor laws in such a major way. That has been the Manitoba way for many decades.

In the 1950s, we had the Bracken Commission. In 1991 we had the Michener Report. Both of these wide-ranging reports heard representation from a broad spectrum of groups and individuals before any recommendations were even made, much less written, into legislation.

\* (2200)

This time things have been very different. With no public input whatever, Bill 42 has been introduced during the dog days of summer as this session winds down. This rush to misjudgment is hard to explain. There has been no clamour from the public for these changes.

The research we have done indicates that most of the changes are not wanted by the vast majority of the citizens. Worse than that, only 30 percent of the public have even heard that this legislation is before the House.

In the name of democracy, good sense and from a preventative health perspective, I think this committee should reconsider. Table this legislation. Call public hearings to listen to what people have to say. Our survey shows, for example, that 76 percent of the public in this province want hearings held before the legislation is passed. Then and only then, bring back the legislation which truly reflects what you learn from these hearings.

All we are asking is that you engage all Manitobans in a discussion before changes of such importance are made to the way we treat this drug. Thank you very much.

**Mr. Chairperson:** Thank you very much for your presentation, Mr. Olfert. Any questions?

**Mr. Storie:** Thank you, Mr. Olfert, for your presentation. It is interesting to see some of the statistics you have provided on the attitude of the public. It is interesting you mentioned as well in your presentation—and your words are exactly the same as those that have been echoed by other presenters, and the question is, where is the clamour for change? I believe one of the representatives from the hotel association and another, a private individual with major interests in the hospitality interest, asked the same question. Where is the impetus for change?

I guess my question to you is, first of all, can you tell us, or do you have an estimate of how much money the Manitoba Liquor Commission spent upgrading its wine boutiques and its outlets in Manitoba?

**Mr. Olfert:** Of course, I do not have that information, but I can tell the committee members that the staff at the MLCC have been trained. They take training in terms of products that they handle, and they have spent hundreds of thousands of dollars, if not millions of dollars, in moving into better locations, better stores, redoing the stores over a period of years. They have provided for special wine boutique areas in the various Liquor Commission stores. They have set up wine areas; they have spent a lot of money, I do not know if it is hundreds of thousands or millions of dollars, in terms of training, education so that they can provide a better product and inform the public with respect to wine that is available.

**Mr. Storie:** To your knowledge, have staff at the Manitoba Liquor Commissions been under pressure to do more, to stock more kinds of wines? You mentioned that they already stock a good

variety. The minister mentioned on one occasion in a previous discussion that some people like to have other kinds of wines available, and I am wondering whether there is any rush in the Liquor Commission stores, any pressure to expand the wine stock dramatically.

**Mr. Olfert:** I do not believe that there is a large demand. What I can tell you, from my understanding of the way the MLCC deals with wine products, is that if you as an individual, your daughter is getting married and you want to bring in some nice Italian wine that is not stocked at the Liquor Commission currently, they will bring that in for you. So there is the ability, and the MLCC has made their services available in terms of importing and bringing in various products that are not stocked on a regular basis.

So I think that the availability to go beyond what is listed at the MLCC is certainly there in terms of the public. So I think that the services are certainly available.

**Mr. Storie:** Mr. Chairperson, Mr. Olfert in his presentations suggests that the Manitoba Liquor Commission may, in the long run, lose not the \$150,000 that the minister suggests—[interjection] the \$129,000 the minister now says—and 64 cents—is her considered opinion on how much this is going to cost the taxpayers of Manitoba. Your estimate is much higher than that. I am wondering whether you have an estimate of how many jobs this may cost the Liquor Commission, or do you expect that the Liquor Commission is going to lose staff as a result of these changes?

**Mr. Olfert:** In terms of jobs, obviously I cannot predict what the job loss is going to be. But I know that we had several presenters before me, and I know that the distillery industry in terms of importation of certain products and what that might mean here in Manitoba in terms of job loss is certainly an issue for them, and our issue is certainly one of potential loss of jobs at Manitoba Liquor Control Commission.

The other thing I am really concerned about, and while the press release I know indicates there are going to be some four or five wine stores, this is exactly how things started in Alberta. This is exactly what happened in Alberta. What has happened in Alberta—and I was kind of interested to listen to the previous presenter—they have now moved from setting up a few privately owned specialty wine stores to opening everything up, including a

seven-day operation of every cold beer vendor in the province. They started to go that route.

So while the government and the minister is assuring us, not through legislation but in their press release, saying that it is going to be four or five stores, if that is the case, then let us put it in legislation to at least reduce the potential we see. We speak to our colleagues in Alberta on a regular basis, and I can tell you there has been an increase in the sale of wine here in this province. It has not been decreased. The sale of wine has increased in this province.

A presenter indicated that because Alberta had this private system, they were selling all kinds of wine. Well, they may have sold more than they did, but so are we. The other thing they mentioned, the fact that wine education was not available here to staff, again, the MLCC does wine education for their own employees. In fact, those people who have taken the wine training receive an extra increment based on the knowledge that they have been trained and the information they have. The fact that they have increased 300 jobs, how many jobs have been lost in other areas, in the distillery area or the Alberta Liquor Control Commission?

So if you compare those things, I think there is a lot of information the government should look at before they proceed with this kind of legislation.

**Mr. Chairperson:** Thank you very much for your presentation this evening, Mr. Olfert.

**Mr. Wes Zieske:** Mr. Zieske, we have your presentation in front of us, so you may begin.

**Mr. Wes Zieske (Private Citizen):** My name is pronounced Zieske.

**Mr. Chairperson:** Zieske. I am sorry.

**Mr. Zieske:** Okay. I get all kinds of pronunciations.

**Mr. Chairperson:** Okay. You may begin.

**Mr. Zieske:** As a private citizen, I would like to commend the Manitoba Legislature for proposing Bill 42. On several occasions, I have visited private wine stores in Alberta. The browsing and conversation with the owners, store personnel, were both educational and informative. Selections in stock were specialized and unique. Although it was not convenient for me to purchase stock for my small cellar, it often made me wish we had such a parallel outlet in Winnipeg.

In my opinion, the advertising on radio this past week was misleading. Granting licences for the

private wine store would not lead to layoffs, cut into provincial profits or promote alcoholism.

\* (2210)

Private wine stores are of a specialized nature. The variety of good wines would be greater as stock could be purchased from smaller vineyards. These limited supplies exclude an MLC purchase because of the quantity available for market. I have learned that private wine stores could purchase a vintage from a small producer and sell it under their own label at a reasonable price. This would definitely bring good quality wines at an affordable price to the consumer. Therefore, the selection of quality wines available at the private wine store would vary from that of the stock of the MLC.

Secondly, the advice of knowledgeable staff would be an asset. Persons frequenting the store for special gifts, wine selection for special occasions or advice on the maturity of the wine, that is, is it drinkable now or does it require further cellaring, would be most valuable. This is not to undermine the MLC personnel. They are friendly and courteous in performing their duties which is basically a cash register function.

Thirdly, persons frequenting the private wine store would also find it convenient to use the credit card, especially when purchasing a case of a favourite wine. If there is a misuse of the credit card, it is the responsibility of the credit company to limit or revoke credit card use.

Another plus of this bill would be to allow small businesses to establish in Manitoba. Winnipeg is a good place to live. The addition of private wine stores would add another amenity for its current residents or to attract the new. Thank you.

**Mr. Chairperson:** Thank you very much for your presentation this evening, Mr. Zieske.

**Mrs. McIntosh:** Just a very brief comment. I do not have any questions but I want to thank you very much, because this is what I am hearing on the street and it is not very often someone takes the time to come and say it. Normally it is just those who object who come forward, and I thank you very much for putting your comments on the record. I hope that your expectations come to fruition.

**Mr. Storle:** To the presenter, just a couple of questions. Number one, I gather from your comments that you are a wine enthusiast, that you have a cellar of your own and enjoy wine. I am wondering if in fairness to the liquor commission

you could indicate whether you have ever approached the liquor commission and been unable to get a wine that you sought, whether that is a significant problem from your point of view.

**Mr. Zieske:** No, I have never asked the liquor commission to bring in some wine for me.

**Mr. Storle:** The second point is in terms of the Manitoba Liquor Commission. You acknowledged in your brief that the staff are courteous and friendly. I am wondering if you had heard the previous presenter talk about the upgrading of the knowledge and the skills of the sales staff. I am wondering if you have recently been to a Manitoba Liquor Commission wine boutique and asked for some advice or assistance from their staff.

**Mr. Zieske:** Yes, the advice I receive at the wine boutiques is good, but the store that is closest to me and that I go to, they do not seem to have that person available. You have to ask the person who is ringing up the sale.

**Mr. Storle:** You have commended the government for perhaps bringing additional small businesses to Manitoba through this initiative. I am wondering whether you would support the wholesale private sale of alcohol in Manitoba. Are you promoting the kind of situation they have in the United States where it is Harry's liquor emporium on the corner? How do you see this evolving?

**Mr. Zieske:** No, I would not be in favour of allowing liquor sales to private vendors. I am only in favour of quality wine stores.

**Mr. Storle:** Could you explain why the distinction?

**Mr. Zieske:** Basically it is because I drink wine and I do not drink that much liquor. I do not drink wine as an alcoholic would, I drink wine with my meal.

**Mr. Storle:** Thank you, Mr. Zieske.

**Mr. Chairperson:** Thank you very much for your presentation this evening, Mr. Zieske. Thank you very much.

I will now call on Debby Spence. Her presentation has been dispensed to the members, so you may begin at your convenience.

**Ms. Debby Spence (Social Planning Council of Winnipeg):** As a last-minute request made by the Planning Council, they had asked if I would like to present this brief, and I accepted on the understanding that I would be able to give my personal observations from being involved in my community for 18 years.

Before you have a copy of the brief that the Planning Council had typed up. Again, it touches on many of what the previous presenters have stated about the legislation being without open and full public consultation in the process, a process that has been followed in the past. Again, too, from the perspective of a person from my community, I realize that even if it was open, a lot of people still would not come out because of feeling that they do not know enough and that you have to have research skills to be able to come up and state anything.

Also in the brief that I have, I have a copy attached to it an article that touches on the concerns from one group, in particular, the seniors. From their perspective, we are hearing stories about them being scared to step out into their neighbourhoods at the end of the month, which was cheque day, and which everyone in the neighbourhood realized at least the seniors have money, and they were being attacked and harassed, et cetera.

Now, knowing that the seniors are the only ones in the community that have a strong—or have credit rating, or have money, they are the victims that we can see in the future. If you have ever been around Main Street, you would notice outside of Jack's hotel, people waiting for the seniors to come out on cheque day, also at the Veterans Manor, and at 817 Main Street, because, again, too, they are led to cash their cheques, and people follow because they feel, well, these are their marks for the evening. This is where they will get their drinks, et cetera. So if we see that in our community where outlets are opened up and where credit is allowed, we can see where the seniors would be victims.

Again, too, I would like to touch on some of the previous comments made about Americanizing our system. I have seen in the States, Hennepin County, where there are so many outlets that sell liquor—I know that they state it is just wine stores, but eventually the movement could be to include the selling of liquor—there is a correlation between violence, alcoholism, domestic dispute, et cetera.

Again, to point out from a native community, Hennepin County has a high population of native people. I know that people have heard of the Bear Clan. Out in Hennepin County, they had the American movement protect the housing project that had a high population of native people because the police did not want to go into that area

anymore. I can see this happening in our area where, if it is allowed for these outlets to open, this could be eventually another Hennepin County.

Also, in a more local, I guess a more Canadian example would be in Quebec where they have had outlets open up. Fourteen years ago when I first had contact from native people from Quebec, I was hearing stories of where they were openly discussing the selling of liquor that they brought in from the States and selling of cigarettes, et cetera, to outlets in Quebec that they brought in from the States. What makes people think that this will not happen in Manitoba? Again, too, I know that when they talk about economic development, et cetera, and saying gambling, et cetera, that they do not talk about the social impacts of what gambling and liquor does to areas.

Again, unfortunately, in my area with the high population of native people, we are not able to designate our area as a dry community like people up in northern communities are allowed to do, because we have had discussions in our community that if we were able to we would. We would like to designate the Point Douglas-Lord Selkirk area as being dry areas. This is why we feel people from communities are moving into our areas because of all the hotels. If anyone took a count, there are 14 hotels in a five-block radius.

\* (2220)

I would like to ask what would prevent outlets from opening up, springing up just like the hotels? There does not seem to be any planning, any prevention, and we see the results on the streets. This is a fear that we have, what can happen if outlets are allowed. Where is it stated that real controls will be put in place, because we are looking at the examples of the hotels on Main Street.

Before I forget, I know people may think that this may be a high moral stand. It is not. From hearing from other native people from the States and from out east, we used to be teased about being so hick here in Winnipeg because of our liquor laws, but what is wrong with being hick? At least we are in control of the problems. We are being more compassionate and understanding that the people, especially the native people in our community, are not responsible drinkers.

When I was single, I used to think, oh, it was great how much freedom they have down south, but then I saw all the problems and came back here

and really felt, wow, we are lucky here that there are controls on our liquor laws. Fortunately, we have been able to make some gain at helping some of our people being healed, but not enough has been made that we can allow almost a free market system of having more liquor outlets opened up.

In conclusion, I would like to state that although we would argue that—and I know it may sound contradictory—there are not enough hearings, but if people realize what could happen, besides all the hotels that we have in our area, added to the problem would be more outlets, I can see our community just going down the drain. So, like most of the previous presenters, I would request that more open hearings are made, and I am sure that people from the native community, once they understand the impact, they would come out and make briefs.

**Mr. Chairperson:** Thank you very much for your presentation this evening, Ms. Spence.

**Mrs. McIntosh:** I only have just one question and it is a very brief one. You feel we should do the type of thing that was done during the Michener Report. You support the Michener Report?

**Ms. Spence:** Yes, I do.

**Mrs. McIntosh:** Are you aware that the Michener Report recommended specialized wine stores best run by private operators in Manitoba, and that recommendation was never implemented?

**Ms. Spence:** I do not know fully the Michener Report. I was going over some of the other comments. I was not a part of this at the beginning as a Social Planning Council member, but after I read some of the proposed changes it just made me think, well, do they not see the full impact? Do they not see that with some control—I mean I am not going to say I fully support it 100 percent, but there are some of the issues that you can see where, with some further discussion, we could come a little ways here and there. But overall, the majority of the recommendations, I do not see how they would do good for our community.

**Mr. Storie:** Just two questions. I want to thank Ms. Spence for her presentation. One deals with the issue of credit, and I am wondering if you are aware of any position that the Social Planning Council has taken on the decision to accept credit and, in the case of liquor vendors and duty-free liquor stores, to accept whatever credit the vendor decides is appropriate. It is not an issue of a credit card, but it

may be some other form of credit. I am wondering if you have any comments on that.

**Ms. Spence:** From the perspective of the Planning Council I cannot elaborate too much on it, but from living in a community where people seek credit, all they understand is if they can get money for here and now for what you can get, they will go for it. One of my friends was telling me that she just obtained a credit card. I do not have a credit card. I do not believe in credit cards, but one of my girlfriends was telling me her relative had asked her to go ahead to the store and get money on her credit card, because all they can understand is if you have a card and if you cannot get something for it right now, they do not understand the whole thing of paying back later, interest, et cetera. They will push people for it.

Again, too, the vulnerable people that would be affected are the seniors, because they are the ones who they see have a steady income, can get a credit rating, they can be easily influenced, dragged out there to get what these people would want. Again, too, this is why we do not see anything how it would help a community like ours.

**Mr. Storie:** You are not alone in that, Ms. Spence, I can assure you.

The second issue, and unfortunately we do not have a lot of time, deals with the impact of alcohol on the unborn child. Fetal alcohol syndrome is a serious problem all across North America. In fact, I have a letter from a Manitoba doctor that says that fetal alcohol syndrome is the most common cause of mental retardation in North America today, a serious problem across the province.

I am wondering whether what we are about here this evening is going to improve on that or is it going to create additional problems, No. 1; No. 2, whether you would support the idea of establishing a warning label on bottles identifying the potential damage during pregnancy of alcohol consumption?

**Ms. Spence:** I see the impact of fetal alcohol syndrome on a personal level since one of my nieces has it, but taking it from when her mother was pregnant, the whole thing is it is almost like someone has to be standing over them to tell them no, no. If everyone else around you is drinking, I see people just wanting to join in. If they are not responsible for themselves, how can they be responsible for their unborn? Again, too, many think for the moment here and now I want to have

fun. They do not see nine months down the line how the effects will hurt their unborn child.

Also, with the second part of the question that you were asking, many of the people who live in my community do not read, do not bother to read, so I cannot see how that will really help.

**Mr. Chairperson:** Thank you very much for your presentation this evening, Ms. Spence.

I will now call on Dr. Bill Jacyk.

**Mr. Ray Benoit.** Mr. Benoit, did you have a written presentation?

**Mr. Ray Benoit (Private Citizen):** No, I do not.

**Mr. Chairperson:** That is okay. You can begin with your notes then.

**Mr. Benoit:** I work for the Liquor Control Commission, soon to be called the liquor-no-control-at-all commission. To say that I am not pleased with this legislation is a gross understatement.

A month ago, I spoke against a bill that I felt lacked integrity and economic sense. Today, I am speaking out against a bill I feel lacks foresight, economic sense and has a total disregard for the people of Manitoba. In a word, I feel it is irresponsible. Someone in this administration must lay awake at night dreaming up this kind of legislation. This legislation, I might add, addresses the needs of the few and totally disregards the needs of the majority of Manitobans.

Manitobans, I am sure, would like to see some changes to the act, but ladies and gentlemen, let us not throw out the baby with the bath water. If we need changes, they should be positive and responsible. No matter how you cut it, increased access equals increased consumption, especially by minors.

\* (2230)

A few years ago I proudly wore a button at work that said 65 years of responsible service. I am afraid if this legislation goes through in its current form, no one who works for the Liquor Control Commission will ever honestly be able to wear a button like that again. Do not sit there and try to convince me that this legislation is good. Try to convince the family of an alcoholic that this legislation is good. Try to convince the family with young teens who have drinking problems that this legislation is good, and try to convince the family of a child who has been killed by a drunken driver that this legislation is good.

Let us look at the economic impact of this bill. Profits made by the government liquor outlets go into general revenue, which is used to fund health care, education and other support mechanisms, among other things, for people of Manitoba. With this legislation, part of the profit will go into the pockets of private individuals. Knowing the way this government has mismanaged Manitobans' economy, I am not surprised. Is this government going to cut back monies to our elderly and to our poor to make up for the shortfall? I am almost certain that they will.

After all these negative effects of this bill, I wonder what motivation the government has in introducing this bill? Current liquor stores in Manitoba are second to none in Canada based on product selection, staff knowledge, training, décor, innovative changes, sampling, brand displays. They are constantly upgrading, improving and training their employees.

There is no need for private wine stores in this province to deliver products to our customers when they do as good a job, if not better, than any private wine store can do. So again it goes back to the motivation. What is the purpose of the private wine stores? I feel it is probably the three p's, profit for pals of the party. That is my opinion, and it probably might reflect that of many people.

I feel that it is the beginning of the end for liquor control of any kind in the province of Manitoba. I also wondered to myself, why the rush? I mean, why is everything so secret, and why is everything being rushed and pushed through so quickly?

In 1955, as Mr. Olfert had stated, we had the Bracken Report, and in '81, we had the Michener Report. Now all of a sudden there is no reports at all. It is just, let us push this thing on through, let us get it out of the way and let us take care of everybody.

I feel as a taxpayer and as a voter and as a citizen that I demand that we should have public hearings on these and that we should go into more detail and that we should table this bill to find just the full impact that it is going to have upon the people of Manitoba. That is the end of my report.

**Mr. Chairperson:** Thank you very much for your presentation, Mr. Benoit. As there are no questions, thank you very much.

I will then call on Mr. Gary Dawyduk. Is that right? I will then call on Mr. Dale Neal. Did you have a presentation?

**Mr. Dale Neal (Private Citizen):** No, I do not.

**Mr. Chairperson:** Okay, you may proceed with your notes then, sir.

**Mr. Neal:** My name is Dale Neal, and I would like to thank the committee for providing me with an opportunity to speak on Bill 42, despite the extreme short notice. I am a member of the GOLICO component of the Manitoba Government Employees' Union. I am employed by the Manitoba Liquor Control Commission as a liquor inspector, and I am presenting this evening as a private citizen.

I would like to begin by saying I find it strange that these proposed changes to The Liquor Control Act are before the Economic Development Committee. In my opinion, the proposed changes are not a matter of economic development but rather are very serious social and health issues.

I would also like to say that I am both a little confused and alarmed about these proposed changes, confused because I am having difficulty understanding the rationale for such fundamental changes. Others spoke of the clamour for change, and in my opinion, it seemed to be a clamour of two. I am alarmed because I fear for what the effects of these changes will be on accessibility and consumption of beverage alcohol products.

I am also concerned about the effects those changes will have on the level of service and quality of licensed establishments such as in hotels, restaurants and bars in Manitoba.

The first area I would like to address in the proposed legislation is the corner wine stores. I realize that the last time Manitobans were consulted about liquor laws, Michener, 1981, the ministerial committee recommended the creation of such stores.

The rationale at that time was clear. There was a consumer demand, although small, for improved specialty wine products not carried by the MLCC. A survey of Manitobans at that time indicated that 37 percent of Manitobans were in favour of such a change.

At that time, the MLCC listed only 567 lines of wine, domestic and imported. Also, the atmosphere in MLCC stores could be considered at best as unappealing. They were sterile, unattractive, with little regard for the consumer and their needs. Michener argued that the MLCC of 1980, and I quote, was insufficiently sensitive to consumer

demand. Most would have to agree with Michener that at that time there was a definite niche to be filled.

However, since that time, the MLCC retail stores have changed dramatically. The MLCC now lists in excess of 1,100 lines of wine, domestic and imported, 500 of which are designated as specialty products geared for the upscale wine consumer. Stores have been redesigned with the consumer in mind. They are attractive and user friendly. Many of the stores have wine boutiques or wine corners featuring many, if not all, of the specialty wine products I have mentioned.

Any liquor store has the opportunity to list any of the 1,100-plus wines based on consumer demand. In addition, the MLCC has gone to great lengths to provide ongoing product knowledge training to ensure the store employees are knowledgeable about the products they sell. In the past year, the MGEU and the MLCC entered into a joint training project on customer service excellence. All retail store employees have participated in this course that was designed to sensitize store employees to customer need and improve customer service. The course also stressed a balance between those aspects of retailing beverage alcohol as well as the responsible sale and service of this drug.

The Michener Report claimed that in 1981 there was a minority of people who wanted some alternative to the current system of government liquor stores with respect to purchasing wine. The reasons for wanting an alternative relate to the customer's desire for added convenience, better product selection and lower prices. Michener went on to say that the prospects of obtaining lower prices than those currently available in government liquor stores for comparable wine products was not good.

Survey results indicated that customers found MLCC stores convenient. It was only in the area of product selection, there existed some prospect of improving the current system. Had all things remained consistent, I do not think I could effectively argue against the concept of private wine stores; however, things did not remain constant.

Over the past 12 or so years, the MLCC has dramatically improved in the area of product selection to the point where I believe it would be safe to say second to none when it comes to

retailing to the average consumer and the upscale wine consumer.

The MLCC has improved in areas where Michener had no criticism. MLCC stores have been relocated, redesigned, redecorated with the consumer in mind. Also, the MLCC offers many sales and price reductions throughout the year. Wine festivals featuring the wines of specific countries offer current and specialty wine products at a reduced price. Also, the introduction of new product is often done with a specially reduced introductory offer price, and the most recent retailing program, the limited-time offers or LTOs, allows currently the listed products to be offered at a reduced price over a specific time period. With all this in mind, I would suggest that consumers are well served by the current method of distribution of beverage alcohol in Manitoba.

Another area of concern about these proposed wine stores is with respect to the hours and days of sale. It appears that these proposed corner wine stores will operate without restriction, offering beverage alcohol for sale seven days a week, 24 hours a day, including holidays. It seems ironic, while the controversial debate about Sunday shopping rages in Manitoba that the government has found it reasonable to permit these proposed stores to retail beverage alcohol on Sundays, Good Friday, even on Christmas Day.

There is a delicate balance to be struck when it comes to the sale of beverage alcohol between control and accessibility. Our current system has struck that balance. For the average consumer or social drinker, beverage alcohol is sufficiently available through the current distribution system. Increasing the accessibility to include early-morning or late-night hours, Sundays and holidays will do little for the majority of Manitobans. It will, however, increase the opportunity for impulse or problem drinkers to make purchases.

The spinoff to this could have major implications from a social perspective in the areas of health care, spousal abuse, drinking and driving and crime. Addiction research indicates that as alcohol becomes more accessible, consumption will increase. Alcohol not being available on every corner, long hours, seven days a week, provides the impulse drinker an opportunity to think before they drink.

\* (2240)

My second major area of concern deals with the whole area of deregulating standards for hotels, restaurants and bars to obtain liquor licences. One might question why the MLCC would regulate sleeping accommodations, floor coverings, decor, furniture, even air conditioning. The answer I believe is twofold.

Firstly, it is a way of ensuring a reasonable standard of accommodation for Manitobans and the travelling public. In Manitoba, if it says licensed establishment, one can be relatively assured of a certain level of quality with regard to accommodation, cleanliness and decor. I have been in eight of 10 provinces in this country and have observed that Manitoba has the highest quality of licensed establishment when compared with the rest of the country.

Removing the minimum standard to obtain a licence will dramatically decrease the quality of restaurants, bars and hotels that Manitobans have become proud of. I think the rationale is to let the market or let the consumer decide. That may be fine when the consumer has a choice. Very often, this is not the case, particularly in rural Manitoba.

This is a tourism issue. First impressions are lasting impressions. By removing the standards you will dramatically alter the experience tourists will have when they visit Manitoba hotels, restaurants and bars.

With respect to hotels specifically, if the MLCC will no longer regulate standards it will mean that two government bodies will license them and no one will have any jurisdiction to regulate them. It would be like handing out driver licences to everyone when they turn 16 without any expectations that a person has attained a certain skill level with respect to driving.

Also, along with a hotel registration certificate goes certain other privileges, such as a retail beer vendor licence and a beverage room licence—two of the most preferred licences available in Manitoba. If you no longer have any standard to obtain a hotel registration, virtually anyone with four walls and an occupancy permit will qualify.

The second argument, to retain the standards to obtain a liquor licence, is the question of accessibility. The standards required to obtain a licence exclude a number of establishments because the operators, for whatever reason, do not make or are unable to make the required investment to satisfy the standards. This in itself



regulates the number of establishments that dispense beverage alcohol.

Again, we have this delicate balance between control and accessibility. When you remove the standards you will see a rush on applications for liquor licences, and the licences will be issued by virtue of the fact that the building has a roof and four walls.

Another consideration with respect to removing the standards is that those already involved in the hospitality industry have already made a considerable commitment and investment to this community. If you remove the standards, it will allow an unfair advantage for fly-by-night operators to move into the marketplace, set up with very little investment and take away business that the established businesses have worked and invested to attract.

There are some positive aspects in Bill 42, such as increasing the penalty for the use of borrowed or falsified identification, moving the sale and service to minors and intoxicated persons from minor offences to major offences, thus increasing the penalties to violators. However, it is my belief that for the most part this bill is not in touch with the expectations of Manitoba.

We know what people were thinking in 1980, but I am not sure the Michener model fits today. I also do not think you can have the most liberalized liquor laws and increase accessibility to beverage alcohol and have zero tolerance to the effects of the abuse of alcohol, being spousal abuse and drunk driving.

I recall an article in the media immediately following the introduction of Bill 42. The article indicated that our liquor laws were outdated, and the minister said that these changes would bring us more in line with other provinces. Well, that is fine if you want to be like other provinces. I am not sure Manitobans want that.

My strong belief is that there are many aspects of other provincial liquor laws that we should be considering to tighten up our laws, rather than liberalizing them. We should have a bill before us raising the legal drinking age to 19 years like other provinces. We should have a bill before us removing the happy hour and deep-discount pricing like in other provinces. We should be reducing the hours of service to 1 a.m. like other provinces or the introduction of mandatory photo ID or age-of-majority cards like other provinces.

I believe a vast majority of Manitobans would support these types of changes and will reject the kinds of changes that are proposed here today. I urge the government to not proceed with this bill, consult with Manitobans and make informed changes to our liquor laws. Thank you.

**Mr. Chalperson:** Thank you very much for your presentation, Mr. Neal.

**Mr. Storie:** I just have a couple of questions.

Mr. Neal, thank you for your presentation, I think a good overview of some of the concerns that have been raised by previous presenters and some of the concerns that we have.

If I can take the liberty of summarizing what you have said in terms of the privatization of wine sales in the province, basically you said that in terms of the consumer it is unlikely that there is going to be a significant benefit to the consumer in terms of the price of wine, that the Liquor Commission offers a good price already, and that was recognized back in '81, in the Michener Commission. You also said that obviously it is going to mean, as it has in other jurisdictions, less revenue for government, so why are we doing this?

**Mr. Neal:** That is a good question. This bill, as other presenters said, is being done in the 11th hour of the sitting of this session of the House. To my knowledge, it seems to me to have been a consultation of two people, if the presentations here today are any indication about what sort of consultations went on.

The last time Manitobans were consulted was 1981. The survey at that time indicated 37 percent of Manitobans were in favour of such changes. The Premier on Peter Warren, July 23, indicated that there is of course—and I am quoting here from the transcript—that there has been a product of long consultation and it goes away back to the Michener Report about the modernization of the distribution of alcohol. That is true, that does come out of Michener, but I do not think that things are necessarily—or that model fits today given that a number of things have taken place, primarily with the way the Manitoba Liquor Control Commission conducts its business.

There were some failings. They were insensitive to consumer demand and consumer need, but I do not see that there has been any consultation with anybody. This bill was dropped on all parties involved out of left field. It was not expected, and I do not believe that people were properly consulted.

I cannot consider this consultation, given that I had three hours notice to attend here tonight, and others are unable to attend here for that very reason.

**Mr. Storie:** Mr. Chairperson, I agree. I do not think it is obvious that there is any clamour for this change, and it is quite obvious from the presentations that we have people who are genuinely concerned about the impact of greater access to alcohol generally. We have a business community that seems quite indifferent to the changes in most cases and we have people like the president of the Hospitality Corporation who says, this is changing the rules substantially, and we are not sure that it is going to be good for business.

I gather your recommendation is we should stand this bill and go back to the drawing board and consult.

**Mr. Neal:** I would recommend that the bill be tabled until full public consultation similar to that of Michener and Bracken can be undertaken. These are fast-changing times that we live in. We hear the government telling us that every day, which only extrapolates the meaning of 12 years. It may be 25 years have passed if things are changing that fast, and I do not think the Michener model fits Manitoba today.

**Mr. Storie:** Just one final question. You indicated earlier you were a liquor inspector. I am assuming that you meet with a pretty broad cross section of Manitobans in your travels. Can you tell us, what is the public mood?

There are not a lot of private citizens here. We have heard a number of people from the Liquor Commission who obviously feel they are doing a good job, and I think Manitobans agree. What is the average person saying about this, about the need to liberalize liquor laws?

**Mr. Neal:** I think the average person, because with the expeditious fashion that this has been undertaken, are unaware. The press release was very misleading. It came out and almost made fun of the Liquor Commission for dictating cutlery and plates and these kind of things. I mean those are housekeeping matters that are being undertaken with that bill, but slid in there with these things are some major implications on the way beverage alcohol is retailed, sold and distributed in Manitoba. The viewpoint survey that my union did indicated that 70 percent of Manitobans two and a half weeks

ago had not even heard that there were proposed changes to The Liquor Control Act.

I would suggest that the people that I have spoken to reflect that. They are quite shocked when they hear that indeed there are changes of this magnitude coming forth and that the government has not provided an opportunity for a full consultation process.

**Mr. Storie:** Thank you for your presentation, Mr. Neal.

**Mr. Chairperson:** Thank you very much for your presentation this evening, Mr. Neal.

I will now call on Mr. Michael Moore. Did you have a written presentation, Mr. Moore?

**Mr. Michael Moore (Executive Director, Manitoba Restaurant and Food Services Association):** No, I did not. Based on some of the discussion over the past four hours, I would say my text has changed somewhat since then, too.

**Mr. Chairperson:** You may begin your presentation, Mr. Moore.

**Mr. Moore:** Thank you. I would first like to thank this distinguished committee for the opportunity to speak to it. Given my brief tenure as Executive Director of the Manitoba Restaurant and Food Services Association, this is my first time participating in this invigorating, if not somewhat intimidating, due process.

\* (2250)

I am here today representing the interests of the over 500 members of the Manitoba Restaurant and Food Services Association, hopefully not also known as the "clamour."

Bill 42 has received considerable discussion at our board of director's meetings, a group of 22 duly elected representatives from throughout the entire province, the executive committee and a special task force put together for this very issue. This presentation represents the collective opinions of all of these groups and the thousands of employees that they represent.

It is the association's belief that repetition and redundancy by the various members of the association do not make a point more correct, only longer. We have complete faith in this committee to hear things once correctly and act accordingly.

As a representative of the restaurant association, I will only be commenting directly on those items which impact the operation of a restaurant or food service outlet. After all, for me to speak to proposed

changes such as the extension of vendor hours or the opening times for cabarets, although they may have an impact on restaurant sales, would not be progressive.

It is my belief that limiting or taking away from others is not in anyone's best interest, but rather moving ahead with the times and seeking to better one's own lot through perseverance and progress is the way to go. That is why it is easy to support those aspects of the bill that pertain to the restaurant and food service industry. Proprietors are compelled to act in a responsible fashion, and the consumer will determine what satisfies their needs and spend accordingly.

The Manitoba Liquor Control Commission does an excellent job in maintaining standards, enforcing enforceable legislation and putting forward positive recommendations to improve the delivery of liquor-related services. Freeing their staff from such responsibilities as monitoring glassware, kitchen cleanliness, food quality, game permits, credit arrangements, décor, cutlery and menus will greatly enhance productivity and allow them to ensure that the public's well-being and wishes are being serviced.

Permitting a dining room to close at 9 p.m. instead of 11 p.m., while maintaining food and beverage service in the cocktail lounge, will permit establishments to schedule employees by consumer dining patterns rather than Liquor Control Act dictums. This allows the employee to schedule more personal activities beyond traditional work hours and more appropriate food service for the customer.

Although at first glance they may seem to be unrelated, the consumption of liquor on a boat and the operation of a restaurant do impact upon each other. Operators of several fine dining establishments in Manitoba have docking facilities in close proximity. Concern has always existed that persons may consume alcohol with dinner, remaining under the intoxication limit, and then proceed to surpass that level after departing the premises. Knowing that they may have in some small way contributed to a boating mishap can be devastating to any proprietor. Knowing that the operator and passengers of the vessel may not legally further imbibe will be reassuring.

Knowingly serving alcohol to a minor, not taking reasonable and rational steps to ensure that a minor does not consume alcohol on premise, and

the fraudulent misrepresentation of one's age are all very serious offences and deserve to be treated as such. Our association endorses the reclassification from general to major.

If the ability to purchase alcohol by credit card is approved, it will make daily operations considerably more convenient for restaurant tours. It will alleviate cash flow problems—I said it was intimidating—create a safer environment for employees and patrons by not keeping extra cash on hand and create even more efficient records. It allows these businesses to operate more closely, like the vast majority of other businesses that traditionally utilize requisitions and invoices.

Although many of the restaurant association members share some of the concerns presented by members of the Hotel Association on subsection 96, Obligations of licensee, they also recognize what constitutes being a responsible proprietor. If through the service of alcohol and entertainment provided the licensee has contributed to a patron becoming disorderly, then one cannot simply wash their hands of the situation by ushering that individual out the back door.

We assume the intent is to attempt to disburse any potentially volatile gatherings about the premises. In extreme situations where these individuals present a dangerous situation, then a call and appropriate response to the police will still be expected. The minister's proposed amendment (e) would be very well received.

The proposed Section 10(1)(c) is one of the fairest pieces of legislation ever to come forward. It is incredible that of the 11 different classifications of licences listed in the act, only two, dining room and cocktail lounges, specifically mandate revenue sources from the sale of food and liquor. In all other cases where this topic is concerned, it is dealt with in the regulations by the commission. This inconsistency needs rectification.

I find it reprehensible that some speakers before me bemoan discrimination supposedly affecting beverage room licences but, in the same breath, were adamant that discrimination regarding dining rooms and cocktail lounges continue.

I was advised during my first week in this position that I would someday hear the outcry of my compatriots in another association that the removal of this section from the act and subsequent placing in the regulations would be tantamount to the creation of 1,000 new bars in Manitoba. I have now

learned a new term, "American-style corner bar." However, even this forewarning could not prevent its obvious absurdity.

Nowhere in the proposed legislation is there mention of removing all ratios and completely changing the current licensing structure. To oppose this logical progression to equity is to say one has no confidence in the judgment and wisdom of the Manitoba Liquor Control Commission Board and employees, the government of the day or the public at large. The public will decide where they wish to dine and, if appropriate, in what environment they wish to enjoy an alcoholic beverage.

The commission is constantly monitoring beverage consumption trends and is more qualified than any other body in this province to make recommendations on appropriate changes. Those licensees who provide the experience that the public demands will continue to grow and flourish while those who are mired in the mentality of decades ago have no option but extinction.

A comment made by an individual, a private owner, earlier this evening feared a change in the restaurant over the next one, two or five years. Well, this fear of change is inevitable. A business that does not change over the next five years will no longer be a business, and a business that can guarantee its next five years is very welcome in this province.

As I dutifully poured through the pages of the act, I could not find any reference to the word "bar." Now, I have only been reading it for three months, but still cannot find that term often listed and, therefore, no definition as such. I can only assume then that the reference intended was towards beverage rooms. I can honestly state that of the more than 1,600 restaurants that currently exist in Manitoba, I personally know of zero that wish they were beverage rooms.

In conclusion, the Manitoba Restaurant and Food Services Association supports the concept of permitting the consumer to dictate their preferences in dining and drinking. This segment of the hospitality industry has always been willing to listen, co-operate and make changes accordingly. Although there is still room for additional future improvements in liquor legislation, Bill 42 takes an initial major step in the right direction, and we endorse its approval.

Thank you very much for your time and patience, for listening to me in this extremely busy time for

you. If there is anything that I or other representatives of this association can do to assist in this matter or any other relevant issue that may arise, please do not hesitate to call and enlist our service.

**Mr. Chairperson:** Thank you very, very much for your presentation this evening, Mr. Moore.

**Mrs. McIntosh:** Thank you very much, Mr. Moore. I want to thank you for your presentation. It was very easy to listen to, of course supportive, so I particularly enjoyed listening to it. I also enjoyed your humour and particularly wanted to thank you for being wise enough to point out to us that you represented 500 or 600 some-odd people, 1,600 restaurants or whatever it is, but that you did not feel the need to bring all of them down with you and that you would speak on their behalf and thereby give us one presentation rather than 500, for which I am extremely grateful. Thank you for the points you have raised and we will take them for what they are, support for the bill. Thank you.

**Mr. Storie:** Mr. Chairperson, I want to thank Mr. Moore for his presentation—he did not seem unduly intimidated by the process—and welcome him to his first legislative committee. I am reminded that a colleague of mine once said there are two things you should never watch being made. One is sausages and the other is laws. The process is sometimes—[interjection] Well, it is more true today than it has ever been, to the member for Arthur (Mr. Downey).

You had commented on some of the concerns of previous presenters and particularly referenced what you see as not a legitimate concern, that what we are about here is the significant change that will impact on investments, significant investments that have been made by business people over the past few years based on kind of a current regime, a current business regime, that is important to them.

I am wondering if you in your capacity as a representative of the Manitoba Restaurant and Food Services Association would not be concerned if the rules were to change substantially for members of your association a year from now.

\* (2300)

**Mr. Moore:** Certainly, there would be concern anytime new legislation is put forward. I assume that is what this process is all about and the debates on the floor. That is why we have the democratic process. I do certainly understand the fact that millions of dollars are spent in renovations

relating to establishments. I believe there is currently somewhat just over 300 beverage room licences and hotels, et cetera, in the province. There are also over 1,600 restaurants in the province that are undergoing similar, I would venture to guess with absolutely no documentation, equal expenses as it relates to the upgrade and renovation of their establishments.

**Mr. Storle:** I am guessing that it is fair to assume that most of the major beverage rooms, given the fact that they have some 40 rooms attached and so forth, that the investment is on average more significant for some of those members than they would be for members of your association.

**Mr. Moore:** I could not comment on that not being privy to the billings and the renovation expenses of the establishments themselves. That would have to be contacted individually.

**Mr. Storle:** Just one final question and that was with respect to whether you are part of the clamour or not. A fair comment, and I am wondering whether the Restaurant and Food Services Association approached the government requesting changes, or are you reacting to changes that have been proposed?

**Mr. Moore:** It is my understanding that in the past, and through your government also, that the restaurant association has always been very active in approaching the government of the day about legislative changes and improvements, whether it be The Liquor Act, The Labour Act, whatever it may be, and I assume that it will continue to do so. Certainly during my tenure it will, otherwise I will not have a tenure. The reference to clamour, of course, is that I always believe that injecting a little humour makes it easier to stand up in front of a group.

**Mr. Storle:** I was not accusing you of being part of the clamour, I was just attempting to get some clarification. Are you aware of any specific recommendations in this bill that came from the Manitoba Restaurant and Food Services Association?

**Mr. Moore:** As far as the recommendations go, they would have come forward prior to my assuming my position with the association commencing May 3. I am certain that many of the things here have probably come forward—I know the shift from act to regulations of the ratio I believe was presented to your government probably about five or six years ago. I know it came forward then

and at the last minute was taken out of the regulations.

**Mr. Chairperson:** Thank you very much for your presentation, Mr. Moore.

I will now call on Mr. Welland Ritcher. I understand you did not have a written presentation, Mr. Ritcher.

**Mr. Welland Ritcher (Private Citizen):** No, I did not.

**Mr. Chairperson:** That is fine. You can begin with your notes, then. Thank you very much.

**Mr. Ritcher:** Thank you and good evening. I am here as a private citizen. I worked 24 years with the Manitoba Liquor Control Commission, 13 stores in all out of the 21 they have in the city. I have worked in the core area stores for approximately eight to 10 years. I have worked at Donald and Ellice, Portage and Victor, Hargrave and Ellice, and River and Osborne, and I have seen it all.

I have seen what alcohol does to people. I have seen the slow decline to unfortunates, pathetic unfortunates. The difference between a good customer and an abusive customer to us could be one drink.

This past year I was involved in developing, as was mentioned before here, teaching the LCC employee customer service course. I helped put together the course and taught the course. The people involved were part-time people, full-time people and people in the rural stores. We went out to Brandon, Dauphin and The Pas.

My portion was handling the difficult customers and product knowledge. Each course was introduced by our vice-president, Don Lussier, and to quote Don Lussier: In 1988, Alberta was allowed seven private wine stores. Today they have 23. At that time the government said all there would be were seven. A lot of those stores are located in the cities of Edmonton and Calgary. They are located near existing liquor stores. Those stores have dropped 50 percent in their traffic. Well, it does not take a genius to know that if we lose 50 percent of traffic in the liquor stores, you lose 50 percent of your people, not only in the stores, head office and the warehouse.

I can see the same scenario unfolding here. I have just heard from somebody who was in Alberta and Vancouver, and they talked to people in the private wine stores. One of the persons there had mentioned that they were looking forward to getting

liqueurs. Once you get liqueurs, what is next after that?

We are known, as an employer, as the Manitoba Liquor Control Commission. We still have that word "control." From my experience with the customer service course, I found that our employees were very proud of this fact and are concerned and very diligent citizens when dispensing alcohol, which is a drug and not a soda pop.

This legislation effectively discards the word "control," replacing it with profit. It means nothing to me to refuse service to an individual who appears to be impaired, or a minor. Will private entrepreneurs have the same high standards when faced with an individual holding two bottles of Dom Perignon at \$100 each? I think not. More access, more abuse. Longer hours. Many of our stores open at nine. We have a store at Manitoba and Main that opens at eight o'clock in the morning. A lot of our stores are closed at ten. From eight to ten, that is over 12-14 hours. Is that not enough? Do we need it all day, all night long, Sundays too?

As to selection, I have heard many times here what we carry in the stores. Yes, we carry over 1,100 products, and 500 to 600 are boutiques, but that is 1,100 products at one time. So if you went to the stores today we would have 1,100 products. We get new products in every week. We have all the products go out. They sometimes order products, maybe only 60 cases, so I am sure if the number were tallied over the year it would be more in the range of 1,800 to 2,000 products. I think that is adequate enough for Manitobans.

The legislation states product in private stores currently at the liquor store will be sold at the same price. In other words, a bottle at a private store that is currently sold at the Liquor Commission will be at the same price. However, if that individual wants to bring in a new product he can very well put his own price on it. All that will happen is the store will bring in vin d'tables and jug wines to undercut the commission prices. These are not, or ever will be, specialty wines.

Revenue. Our profits, as you know, go into a general revenue for government programs which serve the public, your public. Profits for private wine stores go in their pockets. I need not say more. We are asked to take pay cuts. Health care is being bludgeoned to death under the guise of reform, and now you take revenue from one of the government agencies which makes money and you leave open

as an essential service on what we call Filmon Fridays. It seems to me you are tripping over dollars to pick up dimes.

The Minister responsible for the LCC is quoted in the press as saying she has had overwhelming response to these changes. Well, I do not think they came from aboriginal groups, nursing homes, Mothers Against Drunk Drivers, Alcoholism Foundation of Manitoba, the police department, inspectors, safe-driving programs and safe grads. From whom then? Maybe those wealthy enough to afford \$250,000 in liquid assets to open a private wine store who are falling over each other to get the store that goes in The Forks. She also states in regards to credit cards, people can just write a cheque. Yes, they can right now, but those cheques go with a courtesy card are screened at Manitoba Liquor Commission. You have to have money in your account and, if you fail to do so, your card is torn up.

\* (2310)

Credit cards make it very easy for people to get access to what they want to buy. If you have a credit card in your pocket and you see something you want, you buy. That is why I do not have a credit card. The only one I have is The Bay, and I am 45 years old.

You have made gambling wide open with no studies on the terrible effects. You are considering making alcohol wide open with no studies on the detrimental effects. You are turning this province into an 1880s American frontier. Now by allowing hotels to regulate their own decor, you have just added the saloons, all for profit, profit, profit, not for profit for the people this government serves, but other select groups. Thank you very much.

**Mr. Chairperson:** Thank you very much for your presentation, Mr. Ritcher.

Mr. Wayne Zaplachinski. Mr. George Tsouras—[interjection] Okay. As a matter of record then, we will take his submission as a written submission. Then I will call Mr. Henry Dueck. I will call Mr. Peter Choate.

**Mr. Peter Choate (Alberta Distillers Limited (Calgary)):** I think there must be some pain and agony at having to be sitting and listening to people on this topic at 11:15 at night.

**Mr. Chairperson:** Not at all, not at all. This is still very early.

**Mr. Choate:** I have one advantage over you. I came from Calgary this evening, so for me it is only 10:15.

**Mr. Chairperson:** Well, that is good. Thank you very much. You may begin, Mr. Choate.

**Mr. Choate:** I will try to be brief, given the time.

I do thank you for the opportunity to come for a moment to address some of the issues arising out of the presentation of Bill 42. Really, there is only the one issue that our company wishes to address. That is the proposal for private retail outlets just for the sale of wine.

Just by way of introduction, Alberta Distillers Limited is the largest purchaser of Canadian prairie rye grain for domestic usage in this country. We buy it from all prairie provinces, including Manitoba. Therefore, we have a direct economic impact in this province, but we believe that the private wine store, based upon our experience in other provinces, will benefit off-shore producers who are not direct contributors in a significant way to this province.

The consumer will benefit, we think, only marginally if experience of the provinces of Alberta and British Columbia are indicators. We draw that conclusion as a company that operates in both of those provinces and is the supplier to the retail systems.

In those provinces we believe, yes, there is somewhat improved selection of wine, but it is not broadly available throughout the province and clearly has not led to reduced pricing for the consumer. Further, those retailers in those two provinces are viable only because they are heavily subsidized by the respective provincial governments and have been granted competitive advantage by policy, such as hours of operation, and not by the marketplace.

We believe that ultimately our industry, the distilled spirits industry, will find itself in a position, as we have found ourselves in the other provinces, of being asked to partially make up for the revenue shortfall of that subsidization. It is entirely possible, in our view, for government to achieve the same breadth of consumer choice through provincial liquor retailing but without the cost of subsidization.

We, as a Canadian supplier, believe that based upon our experience in other provinces we will suffer direct harm in the marketplace as a result of reduced customer traffic in MLCC stores. Simply put, our opportunity to present our Canadian-made

products to the consumers of Manitoba becomes reduced because customer traffic in MLCC stores is reduced. There is clear statistical evidence of that in the British Columbia and Alberta experiences. I have taken the liberty of attaching to my brief, which you have copies of, the customer count figures from the Alberta Liquor Control Board which is published by that commission.

Thus, it is probably realistic for us to say that it would not be our first choice to have the private wine store proceed. If it is the Legislature's will to do so, and that is the promise of the democratic process, then we believe it is imperative that all forms of beverage alcohol, including distilled spirits, be available in those outlets.

It is not possible, and frankly I am not sure any of us have the stamina at this hour of the night to go through all of the risks to our company or industry that we believe would arise from this proposed change. Perhaps we should say it this way. To introduce a private retail system should be done because there are long-term policy objectives to be met and not to fulfill short-term benefits that could be achieved within the existing retail system.

We submit it is this short-term view that is inherently at the centre of this proposed policy change. Therefore, we would urge time and caution be offered to consider what Manitobans wish in the form of beverage alcohol retailing and perhaps to also allow some further study of the lessons from the other provinces.

My comments should not be meant to construe that either we are opposed to privatization but only that it be done in a fashion that is equitable to all retailers, nor should my comments be meant to be construed that we do not feel that import products have an important place in the marketplace. Indeed, we are importers of such products and represent them in the marketplace here in Manitoba.

We do believe that government policy should not be to the benefit of imported products at the expense of domestic products. We feel this is what this policy will do. Thank you very much.

**Mr. Chairperson:** Thank you very much for your presentation this evening.

**Mrs. McIntosh:** Thank you very much for your presentation. I have just a couple of very quick questions. You indicate that if we are to have private stores that they should also be selling spirits as well as wine. My first question is—and then I will

have a second one—is your major problem then the private stores in general or the fact that the private stores will not be selling spirits? You have indicated if it is the Legislature's will to have private stores, they should include distilled spirits.

**Mr. Choate:** I think that if I could, Madam Minister, respond in this fashion, it is the will of government to choose the form of beverage alcohol retailing that it wishes, but we believe that, equally, every beverage alcohol supplier should have access to that retail system.

**Mrs. McIntosh:** I thank you for that clarification. It is an interesting point, and I will keep it in mind.

I have just a second question. The union and a United Church clergy person made a presentation earlier saying that these stores would lead to increased consumption and their implication was very clear, maybe overtly stated, that the sales that are there now would continue to exist as they do now, and we would be adding extra access to wine. Yet your presentation, you seemed to indicate that consumption will not necessarily increase but rather consumers will switch from spirits or certain products in the MLCC stores to specialty wines.

Is that a correct interpretation?

\* (2320)

**Mr. Choate:** If you could permit me a slightly long answer, and I apologize for that, but I have to preface by saying that officially reported consumption statistics in Canada are merely a reflection of sales through regulated retail outlets. They do not include, for example, home beer and wine making, illegal manufacture, illegal smuggling of which it is a significant problem. Therefore, my answer must be I can respond only within the context of officially reported sales.

Within that context, the British Columbia experience of which we have had an opportunity to look at in great deal of statistical analysis, clearly concludes that what we have seen is a shifting of consumer preference as opposed to an increase of consumption. Now I cannot tell you this will be so in Manitoba, but I can tell you that has been the experience in British Columbia and in Alberta. It has been at the expense of my industry.

**Mrs. McIntosh:** I thank you very much for that clarification. It is a very interesting clarification. I thank you as well for having taken the time to come here and make your points to us this evening.

**Mr. Choate:** My pleasure.

**Mrs. McIntosh:** Thank you very much.

**Mr. Storie:** Mr. Choate, is it?

**Mr. Choate:** Correct.

**Mr. Storie:** I would like to thank you for a very thoughtful presentation. I must say that I think your analysis is consistent with a number of other presenters in terms of the costs to the province and the Manitoba Liquor Commission and the relatively few benefits to the government and to the Liquor Commission of proceeding in this way. I am wondering if you have any estimate from Alberta as to what this subsidization, as you put it, of the private or the specialty wine stores, has cost Alberta taxpayers.

**Mr. Choate:** I cannot give you a direct answer, simply because the provincial estimates in Alberta, to the best of my knowledge, do not report it in that fashion. The private retail system in British Columbia which, I must caution, consists also of 250 cold beer and wine stores, so I include that in my answer. The provincial estimates for the current fiscal year indicate that the subsidization will be in excess of \$30 million for all those private retail systems and, again, does not separate out the wine stores, so I could not give you a clear answer on that.

**Mr. Storie:** So the estimate that we have heard here of millions of dollars cost to the taxpayers, after these private wine stores become established, is not out of the question.

**Mr. Choate:** Well, I would answer it in this way, Mr. Storie, and that is that our analysis of the operations of both British Columbia and Alberta would cause us to conclude that without subsidization, it is unlikely that the private wine stores would be successful or economically viable. I think you have to, in all fairness, consider the question in the Manitoba context, and as I am not aware at this point of, for example, the commission structure that you would be offering the private retailers, it would be inappropriate for me to comment on the size of the subsidy.

**Mr. Storie:** Mr. Chairperson, I want to again thank Mr. Choate for his presentation. I think he makes two very valid points that I am sure the committee is going to consider. One is that the government has not made it clear that this is a policy decision, in fact, quite the reverse. Rather than saying we are going to privatize alcohol sales, which you said is one of the options they have, they are saying they are going to hive off this small portion. You are



saying that that probably is not fair to your industry and that there are going to be few benefits.

The second point you make, and this has not been raised in quite this way, is that really these private wine stores are going to succeed by granted status and a competitive advantage that is given to them by the government, an interesting way of looking at what the government is proposing, and I want to thank you for travelling from Calgary to make the presentation.

**Mr. Choate:** It was kind of a delight to get to a place where it is not raining.

**Mr. Chairperson:** Mr. Choate, thank you very much for your presentation. I should point out to you that we do have a policy for people that are from out of town. They can be heard earlier. If we had known that you were, we would have accommodated you.

**Mr. Choate:** That is all right. I get to spend the night here, and it precludes me getting any closer to Edmonton more quickly.

**Mr. Chairperson:** Okay. Again, thank you very much for your presentation this evening.

I will now call on Angie Loscerbo. We have a copy of your presentation, so you may begin at your convenience.

**Ms. Angie Loscerbo (Osborne Florist Ltd.):** Good evening, members. It is my bed time, but I will go along and present here.

Good evening, members of the Legislature, ladies and gentlemen. My name is Angie Loscerbo. My family and I own and operate Osborne Florist on Osborne Street here in Winnipeg. I am pleased to have been given this opportunity to appear before this committee to express my views on the proposed changes to The Liquor Control Act. In general I would like to express my support for the initiative this government has taken, but I would also like to offer some suggestions that I believe will serve Manitobans better.

I am very pleased that the government has finally decided to allow private Manitoba citizens to sell wine to consumers in our province. I think consumers will be well served by the increased selection, by the competition and by the competition among wine retailers. I think the operators of the licensed dining rooms, lounges, et cetera, will also be well served by the increased variety in the wines that they will be able to offer their patrons.

Finally, I think society will be well served because these changes will be accompanied by the requirement of photo ID and by the increased sanctions of selling to minors and intoxicated people. It is important that if we are to have private retailers selling alcohol, something that we have not had in Manitoba until now, then retailers must be in a position of being able to increase their profits by not selling to minors. I believe the combination of changes will accomplish that. Responsible consumers will have better and easier access to wine, while those who should not be drinking will have their access more restricted than ever.

I have listened to representatives of the special interest groups appearing here today. I feel I must congratulate Minister McIntosh for her courage in listening to what the average Manitoban wants rather than continuing to allow special interest groups to dictate government policy. I do not blame Mr. Olfert of the Government Employees' Union for being worried about the employees of the liquor stores. In doing that, he is only doing his job. I think Mr. Olfert and his colleagues have a credibility problem, though.

In my store, I pay my staff about \$7 per hour. I believe that they are every bit as qualified as the people who work in the Liquor Control stores.

I would have gone bankrupt a long time ago if I had been paying my staff as much as the Liquor Control Commission does. That is why I believe it is unfair for special interest groups to say that by allowing opportunities for entrepreneurs to sell wine, the government will cost itself money that could be better used for health care. I do not know how much this program will cost the government. I would guess that the amount is very small because of all the taxes the new retailers and their employees will be paying. One thing I am quite sure of, though, is the cost of allowing private wine retailers is not as high as the cost to the government of the difference between the wages I pay at my store and the wages that the MLCC pays to its retail staff.

As for the issue that the government has not consulted Manitobans, I believe the accusation is false. I remember about 12 years ago the government did a big study about liquor. There was a lot of consultation with anyone who was interested. As I recall, one of the recommendations that came from the study was private wine stores. I

think it is about time government did what the people have clearly indicated they want.

Now I would like to talk about myself and how these changes might affect me and my business. I am a small retailer. As I mentioned earlier, I own a flower shop just down Osborne Street from here. One of the largest segments of my business is bridal parties and weddings. There have been many times when my customers have wanted to buy a basket of flowers with a bottle of wine to be sent as a gift, usually to newly married couples. As the law stands, I am not allowed to offer such a service. Even if I go the Liquor Commission store and buy a bottle myself and put it in the basket.

When I heard about the proposed changes to the liquor act I was thrilled, because I felt I would be able to have a little wine shop as part of my flower store and be able to offer this kind of service to my customers. As I investigated this opportunity further, I found that I might be excluded. It seems that there will be two kinds of wine stores allowed, large stores that sell little except wine, and specialty food stores that have a small wine selection. I understand the reasoning, you do not want wine to be sold in places like hardware stores, but I would argue that wine is as complementary to a floral arrangement as it is to specialty food. Therefore, I would like to propose that you broaden the range of retail outlets that may be wine stores to include florists and possibly other retailers who sell products commonly consumed with wine.

\* (2330)

Another concern that I have is that there will be only five wine stores allowed throughout the entire province. That may not be enough for all the qualified people who are likely to be interested in applying for one. I am worried that I probably would not be one of those five selected, because my plans are not as big as others and are not likely to be, and because the wine would only be a secondary focus in my business after the flowers. I understand that the wine store amendments are modelled after a similar program in Alberta. I understand that the program has worked quite well there. My research indicates that Alberta also has another type of licence called a public resale permit which allows the holder to make a purchase from the Alberta Liquor Control Board at full retail price and make deliveries to its customers.

I would like to suggest that Manitoba have a provision for a public resale permit for delivery

service. This would allow me and any other business like mine to offer our customers a basket of flowers containing a bottle of wine, for instance. I think there would be a few people, but probably not that many who would have such a permit, so you might not have to put a limit on these number of permits.

I have proposed that the wine boutique program be expanded to include specialty stores other than food stores, and that a public resale permit be added. I would like to conclude by saying that I hope you will consider the suggestions that I have made, but I am supportive of the proposed changes in any event.

I would like to thank you for having given me the opportunity to make this presentation.

**Mr. Chairperson:** Thank you very much for your presentation this evening, Ms. Loscerbo.

**Mrs. McIntosh:** Thank you very much, Ms. Loscerbo. I appreciate your presentation. Just a very quick comment. So many of the ideas we get, we get just because people like you will bring up ideas, and you have raised a very interesting one here. I had my staffperson hand me The Alberta Liquor Control Act while we are sitting here, and I have found the section that I think you are referring to when you talk about the public resale permit. It is premature for me to say anything to you except that I would certainly be willing to examine that particular provision to see what kind of applications it might make in Manitoba, because I think your suggestion is a minor variation of service. Really, it has essentially become a delivery person is I think what it is.

**Ms. Loscerbo:** That is right. Well, I know that during Christmastime we often have orders from California or just across Europe asking for a bottle of wine and an arrangement of flowers, \$150. I mean, you hate to lose the order, but on the other hand it is against the law, so you say, well, I will make a lovely arrangement of flowers, but I cannot put the wine in, and it is sad. Because even if I was buying it at the Liquor Control Commission at the retail price—

**Floor Comment:** Everybody loses.

**Ms. Loscerbo:** Pardon me?

**Floor Comment:** Everybody loses. You lose and the Liquor Commission loses.

**Mrs. McIntosh:** That is right. So I thank you for that suggestion, and I certainly will take a look at without

making any commitment to you. It is these kinds of ideas that people offer to me spontaneously in the way that you have that on a repeated basis then suddenly start to make changes in systems. So I will certainly consider it, and I thank you for drawing it to my attention and for your presentation as well.

**Mr. Storle:** Just one question, Mr. Chairperson. Ms. Loscerbo, are you in favour, generally, of the private sale of alcohol? Would you be here supporting this if it was the sale of liquor or the sale of liqueurs or the whole sale?

**Ms. Loscerbo:** Personally, I like the wine boutique more. I would be prepared, like if I was chosen or if I did apply for such a licence—no, the wines are something that I really like. I would not mind going to a wine store and picking up a bottle of wine on a Sunday, not that I shop on Sunday, but on a Saturday night around ten o'clock instead of nine o'clock. I really do not mind that at all. I really think it is a good idea.

**Mr. Storle:** My question, more directly perhaps is that, are you in favour of privatizing the sale of liquor in Manitoba, or do you want an American kind of system where you have Happy Harry's liquor emporium on the corner?

**Ms. Loscerbo:** I do not think I want that kind of change, but on the other hand I do not mind the wine boutiques. I really do not mind the wine boutiques at all. It is not whether I am going to get this licence or whether I am going to sell the wine, but I think it is a good legislation. We should have it. Why not? I do not think it is going to cause any more alcoholism. I mean, I sat over there thinking, you know, I have got this idea and I want to share it with the minister and the people right here tonight.

After hearing all the interest groups, especially the people from the Manitoba Liquor Control, I thought, if you are so concerned that we are going to have more alcoholism, more fetal alcohol syndrome, society just drinking, then why do we not just close the whole Liquor Commission? I mean, really, if they are that concerned, but I do not think it is going to do any of that at all, especially anybody that is going to come to a florist and buy an arrangement of flowers with a bottle of champagne or a bottle of wine and is going to spend around that \$100 or \$150. I am sure it will not be someone that cannot afford it.

**Mr. Storle:** Well, I appreciate you taking the time to present your views, in any case, and as the minister indicated, certainly you have provided an

interesting twist to this issue, and we appreciate your taking your time in any event.

**Mrs. Carstairs:** I too want to thank you for your presentation, and while you may be constantly obeying the law, I think you must be aware of the fact that there are people in this community who are indeed delivering baskets that have bottles of wine in them.

**Ms. Loscerbo:** I should have thought of it and I would have made a few more bucks at Christmas I know, but it is not right. I do not believe in doing something—I do not want to be caught, so I am not going to do it.

**Mrs. Carstairs:** Good for you.

**Ms. Loscerbo:** I do not want to be caught, and I am not going to do it.

**Mrs. Carstairs:** Well, good for you, but I think the suggestion is a very good one, and I hope the minister will seriously—

**Ms. Loscerbo:** Why not make it legal and then it will be fine?

**Mrs. Carstairs:** Exactly, but my question is very simple, and it is this. What is to stop people coming to us several years down the line, as the man from the Alberta Distillers has suggested, that the wine stores now become also purveyors of liqueurs.

**Ms. Loscerbo:** Well, let the government of that time worry about it. Right now we are concerned about opening wine boutiques. If society changes in 10 years time, what is it going to stop? It is only society that wants this, so let the government of the time worry about it.

**Mrs. Carstairs:** Why are you so convinced that it is society that wants this?

**Ms. Loscerbo:** Well, I feel I am part of society and I certainly like it. I do not know about you. Another thing too, I come from an Italian background, and in my household as a child we had wine all the time. It was just on the table the same that you had an arrangement of flowers. I have about 150 immediate family members here in the city. None of us are alcoholics, none of us have a drinking problem. So I think that if it is there, you are more prone to accept it and not even like it. You take it away from them, they want it more. I do not know, that is my experience. It might not be what a lot of other people think, but I certainly have found that with my family.

**Mr. Chairperson:** Thank you very much for your presentation this evening. Thank you very much.

I will now call on Mr. Henry Loewen. I do not believe we have a written presentation from you, do we?

\* (2340)

**Mr. Henry Loewen (Conference of Mennonites of Manitoba):** No, you do not.

**Mr. Chairperson:** You may begin then, Mr. Loewen.

**Mr. Loewen:** I would like to thank you as a government for allowing us as citizens to come and speak to this issue. My name is Henry Loewen. I am the executive secretary of one of the Conference of Mennonites in Manitoba. I represent 52 congregations with a membership of 11,300 people. I believe that it has been and continues to be one of the government's mandates to help communities to be responsible and to create legislation which helps the community to do that. I believe that this government is trying to do that, as have governments in the past.

I do, however, believe that the proposal to change the present act does not reflect the spirit or the sense of the total community. I think I can say that it does not reflect the spirit or the sense of the community that I represent. That does not mean that there would not be people on both ends of the spectrum even in my community, if I can say that.

(Mrs. Shirley Render, Acting Chairperson, in the Chair)

I believe that the way the government has gone about in proclaiming this or trying to get the bill enacted is a rushed way in which it has happened. We have heard that from a number of people that it is happening in a very short time, and for a bill that affects every one of the citizens of Manitoba as profoundly as, I think, all of our bills do but especially this one, I would ask that we take more time and follow, I think, the practise of the past where commissions were set up and where more time was made available for people to make presentations.

I would like to make two other short points. One, I feel this bill is made somewhat in isolation. It stands somewhat isolated as far as the government is concerned. I do not see a corresponding bill or thinking or thought that to my mind should come from the Department of Education and the Department of Health. I think the bill that talks about this particular concern should have worked in very close correlation with the other

two departments. We are dealing with a drug, and I think everybody, whether the industry or whoever has spoken here tonight, would realize that when we are dealing with a drug we need regulation.

I do not want to try and play on the conditions that alcohol causes to try and make a point, but I think we are all aware of those conditions. We would want to hope that the legislation that we pass would enable the individual and the community to continue to live with the results that the legislation will produce. The one, among many, the alcohol fetal syndrome, I think is particularly difficult because it not only affects the persons who are living and working right now, but it places the person who has no choice over the matter in a condition that the rest of society will have to cope with.

My question would be: Is the government willing, and I would say as a member of society I need to be willing to take the responsibility to ensure that these people will be able to live as members of the community. Therefore, that would mean that I should and you should be willing to increase our taxes to pay for this.

I do not believe that we should continue to charge more for alcohol and tobacco so that we can pay the effects that these have. I think we need to state that cost, and we as a society, as a community, need to be willing to pay that cost. I feel that this bill does not speak to that cost.

I have been in education, before this job, for 34 years, and I realize the amount of energy and money it takes to create curricula, the amount of energy and money it takes to write curriculum, to get it introduced into the schools, to educate the teachers, to educate the people and the community that has to work with this.

(Mr. Chairperson in the Chair)

We all know where the pressure for the educational dollar is today, and I do not see where the government of this day or any other day—I am not picking on this particular government. I think any other government would be faced with a very similar situation of wanting to be willing to in fact write into the bill the provisions that would enable us to treat the results of this particular drug. So I would argue that we need to write, in conjunction with this bill, a proposal that will allow us to do this.

Secondly or thirdly, my last point. Where will the support for helping the community, in addition to the schools, to deal with the results of, what I would

say, increased alcoholism? I do not want to get bogged down or start to quote statistics or whatever. We can argue about that as long as we want to. I do not even know if the rate, the percentage, of alcoholism would increase. I think it would remain as it is today, that there is a certain percentage of people that become alcoholics, but I think the more we make this available and the less careful we package the whole bill, the easier it will become.

I think that is the essence of the bill, to make that more available. Therefore, the number of people that will require help is going to increase even if it remains at the same percentage that it does today, because more people will be consuming that. I think if we want to make that available, then let us be responsible to also make the help available that is required.

To give you, I guess, a little context from which I would like to speak. I also buy an occasional bottle of wine, but I am also on the board of an addictions treatment centre where we have for three years been trying to get money from the provincial and federal governments to help us set up this addictions treatment centre. We have not been able to get that, and so we will, I think, do it hopefully on our own. I am also on the board of Voices For Non-Violence, an organization that deals with abuse. We have for two years run this on our own.

We did manage to get a substantial grant for two years from the federal government this year; after that we are on our own. We have not been able to get the equivalent from the provincial. In both of these we were able to present a program that I think would have cost the government a very minimum amount of money. I think we need to accept our responsibility. If the bill needs to be changed, it probably should be changed.

What I am arguing is that, or the point that I would like to make, we not do this in isolation, and that we accept the responsibility of the total results of this bill. On the one hand I feel this bill takes away some of the legislative power of the local community. I think it is moving in that direction.

On the one hand we are reducing the local community to decide. On the other hand we are not able to have the money to support the community to create the institutions that it needs to deal with the problems, and so from that standpoint I would argue, or I would ask, I would respectfully request

that this bill be tabled, that more time be given. I think the industries have said that in some sense it is unfair to the total industry. We have started with one and I think inevitably the next governments will have to make a second and a third decision. But I think the direction that we set is critical.

While I would, on the one hand, maybe want to argue that we should not, and I would say, yes, making this available into whatever kind of a nightmare anybody wants to paint. I do not know. I would sooner want to argue, as I have said a couple of times, let us accept the responsibility so that the people know what is the total package that we are buying here, and I, as a citizen of this province, want to assume that responsibility as a community, and I think I need to pay more taxes to take care of those citizens in my community who have to deal with the results of legislation that we jointly create.

So I would again thank you for this opportunity of speaking to you. I appreciate your taking the time to listen and especially at this late hour.

\* (2350)

**Mr. Chalrperson:** I thank you very much for your presentation this evening, Mr. Loewen.

**Mrs. McIntosh:** A very quick question. I thank you, Mr. Loewen. Your presentation was obviously sincere and I appreciate the sincerity and honesty with which you brought forward your ideas. I am not quite sure, and I ask the question not to embarrass but rather to try and find out if you have had a chance to go through the entire bill.

**Mr. Loewen:** No, I have not. I have read through it once, yes.

**Mrs. McIntosh:** You asked the question what is sort of the total thrust, and I will give you it is a two-pronged approach. One is to make the legislation more reasonable for those who show responsible attitudes towards drinking alcoholic beverages and to make the penalties and the punishments far more stringent for those who encourage and foster drunkenness and abuse. So we have several initiatives in the bill that are very strict in terms of those who violate and abuse the laws. I do not know if those make an impact on you.

**Mr. Loewen:** If I could respectfully answer that, I do not believe that punitive and strictness of penalties is all that we require, in fact, whether that is even the best solution. I do not believe it is. I believe a restorative approach to both problems of abuse or

any problems of addiction entail a far greater cost than any punitive or strictness of penalty will ever cost. It means walking with not only this person but with a family and the community for the rest of their lives. I think the cost of that kind of help is something that the community needs to absorb, but I think the governments also should continue to recognize that more. Therefore, while the legislation needs to be there, I think there needs to be a lot more.

**Mr. Storie:** I want to thank you, Mr. Loewen, for your presentation. As one member of the committee, I am gratified to hear your comments about our responsibility as citizens and your willingness to do more than your share, certainly your share in terms of providing solutions and providing financial support so the government can support people that are affected by what we do here, whether it is Bill 42 or other bills.

It seems to me that we have in some sense become afraid of taking that responsibility or accepting that part of our responsibility, that many things we do contain the seeds of hardship for other people, and maybe Bill 42 is one of them.

You mentioned your experience as an educator, and I am wondering whether you have heard of a program that has begun in other jurisdictions. In Canada, I think the Yukon is the only territory where they have applied a sticker to liquor bottles which warns of the dangers of fetal alcohol syndrome. I am wondering whether it is the kind of thing you think that we should be willing to undertake on behalf of Manitoba citizens.

**Mr. Loewen:** Yes, I would say that is one example, that is one of a number. Another example would be when I listen to the dilemma of owners of hotels who have to tell their people to try and get them off the yard or out of their building. Why do we even take such a dangerous step? Where do we expect them to go, to get in their car and get on the highway? Why are we not willing to increase our police force so that the operator can in fact phone the police and there would be sufficient resources there for people to come and deal with them responsibly. In the long run again it would be a lot cheaper, it would be more costly in the short term. So yes, I would very much favour a very complete and thorough education, including that kind of example.

**Mr. Chairperson:** Thank you very much for your presentation this evening, Mr. Loewen. Thank you

again. I will now call on Mr. Paul Bergen. I will call on Mr. Chris Contant. Mr. Contant did not have a written presentation?

**Mr. Chris Contant (C.C. Biggs Restaurant and Bar):** No, I did not.

**Mr. Chairperson:** No, and this was a late registration. This is why it may not appear on the committee members' list of presenters. Mr. Contant, you can begin when you are ready.

**Mr. Contant:** Thank you, Mr. Chair, Madam Minister, honourable members. I apologize for keeping you here at this late hour. Four and a half hours ago, when I put my name in I was not expecting to be here at midnight. It is nice to see though that other people, other than restaurateurs like myself, burn the midnight oil at this time.

As you know, I was not planning to speak today. Earlier on there were some discussions which I did not like the way they were going. It seemed a bit strange to me, so I put my name down to talk with you myself. Mike Moore has done a nice job expressing the views of our industry. As president of the restaurant association, I have had input into and discussions with both the Liquor Commission and the minister's office with respect to this bill. I thought it was a fair, intelligent bill that was put forward. I got a bit concerned earlier today when I started feeling that I wished I was Ross Perot as opposed to a restaurateur, because it sounded like you could buy something if you were up here with lots of money. I was appalled at the thought that an important or a large employer in this province or city had clout like that.

If that was the case, I certainly would have brought along Mr. Dale Wallis with Thrainn Kristjansson, who has a thousand employees with Grapes Restaurants and Bars across Manitoba, but hopefully that is not the case. I myself am a small restaurateur. I have a staff of 20. I have 120 dining room seats. I recently added a 44-seat lounge, which I understand now is a bar, much like a beverage room with 300 seats is a bar and a cabaret of 300 seats is a bar. I am classified in the same category apparently.

I could have been a 55-seat bar, the way the commission's regulations are right now, but I did not want a 55-seat bar. I wanted a 44-seat bar, because I wanted something in response to my customers who were asking for something other than just a restaurant. In other words, I changed, I renovated. Total renovations again, Mr. Storie,

probably \$200,000 over four years, the renovation and the lounge was only \$50,000. To me though that is pretty well every cent I have ever seen in my life and is in proportion staggering.

Talking about employment, and this is something that has been discussed earlier, I would like to point out I am also the director of the Manitoba Tourism Education Council. We recently did a survey in November of 1992. The restaurant industry in Manitoba employs 25,000 people; the accommodation sector, 7,000. I hired four additional staff when I made my renovation. On a 20-person staff, that is a 20-percent increase. If you want figures, we can say 20 percent of 25,000 and we might have a 5,000-person increase in employment if we let this bill go through the way it is. I am not suggesting that, but this is how the questions are coming and how they sound.

\* (0000)

A 60-40 ratio, which has taken up a lot of the conversation here today is not being changed. What we are asking for is what pretty well every licensee in all of Canada has, and that is to put the ratio into the regulations where it belongs. The hoteliers talk about playing on a level playing field. On the one hand, they want to be open on Sundays and on the other hand they do not want our ratios out of the act. They cannot have it both ways.

As Mr. Moore mentioned earlier, it is not our philosophy at the restaurant association to attack other industries or other people. We like to be progressive. I do not object to the 2:30 opening of the vendors and the hoteliers, and that is something that we would not do as an association. Personally, I do not like to see things put in which inhibit an individual entrepreneur from making money or, at the very least, in staying alive in the business atmosphere out there today.

Again, the hoteliers have mentioned, as our association has mentioned, the Liquor Commission has done an excellent job over the past few years and over the last several years. It is just strange that they have so much confidence in the commission except when it comes to being able to properly put the ratio into whatever level they feel is appropriate, whether it is this year or next year or the year after. Again, we are trying to leave it open so that consumers can decide where they would like to eat, where they choose to eat and drink.

The bill leaves the operator some flexibility to do his business the way he chooses to do his

business. The bill socially will help decrease the drinking and driving and the violence and drinking that goes on in parking lots, et cetera, after the fact, and we are all for these things.

As I said, we are in support of the bill. I thank you for your time. If there are any questions, I will be happy to answer them.

**Mr. Chairperson:** I thank you very much for your presentation this evening, Mr. Contant, and thank you for your patience in waiting so long.

**Mrs. McIntosh:** Just a final thank you. You are our last presenter, and from my perspective anyhow you have ended on just the right note, and I thank you very much for having taken the time to come out and to wait so long to make your presentation.

**Mr. Chairperson:** Thank you very much for your presentation this evening.

At this time, I will call for the second time, Dr. Bill Jacyk, Bill Jacyk. I will also call Mr. Gary Dawyduk, Gary Dawyduk; Mr. Wayne Zaplachinski, Wayne Zaplachinski; Mr. Henry Dueck, Mr. Henry Dueck; and Mr. Paul Bergen, Mr. Paul Bergen.

Since all presentations have been heard and no other members of the public have registered to speak before Bill 42, this committee will proceed with clause-by-clause consideration of Bill 42.

**Mr. Ernst:** I assume, Mr. Chairperson, then, that the public representations are now concluded and that tomorrow we will deal with the clause by clause—

**Mr. Chairperson:** I believe the will of the committee was to proceed with clause-by-clause consideration at this time.

**An Honourable Member:** Yes.

**Mr. Chairperson:** Okay, we will begin clause-by-clause consideration.

During the consideration of the bill, the Title and the Preamble are postponed until all other clauses have been considered in the proper order by the committee.

Just one moment and I will get a copy of the bill here. Okay, we will then start, as I mentioned, with the consideration of the clause-by-clause consideration of this bill.

Clause 1—pass.

**Mrs. Carstairs:** I seem to have problems with committees because I am used to committees in which ministers do make an opening statement.

I specifically asked some questions in my speech in the House that I was hoping to get some answers to tonight, and I specifically gave the speech with that in mind. If the minister did not read my speech, well, I guess that is reasonable but she is not going to admit to that I do not think.

**Mr. Chairperson:** Okay, then, we will start with opening statements. Does the minister have any opening statement?

**Mrs. McIntosh:** I was going to, in the interest of saving time, not bother with remarks because I thought my position on the bill was quite clear.

I must confess to the member that I am not certain which questions she wanted specific answers to. If she would like to put them forward, I would be more than happy to address them. Maybe the member could speak first, and I will speak after her. Would that be acceptable or whatever the protocol is?

**Mr. Chairperson:** As the matter of courtesy in considering the bills, the procedure is usually the minister with opening statements and then the official opposition and then the second opposition. So if we can revert to that—and then at that time, during the talk they can ask questions or put forth considerations.

### Point of Order

**Hon. James Downey (Minister of Northern Affairs):** Mr. Chairperson, there is not any necessity for the minister if he or she does not feel they want to give an opening statement, it certainly can be forgone, which I think the minister has decided to do. If the member during the presentation of clause by clause has a question on any part of it, she is quite free to ask it at that time.

**Mrs. Carstairs:** I just have a couple of questions. It really is going to—if I do not get the answers we want, the party will not be supporting the bill. It is just very simple. So if I can get the answers I want, you might have my support. If you do not give the answers I want, you might not get my support. What do you want to do?

**Mrs. McIntosh:** Ask, I have no problem.

**Mrs. Carstairs:** Well, thank you.

\* \* \*

**Mrs. Carstairs:** If I can begin with the first one, is it correct to interpret the bill that the wine stores will,

indeed, be allowed to be opened 24 hours a day or up to 24 hours a day and will be allowed open on Sundays, but that there will be no intention of offering that same service to the Manitoba Liquor Control Commission?

**Mrs. McIntosh:** Mr. Chairperson, the wine stores will be subject to The Retail Businesses Holiday Closing Act. So if the municipality does not permit stores in a local shopping mall to be open on Sundays, then the wine stores will not be permitted to be open on Sundays. So they are subject to their municipal by-laws, and they would be open where the stores in the mall that they are in, if they are in a mall, would be open.

**Mrs. Carstairs:** It is my understanding that in certain communities in the province of Manitoba that at local option they choose not to have a Manitoba Liquor Control Commission outlet. Will they still have that option with regard to wine stores?

**Mrs. McIntosh:** Yes, they will.

**Mrs. Carstairs:** The minister, when I asked some questions earlier tonight about decor, seemed to have some difficulty with some of the questions I was asking. It was my understanding that the regulations with regard to décor were no longer to be regulated. Is that true or not true?

**Mrs. McIntosh:** For the most part, that is true, but there are still standards with regard to advertising and that type of thing that forms part of the decor that have to be maintained. There are still standards of health, sanitation and that type of thing that have to be maintained. Those will not change. The standards for health and sanitation and safety and advertising will all continue to be maintained. Fire restrictions, fire regulations, all of those things which do affect the decor in some ways in that you cannot have certain building materials, et cetera, will still all be in place; they are not going to be lifted.

**Mrs. Carstairs:** I know we do not like to deal with hypothetical situations, but my question is really quite a simple one. If an owner-operator now wants to go and paint pictures on the wall which I quite frankly find debasing to women, the Manitoba Liquor Control Commission in their inspection might have at this point said, look, we do not like that decor so you get rid of it or we will not give you the licence. Could this now happen?

**Mrs. McIntosh:** I am trying to ascertain if we do that now, in terms of what is within the bounds of



good taste. There is pornography which is, of course, not only not in good taste but not allowed by law, period. It has nothing to do with what the Liquor Commission does or what anything will do. You cannot have pornographic photographs, et cetera, on display.

In the question of good taste, the Liquor Commission would have some discretion. Consumers would certainly have ultimate discretion. I do not think that we would be saying it is wrong to have a nude on the wall if it is a certain kind of nude. Well, you will see the very beautiful pictures of the human form that are on display in many of the European restaurants and so on and in museums and that type of thing.

Pornographic art, on the other hand, is simply not permitted. It exceeds the bounds of public acceptance. That will not change.

\* (0010)

**Mrs. Carstairs:** Well, as the minister knows, there have been many court cases all the way to the Supreme Court of Canada as to what is erotica, what is pornography, what is art and what is acceptable among those three. What I hear the minister saying is that if the Manitoba Liquor Control Commission thought it was in poor taste in the past, they could refuse the licence. They will not be able to refuse a licence on a matter of poor taste decor now, if this bill passes.

**Mrs. McIntosh:** I should indicate that the member, I think, has made the case that the Supreme Court, and people are always going to court, has all kinds of judgments as to what is and what is not in good taste, what is erotica, what is pornographic, what is simply beautiful art. Those have been the subject of subjective opinion inside and outside court.

The Liquor Commission at the current time will govern advertising, posters of advertising. They may draw to the attention of the hotelier or restaurateur that a particular photograph on the wall is offensive, but they have no authority to order it out; advertising they do and will continue to do.

**Mr. Storle:** Just to perhaps assist in going through this bill, there are many reasons why this bill should not be supported. I know that there are elements in the bill that are worthy of support. There are many of the minor regulation amendments that are in the bill that I think are supportable but I think the bill lacks two things.

First of all, it lacks any consistent principle behind it. Privatizing the sale of wine is a principle example of a failing in the bill. I think a similar failure is allowing credit beyond credit cards, but allowing credit, I think, will create some problems. I think that certainly we are not going to be supporting the repeal of Section 71(7) at this point. I think that, in general, the way this bill was developed was flawed.

I think that there is a lot of evidence and a lot of the presenters have suggested that this bill was ill conceived, that the input in the bill represents the thinking of a few people and that the consultation process leading up to the bill was wanting.

Having said that, I think there are a couple of areas where, if the government is intent on pushing this piece of legislation through, we can make some improvements. One of the areas where I think we can do that is in the area of public education.

One of the issues that was raised by a couple of presenters and is certainly a concern of mine as a northern MLA and as someone who has observed the impact of alcohol consumption, particularly by pregnant women, I think that we can do something in this bill to address this growing concern, and that is fetal alcohol syndrome.

I referenced earlier some comments by a local pediatrician who indicated that fetal alcohol syndrome and fetal alcohol effects now represent the largest single cause of mental impairment in North America. A recent study in British Columbia indicated that as many as 20 percent of the children born in some parts of the province are suffering the effects of fetal alcohol syndrome—20 percent. I personally know a teacher who taught in a community in northern Manitoba where as many as one third of the students in a given class were suffering the impacts of fetal alcohol syndrome. This is a completely preventable tragedy.

It is a preventable tragedy simply by educating people, educating us collectively, educating pregnant women in particular about the potential dangers of drinking while pregnant. One of the amendments that I am going to introduce on behalf of my caucus, and I know that the member for River Heights Mrs. Carstairs had previously spoken in support of the concept, is the application of a warning label on the liquor containers that are sold through the Manitoba Liquor Commission.

It seems to me it is an important first step. I had given the minister previous notice that I was intending to introduce this amendment because I genuinely believe it is an important first step that we should take.

I think everyone has recognized what we are doing here is liberalizing access to alcohol. If we are going to do that collectively, then as Mr. Loewen suggested, I think, and I do not know if Mr. Loewen is still here, but I want to commend him for his recognition of the problem. That is that on the one side we are relaxing the controls on the sale and making it easier to consume and access alcohol while we are not taking a similar responsibility on the other side.

The Manitoba Liquor Commission made \$140 million on behalf of the province last year, or more. It seems to me that we can spend a few thousand dollars putting a warning label on liquor bottles in the hope that we will be preventing some tragedy down the road for some individual, for some family, for some community and our province.

As a former teacher, I know what it costs to educate a special needs child, and I am sure there are many in this committee who know and many in the audience who know. We know what it costs to maintain a dependent person for their life, the length of their life. It is an extremely costly and debilitating syndrome, and it is something that we can prevent to some degree.

So, Mr. Chairperson, I am certainly prepared to debate clause by clause with the minister. I do not think that would serve much purpose at this point. We will be making our feelings known on a couple of issues and will be introducing the amendment that I have mentioned. Having said that, we are prepared to go clause by clause.

**Mrs. McIntosh:** I hope that the member for River Heights (Mrs. Carstairs) had her questions answered. I appreciate the point the member for Flin Flon (Mr. Storie) has brought forward. He did indeed discuss it with me. I know the member for River Heights has raised this issue many times before. We have, in attempts to address this, put posters, as you know, on fetal alcohol syndrome in the liquor stores, pamphlets as well in the liquor stores on fetal alcohol syndrome.

The president of our Liquor Commission has been immediate past president, I believe, of the social responsibility committee on a national level looking into this issue which was being dealt with

by federal Health and Welfare. Having said that, my caucus is prepared to—we have an amendment worded as well, not taking away from the member for Flin Flon's, but rather some of the logistics of putting it together. We have touched on briefly with the president of the Liquor Commission who indicates, incidentally, the cost of doing it with the labels could come up as high as \$3 million. So we are prepared to make an amendment, but we are going to try to make it flexible to give us a chance to look at cost-effective ways to get the message out.

I agree with what you say on education on this very important issue. So does my caucus. I think we have, in theory and in principle, three parties agreeing on something here. The method of getting it done may be the thing that needs to be discussed more fully. I am advised it may be out of the scope of the bill, but if all three parties agree, which I think we do in principle, we could move on something. So maybe we will go through it clause by clause.

\* (0020)

**Mr. Chairperson:** As mentioned before, during the consideration of the bill, the Title and the Preamble are postponed until all other clauses have been considered in their proper order by the committee.

Let us start with Clause 1.

Clause 1—pass; Clause 2—pass.

**Mr. Storie:** Mr. Chairperson, I move

THAT section 3 of the Bill be amended by adding the following after subsection (2):

3(3) The following is added after subsection 8(1):

**Warning label: drinking during pregnancy**

8(1.1) Under the power conferred upon it by clause (1)(j), the commission shall require every package in which liquor is kept or sold under this Act to carry a label displaying the following statement:

**Warning:** Drinking alcohol during pregnancy can cause birth defects.

**Non-application to beer cans**

8(1.2) Subsection (1.1) does not apply to individual cans containing beer.

**[French version]**

Il est proposé que l'article 3 du projet de loi soit amendé par adjonction, après le paragraphe (2), de ce qui suit:

3(3) Il est ajouté, après le paragraphe 8(1), ce qui suit:

**Avertissement: boissons alcoolisées et grossesse**

**8(1.1)** La Société exige, en vertu des pouvoirs que lui confère l'alinéa (1)j), que soit fixée sur chaque emballage servant à garder ou à vendre des boissons alcoolisées en application de la présente loi une étiquette comportant l'avertissement suivant:

**Avertissement:** La consommation de boissons alcoolisées pendant la grossesse peut causer des malformations congénitales.

**Exception: cannettes de bière**

**8(1.2)** Le paragraphe (1.1) ne s'applique pas aux cannettes de bière individuelles.

**Mr. Chairperson:** I have reviewed this amendment and would note that Beauchesne's Citation 698(1) states: "An amendment is out of order if it is irrelevant to the bill, beyond its scope or governed by or dependent upon amendments already negated."

I would note that the bill allows for specialty wine stores and deletes a number of obsolete provisions in the existing statute. It does not address the issue of attaching labels to bottles.

However, despite the procedural irregularities I have mentioned, the amendment could be proceeded with by unanimous consent of the committee.

What I will be seeking will be unanimous consent of this committee for consideration.

**Mrs. McIntosh:** Mr. Chairperson, I have no trouble with the intent here, because I think we are in agreement on the intent. A couple of things, just in terms of the logistics of carrying it out, we are reluctant to have the actual wording of the warning in the act. There are hopefully going to be movements across the country for wording which would be nice to have standard without having to change the act—[interjection] I know it is. I have an amendment, and I seek guidance here.

### Point of Order

**Mr. Storie:** Mr. Chairperson, on a point of order, in an effort to make sure that we at least move some of the way, I am certainly prepared to look at the minister's amendment, and if it requires unanimous consent to introduce this, since it is out of scope, I would certainly like to receive a copy of the minister's amendment. We will certainly review it.

**Mr. Downey:** Mr. Chairperson, on a point of order. I think for the best interests of proceeding with the committee and getting on with the job that it would

be appropriate that we unanimously agree to consider Mr. Storie's amendment as well as the minister's on this particular matter. Then it would be my intention to probably vote down Mr. Storie's amendment, and then proceed to consider the minister's as it is her legislation, and I would probably be comfortable as she introduces it. The process should be, I think, to accept the principle on both the proposed amendments, deal with the amendment that is introduced by Mr. Storie and make our decision on it, and then proceed to the minister, or listen to the minister's first and then deal with the member for Flin Flon.

**Mr. Chairperson:** As we have not received unanimous consent regarding the proposed amendment put forth by the honourable member for Flin Flon, I guess what we can do then is have the minister introduce her amendment, and then we will seek unanimous consent to consider that.

\* \* \*

**Mrs. McIntosh:** I think we are in unanimous agreement as to intent, and all that we are really concerned about here is wording. As we have been going through the day and the evening, we have been in consultation with the president of the commission as to what he might need for maximum flexibility in trying to bring this in in a cost-effective way. So we have here then—I believe it is being circulated now

THAT proposed section 10, as set out in section 4 of the Bill, be amended by adding the following as clause 10(1)(d):

(d) requiring the giving of notification to consumers purchasing liquor at retail for consumption at a place other than the place of sale about the potential health hazards associated with the consumption of liquor, including the potential damage to a foetus, and prescribing the form and content of such notice and the circumstances in which it is to be given.

### [French version]

Il est proposé que l'article 10, énoncé à l'article 4 du projet de loi, soit amendé par adjonction, après l'alinéa 10(1)c), de ce qui suit:

d) exiger que soit donné aux consommateurs qui se procurent des boissons alcoolisées pour consommation ailleurs qu'au point de vente un avertissement concernant les risques pour la santé, notamment la possibilité d'effets nocifs sur

le foetus, que présente la consommation de boissons alcoolisées et préciser le libellé et la forme d'un tel avertissement ainsi que les circonstances dans lesquelles il doit être donné.

**Mr. Chalrperson:** Before we consider this, I should point out that the amendment that was put forth by Mr. Storie was on Section 3. The amendment that the minister has brought in is on Section 4. Is there a willingness to pass Clause 3 then and move on to Section 4? They are under different clauses. So we will consider these in principle only and then proceed. Madam Minister, to explain.

**Mrs. McIntosh:** Yes, we have not had a lot of time to go through in detail how this might be implemented with the staff at the commission who would have to do the implementing. Their initial indication to us is the costs of individual labelling would be very, very high. We are looking at various ways in which this could be accomplished but did not have time to do the amount of research that would be required to do it in the way that would accomplish the goal at minimum cost.

Therefore, this wording is designed to allow flexibility. It is designed to give the instruction which says that we are going to be informing consumers as they purchase alcoholic beverages in the stores about health hazards, period, including potential damage to a fetus and maybe other health hazards that we wish to identify. That is why we have made it more generic, but we have specified damage to the fetus as well. The way in which they are going to get that accomplished is going to be left for research and development and implementation by regulation. So the act will tell us that we must do it, the regulation will tell us how.

**Mrs. Carstairs:** Yes, I can understand the minister's difficulty here. I am just a little confused about the wording and maybe I can get that clarified. [interjection] I am not a lawyer. Requiring the giving of notification to consumers purchasing liquor at retail, I assume that means the Manitoba Liquor Control Commission outlets for consumption at a place other than the place of sale, which I assume would mean the lounge, the cabaret, whatever. Is that how they are differentiating here?

**Mrs. McIntosh:** No, what they are talking about here is if you go to the store and buy a bottle of liquor and you take it home to drink it, you cannot take it out of the store without being presented with information, either by a label or something, that you have to have, as you take that bottle out of the

store, information presented to you that says this could be hazardous to your health, including damage to a fetus.

\* (0030)

**Mrs. Carstairs:** What does the phrase mean, "other than the place of sale?"

**An Honourable Member:** You do not drink it in the establishment.

**Mrs. Carstairs:** Okay, all right.

**Mr. Storie:** I am satisfied with the first part of it. Including the potential of damage to the fetus, I am wondering if the minister would accept the wording that was originally proposed, including the potential for resulting birth defects—

**Mrs. McIntosh:** That I think is—

**Mr. Storie:**—rather than talking about fetuses, the potential for causing birth defects.

**Mrs. McIntosh:** That identifies the type of damage and I do not have any problem with that. We are sort of going through it for the first time here too, the drafters have been working on it all evening.

**Mr. Storie:** If that is the amendment, then what the minister is saying on the public record is that the commission will be reviewing this and finding a way to notify consumers and that may include the application of a warning label?

**Mrs. McIntosh:** Yes.

**Mr. Storie:** Then can I suggest that we give this to the draftspeople and continue on with the rest of the bill. If that is all that is required, if they can—

**Mrs. Shirley Render (St. Vital):** I am not too sure if I understood you correctly. Did you say you wanted it changed to "birth defect" rather than "damage to the fetus?" Because I think my understanding of the difference in terminology is that "birth defect" is a defect that comes as a result of the birth of the child and that will give a totally different slant to this whole thing. We want to draw attention to the fact that the damage is a result of alcohol consumed by the mother before birth, so I think maybe we might—

**Mr. Storie:** I used that wording because the minister talked about consistent wording and this wording exists and is being applied to bottles in the Yukon. The wording says: Warning, drinking alcohol during pregnancy can cause birth defects. I think that is a legitimate way of putting it because the consumption of alcohol during pregnancy does cause birth defects.

**Mr. Ernst:** Mr. Chair, this is a direction to the commission. This is not what is going on the bottle.

**Mr. Storie:** No, I appreciate that.

**Mr. Ernst:** It is a direction to the commission. So the existing wording, quite frankly, I think sets very clearly what we are looking at, what we want to do, and they can use if they develop across country some common wording. If they want to use the one that is currently in the Yukon, they can use that, but I think the direction here is fair.

**Mr. Chairperson:** Just as a reminder and as a housekeeping item here, we have to go back to Clause 3.

Clause 3—pass.

Now we are presented with an amendment, and before we entertain the amendment, is there unanimous consent by this committee to entertain this amendment at this time? [agreed]

Unanimous consent is given. The minister will now read the amendment into the record.

**An Honourable Member:** She did that already.

**Mr. Chairperson:** No, for discussion. Now we are considering the amendment.

**Mrs. McIntosh:** I move

THAT proposed section 10, as set out in section 4 of the Bill, be amended by adding the following as clause 10(1)(d):

(d) requiring the giving of notification to consumers purchasing liquor at retail for consumption at a place other than the place of sale about the potential health hazards associated with the consumption of liquor, including the potential damage to a foetus, and prescribing the form and content of such notice and the circumstances in which it is to be given.

**[French version]**

Il est proposé que l'article 10, énoncé à l'article 4 du projet de loi, soit amendé par adjonction, après l'alinéa 10(1)c), de ce qui suit:

d) exiger que soit donné aux consommateurs qui se procurent des boissons alcoolisées pour consommation ailleurs qu'au point de vente un avertissement concernant les risques pour la santé, notamment la possibilité d'effets nocifs sur le foetus, que présente la consommation de boissons alcoolisées et préciser le libellé et la forme d'un tel avertissement ainsi que les circonstances dans lesquelles il doit être donné.

**Motion agreed to.**

**Mr. Chairperson:** Clause 4 as amended—pass; Clause 5—pass; Clause 6—pass; Clause 7—pass; Clause 8—pass; Clause 9—pass; Clause 10—pass; Clause 11—pass; Clause 12—pass; Clause 13—pass; Clause 14—pass; Clause 15—pass. I have them marked when to stop.

Shall Clauses 16 through 23 pass? No? Okay, shall Clause 16 through—where is your amendment?

**Mr. Storie:** 20.

**Mr. Chairperson:** Clause 16 through 19 inclusive—pass. Shall Clause 20 pass?

**Mr. Storie:** Mr. Chairperson, I would like a recorded vote on subsection 71(7) which the government recommends be repealed. We are not prepared to support that amendment at this time.

**Mr. Chairperson:** Shall Clause 20 pass?

**Some Honourable Members:** No.

**Mr. Chairperson:** No. All those in favour, please signify by saying yea.

**Some Honourable Members:** Yea.

**Mr. Chairperson:** All those opposed, please say nay?

**Some Honourable Members:** Nay.

**Mr. Chairperson:** In my opinion, the Yeas have it.

**An Honourable Member:** Recorded vote.

**Mr. Chairperson:** Recorded vote.

**A COUNTED VOTE** was taken, the result being as follows: Yeas 6, Nays 3.

**Mr. Chairperson:** The clause is accordingly passed. Clause 21—pass. Shall Clause 22 pass?

**An Honourable Member:** No.

**Mr. Chairperson:** No. Shall Clause 22 pass? All those in favour, please signify by saying yea.

**Some Honourable Members:** Yea.

**Mr. Chairperson:** All opposed, please say nay.

**Some Honourable Members:** Nay.

**Mr. Chairperson:** In my opinion, the Yeas have it.

**A COUNTED VOTE** was taken, the result being as follows: Yeas 6, Nays 3.

**Mr. Chairperson:** Clause 22 is accordingly passed. Clause 23—pass.

**Mrs. McIntosh:** Mr. Chairperson, I have a brief amendment which is just a typo, just an error. I move

THAT section 24 be amended by striking out "Clause 79(1)(c)" and substituting "Clause 79(c)".

**[French version]**

Il est proposé que l'article 24 du projet de loi soit amendé par substitution, à "alinéa 79(1)c)", de "alinéa 79c)".

It is just a correction; it does not change anything.

**Motion presented.**

**Mr. Chairperson:** Amendment—pass. Clause 24 as amended—pass.

**Mrs. McIntosh:** We are pausing here to discuss the possibility of the resale vendor that was made in the presentation by the presenter that was here earlier. I understood that there was sort of a sense that this might be a good thing to do. The drafters are saying they do not have the wording quite the way they would like it for an amendment on that. May we revert back to it later for discussion?

**Point of Order**

**Mr. Storle:** On a point of order, I think that amendment would be out of order, out of scope.

**Mrs. Carstairs:** Well, I was going to suggest we do it in reporting stage, but obviously we would need unanimous consent for that too.

**Mr. Downey:** The record should show that the government is prepared to introduce an amendment for the resale to provide for an opportunity for a boutique to provide a gift program which would enhance the business opportunity for that individual. It would not increase the consumption of alcohol but would accommodate the customer and people in the province. Let the record show that the New Democratic Party opposes such a common-sense amendment.

**Mrs. McIntosh:** And that the Liberals supported it.

**Mrs. Carstairs:** Well, since I have not seen the amendment, I cannot give it blanket approval. What I would like to see would be an amendment in principle that would allow resale, that an individual owning a retail outlet, such as the florists, could in fact buy something from the Manitoba Liquor Control Commission and with no profit be able to include this with another kind of gift item.

\* \* \*

\* (0040)

**Mr. Chairperson:** Order, please. Shall Clause 25 pass?

**Point of Order**

**Mr. Storle:** Mr. Chairperson, just on a point of order, the member for Arthur-Virden (Mr. Downey) put on record that we have opposed this, and the record certainly will show that we are not prepared at this point to approve an amendment that is out of scope until the government decides that it is important enough to deal with the issue of privatization of alcohol sales in a straightforward way and that we have public hearings and debate it openly. I do not think it is appropriate to attempt to amend 65 years of liquor control practice through the back door.

\* \* \*

**Mr. Chairperson:** Shall Clause 25 pass—pass; Clause 26—pass; Clause 27—pass; Clause 28—pass; Clause 29—pass; Clause 30—pass.

**Mrs. McIntosh:** Mr. Chairperson, Section 31, I move

THAT section 31 be amended:

- a) by striking out clauses (d) and (e);
- b) by renumbering the section as subsection 31(1); and
- c) by adding the following subsection after subsection 31(1);

31(2) The following subsection is added after subsection 96(3):

**Licensed premises**

**96(4)** For the purposes of subsections (2) and (3), "licensed premises" includes any parking lot that is owned or leased by the licensee or is otherwise under the control of the licensee.

**[French version]**

Il est proposé que l'article 31 soit amendé

- a) par abrogation des alinéas d) et e);
- b) par substitution, à son actuel numéro, du numéro de paragraphe 31(1);
- c) par adjonction, après le paragraphe 31(1), de ce qui suit:

31(2) Il est ajouté, après le paragraphe 96(3), ce qui suit:

**Locaux visés par la licence**

**96(4)** Pour l'application des paragraphes (2) et (3), sont assimilés aux "locaux visés par la licence" les terrains de stationnement que possède ou loue le titulaire ou qui sont par ailleurs sous le contrôle du titulaire.

Mr. Chairperson, if I am not mistaken, this wording which has been worked on throughout the evening, has the approval of the people affected.

**An Honourable Member:** I do not know if Section (b)(1) has been removed.

**Mr. Chairperson:** There just will be a short clarification on this, Madam Minister.

**Mrs. McIntosh:** The sections have been renumbered, and I believe this will finally accomplish the goals and aims that we are looking for in a way that is—

**Mrs. Carstairs:** It seems to me that it clarifies part, but not all, because as I read the minister's motion, and I could be wrong in that there is lots of drafting going on here, they would still be required to get the patrons off the premises. But what if the premises is a hotel and that individual has a room in that hotel? Do they have to kick them out of the room in the hotel?

**Mrs. McIntosh:** The member for St. Norbert (Mr. Laurendeau) has information on this as he has been working on this throughout the evening.

**Mr. Chairperson:** Mr. Laurendeau, on a point of order.

**Mrs. McIntosh:** Point of clarification.

**Mr. Chairperson:** Point of clarification.

**Mr. Marcel Laurendeau (St. Norbert):** Mr. Chairperson, just to explain to the honourable members, what the intent of this amendment is, is to not have to expel somebody from those rooms within the premise which they happen to be renting at a time, which could be a hotel room. It does, though, make the premises include the parking lot within the existing section of the act which gives the authority to the licensees to evict such patrons which are disorderly.

**Mrs. Carstairs:** On a point of further clarification. All right, as I read this, we have completely deleted (d) including (b), and we have completely deleted (e), (b)(1) and (b)(2). Is that correct?

**Mrs. McIntosh:** Yes, that is correct. Licensed premises has been now defined to include any parking lot that is owned or leased by the licensee that is otherwise under the control of the licensee.

**Mrs. Carstairs:** All right, so we have to get them off the parking lot, but we do not have to get them off any place else? Is that what I am to understand this amendment does?

**Mrs. McIntosh:** Essentially what we are trying to do here is to identify the property and the premises that are under the control of the licensee. There are areas adjacent to the premises that may not be under his direct control. They can be owned by somebody else. We are talking now at identifying that we are talking about the things that are under their control. If they are under their control, then they are under their responsibility.

**Mr. Storie:** Does this include then parking lots that may not be adjacent to the facility? In other words, if someone, for example, the Norwood Hotel has a parking lot that is—they would also be responsible for those premises?

**Mrs. McIntosh:** If they are under their control.

**Mr. Chairperson:** On the proposed—

**Mr. Laurendeau:** All it is doing is giving them the authority to do it. Under this, it will now be an offence for that person to be on that piece of property. There was no offence being committed prior to this. This will now make it an offence after he has been evicted to be within that premise. Those premises are now including any parking lots under the control of the licensee. Does that explain it?

**Mrs. Carstairs:** I hope it explains it, and I really do not want to be difficult here, but with the kind of wording going around and negotiating going around at 10 to one in the morning, should we not perhaps let this thing go to more serious wording tonight and get it in on the reporting stage of the bill?

**Mr. Downey:** Mr. Chair, I take the advice of the Legal Counsel on this. I think it has been corrected to the satisfaction of the government. If there are further difficulties, then it can, in fact, be dealt with at report stage, but I am satisfied that the advice has been given by Legal Counsel to pass this. If there is some correction that needs to be made at report stage, it could further be done. I think we should proceed and pass it.

**Mr. Chairperson:** On the proposed amendment moved by the Honourable Mrs. McIntosh

THAT section 31 be amended:

- a) by striking out clauses (d) and (e);
- b) by renumbering the section as subsection 31(1); and
- c) by adding the following subsection after subsection 31(1);

31(2) The following subsection is added after subsection 96(3):

**Licensed premises**

96(4) For the purposes of subsections (2) and (3), "licensed premises" includes any parking lot that is owned or leased by the licensee or is otherwise under the control of the licensee.

**[French version]**

Il est proposé que l'article 31 soit amendé

- a) par abrogation des alinéas d) et e);
- b) par substitution, à son actuel numéro, du numéro de paragraphe 31(1);
- c) par adjonction, après le paragraphe 31(1), de ce qui suit:

31(2) Il est ajouté, après le paragraphe 96(3), ce qui suit:

**Locaux visés par la licence**

96(4) Pour l'application des paragraphes (2) et (3), sont assimilés aux "locaux visés par la licence" les terrains de stationnement que possède ou loue le titulaire ou qui sont par ailleurs sous le contrôle du titulaire.

**Motion agreed to.**

**Mr. Chairperson:** Clause 31 as amended—pass; Clause 32—pass; Clause 33—pass; Clause 34—pass; Clause 35—pass; Clause 36—pass; Clause 37—pass; Clause 38—pass; Clause 39—pass; Clause 40—pass; Clause 41—pass; Clause 42—pass; Clause 43—pass.

**Mrs. McIntosh:** Mr. Chair, I move

THAT section 44 of the bill be amended by adding the following after the proposed subsection 148(2):

**Application of by-laws to specialty wine stores**

148(2.1) The provisions of a by-law of a municipality under this Part that have the effect of prohibiting a liquor store in the municipality are deemed to apply to a specialty wine store with such modifications as the circumstances require.

**[French version]**

Il est proposé que l'article 44 du projet de loi soit amendé par adjonction, après le paragraphe 148(2), de ce qui suit:

**Application des arrêtés**

148(2.1) Les dispositions des arrêtés municipaux pris en application de la présente partie qui ont pour effet d'interdire la présence de magasins d'alcools dans une municipalité sont réputés s'appliquer, avec les adaptations nécessaires, aux magasins de vins de spécialité.

**Mr. Chairperson:** Madam Minister to explain.

\* (0050)

**Mrs. McIntosh:** Mr. Chairperson, the one thing we need to make clear in the act is that communities and municipalities that have existing by-laws do not have to restate those by-laws or repass them. The way the act is worded, without this provision, they would have to reaffirm their by-laws, and we do not think they should have to go to that trouble. This just simply says their by-laws stay in place, they do not have to reaffirm them.

**Motion agreed to.**

**Mr. Chairperson:** Clause 42 as amended—pass; Clause 45—pass.

**Mrs. McIntosh:** Mr. Chairperson—

**Mr. Chairperson:** I went to 42, yes. I am up to 45 now. I did 45, now we are at 46.

**Mrs. McIntosh:** Mr. Chairperson—

**Mr. Chairperson:** Redo that one? Okay. Shall Clause 44 as amended pass?

**An Honourable Member:** You said 42.

**Mr. Chairperson:** Oh, did I? I was thinking of Bill 42. That is why.

Clause 44 as amended—pass. Clause 45—pass.

**Mrs. McIntosh:** Mr. Chairperson, I move

THAT section 46 be amended by striking out "172,".

**[French version]**

Il est proposé que l'article 46 du projet de loi soit amendé par suppression de "172,".

**Mrs. McIntosh:** Mr. Chairperson, 172 was not supposed to be one that was being repealed, but it is in there, and we would just like to strike out 172 from that.

**Motion agreed to.**

**Mr. Chairperson:** Clause 46 as amended—pass; Clause 47—pass; Clause 48—pass.

**Mrs. McIntosh:** Mr. Chairperson, we may want to revert back to one of them just for further clarification. Is that possible to do after we have done this?

**Mr. Chairperson:** Which clause was it that we were—

**Mrs. McIntosh:** It was the parking lot provision. They want to just ensure there is a clarification on it. We would like to revert back to it before we leave it.



**Mr. Chairperson:** Is it the willingness of the committee to reconsider Clause 41? Agreed? Okay. Clause 41, we can do it right now. Which clause is it, 41?

**Mrs. McIntosh:** I am waiting for the drafter to point something out.

Yes, it has nothing to do with the parking lot one, you will be relieved to know. It has to do with an omission that I made in that same section regarding sports and games.

**Mr. Chairperson:** We are referring to Clause 31.

**Mrs. McIntosh:** 31 and I move—

**Mr. Chairperson:** Yes, this amendment, Madam Minister?

**Mrs. McIntosh:** Mr. Chairperson, after all that, we could just proceed as we were because that one is just going to be omitted.

**Mr. Chairperson:** So we are not reconsidering Clause 31?

**Mrs. McIntosh:** No.

**Mr. Chairperson:** Okay then, we are going right to the very end of the bill, after Clause 48.

**Mrs. McIntosh:** Yes, indeed. This is what the member for Flin Flon (Mr. Storie) meant when he said, if you love to eat sausage and you love the law, do not watch either being made.

I move

THAT the Legislative Counsel be authorized to change all section numbers and internal references necessary to carry out the amendments adopted by this committee.

**[French version]**

Motion de Mme la ministre McIntosh

Il est proposé que le conseiller législatif soit autorisé à modifier les numéros d'article et les renvois internes de façon à donner effet aux amendements adoptés par le Comité.

**Motion agreed to.**

**Mrs. McIntosh:** Thank you, everyone.

**Mr. Chairperson:** Preamble—pass; Title—pass. Shall the bill as amended be reported? Agreed?

**Mr. Storie:** Just before we report the bill, I want to indicate that despite the committee's good work this evening and their inclusion of an amendment which will allow for the notification to consumers of the dangers of consuming alcohol, particularly for women when they are pregnant, and our caucus supports this wholeheartedly, there are too many

things in this bill that require fixing for us to support the bill in its final analysis, but it should be noted that appreciation is given to the committee and the minister for taking a suggestion that was not just mine but the member for River Heights' and incorporating it into the bill.

**Mr. Chairperson:** Bill as amended be reported.

The time being one o'clock, committee rise.

**COMMITTEE ROSE AT: 12:59**

**WRITTEN SUBMISSION PRESENTED  
BUT NOT READ**

Brief on Bill 42 Amendments to The Liquor Control Act, presented by George Tsouras, Branigan's at The Forks.

It is refreshing to see the deregulation of so many barriers that have hindered licensees from running their businesses effectively. Deregulation removes layers of unnecessary bureaucracy. Only yesterday drinking on Sundays was against the law. It was not long ago that licensees were required to get their menu, food and liquor as well as the pricing approved by the MLCC. All bartenders and serving personnel had to be registered with the MLCC, and a server could not pour a drink. They even had to wear MLCC badges. It was not long ago that an operator could not run down to the local liquor store for fear of recognition and being reported to the inspector's department.

During the last two years of reform, the MLCC has been more in touch with our industry's needs. The amendment of Bill 42 is welcomed. To remain competitive with the rest of the country or even our neighbours to the south, we need reform. There must be progressive change or Manitoba will slide into the past, willing to take the abuse and be the brunt of many jokes from our eastern cynics and face embarrassment from our American tourists.

Bill 22 will allow the use of credit cards for the purchase of spirits, beer and wine. Special interest groups have argued that using credit cards will make it easier to purchase liquor on credit and replace money that would have been used for staple needs. Credit cards have been used in purchasing liquor in restaurants for years. This change is not innovative, just convenient to the consumer. Cheques, which is a form of credit, have long been accepted for purchasing spirits.

Reducing duplication of the duties of the fire, health and building inspectors will eliminate additional bureaucracy that we as restaurateurs now face. We agree that we should not have to answer to MLCC inspectors for matters concerning the fire, health and building codes. For years this practice has been counterproductive. It should not be up to the Liquor Commission to tell me when my carpet should be replaced or my walls painted; surely my customers will let me know.

As much as we want reform and freedom to operate our establishments with minimal interference from government, we fully support stiffer penalties for those who choose to serve minors or those intoxicated. Responsible serving of alcohol is everyone's business. I fully support strong legislation and penalties proposed to make licensees more accountable for the actions of the patrons in their establishments.

The use of alcohol on boats is of grave concern to me. I have seen the actions of boaters who have had "a few beer on the boat" and then decide to frequent the bars and patios along the waterfront, only to have "just one beer" and then become the responsibility and problem of that establishment. Tragic accidents have caused injuries and deaths on the waterways. Enforcing strong liquor laws for boaters is welcomed by all. The public should not tolerate drinking and driving, including on the river.

Manitoba has been built on small business, and allowing wine boutiques proves the government's commitment to private enterprise. If a private operator does a better job of marketing and servicing the public, think what it can do for the Crown corporation that some say it competes with. A private operator running a wine boutique will relentlessly strive for excellence and success. Competition is what makes Manitoba strong.

In closing, the Manitoba Liquor Commission, under the capable leadership of Derek Smith, has gained the respect of the hospitality industry as a progressive Crown corporation, a leader across Canada for its progressive thinking and reform. No longer do licensees fear the MLCC, such as the years under Frank Syms, when he would recruit university students to work under cover for the sole purpose of catching operators doing things wrong. The Liquor Commission has become our business associate and consultant, to assist when we need guidance. These changes did not happen alone.

I congratulate the Honourable Linda McIntosh for her fresh approach to The Liquor Act. When considering the amendments to The Liquor Act, lessen the bureaucracy and antiquated laws for running a business, but strengthen the laws against those who choose to serve minors, intoxicated people, or those who drink and drive.