



Second Session - Thirty-Seventh Legislature

of the

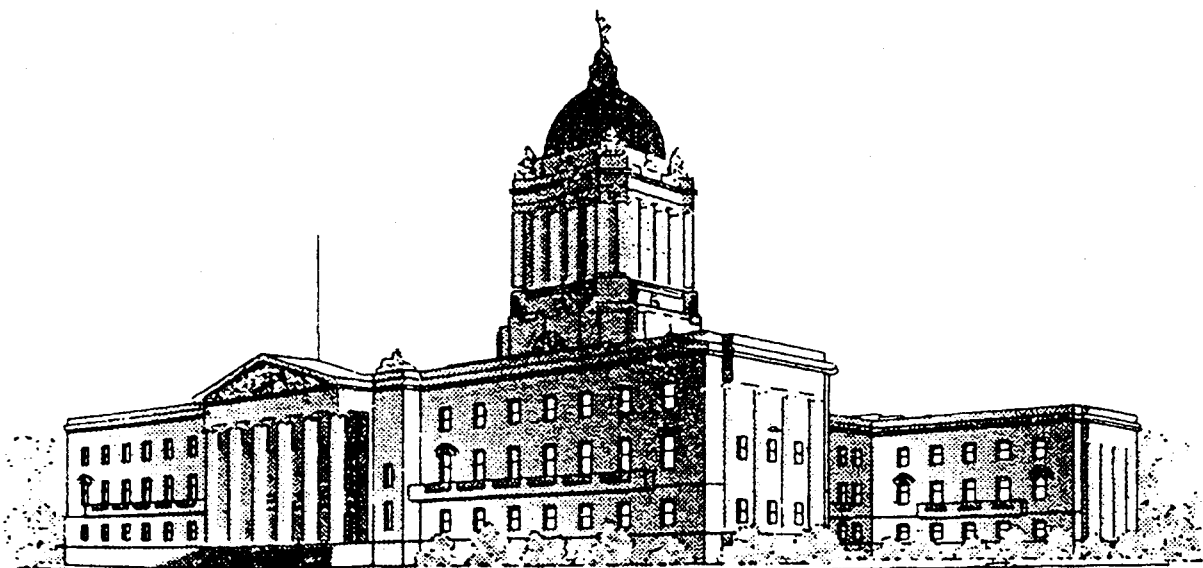
Legislative Assembly of Manitoba

Standing Committee

on

Law Amendments

Chairperson
Mr. Doug Martindale
Constituency of Burrows



Vol. LI No. 3 - 6:30 p.m., Thursday, June 14, 2001

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MANITOBA LEGISLATIVE ASSEMBLY
Thirty-Seventh Legislature

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LEGISLATIVE ASSEMBLY OF MANITOBA

THE STANDING COMMITTEE ON LAW AMENDMENTS

Thursday, June 14, 2001

TIME – 6:30 p.m.

LOCATION – Winnipeg, Manitoba

**CHAIRPERSON – Mr. Doug Martindale
(Burrows)**

**VICE-CHAIRPERSON – Mr. Tom
Nevakshonoff (Interlake)**

ATTENDANCE - 11 – QUORUM - 6

Members of the Committee present:

Hon. Messrs. Sale, Smith (Brandon West),
Hon. Ms. Wowchuk

Ms. Allan, Messrs. Dewar, Laurendeau,
Maguire, Martindale, Mrs. Mitchelson, Mr.
Nevakshonoff, Mrs. Smith (Fort Garry).

WITNESSES:

Mrs. Dorothy Makinson, Private Citizen
Mr. Doug Clark, Downtown Winnipeg BIZ
Mr. Gary Kowalski, Private Citizen
Mr. Jim Baker, President and Chief Executive
Officer, Manitoba Hotel Association
Mr. Leo Ledohowski, President and Chief
Executive Officer, Canad Corp

MATTERS UNDER DISCUSSION:

Bill 24, The Liquor Control Amendment and
Consequential Amendments Act; Loi
modifiant la Loi sur la réglementation des
alcools et modifications corrélatives.

* * *

Mr. Chairperson: Good evening. Will the
Standing Committee on Law Amendments
please come to order. This evening the com-
mittee will be considering Bill 24, The Liquor
Control Amendment and Consequential Amend-
ments Act.

We do have presenters who have registered
to make public presentations to this bill. It is the

custom to hear public presentations before con-
sideration of the bill. Is it the will of the com-
mittee to hear public presentations on the bill?
[Agreed]

I will then read the names of the persons
who have registered to make presentations this
evening. Mrs. Makinson, Mr. Clark, Mr. Rattray,
Mr. Kowalski, Mr. Baker, Mr. Ledohowski.

Those are the persons and organizations that
have registered so far. If there is anybody else in
the audience that would like to register, or has
not yet registered and would like to make a
presentation, would you please register at the
back of the room.

Just a reminder that 20 copies of your
presentation are required. If you require assist-
ance with photocopying, please see the Clerk of
this Committee.

Before we proceed with the presentations, is
it the will of the committee to set time limits on
presentations?

Mr. Gregory Dewar (Selkirk): Mr. Chair, I
recommend we allow 15 minutes for presenta-
tions and 5 minutes for questions.

Mr. Chairperson: Is that agreeable? What is the
will of the committee? *[Agreed]*

How does the committee propose to deal
with presenters who are not in attendance today
but have their names called? Shall these names
be dropped to the bottom of the list? *[Agreed]*

Shall the names be dropped from the list
after being called twice? *[Agreed]*

Mrs. Bonnie Mitchelson (River East): I do not
know whether everyone is here or not, but given
that we are coming back to go clause by clause
on Monday morning, might I suggest that maybe
if there is not a presenter that is here tonight, that

they be given the opportunity to present Monday morning at ten o'clock before we go clause by clause?

Mr. Chairperson: What is the will of the committee? If they are on the list, they will be given an opportunity to appear Monday, if they are not here tonight. That is agreed? *[Agreed]*

Did the committee wish to indicate how late it is willing to sit this evening? I have heard a suggestion, until we have heard all the presenters.

I will now call Mrs. Makinson. Will you please come forward to make your presentation? Please come to the microphone.

I presume you have an oral brief and no written material. Is that right? Please proceed.

Mrs. Dorothy Makinson (Private Citizen): To find out more about your liquor. I hear that you are going to be trying to make more liquor places opened in Winnipeg. Now, why I am here is to say they do not need any more liquor brought out, not for Sunday. That is the Lord's Day. We do not need it. The only people that drink on Sunday are the ungodly ones. Ungodly people drink Sundays. I was not brought up that way. I never drank on Sundays. I have drank my share of liquor and quite a bit of liquor, but I have given liquor up. I do not drink any more because I am diabetic and being a diabetic you do not want a lot of liquor.

For my birthday, I will be 70, but I am going to drink Caesars, maybe three of them. That might be my lot. But if you want to bring liquor into the city, have you ever found about the statistics in different cities with the liquor drinking on Sundays? Have you ever found that out, if there are more murders, more car accidents, people killed and all that stuff because of liquor? Do you want that on a Sunday? I do not think so. I never drank in my life, really, on Sundays. I would not even allow it in my own home at any time. I never grew up that way. Only Christmas, we drank at home, but I drank out and I have drank my share, but I have given up drinking. Can you see people 70 years old in a beer parlour drunk? How it looks, a man or a woman? It is very disgusting. I cannot say that for my mother. My mother did not drink. My

father drank very little, but I am the same. I am not used to drinking Sunday, and I am going to be very furious when I see people carrying 24 bottles of beer into the building on a Sunday. I am going to have more arguments and more fights, because I do not like it. Do you want to open liquor up in Winnipeg like every other city, or what? Can you tell me, yes or no? Is that their intention of doing? Nobody is going to answer that.

Mr. Chairperson: Perhaps I could inform you a little bit about the proceeding. We would like to listen to your comments, and when you are finished I will ask you if you are willing to answer questions or perhaps members of the committee want to make comments on your presentation, so if you would proceed until you have made all your points, then we will open up the floor for questions.

Mrs. Makinson: Okay. Well that is one thing. I do not want to see drinking on Sunday a law. We do not have it, and it is very nice. The city is quiet. It is wonderful to have one day, the Lord's Day, and it is quiet. You do not want it rowdy. You do not want to see people zooming around and acting nuts on a Sunday.

People say, well, it is the times. It is the years. The years are gone by and it is the times. We are in 2000 year now. Well, good golly, it does not matter if it is another 2000 years, is it going to be drinking on Sundays? I will be dead and buried when it maybe is in for awhile, but I think it is awful for the future. The future. There are enough alcoholics, do not need to make more and more. They start drinking at 18 in the beer parlour. I never drank in the beer parlour at 18. There are so many going to be alcoholics, it is unreal. It is going to be pushing it more because you drink at 18, you become alcoholic by the time you are 20. By the time you are 20, you are alcoholic. That is absolute.

I did not drink until I was 25 but my kids were a little bigger. Older, not babies. Another thing, I hear that Vancouver drinks a lot, that that is all opened up now in Vancouver or Victoria Island, Toronto and all these different cities, that they want it like that here, too. Well, do we have to be crazy just like other cities? This is not Las Vegas here.

If anybody wants to drink, there is the casino. I am not a gambler, but I have been to the casino. I have not had a drink in the casino, but outsiders can drink there, in the casinos. I am not a gambler. I do not believe in gambling either. That is a great sin, too. I tried to make a big win, you know. A couple of times I have won. I am tired of playing and not winning. Enough. You know, up and down, up and down. I do not give a care for that. Not really.

Like one man he went there and he won \$20,000. That is not bad. I will say that I have seen enough of drinking. I have a son that is alcoholic. I have had a lot of trouble and worries with him. A lot. Now he has some things wrong with his health, and he cannot drink really. If he drinks two bottles of beer, he is drunk. He has had brain damage, where somebody put something into his liquor and it blew his mind. He cannot smell for the rest of his life, and he cannot taste food for the rest of his life. And he is 48.

Sad thing. I have told him, be careful of your drinks because people are putting stuff in your drinks nowadays. There is a lot of that going on. Deadly drugs, too. But if somebody does not listen to a mother, you cannot do anything about that, because I did. I obeyed my family, my parents, no matter how old they were. That is the way it has to be. You cannot be the boss over your parents. I do not think so. They are the boss over you.

*(18:40)

Like I say, I know what alcohol does. It is a shame really, but you are going to bring in a lot more of them, lots more. I have lost one son, and I might lose another one because of his damage, because another fellow had the same damage and he did not live long. Two years later, he got things wrong. My son cannot put a pound of weight on him even. There is something not right, but the doctor does not want to tell him because he would not want to know. That is what the doctor told him, so I do not know.

I lost a son who never drank really, 42, with appendicitis trouble in the hospital. They never examined him. The doctor told him to go home and go to the bathroom. He goes home to the

bathroom all right. He did not have to go, but he went home. He listened to the doctor, and the doctor did not tell him the truth. Then it ended up they bust. He stayed home for two days—that is how strong he was—after they bust. I still say today that he murdered him, my son, that doctor. Appendicitis, you should not die over, really. Some poison stayed in his back, and it turned into cancer. So cancer took him in the end of it all, only 42.

I have another son. He never drinks, and he never did smoke. That is one son, my oldest son. He drives transport trucks, and you certainly cannot drink driving transport trucks, can you? No way. One time I told him, I will not have a son if you drink and ride a motorcycle around the mountains, as that is a very dangerous sport. Drinking and riding a motorcycle where there are mountains, he could be down the ravine. Anything can happen if he drank. He does not drink.

I do not like the drinking more and more and more. It is bad enough there is six days of liquor. I see cases and cases of beer coming into where I live, cases of beer, police coming all the time and take them out to jail and put them in jail, steady fights and all that stuff, and then Sunday would be worse. Oh, gee whiz. The police need a rest, too, you know. Six days is enough chasing the drunks around town. I mean, there is other work to do besides just running after them. That is a shame, and they have other work to do.

So I hope they do not bring it in, liquor, open, wide open. I hope not. I would be very, very mad when I start seeing them drinking heavy on Sunday. I am very dead against it. I do not want to go and get a gun and start shooting them all because they are drinking on a Sunday. I do not want to do that. I do not want to be fighting with them all either and keep telling them they are ungodly. I do not want to do that either.

You have to leave a day for the Lord. Sunday is the Lord's day. It has to be quiet. You would not paint a house on Sunday. You would not build a house on Sunday. The Bible says that the day of rest is on a Sunday. We are not Seventh Adventists. Lots of people are not that. I belong to the Anglican Church myself.

Mr. Chairperson: Mrs. Makinson, are you finished your presentation?

Mrs. Makinson: Yes.

Mr. Chairperson: Thank you. Are you willing to answer questions?

Mrs. Makinson: Yes.

Hon. Scott Smith (Minister charged with the administration of The Liquor Control Act): I would like to thank you first, Mrs. Makinson, for appearing here in front of the Standing Committee on Law Amendments. We all certainly appreciate your presentation and your views on the proposed legislation in Bill 24.

Mrs. Makinson: Can I ask you one question? Have you found out—

Mr. Chairperson: Excuse me, could we please let the minister finish? Then we will recognize you. Thank you.

Mr. Smith: We agree with you that responsible consumption of beverage alcohol in the province of Manitoba is certainly extremely important. As we look through some of the amendments in this bill and some of the questions that you have identified on youth and drinking, there is an amendment in here to strengthen the act a little bit in that area.

Certainly, we appreciate your views on your religious beliefs on a Sunday. That is certainly your right and I appreciate that very much.

The section you refer to making it an offence for people to be intoxicated in public, another part of the bill, part of this legislation, will be dealing with that. Certainly servers will no longer be able to serve obviously intoxicated people on the premises. It does develop some social problems. We realize that. We have identified that and that is part of the bill.

There are a number of changes in here. You have concentrated on the Sunday opening. On the Sunday opening right now, there are about 1944 licensed areas in the province which are opposed to, and what you are telling us you are opposed to, the actual opening of the beverage

rooms and vendors and such. I appreciate that, so thank you.

Mrs. Makinson: Is that all?

Mr. Chairperson: Are there any other questions?

Mrs. Makinson: Did you say that they are not going to have the beverage rooms opened up?

Mr. Smith: This bill would address opening up of beverage rooms, of which there are approximately 300 in the province, province-wide. This bill does address opening those, yes.

Floor Comment: They will open up?

Mr. Chairperson: I am sorry, I have to acknowledge you every time because everything you say is being recorded in Hansard. So, if you would like to speak, I will recognize you first. Mrs. Makinson, go ahead.

Mrs. Makinson: Well, that is still opening up the places, eh? It is opening it up more. There is going to be drinking on Sunday in the beverage rooms.

Mr. Chairperson: Seeing no other questions, I would like to thank you for your presentation.

Mrs. Makinson: Do you think the Lord likes all this, that there is going to be drinking on Sunday? Do you think He is going to like that or is He going to do wrath on everybody? You do not know that. Nobody knows this.

Mr. Chairperson: Mrs. Makinson, I am sure we could have a very interesting theological discussion for the rest of the night, but we have other presenters, and there are no more questions for you, so we need to move on. Thank you very much.

The next presenter is Mr. Clark, representing Downtown Winnipeg BIZ.

Mr. Doug Clark (Downtown Winnipeg BIZ): Thank you very much for this opportunity. I would like to build on some of the points that were made by the first presenter.

On June 13, I represented the Downtown Winnipeg BIZ and 1700 business that this organization represents. We did a public presentation at the public review hearing. At that time, we addressed two particular issues. One had to deal with the public interest clause, which we thought as part of the licence suspension and revocation process. The other dealt with increased service hours and the addition of enforcement staff within the organization to deal with offences and to complement the services of the Winnipeg Police Service.

This evening, I will only deal with the revisions as they respect the public interest clauses. That is one that you have dealt with, we believe, quite adequately in this legislation.

* (18:50)

The need for legislation dealing with enforcement and appropriate business practices has become more necessary as we work at redeveloping urban centres in all of Manitoba. If current and future operators are not recognizing the impact of their establishments on their neighbourhood businesses, we felt there was a need to request that the input of the public be utilized as a mechanism to suspend, revoke or deny licensure.

At that time we referred to the liquor licence act of Ontario which did deal with the issue of public interest, and we understand the process has been tested and proven workable through the courts, as it has been in place several years.

Our concern is that everyone be given an equal opportunity to operate and run the most successful business they can. This is true for all businesses, and we certainly see instances in which owners, managers and operators of a number of establishments are not cognizant or sympathetic to their neighbours and, as such, are having a detrimental effect on business owners, workers, residents and visitors to Manitoba and, specifically, from our perspective, the downtown Winnipeg environment.

While it can be suggested that more enhancement is needed, we have thoroughly examined the situation with the Winnipeg Police Service, the City of Winnipeg Environmental

Health Services, fire, zoning, the MLCC staff, and we now come here this evening to reiterate our support for the legislation which will give some recourse for the MLCC licensing board which sits to review complaints, licence applications, renewal and cancellations.

It is our understanding we have only seen one licence suspended in Winnipeg during the past several years despite many facilities having numerous and repeated violations. Up to now, the only recourse for MLCC inspectors and city police has been to enforce within the guidelines of the act which has demanded that only on-premise actions can be taken into account. The process is long, detrimental to the efforts of private-public partnerships in rejuvenating cities, costly and generally very ineffective in dealing with the immediate problems.

We had instances in which processes have gone through the courts two or three years ago and are still going through the courts. We have instances where establishments have been asked to shut down or have been closed for four days, and we have waited many years for that action even to take place.

The bill we see presented here today is encouraging to us. We are particularly supportive of the amendments to section 25. The opportunity to include public presentations at hearings is a valuable step, we believe, in giving the board an opportunity to hear from related business owners and those affected by operators who continue to violate the conditions of the act.

While we understand it is common for the board to progressively suspend for infractions, we believe that the new clause under Disposition 25(1.4): After a hearing, the Licensing Board may do one or more of the following: (a) suspend or cancel; (b) impose terms or conditions, will give the opportunity to impose meaningful stipulations to repeat-offender establishments. Whether these conditions deal with security or responsibility for clean-up and maintenance in the neighbourhood such as McDonald's seems to be able to do, this clause we hope gives the board an opportunity to listen to the public concern and offer remedial conditions as part of the licence renewal or keeping a licence.

We are very supportive of the addition of clause 64 which states no new licence will be issued to any person unless—and then it goes on—"the licence is in the public interest having regard to the needs and wishes of the residents of the municipality or territory."

We are even more encouraged by the disorderly conduct provisions in section 120 which suggest that "No person shall be disorderly in or about licensed premises," and clause 96 which deals with service to those already intoxicated.

The tenure of the press release suggests that the new amendments are improving access for all Manitobans, maintaining our competitive position with other jurisdictions while remaining vigilant on enforcement. The act does address new offences regarding individuals using false identification to gain entry or service in licensed premises, individuals being disorderly in and about the licensed premises and a licensee's responsibility to ensure that an intoxicated patron does not receive more liquor.

The previous act addressed these issues generally but we believe did not go far enough in protecting the interests of the public from unscrupulous operators. When the situation got out of hand, our solution to date has been to have a public agency purchase the establishments that were problematic, tear them down or find alternative uses for the structure. So all we have done is simply reinforce bad operators so that they walk away with a pocketful of money.

As we look at extending hours, we want to ensure that the enhanced legislation is also enforceable, with teeth and the resources to both educate and enforce the standards. While other agencies are attempting to focus on rejuvenation of our urban centres, we need the MLCC to be as diligent in dealing with 1900 establishments, plus we ask that, if this legislation moves forward, as much consideration be given to the implementation of the act as was put into debating and creating it. Your ability to administer this act and some of the enhancements proposed this evening can have a bearing on the health and safety of patrons and the general public. This legislation previously was no deterrent to bad operators.

To date, we have found that the offences and the processes have simply been incorporated by those who abuse their licences as a cost of doing business. We need to change that now. The resources to regulate compliance must be in place to ensure that the interests of all parties are satisfied. Thank you very much.

Mr. Chairperson: Thank you, Mr. Clark.

Mr. Smith: I would like to thank you, Mr. Clark, for a very well thought out and insightful presentation. I know as early as today your organization had met with Winnipeg Police Service, I believe, and City of Winnipeg representatives from City Council, MLCC and a number of others, and some of your views were stated at that time.

It is nice to hear that you feel some of the amendments here will deal with some of the problems you have been having. Certainly it has been well identified with the office. You had mentioned the extension in the bill dealing with disorderly patrons and how you feel that would enhance or solve some of the problems you have seen created over the last number of years with some of the establishments in the downtown, and I tend to agree with that.

I just wonder if you have identified or if you know that in accordance with this bill as well with the responsible server committee which I believe you had a piece in, that the addition and you had mentioned it, the mandatory server training is a step in the right direction. Certainly we believe the responsible consumption of alcohol in the province of Manitoba is very important and you have highlighted that, so I thank you for your comments.

Mr. Marcel Laurendeau (St. Norbert): Before we get into our line of questioning, could I just correct one word that you made incorrectly for Hansard, or maybe this was wrong in the thing, but in your last paragraph on the first page, you stated "enhancements." I do believe you meant "enforcements."

Mr. Clark: That is probably correct. Thank you.

Mr. Laurendeau: Mr. Clark, you do not speak much of the Sunday opening area of it. What is

the business position on the Sunday opening of the bars?

Mr. Clark: I believe we addressed that the first time through, and we were supportive of the extended hours of opening. We certainly believe we need to be in a competitive position in this marketplace. We do, however, suggest that if you are going to open, you need to provide the resources that deal with extended hours of service, and we would encourage you to make sure that that is in place at the same time.

Mrs. Joy Smith (Fort Garry): I thank you for your presentation, Mr. Clark.

Mr. Clark, what do you feel those enforcements need to be to ensure if the beverage rooms and pubs are open on Sunday? Could you outline specifically what you mean about added supports to ensure that disorderly patrons or all the rules are being followed in terms of who should drink, how much, with and without food? What needs to be in place to make sure that can occur? Perhaps you could advise the minister?

Mr. Clark: If I knew all the answers I probably would be able to add to this bill significantly, but I think that is why we are meeting today. We are not sure we have all the answers. We know and we think you do not have adequate personnel dealing with the supervision or the visitation to the 1900 establishments you have. I think each of the personnel, and I am probably somewhat inaccurate here, but are dealing with in excess of a hundred establishments. Many of them hope to visit them once a year. We have some establishments that need visiting, I would suggest, daily.

Mrs. Smith: When you talk about supervision, are you talking about more police officers available downtown? Are you talking about more staffing required to be assigned to ensure that all these businesses are covered, or do you have any ideas about that at all?

* (19:00)

Mr. Clark: The issue I believe has to deal with MLCC staff. I am not necessarily sure that we need more police personnel, though if we were to combine the two, and they were to work in co-

operation, I would suggest that you probably need some of those. We have some issues in which we have very few establishments that are contributing to a significant problem, which we have been told will lead to significant disruption in our efforts to rejuvenate this particular part of Manitoba. I would suggest it is probably consistent in other centres.

We believe we have some extension to the legislation as you are presenting it here today. We want to ensure that it is enforceable, because we have had legislation in the past. We have had people indicate that they are not in a position or they are doing the best job they can. That has not accomplished the goals and the objectives that many people have set forward. We have some people today who are adamant that things will change or the direction, a new direction will be settled in for the downtown of Winnipeg, which is not particularly conducive to some of the efforts that both levels of government are working in.

Hon. Tim Sale (Minister of Family Services and Housing): Mr. Clark, in our meeting last week you indicated that there were a couple of establishments in the area of particular concern to you in the immediate downtown, close to Portage and Main.

You indicated that one or more of those, but one I think in particular, had a very large number of violations in the last couple of years. Can you give the committee a sense of the nature of those violations and the kind of impact they might have on your members' business? Be a little more specific.

Mr. Clark: To some degree, I can give you an overview, but the specifics would have to come probably from the Winnipeg Police Service or their representative of the Manitoba Liquor Commission. Within a certain area of the downtown, we have 143 establishments in a small block area. Within that, we have five establishments that represent 85 percent-plus of the 1600 or 1800 calls to the police. So it is 5 of 143 generating 85 to 90 percent of the cost of policing.

We have seen property damage. We have seen tenants and business relocations as a result

of this particular endeavour. The infractions, as I can best recall, deal with overserving. I believe that is the majority of the functions that seem to be taking place. We have incidents where we have a bar that has a door opening out of the alleyway, and that is its prime access. We have had incidents where there might be three or four inches of space clearing between that door and the front bumper of a car as it is moving through that particular part of the downtown area. It is surprising that people have not been killed as a result of this particular establishment.

At the same time, we have a pattern down there, and while everyone has suggested this is a social issue that has to be addressed and goes far beyond the issue of serving and the issue of this Legislature that you are discussing tonight, we believe that this is certainly a start. I believe we have to do something in terms of the operators and the establishments to ensure that they are as businesslike as their neighbours who have invested as much money as these people have.

We have incidents of particular establishments having in excess of 30, 40, 50 violations and being shut down for small periods of time which hardly effect any change whatsoever and, as I said before, has simply been built into the cost of doing business now. I am not sure that answers your question.

Mrs. Mitchelson: Thank you very much for your presentation. A lot of thought and time has gone in by Downtown BIZ and very much the community, including the Police Service, in identifying what the issues are and not only complaining but also making positive suggestions on what some of the solutions might be.

I note that the presentation that was made back in—when was it? The presentation, I guess, to the MLCC, when you made that presentation, did talk about putting some teeth into the legislation so that, in fact, there would be some onus of responsibility on some of the licensees if they were not doing their job and trying to ensure that the community was protected from disorderly behaviour as a result of overserving.

At that point in time, you did make the point that you did not really feel that it was the role or

the job of the Winnipeg Police Service to have to enforce that, and that maybe there should be some onus put on the licensee to hire police officers or security that would be able to monitor, that there was some responsibility or onus that should be placed on the licensee.

Do you feel that this legislation, you know, the clause that is in the present legislation goes far enough to ensure that we are not sort of—especially with Sunday openings, because it will be rather than six days a week that we are expecting the Police Service to monitor and deal with these issues, it will be seven days a week, and it will put an additional burden on our Winnipeg Police Service. Do you feel that this legislation is clear enough, or have you been assured that this legislation will place some requirements on licensees that are not living up to their social responsibility to put in place or spend some money in order to ensure public safety?

Mr. Clark: We are not sure that this legislation will have any significant change, quite frankly. I mean, it will be in the administration of the act, of course. I understand the act will be reviewed in a year. So we are hopeful that the clauses that are in here are saying the right words. We believe they are. Whether they, in fact, can be implementable and enforceable and can necessitate the change that we are hoping to achieve, I guess remains to be seen. That is the process that we are asking. We believe we need some enforcement.

The public is out there, and they are ready to voice their opinion. They have had it. They want a voice to tell people that you have jeopardized my investment, my business, my staff, my clients, and enough is enough. Nobody is prepared to start buying establishments anymore. We have done that, we went through that phase, unless somebody is prepared to open up another pot of money and will just simply buy them all. We also know that the situation is going to locate and go somewhere else, and we are not proposing that that happen either.

There are a number of people out there who do need to drink. They need to drink from 9 a.m. till 9 a.m., and we understand that. It is not great, but those people are out there. We want to

ensure that they have a place to go, and we would rather have them inside an establishment being treated fairly than be out on the street and jeopardizing their lives. There is a safety issue here, very much so. When they are out on the street and they are in the public right of way, they jeopardize a whole bunch of other people. They paint a picture of the city, which is not one that everyone wants people to go away with.

So they are better off in the establishment, they are better being treated fairly in the establishment. Yes, we know that when they are refused service, they are going to wander to the next place. What we do with them as they are wandering the street is one of those enforcement issues, and that is where the Police Service and possibly MLCC staff are going to have to come in. We know that that is a police issue. The police have already indicated that if this legislation goes through, they know that their resources are going to have to increase in order to comply with it. I hope that discussion is going on with them.

Mr. Chairperson: There is time for one quick question.

Mr. Laurendeau: Mr. Chair, I just need clarity on this matter. Are you telling me today that the reason you want the bars open on Sunday is for the derelicts, the alcoholics, to have a place to go and do their drinking? I think that is what I clearly heard in your speech, and I would like you to just repeat that for me one more time.

Mr. Clark: I do not believe I referred to that. I am saying there is a segment of society out there who do need to drink, and they will drink seven days a week.

What I said, with respect to the Sunday legislation, is that we have visitors, clients, we have tourists coming to this city who expect and are surprised when they are confronted with legislation that is different than the province or state that they may have come from. The positive element about the legislation is that it puts us on the same level as other provinces with respect to our tourism.

With respect to people who are going to drink, they are going to drink whether the establishment is open or not.

*(19:10)

Mr. Chairperson: Thank you, Mr. Clark, for your presentation. The next presenter is Mr. Rattray. Please come forward. Is there a Mr. Rattray here? We will call his name again later.

Mr. Kowalski. I hardly recognized you, Mr. Kowalski, but I am sure I will recognize your voice. Please proceed.

Mr. Gary Kowalski (Private Citizen): Thank you. I am here exercising my right as a Manitoba citizen to speak to this bill because I felt compelled. I felt compelled because of the effect it will have on my family, my friends and neighbours, their safety and their lifestyle as a result of this bill.

On certain days of the month in downtown Winnipeg, there is a blood bath, and that is not an exaggeration. I have seen the sidewalks covered in blood. I have seen elevators in public housing complexes covered in blood. I have seen hallways. Now you could talk to Professors Doug Skoog or Rick Linden or any criminologist or academic or bureaucrat, and they will give you many different reasons for this, but I notice two elements that are catalysts. Those two elements are usually an infusion of some government money, whether it is a heating rebate, a GST rebate or a welfare cheque, that and alcohol. On those days, on those Fridays, when a cheque comes out, you know that weekend the emergency rooms in Winnipeg will be filled, you know the rape crisis lines will be ringing off the hook, you know the emergency services will be working overtime, and it is because of alcohol and money.

The one respite often is Sunday, when the tap is turned off. It gives the staff in the emergency rooms a chance to catch their breath. It gives the people a chance to lick their wounds. It give people a chance to sober up and get their heads together. I am inconsistent here in that I believe in less government control in our lives. I believe in free enterprise, but the effect it is going to have in downtown Winnipeg will be catastrophic.

I find it inconsistent with our domestic violence policy. In the future, if there is a

woman killed, domestic violence, by an intoxicated husband, we may not be able to say for sure it was because of this bill, but it might have been. Why are we doing it? Why are we doing it, for tourists? Are we going to sell our souls for tourists? We did that with gambling. We said, well, we cannot have all the Manitobans leave here to gamble. We said, well, we should attract, be competitive with the other provinces. Well, now we are saying that with alcohol. If some provinces introduce prostitution, are we going to legalize prostitution? It is time to show leadership here.

Mr. Clark was right in the fact that there are a few places in downtown Winnipeg causing much of the problem, but that is on site. On those days, those cheques comes out; on those days, you will see beer cases with legs walking down Sargent Avenue and Ellice Avenue. You will be seeing them going into the housing complexes, into apartments blocks. Now those beer cases could come from a hotel that has got a very good record, from a licensed premises a very good record, but the result is the same. Some person, male or female, is frustrated, maybe was abused when they were younger, will get intoxicated, will not control themselves. They will rape, they will beat, they will kill somebody, and here we are adding one more day to it. Why? It does not make sense. For money? To increase our tax revenues? To be competitive with tourists? What is that one woman's life going to be worth in the future, that woman that is going to be killed?

You know, I would rather be non-competitive and live in a safer community. One of the things that I know Adventure Winnipeg has been selling, when they are trying to get companies to relocate to Winnipeg, is our lifestyle, is our quality of life. Well, if that is one of the selling points, why are we giving that away to become to the Las Vegas of the North? Are we going to become equal to the other lowest common denominator?

The first speaker, I forget her name, that woman is wise. She is streetwise. She knows what goes on in downtown Winnipeg. It is not because of religious beliefs. I am a Christian, but we no longer live in a Christian society. I have many friends who are Buddhists or the Hebrews

or Muslims, and maybe their Sabbath is on the same day as mine, so I no more honour their Sabbath than I expect them to honour mine. So it is not for that reason. It is for the safety issue. I feel very strongly about it, and that is why I took the time to come here, to ask you to stop and think: What is the result of this?

I know I am a shift worker, and many times on a Sunday, after a shift, I would love to go for a drink, and there are many people I work with. Most of the people could handle it, but there is a small segment of the population, just as there is a small segment of the licensed premises that have on-site problems, that will abuse this opportunity to buy liquor.

Most people, if they are planning a party, would think ahead, would buy beer. For tourists, there are licensed premises now on Sunday. You could go to Grapes. You could go to Earl's. You could go to the King's Head. There are lots of places open on Sunday now. So why are we truly doing this?

As I said, if it is a plus and minus, I think the minus of that life or that young girl that is going to get raped, the person who is going to get beaten, is not worth the extra revenue, the extra tourist dollars, that you are bringing in for this.

This idea that this new provision about "disorderly." Define "disorderly." Every time I go to a licensed premises, I am probably disorderly. Most people do not go there to sit there and talk about politics. They are there to party, to dance. It is pretty subjective what is disorderly. Have you ever been to the bars in downtown Winnipeg on a Friday and Saturday night? Everybody there is disorderly. I think they kick them out if they are not. So how are you going to enforce disorderly?

There is no definition in the section of what "disorderly" is. If I get up and dance on the tables, is that disorderly? If it is true, I am in trouble. Being serious once again, I was very disappointed when I saw this. As I said, right now, for no other reason, the emergency services look forward to Sunday for a rest from the mayhem that they see every day. The emergency rooms of the hospitals look forward to Sundays to catch up.

Now I have heard you talk about liquor enforcement. I surely hope there is more than lip service to that. There have to be resources. I am still very cynical about it, about how many of those liquor inspectors will work Friday, how often they will be able to close these places up. A lot of times it is not what goes on in the premises. A 24 of beer that takes legs and walks down into that public housing complex on Kennedy or the one on Blake Gardens and, as a result, there is a beating or a murder. What is the liquor inspector going to do about that? Nothing.

So I felt very strongly about this. I speak on behalf of myself and no one else. It is from what I have seen with my eyes and heard with my ears and things I have experienced as a person. I hope you will take it under advisement.

* (19:20)

Mr. Smith: Thank you, Mr. Kowalski. I was struck by your comments and I guess we share a background of being in the emergency services. I was there for 20 years as well.

You mentioned the elevators and the hallways that you had seen covered in blood and splattered and some problems that you have seen obviously as a police officer, I believe, is your background, at a time that you had run into that problem.

I am just curious. You mention Sunday but you also mention people getting cheques, and right after people get cheques, they are out spending the money. You also mention that people work shift work. They get cheques on different days, whether it be Monday or Wednesday or Saturday or whatever the day is.

So I guess I would just like to be clear in what you are speaking against or what you are speaking for. Is it to strengthen responsible sales, service and consumption through stronger legislation in that way, or are you speaking against a Sunday opening which we already have a number of?

I am just curious because in your comments you mention different days and people working shift work, so I just want to be clear if you feel that it is more important to strengthen the sales

and service end of it, and the responsibility end, any day of the week or if you are just opposed to Sunday.

Mr. Kowalski: Yes, I can understand where my comments were inconsistent, and, as I said, they were. For the majority of us, we could. For shift workers and that, it would be a good thing, but, unfortunately, because of a few, until we can stop murder, stop domestic violence, stop rapes, I am totally against opening beverage rooms and beer vendors on Sundays because of the damage and the results.

Mrs. Smith: I really want to sincerely thank you for your presentation. It was a most compelling presentation. I have to correct you on one thing. It was not disjointed. It was very clear, and what struck me was the knowing that you have about the situation.

My question to you, Mr. Kowalski, is that you were talking about not wanting Sunday openings, wanting to have a day when that sort of shut down, without the extra load of the open pubs on a Sunday. Then you talked about enforcement, and I did ask the previous speaker what his view was of enforcement, and I am wondering what you think about that.

You referred to liquor inspectors. You referred to enforcement in one other way, and I forget exactly what that was, but what additional supports will this present Government have to put in place and guarantee to have this extra load put on that community in terms of open beverage rooms on Sunday?

Mr. Kowalski: I have to be very careful in answering that, because I am restricted from speaking. I am speaking as an individual only. The organization I work for has very strict rules about their employees speaking on certain matters, so I have to make it very clear I can only speak on part of that enforcement. The only part I can talk about is the Liquor Control Commission enforcement.

As I said, even if every Sunday we put two liquor inspectors out on the road for the entire day, that still does not stop the problem of what happens for those off-sales, for those vendor sales, for the liquor store sales. They cannot

control what goes on in the homes, in the apartment blocks, in the public housing units in downtown Winnipeg.

They can control what goes on in the licensed premises, possibly, but I have always found that there is sort of a dichotomy with liquor enforcement, because here you have the Liquor Control Commission which makes its revenues from sales of liquor. On the other hand, if they reduce the sales of liquor they are doing themselves out of a job, and they have to maintain a relationship with these people. So I know enough about the liquor inspectors. They do a fine job. They try to do their best, but there is a conflict there amongst themselves.

I do not believe I will stop the bill. There has not been a big public outcry. I do not see thousands of speakers out here speaking against the bill, so the bill will go through. All I hope to accomplish here is two things, that I can make the case strong enough to worry enough people here on the Government side, in the Liquor Control Commission, that they will put the enforcement in as much as possible, that staff years will be freed up, that money will be put into the Budget for that.

I guess the other part—there is not much value in it—but when that woman is killed, when that girl is raped, history will show that I spoke out against it.

Mr. Chairperson: Thank you, Mr. Kowalski, for your presentation.

The next presenter is Mr. Jim Baker, President and CEO, Manitoba Hotel Association. Please proceed.

Mr. Jim Baker (President and Chief Executive Officer, Manitoba Hotel Association): There are two pieces that are being distributed. One is a summary with some attachments, some graphs, and the other is the text that I will go through.

Thank you for the opportunity for presenting tonight. We think this is an important amendment to the act, and it is an important piece of legislation. By way of background, the Manitoba

Hotel Association is a voluntary, non-profit association formed in 1927 to enhance and protect the business interests of hotels in Manitoba. The association has 95 percent of the hotels in the province as members.

In April 2001, an economic impact study performed by KPMG on behalf of the Hotel Association of Canada highlighted the following Manitoba hotel economic impacts, and those are there for you to read. I would like to point out that those numbers do not include \$160 million of off-premise beer sales and approximately \$150 million of VLT total revenue generated at Manitoba hotels. It is significant to note that Manitoba hotels account for 89 percent of all beer products sold in the province and 38 percent of all liquor products. In addition, these hotels recycle 91 percent of all beer bottles and 70 percent of all beer cans. So, obviously, the hotel structure is in partnership with the Liquor Commission in a major way.

The Manitoba Hotel Association congratulates the Government on moving forward on a much-needed overhaul of The Liquor Control Act. Unfortunately, the proposed amendments do not address all of the 44 recommendations that came out of the public review of The Liquor Control Act. The Hotel Association attended all of the public hearings throughout Manitoba that were part of that review and made both written and oral presentations.

The Hotel Association supports the Government's announced commitment to making tourism one of Manitoba's premier industries. Hotels thrive on tourism, and without hotels tourism would wane. It is vitally important to the hotel industry that the acts and regulations that govern our business operations permit us to compete on an equal footing with our neighbouring states and provinces and that hotels can compete fairly with government-operated businesses such as casinos and liquor stores.

The amendments included in Bill 24 will enable hotels to move closer toward our goals of fair and reasonable competitive regulations and laws. However, further improvements can be made and future changes are expected. The ability for hotels to offer a competitive

entertainment package for tourists in terms of our neighbouring provinces and states has fallen short by a lack of action on permitting VLT operations on Sunday although casinos operate from noon till 3 a.m. on Sunday. The Hotel Association realizes that VLT operations are not regulated by The Liquor Control Act and will deal with the appropriate ministry in that regard.

Specifically to Bill 24, hours of sale, Bill 24 proposes a standardization of hours from Monday through Saturday from 9 a.m. to 2 a.m. for all classes of licences. However, on Sunday, the standardization is not complete. The attachment to the summary is a summary of all the classes of licences, and you will see the closing hours on that table. Beverage rooms and cabarets would open an hour later and are to be closed at 12 midnight whereas the other competing licences already have a 2 a.m. close. Our recommendation is, in the interest of standardization and to match the business cycle of the two licence classes mentioned, that 2 a.m. become the standard closing for all days of the week. By business cycle, I mean, in a number of the establishments where entertainment is provided, it is clear that it is a later evening crowd, and if the crowd does not start till 10:30, obviously midnight is short.

* (19:30)

The section under Obligation of licensee, Bill 24 adds clauses 96(1)(e) and (f) dealing with intoxicated persons being supplied liquor by persons other than licensee and the responsibility of the licensee in regard to the intoxicated person remaining in possession of liquor. Hotel Association and its members accept the serious responsibility and penalties placed on licensees in regard to the service of alcohol. However, the same penalties should be placed on others in regard to these clauses.

The modern night club or bar is not the rigid sit-down-and-never-move establishment of the past. Today's consumer enjoys the socializing that comes with the flexibility that now exists in licensed establishments. This flexibility makes complying with these clauses at all times an onerous and, I would suggest, an impossible task. The MHA requests a review of these clauses and deferment until the entire act is rewritten.

The section under disorderly conduct: We believe the intent of 120(4), "No person shall be disorderly in or about licensed premises," is to extend the licensee's responsibility to include the parking areas and other areas on a hotel property. While the licensee can very effectively prevent entrance and remove disorderly patrons from licensed areas, surrounding areas provide a more difficult challenge. The Manitoba Hotel Association recommends that any penalties which the licensee might face in this regard should extend to the disorderly person as well.

The section on major offences: Bill 24 removes from the major offence section of the act any reference to a person under the age of 18 who may violate any section of the act. We believe this was done in recognition of the fact that the courts view the minimum fine and the maximum fine as punishment not fitting the crime. In our submission to the public review of The Liquor Control Act, June of last year, we submitted, quote: the Manitoba Hotel Association recommends that sections 127(1) and 127(2) be changed to no longer apply to sections 121(1), 121(5) and 122(c). These sections should be moved to the general offence section as they deal with the sale to a minor, possession or consumption by a minor and assisting and causing drunkenness. The offences by corporation should relate specifically to the address of the infraction. In other words, the second offence provision should relate to the same property not to two different properties operated by that corporation.

The major offence section is directed to offences such as smuggling and bootlegging, not the type of offences cited. Including these sections in the major offence section places penalties that are unduly onerous on hotel operators. The punishment does not suit the crime. The Manitoba Hotel Association further recommends that penalties to the individual be reviewed in terms of reasonableness. That is the end of that quote from our presentation.

We request the committee to consider this recommendation. Mr. Chair, then there is just the attachments with the hours of opening and closing and an attachment that shows back in 1991 the number of licences that are open on Sunday and the fact that there are 320 beverage

rooms and cabarets that are not open on Sundays. That is my presentation.

Mr. Chairperson: Thank you, Mr. Baker.

Mr. Smith: Thank you very much, Mr. Baker, for a very good presentation. The beverage rooms and hotels that you represent, would a large number of them be in the city of Winnipeg, or is the largest percentage outside the city of Winnipeg?

Floor Comment: Approximately one-third—

Mr. Chairperson: Sorry, Mr. Baker, I need to recognize you every time.

Mr. Baker: There are 93 hotels in Winnipeg, and the remainder are outside the Perimeter.

Mr. Smith: Mr. Baker, we have heard a presentation regarding inspections of facilities. Certainly, as someone who represents the beverage rooms in the hotels in Manitoba, I know there has been information provided to me that Manitoba has the highest amount of inspections per hotel anywhere in Canada right now. Yet people are identifying, or a few folks that presented identify, the possibility that more inspections might be the avenue that might be pursued regarding some of the problems they mentioned. Do you see that as an area the Government could look at as providing more inspections?

Mr. Baker: The area of inspection is one that the hotel industry is very knowledgeable of, of course. I am sure that if you talked to certain proprietors, they would say that there is an excess of inspection. The thing that perhaps is missing in this is that the inspectors not only inspect for infractions, but they also provide education and service.

In the last two years that I have been in this position, I find that the inspection staff concentrate on the improvement in service more than the conviction and such. We have identified some areas in the previous presentation to the public hearing, where we think inspection services should be strengthened, specifically in the area of occasional permits. That is an area where we feel that underage minors being served

underage and over service are probably more prominent than in licensed establishments.

Inspection of that naturally is important. The industry is one that has to do with judgment. People have to use judgment to determine if a person is intoxicated. There is no measurement to determine if a person is intoxicated. It is clearly a judgment call. The inspectors also have to use their judgment. From time to time there is a dispute as to that judgment. There is a vehicle for hearing those disputes.

Specifically, should there be more inspections? I do not think so. I think that inspection services have had long experience. I believe the statistic that there is probably the highest number of inspections in this province. My experience with other provinces, when I have travelled the country—there are different roles that the inspection services play. I do not think there is a need for additional inspections.

I think, when you look at the amendments, there certainly are teeth there. We have no problem with our members. If our members fall out of line, they are responsible, and they have to be held accountable.

Mr. Chairperson: Anyone else? Thank you, Mr. Baker. The next presenter is Mr. Ledohowski, President and CEO of Canad Corp. Please proceed.

Mr. Leo Ledohowski (President and Chief Executive Officer, Canad Corp): Can I just wait a second? We shall be referring to the handout a little bit. Okay.

In the first part of my handout, I have given a background, or sort of an overview, of what Canad Corporation is as far as a serving of licensed beverage products. I have done that for a reason, to provide a context to which I can refer and to provide an example.

We are by far the largest purveyor of licensed beverages in Manitoba. We have eight dining rooms, with 3488 licensed seats. We have seven cocktail lounges with 1649 licensed seats. We have seven beverage rooms with 4047 licensed seats. We have five cabarets with 2414 licensed seats. We have 36 banquet and meeting

rooms with 2223 licensed seats, for a total of 13 591 seats that are licensed, unless I have made a mistake in my addition or purview or viewing their licence, but if I have, the error will be small.

What I have done is taken these and I have put them by location. So, for example, licensed dining rooms, we have got seven hotels and I have put what size is in each hotel. I have done that for a reason because I will be referring to it. As you can tell, with seven locations, obviously each location is fairly large and has multiple licences.

* (19:40)

Now, specifically, to the changes that are coming forth, I will deal firstly with Sunday openings and standardization. I sort of applaud what is being done here in the sense of standardization. The current competitive licence environment is you have dining rooms and the attached banquet halls; you have cocktail lounges, cabarets, beverage rooms and sports facilities. We are sort of in the competitive environment. There are private clubs, et cetera, but I do not perceive them as being part of the competitive milieu of what exists now.

Currently, basically, all can operate on Sundays with the exception of beverage rooms and some restrictions on cabarets. So there has been Sunday service. My understanding is, now, that the proposed changes would change that to the extent that everybody would be open on Sundays so we would be extending Sunday opening to beverage rooms and extending Sunday hours in cabarets.

The problem is that not all of them will be having the same hours. There is a contradiction in trying to do a standardization, which we have sort of done by moving opening hours, for example, in cabarets from four o'clock to nine in the morning and cocktail lounges from eleven to nine in the morning, which is basically sort of the possible starting hours of beverage rooms. It causes a shift between the different categories of licences in the competitive environment, and then that is somewhat redressed by allowing beverage rooms to be open on Sunday, which they were not. However, then you reintroduce

sort of a discrimination and a confusion by saying that everybody else can be open till two o'clock on Sunday morning, except for beverage rooms and cabarets. So, if we are going to standardize, let us standardize, please.

One of the reasons I gave the list of the operations I have is if you look at each one of them, you will find, for example, Windsor Park Inn. We have a cabaret; we have a cocktail lounge; we have a beverage room; we have banquet halls; we have a licensed dining room. Well, this one can be open; this one can be open, but this one cannot be open. This one should be open; this one should not be open. That creates a problem from an operational point of view, although we can handle that problem. But from a consumer point of view, like at a certain time, I have to tell someone, well, you get out of this room. Well, where do we go? Well, you can go into that room. To me, I think it is a mistake. If we are standardizing, let us standardize. If we are opening Sundays, let us open Sundays.

You have gone a long way to correct the problems with these proposed changes. I do not understand why we then come to this step, and we kind of re-introduce a confusion. Not only do we have a problem within a specific hotel, then you are going to get also a certain amount of chasing of bars at closing time. I do not mean necessarily in our places. Different places do not have multiplicity of licences. If you have a beverage room that closes midnights, but down the road there is a lounge that does not, people quickly jump in the car and run down to the lounge, if they are so inclined, to keep on in their socializing.

Anyway, my solution to this is very simple: make it all the same. It eases up, from our operating point of view. I think it makes it simple from the consumer point of view. I think it makes it simple from the inspections' point of view. They come to the Windsor Park or Garden City or anyone of my hotels and, well, you got to remember which licence is which because this one should be open, this one should not be open when they come and do an inspection. So I think it is a fairly straightforward solution. I do not understand the reason to reintroduce a variation of this sort. I think it is competitively unfair between the different classes that compete with

each other. I do not see the logic to it, although I am sure there was some that I do not understand. I think it is an error and the solution, I think, would be to standardize.

I also have another category that I would like addressed, and this is something that really is not in your act and, I think, should be in the act. There is a continuous emphasis upon the responsibility of licensees to maintain order in and, now, about the premises, which is fine. I think that is an obligation that goes with this. However, it seems patently sort of unfair, in one sense, to keep giving us more and more responsibility but then not giving us the tools with which to do this.

One of the major problems we have is that we can bar people, we can give them a police bar. We can give them a written bar by a lawyer, but really there is not too much teeth behind it. We generally will do it from our lawyer, and we have a form so that the person receiving it perceives more weight than there is. But in all practical matters, if somebody chooses to ignore it, there is not much that can be done. We call the police, and one that they often will use is a common notice on The Petty Trespasses Act, a \$25 fine. So if somebody is a turkey, what does he care?

It is not a large majority of the people. For example, our firm this year will go through about 5.6 million customers. So if you have 1 in 10 000 that misbehaves, you know, it is a few people that we have to handle, maybe one tenth of 101 percent. It is still a few people in a year's time that we have to cope with.

Sometimes, the police will lay under sections of The Liquor Control Act—and I believe I have them correctly there in section 96(2), request to leave and then there is ejection. I believe I have stated them correctly, but they also do not have much penalty. It makes it a little bit harder for us to control. When I read about, for example, the Hell's Angels moving into town and stuff and I can foresee perhaps a small segment being a little harder to control.

I would like us to do, and I would like the Government to do and make this part of The

Liquor Control Act, what was done in October 1995 under The Public Schools Amendment Act. They had problems with undesirable people hanging around schools. We are all concerned about that. So there was an amendment to the act, and basically if they were barred from the premises, they could be fined up to \$5,000. That gave, then, the school principals and school administrators some control over the premises with some teeth.

My analysis and my discussions with the police department is that this has been a very beneficial piece of legislation that allowed school administrations, school principals to get better control of their school yards. So, if you have certain people who have certain tendencies, they would not hang around and would not cause problems, whether it was an elderly person who wants to prey on children or somebody who had been expelled from school and was a trouble-maker. It was hard to do anything with them. This was a nice piece of legislation.

I would suggest that we amend, and I have 96(1)(b) of The Liquor Control Act to do something like that—but the specific terminology or sections I am hoping I am doing that correctly. But my sense is that we should have The Liquor Control Act amended so if somebody is barred, and if you want to limit it to a written bar not just a verbal one, one that is delivered by the police or by our lawyers so it has to be somebody who is seriously a problem, whether it is a drug dealer, and every once in a while in society we do have these people, unfortunately. But once they have been served that, the first violation should be \$500 minimum, make it \$1,000. I chose \$500, something that bites but is not crippling, and so \$500 minimum to a maximum of \$5,000. Let the judges have the discretion but at least give us something that we can work with to exercise and fulfil our responsibilities a little bit better, especially now that your amendments to the act are such that we have to maintain order, not only in the premises but in and about the premises. You can be having people in the parking lots, et cetera, that are a problem, and something like this would go a long way to solving the problem.

The final point I want to make and the area I want to address is the unlawful sale to minors or

intoxicated people. I have a major problem with the way the act currently reads. One of the previous amendments, not too long ago, if you served somebody that was intoxicated, and if you did it sort of innocently sometimes it is hard to tell if somebody is, or perhaps somebody else has brought them some drinks—in our bars there are free standing bars and socialization. Most people get their own products. They socialize, they flow, they walk. I know we have a responsibility not to be serving intoxicated people or to excess intoxication. These are judgment calls.

The same thing applies sometimes with minors. You can have people—a guy can be 17 years old and have a full beard and a false ID and we check them, and they are good on the IDs, and we have a dozen tricks to catch these people. I mean, there are things you do with the serial numbers and driver's licences, the way they add up, the way they do not add, and we have good experienced people. We have a training program. We have Mr. George Pike, a retired police superintendent, in charge of our security division. He was a police superintendent for 30 years.

* (19:50)

We have good systems in place, and I think we do very well. Do we do perfectly? No. That is what frightens me, because we could be having a 99.99 percent efficiency in detecting underage people—intoxication—yet the way the law is written now, it is a major offence if an inspector comes in and sees that this has happened. Major offences used to be for something serious. I am not suggesting that serving underage is not serious, but innocently, after you have gone through the process, is not of the same venue as being a bootlegger or smuggling booze in from the States because the prices are less. So that creates a problem.

Now I understand in these current proposed amendments, the major offence-type of category also applied to individuals, but the courts by and large have deemed that to be so onerous that they have not applied it. So I understand that now that is being changed for individuals that come in. But it is still staying for corporations.

Now that is a real problem in the sense of equity, and it is also a real problem for a firm such as ours. If you look at the list I gave you at the beginning here, we will have multiplicity of licences in one place. A corporation has just a ton of licences, you know, 14 000 seats.

The way the act is written, you would think with the sheer volume of activity and the number of licences, the penalty is the same for that hotel which may have four or five licences and they go through 800 000 people a year. As for the cocktail lounge down the street, where they have a 100-seat restaurant and a 50-seat cocktail lounge, first offence is up to \$20,000, the second one is a minimum of \$5,000. Well, there is a certain sense of inequity. I can be 10 times as efficient, 100 times as efficient as a 50-seat cocktail lounge. If I have two offences in 5 years or 10 years and he has one offence in a year, we may be dozens of times more efficient.

My recommendation is to take this out of the section of major offences, and put it under the general offence section. I think if it is perceived by the licence department that there are some places that deliberately violate laws—and I think there should be a way to handle that—but just to tar all of us in an operation such as ours in that way and to expose that kind of possibility. I mean, just think in terms of if you have all your places in one corporation, and you have a multiplicity of licences, just the sheer unfairness and inequity of comparing 20 licences with millions of people of operation, to some place that has one licence and just saying if they are allowed one mistake you are allowed one mistake. There is a certain inequity. So my solution to that would be to take it out of the major offences, put it in the general offences. I believe there are the tools there now to handle the places that just sort of blatantly violate and do not listen to the laws, and you have always got suspensions, there are always things that can be done. Anyway, that would be my recommendation.

In closing, I must say I have studied the business quite a bit across the country, and we are the largest in Manitoba. I studied a lot. I think we have a very good system here, and I think some of the changes being made here are good and some of the changes I am suggesting, I

perceive them more as tinkering around the edges of a very good system that satisfies the public. It works well for licensees. It does not discourage investments. I believe that sort of closes what I have to say. Thank you.

Mr. Chairperson: Thank you, Mr. Ledohowski.

Mr. Smith: Mr. Ledohowski, a very good presentation. Very knowledgeable. Obviously, your business is a large business, and you mention some of the impacts that are possible on volume dealing. Speaking of volume, it certainly is a consideration. Part of this legislation, certainly, does identify and add to the defence section of world identification of keeping minors out of the bars, so I can see an impact on a large corporation with the large volume that you have.

Initially you started with the standardized hours, you said were positive, the Monday to Saturday to standardize the hours. On Sunday, just so I am clear, you had mentioned—I heard that basically the legislation does not go far enough, the hours are not standardized with the rest of the six days of the week. That was a major opposition on the Sunday for beverage rooms. You would like to see, or you seem to be saying that you would like to see it standardized seven days of the week, sort of the 9 to 2, as with the rest of the week. That is just the first part. Just so I am clear, you mentioned 96(1)(b). You had said that on expelling—and I believe barred and expelled are the same things. When someone is barred from the establishment, they are expelled and out of the establishment, is that what you had meant?

You had spoken of putting some teeth into that act and some greater consequences, so that is what you were speaking of when you are not allowing someone into your establishment, and they keep coming back. You would like to see some greater teeth on that person, on the infraction, to be charged, to keep them away from the establishment. So the "barred" means expelling them, and you would like to see greater teeth in that end?

Mr. Ledohowski: Firstly, with regards to standardization of hours. There are the five categories of licences, and they all have certain rights and responsibilities. By allowing an

increase in hours, for example, to cabarets and lounges with the idea of standardizing Monday through Saturday, it does make a bit of a shift between the different classes.

We have all the classes so I recognize the shifts. Some of that would be redressed by allowing Sunday openings for beverage rooms, so some of the advantages that are lost during the week would be picked up on Sunday. I like the standardization. Some of the redress then misses by introducing non-standardization for Sundays. So it does a couple of things. I do not think it addresses the economic shifts between them fairly, and secondly, I think it causes confusion within operations such as ours, where certain rooms can be closed, certain rooms cannot be or cannot be open, and thirdly, I think it causes a problem in running around between places. Okay?

Getting on to the second part of your question with regards to putting in more teeth. I am looking at something fairly serious. It is more than just sort of barring somebody. Somebody has had too much to drink so you leave, you are done. I am talking, when we have gone to the next stage and served them an official notice through the police department. There is a process of barring people. The repeat trouble people, a drug pusher, okay? I can foresee scenarios where I am painting ahead. I hear about people like Hell's Angels moving into town. If they want to try to establish and move things in the parking lots, we want to be able to have some teeth to be able to handle it.

In looking through what solutions there could be, obviously as individuals we cannot have arbitrary powers and stuff. The one that I liked in our research was what had been done for the schools, because they were having precisely that type of problem. In '95, I believe, there was an act passed which then gave the principals some control, because there were certain people that preyed upon children and they would hang around. Unless you had a way of getting them out, you almost had to have continuous supervision of the children. Then there were the problems with some really bad renegades that got expelled from schools that would just still hang around, so I liked that solution. It seemed to be a reasonable one. It also seemed to be one that

stood the test of time and I think has been effective from my feedback from the school situation.

I do not have any illusions that it solves everything, but it is something that has been tried. It has been done and just duplicated into The Liquor Control Act, literally duplicated with some obviously minor modifications to suit. I think it is an excellent solution, and it helps us fulfill our responsibilities a lot better. We have the responsibility to maintain this, but you cannot do it properly if your hands are tied behind your back.

* (20:00)

Mr. Chairperson: Thank you, Mr. Ledohowski, for your presentation. Is there anyone else in the room who wishes to make a presentation? Oh, we have another question, very brief, Mr. Laurendeau.

Mr. Laurendeau: Mr. Ledohowski, when you are talking about the \$20,000 fine for the first offence, and then \$5,000 for the second offence, where did you find in the legislation that it was against the corporation as a whole and not your individual licensees within your establishments?

Mr. Ledohowski: I am sorry. I believe that is the way it is written in the actual Liquor Control Act, that for a corporation, and Mr. Baker has a section.

Floor Comment: Under 127(2)–

Mr. Chairperson: Sorry, I need to recognize you too, Mr. Baker. Is there leave for Mr. Baker to speak again? Agreed? *[Agreed]*

Mr. Baker: This is under "Major offences by corporations 127(2). (a) In the case of a first offence to a fine of not less than \$1,000 and not more than \$20,000, and (b) in the case of a second or subsequent offence, to a fine of not less than \$5,000."

Floor Comment: And the section is Major offences by corporations. All our businesses are–

Mr. Chairperson: Sorry. Mr. Ledohowski is speaking now.

Mr. Ledohowski: Sorry. It is section 127. The title is Major offences by corporations, which, by definition, then applies to, I guess, 99.9 per cent of us who conduct our businesses as corporations rather than individuals.

Mr. Laurendeau: So you are saying that you fall under that category, and you do not like that \$20,000 hit because it goes \$20,000 each time. Is that the way it works, or is it one twenty and then all fives?

Mr. Smith: No, it is 1000.

Mr. Laurendeau: I am still confused. Can you explain that to me one more time? If Mr. Ledohowski could explain that to me one more time, I would really like to catch the drift of this one. Even though it is written right here, I am just–

Mr. Ledohowski: The first offence is a minimum of 1000, maximum of 20 000. The second and subsequent offence, a minimum of 5000, maximum of 20, I believe. It does not say what the maximum is. I assume it is 20. No, it is not. There is no maximum after the second offence. So the first time, it is 1000, maximum 20; second time, minimum 5000, no max. It could be 100, could be a million. I guess a judge would decide.

Mr. Laurendeau: Now, if I understand you, Mr. Ledohowski, you are saying that this should go against each individual licence, not against the corporation.

Mr. Ledohowski: There are two inequities here, okay? There are two inequities here: No. 1, if you are innocently violating something, trying to do your best and in fact have good procedures, this is a penalty that has generally been applied, a major offence penalty, to serious things like bootlegging, importing alcohol, you know, illegally, et cetera. That is the first sort of unfairness of it. The second part is when you have large places like we have, or companies that have a multiplicity of licences by same corporation. One corporation can have 20 licences, versus a cocktail lounge down the road that has one licence.

Now the probability with 20 licences and millions of people, of customers, the probability of making an error is much more than a 50-seat lounge that maybe does 2000 or 3000 people a year. So that individual has a violation, that penalty and then the corporation has a violation. There is a basic inequity on that element as well. There is just an unfairness. So, at minimum, it should be per licence, not per corporation. It should not even be per hotel, because if you have large hotels with a number of multiplicity of licences, there should be inequity on two parts.

Fundamentally, I do not think this should be under this segment. I do not think it should be under major offences unless you are deliberately violating the laws and you have an underage booze can. Then, God Lordy, throw the book at them. Close them. There is no excuse for that.

But, if somebody comes in, a guy or a girl, or you take a guy that is 17 years old and he is 230 pounds. He has a big beard on him; he has muscles on him; he has an ID coming out of the ying yang. You have checked him; you have checked three pieces of ID. You have done everything. Then it turns out that he is 17 years and 10 months and you make this mistake, and you can get fined up to \$20,000 for the first offence, and, God Lordy, if in the next five years you make the mistake again, because there is no time limit for the second offence, it is not like you—there is a basic inequity and unfairness in this and I really think that when there are major and deliberate violations of the law, throw the book at him. But for people and most of us, my competitors and myself, we do a very good job, I think, in trying to control and do this well. I know our firm is. We have spent a lot of money and we have good personnel and we have good training programs and I think this is just an unfair provision.

Mr. Chairperson: We have reached our time limit. Is there leave for Mr. Laurendeau to ask another question? *[Agreed]*

Mr. Laurendeau: Thank you, Mr. Chair. Mr. Ledohowski, I think I understand that portion of it now. You spoke about there being basically no comeback on it. There is no time for it ever to expire. On a driver's licence if you get 10 tickets,

after a period of time you work your way back to the merits. Within this system, there is no way to build back your merits or to build back your credibility over any period of time. Are you saying that you would like to see a system where you build back your merits so you end up back at that other category after a period of time?

Mr. Ledohowski: My first choice is take it out of major offences and put it where it belongs. If it is going to stay here, at least modify it so if you make a mistake this year and if you are clean, I mean 10 years down the road you could make another mistake. You know, you are a corporation. So unless you start getting into the process of changing companies for ownership, that corporation, there are no merits that you earn for good behaviour.

Mr. Chairperson: Is there leave for the minister to ask a question? *[Agreed]*

Mr. Smith: Just so I am clear—both Mr. Laurendeau and I are struggling with this. The first offence that you mentioned, the \$1,000 to \$20,000, and then the secondary offence, \$5,000 minimum and ceiling, you are talking about a piece in the act that we have not dealt with, that was in there prior, that this legislation is not changing to garnish this offence. This has been in the act for a number of years. You would just like to see that section altered in a way, but it is not something that is being brought in currently by the legislative changes we are doing.

Mr. Ledohowski: No, that is not quite correct because 127 is being changed, because you have removed it for the individual. Okay? In another part of your amendments, you are giving an additional responsibility. It used to be we had to maintain order in the premises; now it is in and about the premises. So it is through that window, or because of that, that I thought that perhaps—I mean you are changing 127. I am saying change the rest of it.

Mr. Laurendeau: Which sections of the act are you specifically referring to, Mr. Ledohowski?

Mr. Ledohowski: Section 127(1), Major offences by persons, is being modified now, according to my understanding. I am suggesting that 127(2) should also be modified. That is

Major offences by corporations, and for the reasons that I have outlined.

Mr. Chairperson: Thank you, Mr. Ledohowski, for your—oh, I see another hand up. Is there leave for Mrs. Smith, Fort Garry, to ask a question? *[Agreed]*

Mrs. Smith: Thank you. I will just ask a quick question. I think you have presented some very common-sense suggestions in this piece of legislation. But one thing, as you were talking, I was thinking about: if that particular section is not amended as you suggested, you are a big organization, I was particularly appreciative of the fact of the ID factor because I think many times there are people that can look much older than they are and have the correct ID.

In your opinion, do you think that the smaller organizations could, hypothetically, lose their business if they did have a situation where a lot of young people under age were going in, but they are accepting the ID because they thought, in all sincerity, that these people were of age? I am thinking that that argument does have some merit, because \$20,000 for a first offence seems extremely strong.

I just wondered what your professional opinion was in that area.

Mr. Ledohowski: Well, yes, obviously, I mean, if somebody on the first offence, a small cocktail lounge or a smaller facility or somebody that is stretched—I mean, if they got nailed 20 grand, it is a lot of money. It would depend upon the circumstances, but God forbid that should

happen the second or third time, two or three years later or five years later. Then a judge may feel his hands are tied and impose a \$50,000 fine. I think there are some real inherent dangers

Mr. Chairperson: Thank you for your presentation.

Is there anyone else who wishes to present? Hearing none, unless Mr. Rattray is here, he will be allowed to present on Monday morning.

Is it the will of the committee to proceed with detailed clause-by-clause consideration of Bill 24?

An Honourable Member: We will do that on Monday.

Mr. Chairperson: We will do that Monday morning.

Just a reminder that the Standing Committee on Law Amendments will be meeting on Monday morning at 10 a.m. to proceed with detailed clause-by-clause consideration of Bill 24.

The meeting will be held in Room 254, and Mr. Rattray will be heard if he is present.

What is the will of the committee?

Some Honourable Members: Committee rise.

Mr. Chairperson: Committee rise.

COMMITTEE ROSE AT: 8:09 p.m.