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of the

Legislative Assembly of Manitoba

Standing Committee
on
Public Utilities
and
Natural Resources

Chairperson
Mr. Gerry McAlpine
Constituency of Sturgeon Creek



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MANITOBA LEGISLATIVE ASSEMBLY
Thirty-Sixth Legislature

Member	Constituency	Political Affiliation
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BARRETT, Becky	Wellington	N.D.P.
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HELWER, Edward	Gimli	P.C.
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KOWALSKI, Gary	The Maples	Lib.
LAMOUREUX, Kevin	Inkster	Lib.
LATHLIN, Oscar	The Pas	N.D.P.
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PRAZNIK, Darren, Hon.	Lac du Bonnet	P.C.
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LEGISLATIVE ASSEMBLY OF MANITOBA

THE STANDING COMMITTEE ON PUBLIC UTILITIES AND NATURAL RESOURCES

Thursday, May 22, 1997

TIME – 10 a.m.

did she wish to introduce the officials in attendance from the Manitoba Liquor Control Commission?

LOCATION – Winnipeg, Manitoba**CHAIRPERSON – Mr. Gerry McAlpine (Sturgeon Creek)**

Hon. Rosemary Vodrey (Minister charged with the administration of The Liquor Control Act): Thank you very much, Mr. Chair. I do have an opening statement which I will begin with, and then I will provide an introduction to the members of the MLCC who are here this morning.

VICE-CHAIRPERSON – Mr. Denis Rocan (Gladstone)**ATTENDANCE - 9 – QUORUM - 6***Members of the Committee present:*

Hon. Mrs. Vodrey

Messrs. Ashton, Dyck, Helwer, Lathlin, McAlpine, Rocan, Tweed, Lamoureux

On behalf of the Manitoba Liquor Control Commission, it is my pleasure to introduce the commission's annual report for the year ending March 31, 1996.

The commission's mission is to be a customer-oriented organization which provides services to the public and revenues to the province through the effective purchase and regulated sale of quality beverage alcohol. While doing this, it strives to constantly exceed the expectations of its customers.

APPEARING:

Mr. Ian Wright, President and Chief Executive Officer, Manitoba Liquor Control Commission

Mr. Grant Holmes, Chairman, Board of Commissioners, Manitoba Liquor Control Commission

Some of the highlights of its operation in the fiscal year 1996 were, first of all, a profit of \$142.7 million, which was up over \$600,000 from the previous year. Six liquor stores, four in Winnipeg, one in Dauphin, and one in Brandon, that is included in the total of six, were either enlarged or renovated to enhance the customer's shopping experience with improved layouts and the addition of better facilities and modern retailing facilities. A new purchasing and freight management system was installed to enhance efficiency and effectiveness and supply chain management.

MATTERS UNDER DISCUSSION:

March 31, 1996, Annual Report of the Manitoba Liquor Control Commission

Mr. Chairperson: Order, please. Will the Standing Committee on Public Utilities and Natural Resources please come to order.

Based on enthusiastic feedback from Liquor Mart customers, three additional product consultants were hired, bringing the total to 15 in the system. In rural areas, commission franchises or liquor vendors were encouraged to pick up product through liquor stores. This enabled them to offer a larger selection to their customers while providing them valuable information about sales trends.

This morning, the committee will be considering the Annual Report of the Manitoba Liquor Control Commission for the year ended March 31, 1996. Does the minister responsible have an opening statement, and

Three small rural stores in Winnipegosis, Rivers and Morris were converted to liquor vendors enhancing service to the public through longer operating hours.

The commission is continuing its socially responsible behaviour by placing an emphasis on education. Educating the public and its employees of the products available, education on the responsibilities of licence and permit holders, social responsibilities, and the upgrading of employees' skills have all made the Manitoba Liquor Control Commission a leader in socially responsible behaviour in Canada.

* (1010)

Some examples of our educating the public and our employees are inspectors promoted the Ride Dry program, distributing posters to all rural hoteliers and discussed concerns about drinking and snowmobiling. We also participated in Operation Red Nose. Also, the first issue of the now popular licensing newsletter was released to all licensees to keep them informed of the changes in regulations regarding operations. A number of pamphlets and brochures were developed to assist potential licensees and existing operators to understand the licensing process.

As Minister responsible for the Manitoba Liquor Control Commission, I look forward to working with the MLCC while it strives to provide excellent customer service, provide a safe and healthy environment for its employees through participation, education and training, and to regulate the responsible purchase, sale and consumption of beverage alcohol.

Mr. Chair, with those opening remarks, I will just introduce Mr. Grant Holmes, who is the Chairperson of the Board of Commissioners; Maureen Spier, who is the Manager of Inspections; Mr. Al Ahoff, who is the Vice-President of Finance; Mr. Roman Zubach, who is the Vice-President of Human Resources; Don Lussier, who is the Vice-President of Marketing and Purchasing; and this is Mr. Ian Wright at the table, who is the now President and CEO.

Mr. Chair, I am not sure if my colleagues from the opposition have opening statements but, following that, maybe the chair of the board of commissioners could make a couple of remarks as well.

Mr. Chairperson: Does the critic for the official opposition, the honourable member for Thompson (Mr. Ashton), have an opening statement?

Mr. Steve Ashton (Thompson): I do, but if there is further presentation from staff of the commission, perhaps I will defer and then make my statement after that.

Mrs. Vodrey: I thank the honourable member for that. I would like to ask Mr. Grant Holmes, who is the Chairperson of the Board of Commissioners, to make a couple of opening remarks.

Mr. Grant Holmes (Chairman, Board of Commissioners, Manitoba Liquor Control Commission): My opening remarks are simply an introduction of our new president and CEO, who joined the commission in December.

Mr. Wright was the unanimous choice of the board's search committee, which worked together with a private consultant beginning in July. We reviewed some 70 applicants for the position. Mr. Wright, as I indicated before, was certainly the unanimous decision of the board, and we welcomed Mr. Wright to join the commission in December.

Mr. Chairperson: I thank Mr. Holmes for those comments. The honourable member for Thompson, do you wish to make an opening statement?

Mr. Ashton: Yes, Mr. Chairperson, I want to first of all thank the minister for her opening comments. I want to indicate I will be asking a number of questions about the Liquor Control Commission. One of them, of course—and I hate to have to keep asking these questions with our Crown corporations, but after what happened with MTS last year—it will be to what degree this government will be continuing with its agenda of privatization. We have already seen in the case of private wine stores that there has been an element of privatization introduced. So I will be asking for some clear statements on the intention of the government in terms of the Liquor Control Commission.

I want to state, of course, on the record that we are absolutely, fundamentally opposed to the privatization of the Liquor Commission, and I think the experience

in Alberta is a good example of why not to privatize the Liquor Control Commission. I mean, consumers in that province have been faced with higher prices. There have been more problems with supervising underage purchases of alcohol. That was confirmed by Edmonton Police statistics. Generally, it has proven to be, I believe, a disaster in terms of public policy and another example of how a blind application of a right-wing ideology has not served the public interest. I note that there has been a fair amount of open discussion in Ontario about privatization of the equivalent of the Liquor Commission—New Brunswick.

I also note that the previous CEO of the Liquor Control Commission was, I think, a strong proponent of public ownership of the system of liquor distribution in this province, and I do want to indicate I will be asking some questions about what happened with the changeover to the Liquor Control Commission. I want to put on the record, by the way, a commendation to the efforts that Mr. Smith put in over the years. I believe we are talking about someone who is in the fine tradition of public servants, who, at the same time, I think, ran a very efficient system. I would note that I made a number of comments on the record the last committee hearing indicating my view that the Liquor Commission is generally well run. That is not saying that there are not areas that can be improved—there are with any operation—but I think a large part of that credit does go to him as well, and I want to put that on the record. I will be asking some questions in terms of that.

I also want to deal with some issues related to alcohol consumption, and I want to note that concerns were raised at the last committee about some of the fairly flagrant abusers of the system, if you like—the handful of establishments in this province that seem to create 90 percent of the problems related to drinking. I note that Chief Cassels from the City of Winnipeg has made a number of comments about bars ignoring the rules and recommendations of increased inspection and increased suspension of licences, and I think it is fairly significant when you have the Chief of the City of Winnipeg Police indicating that. That, by the way, was as recently as November of 1996.

I get complaints in my own community; I get concerns expressed in Winnipeg. It comes down to that. I would note as well that concerns have been

expressed about the possibility that may worsen with the establishment of some of the so-called—I am trying to get the category correct. There is a new category that is in place to deal with these so-called sports facility bars, and I note, for example, that the hotel association and others who are in the industry have expressed concern that under the cover of being an athletic club, I believe, there is now a potential to apply for a liquor licence, and it seems very much oriented towards the liquor rather than the athletics.

I say that concerns me because I believe in this province that one of the things we have been able to do with some success has been in terms of achieving a balance between those that wish to consume alcohol and enjoy it and have some ability to do that, with reasonable restrictions, of course, but I think also balancing the other side of the equation. I am very concerned that there is a percentage of licensees and licensed establishments that create 90 percent of the problems. For example, we raised a question in the last committee in terms of regulation of liquor prices, and I find that is an ongoing problem again. It is no wonder we run into problems when you look at some of the pricing abilities that take place. I really believe that is an area that has to be addressed.

I will have some other questions, too. I know my colleague, the member for The Pas (Mr. Lathlin), will have some questions about the way in which, surprisingly, some well-connected Conservative owners of liquor facilities seem to have managed to be able to get licensed premises despite the opposition of the communities in their areas. In this case, we are referring to communities in northern Manitoba that were in absolute opposition to the licence. Just coincidentally, the owners of the facilities were strong Conservative supporters, well known to members opposite, and that concerns me, because I believe if there was any involvement, any lobbying of any member of the board on this issue, I believe that is not only just a question of the kind of political favouritism that we have seen from the Conservatives, I think it goes beyond that. I think if it is not illegal, it certainly is immoral.

When we are dealing with something that involves the Liquor Control Commission, the last thing you need is to have someone because of their political

connections getting a licence. I want to ask some questions about that, because it just strikes me as being very interesting that all of a sudden the ownership changed in these facilities and then they got a licence—and the owners just happened to be very well connected Conservatives. I say that because I believe that the Liquor Control Commission, one of its great advantages over the years, even with the usual appointment of individuals of political backgrounds, with the possible exception of the individual that sat on the board and pushed for the private wine stores, left the board before that was approved and ended up, coincidentally, getting one of those private wine stores—by the way, a former Tory candidate in Crescentwood. With that exception, I believe that the Liquor Control Commission has been able to keep politics and political connections and favouritism out of the picture. That is why I believe it is as well run as it is.

* (1020)

I know, by the way, that there have been efforts at times by Conservative supporters to sway the decisions of the Liquor Control Commission. I know from talking to people in the case of one of the recent new liquor stores, that there was a fair amount of lobbying that took place, and I congratulate the Liquor Control Commission for going with the site that was best for the Liquor Control Commission and the public and not being swayed by those that had a vested interest.

I think it is absolutely vital for the Liquor Control Commission to send the message, and particularly from the political appointees on the board, because you can be a Conservative representing the views of the Conservative government on the Liquor Commission, any Crown corporation, but it does not mean you have to follow into a political agenda, and many boards have done that. Many individuals have done that.

I have never criticized governments appointing people to Crown corporation boards who share a similar political philosophy to their own. Every party does it, and I do not believe that it is patronage in the worst sense of the word. I believe it is logical. Obviously, if you have a certain direction, you are going to appoint people of that view, but that does not give anybody the right to then turn around and use that appointment to favour someone with political

connections. We will be asking some very serious questions about this, because I believe what happened was absolutely unacceptable. I can tell you, and I know the member for The Pas (Mr. Lathlin) will be raising this again, that what happened was offensive to the communities that were involved, because they saw it for what it was. They saw a government, in this case the Liquor Control Commission, favouring people for political reasons and ignoring the community.

I want to stress that in northern Manitoba and First Nations communities the social balance involving licensed premises and the consumption of alcohol is a very serious issue. Many communities are dry communities. That is a choice made by those communities. I believe the Liquor Control Commission and the government should respect that, and I believe in the case of the licences that I am referring to, that was not done. So I will be raising those questions, Mr. Chairperson, and look forward to the response from the minister.

Mr. Chairperson: We thank the honourable member for those comments.

I am going to seek direction from the committee now in terms of how we are going to deal with the report. Is it the will of the committee to deal with this page by page or in its entirety?

Mr. Kevin Lamoureux (Inkster): Mr. Chairperson, I am not entirely sure—I do not know if it is required to have leave. I would like to give a few opening remarks, if at all possible. It would be appreciated.

Mr. Chairperson: Is there leave of the committee for the honourable member for Inkster to have some opening comments?

Mr. Ashton: I do not have any difficulty with that. I am just wondering if we can perhaps agree on the sitting times first, just so that we make sure we have enough time to deal with questions, because I was going to suggest that we assess it at about five to 12. If we can extend it slightly beyond that to finish the report off, I suggest we consider that, too, but I have quite a few detailed questions. I want to make sure that we do not have to come back for half an hour or an hour additional perhaps.

Mr. Chairperson: We thank the honourable member for Thompson for that. I would like to ask direction from the committee in terms of the matter with regard to the report. Are we going to deal with this in its entirety or page by page? What is the will of the committee?

Some Honourable Members: Entirety.

Mr. Chairperson: In its entirety? Agreed? [agreed]

In terms of the time that we will set, is there—

An Honourable Member: We are going to try for 12.

An Honourable Member: We will assess it just before 12.

Mr. Chairperson: Twelve o'clock. Is that agreed? Assess it at 12. Is that agreed? [agreed] We will assess it at 12.

The honourable member for Inkster, with opening comments.

Mr. Lamoureux: I appreciate being able to give a few opening comments. The minister and I, in Question Period, have had a chance to exchange some thoughts with respect to the brew pubs, and that is something which I was hoping to raise this morning. Ultimately, I believe that this has the potential to be a viable industry within the province of Manitoba, in particular, in the centre of Winnipeg around the core areas. The actual name escapes me right now—[interjection]—the Exchange, I thank the member—the Exchange District, where there have been some proposals. There have been individuals, in fact, that have expressed an interest of investment of millions of dollars, and it seems that there is a need to get some sort of changes. What has been implied to me is legislative changes, so I would be interested in hearing some comments with respect to that.

The other issue is what potential role the Liquor Commission can play in terms of the promotion of things such as micro breweries, getting locally brewed beer on the shelves for Manitobans to be purchasing. I was, as many members were, very disappointed when Molson decided to close down their plant, especially having seen Labatt, and one of their primary arguments

for closing it down was that they did not believe they had a large enough share in the market. I found that was unfortunate, and maybe there might have been some things had we been a little bit more aggressive in assisting Molson in retaining those jobs, because I do have some experience with marketing and the importance of where, for example, beer would be located in the store and how that would be promoted.

But, having said that, I do believe that the Liquor Commission can play a significant role in ensuring that micro brewers do get off the ground in the province of Manitoba where we have some bottling and local stuff brewed. It is done in other provinces. To the best of my knowledge, I believe there is something in Fort Garry, but that is more of a bulk. To the very best of my knowledge—and I admit I am not a beer drinker myself—I do believe there is beer that is brewed from Alberta that is brought into the province of Manitoba on a micro scale. There are some jobs that could be created if in fact we could somehow accommodate or at least promote that sort of business in the province.

With those few words, I know the member for Thompson has some questions he wants to put forward now. I would be more than happy to forward my thoughts on these issues as we get into the discussion.

Mr. Chairperson: I thank the honourable member for those comments. The committee will be dealing with the report of the Manitoba Liquor Commission for 1996 in its entirety. Shall the March 31, 1996, Annual Report of the Manitoba Liquor Control Commission pass?

Mr. Ashton: I want to ask the Minister responsible for the Liquor Control Commission whether she can assure Manitobans that there will be no privatization of the Manitoba Liquor Control Commission nor any partial privatization through the expansion of the private wine stores or any similar type of operation. Will she make that commitment to Manitobans in the committee today?

* (1030)

Mrs. Vodrey: The member asks a very big question, so I will attempt to answer it. This being my first year as minister in charge of this portfolio, I will do my best to answer his details.

First of all, there is not, to my knowledge, a plan to look at privatizing the MLCC. However, the member has noted that there are four private wine stores, and when the government moved to allow those private wine stores, they did agree that a study would be undertaken after about two-or-so years to examine how in fact they are working. So that is being undertaken at the moment, and we are simply following what was laid forward as a plan when these were put forward.

In a general sense, are we planning to move to privatization? The answer is, no, not to my knowledge. In terms of the private wine stores, at the moment we are undertaking, as we agreed we would do, an evaluation of how those private wine stores are functioning at the moment.

Mr. Ashton: Well, I appreciate the comments of the minister. I hope she will bear with me, because I have been through this with MTS, and I got similar assurances from the Minister responsible for MTS in September of 1995. I hope she has some greater success than the Minister responsible for MTS in making sure that her statement, which I take at face value, is an accurate statement, because I note in that case within a matter of weeks there was a group of stockbrokers appointed to look at the selling off of our phone system.

I want to ask the minister on those studies when those studies will be completed and when the minister will be in a position to give what I think is the appropriate announcement to the people of Manitoba that we will not be seeing further expansions of private wine stores because they do essentially take away from the business of the Liquor Control Commission itself. When will we find out the conclusion of those studies?

Mrs. Vodrey: The study is, at the moment, in progress. So I do not have a date at which I can say to the member I expect to have the results, other than to say at the moment they are in progress. Government would then have to consider what the results of those studies indicated.

So, at this point, I think, "in progress" is the best answer. In terms of an end date, I do not have that date for the member today.

Mr. Ashton: I would like to ask who is conducting the study.

Mrs. Vodrey: The study is being conducted internally by government through our internal audit.

Mr. Ashton: I just want to clarify "internally": within the commission itself, or is this through the Auditor's branch? I just want some clarification.

Mrs. Vodrey: No, not by the Liquor Commission itself, but by the Internal Audit part of government, by the Internal Audit section of government.

Mr. Ashton: What are the parameters of the study?

Mrs. Vodrey: The parameters are to determine if the wine stores are in fact achieving the objectives which were set out when they were in fact allowed to operate.

Mr. Ashton: I was wondering if I could get some clarification of what objectives. I mean, are we essentially looking here at whether they have reached their sales targets? Is this seeing if they had been viable in a commercial sense? Are we looking at any consideration of the impact of the wine stores on the Liquor Commission itself? Is there going to be any analysis of what would happen if there was a further expansion of wine stores? I was wondering if the minister could give us some sense of that—or staff, by the way. I realize that if it has been conducted, the staff may have that information in detail. So I have no difficulty if staff wishes to respond directly.

Mrs. Vodrey: I think this is one where perhaps I will ask the CEO, Mr. Wright, to provide a little bit more of the details since the MLCC has obviously been canvassed further and has some information as well.

Mr. Ian Wright (President and Chief Executive Officer, Manitoba Liquor Control Commission): Thank you. Yes, the objectives primarily were the objectives set out by the government in the first instance. They primarily had to do with making available more types and brands of wine to the consuming public than were made available through the Liquor Commission.

Also, the study will indicate whether or not the private wine stores are achieving the sales and other objectives as set out in their respective business plans.

Mr. Ashton: Will it be looking at the other side of the equation? I mean, if that is the analysis that is being conducted, I would refer to Alberta where you had major privatization take place and the experience in Alberta was that the selection probably went up, the price went up, and there was quite an impact, as I mentioned earlier, on some of the enforcement questions. Are any of those issues going to be looked at, including the impact of either the existing wine stores or potential expansion on the Liquor Commission itself? The elements you are referring to are essentially—I mean, it sounds like what the wine stores themselves would be looking at. It does not seem to be focused on the bigger picture.

Mrs. Vodrey: The study is, in fact, looking at the whole picture as the member has spoken about, and we expect to have some information regarding impact on the MLCC as well as the information which Mr. Wright spoke about in terms of the private wine stores.

Mr. Ashton: I am wondering whether it will make any recommendations whatsoever on the issue of whether there would be further expansions for the privatization of the Liquor Commission. Is that part of its mandate, or is it going to look then more at what has happened with these four and not go beyond that in any policy sense?

Mrs. Vodrey: It is always hard to hypothesize what might in fact be brought forward as a result of the study. I simply do not know if they will be making that kind of recommendation or if in fact the recommendation will simply assess the situation as it is now, and then government may have to look at that information and decide if there is any further decision making by government. My understanding is that is what we expect, that there will not be recommendations provided by the study but in fact simply the information which government then will have a look at the information provided.

Mr. Ashton: I would hope that would be the case because, by the sounds of the parameters of the review, I do not think it would have any authority to make

recommendations on the overall issue, largely because, unless you look at the whole picture and the impact not only on the Liquor Commission itself but also on those issues of the control side, there is the fact that when you talk about liquor we are not just talking about sales, we are also talking about control. I can, by the way, refer the minister to the fact that in Alberta, under privatization, since 1993, the number of minors obtaining liquor doubled because of the fact that the private facilities just simply either were not in the position of being able to enforce underage people not being able to purchase alcohol or did not want to, and that is quite significant. The incidence and numbers of adults supplying liquor to minors were almost doubled, going to 11 from six.

The bottom line is that the experience under privatization has been quite negative. So I would like to ask a further question to the minister, and that is will she commit that there will be no further changes on privatization, either partial or entire, without the minimum of that decision coming to this committee of the Legislature. I think that in a lot of ways we miss an opportunity, especially on liquor-related matters, which, I believe, should be nonpolitical, to have open discussion on that. Will she commit that she will not privatize any further portion of MLCC without bringing it to the Legislature, beginning with this committee?

* (1040)

Mrs. Vodrey: Mr. Chair, we are really dealing now with the second wave of hypotheses, which makes it very, very difficult to make that kind of commitment this morning. I think, by and large, that the member knows, when we are dealing with hypotheticals and then another hypothetical built onto that, it is not possible to make that commitment.

Mr. Chair, our government will receive the information which will be provided by the study when it is completed. Government will then examine that and then determine at that point whether or not there is a further decision to be made. If at that point there is a further decision to be made, then government will decide how they will go about making that decision. So we are really talking about something which is several steps down the road. I appreciate the member's comments, but at this point I think he understands that

he has posed really a hypothetical on a hypothetical and so on.

Mr. Ashton: Mr. Chairperson, I beg to differ. With this government's record on privatization and not telling the truth to the public, I think that the minister knows that virtually with any of the Crown corporations that we have, whether it be Manitoba Hydro or Liquor Control Commission, it is an obvious question. Your political cousins in Alberta and Ontario have been looking specifically at privatizing the liquor control commissions in those provinces. Alberta did it. Not only that, you already started the process of partial privatization with the private wine stores, and you are refusing at this committee to rule out further expansion.

It is not hypothetical; it is no more hypothetical than when I asked your government on MTS whether you were going to privatize MTS, and your government said no. I have words that I could use to express what that said about the government's respect for the truth, and I am not saying in this case anything other than—it is not a hypothetical. I am asking the minister: Will she commit there will be no further changes with the Manitoba Liquor Control Commission without that first being subject to public debate and bringing it to this Legislature, starting with this committee?

That is not a hypothetical; it is asking for a commitment from this minister. I am not saying you are on the verge of privatizing or not privatizing. Quite frankly, I hope you are not looking at any privatization. I accept your word on that, but I am asking you to give your word as Minister responsible for the Liquor Control Commission that you will do something that your colleague the Minister responsible for MTS did not have the common courtesy to do, and that is to make sure there will be public debate and discussion and that that will include the Legislature, the elected members of the Legislature.

Will you commit that there will be no changes to the Liquor Control Commission—we are not talking hypotheticals—no changes involving privatization of the Liquor Control Commission without first bringing this for public debate starting in the Manitoba Legislature?

Mr. Chairperson: I am going to just bring this matter to the attention of the committee and remind the

committee that we are discussing the annual report of March 31, 1996, and I would remind the committee that is the topic that we should be discussing at this hearing here this morning.

Point of Order

Mr. Ashton: On a point of order, Mr. Chairperson, we have always asked general policy questions related to the Manitoba Liquor Control Commission in every committee that has ever looked at Crown corporations. Indeed, this is one of the most relevant policy questions that should be raised. It is, indeed, relevant. We are not here just to look at the dollars and cents of a report from the year 1996, but to ask policy questions. I would submit that it is indeed in order, and I am asking the minister for a straightforward commitment. All I am asking from her is a statement that she will not move with any further privatization of the Manitoba Liquor Control Commission without public discussion, and that is in order and always has been in our committees.

Mr. Chairperson: The honourable member does not have a point of order. As the Chair, I am just reminding the committee of the direction that we are to address here this morning.

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Mrs. Vodrey: Mr. Chair, the member should not make the mistake on the MTS issue, which he has brought forward, that there was not public debate. There was in fact a great deal of public debate. The member took part in it at committee and in the Legislature. So there was certainly a lot of opportunity for the member to enter into that debate. He did so, and he is on the record for having done so.

Mr. Chair, I said at the opening of this committee that to my knowledge there is not a plan to move in terms of privatization of the MLCC. That question has been answered. The second part of the question, then, was a very narrow one. It was, are there to be any changes in the private wine stores? As I told the member, at this point I am not able to answer one way or the other because at the moment there is a study to determine how those wine stores are managing after having experienced a few years of business, what the effect on

the MLCC is. When that report and information are received by government, government will look at it, and they will determine whether or not there is in fact another decision to be made. So I cannot at this point provide a commitment of process, because by committing to a process the member is going to try and suggest that in fact a decision has been made. One has not been made.

So at this point the answer is that there is a study underway. The information about what that study is looking at has been put forward, and government will have to receive that information and then determine at that point whether or not there is a further decision to be made and, if there is, how we will go about doing that.

Mr. Ashton: Mr. Chairperson, I am very disappointed in the minister's response. By the way, she is wrong. In terms of MTS, the decision was made by the cabinet which she sat in, and then the minister turned around and said publicly, well, we cannot change that now. The only opportunity we had as members of the Legislature was to debate the bill, and the government did not want to listen. The minister knows that. There was not a single public meeting, not a single public meeting before the decision was made by the cabinet to sell off MTS.

I am saying on the Manitoba Liquor Control Commission I want a commitment from this minister that she will make sure that the people of Manitoba have a say over the future of the Liquor Control Commission, starting with our elected representatives.

I am extremely disappointed with that because—and I am not suggesting, you know, I am not going to play word games here. I like to accept people at their word, and I will accept this minister at her word, despite the bitter experience that many of us had with MTS, where I had the same words from another cabinet minister, the Minister responsible for MTS. So I hope the minister will understand that, and I hate to say this, I said it on Hydro before, but a lot of people in this province just do not believe the government anymore when it gives these assuring statements on the future of our public assets, our Crown corporations. They just do not have a trust level with the government, and I am not saying that as a personal criticism. I am just saying, you know,

to my mind you run into the situation, if you do not tell the truth to the people of Manitoba—

Mr. Chairperson: Order, please. I would remind the honourable member that we are here to discuss the Annual Report of the Manitoba Liquor Control Commission, 1996, and I would remind him that he should make his comments and remarks relevant to that report.

Mr. Ashton: Well, Mr. Chairperson, if you would care to read the report, you would find that the report deals with many policy issues. It does not just have a set of books. It makes references throughout the document, in the corporate profile, and in all the years I have been in this—

Mr. Chairperson: Order, please. The honourable member for—

Mr. Ashton: I have the floor.

Point of Order

Mr. Chairperson: On a point of order, the honourable member for Turtle Mountain.

Mr. Mervin Tweed (Turtle Mountain): As I thumb through this document I cannot see the words MTS anywhere in it, Mr. Chairman, and I would ask you to make the member for Thompson's questions relevant.

Mr. Chairperson: The honourable member for Thompson, on the same point of order.

Mr. Ashton: Well, Mr. Chairperson, I was on a point of order when you interrupted that point of order for another point of order, and I realized after the actions of the Speaker in the last Legislature that may now be considered the rules of this House in which a Chair or someone who sits in the Chair from the government side can determine who gets to speak on what.

But, Mr. Chairperson, these committees have always dealt with general policy questions. I raised questions about the privatization of Manitoba Hydro in Manitoba Hydro. That was considered in order. I raised questions in the MTS committee. That was considered in order. In the years I have been in this Legislature no

committee Chair has ever dictated to members of the committee what questions can or cannot be asked when we are dealing with Crown corporation reports. We deal with open-ended discussion. But I would ask you to reflect on that and reflect on the fact it is not in the public interest to ask this question, but it is in the interest of this committee to be able to have full sway to ask questions of public policy.

You may not like those questions, Mr. Chairperson, but you have no ability, as Chair, to do anything else other than ensure that people have the opportunity to ask those questions. I would suggest you reflect on that because no committee Chair has ever prevented committee members from asking these types of questions before, and I would suggest we would function far better as a committee if you would allow members to ask those questions and move on to the many other important policy issues that we need to discuss.

* (1050)

Mr. Chairperson: The honourable member does not have a point of order.

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Mr. Chairperson: I would just want to remind all members of the committee what we are discussing here this morning. It is the committee's will as to how we are going to deal with the relevancy of this; it is not the Chair's decision in terms of how we are going to deal with this. I am only dealing with the process. I am reminding all honourable members of this committee that we are dealing with the Annual Report of the Manitoba Liquor Commission, 1996, and I would ask all members of the committee to keep their remarks and comments relevant to that report for the benefit of this committee and for the process.

Point of Order

Mr. Lamoureux: On a new point of order, Mr. Chairperson, I appreciate, as the member for Thompson (Mr. Ashton) talks about, the sensitivity to the issue. I would suggest that, if you even look at page 1 in the annual report, where you talk about the Mission Statement, Vision, Corporate Philosophy and Values,

every question that the member for Thompson has put forward is directly linked to this particular corporation and is valid in terms of questions being brought forward. In fact, the member for Thompson does have a valid point of order and should have been ruled accordingly. So, if that means it is a challenge of the Chair, that is what it would be.

Mr. Chairperson: The honourable member does not have a point of order.

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Mr. Chairperson: The honourable member for Thompson, to continue your comments.

Mr. Ashton: Thank you, and I appreciate your ruling. The member for Turtle Mountain (Mr. Tweed) did not have a point of order. I will indeed continue with some further questions, Mr. Chairperson.

I would like to ask the minister why Mr. Smith's contract was not renewed last year.

Mrs. Vodrey: Mr. Chair, I am going to ask Mr. Holmes, who is the Chairperson of the Board of Commissioners, to answer questions on that matter.

Mr. Holmes: Mr. Chairman, Mr. Smith's contract ran out, and we chose, the board of commissioners chose, not to renew that contract.

Mr. Ashton: I would ask if that could be repeated. I am getting some comments by the member for Turtle Mountain (Mr. Tweed), which are preventing me from—unsolicited comments, and I would like to ask if I could get a repeat of that response. My apologies.

Mr. Holmes: Mr. Chairman, Mr. Smith's contract ran out, and the Board of commissioners decided not to renew that contract.

Mr. Ashton: I know his contract ran out, and I know you decided not to renew it. I asked why that decision was made. I think Mr. Smith had an excellent record. Once again in the context of privatization, there have been some who recall that Mr. Smith was very definitive and, in fact, in 1993, stated on the Alberta experience: Certainly, in other parts of the world where

they have gone from a government-controlled operation to a private operation, the social responsibility aspect is kind of diluted, if not eliminated. It is pretty difficult to enforce social responsibility programs when you are not the major retailer.

That was an expression that was made by Mr. Smith. I mentioned before that some of us have a concern about the future of the Liquor Control Commission, and, quite frankly, when Mr. Smith was the CEO at the Liquor Control Commission, I had some comfort in at least somebody within the Liquor Control Commission understood the reality what most Manitobans sense, and could keep, perhaps, some of the vested interests who would love to get their hands on our liquor distribution system, out of the picture.

Can you please give me some indication why Mr. Smith's contract was not renewed?

Mr. Holmes: Mr. Chairman, when we did not renew the contract of Mr. Smith, an agreement was drawn up between the Board of commissioners and Mr. Smith that it was confidential, and those are the terms in which the contract was not renewed. I cannot make comments with respect to that due to the confidentiality of it.

Mr. Ashton: Well, I am disappointed with that response. We have had an individual whose contract was not renewed. You know, this is an individual that served the Liquor Control Commission, the people of Manitoba, very well, and, I think was fairly outspoken. I want to put on the record that I—this is not an offence to the new CEO, whom I do not know, but I hope that the new CEO will not run into any difficulties if he indeed speaks out, as Mr. Smith did, against the privatization of the liquor control system in Manitoba. He was very clear in 1993, and I agree with that, and most Manitobans agree with that. I am very disappointed with what happened. I am disappointed that we cannot get a response in this committee.

I understand some elements of when a contract is renewed or not renewed, but, as members of this committee, I think we have concerns about what happened. I am disappointed that we cannot get any satisfaction at this point.

I have some other questions I would like to ask as well on some different matters. I want to deal with the question of alcohol consumption, and particularly Chief Cassels' comments. I just want to read into the record, I mentioned it in my opening comments, the degree to which Chief Cassels was critical of certain licensed facilities in the city of Winnipeg and the province. He stated that police may have to intervene if the province's liquor inspectors cannot keep better tabs on hotels and bars that turn a blind eye to overcrowding and overserving, and was quoted as saying, if, over time, there is not compliance under The Manitoba Liquor Control Act, either the Liquor Commission or police should look at having their licences revoked.

He raised the same issue with the Manitoba Liquor Control Commission at its annual public meeting and stated that this would cut down significantly on the number of drunk drivers on the roads and people leaving bars creating other types of disturbances. Mr. Cassels stated that some of the city's licensed establishments are putting greed before safety by serving alcohol to customers who are already intoxicated or by allowing more patrons than their licences allow.

I would like to ask has the minister or the commission met with Chief Cassels to discuss these concerns, and what response has the Liquor Control Commission taken to deal with, I think, what most people realize is the case, that there was a very small percentage of licensees who are responsible for a large percentage of the abuse in serving of alcohol.

Mrs. Vodrey: I would just like to say again, I understand, or to clarify from the member, that the comments he has read into the record actually came from a newspaper article and not from his direct conversation with Chief Cassels, who had to, the next day, see what in fact was said about what he said. So I think that, first of all, that is important.

Yes, the MLCC has, in fact, met with Chief Cassels. I understand they spoke with the chief right away at the time, and I am going to ask if Mr. Wright would like to make some additional comments. I can say that, first of all, our inspectors do work with the community service police for alcohol-related problems. That working relationship, I understand, is a good one, and, to my

knowledge, it is a satisfactory one to the Winnipeg Police Service and perhaps was not reflected in the remarks which were reflected in a media article, but in fact that relationship does appear to be quite an effective one and a satisfactory one.

Also, just to clarify that some of the areas which may be considered tough areas—the member has alluded to some areas which may be seen as more problematic—that in fact those areas are inspected more frequently. I will just ask if Mr. Wright has anything further he would like to add to that, but just in finishing my comments for the moment, I understand that there is a very good working relationship with the Winnipeg Police Service, also with Chief Cassels, which may, in fact, not have been reflected in that particular article.

Mr. Wright: Thank you, Minister. Not much to add to that. It was a comprehensive answer.

The commission does work closely with police services. We are particularly enthusiastic about the change to a more community-based policing service, which, in our interpretation, deals more with education and prevention than with enforcement. We constantly work with the community-based police forces in the area you refer to.

For example, we do jointly look at the police commission's computer printouts, which indicate where offences that are alcohol related may be excessive, and work jointly with them on inspection services. So, typically on a Saturday night, we might find two of our inspectors out with as many as four to six police officers doing inspections in that area.

* (1100)

Mr. Ashton: Well, indeed, I was referring to statements the chief had made publicly, Mr. Chairperson, part of the public record, and I am surprised the minister took it the other way, but this was made at the meeting that was held with the Manitoba Liquor Commission, was made publicly, and I think it expresses some concern that is not dealt with in terms of the disciplinary actions. Looking at the statistics on disciplinary actions, it fluctuates, if you combine suspensions and warnings or other actions, 73 in 1992; 76 in 1993; 85 in 1994; 61 in 1995; 60 in 1996. So

there has been some fluctuation, but a fairly steady pattern in terms of disciplinary actions. I want to ask the minister: Is she satisfied that the current process of investigations is dealing with the small percentage of bars that are responsible for 90 percent of the problems?

I would note, by the way, that it is not hard to figure out which bars are involved, and if you walk into any of the facilities, it is not hard to see establishments that are concerned only about the bottom line. Indeed, when you look at the bottom line, I really question in many cases how much of the penalty is really applied even by the number of days of suspension. The total days suspended in Manitoba in 1996 were 84. There were 22 suspensions, 84 days. Is the minister satisfied that is sufficient to deal with some of the problem operators being closed down, in this case, for a total of 84 days? That is the entire province—84 days of suspension.

Is that really sufficient to deal with those that apparently are still able to make significant amounts of money and at the same time, obviously, have abused the system? If you get to the point of suspension on a liquor licence, that does require a significant degree of not following your responsibility. It is an abuse of the system. Is the minister satisfied that that really is a sufficient response to, I think, what is obvious to Chief Cassels and others, and that is that there are some significant problems out there?

Mrs. Vodrey: First of all, I would say I am very happy to know that there is the good working relationship between our police services and the MLCC, and, of course, the working relationship would be important across the provinces with other police services as well. So I think that is the first issue to deal with.

Secondly, on the types of disciplinary actions, I understand that a number of issues are taken into account when a disciplinary action is imposed, but one of the main focuses is, even before disciplinary action, education, education of licensees and permittees and what their role is with the public, and to make sure that they have a good understanding of what in fact is acceptable and what is not acceptable. So I am very happy to see the increased emphasis on education so that perhaps some of these issues from the MLCC side may, in fact, be dealt with in a preventative way.

Then, in terms of the disciplinary action, I do not at this point have a reason to believe that was not appropriate or not satisfactory. If the member has a particular area in which he is concerned about, perhaps he could either speak about it now or let me know afterwards if he does not wish to put it specifically on the record, and I will be more than happy to look into it with him with the MLCC.

Mr. Ashton: Well, my concern is—and I am not arguing against education, but, when you have a program of education, you need someone that is willing to be educated, and 90-percent-plus of licensees are in that category. I am not questioning that, and I think that is positive, because there are licensees that will run into difficulties through no deliberate fault of their own, staff who may not be trained or experienced, and just judgment calls—I recognize that as well. I mean, if you look at the guidelines in place in terms of serving alcohol, it is not defined; there are no specific numbers of alcoholic beverages that you are allowed to consume or not. So I am not questioning that.

The concern I have is with the real impact of the degree of suspensions here which, I think, is minor relative to the overall position when you have people who know, and bar owners who know, that they can make a lot of money by serving a lot of alcohol. I mean, they are in the business of making money, period. They have to follow the laws, but it is like anything else. If they can make more money by selling lots of alcohol and once in a while they get suspended, there will be some unscrupulous licensees who will sit there and say, that is a cost of doing business.

I really would ask the minister: Would she undertake a review of how satisfactory the existing penalties are, because I do not believe—I was surprised, quite frankly, to see the limited numbers of days of suspension, given when you have the chief of police stating his concern. I think it is very obvious to anyone who knows what the bars in Winnipeg—which bars are involved significantly with the province. I mean, there are bars routinely where patrons are leaving at a point of intoxication where you have major assaults and other problems. The police know that. That is why they are raising this concern.

I would like to ask the minister: Would she review the existing—not only the application of the penalties, but the penalties themselves, because, quite frankly, I believe if you have frequent and flagrant abuse, you should be looking at far more than 84 days' suspension in the global picture and, indeed, should be looking at what Chief Cassels is saying, far more at not only temporary suspension, but permanent suspension of licences? Will the minister undertake that review?

Mrs. Vodrey: I know the member understands that the disciplinary action is conducted by the Licensing Board and that there is then an opportunity to appeal then to the board of commissioners. So there is a process in place to look at dealing with any infractions and whether or not what has been imposed is appropriate or not.

I want to be very careful to not appear to politically have stepped in where people are appointed to do certain work. I do have the opportunity to review with the MLCC, when I have an opportunity to meet with their chair, what work they have been doing, and certainly I will be interested in the disciplinary side when we have those regular meetings. I take the member's point very seriously, though, about wanting to ensure, as the chief has said, public safety, co-operation in the interests of public safety, and I think that was the basis of the chief's comments, though I have not had him speak to me directly on this, and that he is looking for co-operation with our police service and with any other mechanism we can provide to in fact keep our communities safer, whether or not it is a matter of overserving or whether there has been any other infraction.

What I am prepared to let the member know is that I do meet with the chair of the board of commissioners. This is part of what I will be reviewing. There are questions which I can ask, but I also want to make it clear to the member that I think it is important, this is my first year doing this. So I think it is also important for me to allow the process which is in place as well to do its work, and then, where there are concerns to be reflected, to do that.

If the member also has some additional concerns which he would like to raise to me now or during the year, I think he should do that, because I think, in the interests of public safety, that would be important.

* (1110)

So I leave that also open to the member as well, and to say that the Licensing Board, I believe, should do its work. I believe appeals should be then heard by the board of commissioners and that in my regular opportunity to meet with the chair of the board of commissioners to review this among all other matters that are the responsibility of the board of commissioners and, finally, to leave it to the member where he has a particular concern to please bring it forward, either in the House or to me privately, and I will be more than happy to look at the issue.

Mr. Ashton: Well, I am asking for a review of the effectiveness of current sanctions, Mr. Chairperson. I want to put that on the record. I think that is what the minister should be looking at. She makes those kinds of policy recommendations to cabinet. Cabinet makes those kinds of decisions. I think the minister can play a role in that, and I accept she is newly appointed to the position, but if she can do one thing in the first year, I would suggest it would be to look at that.

I would also like to ask a question. That is whether there has been consideration to having an increased number of inspectors. I know Chief Cassels has stated publicly that he would like to see more inspectors. The manager of the Inspection Services said, and I realize I may be sort of just taking quotes out of context, that obviously you could always use more staff on top of the 15 regular inspectors and 16 part-time inspectors.

I am wondering, given the fact this is now a recommendation coming from the chief of police of the City of Winnipeg, will the minister commit with the Liquor Control Commission to increasing the number of inspectors so that, even with the existing sanctions, we can perhaps deal with some of the concerns that have been expressed?

Mrs. Vodrey: Again, the member references the difficulty with using a newspaper article whether comments were taken out of context. To my knowledge, and I am informed by the members of the MLCC here today, the chief did not make specific recommendations about increasing the number of inspectors. The MLCC has just informed me of that again.

What I understand was important is that the liquor inspectors and some of the technicalities perhaps can be dealt with by the CEO, have a certain part of the work, as do community service police officers have another part of the work in terms of dealing with public safety.

At the moment, there is no increase in staff planned. At the moment, we are focusing on the balance between education and enforcement of The Liquor Control Act, and certainly if necessary, as we continue to work with the community police officers, we will refocus staff and efforts as necessary as we continue our work with them.

I think perhaps Mr. Wright may have some additional comments to that.

Mr. Wright: During that time too you may recall that the chief was very concerned about other areas of activity including prostitution and drugs as well as alcohol. These are areas which we cannot deal in.

We met extensively with the police services and I believe have constructed, as I said before, a good, solid working relationship. The chief, as far as I know, is happy with that relationship and happy with the way things are moving along.

It is a difficult area to deal in. The world is changing. The respective bars are getting to be tougher places for our inspectors to work in. The environment is sometimes dangerous, and we have to take all those matters into consideration.

Mr. Ashton: Has there been any increase of the number of inspectors in the last number of years? The number of licences is going up. Will the minister and staff at MLCC commit to a further expansion? You know, we are talking about what the chief of police said, what the chief of police did not say. I am concerned about the level, and I do not think, relative to the overall operations of MLCC, it would be unreasonable to expect a further expansion. I believe there has been some expansion in the last couple of years anyway to keep up the number of licences. But would the minister consider that: increasing the number of inspectors.

I am not, by the way, being critical of the existing inspection staff, and I would like to put on the record

that I know in the case of socials, and I have expressed this before in committees, I think there has been a lot of progress, and I know that there have been a fair number of suspensions involving socials, because there is, once again, a small percentage of people operating socials who are violating every liquor law in the book, or at least were. A number of them have been suspended. A number of halls now have been subject to disciplinary action. By the way, that has produced results, too, because halls are now supervising permit holders during social events. So I will leave that perhaps with the minister, but I would suggest that she might want to talk to the commission about an expansion of the inspecting staff. I think it would be something we certainly would be supportive of, and if the minister wishes to comment on that, I certainly would appreciate her remarks.

Mrs. Vodrey: Mr. Chair, I take the member's comments of the very important role of our liquor inspectors quite seriously, and I appreciate a number of his comments as well.

At the moment there is not an increase planned in the number of inspectors. I understand that our ratio in our province compared to other jurisdictions is in fact fairly good. So at this time we are looking at refocusing efforts if that is necessary, and certainly as needed, and then if there is a reason brought forward or if I have some additional concerns brought forward, then perhaps that can be considered. But at the moment there is no increase planned.

Mr. Ashton: I also want to ask some questions—there has been some expansion in terms of number of licences the last few years. I know we have discussed this in committee before. One of the influences was VLTs. When people found out that you could have VLTs if you had a lounge, that, I believe, has led to an increased number of lounges from 302 in 1992 to 382 in 1996.

I want to ask, though—and there was some controversy over this in September even though this particular operation is now going ahead—if the multipurpose sports recreation facility category that would have allowed a 600-seat operation to set up in the province, if that license category is still in place. I recognize, and my understanding is that particular

venture is not going ahead, but I am wondering if I can get some explanations. This is of great concern to many people in the industry, or was at the time, who indicated that they are restricted, I believe, to 300 or 400 seats I think is the maximum for other facilities. Is that category still on the books, and why was that category established?

Mr. Wright: The facility is restricted to 300 seats.

Mr. Ashton: I just would like to ask, is this a separate category that is still in place, and why would a separate category be established? What was the need, given the fact we have already seen 300 additional licensees in the province under existing liquor laws.

Mr. Wright: I suppose I could answer it this way. Just about every day we are seeing proposals for some sort of innovative new entertainment. In this case we were talking about simulated sport events such as golf played on a computer screen, and so forth. No such facilities existed at the time in Winnipeg. There were extensive discussions between the commission and the Manitoba Hotel Association, and eventually we came to a set of rules and regulations that both the MHA and ourselves, and hopefully investors in the city, would find acceptable for such a sports facility.

Mr. Ashton: I know the concern was the sort of ability to have multiple licences in adjoining facilities. The Manitoba Hotel Association did express a lot of concern about that at the time. I would put on the record that it has to be balanced again. Since we have had an expansion of the number of licensed facilities and we are seeing even in terms of liquor sales, liquor sales overall are increasing the number of categories. I just looked at the most recent report. Beer has gone down somewhat, but other alcoholic beverages are increasing, particularly coolers and ciders, that end of the market.

* (1120)

I would question whether we need a broad new category and ability of such premises to have alcohol. If they want to have simulated sporting events, I do not quite understand where the alcohol comes in. Quite frankly, I am not sure if you—I mean, we have a problem enough with alcohol being associated with

sporting events. It has been a favourite marketing tactic and the rest of it. I believe there has to be some consideration, again, about not expanding or promoting alcoholic consumption, and quite frankly, if we are looking at different concepts on licensing concepts, some of the areas that have been talked about, for the Exchange District, the member for Inkster (Mr. Lamoureux) has talked about brew pubs, which there is an ability on the existing regulations to do, but you know there may be something about whether those are preventing those operations taking place, or even neighbourhood pubs, you know, those type of approaches like B.C. has, British-style neighbourhood pubs. That seems to make more sense if you are looking at reviewing the licence categories than getting into a huge facility that combines multiple licences.

So I would urge that we be very careful on that, and not only look at the bottom line. I think in the case of the Liquor Control Commission, there are a lot of things that we could do to sell more alcohol in this province, a lot of things I do not want to see us do, and I do not think most Manitobans do. I think this particular facility, I do not think it would have been fair competition for resisting premises, and I do not think it would have been a positive addition to the community, quite frankly. I put that on the record. I am not, by the way, arguing against other possible options, neighbourhood-style bars or the brew pubs. I think, if anything, we should be looking on the licensing side and moving towards smaller licences, because I believe that is where you will get better supervision by the way.

I believe that if you end up with smaller facilities, especially owner-operator facilities, you have greater ability of the owners, more commitment, more of a stake, to make sure liquor laws are licensed. More is at stake too, more sanction if anything happens. I would like to put that on the record.

I also wanted to ask a question too, and I almost hesitate to ask this because I do not want to give publicity to this particular operation, but I will. I just want to ask would the Hooters Atlanta-based company which, by the way—everybody has their own views of this. A lot of things I like about the American culture, and if this is part of American culture, I must admit this kind of culture I do not like. I realize we have various things happening in licensed premises, but when you get into now a roadhouse, which is essentially a

restaurant facility with a licence and a lounge, was there any consideration given by the Liquor Commission to concerns in the community about this particular operation? I do not think it takes very much to figure out that it is—you know, the double entendres, they are not selling food, they are not selling alcohol, let us put it that way.

I think, quite frankly, it is a sexist company. It has had a number of problems, sexual harassment suits in the United States. I am not saying that the Liquor Commission can necessarily deal with that end, but it is a company I do not have a lot of time for, and I think a lot of Manitobans do not, particularly women in this province.

Was there any consideration in the licensing process to the concerns that I know are out there in the community? Is there any way of dealing with those concerns? Once again, my concern is even dealing with the licensed restaurant portion, because where you have a bar and it is restricted to people 18 years and older, I understand that you have a different set of dynamics. There would be things happen that do not meet the committee standards entirely, but at least you keep it away from young people. Was there any consideration of that? I know the minister in her other capacity as Minister responsible for the Status of Women may have some comments in that aspect. I am not trying to put her on the spot by the way, but I was just quite frankly disappointed to see this particular operation in Winnipeg. I just do not think it fits in. I am particularly concerned about having the licensed aspect of the restaurant. I would appreciate the minister's comments on this.

Mr. Wright: Whenever there is an application for a liquor licence, that application is publicized. The public is invited to lodge any objections that they may wish to lodge. In this case we received none. The applicant was in compliance with the requirements of The Liquor Licensing Act and therefore the Liquor Commission approved the application for the licence. We cannot, I do not think, licence morality I guess is one way to look at it.

Mr. Ashton: I beg to differ, we have licensed morality and liquor premises since the inception of liquor laws. We do have restrictions that take place. One of the

problems I think is that a lot of people do not know about the fact that you can object to the licence. I bet you, right now if you were to put an ad in the paper and ask how many people would object to Hooters, you would get a lot of people. No, I am not saying there are not some people that enjoy that aspect of it, but I am not saying there are a lot of people that enjoy that aspect of it.

I am particularly concerned quite frankly for women in this province. I think this is a sexist, demeaning facility. You maybe cannot prevent that from being an operation in one sense, but we do have control over liquor licences. That is one lever we can use. I am not proposing censorship or the rest of it, but I think this is in a ways worse. I have got a teenage daughter who is going through the whole question of when you are growing up, and there are still a lot of pressures in young women in society. I do not want these kind of facilities further reinforcing stereotypes about women in this province. I want to put on the record, I am not saying we are licensing morality per se, but I think that we do have an ability to say to some premises, no, this is not acceptable, and if they want to set up without a liquor licence, they have every ability to do that.

I would urge that perhaps this be reviewed and, quite frankly, my concern again is for young people, particularly for young women who have to go through a lot of pressures in society. When you are defining your self-image and trying to get confidence and the rest of it, believe you me, I see what my daughter goes through on a daily basis, and this kind of thing does not help. Believe you me, it does not help.

Once again, I realize the minister is in a sensitive position, and perhaps in another role she may be able to make comments she cannot make on this. I am not trying to put her on the spot, and I do not know if she wants to make comments, but I can move on to some other questions from other members. I know the member for Inkster (Mr. Lamoureux) and member for The Pas (Mr. Lathlin) have some questions as well.

Mr. Oscar Lathlin (The Pas): My questions are very brief, and I do not know if this issue has been dealt with in previous meetings. I would like to ask the minister—first of all, let me give you the setting. In Cross Lake, since I have been elected, I have been travelling there quite regularly, and I got to know the

different entrepreneurs who operate in the Cross Lake area, both on the Metis side and on the treaty side.

There is one particular entrepreneur that I got to know quite well and that is Mrs. Margaret Sweeny, who is a widow, had been widowed and she was a single parent, trying to run a hotel business. I remember one night in particular. I sat with Mrs. Sweeny until two o'clock in the morning in her place of business, talking about how she could improve her situation and how she had previously attempted to make application to the Liquor Commission to get a licence or to be allowed to put in a lounge in the facility and thereby qualify to get VLTs, which, in her mind, I guess, would increase business volume.

Well, Mrs. Sweeny unfortunately was not granted the licence, and I would just like to ask the minister what criteria did she use or what criteria did the commission use for refusing Mrs. Sweeney the licence at that time.

* (1130)

Mr. Wright: The Liquor Commission received that application, I believe, in 1991. The facility was inspected and found to be substandard for the requirements of a hotel-type operation, and therefore the application was turned down.

Mr. Lathlin: Mr. Chairperson, I totally reject that statement because it may be true that the facility might have required some upgrading; however, I believe the proposal called for an expansion to the facility, renovations and upgrading, but with the idea that it would include a lounge. This was going to be a renovation project on the part of Mrs. Sweeny because she knew that she could not be granted a licence if she were to go with just the way the facility was at the time. So her plans were to renovate up to standard.

Mr. Wright: As I understand it further, the application was reviewed by the Licensing Board and in the face of objections to that application, it also was turned down. I believe then, subsequently, new owners took over the premises, did the facility upgrading and that licence was approved.

Mr. Lathlin: Could I ask the minister then where the objections came from?

Mrs. Vodrey: I am informed the objections came from the community.

Mr. Lathlin: So do I take it to mean that at that particular time, for that particular application, the commission chose to listen to the community's concerns?

Mrs. Vodrey: I am informed that this decision probably took place in and about 1991, if the member maybe can give me some indication. So I understand that there is not anyone at this table at this time who can give the exact historical accounting. I can only reply to the member, as has the current CEO, as to the information which we have had provided to us.

I do not believe that there is anyone here that has anything further to add to that particular question other than, as I understand it and was informed, as the member was informed, there were certain requirements in terms of changes to the physical facility which were required in order to meet the requirements for a licence.

Mr. Lathlin: Perhaps then I could ask the minister to give me that response in writing at a later date. I am sure, you know, even though she claims that there is not one person in this room who was there to remember the events, but I am sure they must have kept records, and that leads me to my next question. Does the minister know how many times Mrs. Sweeny applied for the licence?

Mrs. Vodrey: I am informed to the best memory of the people here that it was probably twice.

Mr. Lathlin: Could I ask one more time then of the minister, Mr. Chairperson, exactly why was Mrs. Sweeny refused? I would ask the minister not to give me the excuse that, you know, because it was substandard, because, as I said earlier, that was part of her proposal.

Mr. Wright: Well, I can only repeat what I said. I am informed that the particular application in question was turned down simply because the plans and the facility did not meet the standards of the liquor Licensing Board at the time.

Mr. Lathlin: Would the minister have a copy of Mrs. Sweeny's proposal for the first and the second time.

Mrs. Vodrey: I am informed that, yes, that not here but that within the files of the MLCC they would have the record of the application.

Mr. Lathlin: I would like to ask the minister to, again, at a later date—that is twice now, for two things—maybe to table that document at a later date at her convenience.

Mrs. Vodrey: The member has now asked for two things: one, a letter from the MLCC indicating the reasons why at that time the board turned down the application; secondly, he has also now asked for a copy of her application. On that one I am not sure that I can comply. I do not, at the moment, have any advice on how private those applications may be to the person who submits them and whether or not they are allowed then to be tendered and tabled at a committee such as this.

What I can say to the member, though, is in response to his first question, yes, I will see that he receives, in writing, information regarding why that decision was made in 1991 not to accept the application.

Mr. Lathlin: I would still like to put that request to the minister, though, because I can probably get a copy of that proposal from people at Cross Lake in any event.

I would like to ask the minister, though, what criteria the commission used to assess Mr. Barrett's application for a licence.

Mr. Wright: As I understand it, the criteria were similar at the time. That is to say, the applicant would have to undertake to make changes to the facilities that were in accordance with the needs of the Licensing Board and the Inspection Services. They would have to submit a business plan that would be approved by the Licensing Board. These kinds of qualifications would have to be submitted.

Mr. Lathlin: I would like to ask the minister why she would not grant the licence to Mrs. Sweeny, especially in view of her proposal containing the very same items that have been given to us here today. Mrs. Sweeny's

proposal included an expansion to so many seats, thereby qualifying for so many VLTs. Why was that not given? Because the two proposals were the same—to expand. Mrs. Sweeny knew that, Mr. Barrett knew that. They had to expand and renovate and upgrade the facility. That was integral to their proposal, but Mrs. Sweeny did not get the licence.

Mrs. Vodrey: I just want to, for the record, say it is not the minister who grants that licence, just so that it is clear on the record, that it is a decision of the Licensing Board, and that obviously was a decision of the Licensing Board. I understand that the commission then does not participate in those decisions. I will attempt, however, to get the information to the member for his concerns around Mrs. Sweeny whom he has specifically spoken about this morning.

* (1140)

Mr. Lathlin: I realize that the minister is not directly responsible for the board, for the commission; however, she is the minister responsible for the commission, so therefore that is why I am phrasing my questions the way I am doing. I would like to ask the minister how long after Mr. Barrett bought the hotel from Mrs. Sweeny, how long after that did he make an application to the commission.

Mrs. Vodrey: I will just say to the member, some of the questions he is asking me just do not have that information available to us today at this committee, and I am told that, to the best memory of some of the people here, they believe it was approximately a year, but I would have to phrase that with saying that the answers are being given according to the memory of some of the members of the MLCC or employees of the MLCC who are here now. I am sorry, I am not aware of the data at all.

Mr. Lathlin: I would like to ask the minister, Mr. Chairperson, how many times did Mr. Barrett apply for the licence.

Mrs. Vodrey: I am informed by the members here they would have to look into the number of times. They do not have that information here available for the member today at committee.

Mr. Lathlin: I find it hard to accept that, because the commission knew how many times Mrs. Sweeny applied, I am sure, and it is not that far back. I am sure someone remembers how many times Mr. Barrett applied for a licence, given the situation that existed.

Mrs. Vodrey: I am not sure what conclusion the member is trying to bring this committee to on this matter. He is looking at the same people I am, and I can only say to the member that they are unable to provide that information to me at this time. Now the member sees as they answered that question to me when he posed it. Also, in relation to Mrs. Sweeny, the number was approximate, not able to be confirmed. They are not able to provide the information on Mr. Barrett's number of applications at this time either.

I believe people here, Mr. Chair, are attempting to do their best, but this is a very specific incident that the member is asking people to recall. I have said that, from what I understand, the people here were not in these positions at the time of the application in 1991 with Mrs. Sweeny, so I am not able to provide the information to the member. There is no effort not to give him everything we know. We just do not happen to have that available to us at this time.

Mr. Lathlin: Could I ask the minister then: were there any objections to the granting of the licence for Mr. Barrett by anyone?

Mrs. Vodrey: I am informed by the people here that they believe that there was some objection to that application.

Mr. Lathlin: Can I ask the minister what the nature of that objection was?

Mrs. Vodrey: I understand and I am informed that, to the best of people's information here today, there was some objection raised by the chief, I believe, of the band. The member would be familiar with that band in the area.

Mr. Lathlin: Is the minister aware that the objection to Mrs. Sweeny's application and the objection to Mr. Barrett's application—were they the same, were they having the same concern, the band?

Mrs. Vodrey: I am informed by asking the people here with me that they are not aware, at this time, of that information and that they are unaware of the precise concerns that were raised at that time.

Mr. Lathlin: I cannot believe this, Mr. Chairperson, because I—we are selecting what we are going to remember here. I remember being copied the letter, and I know, for the minister's memory and her staff or the commission staff, that the chief did in fact object to the granting of the licence in both cases on the grounds that it would only worsen an already bad social situation in this community. Surely to goodness people must remember if an objection were to come from a community like Cross Lake, the ground probably would be based on social conditions. That is elementary.

Mrs. Vodrey: Mr. Chair, as I said to the member, it is somewhat difficult if people who are here were not in their same positions or the positions of individuals who would have provided those answers to the member. The member also seems quite well informed, so I think what we can do, and my recommendation to the member, is that I will be more than happy to have the members go back and look into this issue, but it would be wrong for us to speculate. I am sure the member would not want us to speculate on Mrs. Sweeny or the person who eventually received the licence or on the thinking of any of the people who are involved.

I just have asked the commission for approximately how many applications they receive a year, and I am informed that they receive approximately 300-plus applications a year. As a result of that, the 300-plus applications for the people here are a significant number. The member is asking for detail. The people are not here in these positions who can answer the detail. So I understand the member has an issue here which he wants to raise to me. I have told him that I will provide him with the information that is available. I am not able to provide him any more information than I have right now during the course of this committee, and I see that is frustrating him; but, when people change positions, that is the reality.

Mr. Lathlin: Mr. Chairperson, yes, I will tell the minister exactly what I want to know. What I want to know is: Mrs. Sweeny did not carry the PC membership card; Mr. Barrett did. I am suggesting to the minister that the only reason that Mr. Barrett got the

licence to renovate and set up a lounge was because he is a card-carrying Conservative member and contributes large amounts of money to the party. That is why Mr. Barrett got the licence and not Mrs. Sweeny. Mrs. Sweeny did not belong to the PC Party. That is why I wanted to know. The next question I have for the minister is: Did Mr. Barrett have any discussions with members of the commission or the board?

* (1150)

Mrs. Vodrey: Mr. Chair, those are very, very, very serious allegations, and they have been made on Hansard. I am astonished, I am speechless that the member would make a comment such as that. I do not know whether there are certain parliamentary issues—

An Honourable Member: It is true, and you know it.

Mrs. Vodrey: The member continues to carry on with his allegations. He offers no proof whatsoever to this committee. He makes an unbelievable allegation, and then he does not offer any information whatsoever in relation to that and why he would make that particular allegation and accusation. In making that accusation, he implicates a large number of individuals who are attempting to do a job before them, and the member just seems to be totally seeking sensationalism.

Mr. Chair, I am informed that there was no communication between Mr. Barrett and members of the commission board. The member has put forward an accusation. I have checked the accusation with the chair of the board. I am informed that that is not—

An Honourable Member: You know this time what happened, but you did not know what happened with the application. Now, is that not interesting?

Mrs. Vodrey: The member has put forward an incredible accusation, which I believe needs to be defended against. However, when the member asked very detailed questions, I have said to the member that then we will enable to get him the information. The people who would have access to the details are simply not here at this table.

Mr. Lathlin: My concern lies with the higher-ups of the commission and also, yes, that is why I was asking

those types of questions, because I know the minister can answer certain questions when she wants to, but she will not answer other questions that she did not want to answer just by saying, well, nobody around here remembers. We are asking questions that are detailed.

Point of Order

Mrs. Vodrey: Point of order, Mr. Chair. I would ask you to consider the remarks of the member when he said, the minister will not answer. That is clearly not true. I have answered every question. I have in some cases been unable to provide the detail, and I have agreed to follow them. I believe those remarks may in fact not be acceptable to this committee.

Mr. Ashton: On the same point of order, Mr. Chairperson, if you will note what the member for The Pas (Mr. Lathlin) said a few minutes ago, the minister could not get any details on the application but she just answered, saying categorically there were no communications from Mr. Barrett. His family has given \$15,000 to the Conservative Party since 1988. He is a member of the PC Manitoba Fund. When you also have people on the commission, one of whom, the chair of the board, I believe, is a former president of the PC Party—now, if it looks in this case like the former chair—if you look at this, you have a politically appointed board, you have a politically well-connected person who gets a licence that the person who owned the facility applied twice under the same circumstances could not get.

Now one and one adds up to two. That is what the member for The Pas was pointing to, was the fact that all of a sudden you could say how terrible it was to suggest there was political favouritism, and you knew categorically there was no communication between Mr. Barrett and anybody on the board. But you did not know anything about the licence application. You cannot have it both ways, Mr. Chairperson. Either you know the answers or you do not; you cannot cherry pick. I have every reason to believe that the member for The Pas is making a very responsible statement, and that is, what everybody in Cross Lake knows, that this government used—in this case, the Liquor Commission based a decision on a PC membership card, Mr. Barrett \$15,000, and that is political sleaze of the worst kind.

Mr. Chairperson: Order, please. The honourable minister does not have a point of order. It is a dispute over the facts. As well, the honourable member for Thompson also does not have a point of order. It, too, is a dispute over the facts.

* * *

Mr. Ashton: I do want to indicate we are willing to sit a little bit past twelve. The honourable member for Inkster has some questions.

I want to put on the record that we are extremely concerned about this. I think the member for The Pas has every right to be offended. I just cannot believe in this particular case—and you can talk about 300-odd applications. Mr. Barrett, I believe, is a lifetime member of the Conservative Party. Is it not coincidental—this is the Tory argument here: It is coincidental that Mr. Barrett and his family gives \$15,000 since 1988 and they are successful in a licence application that the widow who tried at least two times could not get.

Now, Mr. Chairperson, if you wonder why we are offended, it is because this goes to the very root, I believe, of the kind of political favouritism we have seen. This is not the first time this has happened. You had a defeated Tory candidate appointed to the board who started the process of private wine stores, got off the board before the final decision was made and coincidentally now owns one of the private wine stores, a PC candidate.

The point I said earlier is, if you want to appoint political people to the board, that is fine, but keep politics out of decisions related to the Liquor Commission. I am absolutely offended, quite frankly, to see Cubby Barrett and his family, lifetime Tory, being in a position of getting a licence and Mrs. Sweeny, a constituent of the member for The Pas, not being able to get the licence. The community being listened to, and everybody knows the objections of the reserve expressed by the chief, how come it was listened to in 1991? According to the minister, we got this report back, but this time around Cubby Barrett, no concern about the expressed concerns on the reserve side.

You know, what I find interesting is, the former licensee application and people who work with that were offended, the Sweenys, and the reserve, represented by Chief Garrioch, were offended, on the two opposite sides of the issue.

The original applications, both of them are saying the same thing. Both of them are saying that this stinks and that it is a classic example of how we have got political sleaze when you have someone with political connections gets a licence application and Mrs. Sweeny does not, when the communities listen to, when it is somebody who does not have a Tory card, and when the community is not listened to, when the person that is applying is one of the senior Tory fundraisers, a member of the PC Manitoba Fund, when you again have political appointees on the board.

Let us not kid anyone. Everybody knows Cubby Barrett and the Conservative Party, and that includes people on the board. The minister knows the time that decision was made, that was the case. I say to the minister, if this is going to be the case, if we are going to see this kind of political favouritism, I would hope that if it takes taking politics totally out of the Liquor Commission, let us do it that way. I do not normally have an objection in principle to that.

I would ask the minister to perhaps review the way in which people are appointed to the Liquor Control Commission because, at least if you got the political appointees out of the way, if you cannot get in there and put aside your Conservative outlook, or NDP—quite frankly, I would not want to see an NDP board giving favouritism to NDP members.

I want to say, Mr. Chairperson, I say to the minister will she take politics out of the Liquor Commission, since in this case, I think it is obvious to everyone that this decision is highly suspect. Will she look at replacing the board?

I want to make this as a positive suggestion. We have an all-party committee. I would suggest, in sensitive areas, I have said this about Lotteries where they appointed the commission there and it was political appointees again. A person gave money to the minister's campaign and the minister said he had no idea who this person supported politically. Yeah, right, Mr. Chairperson, like we were not—do you have a bridge to sell us too?

The bottom line is we are not stupid. We see the political connections. I say this to the minister will she consider having the committee of the Legislature appoint the Liquor Commission to go through the names to show her that anybody that is appointed is acceptable to all three parties in this House and, hopefully, to net out politics not only in the appointment to the commission but in terms of the decisions of the commission, because it is not the first time, it is the second time that we have seen politics on the Liquor Commission.

I want to say I believe the Liquor Commission is served poorly by that, because I have a lot of respect for the Liquor Commission, the staff of the Liquor Commission, going back to Mr. Smith as CEO. Looking at the current staff, I have a lot of respect. This is not criticism of staff. It is a criticism of this government and its politically appointed board.

* (1200)

Mr. Chairperson: Before the honourable minister responds to the question posed by the honourable member for Thompson (Mr. Ashton), the hour is approaching twelve o'clock. What is the will of the committee, which time we will sit till? What is the will of the committee?

Mrs. Vodrey: I am prepared to support an additional 10 minutes, which I believe the member for Inkster has asked for. However, Mr. Chair, it would be conditional that we then move to look at voting on this report this year.

Mr. Ashton: In the interest of time, we will not be giving any concluding statement. I think we put our concerns on the record, and I would be more than willing to agree to give the member for Inkster (Mr. Lamoureux) 10-15 minutes. I can indicate that we will indeed pass the report at that time.

Mr. Chairperson: Is it the will of the committee that we sit until ten after twelve? [agreed]

Mrs. Vodrey: I just have some very short comments to make regarding the statements by the member from Thompson. First of all, I would start by saying I reject all the information which he has put forward on the

record. I have no reason to believe the allegations he put forward are the case at all. Mr. Chair, the member did say when he started that he understood that governments appoint boards. He supported that position. I believe, if he checks Hansard, that was part of his opening statement, and now he has sort of come full circle and said that no, in fact, boards should be appointed in another way. So I will review the comments made by the member to try and determine which point he wants to make on that matter.

But I will leave this by saying, I reject the comments made by the member. However, I did make some commitment to provide certain information which is possible to provide to the member for The Pas, and I will see that that is done.

Mr. Lamoureux: I had some very specific questions for the minister dealing with the brew pubs. There is an opportunity for a few Manitobans to be able to look at the possibility of investing millions of dollars into brew pubs as an industry in the Exchange District. It seems that there are a number of councillors at the municipal government in Winnipeg that would like to see these brew pubs come into existence. When I posed the question to the minister during Question Period, she had indicated that currently brew pubs can establish, nothing prevents them from doing it. I did have opportunity to talk to a couple of individuals, one in particular who was a person who was wanting to be able to invest in brew pubs. It indicated in discussions that he had had that there really is a requirement to make some changes. For a brew pub which you are looking for, ideally looking at the Exchange District, as I say, is having hours of operations that would be able to facilitate a traditional-type brew pub which does not necessarily provide entertainment like, let us say, a cabaret or things of this nature.

I guess the question that I would have, not as much for the minister, but for the CEO or the chair, in his opinion, can a brew pub in the Exchange District work under the current legislation?

Mr. Wright: You ask specifically about the Exchange District. Let me back you up a couple of years. There was a brew pub in operation on Highway 1 east of town which failed for business reasons. So whether or not a brew pub can make a go of it as a business in the

Exchange District is, I suppose, up to the proponents of that. I could not really comment on that, because we have yet to receive an application specifically for a brew pub. So we have not seen a business plan yet. I cannot at this point comment on that.

Mr. Lamoureux: Mr. Wright, would you be familiar with traditional-type brew pubs in other jurisdictions?

Mr. Wright: Yes, I am.

Mr. Lamoureux: Does the legislation that we currently have in place allow for those same sorts of traditional brew pubs to exist in Winnipeg?

Mr. Wright: It depends on the business mix that the brew pub would have. Specifically, we have a rule in the regulation that sales of such a facility have to be 60 percent alcohol, 40 percent food. That is because we tend in this province to focus on food, the serving of food rather than the serving of alcohol in these kinds of restaurant-lounge-type operations.

Mr. Lamoureux: Then would it be safe to say that in those other jurisdictions where they have these traditional types of brew pubs, one of the reasons why they might have a better chance of being successful is because they do not have to meet that same requirement? If, in fact, we were to make the change that would allow for that to occur, and I am talking about a very specific area, the Exchange District, if we were to make that sort of a change, that quite frankly some of the comments that I have heard from people that are prepared to invest are in fact legitimate, that we do need to make some changes in order to make it feasible as an industry in the Exchange District.

Mr. Wright: The rules of operation vary, as you would understand, province to province. I am not familiar with them in great detail in every province, but I suggest that if we were to change the regulations for brew pubs in the Exchange District, we would have to change them for the whole province. I do not think that we could do it for a narrowly defined area of one city.

Mr. Lamoureux: Okay, but in that I acknowledge that there is some sympathetic view in terms of, yes, there is a need for change, but that change would have to be brought in across the province, but municipalities,

including the City of Winnipeg, would ultimately be responsible for zoning. So they can in essence allow for the special zoning and thereby allow it to be in the Exchange District only. So that is something which the local government can do. What we need to do as provincial Legislatures is provide the tools that would allow them to establish the so-called traditional style of brew pubs if in fact we believe in them. Will it add to the dynamic of the Exchange District? Many would argue that it would. I believe that, ultimately, from the discussions that I have had, we have limitations that prevent them from coming to reality. That takes away from some of the potential character of our Exchange District.

Would Mr. Wright agree, if we are going to have them, that we are going to have to see some sorts of changes? Has the commission looked at what potential changes might allow for these brew pubs to become feasible?

Mrs. Vodrey: First of all, the member for Inkster is speaking about one very specific area and, as has been stated by Mr. Wright, any changes would require changes to the legislation which covers the province.

He is speaking about one entrepreneur for whom we have said we have not yet seen any business plan. So we are not clear whether or not this individual may in fact be able to operate under the current rules or not.

In addition to that, there are a number of businesses in the Exchange District, if the member wants to focus only on that district, or across the province, who have also invested large amounts of money into businesses and who deserve a consultation, if there is to be any change, to look at what that impact may be, because both the entrepreneur whom the member is speaking about, and we have yet to see his plan, would want to be making an investment and also people who are already there have made an investment.

Any changes would have to have a consultation and a full consideration about their impact. I think the member has taken a single example and hoped to simplify it without a consideration that it would in fact have an impact on all businesses. I think, only to be fair, that needs to be considered.

Mr. Lamoureux: Mr. Chairperson, my impression was that there were numerous individuals from within the Liquor Commission, maybe not necessarily the board direct, but others from within the Liquor Commission that were aware of it, and even some of the Conservative MLAs that were made aware of this particular issue.

I guess what I would ask the minister: Is the minister open to reviewing the legislation to see if in fact there are any benefits to modifying it so that we could have some sort of a traditional style of pubs? I am not an advocate, for example, of neighbourhood pubs, something the member for Thompson (Mr. Ashton) made reference to. I am not saying every community should have neighbourhood pubs. I think that in the Exchange District there is some merit for that particular argument. There are jobs that could be created. There are people that are prepared to invest millions of dollars into this, and given when we have our breweries leaving.

With that comment, Mr. Chairperson, I did have about two more minutes of other questions on Molson's departing.

* (1210)

Mrs. Vodrey: I would remind the member that there are people in that area who have already made large investments, too. So any changes would have to be considered with a very clear and important consultation. I believe that it is important when any changes are requested in terms of the MLCC act that they not be made just alone and for one single interest but that the impact and that the importance of those changes are fully discussed.

So that is the statement that I have given on this matter and any others that have been brought to me publicly, that if there are changes, I would have to know what they would be, and then I would want to make sure that they were discussed fully with all the stakeholders before a decision was reached.

Mr. Lamoureux: Mr. Chairperson, I would ask that Mr. Wright, with respect to microbreweries, when we have Molson and Labatt that have left the province, I believe that there is great potential to at least attempt to

establish microbreweries for the province of Manitoba. Does the Liquor Commission believe it has any role to play in terms of the promotion of locally owned microbreweries, or the potential of having locally owned microbreweries?

Mr. Wright: As you know, there is one microbrewery in operation today, the Fort Garry Brewing Co.

An Honourable Member: Is that beer bottles?

Mr. Wright: It does not have beer bottles, no. It manufactures draft beer only, has a number of very large customers for whom they manufacture custom blends. They are considering, I understand, bottling, but I think that is somewhat in the future, frankly. It is an expensive operation to construct and so forth.

We have had really no other interest expressed by other parties, except maybe a couple of casual comments from people much along the lines of what you have made. It seems now there would be room for such endeavours now that Molson is closing, come the 1st of August, I believe it is.

Mr. Lamoureux: You could establish a microbrewery probably for under a half-million dollars in terms of getting it operational. I think what we want to do is we want to appear to potential investors that we are prepared to do what we can as a commission to ensure viability, and one of the things that you can do, for example, is within a liquor store, give some sort of assurances that you are going to have a good chance of getting your product on our shelves.

I am wondering if, and I realize that it is already 10 after, so I will leave this as the last question, which will be a question/suggestion, and that is, I believe the Liquor Commission does have a role in assisting in potential marketing indirectly for local microbreweries in making whatever attempts it can to promote, so that we do see some local breweries, again, because it has good potential as an industry to create some jobs in the province of Manitoba and a Manitoba product. We do drink a lot of beer.

With those, I conclude my remarks, and I appreciate the committee's patience.

Mrs. Vodrey: I thank the member for his remarks.

Mr. Chairperson: Shall the March 31, 1996, Annual Report of the Manitoba Liquor Commission pass?

Some Honourable Members: Pass.

Mr. Chairperson: It is accordingly passed. The time is now 10 past the hour of 12 noon. What is the will of the committee?

Some Honourable Members: Committee rise.

Mr. Chairperson: Committee rise.

COMMITTEE ROSE AT: 12:15 p.m.