

## THE LEGISLATIVE ASSEMBLY OF MANITOBA

8:00 o'clock, Tuesday, April 4, 1967

MR. LYON: I wonder if you would be good enough to call first of all the second reading of Bill No. 38 and then thereafter the Committee of the Whole House to consider the report on Bill No. 56 for third reading.

MR. SPEAKER: Adjourned debate on second reading. The Honourable the Attorney-General.

MR. LYON: Mr. Speaker, unaccustomed as I am to such a response when I rise to participate in a debate in this House, I can only express the highest hope that it is not occasioned by any reference to the subject about which I am about to speak tonight or any consumption thereof.

I consider it a privilege to have listened to the most interesting debate that we have had on the second reading of the proposed amendment to The Liquor Control Act. I believe some thirty members of the House have participated in this debate and I am certainly hopeful, Sir, that my remarks in closing the debate will be useful in our consideration of the merits of this Bill.

One generalized matter upon which I believe I should make some comment at the outset is this, many members have chosen to describe these amendments as representing a sweeping change for Manitoba. I really do not think that these amendments can be accorded that distinction. They deal essentially with three broad areas: first of all, adjustments in hours of sale in licensed premises. This was last done by this Legislature in 1959 when we made changes to the Act that was passed in 1956 and it will have to be done by succeeding Legislatures from time to time in order to keep the Act up-to-date with current facts.

The second category is that of advertising, and I suggest with the greatest of respect that what is proposed here, the enabling section, if it met with the approval of the House would merely bring Manitoba practices into accord with the majority of the Canadian practices as we find them across our country.

The third one on which there has been some comment is that of the provision for the making of homemade beer and wine within our province, and this amendment is only to alter a law to permit to be done lawfully in Manitoba what is already being done unlawfully under an old section of the Act which no longer reflects the will of the people of this province. And so I suggest, Sir, that any reasoned consideration of these amendments would convince the House that the changes are moderate, both with comparison to our present Act and to practices in most of the other provinces of Canada.

The amendments do however represent an attempt to bring our legislation into line with established social customs and practices and with the realities of life in this latter third of the 20th century. The amendments do not represent a dramatic new path which we seek to carve in the field of new and untried areas, rather they are an attempt to keep Manitoba's liquor legislation more or less consonant with the fast changing society and the social customs in our province and in our country, to tread those paths which have been opened in our sister provinces with no deleterious effect upon their citizenry.

Let me deal first then, Sir, with the proposed changes in hours. In essence, the amendments grant only a one-hour later closing hour over the present limit for all licensed premises. The amendments would permit cocktail rooms to be open and remain open between 6:30 and 7:30, the dinner hour closing period, and they would permit the sale of liquor with meals in licensed dining rooms and restaurants on Sunday.

Now how do these proposed changes correspond with present practices in other jurisdictions in Canada? I can tell the House, Mr. Speaker, that the supper hour closing of cocktail rooms exists only in the Province of Manitoba. No other province in Canada has this restriction. We are asking by these amendments that this restriction be eliminated. The supper hour closing of beer licensed premises exists and will continue to exist in Manitoba, but it exists in Nova Scotia, New Brunswick, Saskatchewan, Alberta and our province, and so for those who feel that an anomaly would exist if the supper hour closing were abolished in Manitoba for cocktail rooms but remained in effect for beer premises, then I can only say that this same anomaly exists in five other provinces of our country if indeed it is an anomaly at all.

We come to the question of Sunday service of liquor with meals. Is this a new and an untried area that Manitobans are being asked to venture upon? Here is the breakdown of what occurs in other provinces. Sunday service of liquor with meals is allowed in Prince Edward

(MR. LYON cont'd)....Island from 11 in the morning until midnight; in Nova Scotia from noon until 9 in the evening; in New Brunswick from 1 in the afternoon until 10 at night; in Quebec from noon until midnight; in Ontario from noon until 3 in the afternoon and from 5 in the afternoon until 9:30 at night; in Alberta, private golf clubs may have liquor with meals from noon until 7 in the afternoon; and of course in Manitoba, under our existing law, athletic clubs may serve liquor with or without meals during the regular hours on Sunday, so this has been a privilege which has been extended to these private athletic clubs now for a good seven or eight years. And so we see that these practices are current in most of the other provinces of Canada.

I come to the question now of night closing hours, and I think again that we might benefit by some consideration of what is being done in other jurisdictions because this is relative to the social practice in the country. In Nova Scotia, taverns - that is the beer-oriented drinking establishments - close at 11 in the evening and all other liquor establishments close at 12:30 in the morning; in Prince Edward Island, all liquor establishments close at midnight; in New Brunswick, all taverns close at 11 in the evening and all other liquor establishments remain open until 1 in the morning; in Quebec, all taverns remain open until midnight, other licensed premises remain open until 2 or 3 in the morning; in Ontario, the public house or tavern closes at midnight and all other licensed premises remain open until 1 in the morning; in Saskatchewan, beer premises close at 11 in the evening and all other licensed premises close at 1 in the morning except on Saturday nights when they must close at 11:30; in Alberta, all beverage rooms close at 11:30 at night and all others close at 11:30 except lounges and clubs serving food who may obtain extensions until 12:30 in the morning; and in the Province of British Columbia, all licensed premises close at midnight. So again we can see that by comparison the amendments that are proposed in the Act concerning closing hours for licensed premises would be within the range that I have outlined to you is practiced in other provinces.

Now there has been, Mr. Speaker, some considerable opposition expressed to the amendment which would allow the sale of liquor with meals on Sunday. On this particular aspect of the Bill I should like to point out that a good many people in this province consider that alcoholic beverages do form a part of a meal. The proposed amendment would allow them to consume these beverages as part of their meals on Sunday as they can now on any other day of the week. I have heard it said that this constitutes a violation of the rights of those who do not wish to drink on Sunday, but I can see no merit in this argument. We merely propose to allow those who wish to have wine or a drink with their meals on Sunday, to do so. We do not propose to infringe by these amendments on anyone's rights.

In considering these adjustments in hours, it must be firmly kept in mind that the proposed opening and closing limits are permissive only. The Bill specifically provides that the Commission may order or approve shorter hours upon the request of a licensee. I understand that a number of licensees have already indicated to the Commission that they would ask for shorter hours thereby indicating a sensitivity on their part to the wishes of the particular community that they serve, and this provides precisely the kind of elasticity that is needed to contemplate the differing habits as between, for instance, a small rural centre or a larger urban or suburban community where the longer period is in demand. I repeat again that the hours of sale are capable of reduction at the option of the licensee or at the order of the Commission. This, I suggest, Sir, is a realistic change to reflect contemporary wishes in our varying communities in Manitoba. The amendment merely tries to make it possible for our licensees to respond in a realistic manner to the social realities of their particular area, be that area rural or urban.

I turn now for a moment to the much debated subject of advertising. Undoubtedly this section has been the subject of the most debate that we have had. There are, I am afraid, a number of misapprehensions current about advertising and a number of myths which I shall do my best to explain.

First and foremost, the proposed change merely recognizes something which already exists. We have liquor advertising in this province beamed in by radio and TV stations from the United States; we have United States and international and other publications sold by subscription or over our newsstands, all of which contain liquor advertising of a kind and a quantity that would never be approved under our regulations. Furthermore, the bulk of our Canadian publications, which are printed in the Provinces of Ontario and Quebec, are distributed fully here with liquor ads approved by the Liquor Boards of those two provinces. Practically every major publication that we read contains liquor advertising and we are powerless to do anything about it.

(MR. LYON cont'd)....

The choice in Manitoba today, Sir, is not between permitting or forbidding advertising; the choice is between keeping a law which is no longer effective, a law which says there shall not be something which we all know does exist, or of changing our law to accord with the realities as we find them. The people of Manitoba are already exposed to large amounts of liquor advertising whether we will it or not. The prohibition presently on our statutes, I say reluctantly, is an empty one. It does not and it cannot achieve its purpose of preventing our people from being exposed to liquor advertising. Its only remaining effect is to deprive our provincial publishers, our advertising media in this province, from competing in their business within the province, and it guarantees with an assurance beyond any question that money which otherwise might be spent in our province in a closely regulated advertising field goes elsewhere into forms of advertising of which we do not approve and which we are powerless to prevent invading our province.

I dare say that every member of this House, Mr. Speaker, would subscribe to the proposition that we would prefer to have no liquor advertising at all, if this were possible, but this is a patently impossible wish today. Eleven years ago, at the time the Bracken Liquor Enquiry Commission recommended no advertising in Manitoba, the situation was much different from what we find today in that only one other province in Canada, the Province of Quebec, permitted advertising. There was no radio advertising and TV was then in its beginnings in this province and there were no U.S. networks beaming their signals into Manitoba as they do today. Eleven years have brought about these very dramatic changes in our communications which I must say with reluctance make the recommendation in the Bracken report no longer tenable.

Today, 80 percent of the people of Manitoba can see and hear beer and wine advertising on television and radio located outside of our boundaries. It is estimated that at least a further 50 percent of Manitobans see liquor advertisements in magazines, newspapers and other periodicals distributed in our province from other jurisdictions where such advertising is permitted. Liquor advertising is now permitted on radio and television in five provinces of Canada, in the provinces of Ontario, Quebec, Nova Scotia, New Brunswick and Newfoundland, provinces which represent 73 percent of the population of our country. In addition, it is received in all other provinces of Canada from border stations, the example having already been given that 80 percent of Manitobans have access to this type of exposure even though we have a prohibition against it in our province. Printed brand advertising is now permitted, subject to various limitations on size, frequency and content, in seven provinces, with only Manitoba and Saskatchewan in western Canada still prohibiting it and Prince Edward Island in the Maritimes.

In other words, printed advertising, Mr. Speaker, is permitted in provinces having 88 percent of the population in Canada. I think it would be worthwhile to look for a moment at the proposed national code of advertising which was drawn up by all the Liquor Commissioners of Canada in 1959 - 1960 and which has to a large extent been adopted and followed in the Province of Ontario. I think it's worthwhile to look at this proposed national code because it was drafted as a public document released by the Liquor Commissioners some seven years ago for consideration by the various provinces who might be contemplating liquor advertising and it represents their thinking as to what would be proper and in pace for this kind of advertising in Canada. I mention it again, Mr. Speaker, because I think it is helpful to understand what kind of liquor advertising we are talking about in any consideration of whether it should be permitted or not.

First of all, in radio and television, the provinces which permit such advertising do so in accordance with regulations of the Board of Broadcast Governors of Canada. The code that has been laid down by the Board of Broadcast Governors is strict in its requirements that the advertising permitted shall not be designed to promote the general use of beer or wine. That's the No. 1 credo in the statement of the regulations of the BBG, and I ask the honourable members to note, Mr. Speaker, that beer and wine advertising only is permitted, not spirits, and that in practice only beer is advertised on radio and television in Canada, the wineries not having moved into this field, and that the Board of Broadcast Governors permits only industry, institutional, public service or brand preference advertising.

The prohibitions for TV and radio advertisements are as follows: Spot and flash announcements are prohibited, that is spot and flash announcements such as we see on some of the American channels that beam into Canada. No opening or closing billboards, that is showing

(MR. LYON cont'd)....the name of the sponsors, may exceed ten seconds and there can be no more than two billboards per program. No program can be less of a shorter duration than ten minutes. In other words, the advertisement must not be a spot advertisement, it must be a sponsorship advertisement of a particular program. No commercial announcement within that program time can exceed sixty seconds' duration; the number of advertisements per program is strictly controlled by regulation; and furthermore, all television and radio ads must be pre-approved by the Board of Broadcast Governors, and as I will mention to you shortly, they are also pre-approved by the Liquor Control Boards of Quebec and Ontario who have a special committee to look at these advertisements.

I think, Mr. Speaker, it is immediately apparent to anyone who has seen or heard TV or radio advertising appear on Canadian stations that these ads are totally different in not only timing but in content from the ads which we see in Manitoba from U.S. We presently have no control over the type of ads that Manitoba brewers for instance broadcast from the United States points. However, it is reasonable to believe that if the BBG type of regulation were permitted in our province, local stations might well be used by the local breweries in preference to the outside station. I think it is also reasonable to expect that our local brewers might be willing to accede to the very logical and reasonable requests as well, that any further U.S. advertisements which they might sponsor would be more in accord with those permitted under any provincial code that we might permit here. I repeat again, Mr. Speaker, that television and radio advertising contemplated is not that which we presently see in Manitoba from U.S. outlets. In fact, if this section received the approval of the House, it could well have the effect of moderating the type of ad that we presently see from U.S. points concerning Manitoba brewers.

Beer commercials in Ontario and Quebec are presently pre-approved, not only by the Board of Broadcast Governors but, as I mentioned, by a Committee or representatives of the Ontario and Quebec Liquor Commission Board. In Ontario, there is an even further restriction that no company may sponsor more than three hours of radio and three hours of television on any radio or TV station in any calendar week, with a maximum of 78 hours in any calendar year. This limitation may be extended in the case of a cultural or sporting event to cover the entire broadcast or telecast of such event. Ontario exercises even further control on the good taste of advertisements, and to the best of our information in Manitoba, the Ontario Board has had few if any complaints from the people of Ontario as to the quality or the taste of these brand advertisements in that province.

There is no evidence, Mr. Speaker, that I am aware of, that suggests that these advertisements lead to an increase in alcoholism or in any of the other social problems associated with the abuse of liquor, nor am I aware that advertisements whether printed or broadcast lead to an increase in total consumption. I think we can remember the speeches of the Honourable Member from La Verendrye and the Honourable Member from St. Matthews when they pointed out, I think quite properly, what brand advertisement is. Brand advertisement is an attempt to make you choose one brand over another, but as the member from La Verendrye so correctly put it, because one shirt company advertises shirts better than another I may buy their shirt, but I won't buy any more shirts than I intended to buy in the first place. I am confident too, Mr. Speaker, that 73 percent of the Canadians who see Canadian television or radio beer ads are just as concerned over their children as we are in Manitoba. Again there is no evidence that I have seen or heard that such ads have any deleterious effect on the young minds of three-quarters of our country. It is the duty, I suggest, of the Board of Broadcast Governors and of our commission, if such advertising were to be approved, to ensure that here, as in the rest of Canada, this programming would never be subject to that criticism. This has been done elsewhere and it would be done here.

I now turn for a moment to printed advertisements of liquor.

MR. PHILIP PETURSSON (Wellington): I wonder if the Minister would permit a question?

MR. LYON: If possible, I'd like to save them until the end. Again the question is germane, I think, in this question of printed advertisement, what kind of ads would be permitted? Again I ask, and I suggest that for guidance we may well look at the national code that was drawn up by the Liquor Commissioners and which find effect today largely in the Ontario system, and practically every Canadian now sees these liquor advertisements that are printed pursuant to the national code approved by the Ontario Liquor Board. We see them in our newspapers, our magazines and our other periodicals. This advertising, Mr. Speaker, is permitted in British Columbia, Alberta, Ontario, Quebec, Nova Scotia, New Brunswick and Newfoundland,

(MR. LYON cont'd).....representing, as I said, some 88 percent of the Canadian population.

Now let me paraphrase for a moment what type of restriction is contemplated in the national code, and this is carried out in effect in the Province of Ontario. First of all, they permit public service advertising of a type which supports worthwhile campaigns of a charitable, educational or cultural nature on a national, provincial or a municipal level, and that are definitely in the public service. This is known as institutional type of advertising which we presently have in Manitoba. They permit corporate advertising; they permit brand or product advertising, and their injunction in that regard is this, brand or product advertising which shall not be advertisements encouraging the use of alcohol per se but shall be brand preference advertisements. Such advertisements shall not contain - and I ask you to listen to these restrictions, Mr. Speaker - shall not contain and they do not contain - because you can see them in ads that I will presently show to you - family scenes, drinking scenes, bottle, glasses, cartons, containers or parts thereof. They shall be confined to the use of body labels, not more than one label per brand. The label must be reproduced flat and no larger than the actual size and shall not be presented in any way that indicates the shape of the bottle. They can contain trade marks; they can contain brand names; they can contain established slogans; they can contain recipes; they can have copy descriptive of the merits of the product. In every case the advertisement must be within the limits of good taste, and all advertisements have to be submitted to the Liquor Control Board of Ontario for their approval in duplicate prior to publication. Space limitations, because these relate down in the national code, you can't have unrestricted advertising. The liquor commissioners realize this and these are typical of the space requirements that are -- or limitations that are laid down in the Province of Ontario. This applies to brand, public service and corporate advertisements. In daily newspapers a maximum of 1,000 lines per advertisement and only one advertisement per company may appear in any daily issue of a newspaper. A maximum of 4,000 lines by a company is permitted on a calendar week's issues of a daily newspaper and a maximum of 78,000 lines in any calendar year. Weekend supplements of newspapers shall be considered to be newspapers and not magazines. In weekly newspapers they permit a maximum of 1,000 lines per advertisement, again only one advertisement per company, and a maximum of 3,000 lines by the company is permitted in a calendar week's issue of a weekly newspaper which publishes more than once a week.

In magazines and periodicals which must be published at periodic intervals, liquor advertisements shall not appear in annuals or programs - they don't permit them in those infrequent publications. The maximum size of an ad for a magazine or a periodical is one page. The advertisement has to be printed on one side of the page only, no fold-overs which have the effect of extending the page are permitted. No supplements or inserts are allowed. Not more than two advertisements per company can appear in any magazine or periodical in a calendar month and so on. These restrictions are laid down so as to prevent any undue use of the advertising media by liquor or breweries or winery companies. I mentioned these, Mr. Speaker, tonight because these are current restrictions that are applicable in other provinces in Canada, the 88 percent of the people that see them in the provinces that permit it, and they work. They're moderate, they are in good taste and they work.

Mr. Speaker, I should like, if I may, to give you a few examples of that about which I have been speaking. If one of the pages will come over here I will give you a few examples that have just been clipped at random and photostated from the Toronto Globe and Mail, the Edmonton Journal, and I believe one other Toronto paper to show you the kind of printed advertisement that is permitted pursuant to the National Code. If anyone is in any doubt about what I say as to whether or not we have liquor advertising in Manitoba, I went to the newspaper and magazine desk in my own office and I picked up the magazines that I find on that desk for the people to read when they come into the office, magazines that everybody in this House reads, women and children alike. Reader's Digest --(Interjection)--No, I haven't got Playboy which my honourable friend subscribes to but I do have Reader's Digest here which I find on my desk and I find that there's a Canadian - I won't mention the brand - but there's a rye advertisement opposite Page 89 in the April, 1967 edition. It shows a couple of... -- or Mexicans I think it is. There is another well-known distillery which advertises about traveling in Europe opposite Page 104 in Reader's Digest. Opposite page 132, one of the better known rum companies advertises its two products. One of the gin companies has an advertisement on Page 155 and the heading of the ad is "the things he did to some juniper berries are unspeakable." There it is, that's in the copy of the Reader's Digest that everybody gets

(MR. LYON cont'd)...in Manitoba. We have another advertisement on Page 185 of the same magazine recommending the sale of a particular kind of beverage that most of us are familiar with. We have another one recommending a rum on Page 193 of the same edition, of April, and we have another one on rum - it seems to be very popular in April - on Page 201. This, as I say, is the April, 1967 edition of Reader's Digest which I dare say goes into thousands of homes in the Province of Manitoba.

When I say liquor advertising is here, Mr. Speaker, I am not understating the case. Time Magazine, this is one of the large news magazines circulating in the world, circulating in Canada, which comes into this province in thousands of copies by way of subscription, by way of newsstand sales and so on, printed in Canada I am told, and the inside cover of the edition of March 10th - these were as I say just picked off the news desk in my own -- the periodical desk in my own outer office - and inside we have a full-page advertisement for a particularly well-known whiskey. On Page 46 of that same magazine we have another rum advertisement - full page. On Page 53 we have another small advertisement. I think there were only four or five advertisements in this particular edition of Time Magazine. Newsweek, which comes to us from the United States which is read by most people who like to keep up-to-date with what goes on, I'm not going to go into it in detail except to say that there are here some 20 advertisements in Newsweek of December 19, 1966. Life Magazine, the edition of March 10, 1967 has only four advertisements, one on beer, one on cocktails, one on rye, and one on bourbon. MacLean's Magazine, which I'm told is the largest magazine circulating in Canada, this is the edition of April of 1967, this comes into this province and all other provinces of Canada with liquor advertisements printed in Ontario, and it has something like nine advertisements within the covers of this one edition. I don't think any more evidence need be called to prove the statement that liquor advertising, Mr. Speaker, is here; it's present; it's facing us; we're exposed to it day by day whether we are adults, children or whatever. It is here and you see the kind of advertisements that all of us are exposed to and I daresay that most of us pass over these advertisements without paying too much attention to them.

One other item that has received some attention during the course of the debate is the home manufacture of beer and wine and here I feel that very little need be said because I think that no other justification is needed except to repeat this practice is current among our citizens, it is permitted under the Federal Excise Act to make these products, it is done here as elsewhere; it is not morally wrong. It remains only for us to repeal an old and out of date section of our Act which no longer serves a useful purpose and which makes potential law-breakers out of otherwise law abiding and moderate citizens.

I close now, Mr. Speaker, with very few thoughts on the philosophy of our Act and on the philosophy of liquor control in general because this subject has been treated in the course of debate. There are strong, and I believe sincerely held, opinions by some who hold that any change or liberalization of a liquor law is bad for the public morals and must inevitably lead to more abuse. I do not agree with this opinion. As the Member for Selkirk has correctly pointed out, man has never been successful in his attempts to regulate in the personal sump-tuary field. The Roman emperors tried to regulate drinking; the medieval kings did likewise and both failed; the Americans tried during their prohibition days and we tried in Canada through The Canada Temperance Act and it has never succeeded. In fact a reasonable observer could only comment that restrictive liquor laws have always found greater misuse and abuse than they have controlled and history proves it.

Fosdick and Scott were commissioned in 1933 by John D. Rockefeller, Jr. to write a thesis on liquor control as United States emerged from the days of prohibition and the ill-fated prohibition experiments and in his forward to their book: "Toward Liquor Control" which is a classic in its field, Mr. Rockefeller makes these few comment which I think are worthwhile pondering upon at this time. This is John D. Rockefeller speaking - he said: "I was born a teetotaler; I have been a teetotaler on principle all my life. Neither my father nor his father ever tasted a drop of intoxicating liquor. I could hope that the same might be true of my children and their children. It is my earnest conviction that total abstinence is the wisest, best and safest position for both the individual and society. But the regrettable failure of the 18th Amendment" (that is the Prohibition Amendment) "has demonstrated the fact that the majority of the people of this country are not yet ready for total abstinence, at least when it is attempted through legal coercion. The next best thing - many think it is a better thing - is temperance. Therefore as I thought to support total abstinence when its achievement seemed possible, so now and with equal vigor, I would support temperance. In

(MR. LYON cont'd)...the attempt to bring about total abstinence through prohibition an evil even greater than intemperance resulted, namely a nationwide disregard for law, with all of the attendant abuses that followed in its train. That this intolerable situation should be done away with has seemed to me even more important for the moment than the promotion of temperance. It was for that reason that I took a position more than a year ago in favour of the repeal of the 18th Amendment." Then he goes on to point out that he commissioned Messrs. Fosdick and Scott to write this volume and he concludes by saying: "The volume, as I read it, represents a careful and conscientious investigation. Its objectives coincide completely with my own views. Rightly the first objective is the abolition of lawlessness. Any program offered in lieu of the 18th Amendment must make that its chief aim, even if, and I weigh carefully what I say, the immediate result is temporarily away from temperance. The second objective is the focussing of all the forces of society upon the development of self-control and temperance as regards the use of alcoholic beverages. As the report aptly says, public standards as a basis for law can be improved only as private standards are improved. To develop the habit of temperance in individuals, to take up again the slow march of education, this is the real and the fundamental approach to the problem of alcohol." And then he goes on to say that law is a great thing but law cannot enforce itself and that law is really relied upon too often by people as a coercive element to try to make people adhere to certain social standards which they will not adhere to, and the report itself, which honourable members can find in the book itself, "Toward Liquor Control" which you can find in the library and which I say is a classic in its field, makes a number of cogent comments upon what kind of philosophy should undergird the rewriting of liquor laws in the United States after prohibition and the same basic principles, I suggest, have great cogency with respect to the development of liquor laws in this part of the North American continent as well.

They mention on Page 6 of their report, they say "We have tried to govern too largely by means of law, tendencies which in their nature do not easily admit of objective treatment and external coercion. We have laboured under a belief that law could be used as a short-cut to a desired end and that the agencies through which moral objectives are normally sought, that is the home, the school, the church, could be subordinated to a speedier process." And on they go to outline again and again that coercive law, that restrictive law is not the answer to the type of control of social habits that we seek through liquor legislation.

Well, Mr. Speaker, one could go on at great length and one can find many of these quotations in the Bracken Report. One can find these quoted at great length in most other studies that have been made of liquor law in this continent. That there are many problems associated with the use of alcohol no one can deny and that this government or that any government has a responsibility to deal with these problems, no one can deny. But governments cannot meet this responsibility, Mr. Speaker, with prohibitions or with unrealistically restrictive legislation, nor indeed with loud moral judgment. We are attempting with some success through educational and treatment programs in this province and elsewhere to alleviate the social disorders associated with the misuse of alcohol. This can and it must be done through education but not through prohibition. We do this in Manitoba by supporting such worthwhile groups as the Alcoholism Foundation, the Alcohol Education Service, our treatment centres in hospitals, to name only a few. And Alcoholics Anonymous without any government help at all or support. Alcoholics Anonymous, I suggest Mr. Speaker, does more in the field of rehabilitation than any statute that was ever devised by man. Alcoholism is an illness and it must be treated as an illness. You can't legislate against an illness. You can't legislate against alcoholism any more than you can against polio or against heart disease or whatever and laws which prohibit diseases are of no effect. We must find cures and treatments for these diseases as we do for all others.

I conclude by pointing out to you a final quotation from a rather humorous little book, but a good little book, written by Morris E. Chapin "Liquor, the Servant of Man." It's good light reading. You won't agree with everything that you find in it but he has some very pungent statements to make and he is the man who is an assistant clinical Professor of Psychiatry in the Faculty of Medicine at Harvard University and he has spent his life, devoted his life to the treatment of alcoholism; and one of his most cogent comments I think in his little book is that "Alcoholism is a major health problem; liquor is not." Alcoholism is a major health problem; liquor is not. He also goes on to say that ninety-five percent of the people who drink have no alcohol problem, which is a fact that we would do well to keep in mind.

(MR. LYON cont'd).....

Well, Mr. Speaker, I hope and trust that these words tonight have not departed from the spirit of goodwill and moderate debate which has characterized the debate thus far. I hope equally that all the honourable members, regardless of what side of the question they support - we're going to find quite a disparity of opinion in this House - realize that no liquor law is perfect. In this field as in so many others where we attempt to control the social habits of our fellowman we must be prepared to accept the fallibility of our efforts. And fallible they are and fallible they will continue to be. But I do commend these amendments to you for your consideration. I refer again to what I said at the beginning of my remarks. These amendments do not represent sweeping change; they are nothing more than an effort to make the present law more realistic, to make it reflect social practice at this time and in this society.

MR. SPEAKER: The Honourable Member for Portage.

MR. GORDON E. JOHNSTON (Portage la Prairie): Mr. Speaker, would the Minister permit a question? When reviewing The Liquor Act with the object of proposing improvements, why do you ignore the serious social problem with respect to our Indian peoples who by and large many manifestly are unable to handle the liquor problem?

MR. LYON: I suggest, Mr. Speaker, if my honourable friend had been listening with any degree of care to what I was saying he would have found the answer.

MR. JOHNSTON: Are you seriously saying that that is the answer?

MR. SPEAKER: Order please. The Honourable Member for Wellington.

MR. PETURSSON: After listening to the Honourable Minister speak for about 20 minutes or 25 minutes on the advantages of advertising, --(Interjection)-- desirability --(Interjection)-- I'm asking the question; he interrupted me. I wonder whether the Honourable Minister knows or can tell me how much money is spent in Manitoba on alcohol education or alcohol treatment.

MR. LYON: I've seen those figures Mr. Speaker. I should perhaps correct my honourable friend when he says I was speaking on the advantages of advertising; I think it would be more correct to say I was speaking on the inevitability of advertising because it is here. But the figures are available. I have seen them. My memory fails me to give you an exact figure as to the amount. I do know that the amounts that are spent in Manitoba I believe are the second largest per capita of any province in Canada.

MR. PETURSSON: May I ask a second question, supplementary to this, not related directly to the first one. I wondered with all the advertising that now is carried into the province, whether the Minister honestly believes that we have to add to what already is being presented to us. Is it necessary that we add to the tremendous quantity of advertising that now comes into the province?

MR. LYON: Whatever Manitoba will contribute by way of additional advertising will be relatively innocuous to what we are getting.

MR. PETURSSON: A supplementary -- or is that permitted? I wondered as I listened to the Honourable Minister, whether the present prohibition of advertising in Manitoba isn't merely a further extension of restrictions on advertising, permitting a little bit of it, that now exists in other places, that is we have restricted advertising to a minimum or zero, whereas others are restricting it a little less than what we are. Isn't our present policy just a further restriction of what is carried on in other places?

MR. CAMPBELL: Mr. Speaker, might I ask the Honourable the Minister a question? I would like to ask the Honourable Minister the date of the Rockefeller sponsored study that he referred to and quoted from.

MR. LYON: 1933.

MR. CAMPBELL: Would that date, 1933, be considered to be in keeping with a dynamic young man like my honourable friend; wouldn't it be more appropriate for me to be quoting it?

MR. LYON: I can only say Mr. Speaker, that the principles enunciated are enduring. The Bible was written some 2,000 years ago but the principles I would still adhere to. I think they're quite good yet.

MR. SPEAKER: Order please. I'm beginning to wonder if some of the speeches --(Interjection)--it's entirely the Minister's prerogative as to whether or not he answers but would you kindly keep it to a question if he is prepared to answer.

MR. DOERN: Mr. Speaker, I'd like to ask a question. I believe that the Honourable Minister said that he was unfamiliar with writings that sort of indicated that people were influenced by advertising. He seemed to suggest that he was only - he made all his decisions



(MR. DOERN cont'd)....consciously. I'd like to ask him whether he's ever heard of such books and writing as the "Hidden Persuaders" and others that talk about subliminal projection and sort of subconscious motivation.

MR. NELSON SHOEMAKER (Gladstone): Mr. Speaker, I know that my honourable friend the Attorney-General will permit a question from me, and it is simply this. When can I expect to receive an Order for Return respecting the contributions that the government make to alcohol education and so on.

MR. SPEAKER: ...to the Bill being discussed. The Honourable Member for Inkster.

MR. GREEN: Mr. Speaker, I'd just like to ask the Honourable Minister who just finished making what I considered was a very excellent address, whether his arguments about the flood of advertising we are now getting applies equally to the regulations which he now proposes to have enacted with regards to advertising as to the prohibition that he spoke about. In other words, we are now getting a flood of advertising from other places, television, radio - not radio, if that is radio I guess American stations do it, plus the magazines. And you say that that makes the prohibition meaningless. Doesn't it make the regulations that you spoke about equally meaningless?

MR. LYON: Not when one has reference to the type of advertising that is permitted under those regulations. But I restate the proposition with which I think I would find little disagreement in this House, that if we could have the best of all possible worlds we would probably each one of us prefer that there be no liquor advertising if that were possible. But that is patently impossible so we must make our law correspond with the realities of the situation as we find them. That essentially is the proposition that is advanced.

MR. SPEAKER: The Honourable Member for Brokenhead.

MR. SAMUEL USKIW (Brokenhead): Mr. Speaker, the Honourable Minister mentioned that it's impossible to successfully legislate against human behaviour and I'm wondering whether or not he didn't consider that it was also impossible to legislate the 12 o'clock midnite Saturday closing hour.

MR. ROBLIN: Mr. Speaker, I think these matters can be dealt with in committee, if the Bill reaches Committee; but it seems that it does trespass the rule of the House to have a continuation of the debate the way we've obviously been having.

MR. SPEAKER put the question and after a voice vote declared the motion carried.

MR. FROESE: Yeas and Nays, Mr. Speaker, please.

MR. SPEAKER: Call in the members. Order please.

A standing vote was taken, the results being as follows:

YEAS: Messrs. Baizley, Beard, Bjornson, Carroll, Cherniack, Cowan, Craik, Desjardins, Doern, Einarson, Enns, Evans, Fox, Green, Guttormson, Hanuschak, Harris, Hillhouse, Jeannotte, Johnson, Kawchuk, Klym, Lissaman, Lyon, McKenzie, McLean, Miller, Molgat, Patrick, Paulley, Petursson, Roblin, Spivak, Stanes, Uskiw, Vielfaure, Watt, Weir, Witney and Mrs. Forbes.

NAYS: Messrs. Barkman, Campbell, Clement, Dawson, Froese, Hamilton, Johnston, McKellar, Shoemaker and Mrs. Morrison.

MR. CLERK: Yeas, 40; Nays, 10.

MR. SPEAKER: I declare the motion carried.

MR. ROBERT STEEN (St. Matthews): Mr. Speaker, I did not vote because I was paired with the Honourable Member from Turtle Mountain. Had I voted I would have voted for the Bill.

MR. PETER MASNIUK (Fisher): Mr. Speaker, I did not vote because I was paired with the Honourable Member for Morris. Had I voted I would have voted for the Bill.

.....continued on the next page.

MR. SPEAKER: Committee of the Whole House.

HON. GURNEY EVANS (Provincial Treasurer) (Fort Rouge): Mr. Speaker, I beg to move, seconded by the Honourable the Attorney-General, Mr. Speaker do now leave the Chair and the House resolve itself into Committee of the Whole to consider Bill No. 56.

MR. SPEAKER presented the motion and after a voice vote declared the motion carried, and the House resolved itself into a Committee of the Whole with the Honourable Member for Arthur in the Chair.

COMMITTEE OF THE WHOLE HOUSE

MR. CHAIRMAN: Committee proceed.

MR. EVANS: Mr. Chairman, we have one open item on page 1 that was drawn to my attention by the Honourable Member for Inkster. I'm sorry he's not here because I would like to thank him for drawing it to my attention. The Honourable Member for St. John's took part in it and I think it has helped to improve the Bill. I propose when we come to Section 16 to move an amendment which will have the effect of substituting for the term "insufficient" as describing a price, the term "less than fair market value" instead. I don't know whether my honourable friend heard me but I did want to thank him for drawing this to my attention. He has helped, in my opinion, to make an improvement in the Bill.

MR. CHERNIACK: Mr. Chairman, where would that insufficient appear in 16?

MR. EVANS: Section 16, (c) 1. I propose that when we reach that point to move for the removal of the word "insufficient" and substitute the term "less than fair market value."

MR. CHAIRMAN: Are you prepared now to pass then (e) of subsection (1) of Section 2? (e)--passed. Now we are dealing with Section 3, subsection (6). (6)--passed; subsection (7)--passed; subsection (8) (a)--passed; (b)--passed;

MR. MOLGAT: Mr. Chairman, under subsection (8), I don't know if this is the proper place to ask the question or not. The question has been asked of me regarding leasing. Where an individual purchased an item which he intends to lease out and he purchases it at retail, can he then get the retail tax rebated to him or can he get an exemption and not pay it at all in the first place as it will be paid by the leasing. In other words to eliminate the possibility of double taxation.

MR. EVANS: Yes, we intend to eliminate double taxation. I assume he would have to have a vendor's licence for the purpose of leasing it. In other words if he is in the renting business, he would have to have a vendor's licence for that purpose, but having that vendor's licence he can purchase the material itself free of the sales tax. -- (Interjection) -- I imagine wherever he's able to purchase it. If he purchases it at a wholesale outlet -- it really doesn't matter whether it's at a retail store or a wholesale store or indeed whatever price he's able to get it at. It's the sale to him and the price that he has to pay that counts.

MR. CHAIRMAN: Subsection (a)--passed; (9)--

MR. MOLGAT: Mr. Chairman, I just want to verify here that there's no misunderstanding possible. Automobiles are probably the item that will come in here most frequently insofar as the total volume. It's clear that the sales tax will be paid strictly on the difference between the net or the price of the new vehicle less the trade-in, only on the difference?

MR. EVANS: That is right.

MR. FROESE: Mr. Speaker, what about a case where a dealer gets more than one trade-in on one particular item? It's just on the cash amount, on the cash difference is it?

MR. EVANS: Yes, to be a trade the two articles have to be of the same general type, that is to say it would be possible to turn in two old automobiles and buy a new one with a small cash difference. -- (Interjection) -- No I think the article taken in trade has to be of the same general type as in the case of furniture; an article of furniture turned in as part payment on new furniture would be called a trade-in and in that case it's only the difference in price that would be taxed. If however a whole collection of other kinds of articles not related to the furniture sale were turned in, it might or might not be subject to this rule.

MR. CHERNIACK: Mr. Chairman, that last phrase "it might or might not be" is one that I don't understand. If a man has a car for sale and he's offered a boat in exchange for the car, what happens?

MR. EVANS: It is likely the sales tax would apply to the full price of the car.

MR. CHERNIACK: But the expression "it is likely that it would" is what disturbs me. Shouldn't we know?

MR. EVANS: I'll put it more definitely then. The sales tax would apply to the full price of the car.

MR. CHERNIACK: Well, would the sales tax apply to the boat as well?

MR. EVANS: When the boat is sold by the person that takes it in trade, yes.

MR. CHERNIACK: Well, but assuming -- we're making a trade here and this is not an uncommon thing, I'm not raising just something that would not occur. You'll often see that people would be willing to trade a car for a boat and say \$100.00 to boot. Now, each person who acquires the article will keep it for some indefinite period. Now when or is a sales tax payable on either of the two articles? Now, they're both vendors and they're both purchasers; really they are both parties to the same bargain.

MR. GREEN: Mr. Chairman, I think the way the Minister has just described this section, and I don't think it can work that way because in fact it becomes unworkable. Why is there a sales tax on the car and not on the boat rather than a sales tax on the boat and not the car? Surely each one is selling the other person something and there would have to be a sales tax payable on both of those items unless they were of the same kind, which is what is suggested in paragraph 9.

MR. EVANS: The wording of the Act, I think, covers the point, makes it clear. We're discussing two things, as to what might or might not happen; the second is the reason for it. On the first point, it seems clear to me. "Where tangible personal property of the same general kind is accepted at the time of sale by a vendor on account of the price of other tangible personal property sold." That covers the kind of case I described but it has to be of the same general type. This is the same as other Acts that we have seen and we put this provision in our Act for that reason.

Now as for the justification of it, it's the practice to allow the difference in sale price -- I think it covers the kind of case in which goods are often taken in trade and then discarded. In other words, it's an artificial way of discounting of price. I'm sure that there have been many trades carried on and we have seen them advertised that a large discount is offered if you turn in any kind of an article - it doesn't matter what it is - a substantial discount is offered. That is merely a way of reducing the price and would have the effect of depressing the price on which tax is paid below a fair market value.

MR. CHERNIACK: ... fair market value because it's a sales gimmick and as such the fair market value is the net price because the article brought in is just a gimmick, so that I don't really agree with the Minister but I don't think we need worry about that, and I would stop worrying about this subsection if the Minister assures me that he believes that the appeal provisions would take care of the court having the final right to decide what is the fair assessment of the situation.

MR. FROESE: Mr. Chairman, in the case of a dealer making a deal and selling, say a new car or truck, does he have to take the price, the quoted price in his price list, or can he give another price, a lower price, a cash price that he would consider?

MR. EVANS: He can give a lower price unless a case came to attention in which it became quite evident that he was making a sale at far less than market value for the purpose of evading the tax.

MR. CAMPBELL: Mr. Chairman, I'm afraid that I either haven't understood the Minister properly or I certainly don't get the reason behind the explanation. To go back to the boat and the automobile, is it the fact that if a person who wants to buy an automobile trades in on the automobile a boat, that he has to pay the sales tax on the whole purchase price of the automobile whereas if he traded in his old automobile he would not have to pay the sales tax on the whole purchase price but only on the difference between the old automobile and the new one. Is that correct?

MR. EVANS: That's right.

MR. CAMPBELL: Well, is there really a good reason for that, Mr. Chairman, because after all, if it were possible, as the Minister has said, that sometimes a trade-in is taken simply as a method of reducing the price, that could happen with an automobile also, couldn't it? Or looking at it a different way, isn't it a fact that the boat presumably has some value to the person who is trading it in? Why should there be this distinction? Why should we say in the legislation that it must be of the same general kind. If I have a boat to trade in and if my honourable friend from Rhineland doesn't have a boat but he has a second-hand car he'll trade in, and some third party, my honourable friend from Selkirk doesn't have either a car or a boat but he has something to trade in, why should there be -- (Interjection) -- yes, he's a lawyer, he's got money. Why should there be a distinction? I don't see it.

MR. EVANS: I would like to get a considered view of this and if my honourable friend wishes to keep the item open - I understand it's a measure to prevent the evasion of paying a tax and it comes to us from other jurisdictions where they have this measure - and if my honourable friend would let me I'd like to leave this item open and furnish a further discussion of it later.

MR. CHAIRMAN: (9)--passed?

MR. EVANS: No, leave it open.

MR. CHAIRMAN: I'm sorry. I was discussing with the Clerk here ...

MR. PETURSSON: Just a question. We're still under the section on interpretation, is that right?

MR. EVANS: Imposition of the tax on Page 6 of the Bill.

MR. PETURSSON: We're on Page 6. Yes. On trade-ins. Trade-ins is what I'm -- on Number 9, and the Honourable Minister is wishing to take this back to get some clarification on it. Would, under this particular paragraph, such things as produce, farm produce being brought into a country store and sold to the storekeeper in return for goods - this is done, I know in my boyhood days it was done, I lived in a small town and my father operated a store and I'm assured by one of our farmer members this is still a practice - then it becomes a question of who is selling to whom? Is the merchant buying produce from the farm with goods that he is giving him, or is the farmer with produce from his farm buying goods from the merchant? There are such things as crates of eggs or halves of beef or sides of pork and things of this sort that are brought in. I just feel that this is the sort of operation that is carried on, and if the tax is to be levied, it needs quite a bit of clarification so that there would be an understanding about it.

MR. EVANS: No tax would be levied. The vendor would be able to buy this farm produce or any other article. It would happen that the farm produce would not be taxable but they could buy any other article tax exempt because he has a vendor's licence and so he could buy from the farmer and credit the farmer's account with the money. Then as a separate transaction he would sell to the farmer whatever the farmer was buying in the store and charge that to the account, and if he sold taxable articles to the farmer, the tax would be applied at the retail sale and not on the purchase.

MR. CHAIRMAN: Subsection (9) is now held open. Subsection (10)--

MR. PAULLEY: ... depending on the undertaking from my honourable friend that it be clearly spelled out in the regulations so that there be no misunderstanding of what the intent is in respect of prior purchases. I think this is of such a vital nature that there should be some special mention made of it or blow up the printing - take it out of the fine print in the regulations - so that there's no question of doubt that those who may at this stage in the game be buying furniture or other purchases and paying cash for them, that they don't have to pay the tax on receipt after June 1st.

MR. EVANS: Yes, I read on to Hansard a lengthy set of conditions which I expect to be fairly accurately the regulation when it's published.

MR. PAULLEY: Blow them up or at least widespread distribution because this not only affects the vendor after June 1st but I suggest that it may affect people who are desirous of making the purchases now in all good faith and goodwill. I can appreciate the point raised by the Minister that if people are going to use this as a dodge for getting out of paying the tax, that only apparently the Social Creditor and the New Democrats don't want any more in Manitoba, if they're using subterfuge to get around that tax that's one thing, but if they're doing it and buying in good faith then I suggest that's another thing.

MR. CHAIRMAN: Subsection (10)--passed; Subsection (11) (a)--passed; (b)--passed; (c)--passed; Subsection (11)--passed;

MR. EVANS: I move that this section be amended by adding to Section 3 immediately after subsection (11) thereof, the following subsection: "Notwithstanding subsection (1), where the purchase price of telephone service is paid through a coin-operated telephone, the tax shall be calculated as follows: (a) In respect of a single voice connection the purchase price of which does not exceed forty-five cents, the tax is nil. (b) If the purchase price of a single voice connection exceeds forty-five cents, the tax shall be calculated at the rate of five cents for every one dollar, or fraction of one dollar, by which the total purchase price of that connection exceeds forty-five cents."

Now this amendment was distributed, among others, and I'll send my copy to you, Mr. Chairman. I'll just give the explanation I did when I presented it the first time. This is merely

(MR. EVANS cont'd.) . . . . transferred from The Revenue Act in which the tax is now imposed, transferred it to this Act without change.

MR. CHAIRMAN: Are you ready for the question?

MR. FROESE: Mr. Chairman, just how does this work? This is a pay station, a coin-operated one I take it, and if you make a long-distance call and you exceed the forty-five cents, then the operator will tell you to deposit the added tax as well?

MR. EVANS: I think the reason for phrasing it this way is that the coin-operated telephones accept only five cent pices and so they give an exemption up to 45 cents and then an extra five cents tax will be called for if the telephone call goes over 45 cents. Should there be an extra \$1.00, that will cover the next dollars worth as it were. If it went up to \$2.45, there would be a further five cents called for. I think that's right.

MR. CHERNIACK: Well it's rather confusing, Mr. Chairman, but it's clear now that it's a 10 percent tax at the 45 cent rate or the 50 cent rate. It's a 10 percent tax, is it not? Or, as suggested, that it's an 11 percent tax which of course it is at 45 cents. Now the next interpretation I gather is that the dollar is added to the 45 before the additional tax is payable. In other words, \$1.45 would call for 10 cents.

MR. EVANS: I think so, I haven't even got my own copy at the moment but . . .

MR. CHERNIACK: Well the way I . . .

MR. EVANS: Yes, that's right.

MR. CHERNIACK: So that the province will benefit from the short distance calls as -- or the shorter length calls by exhorting a 10 percent tax, and the longer one speaks or the more one runs up the bill, the closer he'll get to the five percent. Is that a correct interpretation?

MR. EVANS: I think that's right, it averages . . .

MR. SHOEMAKER: How would the calls that originate outside of the province be collected then? I understand that if a call originates outside of the province but is terminated in this province, there's a tax on it. Correct? Then I'm prompted to ask the question that inasmuch as all of the members of the House of Commons now I understand have free and liberal use of the telephones throughout Canada and naturally all of the Manitoba members of the House of Commons are probably phoning home three or four or five times a day and their telephone calls are terminating in Manitoba, how do you collect a tax on that?

MR. EVANS: Well, there is no tax on a free call, that is a call for which no toll is charged. We're dealing at the moment with an exemption for the first 45-cent call on a coin box and that's really the subject matter of this exemption. I don't know that there'd be very many long distance telephone calls originating in another province which terminate in Manitoba at a coin-operated box. There may be some, I don't know.

MR. T. P. HILLHOUSE, Q. C. (Selkirk): . . . telephoned a resident of Manitoba from outside the province and reversed the charge, would the Manitoba resident have to pay the tax on the reversed charge?

MR. SHOEMAKER: Well, Mr. Chairman, all of the members of this House have use of the Manitoba telephones during the session, and in consideration of the fact that it doesn't cost us anything but does cost the taxpayers some money, you don't intend to place a tax on that. I can phone home 10 times a day or phone Swan River or phone any place else, Quebec City, there's no tax on that at all. Well -- (Interjection) -- you can call inside the province as a member of the House, and my honourable friend tells me that there's no tax on . . .

MR. EVANS: . . . taken on that, my honourable friend the Minister of Utilities tells me there's no such thing as a free call, that the calls from the House of Commons are paid for by the Government of Canada; calls which originate here by members using the telephones are paid for by the Government of Manitoba and they are taxable. With respect to this clause, the telephone call must both originate and terminate in Manitoba, so that the case my honourable friend is citing doesn't apply.

MR. CHAIRMAN put the question and after a voice vote declared the motion carried.

MR. CHAIRMAN: Section 12, an amendment - (a)--passed; (b)--passed;

MR. CAMPBELL: We have a different date here, Mr. Chairman, don't we? A difference -- up above, the date as the coming into force of the Act which will be June 1st, but here in 11 (a) we have the date of the 6th day of February. That was the day I assume of the Budget Speech, was it?

MR. EVANS: That was the day the budget was delivered and I mentioned in the Budget Address that any construction contract which had been entered into prior to February 6th, even

(MR. EVANS cont'd.) . . . . though the tax had to be paid at a subsequent date, a refund would be made. Since that time we have taken into consideration other kinds of cases where delivery will be made after the 1st of June and consequently we mentioned that February 6th date specifically here.

MR. CHAIRMAN: Subsection (12)--passed; Section 3--passed; Section 4--

MR. DESJARDINS: Mr. Chairman, the amendment of 4 (1) (c), would you want it now or under the subsection? It's on this - it's on 4.

MR. CHAIRMAN: Well I'll call the items then until we come to -- you're referring to subsection (1). Well how would it be if we just call the items down to that part. Section 4, subsection (1) (a)--

MR. MOLGAT: Mr. Chairman, under (a) and (b) - and I think this has to be considered both at the same time - what is the situation insofar as the, what you might call take-out restaurants or restaurants where it's home delivery. Will that be considered to be a taxable item or not?

MR. EVANS: Depending on the price. If it's regarded as a restaurant meal of less than \$2.00, it's not taxable; if it's over \$2.00 it is. That's the answer.

MR. MOLGAT: Not if it's delivered to the house, only if it is consumed on the premises.

MR. EVANS: When delivered to the house it becomes food, or food delivered at the door -- it's a case that I haven't considered personally and I'll be glad to get more considered opinion. It's very difficult for me to give definitive answers to particular cases of this kind lest somebody try to rely on it and set their business plans. I'll bring back further comment on that item.

MR. SHOEMAKER: How could you - how could you effect a tax on delivered foods? For instance, the Dunn-Rite chicken and all of these other ones, Colonel Saunders chicken where they say a tub full of chicken that will serve four people and if you take it home and eight people eat it, it reduces the price per person, it reduces the price per person below the \$2.00. You simply couldn't. If you invite a neighbour in and you reduce the price below \$2.00, you couldn't tax it.

MR. DESJARDINS: The tax would only be on the tub.

MR. SHOEMAKER: The tax would be on the tub or the empty carton my honourable friend tells me.

MR. EVANS: Well let me get a definite statement of what is proposed and then we can discuss whether it is the right thing or not.

MR. MOLGAT: What will be the situation then insofar as the setting up of the Bill in restaurants? The figure here is given to us as less than \$2.00. Now will restaurants be permitted to itemize items separately? In other words, if you purchased a la carte, can you have separate bills for sections of one meal per person? Quite obviously, if there are two persons they can ask for a separate check each, no question about that, but is it possible for example to have the liquor purchases separate from the meal purchases? Is it possible to have the meal purchases split into a la carte sections?

MR. EVANS: I doubt it. I should think that would constitute evasion of the intent of the Act which is to tax a meal of a certain value, and I would think to put out a separate invoice for the soup and a separate one for the meat course and a separate one for the ice cream would be evading the purpose of the Act.

MR. CHERNIACK: Mr. Chairman, there'll be an automat in Winnipeg pretty soon and then we'll see what the Minister does.

MR. HANUSCHAK: Mr. Chairman, what will be the position of dietary foods, although I'm not quite sure whether they in effect are foods or not because they're probably more commonly found in drugstores than they are in grocery stores. Would they be subject to tax as you had indicated yesterday patent medicines would be that are sold not from prescription, or would they be classified as foods?

MR. EVANS: Certainly if they're sold on a Doctor's prescription I would -- if they're not, I should think they would constitute food, but they're food in any event and therefore not taxable. I have some further information here that food delivered is consumed off the premises and is therefore not taxable.

MR. CHAIRMAN: (a)--passed; (b)--passed; (c)--

MR. DESJARDINS: Mr. Chairman, I would move that the committee give consideration to the advisability of amending subsection (1) (c) of Section 4 by deleting all the words and substituting the following: "all clothing and footwear under \$100.00."

MR. CHAIRMAN: Are you ready for the question?

MR. DESJARDINS: Mr. Chairman, the reason why there is all clothing under \$100.00, I think that there won't be any abuse. If somebody was to buy a \$5,000 mink coat, I think that it would only be fair to have the tax on that, or most of the tailor-made suits are over \$100.00. I think this is something that I think that the Minister should look into because it was made clear yesterday that the only way we could do this is by discriminating with some people. I would classify this -- I think if the government feels that there should not be a sales tax on heat - we had this a few years ago and now this is out because we felt that this certainly was something that was so vitally needed here and we don't want our people to move south of the States and so on - and I think that this is the same thing. This is a thing that -- we're talking often about the ability-to-pay and this is something that everybody will have to buy clothes.

Now children - I think there's all kinds of discrimination in the way we have it now because the Minister said that it would be by sizes, and you can have somebody twelve years old who will qualify and somebody twelve years old that won't, and the people that won't are already paying more money for their clothes. I don't think this is right and we can't just say this is the only way it can be done. Surely we must have some concern for the people that will have to pay the tax. After all, they are the people of Manitoba and we're trying to legislate for them. Now I think that certainly there would be a little less revenue - and I think that probably we won't need quite as much - I would sooner see the income tax go up a little bit than put a tax on clothes.

Now the \$100.00 amendment was, as I say, to take care of people that can afford a mink coat for \$5,000 or \$3,000 or \$1,000.00. Now we would cover the youngsters; we would cover the children; and we would also cover the people -- we're talking about this priority of education, we are trying to get money to turn around to give grants for people to receive a proper education, but then some of this money, this grant that the families were receiving, they'll have to turn around and pay taxes on clothes for these students, and this is very very costly. Then you have people that all they have is their pension and so on, older people, and they have to be kept warm and so on, we're going to turn around and tax them also. I think that this is a most unfair tax. You're not taxing the food - we just finished looking at that - we're not taxing the food; we're not taxing the heat; and I don't think that we should, that it's fair to tax the clothes, clothing and footwear in a province and in a country like ours. The very people that we're trying to help are being penalized by this, the students, the older people and the people of the smaller income. I think that this \$100.00 would catch the people that we're trying to get. You can buy a suit -- I think the people that can't afford too much, they can buy a suit for less than a \$100.00. They can buy it off the rack and so on. If they want something, if the people can afford a little more - I'd like to see mind you no tax on clothes at all - but this way we're taxing the students, we're taxing older people, we're taxing the people that can't afford it, and that certainly, to my way of thinking, should be looked at, and the same thing should be considered the same as tax on heat and tax on food; this is a necessity of life and this is where every single people - you can say well, you don't have to drink liquor, that's fine; and you don't have to - there's a lot of things - you don't have to smoke. All right. We'll go along with this although the taxes are getting pretty high. Pretty soon you won't have any recreation, anything at all, but this is a necessity especially in this country and I certainly would ask - this is a strong plea that I make to the Minister and the members of the government to at least relent a bit and give the taxpayers of Manitoba a break.

MR. FROESE: Mr. Chairman, I would have preferred if you had read the amendment out once more just to be sure whether it includes shoes as well, and I think it does, so that there's no question on this point.

Why I like this amendment is that it would take it away from under the regulations. I feel that we should get away from this point of having this determined by regulations and I think the amendment, if considered, would do this. No doubt we as members, or most of us probably have a personal or pecuniary interest in this because our families are involved and we personally are involved because of having families to support and who will require clothing and shoes. But I think we have many people, especially in rural parts, where our breadwinners have a very low income. This has been told us repeatedly here in the House, in discussing the agricultural estimates, in discussing other estimates, that we have so many people who are making a very low income and certainly this would be one way of giving them some assistance and knowing beforehand without having to have it spelled out in the regulations so that we as members are sure as to what is going to happen.

MR. EVANS: Mr. Chairman, I would like to comment. I'm afraid I can't support the amendment as put forward by the Honourable Member for St. Boniface. It's done in no other jurisdiction that I know of. It's a common item of retail trade and our advice, and certainly the advice from Mr. Carter, is to tax as broad a range of goods and services as possible as a tax base.

And to my honourable friend from Rhineland, I'd like to explain that the term "children's clothing" is a generic term and is recognized in the clothing trade as referring to certain styles of garments and a certain size range and so the term as used in the Act does refer to a specific class of trade that's recognized in the clothing trade as being "children's clothing." It will be further defined in the Act according to the sizes that apply -- and I might add, generally speaking, that the Canada Standard sizes which are I understand arranged by a department of the Federal Government, generally apply to children of 12 to 13 years of age, in that age group.

So the term "children's clothes" in the Act has a specific meaning in the clothing trade; it will be further defined in the regulations according to the size ranges with some modifications that I read on to Hansard the other day.

MR. GREEN: Mr. Chairman, I have been wondering how these regulations were going to be legislated. I know that various people have different ideas as to what constitutes "children". For instance I believe that The Wives' and Children's Maintenance Act refers to children as being under 16 years of age, and that's of course the definition that is used in The Wives' and Children's Maintenance Act. When we deal with The Child Welfare Act, we deal with the proposition that children are under 18 years of age and The Juvenile Delinquents Act as is administered by the Attorney-General of this province, in any event, defines children as under 18 years of age. I've also heard it said, Mr. Chairman, that adults are nothing but old children and I suppose the way we act in this House sometimes we're looked upon as being children but I don't want to comment further on that.

The question that was in my mind is who is going to legislate as to what constitutes children's clothes and children's footwear. I had believed that it should be the elected representatives of the people in this House. It was impressed upon me that it wasn't going to be those people; it was going to be Lieutenant-Governor-in-Council. But now we find that it's not even going to be the Lieutenant-Governor-in-Council; it's going to be the garment manufacturer. That the criteria that will be used for children's clothing is the criteria that is established by the recognized practice in the garment industry. Now, Mr. Chairman, I strongly suggest that if that's ... That is not what the Minister just said? Well I understood the Minister ...

MR. EVANS: I think, if my honourable friend is asking, I think he must have misunderstood me because I referred to the Canada Standards Association which is administered by the Federal Government and said that they established the size ranges appropriate to children's clothing which I read on to the Hansard the other day.

MR. GREEN: The Canada Standards is not established through what the garment industry is doing?

MR. EVANS: No, it's my understanding that it's at least under the supervision of the Canadian Government, if not indeed run by a department of the Canadian Government.

MR. GREEN: Well, Mr. Chairman, then in any event it's removed from the ambit of this Legislature. I thought that this exemption was intended to relieve people who are in the process of bringing up children; that they are dependent children and therefore in order to have this tax not work a hardship, it should apply to relieve those who are in the process of bringing up young children. Well, the definition that's being advanced now by the Minister will not accomplish that purpose because we have, as I've indicated, people bringing up children who are over 14 years of age and under 18 years of age and even our child welfare laws require the parents be responsible for the support of their children, the reasonable support of their children until they are 18. I think the leaving of this to be done by regulation without at the same time setting a criteria for the regulation -- and I'm not asking that the Minister include every item that is supposed to be exempt -- what I'm suggesting is that at least if that is going to be the criteria and we are to debate that, then what the clause should say is "children's clothes and children's footwear as defined by the Canada Standards Association or what have you and as further defined in the regulations" so that is the standard you're going to use. I'll disagree with it but at least the legislation will be passed right in this House. And there being no legislation which defines what children's footwear is and that being the sole prerogative of the Provincial Treasurer who doesn't appear to be adopting a standard which I as a member of the



(MR. GREEN cont'd.) . . . . Legislature feel should be adopted, I would have to say that the only way that I can ensure as a member of this Legislature that the children's clothing that I feel should be exempt are exempt, is to pass the amendment that's been put forward by the Member for St. Boniface.

MR. HILLHOUSE: Mr. Chairman, I think that the wording of this regulation is very discriminatory because all children of 12 and 13 years of age are not the same size. There are a number of children 12 and 13 years of age that those Canada Standard sizes you are regulating in your regulations will not fit. Now I have checked; I have checked with three married women, each of whom have three or four children, and I have been advised by these women that these sizes will not fit children of theirs that are under 13 years of age. This is the worst type of discrimination I ever heard of and I think the only way that we can get equity in relation to children's clothing is to define children by age or by attending school. But I would prefer to follow the suggestion made by the Honourable Member for St. Boniface that all clothing up to a certain value be exempt from taxation and that in my opinion would be the most equitable way to deal with this situation. But if you continue to retain children's clothing and children's footwear as defined in your regulations and you use those standards in your regulations you are discriminating against children of the same age.

MR. EVANS: I think the best way to solve the matter would be to do it the way they do in Saskatchewan under the NDP or rather under the CCF as the label is there, or under the Liberals at present, and that's tax all clothing including children's.

MR. HILLHOUSE: Well either do it that way or not tax any.

MR. DESJARDINS: Mr. Chairman, this is quite ridiculous and it's kind of disturbing to hear the Minister speak like this. We're dealing with the people of Manitoba, the people that we're looking to try to give a decent deal to the people of Manitoba. This is all we hear - a shifting of tax load - this is all we hear. And if this is the kind of shifting, I don't care about the NDP in Saskatchewan and so on, the Minister said himself that this didn't work and then they brought it back. It's kind of disturbing to hear the Minister not even think, not even try to reason or to try to give the people a fair break. He stands up after most of these resolutions - he says "Well, no, I won't allow this; I'm afraid I can't allow this because this is not done in other provinces." Well, my goodness, I think the Minister has a responsibility, and we have a responsibility. Why do we have to run out and see what's going on in other provinces? Do they pay as much taxes on cigarettes as we do in this province? We were talking about no sales tax - I'd much sooner have this and I'd much sooner have that - tax on gas and tax on cigarettes and liquor. Now we've got both. I wish the Minister would try to look at this in a more humane way, not just worry about what he's reading there. We have no rules or anything to go by. He seems to be following all the other provinces. I think that this is something we should look and study for the people of Manitoba. We were elected to make rules and legislate for the people of Manitoba and so are people in other provinces. Mind you, if the Minister wants to take this into consideration, and I appeal to him again. Let's not be stubborn about this and say this is going to go if you like it or not. Let's give a little bit. Let's try to co-operate. We're practically the same number and we think it's a good idea so let's try to think of the people of Manitoba. Let's not be so mercenary. And the Minister did not deny that this is discrimination. I'm ready to withdraw my motion if the Minister will say, "Well I'll take this back and we'll consider this." I think this motion gives the idea of what I intend, when I put a limit of \$100.00. If he wants to get a schedule, a limit on shoes, a limit on shirts, I'll even go for that; but let's try to give our citizens a break. This whole exercise is what? The shifting and what was talked about in the campaign: never mind the NDP and the Liberals and other provinces. This was all for the shifting of the tax load on people that can afford it. And if the Minister can stand up and tell me, and show me that this item, right now, is doing this, well then I would also withdraw my motion on that, but I'm sure that he can't. And I appeal to the Minister, let's not be stubborn and pigheaded about this. Bring it back and try to be humane a bit and see what you can do for the people of Manitoba.

MR. SHOEMAKER: Mr. Chairman, on March 28th, about a week ago when my honourable friend the Provincial Treasurer was speaking on the Bill, on Page 2047 of Hansard of that date, he said that the sales tax "between 60 and 75 percent of the consumer's price index is not affected by the tax. The basic cost of living will be affected very little by the tax." Now if he would care to elaborate on this statement that he made nearly a week ago and assure all the residents of the province that the cost of living will be affected very little or nothing by the tax, then we might reconsider some of the amendments that are being introduced at this time.

(MR. SHOEMAKER cont'd.)

He goes on to say, "75 percent of the consumer's price index is not affected by the tax." Well, perhaps my honourable friend would care to elaborate on the statement that he made then and just find out to what extent the cost of living is affected by the tax. For instance, we're exempting children's clothing on the one hand but you're taxing all children's furniture. It says carriages, cribs and the like, children's cribs, carriages, sleighs, all the toys I suppose and everything of this nature are taxed. So I would like to have my honourable friend elaborate on the statement that he made that the basic cost of living would be affected very little by the tax.

MR. MOLGAT: Mr. Chairman, before the question is put, I would really appeal to the Minister. I realize his problem that if he accepts an amendment like this it affects his revenue and I can appreciate that he cannot without some checking agree. However, I think he realizes himself that the present situation will cause some discrimination because simply going by size is not going to achieve what he himself says he wants to do. So I wonder if the proper course would not in fact be for the Minister simply to tell us, Mr. Chairman, that he's prepared to look at this situation and that we could probably arrive at some compromise which will achieve what he stated he wanted to do and what certainly we want to do on this side, and that is to prevent discrimination in this area. We have looked at it from the standpoint of dependents, and what do you do then? It means getting affidavits from people when they go and purchase. It complicates very much the collection of the tax; it produces difficulties.

The final conclusion we came to is that by setting an upper limit in value that you would eliminate the largest part of discrimination and yet not complicate, in fact you would simplify the administration of the Act. If a certain item of clothing were over - we suggest \$100.00 - it will be taxable; under that, it would not. Now I recognize it's difficult for the Minister to say yes, I'm prepared to accept the amendment at this point, Mr. Chairman, so I'm quite prepared to have him say he's prepared to look at it and not proceed with the vote now, but unless he does that, Mr. Chairman, the section as it reads now will in fact produce discrimination and will not accomplish what the Minister himself has stated was his goal.

MR. EVANS: Mr. Chairman, what I have had to do is to determine the kinds of goods and services that are to be subject to the tax and my calculations are based on that. I take the view that I had to pursue the course that I started on and to institute this tax on the kinds of goods and with the kinds of exemptions that I've outlined to the House in the Bill.

MR. CHAIRMAN put the question and after a voice vote declared the motion lost.

MR. DESJARDINS: Yeas and nays please, Mr. Chairman.

MR. CHAIRMAN: Call in the members.

A counted standing vote was taken, the result being as follows: Yeas, 25; Nays, 27.

MR. CHAIRMAN: I declare the motion lost.

MR. MOLGAT: Mr. Chairman, were there no pairs at all?

MR. STEEN: Mr. Chairman, my pairing with the Honourable Member from Turtle Mountain covered only the one vote.

MR. CHAIRMAN: I've declared the motion lost. (c)--

MR. LYON: ... in time, because there's one minor piece of business, to move that the Committee rise.

MR. CHAIRMAN: Committee rise. Call in the Speaker.

Mr. Speaker, the Committee of the Whole has considered a certain Bill, directed me to report progress and asks leave to sit again.

#### IN SESSION

MR. J. DOUGLAS WATT (Arthur): Mr. Speaker, I beg to move, seconded by the Honourable Member for Springfield, that the report of the Committee be received.

MR. SPEAKER presented the motion and after a voice vote declared the motion carried.

MR. LYON: Before the adjournment motion is put, possibly I might, by leave, make a short statement to the House concerning the sitting of the Law Amendments Committee which we would propose to have for Thursday morning at 10:00 o'clock in Room 254. I understand that there are approximately or will be approximately 10 Bills in Law Amendments Committee, among which of course would be the Bill that we voted on tonight, the amendments of The Liquor Control Act. I know that there are a number of people who are interested in making submissions to the Law Amendments Committee with respect of that legislation and wanted to give this notice at this time for the benefit of all members of the House and for the benefit of members of the press who might give it such publicity as they could.

(MR. LYON cont'd.)

In addition to that, there are three other Bills which are presently confined to other committees of the House, and in the interest of more efficient handling of the business of the House, the suggestion is going to be made that Bill No. 6, an Act to Amend The Workmen's Compensation Act which is presently in the Industrial Relations Committee; Bill No. 60, an Act for the Relief of the Town of Tuxedo presently in the Municipal Affairs Committee; and Bill No. 71, an Act to Amend The Psychologists Registration Act which is presently in the Private Bills, Standing Orders, Printing and Library Committee, that these Bills also be referred to the Law Amendments Committee by a motion which I would present, by leave, if that has the agreement of the Members of the House.

MR. MOLGAT: Agreed.

MR. PAULLEY: Agreed.

MR. LYON: Therefore, Mr. Speaker, by leave, I move, seconded by the Honourable the Provincial Treasurer, that the following Bills now referred to Standing Committees as shown, be withdrawn and referred to the Standing Committee on Law Amendments: Bill No. 6, an Act to Amend the Workmen's Compensation Act - Industrial Relations; Bill No. 60, an Act for the Relief of the Town of Tuxedo - Municipal Affairs; Bill No. 71, an Act to Amend The Psychologists Registration Act - Private Bills, Standing Orders, Printing and Library.

MR. SPEAKER presented the motion and after a voice vote declared the motion carried.

MR. LYON: Mr. Speaker, I beg to move, seconded by the Honourable Provincial Treasurer, that the House do now adjourn.

MR. SPEAKER presented the motion and after a voice vote declared the motion carried and the House adjourned until 2:30 Wednesday afternoon.