



Northwest Territories Legislative Assembly

Standing Committee on Accountability and Oversight

Public Meeting on
Bill 15: Liquor Act

June 6, 2007

Chair: Mr. Jackson Lafferty, MLA

STANDING COMMITTEE ON ACCOUNTABILITY AND OVERSIGHT

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Mr. Calvin Pokiak, MLA, Nunakput
Mr. David Ramsay, MLA, Kam Lake
Mr. Norman Yakeleya, MLA, Sahtu

Witnesses

Hon. Floyd Roland, Minister of Finance
Ms. Margaret Melhorn, Deputy Minister, Department of Finance
Mr. Joe LaFerla, Director, Policy and Planning, Department of Finance
Mr. Mark Aitken, Director, Legislation Division, Department of Justice
Mr. Alan Stanzell, Executive Assistant to the Minister

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STANDING COMMITTEE ON ACCOUNTABILITY AND OVERSIGHT
Public Meeting on Bill 15: Liquor Act
June 6, 2007
Committee Room "A"
9:15 a.m.

CHAIRMAN (Mr. Lafferty): (English not provided) At this time, I'd just like to open up the meeting. It's a public hearing of the Standing Committee on Accountability and Oversight on Bill 15, Liquor Act. I'd like to welcome everyone to our meeting here. My name is Jackson Lafferty. I'm the chair of AOC, Accountability and Oversight. We have Members around the table: Mr. Braden, Mr. Ramsay, Mr. Hawkins, Mr. Pokiak, Mr. Yakeleya, Mr. Miltenberger; and we have staff with us: Mr. Schauerte, Ms. Langlois, Mr. Boyd, legal, and Ms. Pfeifer, our research.

Mr. Roland is here with his officials to present the bill, the Liquor Act. As you know, we have several more public hearings scheduled for later on this week and also next week: Yellowknife, Behchoko, Fort Smith, Hay River, Jean Marie River, Simpson, Inuvik, Tsiighetchic and Gameti. There will be copies available for your review in the back there.

At this time, if I can ask Minister Roland to introduce his staff and proceed with your opening comments. Mahsi, Mr. Roland.

HON. FLOYD ROLAND: Thank you, Mr. Chairman. Mr. Chairman, with myself here is the deputy minister of the Department of Finance, Ms. Margaret Melhorn; to my left, further to my left is Mr. Mark Aitken, director of legislation, Department of Justice; and on my right is Mr. Joe LaFerla, director of policy and planning, Department of Finance; as well as I have my executive assistant, Mr. Stanzell, in the back.

Minister's Opening Comments

Mr. Chairman, I'm pleased to introduce Bill 15, Liquor Act. Bill 15 is a complete rewrite of our existing act and represents the first major revision of the act since 1983.

A revised Liquor Act will be provide a liquor system that is more effective, balanced and consistent with the priorities of NWT residents. It provides strong legislation that protects youth, controls the illegal sale of liquor, and provides for safer conditions in licensed establishments.

Bill 15 represents a culmination of more than three years of work that included a review of the current act, a comparative analysis of other provincial and territorial legislation, and consultations with NWT residents about their views on changing liquor legislation.

In 2005, the Department of Finance undertook an extensive consultation process. A detailed discussion paper was circulated that summarized the main issues and provided a series of questions to stimulate debate. Meetings were held in nine communities to

solicit the views of NWT residents. These communities were chosen to represent a cross-section of liquor access and regulation circumstances based on size, presence of liquor stores and/or licensed establishments and liquor status. In addition, on the recommendation of this committee, funding was provided so that outlying communities were able to send two representatives to attend the nearest session.

In early 2006, *Improving Liquor Legislation in the NWT - Final Report of the 2006 Liquor Act Review* was released. This report included 38 recommendations for change, most of which is reflected in this bill.

Bill 15 does not radically change the way liquor is controlled in the NWT. During community consultations, residents expressed the view that they were comfortable with the governance structure of the existing Liquor Act. The new act retains the existing governance structure of a shared responsibility between the Minister and the Liquor Licensing Board.

Bill 15 does not contain specific legislative or regulatory provisions regarding addictions or treatment. Social responsibility and an attitude towards alcohol cannot be legislated. Each individual is responsible for their own actions. I'm aware of the affect that alcohol has on our communities and residents. As Members indicated during our debate on May 15th in the Assembly about the need to denormalize alcohol abuse in our communities, this bill supports GNWT policies and programs to address a number of elements of social responsibility in the liquor system. For example, the Liquor Commission participates in numerous inter-jurisdictional initiatives to promote the responsible use of alcohol and has a program to place healthy message labels on all liquor bottles sold in the NWT.

The GNWT funds education, treatment and prevention programs through various departments, with existing spending on alcohol prevention, treatment, enforcement and other related initiatives exceeding the amount of total revenues generated by the liquor system. Existing liquor revenues are not a source of new funding; they are already fully integrated in the GNWT budget. Earmarking a portion of current revenues for specific programs would restrict our flexibility in the annual budgeting process and would take funding from other programs. No other jurisdiction in Canada earmarks liquor revenues for specific programming and this bill does not propose earmarking any funds from the liquor system for specific GNWT programming.

Mr. Chairman, Bill 15 proposes five major areas of change in the Liquor Act. The bill provides for a much clearer distinction between the adjudicative enforcement and governance functions of the liquor control system. Consistent with standard practice, all regulation-making powers consolidated in part 6 of the bill now rest with the Commissioner on the recommendation of the Minister. The control that communities have on liquor within their boundaries has been significantly strengthened. Unnecessary administrative barriers and procedures have been streamlined or removed entirely. The revised act would recognize the ability of communities operating under self-government agreements, and exercising jurisdiction in this area, to pass their own bylaws with regard to liquor control.

The bill clarifies who is able to purchase, consume, sell and possess liquor. The bill strengthens the penalties for bootlegging, increasing the deterrence of this illegal activity, and the bill improves the operation of licensed premises by better protecting youth, improving customer safety and making the rules for licence holders more internally consistent and clear. It recognizes that intoxication can occur from substances other than beverage alcohol and drugs, and provides a more streamlined approach to dealing with the issue of intoxication in licensed premises.

The bill is divided into seven parts. Part 1 provides for the continuation of the Liquor Licensing Board, or LLB, and all matters related to premise licences, manufacturing licences, permits and compliance hearings. The number of licence classes is being reduced from the current 12 to four. This will result in increased administrative simplicity for both licencees and liquor administration. Licencees will be allowed to use their premises to hold liquor-free events on Sunday, as long as no liquor is sold, consumed or served.

Part 2 provides for the continuation of the Liquor Commission and describes the operation of liquor stores, transportation of liquor within the NWT, and importation of liquor into the NWT.

Part 3 describes the legislative framework for the community of liquor within their municipal boundaries. Communities will be able to directly request the Minister to conduct a plebiscite to determine which type of restriction or prohibition system will apply within their municipal boundaries without having to first provide a petition from residents. The threshold for approving a question on a plebiscite is being reduced from 60 percent to 50 percent plus one. Included in this part of provisions for temporary prohibition orders and for more community control of licences premises, subject to certain restrictions to be specific in regulations, municipal councils will be able to make bylaws regulating certain aspects of the operation of licensed premises; for example: Sunday openings and operating hours. The new act will not automatically result in Sunday openings or extended hours, but will allow communities the flexibility to describe what situation works best for them.

Part 4 contains miscellaneous provisions respecting the operation of the NWT liquor system, including the liquor revolving fund.

Part 5 determines who is eligible to purchase, possess, consume, transport, import and use liquor in the NWT. It describes a number of general prohibitions regarding the use of liquor and prohibitions in licensed premises, including a prohibition against gambling in licensed premises. This part describes the duties of liquor inspectors and the various offences under the act, and provides for penalties for violations of the act. The maximum fines for individuals caught bootlegging liquor will increase substantially from \$10,000 to \$25,000 for individuals and \$50,000 for corporations.

Part 6 provides the Commissioner with the authority to enact regulations under the Liquor Act. It also allows the Commissioner to repeal community prohibition or

restriction regulations in the event that a community decides to pass its own bylaws under self-government agreements.

Part 7 provides for transition from the existing Liquor Act to the NWT Liquor Act. It also identifies any changes required to other statutes as a result of the bill.

Mr. Chairman, with your permission, Finance officials are prepared to review a presentation regarding Bill 15 and I would be pleased to answer any questions committee members may have. Thank you, Mr. Chairman.

CHAIRMAN (Mr. Lafferty): Mahsi, Mr. Roland. If we can hold off our questions until the presentation is complete, and then we will open the floor to Members for questions. Please proceed with your presentation. Ms. Melhorn.

Presentation On Liquor Act

MS. MELHORN: Thank you. The Minister has briefly referenced the review we conducted of the Liquor Act over the last few years. We began the review in 2004. It was a result of calls for review, the view that the existing act was outdated and needed to be looked at. So the review, as I said, started in 2004, began in earnest in 2005 and, as a result of that review, we did conclude that the revised act was needed and it needed to reflect changes in the political and economic environment in the Northwest Territories that had occurred since 1983.

Just to review quickly the process that we went through, we developed a detailed discussion guide that asked a series of questions, provided background. It was designed to stimulate debate on a number of issues. We looked at how other Canadian jurisdictions had set up their liquor legislation. We undertook a set of community consultations during the period of July to October in 2005. As the Minister noted, we had a series of public meetings. We also provided access through the Internet and we advertised in newspapers to solicit feedback from the public. The consultant's report was released in January 2006 and the bill was tabled in the House this May.

Just to provide a brief overview of the governance structure of the liquor system, the Liquor Act provides for a Minister responsible for the act. There are three main bodies responsible for administering the act. The Liquor Commission, which has responsibility for importation of liquor and for the wholesale, distribution and retail sales of liquor in the NWT. Moving to the right, the Liquor Licensing Board, which is responsible for granting liquor licences to a licensed premise and for ensuring that the Liquor Act is administered in licensed premises. So any violations of the Liquor Act by licensed premises are dealt with by the Liquor Licensing Board. Then licensing and enforcement, which is responsible for the inspection function and also for administration of the community option aspects of the Liquor Act such as restrictions, prohibition and special prohibition orders.

So the new act doesn't propose any changes to the current structure but does enhance the control of liquor at the community level.

Moving to page 5, scope of the review. It did focus on aspects of liquor that can be controlled through legislation. It does not address issues that go beyond this such as addiction, which requires a broader approach than just legislation. The goal of the review was to develop legislation that would protect youth, control illegal liquor sales, and create safe conditions for licensed premises.

Slide six, page 6, outlines the principles that we established in developing the legislation, and I won't read them all.

Slide seven describes the review methodology, the five main elements being the review of the background material, legislation regulations across Canada, interviews with people who administer the act, discussions with officials in other Canadian jurisdictions to clarify how certain provisions were implemented in their jurisdictions, submission of written comments from the public, and extensive consultation.

Just to review quickly, we worked closely with the Liquor Licensing Board in determining, since the board has extensive experience with the administration of the act as it relates to licensees, so there was extensive consultation with the board to obtain their input and comment. There were interviews and focus groups with those who work with the liquor system, so that includes licensees, store operators, inspectors, the RCMP; essentially everybody who has some responsibility for administering the act.

Public meetings were held in nine communities. As the Minister indicated, we tried to get a range of communities, large and small, and different access to liquor. Again, as I said, we went to nine communities, but every community was given the opportunity to send representatives to those meetings. We also sought public input via the Internet and by advertising.

Moving on to the structure of the new act. We have changed the structure of the act quite significantly, trying to organize it in a way that makes it easier to use, to streamline the organization of it so that everything to do with community options is an a separate part of the act; each part is appropriately titled with clear subject headings; all matters related to a particular subject are grouped together. Under the old act, sometimes you had to go to quite a few different parts of the act to understand what the legislation said about a particular matter. We tried to clarify wording and to strike an appropriate balance between what needed to be in the act and what needs to be in regulations.

Slide 10 describes the seven parts of the act, which the Minister has already described.

So moving on to slide 11, governance. As we noted, the act retains the elements of the existing governance system. So we would keep the Liquor Licensing Board, the Liquor Commission and licensing and enforcement. We've tried to enhance the distinction between the adjudicative, the enforcement and the governance functions. So the LLB assumes the purely adjudicative role and retains responsibility for issuing liquor licenses. The regulating-making power has been consolidated with Commission on the recommendation of the Minister. Under the current act, the Liquor Licensing Board has the authority to make regulations, but this is not standard practice across the country; in

fact, our board is the only board that has that authority. Finally, the term for Liquor Licensing Board members has been increased from two years to three years.

With respect to community control, the bill strengthens and streamlines control of communities over liquor within their communities. So communities can further restrict liquor beyond the provisions of the Liquor Act, or they can change hours of operation for licensed premises. So that could include expanding hours as well as restricting them. It requires the Minister to seek community input before opening new liquor stores, so where stores don't exist already. It reduces the administrative burden, so there's no need now to petition for a plebiscite except in the circumstance where the plebiscite deals with closing of licensed premises in a community. It reduces the approval requirement. The current requirement for plebiscites is a 60 percent threshold. This would reduce it to 50 percent plus one. To be consistent with self-government legislation, communities with self-government agreements can create their own restriction regimes under those self-government legislation independent of the Liquor Act. So the act recognizes that and allows for the repeal of regulations made under this act when a community exercises its own authority under its self-government legislation.

The act clarifies who is eligible to purchase, consume, sell and possess liquor. It increases penalties for minors who violate the act. Of course, the current act already makes it illegal for minors to possess or consume or purchase alcohol, but this provides for ticketing for using false or altered ID to try to buy liquor and it increase the fines for offences.

As the Minister stated, the maximum penalties for bootlegging will increase significantly to \$25,000; up to a maximum of \$25,000 for an individual and \$50,000 for a corporation. In order to discourage bootlegging, the act allows for regulations to place limits on maximum transportation of liquor. It prohibits the sale of non-beverage alcohol to intoxicated persons, and it removes the requirement to obtain a permit for making homemade wine and it allows for the making of homemade beer, which currently is not allowed under the current act.

With respect to licensed premises, the new act would reduce the number of licence classes from 12 to four to streamline administration. It deals with the issue of intoxication in licensed premises. Under the current act, it's not permitted for an intoxicated person to be in a licensed premise. So a licensee could be charged with allowing an intoxicated person to be in their premises, but that sometimes puts a licensee in a difficult situation. For example, if it's 40 below out and they have somebody who is intoxicated in their premises and they're basically required to remove that person and that might put that individual in danger. This would allow for a situation where the licensee can allow that person to remain in the premises in a supervised place, not being served obviously, until their taxi arrives, or a ride arrives, or somebody responsible can take that person away.

The act provides for internally consistent and clear rules for licensees. It tries to clarify a number of rules. It increases monetary penalties for major infractions and it

introduces the concept of tickets for minor offences, so that not every offence has to be brought to the Liquor Licensing Board.

As I mentioned earlier, the act will allow communities to pass bylaws respecting hours of operation of licensed premises opening on Sundays and holidays, areas of licensed premises, off-premises sale of beer and entertainment. So there will be regulations that will apply across the board, but communities, if they choose, will have the ability to pass bylaws to vary those rules if they choose.

The new act will allow people to bring wine to a licensed restaurant -- the "bring your own" concept -- for consumption, and to take the unfinished wine home. It allows licensees to hold liquor-free events on Sundays. Currently the act, if you are a licensed premise, you're a licensed premise 24/7. So you cannot then open on Sunday and allow, for example, minors in, even if it's a liquor-free event. So this would allow for the holding of liquor-free events on Sundays in licensed premises.

Finally, the bill addresses a number of administrative and problematic provisions in the act. So we're renaming show cause hearings to compliance hearings, because the concept of show cause hearing is that the licensee must show cause why his licence would not be suspended. It puts the onus on the licensee as opposed to the onus on the enforcement to show why the licence should be suspended. It allows the Liquor Licensing Board to delegate licence renewals to the executive secretary, as opposed to all renewals having to come to the board, and it clarifies the duties and functions of liquor inspectors.

With respect to timing, if the bill is approved, it will require the drafting of fairly lengthy regulations that will have to be drafted and reviewed. So we would anticipate the regulations be ready by next July and the bill would be brought into force at that time. Obviously, a fairly thorough communication plan would be needed to roll out the provisions of the new act so that people are aware of what the act says. So that would target licensees; it would target the public; it would target communities, because they'll have new responsibilities under the act, so that there is a thorough understanding of what those new rules and responsibilities are. That concludes the presentation.

CHAIRMAN (Mr. Lafferty): Mahsi, Ms. Melhorn. At this time, I'm going up to Members to ask questions. As you know, this has been a long time coming, this particular act, and I think it's key, especially in the small communities, in the communities we'll be visiting. So if I can ask first Mr. Ramsay, and then we'll follow with other Members, as well. Mr. Ramsay.

MR. RAMSAY: Thank you, Mr. Chairman. I'd like to thank the Minister and his staff and his guests that are in attendance here today to talk about Bill 15, Liquor Act. I guess I'll start off with a few comments. The four years I've been here, Members of the House and community members, we talk long and hard about the negative impacts alcohol has on our constituents, on our communities, families, and you can trace it right back. It is a common denominator of a lot of social ills here in the Northwest Territories. So in working a new act, you would think you would always trying to keep that in mind.

But with the Liquor Act as it's proposed here, there are some things that cause me some concern. I know Members of the House passed a motion during the last sitting, calling on the government to denormalize the consumption of alcohol, much like it's done with tobacco. I feel quite strongly about the government paying attention to that motion and following through on that motion, but some of what I see in this new Liquor Act flies directly in the face of any type of moral obligation that the government has, or should have, in terms of alcohol consumption. I can point to a few things: the off-sales. I don't agree with licensed premises being able to sell off-sales at all. If you look at making wine and beer at home, that's just one. There are folks out there, people out there in our territory that are going to do that and consume it themselves, and we're also increasing the fines for bootlegging. But there are people in the smaller communities that are going to make wine, make beer and sell it. So on one hand we're saying it wasn't okay before but now it's okay, you can make wine and beer and if you get caught selling it you might pay some more. But that I don't necessarily agree with.

I know there are good, hard-working, honest people out there that are making wine at home, that are making beer at home and consuming it themselves. But again, if we're going to be serious about what it costs the government in terms of health care, addiction services, you name it, social services, the interventions that have to take place because of alcohol, we have to make sure that we're passing legislation that isn't going to give people more opportunities to drink and to get drunk and to hit that slippery slope where they are going to cause family violence, they are going to assault somebody, they are going to get into trouble, they're going to end up in our correctional system. It's going to cost us eventually. So I think we really need to have a look at this.

The other thing I wanted to mention, too, bringing your own wine to restaurants, I don't necessarily agree with that. If you go to a restaurant and you buy a bottle of wine and you don't finish it, you should be able to recork it and take it home with you, yes, but I don't think you should be able to bring a bottle of wine to a business, to a table to have a meal. That's something I don't agree with, Mr. Chairman.

These are things, obviously, that we're going to have to work through. Some Members may be of the same mind I am; some may not be. But I really do think the bottom line for me is the problems alcohol causes, and we really have to bear those costs in mind and that has to be at the forefront of our decisions here: what it does to people, the impact it has on families, it destroys families. It's not a nice thing. We're trying to sanitize it a little bit and make it okay; it's not okay. So I really think we really need to make sure this legislation fits what our circumstance here is in the North, and that's a history of alcohol abuse, family violence, and we really need to address that. Thank you.

CHAIRMAN (Mr. Lafferty): Mahsi, Mr. Ramsay. That's more of a comment to the Minister. Does the Minister wish to respond back? Minister Roland.

HON. FLOYD ROLAND: Thank you, Mr. Chairman. Mr. Chairman, we know the issue in the Northwest Territories about addictions is one that has a major impact on families and communities. As I stated in my opening comments, the legislation we're dealing

with is about the sale, transportation and penalties as a result of that and how we operate from a Liquor Commission to the Liquor Licensing Board and the enforcement side. The motion that was passed recently in the House is something that, yes, the government overall needs to review how do we approach that, much like the Don't Be a Butthead campaign, for example; trying to get the message out there that's just not a good thing to be doing, but we have a lot of history, not only in the Northwest Territories, but all of Canada. For example, trying to legislate values of citizens. Unfortunately on the liquor side we have more examples of how things haven't worked. Prohibition in Canada has been tried, has been repealed. We allow, for example, in this process to allow communities to put more restrictions in place. If this act goes through, we'll allow communities to request that at a lower threshold than is in the existing act. Off-sales, for example, that will go to communities as well. If communities feel that establishments shouldn't be selling off-sales, then they can restrict that. So with this act we're actually stepping up to the plate and where communities feel that there is too much of a problem in those areas, they can make that change and restrict that from happening. So I think we're making strides in that area.

As for wine and beer making, we see that all across the country where kits are being sold right at Extra Foods here, for example, and other stores and our existing act doesn't allow for that. Wine it does, beer it doesn't. In fact, any regulation or request has to go to the Commissioner at this point. So that's clarifying that.

Re-corking, again, is something that initially when I looked at it is a small item where there seems to be a norm across the country starting to happen and it's just trying to update that and have some similar...when we look at other jurisdictions, that our legislation does have some consistency across the board when it comes to other jurisdictions. I think in looking at this legislation it does go quite a ways into trying to clarify the process, establish tougher penalties for the sale and for individuals wanting to make wine and beer and sell that, that would be bootlegging as well. It's not just a matter of buying your product from another store and reselling at a higher price. So that would be a matter of penalty, as well. Of course, it all comes down to having to catch somebody in that situation. Thank you, Mr. Chairman.

CHAIRMAN (Mr. Lafferty): Mahsi, Minister Roland. Follow-up, Mr. Ramsay?

MR. RAMSAY: Thank you, Mr. Chairman. A quick follow-up. Again, I think we really should be trying to keep moving towards not trying to give people an opportunity to drink, and through the new act I think we're giving people more opportunities to drink. That to me is the bottom line.

The one other thing I wanted to touch on while I've got the floor, Mr. Chairman, is the structure, the Liquor Commission, the licensing and enforcement and the Liquor Licensing Board. I'm just wondering why we're not looking at changing some of that structure and rolling the Liquor Licensing Board in with licensing and enforcement would make sense. We're going from 12 licences to four. So why aren't we looking at restructuring some of the administrative side of this? Thank you.

CHAIRMAN (Mr. Lafferty): Mahsi, Mr. Ramsay. Minister Roland.

HON. FLOYD ROLAND: Thank you, Mr. Chairman. Mr. Chairman, I guess for us, as we look at that, there's a bit of an issue with the existing structure as it is with enforcement and the Liquor Licensing Board has been challenged on this on a numbers of times in the past. We need some separation there when you talk about the enforcement side of it and then making of the rules. For example, the regulation part, they made regulations and then they enforced them and then they were a judge on those that came before them. So we needed to establish some separation there. We think that the basis is still a good one to work with, but some clarity between the role of enforcement and the compliance side of things. So that's why you see that. We're not changing the structure itself, but clarifying some of the roles in there. Thank you.

CHAIRMAN (Mr. Lafferty): Mahsi, Minister Roland. Follow-up, Mr. Ramsay?

MR. RAMSAY: Yes, real quick, Mr. Chairman. Will there be less administrative burden under this proposed legislation than there currently is? Like, to me it would make sense, you're going from 12 to four, there might be less of an administrative burden. So will that be addressed somewhere in staffing levels or whatever? Thank you.

CHAIRMAN (Mr. Lafferty): Mahsi, Mr. Ramsay. Minister Roland.

HON. FLOYD ROLAND: Thank you, Mr. Chairman. Mr. Chairman, the administrative process will be an easy one as a result of some of the changes, but the Liquor Licensing Board itself right now I believe has three personnel, three staff, so it's not a big operation. Hence the need to make some of the processes a little clearer. Otherwise a lot of the, for example, licensing or re-licensing of establishments that have already had their licences in previous years go to the Liquor Licensing Board. If they're in good standing, then going through just an administrative process clears it up. So that should help. Thank you.

CHAIRMAN (Mr. Lafferty): Thank you, Minister Roland. I have next on my list Mr. Hawkins.

MR. HAWKINS: Thank you, Mr. Chairman. I thank the Minister for being here before us today. Just a few comments and possibly a question or two. Although I sort of balance on both sides of this equation with this issue, but I've heard from establishments, you know, legal, lawful liquor establishments, that's what I'm trying to say, is they feel that some of the inspectors have become economic development officers in their own way. They're using the inspection process to do a \$50 sort of a stop and they continue to go around and, well, I'm going to check this establishment two or three times on the weekend and, by the way, I get \$50 or whatever the price is. I don't know what it is, two or three times, and they're making a lot of money. When I start off by calling them lawful, some of these sort of liquor establishments haven't been charged with anything or found guilty of anything, I should put it that way, that's probably more appropriate. This is from a Yellowknife point of view; the concern that some of the lawful and law abiding liquor establishments are being focused in on and targeted whereas we're not giving equal and fair treatment to other liquor establishments or providers outside of Yellowknife. There's a concern there. I know I've brought it to the Minister before, I'd say a little while ago, about can they show me about which ones require more scrutiny than others, because I suspect that if we have an establishment that does bad, it needs to be scrutinized more, but where in this

process do we find that we can show that there's some fairness on how this is being done. I'm not necessarily saying we should not be scrutinizing liquor establishments, by no means, I want to just ensure that people are not getting away from being scrutinized. We have an inspection section here and I just want to make sure that there's fairness in an equitable sense that everybody is being inspected and everyone is being monitored fairly and appropriately. I'm not suggesting in any way that we stop inspecting. Although the Minister is quite versed in this issue, it is a controlled substance, but the fact is I want to make sure that the Liquor Licensing Board and the inspectors are treating everyone equally and fairly. Thank you.

CHAIRMAN (Mr. Lafferty): Mahsi, Mr. Hawkins. Minister Roland.

HON. FLOYD ROLAND: Thank you, Mr. Chairman. Mr. Chairman, the act itself as we're putting in place allows and sets up the framework for the enforcement side of the things and the inspectors would fall into that category. The method of inspections is one driven by a number of things and that won't be addressed in the act. Again, it goes by operations. For example, in our annual report for 2005-06, a total of 1,990 inspections were made and it broke down basically to your volumes and where you have a higher capacity. Fort Simpson in 2005-06 was 127 inspections; Fort Smith, 121; Hay River, 135; Inuvik, 61; Norman Wells, 186; Yellowknife 1,360. That being because of the number of establishments in a community, the size of those establishments and the amount of business that they would do would cause potential inspections to happen. For example, if we're aware that facilities are almost at capacity the majority of times, that would probably cause an inspection to happen just to see how things are going.

It's a matter of volume is what it comes down to and if there has been prior infractions, as well, would cause inspectors to have a look at the facility. So it's driven by volume and what may happen in those facilities. It's not seen as an economic incentive to have somebody go in there. We have some places where it's difficult to get inspectors and that's where we would use RCMP as well. Thank you, Mr. Chairman.

CHAIRMAN (Mr. Lafferty): Mahsi, Minister Roland. Follow-up, Mr. Hawkins?

MR. HAWKINS: Thank you, Mr. Chair. I didn't get a chance to write down the Minister's number, but maybe if I ask him to supply them he will. But I just wrote down a couple and I think I noted almost a four to one inspection on the side of Yellowknife's being inspected. I think he highlighted that it's not economic and I don't think economic should be the issue. An inspection is an inspection, enforcement is enforcement and making sure that this issue is properly enforced and fairly enforced I think should be the driver as opposed to saying that a plane ticket will cost us \$700 to go somewhere, but the fact is inspections should drive the results of doing our job as opposed to saying, well, it's going to cost us a little extra money this month so we shouldn't be doing that. Now I know he's the Finance Minister and he's got to worry about the public first, but the fact is inspections and good public policy should drive this.

So, Chair, just a small other area before I finish here, but my constituents downtown have serious concern about the fact that Sunday openings are proposed to become, as my colleague had pointed out, you know, in the context of normalizing alcohol. I won't suggest it will lead to the abuse of alcohol, but I will say that continuing to normalize it by allowing Sunday openings is probably a negative step as opposed to a positive one.

For the life of me, I can't think of a reason why we need to allow to open up bars or whatnot on Sundays. I really can't think of it. I can certainly agree that special occasions should exist, whether it's a sporting event or whatever a special occasion is defined as. I mean there's special occasions for everything, Mr. Chair, but the fact is allowing for Sunday openings I think leads us into the wrong direction and I think good public policy as probably requested by our motion back in May is the fact that we don't like to see these things. The majority of northerners I think feel very strongly that it's leading in the wrong direction.

I do have concerns with the area of what the Minister may see as empowering municipalities, but I see as passing authority off or flogging down responsibility by allowing them to have more bylaw abilities. I think what we're going to do is the Finance Ministers put pressure down on community organizations, whether aboriginal or townships or cities, is the fact that I think it's putting unfair pressure on them to regulate hours, regulate off-sales, regulate days of the week. I think this is a ministerial responsibility. Although I'm fully behind empowering municipalities and municipal corporations by all means, but I think that this is sort of a one-off sort of process. Ninety plus percent of the act is controlled by the Finance Minister and then we're just going to hive off an ugly part off to the municipality. I don't think this stuff should be done that way. I think either it's an all or nothing and with this particular case, I'm going to say I think, in all fairness, it should probably be more on the lesser side and I think it should go back to the Minister. Giving that type of pressure and responsibility to the municipality, normally I'd be right in favour of it, but I think the ultimate responsibility should be back on the Minister.

So Sunday openings I think is a mistake. I think it's an absolute mistake.

CHAIRMAN (Mr. Lafferty): Mahsi, Mr. Hawkins. General comment, Mr. Roland.

HON. FLOYD ROLAND: Thank you, Mr. Chairman. Mr. Chairman, Sunday openings will be a decision made by municipalities if this bill gets passed. It won't be an automatic. It doesn't have to happen. If a community feels that it's not appropriate, they'll make sure that it doesn't come into force. So for the record just to state that, that we've heard throughout in the Northwest Territories on many occasions that one size doesn't fit all in the Northwest Territories and there needs to be some flexibility. We've heard that in the past. Right now we do have one size fits all. It is a plebiscite process, a petition first then plebiscite and then 60 percent of your voters need to do that and we've heard on a number of occasions that's too restrictive if you wanted, for example, to put in even restrictions or prohibition or to remove it. So this brings that back to the community, gives some flexibility, some authority at the community level, and again, not the one size fits all process, which I think we would hear from other communities, yeah, there might be some communities saying we don't want that. They can make it very clear early on, once this is passed and comes into effect, that they don't want Sunday openings, they don't want to allow those types of things happening. Off-sales is another issue, but I think we can hear from other communities saying they want some of that decision-making power. Thank you.

CHAIRMAN (Mr. Lafferty): Mahsi, Minister Roland. Short follow-up.

MR. HAWKINS: Thank you, Mr. Chair. Mr. Chair, I don't disagree with the Minister on the fact that communities want to be empowered and want control, absolutely, and I am in favour of that. The thing is, good public policy should be directed from here and the person who is in control of the act. You know what? I don't disagree with his intent of one size will never fit, ever fit, every community, but the fact is all we're doing is enabling for more problems. All we're allowing is saying well, you know, you can control your operating hours. I think operating hours should be controlled here. We should be able to say no Sunday openings unless it's a special occasion, which you have to get a permit for. We should also say no bar extensions, you know, operating hours and maybe if we want to show some flexibility, maybe we should have it in such a way that you could apply for a permit if there was a special occasion. The fact is, I think that's enabling more problems in the long run and I think it's a mistake. This could be controlled here, it could be stopped because really, at the end of the day, this is the start of the path, the long path of some of our problems associated with liquor. I don't think it is empowering a community. I think it's the Minister giving up control of the issue.

My constituents downtown in Northern Heights, some of the residents who live right next to 50th Street, they don't want longer hours, they don't want that possibility. Heck, if you asked them personally, they'd probably say they want less hours. But I think there's got to be some balance, in all fairness. So I'm not going to say that we should be taking away hours, but I will say that by encouraging longer hours and by encouraging more days of the week, I mean the day of rest was meant for the day of rest whether you prescribe to that or not. The fact is, we've got to give society a bit of a break. I think it's reasonable to say Sundays are not appropriate for here and we could say that today because I believe that. Sundays should be the day off. Thank you.

CHAIRMAN (Mr. Lafferty): Mahsi, Mr. Hawkins. Mr. Roland.

HON. FLOYD ROLAND: Mr. Chairman, just for the record, with this legislation being passed, there would be no Sunday openings. A community would have to pass a bylaw to make it happen. So if they didn't enact anything, it would be no Sunday openings. Thank you.

CHAIRMAN (Mr. Lafferty): Mahsi, Mr. Roland. I'd just like to remind Members, we have a list of Members to ask questions, if we can shorten our preamble and get to the point. I have next on my list Mr. Braden.

MR. BRADEN: Thank you, Mr. Chairman. I'm really pleased to see this act before us. I was really happy to be part of the chorus that brought this issue to light early in our Assembly some almost four years ago now, and to have seen Mr. Roland's acceptance that, yes, it was indeed time to try again. I think this is the third concerted effort that this government has made over more than a decade to modernize and streamline our act. So I'm very satisfied to see this here.

The general direction that the government has decided to take after extensive consultation -- and I want to compliment the process that was undertaken -- I believe this is the right one. I think that the sort of the centrist or big brother approach to administering this kind of thing is wrong, that the more sort of responsibility and authority and autonomy that's given to communities and to regions to set their own terms and their own standards for alcohol, it's a legal and a controlled substance, this is

very much the right way to go. I'm of the belief that consequences of things like the prohibition era of the 1920s was very much a result of government trying to impose a one size fits all sort of an attitude, an extreme attitude in that case and that we should indeed go the other way.

A document that I wanted to submit to committee, Mr. Chairman, is an interview or a story written by Nathan VanderKlippe. I think this was a Canadian Press story published in the Vancouver Sun and it was a bit of a story out of Greenland and it illustrates exactly that; that over the last few decades, Greenland and Denmark, under Danish rule, has gone from a very strict central control, centralized standards of alcohol administration, to one where indeed there is more local control and management of the substance combined with very intense measures of awareness and advocacy and in treatment and follow-up. That is where, Mr. Chairman, I was hoping we would be able to go with this bill; not only to improve its administrative capacity, which I think is largely done here. We see that it brings in tougher tools and consequences for bad behaviour or breaking the rules, but I was really hoping that in the process of the discussion and designing this that the government would resolve to mandate very specifically, either in legislation or in program, a responsibility to deal with the consequences of alcohol. Although I fully realize and I understand that it is outside the scope of the bill, very much a desire of the Assembly and the people of the NWT is for the government to take a more aggressive and a more proactive role in managing the consequences of alcohol abuse.

Mr. Chairman, in Ms. Melhorn's presentation, it was indicated that issues related to prevention and the treatment of abuse are better addressed through policy and partnerships. I couldn't agree more. Which arm of our government though, which level of our administration could be charged with leading the development of those policies and partnerships? There is responsibility for this spread across several different departments: Finance, Health, Justice, Education. Who is taking the lead? This is really something that I hope we can continue to press forward, Mr. Chairman, as our government has done with tobacco. The Department of Health I think in most respects kind of voluntarily took this job on and it seems to be achieving some success. We should do so with our government, too. One agency should be mandated with a major responsibility, major resources to take this on and deal with it as the crisis that it really is. But I want to speak, Mr. Chairman, in favour of the bill itself.

A couple of questions that I would put forward: Is that it? There is some mention in the bill of the management of other intoxicating substances, the hairsprays and the mouthwashes and things of that nature, and I wanted to ask to what extent could our government curb the availability of these substances. They are legal products, they are useful and valuable products, but as substitutes for alcohol, sometimes cheaper ones, sometimes ones that are available on Sunday and other hours when we would not otherwise allow them, this is peoples' choice. Is there some way that we could, as perhaps with tobacco, where, for instance, right now it's no longer evident on the store shelf. You have to ask for it and a clerk has to make a deliberate effort to go into a drawer or behind a curtain or something to get tobacco. Can we do something like that with some of these other substances that we know cause us problems as well, Mr. Chairman?

CHAIRMAN (Mr. Lafferty): Mahsi, Mr. Braden. Minister Roland.

HON. FLOYD ROLAND: Thank you, Mr. Chairman. Mr. Chairman, I thank the Member for his comments in the area of the bill itself and the work that's been done. Yes, there's always room for improvement when you look at it, and right now, I guess ultimately right now, it's the Department of Health and Social Services that delivers sort of the immediate impact of trying to deal with alcohol abuse and drug abuse in the Northwest Territories. On the other areas in this bill, from the finance side what we're trying to do is, one, give some authority to communities.

Specifically the question Mr. Braden asked was about the other intoxicating substances. Right now we find probably in the Northwest Territories a lot of the stores on their own pull some things off the shelf, whether it's hairspray, mouthwash it's behind the counter or even, for example, vanilla extract; you go to a store and it's not readily available. You've got to go ask the clerk where it's at and they'll pull it out for you because people will use that product. So it's been at the voluntary stage. Right now what we're putting in place here is in fact making it so that it is now illegal. Once this bill goes through, it would be illegal to sell these types of products to an intoxicated person. I mean I've witnessed it myself in stores where an individual may go to the grocery counter and have a number of items. Again, depending on the communities and the knowledge of the community from that sales clerk to whoever is coming through sometimes ask people why do you need that product, because it seems if they're not getting a bunch of groceries, they've got just a few items and it's all in the same area. So they sometimes restrict that right then and there, but it's all just been on a voluntary basis. This now makes it illegal, at least to an intoxicated person, to sell that.

As we're aware, across Canada -- and the Northwest Territories is no different -- individuals who really want to get something find ways of getting their hands on it. That becomes a difficulty because how do you try to legislate some of that. So we're trying with this act to tighten it up to a certain degree. Overall, yes, the government itself will have to deal with that and the denormalizing motion that was made is something that we're going to have to look at and see how we can work with trying to improve that area. Thank you.

CHAIRMAN (Mr. Lafferty): Mahsi, Minister Roland. Short follow-up, Mr. Braden.

MR. BRADEN: Thank you, Mr. Chair. One other question and that is part of the administrative responsibility here. It specifically regards that of liquor stores. There seem to be in the current law where the monitoring and enforcement of regulations for liquor stores was not one that was clearly identified and the responsibility was needing some attention there. I'm wondering if the Minister could advise on the bill, is there now a stronger and a clearer agency or level of responsibility for the management of how liquor stores are looked after for compliance, Mr. Chairman?

CHAIRMAN (Mr. Lafferty): Mahsi, Mr. Braden. Mr. Roland.

HON. FLOYD ROLAND: Thank you, Mr. Chairman. Mr. Chairman, I'll ask Ms. Melhorn to give more detail in this area, but, as stated, the governance structure, the Liquor Licensing Board, the legislation itself, we're keeping that governance structure the same

and how we tighten it up or how we work in that area I'll have Ms. Melhorn give you some of that detail.

CHAIRMAN (Mr. Lafferty): Mahsi, Minister Roland. Ms. Melhorn.

MS. MELHORN: Thank you, Mr. Chairman. Liquor stores are not under the jurisdiction of the Liquor Licensing Board, which deals only with licensed premises. Liquor stores are acting as agents of the Government of the Northwest Territories. They have agreements with the government. They can't operate without the authority of the Minister. The agreements that we have with them require them to abide by all legislation and regulations. If they are in violation of the legislation, they are subject to sanction and there are penalties under the act for certain violations. There is the possibility that their contract can be terminated if they are in violation of the agreement. So they are a different type of entity because they are acting as agents of the government and we have the ability to sanction them through those agreements.

We do monitor. We do follow up if we do hear issues raised about activity in liquor stores. But the penalties are already there with respect to the prohibitions on selling to minors, on selling to intoxicated persons. There is an amendment in the act that would forbid minors to be in liquor stores unless they are with their parents or with someone to whom their parent had given permission, but the enforcement of the liquor legislation in stores is something that really falls onto the Liquor Commission and the department to ensure that the stores are abiding by the legislation.

CHAIRPERSON (Mr. Lafferty): Mahsi, Ms. Melhorn. Next on the list is Mr. Yakeleya.

MR. YAKELEYA: Thank you, Mr. Chair. This Liquor Act is very powerful especially for our communities because it affects everybody in our community. I know the Minister appreciated your openness and willingness to have people attend from my region to attend this consultation process, even though it was limited, a short time. This Liquor Act has a devastating impact on one end of the spectrum. Some people really want to use it and abuse it. There is another spectrum to it that is the business side of it, the agents that you are talking about, Ms. Melhorn, in terms of the business aspect to this Liquor Act.

I think going into the communities, this one bill here is very importance and very key. We are going to a number of communities and I think that's very limited. I am really happy to hear that you are proposing some stronger community controls into the communities in terms of how we regulate and control our liquor sales and consumption, even enforcing these new liquor laws.

Mr. Chairman, time will tell I guess as we go into communities and we hear about what people have to say about this new Liquor Act. The Minister suggested this morning and one of the impacts is, as Members, we brought up legislation in terms of dealing with the abuse of alcohol and it doesn't fit in this scope or legislation. That one is going to come up quite often in our hearings. I am disappointed that this law doesn't speak to how we can address it on the wider scope of how to deal with the alcohol abuse and fund. This is just on the sales and transportation and enforcement. That's a very narrow-

minded approach to this new act because it has a devastating effect on people who have to deal with this in our communities.

So I would like to make that comment to the Minister. We have to shift our frame of mind here dealing with this law. We can't just deal with them in an isolated cubicle. I know you are aware of things outside there, but this one is a business approach. For me, we are not being very responsible in terms of how we deal with this one here.

So I want to ask the Minister in terms of the sale of it and the transportation of it, how much of this control goes to the communities? Like you said, if people want to drink, they will drink. They are going to find many ways to purchase alcohol or substances to make brew, wine, beer. They are very creative, even in the transportation of it. How is this law in terms of the sale of it, in terms of the enforcement of it, the transportation of it on our aircraft, the regulating of issuing out who can and can't drink in our communities? How much community control do we have? The government is going to be the central part of distributing the liquor to our communities; who sells what. Is there strong enough community control in terms of regulating, enforcing the use of alcohol? Mahsi.

CHAIRPERSON (Mr. Lafferty): Mahsi, Mr. Yakeleya. Mr. Roland.

HON. FLOYD ROLAND: Thank you, Mr. Chairman. Mr. Chairman, right now, the existing legislation, everything goes back to the Minister and any permits, regulation, aid, then goes to the Commissioner for a sign-off. So plebiscites, there is a process, the quantity of voters, for example, the 60 percent mark has to be met. So with this new act we are looking at now, it would change a number of critical areas. One is the threshold for plebiscites and that plebiscites can be undertaken without petition, with a percentage of voters in place. The fact that with this legislation, openings on Sunday, which now are permitted under a number of circumstances within the existing act, would be up to a community to decide if they wanted to have that happen or not.

Off-sales is another issue that was raised earlier today. Right now, off-sales are permitted. It happens in every community we have an establishment. A community can decide that that is not appropriate anymore and can shut that down as well. I think this bill goes a fair bit in the direction of having control in a community. If a community feels they have a serious issue with alcohol, they can restrict its use in that community.

For transportation, right now, for example, in the existing act the way it is, anybody who is in a community that doesn't have prohibition, they can phone a liquor store and say I need a bottle of this and a case of that, send it up. It can be transported by an airline company or a bussing company to that community. It can be received by that customer.

This new act would put that in place, but it does clarify who can do what and how it's accounted for. You can't just have somebody driving around with a truck with three cases of whatever product and decide to go up to somebody's house and say I have two bottles for you. That's back to bootlegging. We have made it clear where that can't be done in that sense of it.

In the Northwest Territories, we've seen a lot of communities go through being, as we called it back then, dry communities where no alcohol was permitted. We've seen people in those communities waling down at some time of the day or night staggering around. We can have our elders tell us stories when there were no liquor stores around and they didn't get it shipped, they got the products from their grocery store. They made their own brew and managed to take care of some things there. If they didn't have that, they went to even more dangerous products which caused permanent damage to individuals, or death in many cases. Unfortunately, we have that type of history in the Northwest Territories. As much as we want to legislate...I guess the question is how far do you go to make it illegal to be drunk? Can that be done? Society has tried that in the past and we are going to have to find another means. I think the motion in the House speaks to it. How do we then incorporate it into government overall to take the necessary steps to make people aware that some of the choices they make or the example they set for their children is not a positive one? That, I believe, starts at home. Thank you.

CHAIRPERSON (Mr. Lafferty): Mahsi, Minister Roland. Mr. Yakeleya.

MR. YAKELEYA: Thank you, Mr. Chair. I have two short questions for the Minister. The first one, Mr. Chair, the regulation of changing of the liquor store, especially in the Sahtu region, we have one liquor store that the four outlying communities purchase their alcoholic beverages there. If the liquor store was to make changes and it affects the outlying communities, do the outlying communities have a say in terms of the liquor store and their purchase of alcohol and the enforcement? For example, the off-sales, about 10 or 15 years ago, they were going to sell off-sales in Norman Wells in the bars. People around the community got together and said no, we don't want off-sales because a lot of our people purchase off-sales after the bar closes and then drive back to their communities. So they shut that down. Would the community have that type of a say in terms of a regional liquor store in the Sahtu?

CHAIRPERSON (Mr. Lafferty): Mahsi, Mr. Yakeleya. Mr. Roland.

HON. FLOYD ROLAND: Thank you, Mr. Chairman. Mr. Chairman, the existing act allows for a community...Using the Member's riding of Sahtu and the liquor store established in Norman Wells, Norman Wells would make the request for any prohibition or restriction of sales in Norman Wells. If Tulita or Deline wanted restrictions in their community, they could establish that as well. Then it's a matter of enforcement when things come off the plane. I recall, and it still happen is a number of communities, of that type of restriction being in place.

This would make it much more difficult...Well, it wouldn't change that process. Again, the establishment of the license itself is to a company in a community to sell that. The liquor store itself, because it falls under the government side, again restrictions and the plebiscite process being established would again apply to that community.

The one thing that does go in place when we talk about self-government and when they draw down the authority, self-government can implement a number of different things if

they see fit to make the changes. This act allows for a smoother transition towards that. So that is something that is contemplated on that side of the legislation we have before us here. Thank you.

CHAIRPERSON (Mr. Lafferty): Mahsi, Minister Roland. Mr. Yakeleya.

MR. YAKELEYA: Thank you, Mr. Chair. The final question to the Minister is in terms of the revolving fund is still \$6.5 million. I think that's being looked at for the first time in 24 years. Is that still the amount that's required in terms of 24 years ago and how it's been built up? Do we use it all or can it be used in other areas such as educating the communities, educating the region in terms of the funding given that the Liquor Licensing Board will have new responsibilities that will be clearly defined as the Minister said in terms of this new revolving fund?

CHAIRPERSON (Mr. Lafferty): Mahsi, Mr. Yakeleya. Minister Roland.

HON. FLOYD ROLAND: Thank you, Mr. Chairman. Mr. Chairman, again, this is another one of those issues that has come up in past assemblies as well in the area of the revolving fund. It's broken into two pieces. The amount that's set up, for example, the Member mentioned \$6.5 million is the amount that the Liquor Commission can carry in its bank account and that it uses to fund its purchases and pays the bills and that. If any money goes over that amount, it has to come back to the government. For example, the \$20 million that was approximately earned in the revolving fund goes directly back to government. Any profit that is made from the sale of that comes back to the GNWT into our general revenues as we call it and then used for programs and services. So the amount that is set out of \$6.5 is the amount that they can have a bank account up to a maximum if, in fact, they did have that much. But the rest of that all comes back to the GNWT for programs and services. Thank you.

CHAIRPERSON (Mr. Lafferty): Mahsi, Minister Roland. Next on the list is Mr. McLeod.

MR. MCLEOD: Thank you, Mr. Chair. If I had my way, government would be not involved in any type of sale or distribution of alcohol. But understanding that somebody has to do it, it appears to be a very profitable venture. We talk on one hand about denormalizing alcohol in a motion that we passed. Then I read where we are saying you can make your own beer and wine now and you don't need a permit. You can bring your own wine to a restaurant and you can take it home with you. That kind of goes against the denormalizing motion that we put forward. Would the restaurants have any say in not allowing you to come into the restaurant with a bottle of wine? That would be one of the questions I would have.

The other question I would have is I read about maximum fines. Maximum is fine. You can raise the maximum fine to \$100,000, but how many people are actually going to pay anything close to that? Do we have the authority to set minimum fines, \$1500, \$2000, \$2500 as a minimum? That might discourage people. It doesn't matter to me if you are a lady selling one bottle or hard core selling three cases. The fact is, you are still bootlegging and there should be a minimum. If you take someone's maximum sentence,

it's supposed to be 25 years to life. How many people actually get it? Two years less a day seems to be the norm in the Northwest Territories. It's a shame; it really is a shame.

Then we talk about the money that's in the liquor revolving fund. Now I am a supporter of earmarking some of that money to the programs for treating alcohol abuse. You look at the money for argument's sake, let's say there is a \$10 million surplus. Automatically, close to 50 percent would go to the public service. Another 10 percent would go to subsidies, so we are talking about \$4 million left. Now I would like to see the money earmarked for treating alcohol abuse.

Another thing that struck me is the selling of non-alcoholic beverages or prohibit the sale of non-alcoholic beverages to an intoxicated person. Now that's a judgement call on behalf of whoever is working in the store. I have seen some stores where they put a lot of this stuff out of the sight, so people just don't come in and take it off the shelves and pay for it. Most of the store clerks, if you are from the community, if you have been around the area for awhile, you know who is drinking it and who's not. People will always get their hands on anything that's even got a small percentage of alcohol in it. It reminded me of a case in Inuvik a few years ago where a lady went into one of the local stores there to buy some Lysol. The lady at the counter said no, you are going to drink it. Now this lady hadn't drank for years. She used to be a drinker, but she hadn't drank for years. Now this lady, who I assumed just moved there, made a judgement call; no, you are going to drink it. It was in the newspapers. I think it was even on the radio. You may recall the story. That was an unfair judgement call to make on this lady. It really was.

So I think I have raised a couple of questions. The community control on the Sunday opening, now I am glad to see the community get a little more control as to whether the bars can open on Sundays or not, special occasions. I think Sunday there should be absolutely, under no circumstances, any bar open. There shouldn't be, but if the community has control over it, if the community decides to say absolutely no Sunday openings under any circumstances for any event, would the bars be able to come back to the government and appeal the community's decision? I will stop there, Mr. Chair. I think I had three or four questions in there. I would appreciate a response back from the Minister and his officials. Thank you.

CHAIRPERSON (Mr. Lafferty): Mahsi, Mr. McLeod. I heard three questions there. Minister Roland.

HON. FLOYD ROLAND: Thank you, Mr. Chairman. Mr. Chairman, I wrote a couple of them down and I might have to be reminded of the first question. A couple of items that I did pick up on was the earmarking of the revolving fund was an issue that was raised and establishing a fund amount that would be focussed on drug and alcohol addictions. Again, I think that's an overall government target that needs to be dealt with through a budgeting process, for example.

Minimum fines, we do have legislation that does establish what some of the minimum fines are to a maximum. Part of the issue in that is, for example -- and the Member raised a good point -- if there is an individual who sold one bottle versus somebody who has sold cases and cases of booze and they are before a judge, can the judge then establish what level the fine would be depending on the severity of the crime? That becomes the issue of reviewing and trying to set exact parameters of this fine in first case, second case, up to the maximum type thing. That was one of the issues that was raised when we reviewed this and trying to deal with that.

I will have to be reminded of the other question. Oh yes, community bylaws. That was the other one. I will have Ms. Melhorn or Mr. Aitken provide that detail.

CHAIRPERSON (Mr. Lafferty): Mahsi, Minister Roland. It was a question on the establishment and if they have a say in it. Ms. Melhorn.

MS. MELHORN: Yes, with respect to the question about bringing your own wine, yes, the establishment would have a say. The establishment would actually have to apply to the Liquor Licensing Board to have that as part of their licence. So if they were not interested in that kind of arrangement, then they simply wouldn't apply and it wouldn't apply in their restaurant.

The question of Sunday opening and whether communities or bylaws would prevail, the answer is yes. The way the act is drafted, once the community had passed a bylaw in that area, then that would prevail over the other regulations set under the Liquor Act.

CHAIRPERSON (Mr. Lafferty): Mahsi. Any appeals?

MS. MELHORN: Sorry, no, there would be no appeals.

CHAIRPERSON (Mr. Lafferty): Okay. Follow-up, Mr. McLeod?

MR. MCLEOD: Thank you, Mr. Chairman. Thank you to the Minister and his officials for the answers. I would still rather the government had nothing to do with the distribution of alcohol, but what can I do?

We all know the affects of alcohol in the communities. Another thing that I would like to maybe bring up, I think a couple of Members have spoken to it, is the ordering of alcohol. You call up the liquor store in one of the communities and say send me three or four cases of 26s of Vodka. I would like to see that part of it completely done with where you cannot. You have to pick it up in person and not allow phone orders or transportation. You pick it up and haul it back to the community itself. I would like to see that. The act was very old, from what I understand. I go back to the fact that we've passed a motion to denormalize the use of alcohol and we make a couple of things a little easier for them here. Overall, I mean anything we can do to make the distribution, the resale of alcohol harder and harder...The Minister answered one of my questions with the minimum fine to a maximum and they go case by case but if we have a minimum fine of \$1,000, so you know if you sold one bottle it's going to cost you \$1,000 if you are caught, but if you are hard core and you have been there before, there is

nothing saying they are going to give you a \$1,000 fine. They could give you a \$20,000 fine. With no minimum, the judge could say you sold one bottle, I will give you a \$200 fine. So the next day they are going to go sell four bottles to pay for their \$200 fine. I think it should be \$1,000 or \$1,500 minimum. It doesn't matter if you sell one or 200. It's still the same thing.

I will leave it at that, Mr. Chair. I have to look through this a little more closely. I know a few people who have had a chance to look at it like it. They think it's a pretty good piece of work. From what I have seen with a few of the concerns I do have, I do think it is a fairly good piece of work and I am looking forward to hearing what the public has to say once we bring it out on the road. Thank you, Mr. Chair.

CHAIRPERSON (Mr. Lafferty): Mahsi, Mr. McLeod. General comments or concerns? Minister Roland.

HON. FLOYD ROLAND: Thank you, Mr. Chairman. Just quickly, the ordering limits, people have to go into the communities in the North where we don't have access to the major regional centres or places where they have a liquor establishment or liquor store. In this case, it would be very difficult. The issue was raised, for example, if we have elderly in a number of the communities that can't get around that well, or disabled, and may want to get a bottle of wine. This would limit that potential. I understand the concern about someone from outside a community who orders three cases of 26s or 40-pounders is an issue that has to be monitored to a certain degree and how we do that is something else. Again, liquor stores come underneath the department itself and the contractual arrangement we have in place.

The regulations, in fact, as they are written, can impose purchase limits. So that's one of the things that we are working on. Again, with recommendation from committee, we could look at having limits put in place under regulations.

The other side, and I have mentioned myself in response to a number of questions, the motion made in the House on denormalizing alcohol use in the Northwest Territories. That motion just came up recently in the House. This, as I highlighted in my opening remarks, has been a number of years in the works. You have to give me a bit of the benefit of the doubt and the department the benefit of the doubt how we are moving on this. A lot of the work has been done previously, but it is something we, overall as the government, have to look at how we deal with that side of the equation. Thank you.

CHAIRPERSON (Mr. Lafferty): Mahsi, Minister Roland. Next on the list is Mr. Miltenberger.

MR. MILTENBERGER: Thank you, Mr. Chairman. I would like to speak in support of this particular piece of legislation and I recognize that back in the 13th Assembly, there was a process started as well and extensive consultations that lasted almost 18 months or even a couple of years. So this process has been a long time coming.

Alcohol is probably the most corrosive and expensive substance we deal with in the Northwest Territories and it has a major impact on our people and our budgets in

Health, Social Services, Housing, Justice, Education. So clearly there is a need to look at how we do business. This is just one tool in the tool box. The need is going to be to work closely with other program areas; for example, Health is going to increase their budget on the prevention side up to 1 percent. That figure, I would suggest, is probably going to have to rise. We have to do more work at the front end. You can punish people for breaking the law, drinking too much and abusing that, but you cannot, through law, prevent babies being born with FASD. You cannot, by law, fix that particular effect. Once it's there, you deal as a society with that child for the whole life of that individual. We have many such individuals. It's an enormous cost to families, to communities, to governments. It affects our women's shelters, our jails, our employment, our schools. So the focus has to be on the front end. This helps control what is a legal substance, but you are down to a personal choice and the Minister references that. The abuse of alcohol, smoking, improper diet and lack of exercise are the big four that drive so much of our costs and at the top of my list is the abuse of alcohol and, of course, other drugs. We are in a very tough fight when we talk about denormalizing alcohol. I recollect in the 13th Assembly, Mr. Roland went down to Ottawa to make the case about supporting the labelling of all alcohol bottles to a federal standing committee. We were one of the few jurisdictions that does that and has done it for years. There was an enormous lobby from the alcohol industry. The enormous lobby is still there on any limitation to access. They spend tens of millions of dollars, if not hundreds, advertising their products in the most seductive, sophisticated and polished way that most governments don't have the pockets and resources to compete. If you watch around any hockey game, the Super Bowl, the Grey Cup, any of our local sporting activities, we all want the support of Labatt's and Molson's and the folks that sell alcohol. It's not quite the same with smoking cigarettes where we've been able to denormalize, so we have to have a strategy that recognizes that this is not the same as smoking. It's much more difficult against a very well-financed and powerful industry. We have to look at what is legitimate and what is realistic in terms of expectations.

I think we are moving in the right direction when it comes to empowering communities. We talk about self-government at every turn. We talk about community decision-making, ownership of their own processes. This is one particular substance where we know the success has come when communities and individuals in those communities have stood up and said enough is enough. I think of...(inaudible)...Lake, Hollow Water, those are examples of what happens. Government cannot successfully mandate and legislate morality and good behaviour. We know that not only in the Northwest Territories, but across Canada. Anywhere the war on drugs is going on, it's a losing battle and you are fighting the wrong end. We are looking through the wrong end of the telescope because that's where all your money is going to go, to try to punish people and to have a repressive system as opposed to educating them to make the right personal choice. So I think we are moving the right way.

My one question and request for amendment is going to be, there is one relatively minor clause that talks about the age where children can be left alone and it's currently at eight for some reason; that's not clear to us. I know as a parent and grandparent, to babysit you have to be 12 years old, you have to take a course. I am going to be making that request and it's a question to the Minister, but if that's a figure that's

generally accepted, which I believe it is, then the minimum age should be 11 before parents can leave children alone. Eight seems very low. There doesn't seem to be a rationale to it, but we know there are other parts of our society where there is an age that is agreed to that you have to be to babysit. Anything below that should be the minimum age that you can't be left alone by your parents for any length of time, especially if it's to go drinking. Thank you, Mr. Chairman.

CHAIRPERSON (Mr. Lafferty): Thank you, Mr. Miltenberger. Question on age eight. Minister Roland.

HON. FLOYD ROLAND: Thank you, Mr. Chairman. The existing act refers to eight years of age and was just brought over. We would be receptive to making a change there if the committee felt that needed to be done. I would also like to thank Mr. Miltenberger on his long memory of my travel down on behalf of the Honourable Jim Antoine at the time and made the presentation to the committee in trying to have that liquor label put on bottles. We were unsuccessful, but we implemented our own program in the Northwest Territories around that matter. Thank you.

CHAIRPERSON (Mr. Lafferty): Okay. Follow-up, Mr. Miltenberger?

MR. MILTENBERGER: Thank you. Just very briefly, I know the subject has come up and this has been a repeated issue and discussion is the targeting of liquor revenues...(inaudible)...The reality is we already spend, as I indicated, I would suggest tens of millions, if not hundreds of millions, across government and all the departments affected by alcohol abuse on alcohol and trying to remediate problems, health and social problems. We have a yearly budgeting process. To me, the clear way we can make an impact as a Legislature is if we make this a priority and target money in the budgeting process. It doesn't have to be tied to how much revenue you have as a government, but if we say we want to put more money in this budget area, then that's what we do as a government and the government's responsibility is to make those adjustments. That's the process that should take place. For example, if we tell every department that's in the social program envelope that you have to have a minimum of 1 percent to put towards prevention programs, then that's a requirement that every department has to look at their budgets to adjust and that figure, I would suggest, would have to go up. Rather than cherry picking, let's just pick this one pot, depending on what it is, on a year-to-year basis, we need more of a planned way to do this. Thank you.

CHAIRPERSON (Mr. Lafferty): Mahsi, Mr. Miltenberger. General comment and a recommendation to the Minister. Mr. Roland.

HON. FLOYD ROLAND: Thank you, Mr. Chairman. As I stated earlier, in looking at the process that we have in place for budgeting and how we deal with that, it will have to be one that's an overall target, a plan of action by government, as stated by a number of Members around the table now. It's not just one department that deals with it. The lead on dealing with the physical impacts at least, health-wise and trying to deal with some of the prevention or treatment of it is through the Department of Health and Social Services. That will continue to be the process for the time being. Again, overall planning

and budgeting, I guess I can use the example of the Child and Family Services Act that Health and Social Services did recently. Committee did a side report with some issues raised in there as well. Thank you.

CHAIRPERSON (Mr. Lafferty): Mahsi, Minister Roland. Next on the list is Ms. Lee.

MS. LEE: Thank you, Mr. Chairman. Just briefly, I am happy to be here also to work on this bill that has been in the works as long as Mr. Miltenberger mentioned, not just the last three years, but I think it had its first review that I remember in '93. So it's been years in the making and obviously it's a complex bill that had to address an issue that is very emotional to many of us. It tries to meet diverse needs. We hear in communities over and over that they like to see a complete ban of liquor. Then we have my riding, for example, in Range Lake, where we have a liquor store that takes pride in getting liquor from every corner of the world.

So alcohol and liquor is such a complex issue. For some, connoisseurs of very unique liquor or wine, there are people who come from all corners of the world who are happy finding the beer from their own country. Something about that is very close to some people. I think it also adds culture and character to our city that we have pubs that we never used to have before. Alcohol is a substance that can do so much damage, but is also something that gives lots of pleasure to a lot of people. Therein lies the difficulty we have in addressing some of the problems.

So I look forward to listening to presentations from the public in our public hearings and communities and do my part to work through this legislation to address some of the concerns people will bring to us. I think it's a good thing, from what I am hearing so far. The legislation will set the framework to address their own needs in their own way because I think that's the only way we can address this issue because of the fact that we have such diverse communities and needs and interests in our territory.

I have a couple of questions. My first question has to do with the presentation on page 15. It says here that with respect to licensed premises...I think I read this a couple of times; in your Minister's presentation as well as Ms. Melhorn's. The legislation makes the situation internally consistent and clear rules for licensees. That's not clear to me. I would just like to get some more information about what it is you are trying to fix with this legislation. Maybe you could give us a little example. Thank you.

CHAIRPERSON (Mr. Lafferty): Mahsi, Ms. Lee. Minister Roland.

HON. FLOYD ROLAND: Thank you, Mr. Chairman. One of the things, for example, right now there is 12 categories that establishments can fall under or an operation will fall under and we are narrowing it down to four, as well as the role within the Liquor Commission. The Liquor Licensing Board and what happens on that occasion in the existing environment versus what will happen with the new act coming into force. For example, the regulations. Right now, the only Liquor Licensing Board in Canada that has its regulation-making power is going to be pulled back to the Minister. Further to that, I will have Ms. Melhorn provide some more detail.

CHAIRPERSON (Mr. Lafferty): Thank you, Minister Roland.

MS. MELHORN: Thank you. I think that point mostly speaks to what we were trying to do with the organization of the act, so that the provision dealing with licensees are in one spot and it's easy to understand what the rules are. There were some inconsistencies in the act with respect to the ability to close licensees and I think one act that gave the authority to the Minister and another provision in the current act that gives it to the Liquor Licensing Board, just straightening some of those inconsistencies out.

CHAIRPERSON (Mr. Lafferty): Mahsi, Ms. Melhorn. Follow-up, Ms. Lee.

MS. LEE: Thank you. My follow-up will be on a different topic and it has to do with the revolving fund and I understand that the legislation pertaining to the revolving fund or part of that hasn't been updated in a while and the amount hasn't increased from \$6 million to now. I just wonder if reviewing the revolving fund was part of this review, or is that updated and reviewed under a separate regime? Thank you.

CHAIRPERSON (Mr. Lafferty): Mahsi, Ms. Lee. Is it a separate regime? Ms. Melhorn.

MS. MELHORN: The liquor revolving fund is addressed; there is a Revolving Fund Act which sets that maximum fund limit. As the Minister described, that fund limit really just reflects the amount of working capital or cash the Liquor Commission can keep before it has to start remitting money back to the government to sending the cash to the government. It hasn't really been an issue because the way we manage our cash now, the government essentially has access to the Liquor Commission's cash without the necessity that a cheque actually be made, but those remittances are made on a regular basis. As the Minister pointed out, the excess, the net profits, all revert to the consolidated revenue fund so the government has access to programs and services. So the liquor revolving fund, the legislative structure of that fund really hasn't been an issue over the years, which is why there aren't significant changes to the way it's structured in this legislation.

CHAIRPERSON (Mr. Lafferty): Mahsi, Ms. Melhorn. Thank you. Ms. Lee.

MS. LEE: Thank you, final supplementary. I thought the liquor revolving fund worked similarly to student loan revolving fund where you need to have the money in there to keep lending students money. There is an upper limit that you have to maintain. I thought with the liquor revolving fund, since the government is the only agency allowed to buy liquor and distribute liquor to all the licensees in the Territories, you have to have enough capital fund there to buy and sell and have the money evolve. Given that the territory has grown a lot since 1988, I was under the impression that you were not able to buy as much liquor or diversified group of liquor. It's just not enough cash flow to make it efficient. That was my understanding. Is that not correct? I think there is some feeling out there that it's time that it should be raised to make the liquor fund have enough funds to operate.

CHAIRPERSON (Mr. Lafferty): Mahsi, Ms. Lee. Mr. Roland.

HON. FLOYD ROLAND: Thank you, Mr. Chairman. Mr. Chairman, from the department side, we haven't been informed that there are cash flow problems and the \$6.5 million is a cash flow situation where it continues to go back and forth. The Member is right; the Liquor Commission is the point of purchase and then distributed to liquor stores throughout the Northwest Territories. As stated, that amount that is capped at just over \$6 million is how much they can keep before it starts to be remitted back to us. So as the year progresses, that cash flow hasn't been raised to us as an issue that needs to be reviewed. That's why we haven't looked at any changes to that. Thank you.

CHAIRPERSON (Mr. Lafferty): Mahsi, Minister Roland. Mr. Pokiak.

MR. POKIAK: Thank you. I would like to thank the Minister and his staff for coming out here today. A lot of the questions I wanted to ask have been asked by a lot of Members here, but the one question I would have is about bootlegging. We all know it's a problem in the Northwest Territories, but I guess increasing it to a maximum fine. We did that a few years ago. I guess my question is when the increase was made the last time, was there any deterrents in terms of people bootlegging at that time or why would you want to consider raising the maximum fine at this time when it didn't deter people from doing that before? Thank you.

CHAIRPERSON (Mr. Lafferty): Mahsi, Mr. Pokiak. Mr. Minister.

HON. FLOYD ROLAND: Thank you, Mr. Chairman. We don't have the stats with us right now, for example, when the last increase was and was there a decline in the bootlegging charges in the Northwest Territories. One thing is sometimes that can be a deterrent. If people know the potential is that they can be hit hard with a maximum, that might deter them. If it's too low, as I believe Mr. McLeod stated earlier, they go to court and get a fine for \$1,000 and they go out next week and sell five bottles and make that money up. But if it's significantly higher, then that becomes even a bigger issue. So that alone sometimes, just the total amount itself can have an impact as to someone making up their mind. In some cases, it won't matter, but as I have been informed, the maximum of \$10,000 has been in place since at least 1988. Thank you.

CHAIRPERSON (Mr. Lafferty): Mahsi, Minister Roland. Follow-up, Mr. Pokiak?

MR. POKIAK: Thank you for that response. Just with regard to bringing your own wine to licensed establishments, how would you handle the small communities where they are going to have the licensed establishments? I think I know what the answer might be, but in Tuktoyaktuk and Ulukhaktok and Sachs Harbour we don't have these licensed establishments. If they want to go out there and go to a restaurant and bring their own wine, how would your department handle that in places outside of the larger centres? Thank you.

CHAIRPERSON (Mr. Lafferty): Thank you, Mr. Pokiak. Minister Roland.

HON. FLOYD ROLAND: Thank you, Mr. Chairman. The issue of bringing your own wine and re-corking is something where it has to be a place that gets a licence from ourselves as a government through the Liquor Licensing Board. As they apply for that

licence, they would apply for the ability to do the re-corking. If they don't have that, then it can't be done. If a restaurant in a community doesn't have a licence to sell liquor, then they can't be bringing their wine in. Thank you.

CHAIRPERSON (Mr. Lafferty): Mahsi, Minister Roland. Just to follow up on that question, Minister Roland, is there a limit on how many wines you can bring to a restaurant? We talk about open wine; could an individual bring in three wines for a party of 12 or how does that work? Mr. Roland.

HON. FLOYD ROLAND: Thank you, Mr. Chairman. Mr. Chairman, in either case, where an individual may make their own wine and may want to bring it to the table, I don't think that's a possibility. It has to be commercially sold, it has to be sealed and then resealed if it's not finished. I think regulations can set out how much can be brought in at one particular event or time. Thank you.

CHAIRPERSON (Mr. Lafferty): So there is a number on how many you can bring, just for clarification because we will probably hear in the communities. Minister Roland.

HON. FLOYD ROLAND: Thank you, Mr. Chairman. Right now, it would be written in regulation. It hasn't been determined, but that's something we can look at again in writing up those regulations if there should be a limit on that, one, two or a certain amount for a group. We don't have that in place right now. Thank you.

CHAIRPERSON (Mr. Lafferty): Mahsi, Minister Roland. A final follow-up, Mr. Pokiak.

MR. POKIAK: Thank you. I like the idea of community control. What I am concerned about is the sale of non-alcoholic beverages like mouthwash and aftershave and stuff like that to an intoxicated person. I know it's at the discretion of the person working at the Northern Store or something like that, but that gives me a concern in terms of, like Mr. McLeod said earlier, it's just like when people need that stuff. I know the intent of this legislation that is coming before us, but there are other people that use that stuff for good purposes. I am kind of hesitant to say I will go all out in looking at this. Mahsi.

CHAIRPERSON (Mr. Lafferty): A comment. Minister Roland.

HON. FLOYD ROLAND: Just to clarify, this act would come into force and would be dealing with people who are intoxicated and trying to purchase those products. If you go to the store with your grocery list and whatever, no impact. Thank you.

CHAIRPERSON (Mr. Lafferty): Mahsi, Minister Roland. Next on the list is Mrs. Groenewegen.

MRS. GROENEWEGEN: Thank you, Mr. Chairman. I hate alcohol. Let me preface my remarks with that. My apologies to all those people out there who, as Ms. Lee said, get a lot of pleasure from their glass of wine or their moderate consumption of alcohol. I don't have any issue with that, but like I have said before, I have been in the North 33 years and alcohol was a pretty foreign commodity to me growing up where I grew up. My grandparents didn't drink; my parents didn't drink; I don't drink. Guess what? My

kids don't drink. It makes sense. Kids kind of emulate what they see and if it meant not having the pleasure of that social drink that my kids don't drink, it was well worth it for me.

If we had an external something that came in and threatened our people's livelihood and our well-being like alcoholic threatens northerners, we would be up in arms so fast. If there was an outbreak of some disease, and let's call alcoholism a disease for the purpose of this discussion, if there was a disease that was introduced into the Northwest Territories that was killing people off at the rate that we bury people in the North related to premature and accidental death related to alcohol, as a government we would have no higher priority on our list than to get into those communities and address that disease. The people would demand nothing less, but we have, as we said in our Member's statements and as we said in the House, we have learned to live with alcoholism. We have accommodated it. It just lives with us and we have just gotten used to it. I think we need to look at it in the context of the threat that it poses to the health and well-being and potential of northerners. Then if we did look at it in that light, maybe we would get mad. I would like those people who feel like they are suffering the abuse and the turmoil in the communities who don't drink and are being affected, I would like them to get mad. I would like them to get really mad at alcohol and use this legislation and the community controls that are now going to be in place to start changing what's normal, to start changing public opinion, start changing society's standards to rise up against this. Yes, we have come a long way. I bet the majority of people who are representative in this government don't drink now. There was a day when that was not the case. People can laugh about it and joke about it, but it's not really all that funny.

I ran into a young lady in Hay River downtown on Saturday. She's got a good job at the mine. She goes in for two weeks and comes out. She's a beautiful girl. She has had a drinking problem her whole life and she was just completely high on Saturday when she came over to talk. She's friendly, nice, and manages to stay off the two weeks she's in at the mine and the minute she gets out, she's drunk. She's lost her children; she hasn't been involved in a lasting relationship. These are the important things in life. These are the things we forfeit for the sake of alcohol. We give up our kids, our relationships, we give up a home that's secure and peaceful.

Like I said, I hate alcohol and I have seen what it's done to people. I have spent my entire adult life in the Northwest Territories and I hope that people will seize upon the community controls laid out in this legislation to start a campaign. I don't want elders afraid in their own home when somebody comes because they want their money so they can go and buy booze and drugs. I don't want children to be scared and hiding under the bed because their parents are drinking and fighting. We are being robbed of a tremendous amount by alcoholism and, as a government, I think we should treat it like a disease. We should treat it like Tuberculosis or HIV/AIDS or anything else. I think it is a public health issue and I think we should start seeing it for what it is.

That's just my comment, Mr. Chairman. The Minister can respond or not, but I don't have any questions. Thank you.

CHAIRPERSON (Mr. Lafferty): Mahsi, Mrs. Groenewegen. A real, strong, powerful message to the department. Minister Roland.

HON. FLOYD ROLAND: Thank you, Mr. Chairman. Personally I would share and accept a lot of what Mrs. Groenewegen has stated. I was born and raised here and I have seen many families and lost friends because of the addiction issues in the Northwest Territories of alcoholism. I, myself, don't know what the proper term is but somebody who doesn't use alcohol for almost 19 years now sitting before a committee talking about the sale, the permission and what is acceptable and not acceptable by society is a little strange and people back home saying what are you doing with this Liquor Act knowing my own stance on things and also seeing what the impacts are in the Northwest Territories and seeing how people themselves will go to great lengths to get a high. My father, who as long as I can recall as a young child growing up, didn't touch alcohol. When I talked to him about stories when he was a young man and how people used to gather their resources, how meagre they were, even in the days before Hudson's Bay was put in place, they were just trading posts, but they would gather their resources and find a pot that they can mix and make brew. When it was time, they would gather together a few of them and celebrate. Today, just because it's so much more acceptable and we see it every day and the impacts of that and we still see some of those who have taken the products that is non-alcohol but have alcohol in them and tried to use it and they are permanently scarred by that experience. It's been said around the table, it comes down to decisions in communities, what is acceptable and not acceptable in communities. This legislation would allow for more community decisions to be made and not for somebody to feel if I want something to be prohibited in my community, I have to go right to the territorial government and a Minister when instead they can gather enough people in their community and have the community have a vote on it and make the change. I think this legislation comes towards dealing with that. Ultimately, it's going to come down to the fact that, as Mrs. Groenewegen stated, it's the example that's in a home and in a community that's going to have that impact. Thank you, Mr. Chairman.

CHAIRPERSON (Mr. Lafferty): Mahsi, Mr. Roland. Next on the list for another go round is Mr. Ramsay.

MR. RAMSAY: Thank you, Mr. Chairman. I will try to keep this brief. I understand and appreciate where the government is coming from and I understand the need at the community level. You've got the interest out there, the bar owners and people who deal with the sale and distribution of liquor in the Northwest Territories and there are a lot of variables at play here. But I'm not sure; by the sounds of it from committee, I mean there's many Members that are in favour of the legislation. I'm going to listen really carefully when we take the bill on the road next week to some of the smaller communities to see what they have to say about it. But there's just something that doesn't quite add up for me, and I'd be the first one to say communities should have more autonomy, what decisions should be made at the community level. Yes, they should be. But I'll tell you one thing; the communities do not pay the price for alcohol. They don't. They don't pay the price for addictions services, health care, the social services that are needed, the education that's needed. The territorial government pays

those costs. You want to be it, we pay those costs. Mr. Miltenberger spoke of the millions and millions of dollars this government spends every year in that area. Again, society pays big time. Families pay big time. They pay with family breakdown, and oftentimes with their lives that are lost as a result of drinking. And here we are trying to find ways to make it easier for people to drink and to get drunk, and that will lead us to more social ills. So there's a perversity factor in all of this with this legislation. It just doesn't quite add up for me, Mr. Chairman. I'm trying to be supportive of the legislation and, again, I really do appreciate what we're trying to do, and the modernization and moving things forward, but communities...I really don't see, in this regard, how we could give that authority to communities, knowing full well what we're really doing and that's making it easier for people to drink. That, to me, is the bottom line.

Like I said, a lot of things, yes, communities should have that decision-making authority, but we're talking about a substance here that ruins people's lives. Do we want to just throw that...and it's not something I take lightly. I've seen the effects of alcohol in my own family. It's not something I take lightly and it's not something I think the government should take lightly. I'm not sure where we go from here.

Like I said, we're going on the road next week with the legislation. We're here in Yellowknife listening to folks. But it's a serious issue, Mr. Chairman, and something we're going to have to grapple with. We're going to have to come to some type of understanding. I know the legislation has been in the works for a number of years and we're trying to move forward, but just giving people more opportunities to drink, to me, is not the answer, not when you see what we see every day. Mahsi.

CHAIRMAN (Mr. Lafferty): Mahsi, Mr. Ramsay. Yes, certainly going out the communities, we'll hear from the grassroots people of the empowerment onto the communities, and then that will be brought forward. Minister Roland.

HON. FLOYD ROLAND: Thank you, Mr. Chairman. I'm sure that when you go out to communities you'll hear a whole lot more about the impacts of alcohol, alcohol abuse, drug abuse in the Northwest Territories, and you'll probably hear a lot more about we need to increase drug and alcohol addictions awareness, prevention and treatment.

Ultimately, as we look at this piece of legislation and we look at the existing legislation, this is a better piece of legislation than what we have in place today. Some will say, yes, you make it easier for communities or individuals in communities. From my own experience in the Northwest Territories in our communities, we have tried restrictions, we've tried outright bans, total prohibition, dry communities, and people will go to great lengths to go to the next available place to bring in their own product, whether it's by snow machine for 100 miles to a store that they can hook up a sled and come back in their own town at any hour of the night and have their own stash and their own parties. Until they get caught, it's going to continue to happen. When you look at the fines that are being put in place and some of the community controls, I think this goes in the direction of giving empowerment to communities to say it's not acceptable anymore, we don't have to go to a Minister to make it right. They can make that decision in that community.

Yes, we take it very seriously when you look at it overall. As I stated, as Minister responsible for this, presenting a Liquor Act to you when my own personal choice has been to not use any of the products because I've dealt with that in my own life, I've dealt with that in my family's life and many friends. I know too many people who go to correctional centres in that instance. But society itself has proven it's going to find ways, whether it's enjoyment, whether it's trying to dull the pain, will go to great lengths to find and use substances that some of us feel are not necessary. But when I look at this piece of legislation, I do think that this, overall, is better than what we have in place today. Thank you, Mr. Chairman.

CHAIRMAN (Mr. Lafferty): Mahsi, Minister Roland. I have next on the list Mr. Hawkins.

MR. HAWKINS: Thank you, Mr. Chair. Mr. Chair, I was just trying to follow the logic here and section 76 points out the area where, basically, we can restrict the fact that you can't buy mouthwash or vanilla or stuff like that; you know, along that line. Finesse hairspray. Not that I use that product anymore or any related products. But, you know, it seems odd that we go so far over-the-counter products at grocery stores and in convenience stores and drugstores, but I don't see here where we look at overproof; I don't see here we look at restricting Private Stock where it's one of the cheapest products you can buy at the liquor stores. The alleys used to be littered with bottles of that type until they were worth something, and now they're picking them up so they can get enough to go buy another bottle of Private Stock. Where are our restrictions on those things? Somebody has to say what type of profiling will be decided at the convenience store or at the grocery store. What unfair profiling do we put on you can buy mouthwash, but you cannot? That's unfair that we're putting that type of pressure on, say, a grocery store owner or a convenience store owner. That's inappropriate, but we do very little, that I see, at this moment, unless the Minister can point something out on what we're doing about the cheapest product where we know folks are selling it people who are just going to go and pound it back as quickly as possible and try to find their next thrill.

Another area, although it's along the same lines, is the overproof issue. I'm going to say this name but I'll try my best, is Abstin (sic). I've heard -- and I'll stress, I've heard only - - apparently, from what I've been told, it has a hallucinogenic property in it and it's sold at one of our local convenient liquor stores here. I mean, where are we on this situation? I mean, really, if we're talking about restrictions and lawful control of these types of products, where are we really out there identifying some of these issues? I think those are some of the issues: the overproof; how we can identify, as an example, mouthwash; making a retailer treat it as a controlled substance and then they can restrict. Anyway, I'll leave that to the Minister. I'd like his thoughts on these issues. Thank you.

CHAIRMAN (Mr. Lafferty): Mahsi, Mr. Hawkins. Mr. Roland.

HON. FLOYD ROLAND: Thank you, Mr. Chairman. Mr. Chairman, Mr. Hawkins raises areas that probably fall more into the operational end of what we do, what's sold. We've

put in restrictions; for example, a request was made to limit overproof sales and we did that. We put those in place. So the operational side.

The piece about selling other products is one where, if you look at it -- and people do this because it's cheaper to go buy a bottle of mouthwash versus going and buying a cheap product at the liquor store. Some of the products -- Lysol, hairsprays and all of that -- cause so many more other ill effects to that individual. So it all becomes do we price things out of range so that we have more people going to the stores to buy these products and get their highs from any product they can? I mean that becomes the issue, is where do you find that balance. But the majority of those issues can be dealt with on the operational side of the equation when we look at what's available. Our make-up is set by our operations, by ourselves, and we have the hardest mark-up compared to many of the jurisdictions across Canada, but people still find ways to pay for it and get that. I mean, yes, there are examples of people who will pool their resource to get that cheap bottle of wine, or Stock, whatever it is. Within two hours of them asking you for loose change, you see them staggering down the road. We see that too many times in communities. Again, it's an issue of how do we deal with that in communities. No matter what legislation you have in place, it's not going to fix that to a certain degree. People will go to other sources to find their high. The more restrictive we make it and how we deal with things, the more dangerous product they start to use and that becomes the issue. That's hence the reason why we see that other intoxicants are being looked at. Again, that's dealing with people who are intoxicated when they come to a store to buy product. Thank you.

CHAIRMAN (Mr. Lafferty): Mahsi, Minister Roland. Just a short follow-up, Mr. Hawkins.

MR. HAWKINS: Thank you, Mr. Chair. I'd like to challenge the Minister in seeing where we respond to this problem. Frankly, we respond to the mouthwash side by recognizing it under section 76, and we tell the retailer don't sell that to certain people. But where are we putting the restriction if our town drunk comes into the liquor store sober, maybe not in the best condition, but not just that person either. Who knows? They may be a business suit person, as well, that this is all they do. But where are we putting the pressure on the retailer of alcohol to restrict alcohol to those who knowingly abuse it? If we can say to somebody, no, I can't sell you mouthwash or, no, I won't sell you Lysol or, no, I won't sell you vanilla, because we're having them made a judgement call. I'm not encouraging we should, by the way. But where are we putting that same sort of pressure on the retailer of the liquor store vendor saying, well, we just know you're going to get screwed up in the alley, so, no. Thank you. It just seems unfair. There's not an equitable balance there and I think we've avoided the fact that they've been able either to panhandle or be able to work and make the money or whatever the case may be. Just because they can afford the more luxury style of ill, we're not screening them out because they can walk through the liquor store doors.

CHAIRMAN (Mr. Lafferty): Mahsi, Mr. Hawkins. Minister Roland.

HON. FLOYD ROLAND: Thank you, Mr. Chairman. Mr. Chairman, the process we're using for these other intoxicants is something we already put into practise. If an intoxicated person walks into the liquor store, they shouldn't be selling that product to them. If they're in a licensed establishment, if they're caught selling to an intoxicated person, they're going to be ticketed and face fines or closure for a number of days, depending on how many times it's occurred in that establishment. So we already practise that in sale of product in the Northwest Territories. And governments have tried. Mr. Miltenberger talked earlier about the fact that we can't legislate certain activities, and I'll go back to a case -- and I questioned a number of years ago and the Minister about -- when you talk about FASD. We know pregnant mothers are there. Can we ban them from drinking alcohol? Society says no. In fact, a case has gone before the courts to say you can't do that, you're affecting the individual's rights. You think about, well, what about the unborn child? But that's been a case tried in Canada and that's one of the pieces of work we've had to do, is we've had to look at all the other jurisdictions and look at their pieces of legislation and how they work and adopt some of that, because some of it has been decided through courts. That's always going to be a challenging thing. I say it's not going to be an easy task when you go to the communities and you hear about the concerns and the impacts of alcohol.

The issue with this piece of legislation is how is it brought into the Northwest Territories, how is it sold in the Northwest Territories and those places, bars and restaurants, that get licences, how do they operate and how do we monitor them are going to be the big things that we need to focus on on this one.

The Member has raised some issues that I think I've given examples where we, in the existing system when it comes to the sale of illegal products, we do when it comes to intoxicated persons, they are banned from purchasing. If they're not intoxicated, it goes back to banning. I mean, an individual goes there not intoxicated, puts their money down, how can you say no to them because it is a legal substance in Canada.

CHAIRMAN (Mr. Lafferty): Mahsi, Minister Roland. I have next on the list Mr. Yakeleya.

MR. YAKELEYA: Thank you, Mr. Chair. The question I have for the Minister is keeping track of people who are purchasing. I think it's the same as Mr. McLeod said in terms of his question in terms of tracking the people who purchase at different liquor stores in the North here. In my region there are different liquor stores that serve our community, because it's Norman Wells, Inuvik and Yellowknife. They can pick up the phone and they can purchase an amount of bottles and then fly them into Tulita. Is there something in the operation in terms of data or tracking that a name comes up and they're purchasing two bottles in Inuvik, purchasing three bottles in Yellowknife, and purchasing their ration in Norman Wells, to control it by having a community control?

Mr. Chair, the alcohol use, I agree with Mr. Miltenberger and what Minister Roland said in terms of certain parts of this society in terms of use of alcohol you aren't able to legislate, but we are able to legislate the behaviour or control of certain products and I agree with that 100 percent. When you come of age, it's a privilege. With the privilege

comes certain responsibilities of having that privilege. It's like a driver's licence; you have to obey certain laws. So how is this legislation in terms of the number of issues that we're going to be hearing and the number of issues that were talked about this morning, how are we going to legislate a responsible act like this that has so many facets that affects our lives in terms of alcohol is going to be here this year, it's going to be here the next 15 or 20 years unless we wipe it off the face of this earth here. There are different groups in the communities that are going to be sitting in different camps. One, to have no alcohol allowed in our community at all, and one group that says who says you can't take my right away or my privilege. They say it's their right and privilege. Of course, there's money to be made in this business here. We know that from the '30s in terms of the Al Capone days. I guess I'm looking at the overall aspect of this legislation and how do we...

I like the Minister's approach. I give 100 percent support in continuing on with the community control, looking at that. That's the best way to go. I think as an agent here, agencies have certain responsibilities, educating them, informing them, even through enforcement. So I think it's a good step here. There's a lot more work to do, but we will come back after our community hearings and take another run at this act here.

CHAIRMAN (Mr. Lafferty): Mahsi, Mr. Yakeleya. Minister Roland.

HON. FLOYD ROLAND: Thank you, Mr. Chairman. Mr. Chairman, I do believe there's an avenue here in the initial question about sale of products when they can make a request to the liquor stores in the different regions and say send me product. There can be a limit to the amount of product that can be sold in that manner that can be put in place. As well with this piece of legislation, the communities will have ability to have that plebiscite and then meet the 50 plus one instead of the 60 percent threshold. For example, right now in Norman Wells there is restriction in place and as an individual going in to buy their product, they're limited to a certain amount. So it is tracked as to who buys what product for that day, because it's per day product. I mean if somebody wants to save it all for the weekend, they can go in every day and they can still have quite a volume of liquor by the end of the week. By doing that, maybe that's how some people get around it. Instead of just buying one case and one bottle, a 26 or whatever it is, they go in every day and get their quantity. They get checked off the list, but they never miss a day and some people will do that.

But there is a process through that. Through regulation in this new bill, there can be limits set on the amount of products sold; for example, orders that are made from other communities. Thank you.

CHAIRMAN (Mr. Lafferty): Mahsi. Members, at this time, I'd like to ask the Minister to make closing comments. We're going to have ample opportunity listening to the community members and then coming back to the House and to debate even further. So at this time I'd like to thank the Member for their comments and their questions. It was a really good discussion that took place. So at this time, if I can ask Minister Roland for closing comments on this particular bill. Mahsi. Minister Roland.

HON. FLOYD ROLAND: Thank you, Mr. Chairman. I'll be brief. I just want to thank committee for their review of this and I look forward to your work and coming back when you're concluded your public hearing stage. I do believe that this piece of legislation is an improvement on the old piece of legislation and I absolutely believe when you go into communities, you're going to hear the whole gambit of alcohol in the Northwest Territories, from people saying I want it more available to those saying this has had absolutely, devastating impacts on my family. So I know it will be a challenge to get all of that together, but previous governments have tried and not come forward with any changes and, again, just for the record, I do believe this piece of legislation is one that's better than the existing one we have. It's not the best, and when we hear of those issues around the table, we'll be challenged in a number of areas, but I look forward to getting back together with committee at the end of your public hearing cycles. Thank you.

CHAIRMAN (Mr. Lafferty): Mahsi. Of course, there's a public meeting tomorrow, as well, with witnesses. Witnesses can also submit their submission. The first public meeting is tonight in Behchoko, and travelling to the communities next week. Then the clause-by-clause review of this in the August session.

I'd like to thank the Minister and his staff for coming out, and also the Members around the table and the staff, as well. Mahsi. That concludes our AOC until noon.

---ADJOURNMENT