



ISSN 1180-4319

**Legislative Assembly
of Ontario**

First Session, 39th Parliament

**Assemblée législative
de l'Ontario**

Première session, 39^e législature

**Official Report
of Debates
(Hansard)**

Wednesday 9 December 2009

**Journal
des débats
(Hansard)**

Mercredi 9 décembre 2009

**Standing Committee on
Regulations and Private Bills**

Liquor Licence Amendment Act
(Fruit Wine), 2009

**Comité permanent des
règlements et des projets
de loi d'intérêt privé**

Loi de 2009 modifiant la Loi
sur les permis d'alcool
(vin de fruits)

Chair: Michael Prue
Clerk pro tem: Trevor Day

Président : Michael Prue
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111 Wellesley Street West, Queen's Park
Toronto ON M7A 1A2
Telephone 416-325-7400; fax 416-325-7430
Published by the Legislative Assembly of Ontario



Service du Journal des débats et d'interprétation
Salle 500, aile ouest, Édifice du Parlement
111, rue Wellesley ouest, Queen's Park
Toronto ON M7A 1A2
Téléphone, 416-325-7400; télécopieur, 416-325-7430
Publié par l'Assemblée législative de l'Ontario

LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

**STANDING COMMITTEE
ON REGULATIONS
AND PRIVATE BILLS**

**COMITÉ PERMANENT DES
RÈGLEMENTS ET DES PROJETS DE LOI
D'INTÉRÊT PRIVÉ**

Wednesday 9 December 2009

Mercredi 9 décembre 2009

The committee met at 0901 in room 151.

**LIQUOR LICENCE AMENDMENT ACT
(FRUIT WINE), 2009**

**LOI DE 2009 MODIFIANT LA LOI
SUR LES PERMIS D'ALCOOL
(VIN DE FRUITS)**

Consideration of Bill 132, An Act to amend the Liquor Licence Act / Projet de loi 132, Loi modifiant la Loi sur les permis d'alcool.

The Chair (Mr. Michael Prue): We'll call the meeting to order. This is a meeting on Bill 132, An Act to amend the Liquor Licence Act. By the resolution of the House, we have the morning set aside to hear deputations. Deputations will take place until 10 o'clock, approximately, or perhaps a little later. We anticipate that there will be bells rung this morning for votes, so we are going to have to, at some point, break the meeting to allow members to go upstairs and vote and immediately return to resume the deputations if, in fact, they're proceeding.

I want to caution the members as well: By resolution of the House, we will resume at 12 o'clock for the purpose of clause-by-clause. We have no choice but to be here. I know there was some confusion last week. We have exactly one hour set by the House to deal with the bills, and we will be back. Whether there are any bills being debated at that point, whether there are any red mitten photos, we will be here. Just so that everybody knows, we will be proceeding.

Mr. Tony Ruprecht: On a point of order: In cases of votes in the House, I would hope that, not like the last meeting, you would be kind enough to postpone this meeting and let all of us go upstairs and vote.

The Chair (Mr. Michael Prue): There were recesses taken as each vote was called, and we waited until the vote was over. We had to proceed. We did so on strict instructions from the clerk's office. It will be done that way again, but I'm cautioning people that we will be proceeding at 12 o'clock until 1 o'clock. Food will be brought in. We will be here.

Mr. Tony Ruprecht: In that case, Mr. Chair, I'm asking for unanimous consent, if there's a vote in the House, that we postpone the meeting until the vote is taken, and then we come back.

The Chair (Mr. Michael Prue): I can't accept that. We have to follow the rules set out by the House. The House says that we "shall" meet—we "shall," not we "may"—from 12 o'clock to 1 o'clock. If there are any votes, then we will recess for those votes, but they are recesses; you have to resume. You have to come back. If there are five minutes between, the committee must proceed.

Mr. Tony Ruprecht: I understand, Mr. Chair, but I've asked for unanimous consent, now, if there's a vote in the House, that you postpone this meeting until we vote and come back for five minutes.

The Chair (Mr. Michael Prue): That is precisely what we are going to be doing, and I cannot do anything contrary to what the House has said. The members full well know this is a motion of the House to which we are bound. Okay? Everybody understands that? We will be proceeding at 12 o'clock. If the bells ring, we will recess, but if there's any other event—I know there's a reception from the Salvation Army that I would like to attend, but I will not be there. There will be the red mitten photo on the front lawn. But at 12 o'clock, we will be proceeding. Does everyone understand? Okay.

**ONTARIO FEDERATION
OF AGRICULTURE**

The Chair (Mr. Michael Prue): We have six listed deputations. The first one is the Ontario Federation of Agriculture. I have listed here Peter Lambrick and David Armitage. If they are present, they would come forward and introduce themselves so Hansard knows which one of them is which.

You have 10 minutes in which to make your deputation. If you do not use the full time, we will endeavour to split the time equally amongst the three caucuses, but the 10 minutes is entirely yours. Please proceed.

Mr. Peter Lambrick: Thank you, Chair Prue and members of the committee. I am Peter Lambrick, director with the Ontario Federation of Agriculture. I'm lucky to have with me our chief researcher, David Armitage. The Ontario Federation of Agriculture represents the interests of over 38,000 farm families in Ontario.

The OFA resoundingly supports the objects, language and intent of Bill 132, a bill that will provide producers of fruit wines the ability to expand marketing oppor-

tunities for their Ontario-grown and -produced products. Simply put, Bill 132 just makes sense from a market development, rural economic development and tourism development sense. Other competing jurisdictions have recognized these opportunities while Ontario falls behind in not providing for such a market outlet.

Fruit wine production in Ontario is set to capitalize on a growing market. That market is for locally produced products, marketed in smaller quantities in a unique setting. Our consumers increasingly favour locally produced goods but lack the opportunity to access such goods.

Our fruit wineries now have considerable experience in operating on-farm wine outlets. They have demonstrated a clear desire and ability to responsibly provide an opportunity for Ontarians and tourists to sample their locally produced products. There's absolutely no reason to believe an extension of their marketing reach to farmers' markets will result in any negative outcomes whatsoever.

There's no doubt the success of our local grape wine industry has increased the wine sophistication of Ontarians. The relative novelty of fruit wines, from a marketing perspective, requires opportunities for sampling. The LCBO knows this very well, enabling industry representatives to provide sampling at its outlets for wine and liquor products. Denying similar opportunities at farmers' markets, with identical controls, would be inconsistent to say the least.

Providing access to the opportunities presented by the increasing popularity of farmers' markets will yield increased product marketing exposure for fruit wines. This customer contact is simply unavailable to small operations with very limited or non-existent advertising budgets.

Further, availability at markets provides Ontario consumers who either cannot or choose not to drive to the fruit wine producer's location the opportunity to access the product at a more conveniently located market. Bringing the product to the consumer is what Bill 132 is all about.

We know Ontario consumers are keenly interested in sourcing local products and are asking for improved and simpler access to Ontario-produced goods in stores and via the farmers' market option. Bill 132 addresses this demand. Bill 132 provides exactly what our customers are requesting.

There will also be reciprocal benefits to the farmers' markets. The presence of a fruit wine producer will enhance the overall market experience for consumers. We believe this will attract more customers and drive more sales at the markets themselves. This will be of benefit to all market participants.

The OFA strives to develop and secure every possible opportunity to improve Ontario's rural economy through farm-based activities. Bill 132 provides such an opportunity. A recent study indicates Ontario-grown and -processed fruit wine returns more than \$11.50 per litre to the Ontario economy. In contrast, imports only return 67 cents per litre to the Ontario economy.

These increased marketing opportunities and the resulting investment by Ontario consumers in more Ontario products will help drive our rural economy through the wineries' success as well as the increased traffic through our networks of farmers' markets.

The OFA and our commodity organization partners have always applauded the provincial government's continued promotion of local agricultural products. Bill 132 is simply another good idea to help drive demand for a unique local product and, therefore, help drive our rural economy.

Knowing our fruit wineries are experienced and responsible marketers of their product, the OFA can see no downside to Bill 132. It is entirely consistent with opportunities provided by competing jurisdictions and perfectly consistent with other regulations enabling the marketing, with tasting, of wine products.

0910

The OFA therefore urges the committee to move Bill 132 to the Legislature with an overwhelming endorsement for its adoption. We thank you for your time.

The Chair (Mr. Michael Prue): Do you have anything as well? That's the deputation? All right. You've left a lot of time here, approximately a minute and a half per caucus. We'll start with the official opposition.

Mr. Robert W. Runciman: Thank you for being here on such a nasty day. I appreciate it. Just a couple of quick questions.

You talk about other competing jurisdictions. Who are you referring to?

Mr. David Armitage: I think it would mainly be Quebec, in terms of the access that consumers in Quebec have to products similar to this, outside of any—

Mr. Robert W. Runciman: So you're talking about convenience stores and that sort of thing?

Mr. David Armitage: Yes, and farmers' markets.

Mr. Robert W. Runciman: I thought there were a number of other provinces that were engaged in this: Nova Scotia, Alberta—

Mr. David Armitage: Well, there are, but I think we would cite Quebec as a competitive province.

Mr. Robert W. Runciman: You also talk about \$11.50 per litre return. You're contrasting that with the imports. Can you elaborate on that? Why is there such a significant difference in return to the provincial coffers?

Mr. David Armitage: I think that would be reflective of the value chain that's associated with the production and marketing of the product. For any imported product, very little of that is resident within this province, because the fruit that goes into the wine and the processing and marketing of fruit wines covered under this bill are entirely within Ontario. That, I think, accounts for the difference.

The Chair (Mr. Michael Prue): Thank you. Mr. Miller?

Mr. Paul Miller: I just have one question: Has the agricultural society determined what the social impact will be as far as underage drinkers and the control of underage drinkers? There's quite a screening process

they have at the Liquor Control Board of Ontario. There have been problems in Quebec in local markets with underage drinkers, because sometimes the person selling at the market isn't scrutinizing the individuals who are buying it, not asking for ID, things like that. Have you considered that problem?

Mr. Peter Lambrick: I have been given to understand, from those members who are in the fruit wine industry, that they have brought on staff Smart Serve personnel to make certain that this is not a problem.

Mr. Paul Miller: So all markets in Ontario will have Smart Serve personnel selling wine; is that what you're telling me?

Mr. Peter Lambrick: I think, sir, you have to remember that there's not a large number of these wineries, and to protect their own business they have to look after it in a professional manner. I am told by many of them—one who lives very close to me—that they have the personnel to do that.

The Chair (Mr. Michael Prue): Thank you. Next, the government side. Mr. Brown?

Mr. Michael A. Brown: I'm very interested in farmers' markets. They are an important part of my constituency in Algoma-Manitoulin and have been growing quite considerably. Are there any other alcoholic products sold at farmers' markets? I'm thinking, wine is actually a fruit, so can we sell wine at farmers' markets?

Mr. Peter Lambrick: On that particular issue, sir, I am not certain that I can answer that. I am not a person who goes to a farmers' market, so I'm not certain that I can help you out on that.

Ms. Sylvia Jones: Chair, if I can assist?

The Chair (Mr. Michael Prue): If he agrees. This is his minute and a half.

Mr. Michael A. Brown: Secondly, there are other products that we can sell at the farm gate. I'm thinking of eggs, for example. You would not have to have a quota to sell eggs at the farm gate. But a farmer cannot then sell them at a farmers' market. What's the view of the OFA on that particular issue? Should a farmer be able to sell eggs without quota at a farmers' market? I know what my constituents think; we think they should be able to.

Mr. Peter Lambrick: My understanding is that that one, sir, is a health issue, and that is why they are not sold at a farmers' market.

The Chair (Mr. Michael Prue): Okay. That's the entire time. Thank you very much. We have to move right along here.

FRUIT WINES OF ONTARIO

The Chair (Mr. Michael Prue): The next group is Fruit Wines of Ontario. I have Bert Andrews listed.

Mr. Andrews, you have 10 minutes. You can use all of it or you can do as the last group did and leave some time for questioning.

Mr. Bert Andrews: In the 10 minutes, I would welcome a lot of questions, so I will have a relatively short

presentation and then I'm looking forward to questions from any of the folks around the table here.

Good morning, Chair Prue and members of the committee. I particularly welcome Bob Runciman, the sponsor of Bill 132, as he's doing his best to help rural Ontario and economic development. I know there are some members who aren't here yet, including some wineries that want to be here, but because of the weather they haven't made it yet. I hope they do make it. As I say, I'm looking forward to a lot of questions at the end and any concerns anybody would have.

I've sent 10 e-mails to the people on the committee and 43 faxed pages of information. I hope that everybody has received all of that information.

In one of those e-mails, Fruit Wines of Ontario did some rebuttals to the December 11 Hansard report because there was some information given there that really needed to be challenged. I feel I have all the proof and facts that anybody needs to move forward with Bill 132.

Fruit Wines of Ontario requests that all arguments against moving Bill 132 forward to third reading be based on proof and facts, not conjecture and hypothesis. There's really nothing to fear about this particular proposal other than maybe fear itself or maybe a misunderstanding. Anybody who has attended farmers' markets in jurisdictions where they carry out the sale of fruit wines would see that there is not a problem. Plus, if you talk to those farmers' market managers or the wineries, they will explain that to you.

Social responsibility, of course, is always high on everybody's list. What we're saying is Smart Serve would be required of sales personnel. We're also suggesting small regulated samples, although I had a phone call from a winery in Alberta last night and she was telling me they actually don't generally do sampling because it's kind of complicated and takes up a lot of time. She doesn't feel that it really adds that much, but at the moment we would like to keep that in as a possibility.

With regard, as I mentioned, to social responsibility, there's no problem in other jurisdictions. Extension of rules, regulations and taxes of present retail licences is what we're suggesting. Fruit winery owners are professionals, as farmers are professionals, with farmers contributing more to the planet and society, I would argue, than any other group of professionals.

We support MADD of course—that's a given—in their social responsibility campaigns but consider MADD to have a conflict of interest in their marketing opinions because of their close financial relationship with the LCBO. I explained all that in an e-mail.

One that gets thrown out here in Ontario—and of course when I relate it to friends and neighbours and other wineries, they get a big smile on their faces. With regard to international trade, as I understand, that would be federal jurisdiction. Feds do not see a problem and there's no problem with regard to trade or free trade, international trade—whatever—in other jurisdictions. This particular proposal reduces transportation and imports, which is an environmentally desirable thing to do.

0920

Regarding rural economic development: The province of Ontario supports rural economic development. But Pine Farms Winery has gone out of business, and Countryman's Winery, which planned to be here today, is on the brink of going out of business. I'm sure, if anybody has ever been in the same situation as these particular wineries, he would know there's a lot of pain and stress involved with such a situation.

The KPMG report was also included in an e-mail, and that was mentioned by the last speaker. The report states that imports return 67 cents per litre to the Ontario economy, whereas locally grown, fermented, stored and sold fruit wine would return over \$11.50. The KPMG report is on grape wine. However, we all know that if you are buying grapes or growing them, and you're growing raspberries or blueberries, for example, raspberries and blueberries are worth a heck of a lot more per pound than grapes are. A lot fruit wines return more than \$11.50 to the Ontario economy.

If you're wondering where that came from, it comes from the KPMG report, but it's easy to understand and explain. It costs a lot of money to grow crops. Anybody who has ever tried farming would know that farming is not an easy economic picture.

It's a difference of over 17 times. This is a bottle of fruit wine here, which also is the fruit wine that's on the menu here at Queen's Park. If you just think about it, one bottle here, it takes 17 bottles of imported wine over here. You put two, there would be 34 bottles. You'd have two bottles here, 34 bottles over here. That would be the difference between what it returns to the economy. You might think about jobs, you might think about a whole lot of things, but on return to the economy that's a fantastic, unbelievable difference.

The LCBO history and publications: Anybody who gets the Toronto Star would have got one of these nice brochures. If you go into the LCBO, you can get a nice glossy book like this. I'm just using this as an illustration. The LCBO history and publications are proof that the large—they are the largest importer, as I understand it, of alcoholic beverages in the world, and unwieldy, because they are so large. The LCBO does not serve small fruit wineries well. I'd like to draw your attention to the LCBO publication that we received in the Toronto Star. It was advertised by the LCBO as Shari Mogk-Edwards' Top Ten Holiday Picks. Those top 10 picks are from California, France, organic beer from Canada, England, Ireland, Italy, France, VQA Wayne Gretzky—I suppose he got in there because he's a well-known name—and California champagne. That's what you get in your Toronto Star.

There is one Ontario wine in the LCBO's top 10 picks. The track record of the LCBO over the past 10 years has not been conducive to the economic development of the fruit wine industry. The LCBO is a competitor to farm retail fruit wineries and, as such, it is a conflict of business interest for the LCBO to lobby against the extension of retail fruit wineries to farmers' markets. If

you think, you've got your wineries, fruit wineries, you've got your farm wineries, and actually, we're competing with the LCBO, or the LCBO is competing with us. That's just the reality of the marketplace.

We do, of course, support all of the social responsibility initiatives of the LCBO, as well as much of their marketing.

Other jurisdictions were mentioned. In many other jurisdictions, such as New Hampshire, Iowa, New York, Alberta, Quebec, Nova Scotia and New Brunswick, farm wineries can sell at farmers' markets. Why not in Ontario, as the Ontario government researched these jurisdictions to confirm there are no problems with social responsibility or international trade?

As I mentioned, I had a phone call last night from a winery in Alberta and a nice lady, Ms. Chrapko. The winery is called En Santé. She was telling me her father was killed a year and a half ago, not in time to see it actually selling fruit wine at farmers' markets in Alberta, but they're doing that there. I had the one phone call and two e-mails from farmers' markets out in Alberta. And once they've done this, any of these jurisdictions that have done it can't understand why other jurisdictions aren't doing it, because they don't have problems.

The Chair (Mr. Michael Prue): I'm sorry, sir, but the 10 minutes are now up.

Mr. Bert Andrews: Oh, jeez. All right.

The Chair (Mr. Michael Prue): There are no questions. Thank you very much.

Mr. Michael A. Brown: There might be—

The Chair (Mr. Michael Prue): But they can't be asked. I'm sorry, but I'm bound by the Legislature.

SPIRITS CANADA

The Chair (Mr. Michael Prue): The next deputant is Spirits Canada. I have listed Mr. Jan Westcott. Mr. Westcott, the floor is yours. You understand the rules.

Mr. Jan Westcott: Good morning, Mr. Chair, members of the committee. I'm Jan Westcott, and I'm the president of Spirits Canada. I represent the distilled spirits industry here in Ontario as well as across the country. I'm pleased to appear before you this morning to comment on Bill 132, An Act to amend the Liquor Licence Act.

I'm going to be very blunt and frank in my comments, and I hope I don't offend anybody this morning, but my intention is simply to peel away some of the ambiguity and double-talk to get to really what I think the core of the issue before you today is as you review these proposed amendments.

Ostensibly, Bill 132 is designed to improve retail access for Ontario fruit wines by authorizing their sale at Ontario farmers' markets. That sounds pretty innocuous, dare I say even populist. Of course, I think only people who are very disingenuous or naive actually believe either contention. In my view, Bill 132 has little to do with fruit wine and even less to do with consumer access.

Fruit wine is defined in the bill as “wine produced in Ontario from non-grape products, including apples, blueberries, cherries”—a whole list of fruits, all the way to lingonberries, strawberries and honey.

There was an article in the *St. Catharines Standard* some time ago. You’re going to hear from Jim Warren, but I’m going to quote from him:

“The idea would be to start off by allowing fruit wineries to sell their products at about a dozen markets. Eventually, the plan is to expand it to include small craft grape wineries....

“We don’t want exclusivity on this. We felt it’s the best way to get the process started,” said Warren....

“Let’s get fruit wines to start it and see what happens.”

I don’t think this should come as any surprise, since after all grapes are fruits, and there’s little or no, in my view, public policy rationale to differentiate between the two. My sense is that the plan here is to include both Ontario grape and fruit wines, starting with fruit wines. So the haze and things are starting to lift and things are becoming a little clearer—except that Ontario is a signatory to Canada’s internal trade agreement, which prohibits the kind of discrimination that would limit any new sales channels to just Ontario wine. So is this really a plan to extend this privilege to all wines across Canada? At the same time, Canada has international trade agreements that require equal access for American, European, Australian—literally all the people that we do business with around the world.

My members sell their whisky that’s made in Ontario in 172 countries, so those trade agreements are extremely important to my members. We have to afford those products from those countries the same rights and privileges as we extend to our own domestic products.

There are some exceptions: the grandfathering in the original FTA and again in NAFTA and then again in the Canada-EU wine and spirits agreement of the private wine stores in Ontario. Those things were grandfathered, with the understanding of all of the trading parties that that was it; there would be no more.

So more and more of the plan is evolving. Apparently, the real plan is to expand access for all wines, regardless of origin.

You have to stop here and pause and ask, “Why stop at farmers’ markets? Why not allow wine sales in small mom-and-pop corner stores that are struggling in these very difficult economic times or, in fact, in independent grocery stores facing tough competition from some of the larger chains?” We’re all reading about Walmart and Loblaws and the battles going on there, and we know that competition in smaller, independent markets is pretty tough.

0930

What’s the compelling reason for farmers’ markets versus other venues? I began my comments by stating that the bill had little to do with fruit wines and even less to do with consumer access. Retail access is typically defined as the ability to be on store shelves in front of

customers. However, you’ve just heard from Mr. Andrews. He was a little more forthcoming when he said, in a similar article, that the problems lie not in the listings or the shelf space but rather in the LCBO’s steep price markup, and we all know about that.

The issue is not getting listings or shelf space at the LCBO. Rather, the objective is to create a new tax-free route to market for select products while other Ontario products, like Canadian whisky, which my members make in Amherstburg, Collingwood, Grimsby and Windsor, are left to foot the bill—whisky, incidentally, that is made from Ontario corn and other grains by Ontario workers.

Is it the intention of this bill to signal that an Ontario fruit farmer is more highly valued than an Ontario grain farmer—and frankly, I was a little shocked to hear the OFA presentation this morning—or that an Ontario winery deserves preferential treatment compared to an Ontario distillery?

As the highest-taxed consumer product sold in Ontario, Ontario spirits suppliers are sympathetic to legislators who believe that Ontario beverage alcohol commodity taxes may be too high. But we respectfully suggest that the answer is not to cherry-pick this or that producer and give them some kind of special treatment. Instead, as we do with virtually every other product, legislators should decide on the overall amount of revenue the Ontario treasury needs to derive from the sale and distribution of alcohol, and then allocate that fiscal burden fairly and evenly across all parties.

As we have seen, even the bill’s supporters recognize that the proposal is a Trojan horse to bypass the LCBO, and in particular the LCBO’s product markups, not just for fruit wines but ultimately for a wide range of local and imported products. As you look at Bill 132, I think we need to look at it in that light.

The Chair (Mr. Michael Prue): Thank you. That leaves four minutes in total, so about a minute and 20 seconds per caucus, starting first with Mr. Miller.

Mr. Paul Miller: I just wanted to know, Mr. Westcott: Is it a problem—the liquor control board, on their shelves, can’t they make fruit wines available through the liquor board? Are you saying that the people who make this don’t want to pay the tax, the higher taxes or higher costs, that would go through the liquor control board?

Mr. Jan Westcott: That’s our view.

Mr. Paul Miller: I’m not a wine drinker but when I walk into a store, you see Ontario wines, lots of shelves for Ontario wines, and you have your import wines. What’s to stop them from having fruit wines in the store as well, in all the retail outlets in Ontario? Is there anything stopping that?

Mr. Jan Westcott: I believe they already sell some fruit wines. No, there is nothing stopping them. The LCBO sells what the customers want to buy.

Mr. Paul Miller: Okay, so really, it’s the cost to the local farmer that they’re concerned about, that the LCBO is taking a bigger cut than they think they should?

Mr. Jan Westcott: Right.

Mr. Paul Miller: Is that what it boils down to, in your opinion?

Mr. Jan Westcott: I believe so, yes.

Mr. Paul Miller: How do you feel about that?

Mr. Jan Westcott: Well, we buy somewhere between—actually, it's 80,000 to 100,000 tonnes of grain in Ontario every year. One distillery down in south-western Ontario buys 50 square miles of grain. So if the taxes are too high, if they're taking too much money, it's the government's decision to allocate that fairly across all the producers. I think what we're seeing is—

The Chair (Mr. Michael Prue): I've got to stop you there.

Mr. Paul Miller: Okay, thanks.

The Chair (Mr. Michael Prue): Liberals, one minute and 20 seconds.

Mr. Michael A. Brown: Thank you, Mr. Westcott. I take your point. I'm picking up on something Mr. Runciman pointed out, which is that in Quebec they permit the sale of wines and I believe beer—I don't think alcohol—

Mr. Bas Balkissoon: Spirits.

Mr. Michael A. Brown: —or spirits—in convenience stores. We made the decision in Ontario not to go down that road. Do you see this as the same sort of end run?

Mr. Jan Westcott: Well, I'm not going to—

Mr. Robert W. Runciman: You voted for it, didn't you?

Mr. Michael A. Brown: Did you?

Mr. Jan Westcott: I'm not going to ascribe motives. I think that if we want to have a discussion about whether the LCBO is the right mechanism or there should be other mechanisms, let's have that discussion; let's everybody participate. But what I see, and I've seen it for a long time, is that the system keeps getting cherry-picked. This little group gets that, this little group gets this—

Mr. Mike Colle: No pun intended.

Mr. Jan Westcott: Yes, apologies. I'm here today to put my hand up and say, "Hold it, guys." We all produce in Ontario. We all use Ontario raw materials. We all support the farm community. We support the farm community very actively, and we buy a lot of product from the farm community. Enough of this guy over here and that guy over there and not him and not there, because what you're really doing is you're stepping into the marketplace and you're tilting the playing field.

The Chair (Mr. Michael Prue): Okay, that's the full time. Conservatives, Mr. Runciman.

Mr. Robert W. Runciman: Thanks, Mr. Chairman. I guess Mr. Westcott has every right to question my motivation on this. I can tell the committee that my motivation is Countryman's Estate Winery in my riding, a fruit winery, and I've seen the struggles that they've been facing to keep their head above water.

This is a limited opportunity in terms of economic development in rural Ontario. Also, it has a spinoff benefit, I think, which could be significant, in terms of the benefit to tourism. We've seen that, certainly, in the growth of the Niagara region and Prince Edward county,

and the impact that can have on the local economies in terms of attracting tourists, so I think there's real potential here. There's no secret agenda on my part, I can assure you, with respect to other elements.

I have one quick question on trade implications that, Jan, you talked about. We had a number of other Canadian jurisdictions referenced here. Have they had any trade challenges as a result of selling fruit wines at farmers' markets?

Mr. Jan Westcott: No. Ontario's the largest market in Canada. It's 40%. It's also the most lucrative market in Canada. The Scotch Whisky Association—Finland has a—

Mr. Robert W. Runciman: The answer was no, I guess.

Mr. Jan Westcott: Sorry?

Mr. Robert W. Runciman: The answer was no?

Mr. Jan Westcott: Well, we don't know. My guys export \$500 million worth of whisky. If there's a trade fight, it's my products that take it on the chin, because then other countries start to embargo my products. So we don't know the answer to that. And, yes, Canada has had three trade fights around alcohol over access and over taxes that the government of Ontario, in part, has been a party to, granting local domestic suppliers. So there's a history there.

We know that in Finland, which has a comparable system, they propose to—

The Chair (Mr. Michael Prue): I'm going to have to cut you off. I'm sorry. Ten minutes, I think, is not sufficient, but that's all I have.

Mr. Jan Westcott: Fair enough. Thank you very much for your attention.

ONTARIO VINICULTURE ASSOCIATION

The Chair (Mr. Michael Prue): The next listed deputant is the Ontario Viniculture Association—Jim Warren. You have 10 minutes.

Mr. Jim Warren: Thank you very much on this very unpleasant day. It was a two-and-a-half-hour drive over from Hamilton, but I'd like to thank you for the chance to say a few words.

I do recall Mr. Westcott, at one point in his career, was head of the Ontario wine council, and he now represents very much big business. This bill is all about fruit wineries, period. We've asked for a trial. And yet it's not about fruit wineries; it's about small potatoes, because that's what the fruit wine business is all about. That's why the Ontario government hasn't really warmed up to this.

I was going to tell you a little bit about the background of the Ontario wine industry and how we've been a survivor over our 200-year history, making such wonderful products as Bright's Disease and Riki Tiki. We've made a lot of disadvantaged wines in our past. More recently, we've had things like ladybugs and short crops, and always hovering over this industry is the threat of worldwide wine competition.

Long ago, the provincial government made up its mind to support this industry and many times has relaxed regulations and funded opportunities to encourage its development. Today, the industry is once again in turmoil, with thousands of tonnes of unsold grapes, farmers losing their livelihood and wineries withering on the vine. A mere half dozen of our 160-plus wineries account for 90% of Ontario wine sales, wineries that enjoy privileges denied to the remainder, who have to struggle daily for the crumbs. Only some 20% of Ontario wine is VQA, our flagship brand on which the government has spent millions of promotional dollars; 80% is blended wine cellared in Canada that may contain as little as 30% Ontario product.

We're questioning today why this should be so when we are pursuing something local in our history, attempting, with wine, to build a culture of place and origin. How do fruit wines made from fruits other than grapes, or from honey or from maple or other agricultural products, all 100% Ontario in origin, fit into this picture?

In 1993, the Ontario government decided to implement a new viticultural policy called agri-tourism, and in its wisdom, encouraged the development of value-added fruit wineries on fruit farms. In short order, a number of enthusiastic, hard-working, very passionate people opened fruit wineries throughout Ontario, very small operations that would hopefully add value to their business. With the tremendous development since that time in our grape wine industry, fruit wine producers soon came to understand that the wine business is very competitive and challenging, and that it is much more difficult to sell fruit wine in Ontario than grape wine—this in spite of the fact that many fruit wines have won awards in competitions and are quality-certified by the same LCBO panels that evaluate VQA wines.

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Ontario fruit wines have received none of the financial support from government so graciously provided to VQA wines. The LCBO has never been able to find a location in their stores for them, in spite of the fact they are 100% Ontario quality-certified products. They sell too slowly and in too little volume for the LCBO. When delivered direct to licensees, they receive none of the additional margin privileges which are given to VQA wines.

For the last nine years, a fruit winery association has attempted to educate government about the issues facing fruit wine producers: the barriers they face, the discriminatory regulations they must operate under and their lack of involvement as a stakeholder in what is considered to be the Ontario wine industry, although they pay the same licence fee as any other winery. All of this now makes it critical that they find increased access to consumers, something other than their rural, low-traffic winery locations.

The sale of fruit wine at farmers' markets is now considered a good part of the solution. Our quest began some five years ago, and it has reached this point today. The current government has refused to see the potential of this sales channel for small wineries and has attempted

to create, rather than eliminate, barriers for its achievement. Considering the success of such activity in many other jurisdictions, particularly Quebec, New Brunswick and many American states close by, and the validation of the plan by many municipalities, politicians—some of them Liberals—the farmers' market people, associations and many concerned individuals across the province, this lack of support from government is not acceptable.

Opening the door to rural producers to sell products derived from their own farms—their own farms—would be a lifeline for many small wineries which simply do not stand a chance in markets dominated by cellared-in-Canada wines, which are completely overshadowed by our VQA system. We have asked for a trial run at this, and we are convinced that it will be successful.

As responsible winery owners, our members are most upset that some people consider our efforts to be socially irresponsible, that we would sell to minors or act in any way that would threaten our winery licences. Nor would such sales lead to the tragic downfall of the LCBO or in any way threaten the success of our VQA wines. If it's acceptable for a handful of wineries to operate 300 independent wine stores in locations all over Ontario—a privilege denied to 95% of other wineries—where a great deal of imported wine is sold in blends, surely it is no less acceptable for a small number of fruit wineries to sell their 100% Ontario products in a small number of farmers' markets in their local areas. "Local" is an operative term today, and it is imperative for all of Ontario agriculture to turn this trend into sustainable reality.

We are about to see significant changes in our grape and wine industry. It's time to make a meaningful change in the status of our fruit wineries. There is no better time than right now, and we ask for and urge your serious consideration of this bill, which will create an appropriate opportunity for some very deserving Ontario farm wineries to continue to survive in the wonderful, but challenging, wine industry.

The Chair (Mr. Michael Prue): There's two and a half minutes, which will be slightly above 45 seconds per caucus. The Conservatives first.

Ms. Sylvia Jones: Thank you, Mr. Warren. I have a question I'm hoping you can answer. What would be the average production of an average Ontario fruit wine producer?

Mr. Jim Warren: Three to five thousand cases.

Ms. Sylvia Jones: That reinforces the value of the local concept of being—

Mr. Jim Warren: The real difficulty for fruit wineries is they have no access to the LCBO. There are one or two that sell there, and that is it. They have very little financial gain when they sell to licensees because of the way the system is set up. It's not the same as for VQA wines. They really have only one outlet, and that is usually out of the way in the country.

The Chair (Mr. Michael Prue): That's the whole time. Mr. Miller.

Mr. Paul Miller: I've got a question. If they levelled the playing field at the LCBO, same as everyone else, same rules for everyone—

Mr. Jim Warren: I doubt if that could ever happen.

Mr. Paul Miller: Well, I'm asking a question first. If they did and went that route, and your lobbying efforts proved to change the mentality of the LCBO with all their hundreds of outlets in every town, just about, in Ontario which people would have access to, would that work for the industry?

Mr. Jim Warren: It would take a considerable change of policy on the part of the LCBO, whose mandate is to make money for Ontario, to allow some fruit wineries into their system. They absolutely will not entertain any product that's going to sit on their shelf and not be picked up by consumers. We can get into the system. We can't make people buy in the system. There's simply too much competition in that LCBO store, as our VQA wineries are discovering today too.

The Chair (Mr. Michael Prue): Time is up. Liberal caucus.

Mr. Michael A. Brown: Would you be supportive of having wine sold at farmers' markets and things like cider—

Mr. Jim Warren: Cider is fruit wine.

Mr. Michael A. Brown: You would consider cider a fruit wine?

Mr. Jim Brown: Yes; it's made from apples.

Mr. Michael A. Brown: So are you supportive of regular wine that we could buy—

Mr. Jim Warren: I represent an association of over 100 Ontario wineries, more than the Wine Council of Ontario. Many of those are tiny operations that would love to have the chance to sell at a farmers' market. I believe some form of restriction could be applied, although I'm not happy with having restrictions in that sense. We would like to see the opportunity extended, perhaps to wineries that do not sell in the LCBO system, for example.

Mr. Michael A. Brown: I'm told 20 LCBO stores do carry fruit wine.

The Chair (Mr. Michael Prue): I've got to cut you off. I'm sorry; 45 seconds isn't very long.

I believe Mr. Chorney has not arrived yet. Is Mr. Chorney here? We're going to skip that presentation by the Farmers' Markets.

Interruption.

The Chair (Mr. Michael Prue): Okay, that's fine. We'll deal with him if he arrives before 10 o'clock.

ONTARIO IMPORTED WINE-SPIRIT-BEER ASSOCIATION

The Chair (Mr. Michael Prue): The next group is Ontario Imported Wine-Spirit-Beer Association. Ian Campbell, I have listed. Mr. Campbell, the floor is yours. You know you have 10 minutes to use however you wish.

Mr. Ian Campbell: Good morning. My name's Ian Campbell; I'm the executive director of the Ontario Imported Wine-Spirit-Beer Association. I'm appearing before the standing committee this morning to outline our

association's strong opposition to Bill 132, the Liquor Licence Amendment Act (Fruit Wine), 2009.

Established in 1958, the Ontario Imported Wine-Spirit-Beer Association is the provincial trade association representing manufacturers, agents, importers, marketing groups, international trade offices and distributors of imported beverage alcohol products in Ontario. Our association represents more than 90% of all imported beverage alcohol products sold in Ontario. Our members are Ontario businesses that provide direct and secondary employment to at least 1,700 people across the province.

Members of our association are strongly opposed to Bill 132. As you're aware, this bill seeks to establish a licence to enable manufacturers of fruit wine to sell the fruit wine at farmers' markets in Ontario if the fruit wine meets the standards for sale at government stores.

The spirit and intent of Bill 132 is to secure new retail opportunities that will benefit local wineries. It provides no benefit for imported wine suppliers. All sales of imported wines in Ontario are channelled through the LCBO. This bill presents no new retail opportunities for imported wine suppliers. The bill's apparent discrimination against imported wine suppliers is inconsistent with the national treatment requirements of current international trade agreements to which Canada, and by extension the government of Ontario and the LCBO, is a party.

Restrictions governing privately operated beverage alcohol retail outlets in Ontario date back to the signing of the Canada-US free trade agreement in October 1987. The FTA introduced strict national treatment obligations for signatories on a prospective basis. The FTA did not prevent the continuation or prompt renewal of non-conforming provisions of any existing measure. All Ontario winery retail stores in operation, in the process of being built, or for which an application to operate had been approved by the LCBO on or before October 4, 1987, were effectively grandfathered. Wine sales from such stores are limited to only those products made by that manufacturer.

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Canada's national treatment obligations deepened with the implementation of the North American free trade agreement in January 1994 and the Canada-European Community wine and spirits agreement in June 2004.

We note that article C of the Canada-EC agreement, the most recent agreement signed, states, "Canadian competent authorities shall accord national treatment and most-favoured-nation treatment to alcoholic beverages that are the product of the Community in accordance with the WTO agreement. With respect to a province, national treatment and most-favoured-nation treatment shall mean treatment no less favourable than the most favourable treatment accorded by such province to any like goods that are the product of Canada or of any third country." Canada's national treatment obligations are clearly spelled out in each of these free-trade agreements.

Article F of the Canada-EC agreement gave the European Community the right to request an independent

audit of any liquor board's cost-of-service differential, in line with standard accounting procedures, within one year of entry into force of the agreement. That right was exercised here in Ontario and in two other provincial liquor jurisdictions. This technical point shows that the LCBO's and other jurisdictions' treatment of imported beverage alcohol products is being watched very closely. Taken any further, it's likely that the enactment of Bill 132 would prompt a trade challenge. The prospects of a successful defence are not promising.

We note that the Beverage Alcohol System Review Panel retained independent counsel as it considered comprehensive changes to Ontario's beverage alcohol retailing and distribution system. Proposals to establish new retailing opportunities for Ontario wineries were put forward for consideration by the panel. They were dismissed out of hand on the strength of a legal opinion secured by the panel which cited inconsistencies with Ontario's international trade obligations.

Supporters of Bill 132 are no doubt aware of trade sensitivities that surfaced in 2005, when an attempt was made to secure passage of Bill 7, the VQA Wine Stores Act. That private member's bill also sought to secure new retail privileges for Ontario wineries.

Concerns have been expressed about a lack of retail opportunities for small Ontario wineries. Those concerns are not unique to Ontario suppliers. They're shared by similarly sized suppliers in the 70-plus international jurisdictions from which the LCBO sources product. In the context of a free trade environment, any measures to assist these domestic suppliers must also assist imported beverage alcohol suppliers. Bill 132 fails to take this into account.

Our association supports unfettered competition, both at home and abroad. We're committed to a shared marketplace in Ontario and a level playing field for all industry suppliers. We support a strong and prosperous Ontario wine industry, as the accomplishments of this industry reflect positively on the whole of the beverage alcohol industry.

I should note that, despite our primary focus on imported products, our members also represent the products of numerous small Ontario wineries and some small breweries. Our members have been instrumental in helping Ontario wineries to grow their businesses through cost-effective representation to licensed establishments right across Ontario.

In closing, we urge members of the Standing Committee on Regulations and Private Bills to recognize the government of Ontario's international trade obligations and the significant limitations that they place on any changes to Ontario's beverage alcohol retailing and distribution network.

In light of these ongoing trade agreement obligations, we urge committee members to reject Bill 132.

Thank you.

The Chair (Mr. Michael Prue): Thank you very much. You've left a minute and a half for each caucus, starting with Mr. Miller.

Mr. Paul Miller: So you feel that it's going to affect, from what I can see, your list of all kinds of suppliers for the industry—transportation, advertising, and all of these. Do you feel they will be negatively affected by the fruit wine industry?

Mr. Ian Campbell: The opportunity cost of that?

Mr. Paul Miller: Yes.

Mr. Ian Campbell: Those industries are being supported right now.

Mr. Paul Miller: Okay, but do you feel that the fruit growers are going to cause a problem for all these other types of businesses? You even had armoured cars on there.

Mr. Ian Campbell: Consumers only have so much money, so if they spend it on fruit wines, they probably wouldn't spend it on a wine that they're not spending it on right now.

Mr. Paul Miller: Thank you.

The Chair (Mr. Michael Prue): Thank you. Liberal caucus: Mr. Brown.

Mr. Michael A. Brown: It's an interesting presentation. In your view, if the province of Ontario, or any jurisdiction for that matter, provided support to the fruit wines sector through advertising, promotion or any of those means that governments have of helping a fledgling industry get off its feet, would that be, in your view, a contravention of trade law?

Mr. Ian Campbell: It's going on right now. The government of Ontario supports the domestic wine industry to the tune of about \$30 million a year for grape-based wineries.

Mr. Michael A. Brown: So your opinion is that it would be possible for the government of Ontario to do that?

Mr. Ian Campbell: If it's consistent with trade agreement obligations, absolutely—entirely supportive.

Mr. Michael A. Brown: Thank you.

The Chair (Mr. Michael Prue): Thank you. Conservative side: Mr. Runciman.

Mr. Robert W. Runciman: I have to say that it's kind of disconcerting to have two guys I used to work with coming here to oppose my legislation.

In any event, I think an important line in Mr. Campbell's presentation is that the primary focus of the organization he represents is on an imported product, so I think we should keep that in mind. Apparently there's some concern, as Mr. Westcott said, that this is some kind of a Trojan horse or the thin edge of the wedge and this is going to open the door to all sorts of things happening in alcohol distribution and retail operations in Ontario. Certainly, if you look at the legislation, we're talking about special licences being issued.

If you look at something like this being limited to, say, 20 or 30 farmers' markets across the province, do you see that as some kind of real threat to you? Do you see it as some kind of challenge in terms of trade obligations? We have not had any challenges in the other jurisdictions that are utilizing this.

Mr. Ian Campbell: If it was one winery and one outlet, regardless, it's a violation of national free-trade obligations—

Mr. Robert W. Runciman: Why isn't it happening in other jurisdictions?

Mr. Ian Campbell: In terms of measures of effectiveness, I can't speak to that, but it's a violation of free-trade obligations, and for that reason, it won't stand.

Mr. Robert W. Runciman: I don't buy that.

The Chair (Mr. Michael Prue): Okay. Thank you very much.

I'm proposing, at this point, since Mr. Chorney has not arrived, that we hold that matter down. If he arrives any time before 10:15—or, if time allows, because I'm also conscious of the time and that there may be bells rung for a vote. But we can proceed, if the committee agrees, to start clause-by-clause at this point. Is there agreement to start at this point? I'm not hearing any noes, so okay. We will start with clause-by-clause.

Mr. Michael A. Brown: Inadvertently, I don't have a copy of the bill with me.

The Chair (Mr. Michael Prue): I don't have one either. I'm waiting for the clerk to pass me one. I did have a copy but it's buried in a mound of paper on my desk.

Interjections.

The Chair (Mr. Michael Prue): It seems like a number of committee members—and that's why we have a clerk here who is always ready.

I should state, for the record, that legislative counsel has been summoned but is not here yet, so if there are any questions, we will have to hold that down if we have to draft any amendments.

We are going to proceed, as always in these bills, by going through the sections and the titles and things. I'm waiting for the clerk to give me a copy of those things upon which we must vote. To make sure, because this is complex—you miss one and the whole thing is null.

Mr. Robert W. Runciman: What would we do without the clerks?

The Chair (Mr. Michael Prue): Yes.

Thank you very much. You're always ready.

Section 1: First of all, is there any discussion or amendments? Mr. Miller.

Mr. Paul Miller: You're removing subsection 6(4) and replacing it with section 12.1, but it doesn't give me an explanation of what you're replacing. It's just one piece of paper. I don't know what you're replacing or what—define it in terms.

The Chair (Mr. Michael Prue): Are you seeking an answer from the mover or are you waiting for legislative counsel to arrive?

Mr. Paul Miller: How about we take a 20-minute break so that someone can give me some—

The Chair (Mr. Michael Prue): If you are requesting a 20-minute break, quite frankly, I'm going to have to say that the meeting is adjourned until this afternoon, or recessed—

Mr. Paul Miller: I'm requesting a 20-minute break, because there's no explanation here.

The Chair (Mr. Michael Prue): All right, then. We are now recessed until this afternoon. Just so members and the audience can understand, any member who requests a 20-minute recess on a vote is entitled to it. But are you requesting—

Mr. Michael A. Brown: This is not a vote.

The Chair (Mr. Michael Prue): This is not a vote, but when we get to the vote, if you want, you can do so.

Mr. Paul Miller: Okay.

The Chair (Mr. Michael Prue): Okay? So that may in fact happen.

Is there any discussion on section 1? Is there any discussion?

Seeing no discussion, you may now make the request.

Mr. Paul Miller: I request a 20-minute recess so that somebody can give me some information on what we're replacing and putting in, because there's nothing here.

The Chair (Mr. Michael Prue): All right, then. It is automatic, so we are now recessed until noon. Again, what I said earlier, in case anyone missed it, is that we will be starting promptly at noon.

Mr. Mike Colle: Quorum or no quorum, we will start.

The Chair (Mr. Michael Prue): At 12 o'clock, we must start.

Mr. Mike Colle: No quorum required.

Mr. Tony Ruprecht: Unless there's a vote.

The Chair (Mr. Michael Prue): We will be starting at noon. If someone wants to ask if there is a quorum at that time, then we will determine whether or not there is. But we are starting at noon.

Mr. Mike Colle: No, we don't have to in this committee. No quorum required.

The Chair (Mr. Michael Prue): Okay. Everybody understand? All right. We are recessed until noon.

The committee recessed from 1001 to 1209.

The Chair (Mr. Michael Prue): The meeting is resumed. I apologize. It's hard getting down the stairs.

Mr. Paul Miller: A request, Mr. Chairman. Mr. Chorney was unable to be here because of the weather—five hours getting here. He has requested that I ask if he can give his 10-minute presentation, because he drove through a storm for five hours.

The Chair (Mr. Michael Prue): I have the greatest of sympathy, but the House set that all the people who were deputants had to make their deputation in the morning. I'm sorry, Mr. Chorney, but that's the rule of the House. We have to follow it.

Okay, there's a vote on the floor on section 1. Shall section 1 carry? All those in favour?

Mr. Robert W. Runciman: Recorded vote.

The Chair (Mr. Michael Prue): On a recorded vote.

Ayes

Jones, Runciman.

Nays

Balkissoon, Brown, Colle, Ruprecht.

The Chair (Mr. Michael Prue): That does not carry. It's lost.

Are there any amendments or discussion on section 2?

Mr. Paul Miller: Mr. Chairman, I'd like to have section 2 explained to me, because I've only got—maybe legislative counsel can explain the change and how it affects the legislation.

Mr. Michael Wood: Michael Wood, legislative counsel. This bill amends the Liquor Licence Act, and the Liquor Licence Act, in section 5, has a prohibition that you basically can't deal with liquor unless you have a licence, and the act goes on to specify how you can get a licence. Section 6, subsection (4), says that a manufacturer can't get a licence, but this bill creates a new section 12.1, which allows a manufacturer of fruit wine to get a licence, and therefore deal with liquor. That is, in summary form, an answer to your question.

Mr. Paul Miller: Thank you.

The Chair (Mr. Michael Prue): Is there any discussion? Any motions? Seeing none, shall section 2 carry?

Mr. Robert W. Runciman: Recorded vote.

Ayes

Jones, Runciman.

Nays

Balkissoon, Brown, Colle, Ruprecht, Sergio.

The Chair (Mr. Michael Prue): That does not carry. Section 3: Are there any questions? Mr. Runciman.

Mr. Robert W. Runciman: Just a quick comment: Obviously, the government members have made a decision to reject this legislation. I think it's unfortunate for the agricultural industry and people who are struggling in many parts of the province.

This is a very modest initiative. We talked about pilot programs, and what we've heard is big business, really, suggesting that this is some sort of a secret deal that's going to do damage to the alcohol retail and distribution systems in the province of Ontario. It's just shameful. If you look at Spirits Canada, for example, they'll sell more Johnnie Walker Red in a year than we'll see produced as a result of allowing these small operators to help the province of Ontario, help the economies of rural Ontario, and help, ultimately, the tax coffers of the province of Ontario. So it's unfortunate we're seeing this occur today.

The Chair (Mr. Michael Prue): Any questions? Any amendments? Any other discussion? Seeing no discussion, shall section 3 carry?

Mr. Robert W. Runciman: Recorded vote.

Ayes

Jones, Runciman.

Nays

Balkissoon, Brown, Colle, Ruprecht, Sergio.

The Chair (Mr. Michael Prue): That is not carried. It's lost.

Section 4: Any questions? Any statements? Any amendments?

Mr. Robert W. Runciman: Recorded vote.

Ayes

Jones, Runciman.

Nays

Balkissoon, Brown, Colle, Ruprecht, Sergio.

The Chair (Mr. Michael Prue): That section is lost.

On to section 5: Any discussion on section 5?

Ms. Sylvia Jones: Chair, do I have the opportunity to ask the members of the Liberal caucus why they have changed their decision from when they were supporting the private member's bill when it came forward in November 2008?

The Chair (Mr. Michael Prue): You have the right to ask the questions, but they also have the right not to answer them, if they choose not to.

Ms. Sylvia Jones: I'm curious as to why—

Mr. Mike Colle: Chair, we're in the middle of a vote.

Ms. Sylvia Jones: —on November 20, 2008, when we debated this in—

The Chair (Mr. Michael Prue): No, we're not in the middle of a vote. I asked if there was any discussion on section 5.

Ms. Sylvia Jones: I'm curious as to what happened between November 20, 2008, when we debated this in the Ontario Legislature and received unanimous consent, that suddenly, between then and now, we have the Liberal members, in full, collectively, deciding that selling fruit wine at farmers' markets is going to be the end of Ontario as we know it.

The Chair (Mr. Michael Prue): Further debate?

Mr. Michael A. Brown: Quickly, I don't think that we believe that this is the end of Ontario as we know it. What we believe is that selling wine of any kind at farmers' markets is not a good idea. Clearly, that is our view.

Ms. Sylvia Jones: So you believe that fruit wine producers are not capable of maintaining the same quality and levels of service that are currently available at LCBO stores, at liquor stores, at restaurants? You don't trust the fruit wine producers of Ontario to have those same standards?

Mr. Michael A. Brown: No, I do trust them, and I believe they have the same opportunity as every other wine producer.

The Chair (Mr. Michael Prue): Mr. Runciman.

Mr. Robert W. Runciman: I think, if nothing else, this process has allowed us to see where the Liberals really stand on this issue. I think they felt that they could have it both ways during second reading debate, when we had the parliamentary assistant to the Minister of Agri-

culture speaking glowingly in terms of allowing this to happen and other Liberal members very supportive.

Of course, their view with private members' bills is that it would never get to this stage, but it happened to be part of the negotiation last June amongst the House leaders that the Progressive Conservative caucus put this as our top priority so that it would be carried forward to public hearings. Of course, we went through another process in terms of getting it transferred to this committee, and I thank the NDP for their support in ensuring that at the House leaders' meeting that happened.

But now we're seeing the true colours of the Liberal Party. They wanted to have it both ways: to vote for it on second reading and make sure the thing died. Now they have to deal with it and we're seeing where they really stand on this. What they're doing is favouring big business, which also translates into big donors, over the people who are struggling in rural Ontario today.

The Chair (Mr. Michael Prue): Any further debate? Then we have a motion before us. Shall section 5 carry?

Mr. Robert W. Runciman: Recorded vote.

Ayes

Jones, Runciman.

Nays

Balkissoon, Brown, Colle, Ruprecht, Sergio.

The Chair (Mr. Michael Prue): That's lost.

We're down to the last, which is the title. Is there any discussion on section 6? Any discussion? Seeing none, shall section 6 carry?

Mr. Robert W. Runciman: Recorded vote.

Ayes

Jones, Paul Miller, Runciman.

Nays

Balkissoon, Brown, Colle, Ruprecht, Sergio.

The Chair (Mr. Michael Prue): That's lost.

Shall the title of the bill carry? Any discussion on that? All those in favour? I heard a no. Do you want a recorded vote on this?

Mr. Robert W. Runciman: It doesn't matter.

The Chair (Mr. Michael Prue): It doesn't matter? That means no. Okay. All those in favour of the title of the bill? All those opposed? That is lost.

I still have to ask the question: Shall Bill 132 carry? I heard some noes. Do you want a recorded vote?

Mr. Robert W. Runciman: Recorded vote.

Ayes

Jones, Runciman.

Nays

Balkissoon, Brown, Colle, Paul Miller, Ruprecht, Sergio.

The Chair (Mr. Michael Prue): That is lost.

Shall the bill be not reported to the House? All those in favour of not reporting it to the House? Opposed? That carries.

Thank you. The meeting is adjourned.

The committee adjourned at 1219.

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