

LEGISLATIVE ASSEMBLY OF ALBERTA

Standing Committee

on

Private Bills

Thursday, April 29, 1932

8:05 p.m.

Transcript No. 82-3

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Chairman: Mr. Knaak

8:05 p.m.

MR. CHAIRMAN: I'd like to call the meeting to order. On behalf of the committee, I'd like to welcome Mr. Mackie and Mr. McGinley, a petitioner, for Bill Pr. 10, the Campbell McLaurin Foundation for Hearing Deficiencies. I want to apologize for the short notice and for the evening session. We were not aware we had this time free. If at all possible, we'd like to deal expeditiously with the Bills. So we appreciate your coming out at this time of the evening.

This meeting is open to the public and the press. It's quite informal. You don't have to stand to address the committee. You make an opening remark. There will possibly be questions from the committee members. Then there will be an opportunity to make a closing remark. Thereafter, at some point in time, the committee will meet in camera to make a recommendation to the Assembly. Whoever is going to give evidence should be sworn in. I don't know, Mr. Mackie, whether you'll be giving factual evidence at all. If not, okay. Perhaps we could ask Mr. Clegg to swear in the witness now.

*Mr. Mackie was sworn in.*

MR. CHAIRMAN: Mr. Clegg, could we have your report please?

MR. CLEGG: Mr. Chairman, this is my report on Bill Pr. 10, the Campbell McLaurin Foundation for Hearing Deficiencies Act, pursuant to Standing Order 89. The Bill does not contain any provisions which I regard as being unusual. There is no model Bill on this subject, although the general structure of the Bill is similar to that of other legislation-forming foundations.

MR. CHAIRMAN: Thank you, Mr. Clegg. Mr. Mackie, would you like to make some opening remarks?

MR. MACKIE: Yes, thank you, Mr. Chairman and members. I might mention that the late Colin Campbell McLaurin was chief justice of Alberta for many years. During the latter part of his life, he suffered from a hearing deficiency. For that reason, in the terms of his will he provided that the residue of his estate would be left to a foundation to be established to aid persons having hearing deficiencies, particularly in the Calgary area. The executors of the estate have attempted to carry out his wishes to their utmost. In his will, he specifically asked that this foundation be incorporated by a private member's Bill. That is the reason we are before you today.

The persons named in the Bill as trustees and incorporators are all long-time friends and associates of the late Mr. Justice McLaurin and, I might say, form a wide selection of persons from professions: his family doctor; two solicitors from the law firm with which he was associated, one of whom is an executor; Mr. McGinley, who is a chartered accountant and assistant vice-president at the University of Calgary; Mrs. Graburn, who is retired and might be considered as the non-professional member of the group; and Mr. Cook, an architect. Finally I might mention that although there may presently be some reduction in the value of the estate with the stock market, I estimate that

The funds to be going into the foundation at this time would be approximately \$2 million. The income from this will be used for aiding persons with hearing deficiencies.

Thank you.

MR. CHAIRMAN: Thank you very much, Mr. Mackie. Do committee members have any questions?

MRS. CRIPPS: In Section 2, some people are named specifically. Supposing one of those people becomes deceased, is there any provision in the Bill to provide a replacement?

MR. MACKIE: Yes, should they die or retire, there is provision for trustees to be replaced or added.

MR. OMAN: This is a matter of information. To this point, have the funds been used in any way toward this end? I would be interested in knowing what areas you feel you might be involved in. Is it research, helping people individually, or both?

MR. MACKIE: I believe it is both. Maybe you'd like to ask Mr. McGinley, as a trustee.

MR. MCGINLEY: Mr. Chairman, the Act provides precedents to help individuals, particularly in the Calgary area, who are in straitened or indigent circumstances; and, secondly, to assist in the pursuit of research in the area of hearing deficiencies for any residue that may exist beyond that primary need.

MR. MAGEE: Mr. Chairman, I haven't read the Bill thoroughly, but I would like to ask this question. Is it anticipated that this trust will be operated for the prevention of people moving into a more difficult state of blindness to avoid them going to an institution? Is there any precise wording of a preventive nature in the will that maybe has not been put forward in the form of the Bill, so those who are approaching blindness or things of that nature could get assistance?

MR. MACKIE: I might read the provision of the will:

. . . to pay, transfer, and deliver all of the rest of the residue of my estate together with any interest which may from time to time accrue to an agency, to be set up by my trustees, for the assistance of people with hearing deficiencies. It is my desire that the net interest from such residuary funds be used, firstly, to assist citizens of the city of Calgary for not less than five years or, if they are under the age of 18, whose guardian or parent have lived in Calgary for not less than five years, with medical treatment or with the purchase of equipment to assist their hearing deficiency. The money should be used, firstly, to assist those in straitened or indigent circumstances and therefore cannot afford proper treatment or equipment for their medical condition.

It is my desire that the agency be a foundation created by private member's Bill of the Legislative Assembly of Alberta, and be named the Campbell McLaurin Foundation for Hearing Deficiencies. As well, if the interest is not fully expended in any year, such interest may be used in subsequent years to fund research in the area of hearing deficiencies. All details of the foundation's formation and method

of operation shall be in the sole discretion of my trustees, and all reasonable expenses of my trustees in setting up such foundation shall be a charge against the residue of my estate.

MR. CHAIRMAN: Thank you, Mr. Mackie. Just to follow up, Mr. Magee.

MR. MAGEE: I must apologize for having used the word "seeing" instead of "hearing". I don't know whether this could be construed as assistance. You might want to think about it.

This government contributes greatly to the family and community support services program. That is set up for the prime purpose of helping communities establish preventive social programs. Nobody says that the money has to come from the taxpayer profit in order to produce 20 per cent in the municipality so that this can be coupled with an 80 per cent factor from the government. In other words, a \$5 administration through the family and community support services board and through the administration of the elected municipal council, if you will, this money can be utilized to prevent things from happening. I don't know whether or not fine considerations of the wording in the will would really cover that factor. It could have the effect of assisting you greatly.

MR. MCGINLEY: I believe that under the secondary purpose of the bequest, it would indirectly assist your purpose. It would be to assist with research in the area of hearing deficiencies. As one of the incorporators and trustees, I certainly believe that would extend to the area of preventive assistance with that particular problem through research.

MR. GOGO: First of all, I'd like to commend the late Mr. Justice McLaurin for having the foresight to establish such a foundation. However, there are a couple of questions.

Not being a tax lawyer, I assume that the approximately \$2 million residue would normally be invested and, if it were not in a foundation, would normally pay income tax of some sort. If that is fact, I'm somewhat reluctant to be in agreement with Section 3(a), in that it's restricted on the one hand. The foundation wants the benefit of the province of Alberta to restrict its use to a percentage of the population of the province. At the same time, through the aids to daily living program, the government has made hearing aids available to a great number of its citizens. So I would be somewhat reluctant to be enthusiastic about 3(a).

However, I'm particularly encouraged about 3(b) where research could be undertaken through that trust fund. The wrinkle on the brow is not necessarily because I'm not a voting member of this committee. But without further clarification, I am reluctant to use funds, which, through taxation, would generally accrue to the citizenry of the province, for a select group of citizens within the province. I guess I would have to get clarification as to how the Burns foundation is used, for example. That's the only comment I'd like to make, Mr. Chairman.

MR. CHAIRMAN: Mr. Clegg would like to respond to that as well.

MR. CLEGG: Mr. Chairman, my understanding is that the fact that a charity is restricted to a group of people, geographically or by other definition, does not remove it from the category of charities which can be exempt from income tax for its donations. In other words, although public money is supposed to be used for the general purpose of the advantage of the population without discrimination by geographic area and other criteria, money which is in private hands and which is left for charitable purposes, is not so restricted.

If the charity is constructed in a way that restricts the use of the money, geographically or some other way, providing it doesn't offend the Bill of Rights, then it wouldn't fall afoul or cross any tax legislation. It would still benefit from the tax provisions.

I feel the distinction that has to be made here is that this is not money of the province. It is not public money which this Assembly has to be concerned about the general and fair distribution across the province. It's private money which has been given by a private individual to a particular purpose. Generally speaking, the law respects his right to restrict the application.

MR. GOGO: A supplementary comment, Mr. Chairman. I totally agree with what the Law Clerk has said. However, I submit that when funds are invested within this province and earnings thereon are received, in effect, they become public funds, unless this Legislature says otherwise.

MR. CHAIRMAN: Yes, the point was slightly different.

MR. OMAN: Mr. Chairman, I think my question was partially answered by the reading of the will. I was going to ask about the limiting factor, not just of a resident of the city of Calgary but the five-year factor. But being in the will, I guess that would almost have to be one of the conditions of the foundation. I guess I would have been a little more lenient, saying, one or two years.

MRS. CRIPPS: My question is indirectly related to what Mr. Gogo just said. I was thinking in terms of the firemen's Act we had here last year, and the terms of the expenditures being so narrow that they were having trouble living up to the wishes, in this case, of the judge. I'm not sure that (a) may not be a little restrictive. Is that will interpreted that Calgarians are first, and if there is someone else around . . . Or is it strictly Calgarians? I was listening; I understood it to be Calgarians first, and if there was someone else, then it was available.

MR. MACKIE: The will only refers to Calgarians as such. The alternate is medical research.

MRS. CRIPPS: Mr. Clegg, that was my only worry. Last year we had two Bills in here that were so restrictive the funds couldn't be utilized. I wonder if this gives them enough leeway to utilize it.

MR. CLEGG: Mr. Chairman, the Bill we had last year didn't have a residuary provision to allow them to use anything for research. They were faced with a situation that, unless they could fulfil the first purpose of the Act, which was following the will, they were stuck. They had to just hold the money. This committee therefore recommended legislation which provided them with a residuary provision. This Bill does have a residuary provision in (b). I would imagine the amount of money one can spend on research would easily use any money left over in this trust.

Coming back to your first point, there is no capability within this Bill to spend the money for people from Edmonton, Red Deer, or Fort McMurray. It's only for Calgarians, and if it is not used for that purpose, then for research. Of course, the research would go to general benefit. But they do have a residuary provision.

MR. CHAIRMAN: Are there any more questions from the committee?

MR. OMAN: I have a question, Mr. Chairman, following that and my first. Do the people who are submitting or applying here see there being sufficient demand on an individual basis to eat up, shall we say, a good portion of the interest? Can you determine that market beforehand?

MR. MCGINLEY: Mr. Chairman, preliminary work that's been done -- largely informal contacts with people in the medical profession and through certain of the government's own social agencies -- is that there is not a large need, if any identifiable need, under subclause (a). I believe I would be correct in interpreting the late Mr. McLaurin's intent: he was concerned that if a case was worthy of consideration, this foundation might be of assistance. But again, the gentleman was not particularly naive in this regard. I think he really did believe that the biggest contribution he would make would certainly be to the province at large. As you may recall, he was one of the primary movers in the medical school at the University of Calgary. I'm sure that would be the recipient, and other groups working in this area.

MR. OMAN: Mr. Chairman, when you talk about people with hearing deficiencies, would that also include the totally deaf?

MR. MCGINLEY: Yes, I would think so.

MR. OMAN: I assumed that would be the case. Some organizations in Calgary are ministering to those needs. I think of the fact that they're trying to get a centre for the deaf. Would this foundation be open to such, because it really wouldn't minister to an individual, I guess. I'm thinking about how you read those terms of reference.

MR. MACKIE: If those other groups were able to indicate the assistance was to persons with hearing deficiencies, then I think the trustees would be within the powers of the Bill. Otherwise the funds would be used in research.

MR. CLEGG: Mr. Chairman, I agree that the terms of 3(a) would permit the foundation to give money to an organization, but the organization would have to make sure that money went to people with hearing deficiencies who were under an economic disadvantage.

MR. CHAIRMAN: On behalf of the committee, I would like to thank Mr. Mackie and Mr. McGinley for coming to Edmonton at this late hour. We'll be in touch in due course. Thanks again.

*(Mr. Libin was sworn in.)*

MR. CHAIRMAN: I'd like to welcome Mr. Libin, who's a solicitor and a petitioner. Of course we know Dr. Carter, sitting in the opposition benches. Mr. Libin, this is a public meeting. The procedure is somewhat informal. You'll have an opportunity to make an opening statement, the committee members will have an opportunity to ask questions, and then, if you wish, you'll have an opportunity for a closing remark. You don't need to stand if you don't want to. We just remain seated in these proceedings. Perhaps I can call on you at this time to make an opening comment with respect to Bill Pr. 7.

MR. LIBIN: Thank you, Mr. Chairman. Ladies and gentlemen, thank you very much for being here this evening. I know you are going through a lot this session. As your chairman has indicated, I am here in a multiple capacity. I am a petitioner. I am a solicitor myself. I am a partner with the Bennett Jones firm in Calgary. I'm chairman of the Calgary Jewish Centre, and an executive

officer of the Calgary Jewish Community Council. Wearing all those hats, I'll try to answer any questions you may have.

The piece of legislation before you is an Act that would cause the incorporation of the Calgary Jewish Centre, which would provide some very substantial organizational and administrative advantages for our operation. It also carries in it a very key section. It provides that the real property of the corporation shall be exempt from municipal taxation assessment. I believe it's the essence or heart of the matter, as there may be any controversial items that come to question.

It is a recreational facility on just short of seven acres located in southwest Calgary. A facility has been built which contains meeting rooms, an auditorium, office facilities, a gymnasium, swimming pool, squash courts, racquetball courts, and the necessary amenities to complement those facilities. The Calgary Jewish Centre is owned and operated by the Calgary Jewish Community Council. Unfortunately, the facility runs at rather substantial deficits. Those deficits are funded by the Jewish community of Calgary through the annual fund raising drives. The facility officially opened in 1979, and was constructed in part with some provincial funds: \$1.5 million through the major cultural and recreational grant program.

As I have mentioned, the facility is called the Calgary Jewish Centre. In many centres across the country, rather than being called the Calgary Jewish Centre or the Toronto Jewish Centre, facilities of this type are referred to as YMHAs, Young Men's Hebrew Association, to connote their precise parallelism with the YMCAs and YWCAs that exist across the country. Our program consists of a very wide and varied usage, ranging from teaching swimming, teaching English to new Canadians, working with children, to working with some of the elderly disabled in special recreational and therapeutic programs: about as broad a gamut as can be offered in a facility of this type. I won't bore you now, but if anybody is interested I have some other literature I would be pleased to produce.

Our policies as to membership provide that any person of good standing may become a member of our facility. The Calgary Jewish Centre has no limitation on membership to only those of the Jewish faith. We have approximately 1,100 to 1,200 members. I'm sorry I don't have the latest count. I cannot say how many of those are Jewish and how many are not, because it's not a statistic we keep. It's not a matter that we consider to be of relevance. My estimate -- and this is only from a gut feel -- is that of the 1,200 members, I think 35 per cent are non-Jewish.

As I said, membership is open to the world at large. In discussing this matter with others, I raised the question of our Bill, and somebody said they had heard our facility was restricted, you must be Jewish, and membership was closed. I said to him, why don't you investigate? He phoned up and found out that he was welcome to membership. He was given all the information and details. He had to bring forward the question of whether religion was an element, and of course was told no. He later found out that his mother uses the facility and participates in some of the bridge programs. The facility is also very broadly and widely used by community organizations. We have the Cubs, Girl Guides, Boy Scouts, Brownies, and several community schools coming to use our gymnasium, pool, facilities, and so on.

The other attribute of the physical plant that I would like to point out is that we are located on a campus type atmosphere, adjacent to and connected with a senior citizens residence, worked through the Alberta Housing Corporation. While funded by the province for the capital cost, we run that facility for you.

As I've indicated, we consider our facility to be parallel to the YMCAs in the relevant aspects, and one of the other pertinent characteristics is that

membership is reciprocal. A member of our facility is entitled to membership in and use of like facilities across the country as you're travelling.

Why are we here? As I indicated, the two primary purposes of the Bill are to cause an incorporation of the centre and to provide a tax exemption in that Act of incorporation. The YMCAs and YWCAs in this province do not pay municipal tax, are not subject to tax assessment. They have their exemptions from legislation dating back to the early days of this province. In 1907, the legislature enacted a private member's Bill to give the Edmonton YMCA tax exempt status; in 1908, the Calgary YMCA; and on through the list of YMCAs that exist today. The latest statute, 1964, specifically lists the Edmonton YMCA and specifically grants exemption from municipal taxes. When the province redrafted its Municipal Taxation Act and then the Municipal Tax Exemption Act, it was not necessary to provide an exemption for Ys, because all the Ys that existed had their exemption by specific legislation.

A procedure is available in the provincial legislation through the Municipal Tax Exemption Act to make application to the provincial cabinet through the Minister of Municipal Affairs and the Local Authorities Board for an exemption. That's a highly technical statute as it would relate to our type of facility. As I understand it, our application to the Local Authorities Board has received a negative recommendation to the Minister of Municipal Affairs. In pursuing the Local Authorities Board application, we spoke to the city of Calgary. They considered it, and the city council has in fact passed a resolution on this matter. If I may just point out, Mr. Chairman, I did inform the city of Calgary of the hearing this evening and gave their representatives an opportunity to come and address the session. They believed it was not necessary.

In considering the matter, the city of Calgary specifically passed, in clauses two and three of the resolution, that the representatives of the city of Calgary, in going to the Local Authorities Board, specifically point out to the board that special exemptions exist for similar organizations, such as the YMCA and the YWCA, under legislation separate from the Municipal Tax Exemption Act, and that the Local Authorities Board consider the fact that there are similar organizations, and they have special legislation. I think that's relevant in two ways: one, that the city council of Calgary has indicated that, as far as they're concerned, our facility is similar to the YMCAs and the YWCAs, and that they think the availability of the private member's Bill legislation is an item of importance.

We're talking about a rather sizable tax burden. Municipal taxes in Calgary are large and growing. We don't yet have our assessment and our bill for 1982. We estimate that the amount we're talking about in '82 alone is \$110,000. For a facility that runs at a deficit, this amount is overburdening. As I indicated, we seek funding from the Jewish community, and, in raising funds, it's very difficult to try to sponsor the programs that I indicated to you earlier, when it's clear to the donors that part of this money is going to municipal taxes. It's just not the kind of thing that people like to donate funds for.

Our problem, and the reason for our approach here really, is that we believe the present provincial regulatory scheme is inequitable in that the YMCA has this exemption, and our facility, the Jewish Y, if I may, does not have the exemption. In your consideration of this piece of legislation, we are really asking that in providing for the incorporation of our facility as the Calgary Jewish Centre and in enacting the section of the member's Bill that would provide for the exemption, we would treat the Jewish community and the Jewish-sponsored Y in a like fashion to the Y facilities sponsored by the gentile community.

Thank you, Mr. Chairman.



MRS. CRIPPS: You partially answered my questions on item 13 of the Bill to do with property tax exemption. That is unusual. Is it in any Bills other than the YW and the YMCA? Maybe Mr. Clegg will have to answer it. Have there been other cases of property tax exemption through legislation, rather than through the Local Authorities Board?

MR. CHAIRMAN: I omitted having Mr. Clegg read his report. Maybe we can do that, and perhaps the answer is in it. If not, perhaps . . .

MR. CLEGG: I'll read my report, Mr. Chairman, and I'll add a comment. The report's rather brief and formal.

Mr. Chairman, this is my report on Bill Pr.7, Calgary Jewish Centre Act, pursuant to Standing Order 89. There's no model Bill on this subject, and the Bill does not contain any provisions which I consider to be unusual. A large number of non-profit organizations have achieved exemption from municipal taxes. In Section 13, this Bill provides that the

real and personal property of the corporation within . . . Calgary  
is exempt from all municipal and school taxes. . .

Although this is an important and substantive provision, it is not necessarily one I would categorize as unusual.

Mr. Chairman, in more specific answer to the member's question, I can confirm that there are dozens of private Acts on the statute book which provide for exemption from municipal taxes. I can't give you a very close statistical analysis but, in the last 20 years, particularly prior to the enactment of an administrative process in the Municipal Tax Exemption Act, every year there would be about 10 or 15 private Bills which were for a number of purposes, but most included provision for exemption from municipal taxes for organizations such as the present organization, those providing a service to the community or a sector of the community and not there for profit but were being taxed under municipal regulations.

I would not be able to make any kind of guess as to what proportion of recreational or club organizations are exempt from tax, but I know there are quite a large number. If you look in the statute book, you'd find that every year prior to the Municipal Tax Exemption Act being passed, there were very many private Bills authorizing this exemption. Since the Municipal Tax Exemption Act was passed, a number of exemptions have been granted, and there have been some cases where, as I understand in this case, the Local Authorities Board passed the ball back to the Legislature and said effectively that if the Assembly wishes to deal with this in the same manner as it did with the YMCA, which has private Act legislation, then of course it's for them to do. They have decided not to take an administrative decision, but to pass it back to this forum for a legislative decision.

MR. R. SPEAKER: Mr. Chairman, I have no trouble with the Bill. I think you've answered the two questions for me. First of all, it is a family-type facility, as I understand it. I heard you talking about grandmothers and mothers. I'd just like that clarified. As well, with a deficit, it's non-profit. Is that right?

MR. LIBIN: Correct on both counts. We are a family facility, although we do offer membership to individuals. We have a separate class for seniors, for families. We very much try to encourage teen and student membership, which is one of our prime goals. We have a worker whose job is totally dedicated to trying to work with teens, young adults, and students on campus. Yes, you're absolutely correct, we're non-profit. We weren't intended to be that way,

but this type of facility could never even come close to breaking even. What we're really talking about is trying to help alleviate the extent of the deficit this plant will run at.

MR. STROMBERG: Mr. Chairman, to the solicitor of the Jewish centre or to Dr. Carter. Could you tell me approximately what your assets above ground would be? You mentioned the swimming pool and quite a number of facilities. What would it cost if the city of Calgary had to replace them for the citizens

MR. LIBIN: Our capital cost, as reflected on our audited financial statements -- I'm sorry I can't give you the precise number -- is approximately \$4 million. As I indicated earlier, \$1.5 million of that funding came from the province through the cultural grant program.

MR. OMAN: Mr. Chairman, the Jewish community runs a school under the umbrella of the public school system. Is that correct?

MR. LIBIN: There are two schools affiliated with alternative status in the Calgary school system.

MR. OMAN: Right. Is one of them run out of this facility? No.

MR. LIBIN: We have no educational facilities as such. As I indicated, we do have some educational programs. But we are not a school.

MR. OMAN: Maybe you can't answer this. Would I be correct in assuming that as far as the schools are concerned, the school board provides -- and I recognize they're not directly connected -- operating costs but not capital?

MR. LIBIN: In its arrangement with the schools, the public school board provides 90 per cent of certain categories of operating costs, as defined and set forth in the formulae. It results in the schools running substantial deficiencies which they must fund. The school board pays nothing toward the capital costs of those plants.

MR. OMAN: Right. I guess the point I was making is that the community at large is still contributing a fair amount to the welfare of the city in lieu of taxes or whatever.

MR. MAGEE: Mr. Chairman, because the facilities are located on 7 acres of land, do you think there would ever be an intention to establish, say, housing facilities for members and things of this nature, highrises or anything of that type?

MR. LIBIN: Mr. Magee, through the Chair, not at all. We use a great deal of that acreage for the physical plant and the parking lot. As I indicated, there is a senior citizens' residence adjacent to the building. We have a playground for the children, where we hold a summer day camp. A couple of acres are presently unused. I think our present intention, without anybody having ever pinned it down, would be to try to build a nursing home or a convalescent home of some type on that facility some day when the community can afford it. There would never be an intention to subdivide or to enter the profit motive. We're not looking to build a highrise or condominium complex. We're there to serve the recreational, social, and cultural needs of the community.

MR. HIEBERT: Mr. Chairman, to put the tax concession into perspective, I would like to know what your annual operating budget is. How many paid employees do you have associated with the centre, providing programs?

MR. LIBIN: We're just undergoing the torturous job of trying to work our way through our forthcoming fiscal year. We're presently estimating expenses at about \$1 million. The budget I ran through at my meeting last evening has us falling short some \$323,000. So that's the size of deficit we're looking at.

I'm only going to be able to guess at total employees. With full- and part-time staff, because we would have many students working after school and evenings, I think there must be in excess of 50. Let me hedge that; I'll say my best recollection is about 50. Every two weeks I sign the paychecks, and I get some feel for it. There is a full complement of staff: lifeguards in the pool; children to supervise, the babysitting; we run a day care facility. So I would guess 50 is the range.

MR. HIEBERT: How many would be, like lifeguards, part-time?

MR. LIBIN: Again, I'm guessing, but with maintenance staff I think we'd probably have 25 full-time and 25 part-time employees. Mr. Chairman, those are paid employees. Volunteers would be considerably more than that in all aspects of our facility.

MR. HIEBERT: Basically then, it would mean about 10 per cent of your operating budget?

MR. LIBIN: As presently projected for the coming year, yes.

DR. PAPROSKI: Mr. Chairman, I would just like to indicate that it's a very commendable direction. I would like to ask two questions for further clarification. Mr. Libin indicated the membership is open and not restricted. Is that what I heard?

MR. LIBIN: Absolutely.

DR. PAPROSKI: Mr. Libin, I don't see where it's stated in the Act -- or does it have to be stated in the Act, or have I missed it -- that membership will be open.

MR. LIBIN: The provision as such isn't contained in the Bill. I guess the reason it's not in is that it never would have occurred to us to raise it as an issue. This has been the policy from the moment this facility was built. Even though it's a facility owned and subsidized by the Jewish community, it was designed to serve the community as a whole.

DR. PAPROSKI: I appreciate that. Can the committee have some assurance that that will not be changed in the future? I'm sure it won't be. How can future governments, future committees, future changes in the membership of the corporation be assured that that direction will not be changed? I don't intend to make it difficult for you.

MR. LIBIN: Dr. Paproski, you have. As a lawyer, I assume there's a technical way we could draft that kind of language into a Bill of this nature. In fact I think the answer may lie -- and I'm grasping here a little bit.

The objects of the corporation shall be to carry out, foster and promote activities of social welfare, civic improvement, pleasure, recreation, culture or similar purposes.

My personal sense of it -- I'm now moving a touch away from the legal side -- is that anything that would be a restrictive membership would be abhorrent to those principles and objectives on which the corporation was founded.

DR. PAPROSKI: I hear you. It's on the record now in the minutes of this deliberation, and I would be satisfied with that comment. I think that would be acceptable, unless other committee members are concerned about it.

Would you amplify clause 14 for the committee, Mr. Libin? What happens if the corporation is resolved in five, 10, 20, or 30 years, whatever? Just clarify that a little for me.

MR. LIBIN: The Jewish community has been active and organized, and has owned a facility of some type in the city of Calgary since the early 1900s. Dr. Carter is reminding me that in fact the Jewish people have been around more than 5,000 years. I can't really tell you. It's not in any scope of our contemplation that this is a short-term project. We think we have created a very attractive but very expensive facility. A lot of us are working awfully hard to try to keep the thing going, to do what it was erected for, and to fund the deficit. It wouldn't be within our scope to contemplate what would happen. I think the provisions of the Bill provide that if we were to dissolve and the assets of the corporation were to be disposed of, we would look to the tax Act and the registered charity concept. I really can't take it beyond that.

DR. PAPROSKI: Thank you. MR. MAGEE: Mr. Chairman, would this organization be adverse to an amendment along the lines Dr. Paproski was talking about? It's really one thing to say it's recorded in the minutes, but the minutes don't follow the Act down through the next 50 or 100 years. Mr. Chairman, do you think the solicitor would be amenable to an amendment?

MR. CHAIRMAN: Perhaps we could ask the solicitor?

MR. LIBIN: I'd certainly have no problem at all with the principle. As I've indicated, the reason it probably wasn't addressed is that it never would have occurred to us or to the initial draftsman of the legislation. I think there may be some difficulty finding the appropriate wording. I would almost like to try to impose on Mr. Clegg for some help here.

Again, I can tell you from a personal and operational point of view, it's something that's not necessary. Within the context of our Bill of Rights, the Individual's Rights Protection Act, and the new federal Charter of Rights, I'm not sure whether this type of clause isn't presumed into legislation: any policy contrary to an Act of the province and contrary to the charter. Again, I have to apologize, I'm groping a little.

MR. CLEGG: Mr. Chairman, there is a provision in the Individual's Rights Protection Act, which does not of itself prevent a private organization such as this, which is designed to help a particular group of people, from restricting its services to that group. As far as provincial legislation is concerned, I believe there is nothing in provincial legislation which would prevent this centre, at some time in the future, from making a discrimination on religious grounds in the same way that a church does. If you say you are a Lutheran, you cannot be admitted to the Catholic church; if you say you're a Catholic, you can't be admitted to the Jewish church. Therefore, these

organizations exist and give services to their own communities, and it is not deemed to be contrary to provincial legislation. At this point, I cannot see anything in provincial legislation which would prevent the Jewish centre from restricting membership to people of the Jewish faith in the future. It's in the Individual's Rights Protection . . . and I can quote the section quite quickly.

MR. CHAIRMAN: I think we sort of resolved the point. If the committee decides, later on in camera, that it's necessary, Mr. Libin has indicated there is no objection to that in principle, if Mr. Clegg can draft it. So I think we've resolved that. Are there any additional questions from the committee?

MR. OMAN: Mr. Chairman, just in comparison, for instance in the legislation with the Y or any others, do they have any such statement requiring, you know . . . I wouldn't think they would have.

MR. CHAIRMAN: We're just speculating now, but we can research that one.

MR. LIBIN: Mr. Chairman, I don't mean to cut off this conversation, but in the Act to incorporate the Calgary Y, there is no such provision. The Act does provide that

The object of the . . . corporation shall be to carry on the usual work of The Young Men's Christian Association . . .

which has the promotion of the Christian religion and beliefs, with spiritual developments as one of its objectives. Similarly, an earlier edition of the statute, passed by this Legislature in 1910, provides that there shall be incorporated the Calgary Young Women's Christian Association, which again has the same type of wording.

The object . . . to carry on the usual work of a Young Women's Christian Association consisting of the maintenance of a gymnasium, reading rooms . . . and the prosecution of such religious and social effort as will tend to promote the physical, intellectual, moral and spiritual development of the young women of the city of Calgary.

To the extent that you would use those other Acts as comparisons, I think you'll find them going the wrong way.

MR. CHAIRMAN: We appreciate that information, Mr. Libin. Would you like to make any concluding comments, now that we've had all these questions?

MR. LIBIN: In conclusion, Mr. Chairman, I'll be repeating myself, but we feel that we have a facility that is providing positive good to all of Calgary. We believe the province and the city agreed with that when they provided the funding to help build the facility. Our membership is open. We certainly welcome any of you to come and join us as members. The problem is our tax bill. We feel that our facility is treated in an inequitable way, compared with the YMCA and the YWCA. We're asking for consideration of this statute to [correct] that injustice.

Thank you.

MR. CHAIRMAN: Mr. Libin, I thank you for coming out on such short notice this evening, and I hope you make it back. Will you be able to catch your airbus? Thanks, again.

*Messrs. Hagen and Loken were sworn in.*

MR. CHAIRMAN: On behalf of the committee, I would like to welcome the petitioners and Mr. Olson, the petitioners' solicitor. We want to thank you for coming on such short notice this late in the evening. We were unaware that this time would be available to the Private Bills Committee. If we can, we try to expedite the Bills going through in the spring, if that's at all possible. So we're doing our best.

The committee's procedure is somewhat informal. The procedure is to give an opening comment to facilitate some questions by the committee. There'll be an opportunity to make a concluding remark. When you speak, you don't have to stand. We remain seated here. I'll ask Mr. Clegg to give his report on Bill Pr. 4, the Canadian Lutheran Bible Institute Act.

MR. CLEGG: Mr. Chairman, this is my report on the Bill, pursuant to Standing Order 89. There is no model Bill on the subject of this Bill. The Bill provides for a change in the title of the Act, a change in the definition of membership to the board of trustees, a new power to grant degrees in divinity, and finally to exempt certain of the property owned by the institute in the city of Camrose from certain property taxes. The new power to grant degrees in divinity and the exemption from property taxes have to be regarded as significant provisions in the Bill, although they are not so uncommon for this type of organization as to be called unusual.

Mr. Chairman, we do have a letter from the city of Camrose.

MR. CHAIRMAN: Thank you, Mr. Clegg. With respect to the letter from the city of Camrose, perhaps we should make copies now and have them distributed. Just in case it takes a while to xerox, we can have Mr. Clegg read the letter into the record, and we can start with Mr. Olson subsequently.

MR. CLEGG: Mr. Chairman, this letter from the city of Camrose is dated today's date and addressed to the Clerk of the Legislature.

Re: the Canadian Lutheran Bible Institute petition for amendment to a private Act.

Dear Sir,

We have just been advised that the Private Bills Committee will be meeting at 8:30 p.m. tonight to consider the above-mentioned petition. As I personally have another commitment for this evening and have been unable to get a representative of the Camrose city council to attend your hearing on such short notice, I would like to briefly place the city's position relating to this matter before you for your consideration.

Firstly, the city of Camrose would have no objection to all of the property owned by the Canadian Lutheran Bible Institute in the city of Camrose being included for exemption in that private Act on the same basis as the property in the private Act originally passed in relation to such institution, provided that the provisions of any amendment to such private Act would still be subject to the existing provisions of the Municipal Taxation Amendment Act, which authorizes a municipality to pass a by-law to levy a mill rate for municipal purposes on that portion of the assessment of such an institution that is residential.

Secondly, the city of Camrose would not be in a position to support any application for an amendment to a private Bill that would result in total exemption of all properties owned by the applicant, which

would supercede the provisions of the Municipal Tax Exemption Act, as mentioned herein before.

Yours truly,

for the city of Camrose,  
D.L. Saunders, City Manager.

MR. CHAIRMAN: We'll try to distribute that letter to the committee members during the course of the meeting.

Mr. Olson, could we have your submission now, please?

MR. OLSON: Thank you, Mr. Knaak. I think probably if I can be of any assistance in this proceeding, it will be regarding the provision relating to tax exemptions. My clients will probably be able to answer the questions regarding the other amendments much better than I.

The provision regarding the tax exemptions involves a convoluted interrelationship of several Acts, including the private Act which incorporated the Bible school some years ago. At that time, there was a reference in the Act -- I think you have it before you -- to a specific parcel of land which would be exempt from taxes, except for local improvements in frontage taxes. They also attached some strings at that time in that they would not be exempt for purposes such as the use of staff or private residences and so on.

Along about 1969, there was an amendment to the Municipal Tax Exemption Act. I understand that the history behind the amendment was that the mayors and municipalities in the province had been upset about the demands on them for exemptions from various charitable and religious institutions. They saw fit to put the onus on the municipality to decide who would be exempt and who would not. Therefore, they amended Section 13 of the Municipal Tax Exemption Act, and they allowed a municipality to get around the exemptions in private Acts and in the Municipal Tax Exemption Act by by-law. That's what the city of Camrose did regarding the Canadian Lutheran Bible Institute. They passed by-law 988 that essentially states that any properties which are exempt, pursuant to the Municipal Tax Exemption Act or by private Act, will no longer be exempt and will be taxable for municipal purposes.

For a number of years, that has been the status quo. Fairly recently though, the Canadian Lutheran Bible Institute acquired a number of other properties on the same block as the original property. These are houses which they use as residences for students and also some staff, I understand, because there were demands on their original dormitory which just could not be met because of increased enrolment. The city began taxing those properties as if they were any average residence. Obviously the burden became very heavy on the Canadian Lutheran Bible Institute. They petitioned the city on a number of occasions to amend their by-law. But it seems the city is hesitant to tamper with that by-law, because it has a lot of implications for other institutions in Camrose.

For those who aren't aware, there is also another Bible school called Gardner Bible Institute in Camrose, as well as Camrose Lutheran College, and a number of other institutions which have some sort of tax exemption. Right now, Gardner Bible College is apparently in pretty much the same boat as Canadian Lutheran Bible Institute. Camrose Lutheran College has an exemption under Section 25 of the Municipal Taxation Act, at least that's my understanding, because it's affiliated with the university. That exemption also covers their residences. Strangely enough, both schools are affiliated with the Evangelical Lutheran Church of Canada. It seems somewhat strange that one school would be treated in one way and the other in another way. The

reason is apparently that the college is affiliated with the university and the Bible school is not.

We approached the city of Camrose earlier in the winter. As I say, they seem to be somewhat equivocal about how they should approach the thing. We would have been happy to see them do something with their by-law which would allow us to be exempt. They didn't seem to want to do that, so we had two choices: either apply to the Local Authorities Board, and go through the procedure which is set up in the Municipal Tax Exemption Act; or petition you for an amendment to the private Act. Because there were some other house-keeping things, matters which should have been taken care of in the private Act, we thought we could just as well try to take care of everything at one time: amend these other provisions in the Act, and take care of the provision regarding the tax exemption.

As I say, it is confusing in that we have an exemption under a private Act. As well, I think it's arguable that we have an exemption under Section 24 of the Municipal Taxation Act, where it states that property used for religious educational purposes, if it's not more than one-half acre in a city, is exempt. At any rate, we thought we would petition to make us totally exempt. If the city has their way -- and the letter that's being distributed to you now indicates that they don't want us to be totally exempt, but are agreeable to us having this additional property classified in the same way as the original property was classified, so it will be partially exempt. That is, it will be exempt from the school and hospital portion of taxes, and so on. But we will have to pay taxes, as we were on the original property.

Our petition asks that we be exempt, except for local improvement and frontage taxes. So there is some difference in the approach here. The city is agreeable to going part way with us, but not all the way. Of course, the outcome rests in your hands.

I think those are all my comments for now.

MR. CHAIRMAN: Mr. Olson, have you seen the printed version of this Bill? Mr. Clegg just pointed out that there might be an error in the printing in Section 8; that it should say: notwithstanding the Municipal Tax Exemption Act. You wanted this section to override the Municipal Tax Exemption Act.

MR. OLSON: We just noticed that as we came in, and I pointed it out to Mr. Clegg. I have my file copy of what I thought had been sent to Mr. Clegg. It provides that: notwithstanding the provisions of any other Act. Then it goes on to say: all of the real and personal property owned by Canadian Lutheran Bible Institute et cetera. It also goes on to say that the amendment would be retroactive to January 1, 1982. If you would like to make copies to distribute, this is what we had hoped would be in the Bill. I can circulate it, if you wish.

MR. CHAIRMAN: We can circulate it, but I think committee members probably caught what I said. The intent was that Section 8 of the Act would be an override; in other words, it would override the Municipal Tax Exemption Act and any other Act. The way it reads currently, the Municipal Tax Exemption Act overrides private Acts.

Would anyone like to make any additional comments?

MR. LOKEN: Yes, Mr. Chairman. As chairman of the board, I'd like to express this to the Committee on Private Bills. The changes in this Act are considerably more than what has been stressed so far, because in looking at the '47 Act, you'll notice that we're asking for several sections to be changed. The rationale for that change -- is that being distributed by the way? That's in the process of being distributed.



When we look at the '47 Act, we find that, through church mergers, the church bodies which are listed as being responsible for the total operation of the school are no longer in existence. It becomes a bit embarrassing to report that to you. For example, it mentions Augustana Synod, Lutheran Free Church, Norwegian Lutheran Church, and the United Danish Lutheran Church. As of '60, '62, and '63, they've all merged into new set-ups. It looks like another merger is pending by 1985. In the meantime, two other Lutheran synods are interested in and working with the school: the Lutheran Church of Canada and the Lutheran Brethren. So we feel it is urgent to bring that aspect of our Act up to date, especially so on our 50th anniversary. We were hoping to have a clean constitution for our 50th anniversary, which is this year.

The old Act also referred to the original three members on the nominating committee in such a way as to sort of date it to '47. We wish to clean that up so it has a more permanent type of ring to it. I notice that everybody has this particular Act. You have the old and the new, side by side. Our rationale is simply to make the thing more contemporary with reality.

The title change in the officers is simply to accommodate the practice that has developed within colleges. The chief administrative officer is referred to as president. The old constitution refers to the chairman of the board as president. Consequently we wish the chairman of the board to be referred to as chairman, not president, and we want the vice-president, as he was called, called vice-chairman. In other words, it's to avoid the confusion of the old constitution in relation to current practice.

The matter of having the power to grant degrees of divinity. Across Canada, 36 bible colleges now belong to the association of Canadian bible colleges. With the exception of the Pentecostal Assemblies, nearly all grant degrees in divinity. The Pentecostal Assemblies have chosen to stick with the word "diplomas". The purpose in moving in this direction is simply to point out that in Alberta we have 10 bible colleges belonging to this association; 7 currently grant degrees. We will not be implementing this immediately, of course. This is looking ahead to the decade of the '80s.

When our students have a degree, it facilitates their acceptance for foreign service. They can much more readily get into countries like India, Pakistan, and Bangladesh, if they have a degree of some sort. Now it will probably be a degree called bachelor of religious education or christian education. Another that's very popular among the bible colleges is a bachelor of christian music or sacred music. That's quite common. Another that's quite common is a bachelor's degree in biblical studies. We would not be emphasizing the theological aspect of it particularly, because we have a seminary at Saskatoon that grants Master of Divinity degrees. The purpose here is to facilitate the movement of our students into areas of foreign service, as well as the probability that, holding a degree from a Canadian institution, they may be acceptable to another postsecondary institution with greater ease when they have a certificate that points out it is a degree in divinity.

You've already had a great deal of discussion with regard to the matter of the tax exemption. We have purchased 11 lots adjacent to our property. These 11 lots are not covered by our present Act. When we went to the city of Camrose -- we've gone to them numerous times; since December, we've been there at least four times to get this matter under control -- through one of their important committees, they suggested we should pursue the matter of extending our private Bill to cover the new lots we purchased. These lots have been purchased with respect to the future planning and expansion of our campus. In order to have a basis for the city acting logically in this matter, they felt we had to extend our Act to cover that property we have achieved within the past decade.

The embarrassing situation of having equal institutions in the city of Camrose that they treat differently has also been briefly alluded to. Two in

particular belong to the Lutheran Church, of which I am a member as well as the president of the school. They feel there is an inequity at that point. After having met with the city council as well -- Pastor Hagen has met with them much more than I have -- it is my serious opinion that they want to treat the institutions in Camrose equitably and that they wish to proceed in the manner of doing this. I'm a bit surprised at the letter from the city manager, and I frankly wonder if the letter is anchored in the policy declared by the city council. In the last meeting, there was no evidence that that particular position had been declared by the council. So it's a bit of a surprise to see the form of that letter.

However, if you're interested in the extension of these properties, I have a map that shows exactly what has been added. I don't know whether this is helpful or not. At the suggestion of the city -- and it came from them in the first place -- they said: you should expand your private Bill, which gives you exemption, so your new properties are also under your Act. So it has been a matter of growth and expansion. In the whole process, we felt that we proceeded in an honorable way to make this matter clear and apparent as to what the future might be and, in particular, to enable the city council of Camrose to treat the religious and educational institutions in their city on an equitable basis and to have a legal basis for doing so.

Mr. Chairman, I've tried to present a bit of the rationale as to why we've asked for these various changes. They're all important to us at this point in time. Thank you.

MR. CHAIRMAN: Thank you very much, Mr. Loken. Does the committee have any questions?

MR. OMAN: I believe Mr. Olson referred to Gardner Bible College. Is that the Church of God?

MR. OLSON: Yes, it is.

MR. OMAN: Do you know whether they are incorporated under a private Bill?

MR. OLSON: Yes, I believe they are.

MR. OMAN: You mention, however, that there might be some similarities or spillover as far as residential properties are concerned. Do you know if they are presently being taxed on residential property owned by the school?

MR. OLSON: Perhaps Pastor Hagen can answer that better than I. I know he's been speaking with the president of Gardner Bible College.

MR. HAGEN: Yes, they are also taxed somewhat similar to what our institution is, with I guess less investment. Their taxes aren't quite as high, but it's somewhat the same basis. A factor that I think hits CLBI hard is that we are in the downtown area where our zoning is R-3 and 4. So the increase in evaluation has resulted in us having a very high figure, with the tax consequently going up very high too. They're a little farther out and haven't experienced it to quite the same degree. Basically they're in the same situation as we are, and are covered by by-law 988, as is CLBI.

MR. CHAIRMAN: Could you just advise what is being taxed now? Are just the residences being taxed?

MR. HAGEN: At the time the new legislation Mr. Olson has referred to and then by-law 988 were passed by the city of Camrose, we of course were visited and

our properties were evaluated in terms of their use. Our two dormitories, where we have boys and girls, men and women, are taxed in completeness for the municipal portion. I confess I'm not entirely clear whether or not the suite for the dean is exempted at that point. I'm not sure about that. Our main building, which is multifunctional in purpose, is divided up: some parts are taxable, others are not. For example, the food services -- dining hall, kitchen, et cetera -- are taxable. However, the classrooms and library are not. As I understand, offices likewise are not taxable. So just portions are taxable.

MR. OMAN: I have the map of the layout of the lots in front of me. I assume they would still have residential houses on them. Would they be used in a transitional way, say, totally for the school, or might some of them be rented out to private individuals until they're converted.

MR. HAGEN: First of all, I should mention four of the lots also contain a former schoolhouse which, previous to our acquiring it, was used as a day care centre. That portion of the property has received similar consideration from the city of Camrose as to what it had before, so we're only paying the local frontage tax, and so on, on that. The rest of the properties, the lots, you referred to, have houses on them. They are used by married students. We also have a few staff people. For example, a dean of men is resident in one of the buildings, an academic dean in another.

MR. OMAN: Mr. Chairman, I wonder if they were rented out in a commercial way to people with no connection to the school.

MR. HAGEN: They are rented out only in summer, during vacancies.

MR. OMAN: Mr. Loken indicated there seemed to be a difference between the city manager's letter and city council's position. Just to clarify it in my mind, I understand the city encouraged you to come to us with a Bill that would encompass the rest of the property that's now been purchased under the same category as the previous. Is that your understanding of what council encouraged you to do?

MR. LOKEN: Yes. That is also evident in the letter written by the city manager in the second paragraph. The first sentence makes that quite plain. I like that part of the letter very much.

MR. OMAN: I see. Okay.

Mr. Chairman, I'm thinking back to my council experience, and I recall that city management sometimes felt obligated to take a stance for the city's interest, which sometimes was modified by council itself in weighing the situation. I wonder if that's what we have here.

MR. HYLAND: My questions are related to the degree status. In 7(1), the Act says, the institute "has the power to grant degrees in divinity". Mr. Loken, you talked about more than just degrees in divinity, I think. You talked about degrees in religious music and named two or three different degrees you might be looking at. I'd like you to explain that and tie it in with the way the Acts states just divinity degrees.

Secondly, are you in the process of an agreement with one of the universities, either the University of Alberta or the University of Calgary, about degrees?

MR. LOKEN: Under the Universities Act in this province, the universities have a total monopoly on granting all degrees within the province, with the exception of degrees in divinity. You can have private colleges granting these degrees, provided they're authorized to do so. I pointed out that this has to be applied for. For example, on May 22, 1980, this Assembly passed an amendment to the Prairie Bible Institute Act, enabling them to grant degrees in divinity. They've taken action on that and at the present time are offering three types of degrees: Bachelor of Theology, Bachelor of Religious Education, and Bachelor of Biblical Studies. Prior to getting that approval from this Legislature, they were not granting any degrees, they were issuing only diplomas and certificates.

The thrust of my argument is that it has become a contemporary way to go across Canada for Bible colleges and institutes where there are three-, four-, and five-year programs, to honor those programs by granting a degree, provided they have asked within the province the proper authority and blessing upon that move. Of the 10 Bible colleges in Alberta that belong to this Association of Bible Colleges, which is an association all across Canada, seven are now offering degrees, having taken this step. The only ones that are not: our school hasn't requested it until this point; the Northwest Bible College in Edmonton and the Peace River Bible institute have not requested it. The other seven have.

Five are giving the Bachelor of Religious Education, although two of them call it the Bachelor of Christian Education; two use the title, Bachelor of Biblical Studies; one uses the title, Bachelor of Sacred Literature; and in addition to some of the others, they have a Bachelor of Sacred Music. I don't think they could begin granting these and live with the province, unless they had gone through this procedure of getting a private Act granting them this particular privilege: a degree in divinity only.

MR. HYLAND: Mr. Chairman, I asked the question because -- and I'm not sure my memory serves me right -- it wasn't the Prairie Bible Institute Act, but it was an Act relating to Concordia College in Edmonton. They had some sort of agreement with the university when they applied to us for degree-granting status? I could be wrong on that.

MR. CLEGG: Mr. Chairman, just to interject. They do indeed have an accreditation agreement with the University of Alberta, but they have the separate part to grant degrees in divinity. Whether a degree in sacred music is a degree in divinity is a neat question. I can see that the degree in religious education or Bible studies is certainly divinity, but music -- from members' expressions I imagine that this is rather a long extension from divinity itself. It's more a degree in music of the sacred type than a degree in divinity, I would think. But that's a different point. Concordia has a separate part that gives degrees in divinity.

MR. HIEBERT: On this point, just for clarification to Al's question, the divinity degrees have been established. I think what might be confusing is that an Act was passed whereby private colleges could try to enter into affiliated agreements for granting degrees such as Bachelor of Arts and so on. It's my understanding that is under review again. That's another matter, and we should not confuse it with divinity degrees.

I would just like to expand on this. If I understand this correctly, Section 7(1) is enabling legislation to grant divinity degrees, but you would have to satisfy some criterion with the Department of Advanced Education and Manpower.

MR. LOKEN: Yes, that would have to be done. This is a forward-looking step. We're trying to keep pace with the pattern. We realize that every time we change the Act, it is an expensive and prolonged process. We thought the time was ripe to add this at this point in time, because we have a committee that has been functioning for about two years now in this area of accreditation and granting degrees. We haven't fully culminated our discussion with the Board, but the point is we're on the road, and the thinking is along those lines. Again, we emphasize that our thoughts at the moment are simply to grant degrees in divinity and not to violate, in any way shape or form, or even request a change in the Universities Act. That is another matter which I think is coming to the fore and may reflect on this eventually, but it is not our concern at the moment.

MR. STROMBERG: Mr. Chairman, I believe there are a dozen or more Bible schools or colleges within the province. I am of the opinion -- and I stand to be corrected -- that the majority have this tax exemption within the towns or villages where they are located. Do you have any information on how other Bible schools are handled by their local councils as to taxation?

MR. LOKEN: Yes. As far as I understand, Camrose is very unique. Some time ago I contacted the Burian Bible College in Calgary. They are somewhat similar in size to the Canadian Lutheran Bible Institute of Camrose. They have an assessment of \$168,420. The taxes they pay are simply on a municipal levy, having to do with local improvements. Their total tax bill in 1981 was \$286.51. They also have dining and kitchen facilities, dormitories, and housing for essential staff. When you have young men and women living right on campus, you require a dean of men, a dean of women, an academic dean of students, and that sort of thing. As I understand it, that is all provided on their campus. The city of Calgary has no such approach as the city of Camrose.

My understanding is that of the Bible colleges across the west, Camrose was one of the few that jumped on the opening provided in 1969. As far as taxes were concerned, we paid exactly zero dollars to the city of Camrose in 1970. But they implemented that provision, that potentiality, under the municipal Act that opened the door a bit, even superseding private Acts we hoped would hold at that point in time, but they didn't. Our tax bill has gone up steadily, to the point that because we are situated on what is now inner-city property, they are moving forward to considering a portion of real market value as the assessment base. While our taxes for 1981 were just a shade under \$9,000, the probability is that, correctly assessed under the formulas now being recommended in terms of assessment values, we could be paying several times that amount. For example, the amount of tax we paid in 1971 was \$100; 1981, \$8,995.65.

We are worried about the future to the point where this tax load could become unbearable for an institution that has no government support whatsoever. It doesn't even have straightforward synodical grants but depends on the good will of a large number of Lutherans across Canada by free-will donations. The charges we make of our students cover only about 45 to 50 per cent of the total cost of our operation.

So the spectre of these taxes, based on a realistic assessment of the market value, which is the tendency the tax base is now going, frankly scares the living daylights out of us.

MR. PENGELLY: Would the proposed baccalaureates you hope to offer be four-year degrees?

MR. LOKEN: I think the committee that has been working on this is of the opinion that we could begin with a three-year degree in something like the Bachelor of Christian Education. This would serve the needs of our students who want to work in Pakistan, Bangladesh, or India, for example. These are three places where the doors are wide open to Canadians without any problems whatsoever. That type of degree in their hands would facilitate them in getting the right to work as Christian educators in Christian schools already established in these places.

At the present time, we have no intentions at all of going into the Bachelor of Sacred Music. But another possibility we've talked about is a bachelor degree in biblical studies. We don't like the connotations of the initials, because it gets to be BBS, and that's not a particularly good acronym for what we have in mind. We will probably go for something like sacred literature or Christian literature. As chairman of that committee, I'm speaking rather loosely, because we haven't finalized our discussions on this matter. But we are moving in that direction, and we've had this committee going for almost two years now.

MRS. CRIPPS: Do you have an expectation of buying much more property in the area? Or do you think that this property will probably fulfil your needs for, say, the next 25 or 30 years?

MR. LOKEN: I think you're correct in your analysis. By purchasing these 11 lots, everything in that block, except one piece of property, is sold to us. We have a gentleman's agreement with that owner that he is thinking about and ready to sell in due course. We're not pushing him at the time, because we have rather heavy financial obligations, and we're glad he's still there. The understanding is that we will eventually own that. We will then have everything in block 13.

We have a long-range development committee. The plans call for the demolition of these houses. Most of them are very old. First of all, there will be an expansion into a large men's residence, which we need rather badly. We're looking forward to some type of auditorium-type gymnasium, because these young people need more physical activity space. That's a second item in the report. When the long-range planning development picture unfolds in the next 15 to 20 years, I think all the houses will be gone because, first of all, they're very old houses, and the land is what we have in mind for the future. We almost think the way these properties became available to us was a miracle. We had expected it to take most of the '80s to accomplish the consolidation of the property, but the people came and offered to sell it to us. We got it ranging from \$10,000 up to I think the highest was something like \$47,000. In the meantime, the city of Camrose has rezoned that property, and that land is suddenly extremely valuable from the assessment angle. We bought it just in time, but we have one house to go.

MRS. CRIPPS: A supplementary, Mr. Chairman. The all-encompassing or wide-open aspect of Section 8 bothers me a bit, not particularly in your Bill, but because somebody else comes along and uses it as a precedent. It says "all of the real property owned by the Canadian Bible Institute". In their letter from the city of Camrose, I don't see any opposition to that. But if you inserted the words, "in block 13", that would restrict it to what you have, and if you wanted to buy other property in the future -- and you just told me it would do for 25 years -- you would have to come back to get a new exemption. I am concerned about the exemption being such a wide-open, blanket exemption. I wonder if there was some way to restrict it without bothering you any. If someone else comes for a similar Bill, they can't use it as a precedent for wide-open exemption. Do you have any problem with that?

MR. LOKEN: No. When the internal executive committee that worked on this, that's the way we had it. Then we were admonished to go a bit further so we wouldn't have to go through this procedure in the future. Originally we had thought of block 13, because I would say that is adequate for our plans for 15 to 20 years. We have enrolment, staff, and building projections, and all this sort of thing. We don't see the need of going much beyond block 13, as you point out. I must speak solely as the chairman of the board. Block 13 was what was drafted by the executive who worked on this originally. We were encouraged to save \$200 by not coming back 25 years from now. By that time it will probably be \$1,000.

MRS. CRIPPS: But you wouldn't have any problem if that was amended?

MR. LOKEN: No real problem. May I ask for comments from the other people here?

MR. HAGEN: I think I would add one comment here. If we do not get any tax relief and if, as has been pointed out, our taxes skyrocket terrifically -- which could happen -- I suppose we'd be faced with the alternative of whether we can have a downtown school in that situation. I think that would be the only possibility that might change the outlook as to where we might be located. We want to stay where we are. But if we get taxed out of the downtown area, we might have to look at something else. That's a factor that could enter if there's no tax relief.

MR. CHAIRMAN: Mrs. Cripps, in my understanding of this letter, it says they have no problem with a new private Act being passed, with exempting the lands, if the city of Camrose retains the right of imposing taxes on those portions of the lands used for residences. It doesn't solve the problem by confining it to block 13, because the city of Camrose wants to reserve the right to continue taxing the residences.

MRS. CRIPPS: Block 13 is that whole area.

MR. CHAIRMAN: They're not exempting all the land in 13. This letter says, fine, we'll agree to an amendment of the private Act, but we still have to have the authority to tax the residences. I think that's what this letter says. Mr. Clegg, is that how you read the letter?

MRS. CRIPPS: If you will excuse, all I'm saying is, all the real and personal property owned by the Canadian Bible Institute in block 13 would be the only change.

MR. CHAIRMAN: I understand, Mrs. Cripps, but it won't solve the problem.

MRS. CRIPPS: I don't understand why not.

MR. CLEGG: Mr. Chairman, my understanding is that the city does not object to the Bill exempting all the property owned, wherever it may be at any time, in the city of Camrose. It does object to the effect of the Bill preventing them from passing a by-law, pursuant to Section 13 of the Municipal Tax Exemption Act, which would override this to a certain degree. At this time, they have this right. Most institutes of this type, which have tax exemptions, are still subject to an override by-law under Section 13 of the Municipal Tax Exemption Act.

The way in which the Bill has been printed, by misunderstanding between my office and Mr. Olson's -- perhaps my fault -- would satisfy the city, I

believe. The petitioners were asking that the new Section 8 should read: notwithstanding the Municipal Tax Exemption Act, all real and personal property owned by the institution be exempt. In other words, they had asked for an introductory phrase to Section 8 which would prevent the city from passing a by-law under Section 13, not taxing them at all. As we have it in the Bill, my understanding is that this would be satisfactory to the city. This is not what the petitioners asked for. The petitioners asked for an additional phrase which would prevent the city from passing that Section 13 by-law.

DR. PAPROSKI: Mr. Chairman, the Law Clerk indicated that most cities have that ability to have an override.

MR. CLEGG: Most cities have that ability and most institutions are subject to it. I'm not aware of any particular institution which has been placed beyond the reach of that by-law. Offhand I don't know of any precedents. Mr. Olson may know some precedents.

DR. PAPROSKI: That's the question I was going to ask. Are there already exceptions in existence?

MR. CLEGG: Mr. Olson, have you found any exceptions where institutes have been put beyond that Section 13 by-law?

MR. OLSON: I know of no specific legislation which provides that, but Dr. Loken mentioned the Burian Bible Institute in Calgary. It's my understanding that they're paying taxes only on their frontage and local improvements.

MR. CLEGG: I think that's because the city has not passed a by-law to tax them on the whole amount. They have chosen. How much to tax them has been at the city's discretion. If we pass the Bill as it stands now, the city of Camrose would retain the discretion to pass a by-law and tax them up to a certain amount on this property.

DR. PAPROSKI: Mr. Chairman, very simply put, it would be important to know no existing exception exists now. If any information comes forward between now and the time we consider this further, it would be nice to know that.

MR. CLEGG: There are indeed many institutes which don't actually pay tax. They only pay frontage tax, but that is because the cities have chosen not to exercise the right they have under Section 13 of the exemption Act.

DR. PAPROSKI: I hear you. Mr. Chairman, is what I've asked clear? Are we saying there are no exceptions, or that we don't know?

MR. CLEGG: I don't know of any.

DR. PAPROSKI: Could that be checked out? Would that be difficult? Not at this moment, of course.

MR. CHAIRMAN: That can be checked out. It's a matter of reviewing some of the private Bills passed since the passage of the Municipal Tax Exemption Act, to see if amendments were made. The Municipal Tax Exemption Act was passed to override exemptions in private Bills. It's a simple matter to check to see whether any private Bills passed subsequently, asking for amendment to in turn override again .#.#.



MR. CLEGG: Override that again, yes. That can be checked out.

MR. MAGEE: Mr. Chairman, I think the clerk can answer my question at a later time.

MR. CHAIRMAN: Any additional questions from the committee? If not, I'll ask the petitioners to make a closing comment.

MR. LOKEN: Mr. Chairman, we want to thank you for the courteous hearing we received tonight. The issues are of considerable import to us in this anniversary year. We're trying to clean up not only our act, but our constitution as well. We've already accomplished that. We had hoped to be able to announce some of these happy solutions to our October 23, 24, and 25 gathering of the clan, with respect to this Act. We plead with you to move it along for the spring session.

Thank you.

MR. CHAIRMAN: Thank you very much. On behalf of the committee, I would like to thank all of you for again appearing on such sort notice. I hope you make it back home tonight.

MR. HAGEN: May I make just one comment. If this committee should come to the conclusion that that preamble, notwithstanding all the statutes to the contrary, is an aspect that is not possible to include in the amendment, it might be that even without it -- and I would assume that you have the prerogative and right to amend as you see fit -- it would be within your good judgment to give approval so it could be hastened before this present sitting of the Legislature.

MR. CHAIRMAN: I think that was an important comment. It lessens the controversy considerably. Thank you very much.

We're really at the wishes of the committee. Given that there may only be one Wednesday left -- if that, and maybe not -- is there any intention to go in camera for 15 or 20 minutes, or should we now adjourn? We'd be adjourning until next Wednesday. What are the wishes of the committee? Let's take a straw vote.

MR. HIEBERT: How long do you anticipate . . .

MR. CHAIRMAN: We'd have to take the least controversial Bill, which is the one about hearing deficiencies.

DR. PAPROSKI: Do you anticipate that we'll have to meet next Wednesday in either case?

MR. CHAIRMAN: We should try.

MR. OMAN: Mr. Chairman, it would be most helpful to me -- you may not want to do this. If we met Wednesday, would it be possible to have member of the Canrose council here, perhaps the mayor? There seems to be an ambivalence there; it isn't clear in my mind.

MR. CHAIRMAN: There's sort of a double problem, Mr. Oman. One is just a government problem. We should go in camera. Could we have a motion to go in camera for a second?

MR. HYLAND: I move that we go in camera.

*The meeting moved in camera at 9:56 p.m.*