

LEGISLATIVE ASSEMBLY OF ALBERTA

Standing Committee

on

Private Bills

Wednesday, April 20, 1983

8:30 a.m.

TRANSCRIPT NO. 83-1

Chairman: Mr. Stiles

8:30 a.m.

MR. CHAIRMAN: It's 8:30; we'll call the committee to order.

We have four Bills to deal with this morning, but two of them will not be represented by petitioner or counsel. The two to be represented, that we're to hear this morning, are Bill Pr. 7, the Peace River Bible Institute Amendment Act, and Bill Pr. 1, the Alberta Wheat Pool Amendment Act. I am proposing to deal with Pr. 7 first as Mr. Acorn is involved in a task force committee meeting at 9 o'clock here in the building, and he'd like to get away. If that's agreeable to the committee, we'll allow that one to go first.

The procedure basically is that we will hear the representations of the counsel to the petitioner with respect to the facts, the legal background of the Bill. If he wishes to call any evidence, the petitioners may be sworn and give their evidence with respect to the need for the Bill or any other matters they may feel are pertinent. If there aren't any questions, Mr. Acorn, if you'd like to we'll just go ahead.

I'm sorry. I've omitted one step. Before you begin, we'll ask Mr. Clegg to read his report on the Bill.

MR. CLEGG: Mr. Chairman, pursuant to Standing Order 89, this is my report on Bill Pr. 7, the Peace River Bible Institute Amendment Act, 1983.

The principal purposes of the Bill are: one, to remove the limitation on the value of real property that the institute may own; two, to confer on the institute the power to grant degrees in divinity; and, three, to make some changes in internal management.

The power to grant degrees in divinity is not one which is reserved to the universities because of the provisions of section 53 of the Universities Act, which reads:

With the exception of degrees in divinity, no person other than a university may grant or confer any academic degree.

There's no model Bill on this subject.

Thank you, Mr. Chairman.

MR. CHAIRMAN: Thank you, Mr. Clegg. Mr. Acorn, would you like to go ahead now?

MR. ACORN: Thank you, Mr. Chairman. I have with me this morning, on my immediate right, Mr. Henry Penner, chairman of the board of directors of the Peace River Bible Institute, and next to Mr. Penner, Oswald Throness, the vice-chairman of the board.

If you wish, I will canvass and explain the provisions of the Bill, unless the committee has already sufficiently canvassed it in its own meeting. Otherwise I will go ahead and briefly discuss the reasons for the various provisions.

MR. CHAIRMAN: Committee members are in agreement with that. Just go ahead and do the latter.

MR. ACORN: The Peace River Bible Institute was originally established in 1933 by way of incorporation under the Societies Act at the time, and in 1947 obtained a private Act of incorporation. The Peace River Bible Institute was an offshoot -- or rib, if you like -- of the Prairie Bible Institute, which had been incorporated in 1946. In comparing the two Acts, one can readily see that the Peace River Bible Institute's Act of 1947 was almost directly copied

from the Prairie Bible Institute Act of 1946. The main difficulty that has been facing the institute over the years is that the restrictions on land holding that one finds in section 2(1) are now rather unrealistic, and there is no one around now who can explain why they were put in there in the first place. In any event, we suggest that the restrictions are unnecessary and unrealistic, and certainly no society has restrictions of that kind.

The change to section 3 is primarily to bring the objects back to the form in which they were when the institute was first incorporated as a society. The words in the proposed section 3(1) are taken directly from the preamble of the original Act of 1947, which described the objects of the society. So what is sought to be achieved in section 3(1) is to return to the original objects, and then tie the institute's general powers to those general objects.

As Mr. Clegg indicated, the proposed section 3(1) is tied in with section 53 of the Universities Act. I should point out, Mr. Chairman, that in recent years this Legislature has passed at least three Acts that I've been able to track down, allowing particular bible colleges the power to grant degrees in divinity. I refer you to an amendment as recent as 1980 which gave that power to the Prairie Bible Institute. That's 1980, chapter 96. The Canadian Union College in Lacombe was given that power in 1979, chapter 74, and the power was also given to King's College under its Act of incorporation of 1979.

If I may move on to section 5. You will see section 5 quoted in the notes on page 3. Time has overtaken the first two subsections, of course, and they are now obsolete, so that basically the new section 5 is overhauling 3, 4, and 5, so as to restructure the board of directors.

Section 2 is similarly repealed because it is now obsolete.

Section 6.1 is there for the purpose of enhancing the institute's ability to remain registered as a charity under the federal Income Tax Act. I don't know if there are any members who were around a few years back when the Stockmen's Memorial Foundation was incorporated by a private Act. Section 6.1 is taken virtually holus-bolus from that section in the Stockmen's Memorial Foundation Act.

Mr. Chairman, I am quite willing to have Mr. Penner give evidence regarding the affairs of the institute, but I wonder if there's any difficulty with the Bill that Mr. Penner could usefully give evidence on, or whether you would prefer to end the discussion at this point or invite questions.

MR. CHAIRMAN: If any members have questions of you with respect to the Bill itself and the matters you've outlined, I think we can first deal with that and, if they have any questions for Mr. Penner, perhaps he can be sworn.

Mr. Oman.

MR. OMAN: Thank you, Mr. Chairman, I've known of the school for a good number of years, and I think its reputation is unquestioned. But I do have a couple of questions with regard to the conferring of divinity degrees. In the sense that there are all kinds of mail order systems and so on for the conferring of degrees -- scams, if you will -- I wonder what objective standards there are? Does the school draw these up or is there a standard that would be nationally recognized for academic performance in the conferring of degrees? What does the school see in this?

MR. CHAIRMAN: In view of the nature of the question .#.#.

Mr. Penner was sworn in

MR. CHAIRMAN: Mr. Penner, would you just address the last question, please.

MR. PENNER: Mr. Chairman, I suppose it's evident that in order for us to remain competitive as an institute, we have to upgrade, even as the others do. For that reason, this has been going on for the last three or four years. If this will be any help to the member, at this time we have 20 faculty members, of whom 7 have masters degrees and 6 have bachelor degrees. The upgrading is done with the intent of reaching the qualifications set out by the American association of bible colleges. So it is not just a paper that we are interested in. However, in order to give it any meaning, this is what our aim and objective is.

MR. OMAN: A supplementary, Mr. Chairman. What degrees would you be conferring: Bachelor of Divinity, Master of Divinity, Doctor of Divinity? Where do you see yourself going here?

MR. PENNER: Doctor of Divinity is, of course, beyond our reach at present. However, whatever the future would require, that is where we would actually like to be at that particular time.

MR. THOMPSON: Mr. Chairman, I'd like to ask Mr. Penner a question or two. Is there a real change in the direction of your institute over the years? I read the changes that are contemplated here in the Act. It intrigues me that the people who set up the original Act were very restrictive in many ways. In section 2 there, \$25,000 is unrealistic today. But then you get down to section 3. It zeroes in all your contributions and money right to your organization. It is restricted on how you use that money.

Has there been a real change in direction in your administration and your way of going that you feel these are necessary changes? First, I'd like to find out why it was so restrictive in the first place and, secondly, why it needs to be changed now if you're operating the way you were before.

MR. PENNER: Mr. Chairman, I would suggest that the economy that we live in at the present time looks totally different from the one of 50 years ago. Restrictions that applied then are perhaps not relevant at this particular time. We had a campus that was 2.59 acres. We acquired some property that was donated to the school, which enlarged it to 11 point a few acres. Now the restriction that is already in the Act would not allow us to grow at all on the particular lot that we occupied at the time.

The internal direction, as such, has not changed. It's the size and the restriction in finances that have concerned us. It stifles growth. We just could not grow.

MR. THOMPSON: A supplementary please, Mr. Chairman. Then we get back to section 3. It's going to be repealed in this new Act. It's just a general statement that we're going to operate a religious institution; that's basically what we're saying. But the people who originated the Act obviously wanted to put real restrictions on how the money you received was spent and used. What I'm trying to find out is, outside of the operation of the institute itself, what is wrong with section 3 at the present time, if you don't contemplate going into different areas?

MR. ACORN: May I just interject, Mr. Chairman, to say this: no one is around in the Peace River Bible Institute today who knows anything about the reasons for the text of the 1947 Act. I suspect -- this is just surmise, of course -- that in order to get the thing off the ground, they simply copied the Prairie Bible Institute's Act of 1946. Of course, nobody is around now who can recall why that was done in 1946.

What I'm suggesting is that the institute should not be any worse off on this account than they would be if they were a society. Once you take those restrictions out, you have more or less the same kinds of powers in relation to property that most corporations have. I mean, the corporation has to be responsible for its own spending, budgets, rate of growth, and what not. But all we're suggesting is that these particular restrictions are, naturally, unrealistic in 1983 and unnecessary in any event.

MR. THOMPSON: Just a comment, then. I'm not against the changes. I was just curious. So we'll just put it down as one of the mysteries of life.

MR. PAPROSKI: Mr. Chairman, my questions deal generally with the institute itself. I'd like to know, first of all, the length of time, generally, for studies presently and how you think that will change with the granting of divinity degrees. How many students do you have presently? I wonder if you could just mention a few things about what's happening to your graduates now. Where are they going? Are they going across Canada, are they finding ministerial position, et cetera?

MR. PENNER: The last question, where the students are perhaps going at this time: they're not just in Canada; they are in foreign service as well. They're taking positions as missionaries in Canada and in foreign countries.

The size of the enrolment has fluctuated from 100 to 150 students. This present year was a bit lower; we had 100 students this year. The courses are three and four years, but are you interested in .#.#.

MR. PAPROSKI: Right now, you have three and four year courses. That is generally the length of time for a student to go through the institute. You are now possibly going to be granting degrees in divinity. What I'd like to know is will there be an extension of two more years of education, four more years of education; will there be an extension of education at all?

MR. PENNER: The degree course is a four-year course. The others are diploma courses.

MR. PAPROSKI: Mr. Chairman, a four-year course would then grant a degree in what? What would the degree be?

MR. PENNER: It's a bachelor degree at this particular time.

MR. SZWENDER: Mr. Chairman, my question relates to your comment on becoming a little more competitive. Just as in academic circles, certain universities hold a higher reputation for certain fields of study, I wonder if you could comment on how your institute rates with others, and how changes to the Act as you propose them would enhance your reputation as a bible institute?

MR. PENNER: Mr. Chairman, in the first place, if we should consider not being degreed at all, we would be losing a considerable number of students. It is a lot to ask a student to spend that amount of time in an institute without having some recognition. As far the degrees and their values are concerned, this will have to be determined, because the syllabi and so forth have to be considered by the various institutes that would recognize them. As soon as the Act is passed, this will be pursued. They are already recognized by some.

MR. SZWENDER: Mr. Chairman, I think what I'm trying to get at -- and maybe you could clarify this a little more. Would a graduate of your school, because of the degree bestowed from your institute, have a better chance of getting a

position because of the name of your institute, let's say, than graduating from a similar school? Is that a problem? Is that what you are saying right now, unless we make the amendments you are proposing?

MR. PENNER: Mr. Chairman, I recognize that if we cannot grant degrees to students -- and our upgrading has already progressed into this area. But there is agitation at present, even in the student body, that they will not return if we cannot qualify as a degree-granting institute. It is just taking too much time and expense out of their lifetime in order to just waste it.

MR. NELSON: I just want to pursue one question that one member has indicated; that is, the conferring of degrees relevant to the mail order paper-shuffle thing. I wonder if you could clarify that mail-order degrees are not part of your policy, that in fact those members who are attending the college are the ones that will be conferred degrees.

MR. PENNER: On May 24, we have an evaluation day. That will be held by members of the American association of bible colleges. It's a standard whereby all colleges which are granting degrees are measured as an association. If we cannot measure up, then we will have to reach the level that will satisfy the association.

Mr. Chairman, mail-order degrees are not part of this package at all.

MR. CHAIRMAN: Do you have any questions? Mr. Acorn, would you like to make a closing statement?

MR. ACORN: On balance, Mr. Chairman, I don't think I can add anything to what Mr. Penner and I have already said. We thank you and the committee for the opportunity to appear.

MR. CHAIRMAN: If there aren't any further questions or any interveners to hear, that will conclude this portion of our hearing, and you are excused.

Our next item is Bill Pr. 1, the Alberta Wheat Pool Amendment Act, 1983. If you are ready, Mr. Clegg, we'll hear from you.

MR. CLEGG: Mr. Chairman, pursuant to Standing Order 89, this is my report on Bill Pr. 1, the Alberta Wheat Pool Amendment Act, 1983.

The purpose of the Bill is to authorize the Pool to cancel the ordinary membership of any person when his reserves have been acquired by the Pool under various provisions of the Act, and to replace this ordinary membership with an associate membership. There is no standard Bill on this subject and no provision in this Bill which I regard as being unusual.

Thank you, Mr. Chairman.

MR. CHAIRMAN: Mr. Mack, would you care to give us any background matters or any legal matters that you feel should be made known to the committee?

MR. MACK: First of all, I would like to introduce those persons accompanying me this morning in this matter. To my immediate left is Bonnie Rawlins, a colleague of mine in my firm, and to my extreme left is Mr. Dobson from Alberta Wheat Pool. Mr. Dobson is presently a member of Alberta Wheat Pool and had served as a director of Alberta Wheat Pool for a period of seven years. In addition to that, he had also served as a delegate of Alberta Wheat Pool for a period of 25 years.

I can summarize the effect of Bill Pr. 1 by stating initially that it has two objectives, as Mr. Clegg has indicated. The first is to introduce an amendment which is in effect a consequence of an amendment made to the Alberta

Wheat Pool Act in 1980. In 1980, section 26 of the Alberta Wheat Pool Act was amended to introduce a new category of members from whom reserves could be repurchased. That was done by the introduction of subsection 26(g) which in effect enables the board of directors to buy back reserves from members who have reached a particular threshold age and who have had no activity with Alberta Wheat Pool for a particular period of time, as determined by the delegates.

Section 8 of the Alberta Wheat Pool Act permits the directors of Alberta Wheat Pool to cancel the membership of members who have had their reserves repurchased. At that time, section 8 was not amended so as to make reference to the new subsection (g) added to 26 regarding reserves and repurchase. It is that amendment that we seek to achieve by section 2 of the Bill.

The second substantial part of the Bill relates to associate membership in Alberta Wheat Pool, and this is achieved in section 3 of the Bill. Section 3 in effect provides that where a member of Alberta Wheat Pool has had his membership cancelled under section 8, he may thereafter apply to Alberta Wheat Pool for associate membership in Alberta Wheat Pool. Alberta Wheat Pool sees this as being a desirable feature to have in its Act, because it would like to have the opportunity to offer former members, who no longer qualify for full membership by reason of having to cease actively farming, a formal type of allegiance and association with the Alberta Wheat Pool. This would be accomplished by conferring upon them the status of associate member. The section sets out the characteristics of associate membership and, apart from having the ability to describe himself as such in relation to Alberta Wheat Pool, an associate member would have the right to receive printed information and other documentation that is normally only circulated to members, thereby giving him the opportunity to continue to be informed about the affairs of the Alberta Wheat Pool, recognizing the fact that he has made a substantial contribution over the years to the success of the Pool and hoping to preserve that in this fashion.

Those, in summary, are my comments regarding Bill Pr. 1. Mr. Dobson or I would be happy to respond, as appropriate, to any question which members of the committee may have, Mr. Chairman.

MR. CHAIRMAN: Thank you, Mr. Mack. I should point out that it isn't necessary to stand, unless you feel more comfortable doing so.

I think perhaps before we go to questions, we should have Mr. Dobson sworn.

Mr. Dobson was sworn in

MR. BATIUK: Mr. Chairman, before I ask about associate membership, what is the eligibility to become a member now? Is it by payment of a fee, or is it a certain amount of grain that must be hauled to the Wheat Pool?

MR. MACK: Mr. Chairman, perhaps I could respond to that question. The criteria for membership are set forth in section 5 of the Alberta Wheat Pool Act, and they are, in summary, three things. The first is that the applicant must be a grower of grain or otherwise have a legal interest in land capable of producing grain. The second is that he must have made a certain minimum delivery of marketable grain to Alberta Wheat Pool. The third is that he must buy a minimum investment in the reserves of Alberta Wheat Pool, as determined by the delegates from time to time, which I understand is presently \$5. Having met those three requirements, the applicant is then eligible for admission as a member of the Alberta Wheat Pool.

MR. BATIUK: May I also ask what the eligibility is for the associate member and what actual function he would have if he's not a producer any more. No

doubt once he loses his membership, he's not a producer. I wonder what his function would be as an associate member.

MR. MACK: To respond to the first part of that question, to be eligible to apply as an associate member, he must first of all have been a former member whose membership was cancelled, as provided in the Act. He must also meet such additional conditions as the board may from time to time prescribe for associate membership. The purpose of the additional conditions is to recognize the fact that we are in a way doing something extraordinary here. We are allowing a person to have an association with Alberta Wheat Pool although he is not a contributor to its overall success and its operation as a co-operative. So for that reason, we think it's desirable that some flexibility be left in admission to membership.

In terms of what is achieved by creating an associate membership, we are offering previous members of Alberta Wheat Pool the opportunity to continue to associate themselves with Alberta Wheat Pool. It's been the experience of Alberta Wheat Pool that certain members, although they cease to actively farm or no longer hold reserves in Alberta Wheat Pool, continue to be very interested in its affairs. It's a matter of them having been a member for a long time, and they don't simply want to have that ended completely. The associate membership category would enable them to continue to be informed about the affairs of the Alberta Wheat Pool and to represent themselves as being formally associated with it, but they would certainly not have the status of full members.

MR. THOMPSON: Mr. Chairman, from what Mr. Mack said, I can understand what they're trying to do here. The only thing that bothers me a certain amount is in section 8.1(2), where it says that "in the complete discretion of the Board of Directors" these people are allowed to become an associate member. In other words, it's at the pleasure of the Wheat Pool that these people are allowed to become members. For someone that has spent, say, 30 or 40 years and worked as a full-time member of the organization, supported it over the years, I wonder why you would not more or less automatically allow him -- unless he says, I don't want to be an associate member. Why would you make it a requirement that at the pleasure of the Pool, he's allowed this privilege, so to speak?

MR. MACK: Mr. Chairman, to respond to those inquiries, it's first of all appropriate that I say that presently the Alberta Wheat Pool Act does permit the cancellation of memberships. What we are doing here is allowing cancelled members to come back into Alberta Wheat Pool as associate members. It's also appropriate that I say that should an applicant subsequently find himself in a position to comply with the requirements for membership in Alberta Wheat Pool, he could be readmitted as a full member. What we are considering here are only those persons who were previous members, have had their memberships cancelled, and are not eligible for membership in the Alberta Wheat Pool under section 4 but desire to retain an association with the Alberta Wheat Pool. To that degree, we are conferring an extraordinary right. We are also making available to that applicant information and documentation which is not generally publicly available.

We think it's appropriate that the board of directors should have the opportunity to assess the merits of each individual applicant to be sure that information won't be used in a way that's adverse to the Alberta Wheat Pool. It's perhaps also appropriate that I say that the directors of the Alberta Wheat Pool certainly are obligated, as directors of the corporation, to exercise their discretion with a view to the best interests of the Alberta Wheat Pool. With the greatest of respect, I suggest that those criteria

should be enough to ensure that there is no abuse of the process nor is any applicant omitted from associate membership on frivolous or vexatious grounds.

MR. THOMPSON: Mr. Chairman, what Mr. Mack is saying is that the Wheat Pool feels it's necessary to screen the associate membership.

MR. MACK: Yes, that's certainly a fair comment. I think it's also a fair proposition that since we're offering membership to people that don't engage in farming, don't patronize the Alberta Wheat Pool, we should have the opportunity to assess those applicants on an applicant-by-applicant basis, as opposed to setting standards for all of them. However, if they are engaged in farming or own land capable of farming and make their minimum deliveries to Alberta Wheat Pool, they would have complete right to apply for full membership in the Alberta Wheat Pool and would have not only the rights of an associate member but also all other rights: the right to receive patronage refunds, the right to participate in the electoral process, those sorts of rights.

So, in summary, what I am saying is that this is an extraordinary category of persons that we're looking at, persons who would not normally be permitted to be associated with a co-operative such as Alberta Wheat Pool. But we are creating this extraordinary category in recognition of the fact that cancelled members in certain cases have a perceived allegiance to Alberta Wheat Pool. We would like to preserve that, give them a formal association with the Alberta Wheat Pool but, at the same time, preserve our right to ensure that people who have no active connection with Alberta Wheat Pool are not admitted under circumstances where they might take confidential information and disclose it inappropriately.

MR. CLEGG: Mr. Chairman, a supplementary on this issue. Does the board exercise any discretion with respect to the granting of full membership, or is that automatic upon the qualifications that you mentioned?

MR. MACK: Perhaps Mr. Dobson should respond to that question.

MR. DOBSON: Mr. Chairman, having served on the board, the Act says that providing the man in question qualifies under all the qualifications, the board "shall" -- it doesn't say they may; the Act says the board shall -- grant him membership. In regard to the granting of associate membership, I think it would be very rare, if at all, that the board would not grant an associate membership.

MR. ALGER: Mr. Chairman, I wonder if the board would tell me: do you ever solicit membership into the Alberta Wheat Pool?

MR. DOBSON: Yes, in this way: a man is free to deliver grain where he wishes in our society and many of them deliver many different places. As a producer, if I am not a Pool member and I deliver grain to the Alberta Wheat Pool, there is a period after the end of the fiscal year until a certain date in the early calendar year following when I can join the Alberta Wheat Pool and then share in the proceeds that were derived from the year before. Do you understand what I'm saying? And in this way, these people are approached, sometimes by their neighbors or the pool manager, with the idea that if they join by a certain date, then they will become eligible to share in the various proceeds that are acquired.

MR. ALGER: Mr. Chairman, Mr. Dobson has practically answered my subsequent question, but what are the advantages of full membership? You've got some of them already, but can you list the rest?

MR. DOBSON: I suppose I'm a good guy to answer that question because I feel there are a lot of advantages. The Pool is an organization that started out in 1923, an association of people trying to do something for themselves instead of asking the government to do it for them. It continues on in that way until today. It's more than just the sharing of earnings, profits, or whatever you might say that accrue from year to year. You are attempting to do something for yourself from time to time. Those are some of the advantages.

MR. ALGER: A subsequent question, Mr. Chairman. What does it cost to belong? Is there a membership fee for instance, or is it just the fact that you're delivering grain, make application, and you are eligible?. Is there no annual due for instance?

MR. DOBSON: No, there is no membership fee. The fact is that in order to join the Pool, you deliver so many -- it used to be 500 bushels but I'd have to look up in the Act to see what it is now because it is in tonnes -- tonnes of grain, you buy \$5 worth of reserves, and as long as you have reserves in the pool, you're a member. You continue to be a member until such time as you retire, die, or are eligible under one of these categories. At that time, you get your \$5 back. There's no membership fee as such, but you have to have reserves, which are the same as shares in the Pool.

MR. SZWENDER: Mr. Chairman, my question is directed to Mr. Dobson, and it's following the Member for Cardston's line of questioning. First of all, I'd like to get a number as to how many people would be anticipated as being eligible or interested in gaining associate membership. Secondly, the Member for Cardston mentioned section 8.1(2). I'm a little bit more disturbed about 8.1(4). When you see words like "complete discretion", I think any person who enters into a voluntary relationship -- and I believe it would be a voluntary relationship, mutually beneficial to the board and the person seeking membership. With that type of wording, "complete discretion", I wonder for what reason a person may have his membership cancelled. Would there be any right to appeal if they felt that they had been wronged? Certainly in legal terms there would be little discretion left as to the interpretation. Could you explain?

MR. DOBSON: I can see your concern. I must point out of course -- and I think Mr. Mack has also pointed out -- if he is a full-fledged member of the Pool, the board has no discretion whatsoever. If you qualify, they have to accept it. That's what it says.

We are looking at a somewhat different thing, and I suppose Mr. Mack has given you as good an answer as I can give you about these words. As far as I'm concerned, the words "in its complete discretion" really don't need to be in there, but that's a legal thing. I'm not a lawyer. Maybe they do. If it says that the board may cancel or may declare him to be, to my mind as a farmer that's the same thing as saying that they may in their "complete discretion" do such and such a thing. But I'm not a lawyer; I'm a farmer.

The point I tried to point out to Mr. Thompson is that as a former member of the board, I can see really -- well, we never had any point or time that we would do such a thing when I was on the board. It's hard for me to answer your question. It may be a legal term that's necessary, but as far as the practicality of it is concerned, if the words say that the board "may" declare

them a member and that the board "may" cancel their membership, then I can't really see the difference of the words "in its complete discretion" being there. Maybe Mr. Mack could enlarge on that.

MR. MACK: Again, Mr. Chairman, I suppose to some degree I am reiterating the comments I made previously. I think it's important to recognize the fact that what we're doing here is granting an extraordinary status to somebody who has no present active association or at least involvement in the affairs of Alberta Wheat Pool. It is more an historic nature as we've emphasized. If that particular individual meets the criteria for full membership, he has the right to apply for full membership, whether he's been an associate member and had that status revoked or whatever. Again, bearing in mind the fact that we're offering associate membership to people not actively involved with Alberta Wheat Pool, we are concerned that to the degree that we make certain confidential information available to them that is normally offered only to members, that isn't abused or misused in any fashion. Should we find that is being done, we would have the ability to review that associate member's status.

Beyond that I have nothing further to add except that, as I mentioned earlier, discretion of a board of directors of any corporation, Alberta Wheat Pool included, cannot be exercised on a vexatious basis but must be exercised with the view to the best interest of the Alberta Wheat Pool. The function of that discretion would be for the directors to review the circumstances of any alleged abuse by an associate member of his rights, consider the effect on Alberta Wheat Pool and, if the board of directors determines on a reasonable basis that that's been disadvantageous to Alberta Wheat Pool, it's appropriate they should have the right to revoke his associate member status, recognizing the fact that he could still come back and apply for full membership. But he would at that time have an involvement in the activities of Alberta Wheat Pool. Beyond that, Mr. Chairman, nothing further.

MR. ALGER: Mr. Chairman, like most societies, I should think that you've got to have somebody in charge, and they've got to be able to make up their mind as to who is in and who is out. In many cases, Mr. Dobson, I believe that probably attrition alone . . . This is pretty strong language, I admit, but there are a lot of people on your mailing list that finally shouldn't be there. You know, they're just gone, and you have no notice that they've passed away, moved away, quit, or anything else. Consequently, at the discretion of the board, I would think they can cut them off the list, cut them out of membership. I don't see anything really wrong with it, except as I say, the language is semi-strong but -- what the dickens -- you can live with that.

MR. CHAIRMAN: Sorry, I didn't mean to cut off the hon. Member for Edmonton Belmont. You have a supplementary question?

MR. SZWENDER: Yes, Mr. Chairman. Again, I'm not going to purport to interpret their wording for the legal profession, but certainly complete discretion means complete discretion at any reason. Mr. Mack indicated that the board of directors may review. There is no provision here for any kind of review. Complete discretion simply means that's it, and there's no phrasing here to allow for any kind of appeal or for an outlet of this nature. Now the explanation brought that in, but certainly the wording in section 8.1(2) or 8.1(4) is very final.

MR. MACK: Mr. Chairman, I won't belabor this point much further other than to add that the board would exercise discretion at a board meeting, which is the

way in which all Alberta Wheat Pool's business is conducted. They are convened meetings, not by resolution in writing, and it's placed on the agenda. There's a discussion with all directors present. So to that degree, there is a process involved in this.

I think it's also appropriate to bear in mind the fact that we're not talking here about especially valuable rights, unlike full membership in Alberta Wheat Pool where you have the right as a member of Alberta Wheat Pool to use the facilities of Alberta Wheat Pool on a cost basis when you net through the patronage refunds, the other reserve allocations, and those sorts of things. We're talking about the right to receive printed information, that type of material extended to people, as I've emphasized, who have no active involvement with Alberta Wheat Pool. So it's rather a one-way street.

Looked at on a current basis, however, Alberta Wheat Pool does recognize that these people do have an historical association with the Pool. So to that degree, we are conferring upon them a privilege as opposed to a right. I think it's perhaps important to bear in mind that if we were talking about entrenched rights, sound rights, valuable rights, I would quite agree that it would be inappropriate for us to have complete discretion to revoke those rights without some sort of due process. But here we are talking about a complete and -- if I may use the word -- gratuitous privilege. I think under those circumstances it's appropriate it should be fully reviewable.

MR. SZWENDER: One final supplementary. I don't think Mr. Dobson completely answered my question, although I think it's been alluded to by Mr. Mack. I did ask on what grounds this associate membership could be cancelled. Would it be correct to assume that you mean a breach of confidence, or would the reasons go beyond that?

MR. MACK: Mr. Chairman, perhaps I can respond to that initially. Mr. Dobson may wish to elaborate on my comments. I think the status of an associate member in the Alberta Wheat Pool should be reviewable on the basis, is he acting to the detriment of the Alberta Wheat Pool in his conduct? That would embrace a number of things; for example, the misuse of confidential information. The members are entitled to receive the financial statements of Alberta Wheat Pool and of course those would be offered to an associate member under section 8.1. I guess anybody involved in business knows it can be embarrassing, if not just awkward, that your financial statements be distributed to people on the street or possibly the competition. That's one, I think, very firm example.

But another is that we may find an associate member going around as an associate member, otherwise conducting himself in a way that is significantly detrimental to Alberta Wheat Pool, holding himself out as a representative of Alberta Wheat Pool and misrepresenting Alberta Wheat Pool. Certainly it would not be in the interests of Alberta Wheat Pool to allow that person to continue his formal association. That's possibly another circumstance where we may want to review that person's status. But I think the fountainhead for the whole discussion is, is the associate member acting in a way detrimental to the interests of Alberta Wheat Pool? That's really the basis of the concern.

MR. BATIUK: On the point that was mentioned a little earlier. Mr. Mack explained very well the eligibility for a member: delivering X number of tonnes of grain and a \$5 membership fee; this will continue. But is there a possibility that this producer could lose his membership because of ceasing to deliver grain to the Wheat Pool over any number of years, sometimes because of choice and sometimes not; say an elevator closes down or something, and it's inconvenient for him to haul it many miles? I just wonder whether there's a

possibility that he would lose his membership because of non-delivery of grain.

MR. MACK: Mr. Chairman, I think that sort of departs from our earlier discussion, because we've been talking about associate membership, and this is getting back into the question of membership cancellation under section 8. Section (g), which was added, and is the one we're trying to pick up in section 8 by the amendment in section 2 of the Bill, permits cancellation of membership where a member has reached a particular threshold age, established by the delegates, and has also not patronized Alberta Wheat Pool in a manner entitling him to earn patronage refunds. It's a combination of inactivity and age. I think it's only fair that I give a direct response to your question. The circumstances you outline are certainly possible.

MR. CLEGG: A supplementary to Mr. Dobson on this issue. Has the board of directors at this point determined the threshold age and the period of inactivity which would trigger a purchase of reserves?

MR. DOBSON: Yes, that's determined by our delegates in annual meetings.

MR. CLEGG: Has that in fact now been determined?

MR. DOBSON: Yes. The threshold is 65, and he must not have acquired any reserves for a period of three years. This category actually was established by the delegates in answer to the problem of the man who no longer farms land or, if he owns land, is renting it out on a cash rental basis and, therefore, under our other categories, was unable to be purchased out.

In answer to Mr. Batiuk's question, I think it's theoretically possible, yes. If he was a certain age, 65, and either didn't get grain to deliver, or was unable to deliver it for one reason or another, for a period of three years, then he could have his reserves purchased. But you must remember that if he delivered grain in that fourth year, all he'd have to do to become a pool member again is join up. So it's really a way of revolving the reserves rather than cancellation of membership. The Pool doesn't like to cancel membership as such. Membership is cancelled when a man no longer has any use for the organization. That's really what it's all about. I don't really think you'd see this happen.

MR. CHAIRMAN: No further questions? Mr. Clegg, do you have anything further?

MR. CLEGG: No, Mr. Chairman.

MR. CHAIRMAN: Mr. Mack, do you have a closing statement you'd like to make, or anything further you'd like to submit?

MR. MACK: Mr. Chairman, I think the only thing I'll close my comments on is the issue of complete discretion, which seems to have caused the hon. members of the committee the most concern. In closing, I'd like to emphasize the fact that we're really dealing with a privilege and not entrenched rights, as I've discussed previously, or valuable privileges even at that. The cancellation of an associate membership would not deny that person the ability to subsequently become a full member in Alberta Wheat Pool, and I think that's also appropriate. We're looking at extending something to people who are not actively involved with the Alberta Wheat Pool. Co-operatives are normally structured by membership of people who patronize the facilities with a view to getting the services at a cost basis. We're looking at people who wouldn't

qualify for that, but we're extending certain privileges to them. Beyond that, Mr. Chairman, I have nothing to add to what's been said.

MR. CHAIRMAN: Thank you, Mr. Mack. As there are no interveners to hear from, that concludes our hearing of your submissions then, and you are excused.

There are no witnesses or counsel to be heard with regard to the other two Bills to be considered, so at this time I would entertain a motion to go in camera.

MR. PENGELLY: I so move.

MR. CHAIRMAN: Moved by the Member for Innisfail. Is that agreed?

HON. MEMBERS: Agreed.

The committee moved in camera at 9:30 a.m.