

Chairman: Mr. Stiles

8:30 a.m.

MR. CHAIRMAN: I will call the Private Bills Committee to order. We have two Bills to deal with this morning. We propose to deal with Bill No. Pr. 6 first, which is the Calgary Jewish Centre Act, 1983. Mr. Bruce Libin is counsel for the Calgary Jewish Centre.

Mr. Libin, the procedure here is relatively informal. We will ask you to present your Act after Mr. Clegg has made some remarks. Following that, the members will ask questions if they have any. If Mrs. Cohos is your witness, we will have to have her sworn before there are any questions put to her.

MR. LIBIN: Thank you, Mr. Chairman. What we would like to do, if I may, is that Mrs. Cohos and I will both appear as witnesses. I am wearing several hats here this morning. If I can manage to juggle that, if that's all right with you and the committee, I would appreciate it.

MR. CHAIRMAN: That will be fine. We'll have you both sworn.

Mr. Clegg, would you care to give us your report, please?

MR. CLEGG: Mr. Chairman, this is my report, pursuant to Standing Order 89, on Bill Pr. 6, the Calgary Jewish Centre Act. The main purposes of this Bill are to incorporate the Calgary Jewish Centre, to establish its constitution, and to exempt its real and personal property from municipal and school taxes of every nature. There is no model Bill on this subject, and it does not confer any powers which I consider to be exceptional.

MR. CHAIRMAN: Thank you. Mr. Libin, if you would like to go ahead then and go through -- I beg your pardon. We will swear you both first and then we will have you give your . . .

Mr. Libin and Mrs. Cohos were sworn in

MRS. COHOS: Mr. Chairman, ladies and gentlemen, I am president of the Calgary Jewish Community Council and appear before you this morning as a petitioner. The Calgary Jewish Community Council is the official representative of the Jewish community of Calgary in all matters affecting the general or common welfare of that community, and acts as the co-ordinating body for the annual centralized fund raising drive of the United Jewish Appeal. A principal beneficiary of that appeal is the Calgary Jewish Centre. The Calgary Jewish Centre is the program arm of the Calgary Jewish Community Council and, as such, is charged with the responsibility of organizing and administering programs specifically through the physical facility of the Jewish Centre.

I would like to point out at this time that the Jewish Centre is connected both physically and programatically to a senior citizens' apartment complex constructed and run by the Alberta Housing Corporation and that substantive resources, both professional and monetary, are devoted to programming for seniors living in those apartments.

MR. LIBIN: Mr. Chairman, ladies and gentlemen, about a year ago I had the privilege of appearing before this committee to make a presentation on what was then Pr. 7. Unfortunately we then got into the shortened legislative session and ultimately into the election. That Bill died on the Order Paper, so it is a privilege to appear before you again. I know there are several members of the committee, Mr. Chairman, who were here last year, and I will try to find a different way of phrasing my remarks so as not to bore you.

I guess the significant intervening event in the year since we had an opportunity to address you is the position taken by the city of Calgary. I would just like to outline that for you, and then I will quickly run back through where we are, who we are, and what we are. Calgary city council -- and really on a spontaneous matter, because it was not at our prompting or our request that the matter was raised -- in September of 1982, passed a resolution recommending to the Minister of Municipal Affairs that the city of Calgary has no objection to the enactment of the statute before you today. I think that's a very significant event, in that really the one item of controversy in the Bill before you, which is otherwise an incorporation of a specific type of society, is that dealing with the exemption from municipal taxation and assessment. The city of Calgary of course is the jurisdiction from whom those taxes will come, to whom we pay taxes today. They have taken the position that they are in favor of the passage of this statute.

The facility itself is a large, very attractive building incorporated on just under seven acres of land in southwest Calgary. Physically, we have a very broad range of facilities: a gymnasium, swimming pool, meeting rooms, a chapel, which receives extensive use, squash and racketball courts, and playing fields. As Mrs. Cohos has mentioned, we are adjoined and share a common campus with a seniors' residence. Although the province has built it, we through the centre run that facility for the province through the Alberta Housing Corporation's programs.

The centre is known as the Calgary Jewish Centre. Its programs are of a very wide and diverse range -- everything from teaching swimming to young ones, English for new Canadians, physiotherapy and therapeutic classes for seniors with physical problems: really a range of everything from educational, social, cultural, religious; about as broad a program that you could have in a facility. One of the things I'd like to point out is that although our name is the Calgary Jewish Centre, being Jewish or any affiliation with the Jewish community or religion is not a criterion for membership. In fact, there is not a question on our application or membership forms; it's not a statistic we keep. I guessed before this body last year that we had a mix of a 35 or 40 per cent range of non-Jewish members. Again, Mr. Chairman, I can only speculate on that. It's a statistic that we don't keep. But I think the point that we could make to the body is that membership is independent of religious affairs.

Another point that I'd like to make -- and I'm trying to address some of the concerns that came out before this committee last year -- is that we're not dealing with a club. We're a social service or a group work agency. This isn't like a golf club or a private ethnic organization. We are a full service agency. We consider ourselves very much a parallel to the YMCAs and the YWCAs of the province. In fact, in many communities across Canada, Jewish centres, instead of being called the Jewish centre, are called the Young Men's Hebrew Association or the YMHA. It has been suggested to us that it would make our presentation more effective if we changed the name of our facility, and we'd certainly be prepared to do that if it would have any impact. It just didn't seem to us to make a whole lot of sense.

Our problem and the reason that we're before you today is, I again stress, the tax situation. The province, as you know, through the Municipal Taxation Act, authorizes the levying of taxes on facilities across the province. There are several ways to be exempted from paying tax. There are the specific enumerated exemptions contained either in the tax Act or the Municipal Tax Exemption act. There is an approach under the Municipal Tax Exemption Act through the Local Authorities Board, and there is exemption by legislative mandate. The YMCAs and the YWCAs of the province are exempt and have been exempt from taxes since the very early days of the province, dating from about 1908 for the Calgary Y and 1910 for the Calgary YWCA. I think the most recent

enactment was about 1964, when there was a Bill passed in the Legislature specifically exempting the Edmonton YMCA from property taxes.

When the taxation regime was changed and the Municipal Tax Exemption Act and Municipal Taxation Act were proclaimed, there was no particular need in the province at that time for a Y-type exemption. All the YMCAs or YWCAs that appeared to be going to be built were in existence and all had their own exemptions. We proceeded to seek tax exemption through the administrative route that has been set up, the Local Authorities Board. What we've seen is the board as an administrative matter refusing to deal with the topic. They have come back -- and I'm really referring more now to remarks made to this body last year by Mr. Clegg, when he really concluded properly that what's happened is that the LAB decided not to take the administrative decision but to pass the decision back to the Legislature because it's a legislative matter.

As I understand it, it's not an unusual feature for there to be, before this body, requests by organizations that ultimately result in a tax exemption. There have been several items, and again I would refer you to the transcript of last year's hearing and Mr. Clegg's remarks. I won't bore you with all of that. The basic position that we would take as a community is that the Calgary Jewish Centre or the Jewish Y, if I may, is not treated in the same equitable fashion or the same way as the YMCAs and the YWCAs of the province. We consider ourselves to be the parallel facility. The city of Calgary in previous resolutions has come to that conclusion in addressing this issue, that the Calgary Jewish Centre is the equivalent facility to the YMCAs and the YWCAs. Now the Calgary city council has come back and stated that they have no objection to the passing of this type of legislation.

Just to reiterate briefly, the facility is non-sectarian. Our doors are open to all. We certainly welcome those of you who are from Calgary. We would like to have you as members, and if not as members, please come and visit us as guests. Our membership is open to all. As Mrs. Cohos has indicated, the Jewish community of Calgary, through the annual fund raising drives that we have, subsidizes the deficit of the centre.

We're just going through the long and tortuous process of preparing our budget for our upcoming fiscal period. In our first run through it, we're projecting a deficit on an operating basis of about \$350,000. Our property tax piece of that is just an enormous figure. I'm speculating of course, because the '83 tax bills are not out yet, but we're looking at something like \$125,000 or \$130,000. It's awfully difficult, as those of you who've tried to raise funds for charity or community projects will understand, to raise funds when the donor understands that part of it is just going to pay municipal taxes. We're talking really about a half to a third of the aggregate deficit of our facility going towards the tax bill. It's a very significant item.

To the extent that we could have the passage of Bill Pr. 6, which would result in the administrative and operative facilities and advantages for us. Of course the corollary and important part of the tax exemption would be of great benefit to the Jewish community and, I would point out, to the community at large. We have a capital cost of some \$4 million, and as such that's capital funds that the city of Calgary hasn't had to spend. We've provided recreational, social, cultural, and educational facilities. We operate that. We're not asking for provincial or city subsidy of our deficit. But we are asking for some relief in the taxation area.

Thank you, Mr. Chairman.

MR. CHAIRMAN: Thank you, Mr. Libin. One question I would put to you is whether or not you have a certified copy of the resolution of the Calgary city council or something from the city council confirming that they would not object to this exemption.

MR. NELSON: Mr. Chairman, as a member of that city council that did deal with this issue on more than one occasion, I can ascertain that Mr. Libin's comments are correct. Certainly the minutes of that meeting could be obtained.

MR. LIBIN: I don't have a certified copy of the minutes, but I do have in front of me an extract as received from city council. I'd be glad to leave it with you.

MR. CHAIRMAN: It might be helpful to file that with Mr. Clegg for future consideration if there is any question raised in that regard.

MR. PAPROSKI: Mr. Chairman, I have one question regarding the Calgary Jewish Community Council. Could you tell me a little bit about the council, please. Who comprises it, and what are some of its other functions?

MRS. COHOS: The Calgary Jewish Community Council, like this body, is an elected body. Every member of the Jewish community over the age of 18, who has made a minimal contribution of \$5 to the United Jewish Appeal, has the right to come to the annual meeting, which usually takes place in November of each year. A slate of nominees is presented to that body. There are also nominations from the floor, and an election takes place. That body which is elected is called the board of the Calgary Jewish Community Council, and that board subsequently meets and elects its own officers.

The other things that the Calgary Jewish Community Council does besides operating the United Jewish Appeal is to be the umbrella organization for all of the constituent organizations that make up the Jewish community of Calgary, and as well is directly involved in the operation of a number of other beneficiaries including three day-schools and the Calgary Jewish Family Service bureau. As well, we organize and operate certain facilities which touch everybody in the community. For instance, one of the things that the Calgary Jewish Community Council does is guarantee that there are kosher facilities within the community and that there is always kosher meat available to anybody within the community who runs a kosher home.

MR. PAPROSKI: One supplementary then. I'm wondering if you could tell me approximately the numbers of members you have.

MRS. COHOS: I can take a 'guesstimate' of the numbers of people within the Calgary Jewish community. We estimate that there are between 1,600 and 1,700 families.

MR. PAYNE: At the outset I suppose I should declare my peripheral but nevertheless vested interest, in that my vivacious and somewhat athletic 17-year-old daughter is a frequent patron of some of the facilities of the centre. She speaks very highly of them, in passing.

Mr. Libin, I appreciate the difficulty you had last year when you tried to estimate the proportion of your membership that was non-Jewish. I understand the difficulty because you don't ask the question, nor do you periodically quiz people as to their faith. At the time you did venture a 'guesstimate' of 35 per cent. You also ventured a 'guesstimate' of 1,200 members. I wonder, as a consequence of the passage of the past year, can you verify either of those numbers, or have they changed? I appreciate these will be intuitive judgments.

MR. LIBIN: Mr. Chairman, Mr. Payne, I can only guess on the question of the ethnic make-up of the membership. Again, I'll speculate that we're in the 30

to 40 per cent non-Jewish membership. It's really a number that I don't have any real feel for. It really depends on what function, what's going on. When I go down and play basketball, there's a different mix than when I go to a Jewish community function. Obviously, the racial mix varies.

As to membership, I think I was off last year. I estimated about 1,200 before this body, and actually the number was closer to 1,100 at the time. We're about the same number today. Our membership, while a fluctuating body, seems to remain rather constant. We have members who, for whatever reason -- I can't imagine why -- cease to renew their membership, and we have others joining.

MR. PAYNE: If I could be permitted one more supplementary, Mr. Chairman. I'm not clear on the actual running of the centre. Could you briefly describe the body that makes the decisions as to what doors are locked, who charges what, and what you can do here. Who actually administers the facility?

MR. LIBIN: Today it is run by a board of directors, of which I have the privilege of being the chairman. We as a board have the responsibility for programming and for the physical facility. In addition, as I mentioned earlier, we co-ordinate and take care of the operation of the adjacent senior housing residence. We then hire professional staff, who day to day take care that the doors are open, the swimming pool is heated, and that the meeting rooms are cleaned and properly booked. We have a full-time staff at the professional level of approximately 10 persons, and that would include those with a master of social work degree, a physical education degree, or special training in dealing with seniors or whatever; and then a very large staff of full-time and part-time employees and volunteers perform the functions of teaching, leading, educating, or whatever it is.

The centre board, though, has the direct responsibility for administration of the facility. In turn, we are responsible to the Calgary Jewish Community Council, who today is the owner of the facility. If Bill Pr. 6 is enacted, the intention of the Jewish community, of course, would be to have the Jewish centre as this independent corporation. It would be then be the owner and operator of the facility. The corporation in turn would be a subset -- I haven't quite figured out how we'll do this yet organizationally -- of the Jewish Community Council.

MR. HYLAND: Mr. Chairman, you said 1,200 members. When you use those numbers, is that family membership or individuals? Sorry, I think you said 1,000.

MR. LIBIN: Let's take 1,100 and we'll split the difference. That would be units of membership. My family of five counts as one unit. We have membership categories ranging from a single person -- of course, separate rates for students -- through families, seniors, young families, teens: almost every possible category. But I'm counting a family as one membership unit for that purpose.

MR. HYLAND: So we're talking about a lot more than 1,100 people using the facility.

MR. LIBIN: I would guess that if you included members and their guests, you're dealing with many thousands of people over the course of a year. It's impossible, of course, to estimate. We did at one point try to do some nose counting, just to see what the volume of business was. We found it wasn't worth our while to occupy our staff in counting bodies through the doors. There's a very large volume of business. You can't go there, particularly in the evening, but to find the parking lot completely full.

MR. NELSON: I appreciate your coming here this morning and presenting your views. I would like to make a few comments, but I'll have to do them by questioning. Mr. Libin, would you compare your project as an entity similar to the new facility in Acadia, where they have a number of recreation and cultural activities going on in their new facility? Are you familiar with it?

MR. LIBIN: To the extent that I'm familiar with the Acadia project, I believe so. I think the difference would be that we operate on a broader scope. We have an educational component. We have a cultural component. We have more of a social component than they do. That tends to be more of a recreational facility, as I understand it.

MR. NELSON: The reason for some of the questions I might ask, Mr. Chairman, is that some of these are community projects similar in many respects to the Jewish centre, and they don't have to pay taxes. Similarly, there are other religious groups, churches, that have facilities that have educational activities within that do not have to pay taxes. I would just like to continue.

MR. CHAIRMAN: Mr. Nelson, may I interject. Perhaps since we have another delegation here, if you don't have any further questions you could make your remarks later when we are in camera and are dealing with the matter further.

MR. NELSON: I'll certainly do that, Mr. Chairman. Were you apprized or given MCR grant moneys for this centre?

MR. LIBIN: Yes, sorry. Thank you for raising that. It was written down in my notes here. As I mentioned earlier, we have a capital cost in the neighborhood of \$4 million. Of that, we received a provincial grant of \$1.5 million, administered through the city and your major cultural/recreation program. It's a significant point, in that I think that shows the interest in the inception of this project by the city and by the province. Those are dollars we needed in order to build the facility. What we're talking about now is the cost of operating the facility.

MR. NELSON: One further supplementary, Mr. Chairman. Mr. Libin, upon receipt of those matching grants, of course the stipulation with that would be to have your facility open to groups other than the Jewish community. Would that be a fair statement?

MR. LIBIN: Yes. Mr. Chairman, again the policy of the Jewish centre, even prior to the receipt of the provincial grant program, was that we were to have an open membership. One of the requisites of the grant program is that we have signed a contract with the city of Calgary, and under the regulations the province has passed, as well, we have a requirement for our facility essentially to be open to the general public at least 50 per cent of the time. We've gone the next step. We're open to the general public 100 per cent of the time. We're always open at all times to everyone.

MR. SZWENDER: Mr. Chairman, I just have a quick question. Looking at my copy of the Act, I was wondering why, under sections 2 and 7, you would be named specifically? Would it not be sufficient, or why was it just not entered as officers, that your names specifically were used? I'm looking under Bruce Libin, Gertrude Cohos, and Morris Dancyger. Why not just officers? Why were you named specifically?

MR. LIBIN: The three of us that are named as the petitioners are, in fact, the three senior officers of the Calgary Jewish Community Council who have responsibility for the project, as indicated earlier. My understanding, and I would have to defer more to Mr. Clegg on this, is that it's necessary in the process of introducing a private Bill to have individuals as petitioners. That's the purpose of that.

MR. CLEGG: Mr. Chairman, Mr. Libin's comments are correct. In an initial incorporation, which is what is happening here, where individuals are being incorporated, it is necessary to name the specific individuals. The act of incorporation is the naming of certain persons who become incorporated, the same way as a company which is incorporated under the Business Corporations Act. The initial members of that company have to sign documents which, pursuant to the Act, become incorporated. You will find that all other private Act incorporations are done the same way. That's the only reason. It isn't to single them out as individuals, because eventually they'll be replaced, but they are the initial persons who become incorporated in the new legal entity of the centre.

MR. MUSGREAVE: Mr. Libin, I noticed last year that you estimated that your deficit was approximately \$323,000, and this year you estimate it will be about another \$25,000. I'm just curious. Is your deficit accumulating, or are you able to get rid of it each year?

MR. LIBIN: We do a little bit of financial wizardry in trying to balance it. Of that deficit, we receive substantial funding from the community council. Our budgetary allocation from the Jewish Community Council last year was \$211,000. We managed, because of the tight times, to squeeze that estimate of what was in 323. We're going to operate that facility at a deficit of closer to \$275,000, \$210,000 coming from the Jewish community at large. We try to fund the remaining deficit through fund-raising drives. We have just participated in a casino. We have dinners, guest speakers -- anything that we can do. We have a very active fund-raising component in an attempt to match that deficit.

MR. CHAIRMAN: There are no further questions. Do you have any closing remarks that you'd like to make, or have you covered anything?

MR. LIBIN: One point, Mr. Chairman. That's really to again remind this body of the intervening factor which I think is of great significance. That is that the city of Calgary, the municipality to whom our taxes would otherwise have been paid, has recommended that it has no objection to the enactment of this statute. If the local community, understanding the facilities we have and services we provide to the community at large, makes that recommendation, I find that a very significant fact and, again, one that I would just like to remind this body of.

Thank you very much for your time.

MR. CHAIRMAN: Thank you. That will conclude your presentation this morning. I know that you have another engagement here, so you're free to leave. We'll carry on with our second group.

The second petition we have this morning is Bill Pr. 2, the Society of Management Accountants of Alberta Amendment Act, 1983. Mr. Mack, since you've appeared before us before, I won't bother you with the procedural details. We'll move ahead and have Mr. Clegg read his report, please.

MR. CLEGG: Mr. Chairman, this is my report on Bill Pr. 2, the Society of Management Accountants of Alberta Amendment Act, 1983, pursuant to Standing Order 89.

The main purposes of the Bill are (a) to replace references to "cost and industrial accounting" with a reference to "management accounting", (b) to introduce a category of membership known as certified membership, (c) to grant the right to use the designation certified management accountant or CMA in addition to the present designations of registered industrial accountant and RIA, and (d) to make it an offence to use any of those designations for the purpose of representing membership in the society unless authorized.

There's no model Bill on this subject, and the Bill does not ask for any powers which I consider to be exceptional.

Thank you, Mr. Chairman.

MR. CHAIRMAN: Thank you, Mr. Clegg. I should, in fairness, mention that we do have an intervener representing the Certified General Accountants' Association this morning: Mr. Douglas Ast, the solicitor for the certified general accountants.

Mr. Ast, the procedure here is that we will ask the petitioners to make their presentation. As you've probably seen, there is an exchange of questions by the members. You'll be provided with an opportunity to make your submission following the submissions of the petitioners.

Mr. Mack, if you'd like to go ahead.

MR. MACK: Thank you very much, Mr. Chairman. Mr. Chairman, bearing in mind your comments from my previous attendance here, I'll resist the temptation to stand this morning.

I would first of all like to introduce the representatives from the society who are present with me this morning. To my extreme left is Barry Costello, who is the current president of the society and has been a registered member of the society for the period of approximately 16 years. In addition, Mr. Costello has served on the council of this society for the period of approximately six years. To my immediate left is Mr. Keith Crowder, who is the current executive director of the society and has held that post for the approximate period of four years. Additionally, he has been a registered member of the society for the approximate period of eight years.

Before discussing the Bill itself, Mr. Chairman, I would like to make a few brief comments on the Society of Management Accountants of Alberta. The society was originally incorporated by private Act in 1944 and, at that time, was described as the Society of Industrial Accountants of Alberta. In 1978, the Societies Act was amended so as to change the name of the society to the Society of Management Accountants of Alberta. This was done in recognition of the fact that the role of the society's members in the accounting profession had changed since the original incorporation. The word "management" was seen as much more properly descriptive of their function than "industrial". The Alberta society is affiliated with societies of management accountants throughout the other provinces in Canada and, additionally, is affiliated with the national Society of Management Accountants of Canada and with equivalent bodies in other countries in the Commonwealth, and in the United States as well.

As Mr. Clegg indicated in his opening comments, we have a dual purpose for our Bill. The first purpose is to redescribe the function of the members of the society in a manner consistent with their actual role in the profession and with their corporate name. This is done by changing references to "cost and industrial accounting" throughout the Act to the description "management accounting". The second purpose of the Act is to make amendments so as to permit members of the society to use the designation certified management

accountant, the abbreviation CMA, as an alternative to registered industrial accountant, the initials RIA, as they are presently known and described.

In effect, then, there are two words that we are changing in the title. The first, at least in terms of presentation, is "management", which replaces "industrial". I've mentioned previously that the society is of the view that this word is more properly descriptive of their current function in the accounting profession and is, as well, consistent with their now corporate name. For this reason, we see this change as being desirable.

The second change is to take the word "certified" and use that to replace the word "registered", so that we wind up with the complete description "certified management accountant". The word "certified" was adopted after much consideration at the national level with the view to obtaining a description of society members that could be used, on an abbreviated basis, in both French and English. There is a French equivalent which also abbreviates to CMA. For this reason, we think the use of the word "certified" is appropriate. Beyond that, Mr. Chairman, we think the word "certified" is more functionally descriptive of the process of becoming a society member than the simple use of the word "registered". The word "certified" more accurately reflects the training, education, qualification, and examination process upon which becoming a member of the society is conditional, as opposed to the more perfunctory description "registered", which does not in any way reflect the significance of the process involved.

I would like to point out, Mr. Chairman, that this is a move that's being done on a national basis. The redesignation of the name has been approved by all provincial societies, and applications are in various stages to have the appropriate provincial legislation amended. In Ontario, the amendment has in fact been made. The amendment has also been made in the province of New Brunswick by way of private process. Ontario and New Brunswick together represent approximately 48 per cent of the national membership.

As well, Mr. Chairman, I would like to point out that because of the national presence of the society, the change in name will not be implemented in Alberta or in the provinces of Ontario and New Brunswick until such time as seven provinces throughout Canada representing an aggregate of not less than 80 per cent of national membership have reciprocal legislation or amendments in place so that this can be done on a more or less uniform basis.

I would also like to point out, Mr. Chairman, that the society has received a letter from the chartered accountants of Alberta indicating that they have no objection to our intentions this morning.

Those conclude my introductory remarks, Mr. Chairman. We'd be pleased to deal with any questions.

MR. CHAIRMAN: Fine. Before we deal with questions, we'll swear the two witnesses that you have.

Mr. Crowder and Mr. Costello were sworn in

MR. PAPROSKI: Mr. Chairman, I would like to ask the presenter if it's possible for us to get a copy of the letter from the chartered accountants to your association. Indeed, if you have it in your possession, is it possible to read it now?

MR. MACK: Yes, Mr. Chairman, I'd be happy to do that. I believe Mr. Clegg has a copy of the letter. I'd be happy to leave my extra copy. In any case, I'll read the text of it now, if I may.

The letter is on the letterhead of the Institute of Chartered Accountants of Alberta, is dated March 22, 1983, and is addressed to Mr. Costello in his capacity as president of the society. The letter reads as follows:

Dear Mr. Costello:

You have advised us that the Society intends to have its incorporating status amended so as to allow for a change in designation from Registered Industrial Accountant (R.I.A.) to Certified Management Accountant (C.M.A.). This change, we understand, is to be made across Canada and, in fact, has already been approved in a number of provinces.

Our Council considered the position of the Institute and I am pleased to advise that we see no reason why we should object to the proposed change. We, therefore, do not intend to intervene in opposition to the amendment of your Act in this regard.

Mr. Chairman, I think I should also point out that there are members of the institute present this morning as observers.

MR. CLEGG: I do have a copy of that letter on file.

MR. PAPROSKI: Mr. Chairman, a supplementary question. Could you tell me how long you have used the designation RIA, and what is the major reason -- could you just outline again verbally a couple of reasons why you are deciding on a major change like this?

MR. CROWDER: Mr. Chairman, the designation "registered industrial accountant", RIA, I believe has been in use since the late 1940s when the society initially undertook to provide an educational program to professionally equip qualified, at that time, industrial cost accountants. The primary change being requested here is as Mr. Mack has indicated, to conform or to be consistent with the corporate name Society of Management Accountants of all provinces, specifically Alberta in this instance.

The consistency of the corporate name and designation also reflects the actual capacity in which our membership, both provincially and nationally, is engaged. I think the reasoning for having the designation "industrial" at the time was that during that period when the society was originally incorporated -- in Alberta specifically in 1944; in other provinces about the same time -- membership was primarily engaged in industrial accounting. They were not as prevalent as they are now, with some -- I would estimate in excess of -- 20 per cent in the public sector. Also, I think the evolution of accounting at the time for cost accounting/industrial accounting related specifically to that application, has evolved as such now that management accounting is a continual evolution of a process in a profession which I believe has come to its time.

MR. MUSGREAVE: Mr. Chairman, I have two questions. The first one, though, is just to clarify what you said. Has this change you're requesting been passed by the Ontario Legislature?

MR. MACK: Mr. Chairman, in answer to the question, it has received final reading and, on my understanding, Royal Assent. But in any case, it's gone through the three-reading process. I do have certain information on my file regarding the Ontario legislation which I'd be happy to leave with the committee.

MR. MUSGREAVE: I would like to clarify, has Quebec the same?

MR. MACK: The status in the province of Quebec, on my understanding, is still pending. I don't believe the Bill has actually been presented. However, Mr. Chairman, it might be more appropriate if I were to allow one of my colleagues to respond to that.

MR. CROWDER: In response, Mr. Chairman, it has not been presented in the province of Quebec at this point in time. It was initially presented in New Brunswick, which is a bilingual province in nature, and Ontario was the second province to proceed with the incorporating change because of the size of its membership. All other provinces at this point in time now are in the process of presenting their private Bills to the respective legislative assemblies.

MR. MUSGREAVE: Has there been any attempt by your organization to get the act together of the chartered accountants, the CGAs, the RIAs? The lawyers seem to be able to co-operate, and we do have lawyers who are specialists in criminal law or various aspects of the law. I wonder, has your association tried to work with the chartered accountants and the CGAs in resolving this matter?

MR. COSTELLO: Mr. Chairman, yes, we met some time ago with the institute and the association, I guess primarily in response to a request from the Provincial Treasurer that something be put together by the three of us. We did have several meetings, and the culmination of that was the filing of a joint position paper by the Society of Management Accountants and the Institute of Chartered Accountants of Alberta. The Certified General Accountants' Association filed a separate paper.

MRS. KOPER: For clarification on section 3(2)(a), you have "registered or certified members". I wonder if you could explain for my clarification the difference between registered or certified.

MR. MACK: I'm happy to respond to that. As I indicated at the conclusion of my opening remarks, it's the intention of the societies throughout the provinces in Canada to see this change in name done on as much of a national basis as can be achieved, and I've indicated what the minimum commitments we're looking for are. We don't want to find ourselves in a position where we have dual references on a more or less equal basis throughout Canada, which creates confusion in the minds of the public insofar as our own status is concerned. We prefer to be doing it on a more or less complete basis. Hence, if you see fit to grant our petition and pass the Bill that we're seeking, we will be deferring the actual change of name until such time as we've reached the minimum number of provinces and percentage of national membership that I've indicated, being seven and 80 per cent respectively, at which time we anticipate the change will then be recommended by the council in Alberta and the other provinces that have seen fit to get this legislation introduced. At that time we'll be changing the name. But if, for whatever reason, we're unable to reach that minimum, we would continue to use the designation "registered industrial accountant"; hence, the dichotomy of registered or certified.

MR. NELSON: Mr. Chairman, I have a couple of questions for the gentlemen. I won't specifically ask any one; you can pick it up as you go here. What is the designation in the United States for a similar accounting profession?

MR. CROWDER: Mr. Chairman, the members of the National Association of Accountants in the United States also use the designation "certified management accountant", CMA.

MR. NELSON: Is that throughout the whole of the United States?

MR. CROWDER: The whole of the United States for the profession of management accounting. I might also add, Mr. Chairman, that the designation CMA is also used in other English-speaking countries. An affiliated organization or a counterpart organization of the societies in the U.K., the Institute of Cost and Management Accountants, uses the designation ACMA in addition.

MR. NELSON: Mr. Chairman, one further question at this point. When your changes were made in New Brunswick and Ontario, were there any objections raised in those two provinces to the changes?

MR. CROWDER: To the society's knowledge, Mr. Chairman, no, there was not.

MR. CHAIRMAN: Mr. Crowder, if I might ask you a question in that connection. The designation CPA, certified public accountant, is also a title frequently heard from the United States, and I believe some small number are also designated that way in Canada. Is that not correct?

MR. CROWDER: I'm not certain, Mr. Chairman, about the CPA as a designation in Canada. I don't believe it exists, but possibly someone from the institute could clarify the situation there. You're correct in your assumption that the designation certified public accountant is used in the U.S. Certified public accountant in the U.S. is the same as, shall we say, the chartered accountant designation in Canada and many other English-speaking countries.

MR. THOMPSON: Mr. Chairman, the thing I was interested in -- and I understand you work in different fields. Are the entrance requirements to your society and the ones for the General Accountants' Association pretty well standardized? Do you have the same education qualifications and that type of thing? Or is there some basic difference in the standards of entrance to your society over the ones to the general accountants?

MR. CROWDER: Mr. Chairman, in response to that, you're correct in assuming, I believe, that both the association and the society do not have a requirement, for example, of a bachelor's degree from a university, as the institute does. The student membership to the society pursuing the RIA designation is open to high school graduates or mature students.

I think the difference between the association's and the society's programs is that the society's program focuses entirely and specifically on management accounting and does not offer any options throughout its program. The society's program at this point in time is an 18-course curriculum, which is divided into five levels, and there are no options to it. All graduate members receiving the professional designation have taken the same 18 courses, or equivalents through postsecondary education.

MR. CHAIRMAN: Mr. Crowder, perhaps you could tell us how long, on average, a student would be taking those courses. Over what period of time would he be taking those courses, in the normal course of events, before receiving his certification?

MR. CROWDER: Students who come into the program without advanced standing -- that is, without any credit received through postsecondary institutions, colleges or universities -- would likely go through the program on average in about six and a half years. However, the trend has changed considerably over the past number of years, where in excess of 70 per cent of students entering the program have some level of postsecondary education. The professional

designation can be attained within -- at the outside, I suppose -- a two-year period, which also would include a concurrent practical work experience requirement of a minimum of 24 months for the society.

MR. CHAIRMAN: And the six-year period for the student having no background whatever would also include working during that period. He would be working in the field as well as taking the courses.

MR. CROWDER: That's correct, Mr. Chairman. Most student members would be getting their practical work experience requirement concurrent with the educational, academic requirement.

MR. CHAIRMAN: Thank you. If there are no further questions from hon. members, perhaps we could hear from Mr. Ast with some opening remarks. If you intend to . . . I beg your pardon.

MRS. KOPER: Mr. Chairman, will we have the opportunity to return to discuss other things with this group after we've heard the other presentation?

MR. CHAIRMAN: Yes, there certainly will be an opportunity to ask questions of either group.

Mr. Ast, if you intend to have any of your witnesses give some evidence, perhaps we should have them sworn in now.

MR. AST: I believe we should, Mr. Chairman. I do not have any introductory remarks to make. Our speakers will be Mr. Brent Yeats, who is the president of the Certified General Accountants' Association at this time, and Mr. Darrell Cook, who is the immediate past president.

Mr. Yeats and Mr. Cook were sworn in

MR. CHAIRMAN: Mr. Yeats, if you would like to lead off, please.

MR. YEATS: Mr. Chairman, we would like to thank the Chair and the committee for hearing us today and recognize our other participants and observers here today. With me is Mr. Darrell Cook, our immediate past president. He is currently the chairman of our public affairs committee. Darrell will be helping me in making this presentation today. Also, on my right is Mr. Clancy Fuerst, our executive vice-president, our senior staff person. We might have to consult with him in terms of some of the finer points if questions come from the floor.

The Certified General Accountants' Association was incorporated by an Act of Parliament in 1913. Since that time, there has been a growing demand for the designation of CGA. Currently, approximately a third of all members and students who belong to a professional accounting association in Canada belong to the CGA of Canada. The Certified General Accountants' Association in Alberta is affiliated with CGA associations in all provinces and in the Northwest Territories. In Alberta, we represent approximately 2,700 members and students in the association.

Today we would like to oppose the passage of this Bill in its present form. We're not totally opposed to the society changing its designation, although it does seem rather peculiar to us that they would want to change it so radically after it's been well recognized, in Alberta especially, since 1944. We do, however, oppose the usage of the term "certified", as our own designation is certified general accountants.

At this time I'd like to call on Mr. Darrell Cook, if I might, Mr. Chairman, to present our arguments and close the formal part of our presentation.

MR. COOK: Mr. Chairman, members of the committee, thank you very much for allowing us to appear this morning and present our concerns to you.

As Brent pointed out, the Certified General Accountants' Association of Alberta strongly opposes the change in the designation of the Society of Management Accountants. At the moment in the province of Alberta, there are four recognizable accounting designations. Each is different from the other, and the certified general accountants, the chartered accountants, the registered industrial accountants, and the accredited public accountants are each very unique designations. The designations themselves eliminate a lot of confusion in the work place and in the market place. Even the groups themselves -- the three largest groups -- have taken care to maintain distinctive names. We have the Society of Management Accountants, the Certified General Accountants' Association, and the Institute of Chartered Accountants.

The Certified General Accountants' associations of Alberta and Canada have expended a great deal of time, effort, and funds in arriving at a level of competency associated with the designation "certified general accountant". The association has demonstrated its ongoing commitment to the professionalism of its members. We are distinctive, different, and independent in the market place.

We certainly understand why the Society wishes to change its name from industrial accountant to management accountant, and such change we do not oppose. We do, however, oppose the use of the word "certified". The society has an established history as registered industrial accountants. We must wonder aloud why they would not wish to maintain this tradition and perhaps use the designation "registered management accountants". We do not generally object to their changing the designation, but we do specifically object to the simultaneous presence of the words "certified" and "accountant" in that designation. We would, therefore, ask that their Bill Pr. 2 be amended to eliminate reference to the words "certified management accountants" and the initials CMA.

We also wonder, in light of the fact that so many other groups in Canada use the initials CMA, why they wish to go that route. The Canadian Manufacturers' Association is probably the best known of the groups that use the initials CMA. There in fact exists another CMA designation in Canada, the certified municipal administrators.

Reference was made earlier to the provinces of Ontario and New Brunswick. I am not sure what occurred in the province of Ontario as far as the notification of the request for a name change. But I do know in this province, we were not requested, we were not written, and we were not consulted. We were fortunate enough to pick it up out of the *Edmonton Journal*. In the province of Ontario, I would suggest it was simply missed. I know our colleagues in Ontario would have adamantly opposed the name change had they been aware that it was taking place.

Reference was also made to the United States. Ladies and gentlemen, this is a very distinct country. Even though the large international accounting firms in this country are affiliated in the United States directly, the words "chartered accountant" are still maintained in Canada even though "certified public accountant" exists in the United States.

Thank you.

MR. CHAIRMAN: Are there any questions?

MRS. KOPER: I wonder if a member of either group would clarify for me the distinction between certified, chartered, registered, and accredited. This is perplexing. I guess, in looking at the Act, the purpose of the Act is to

prevent confusion in the minds of the public. I think we have to be very sure. Mr. Chairman, if I could beg your indulgence.

MR. MACK: Mr. Chairman, I would be happy to speak initially to that point. Inasmuch as the use of the word "chartered" is concerned, I think that is one that has become particularly associated with the Chartered Accountants' Association. It is a bit more of an unusual term, I would think, in the process of professional accreditation. I really don't propose to comment beyond that since it's really not in issue in our Bill.

With regard to "registered" and "certified", I think it's important to bear in mind that those are very generic descriptions. They are descriptions really of the quality of a title. I have taken the liberty, Mr. Chairman, of getting a few dictionary definitions of these words. I realize the hon. members have plenty of paper as it is, but perhaps it would be useful to the discussion if I were to quote from these definitions.

Two very precise definitions appear in *Black's Law Dictionary*, revised fifth edition. My apologies for bringing out a law dictionary, but I thought they were useful illustrations.

Certify: To authenticate or vouch for a thing in writing. To attest as being true or as represented;

Registered: Entered or recorded in some official register or record or list.

To stop with those definitions, I think that illustrates the point very clearly. Registering is simply a function of entering something -- there's not much significance to the process itself -- whereas a certification is much more than that. It is a certification of the quality of what's being done, which we think is very descriptive of the process involved with the Society of Management Accountants. We don't simply give people a name on a frivolous basis or without a good deal of examination. There is a lengthy education process involved, an examination process involved. Having completed that, the society feels that it is in a position to certify its graduates as being competent in that area of the profession.

There are two other definitions which I've made copies of. These appear in the *Shorter Oxford English Dictionary*.

Certify: . . . To declare or attest by a formal or legal certificate

In fact, the society does issue a certificate to its members; hence, I would suggest, with all respect, the use of the word "certified" is appropriate for that reason as well.

. . . to assure; to give (a person) legal or formal attestation

Register: . . . formally in writing; to enter or record in a precise manner

Again, that strikes me as not at all descriptive of the process involved.

Beyond that, Mr. Chairman, we have indicated that we have other reasons for picking "certified". It was selected with a view to getting an acceptable and uniform bilingual abbreviated form. We think that's very important, because Quebec represents a significant part of our national membership. For that reason, apart from the obvious acknowledgment of both official languages in Canada, we felt it was appropriate.

Hopefully that will give some assistance on the distinctions.

MR. MUSGREAVE: Mr. Chairman, I appreciate the attempt to recognize the two official languages, but I have some difficulty with the fact that the province of Quebec hasn't acceded to the request that you're making.

MR. CROWDER: At this point, Mr. Chairman, the society in Quebec has not approached the Legislative Assembly for any change or amendment to their professional Act.

MR. MUSGREAVE: Through the Chair, perhaps you could tell us why they have not. It represents, I would imagine, the main area of manufacturing in Canada, next to Ontario. Why has that approach not been taken?

MR. CROWDER: As you're probably aware, Mr. Chairman and members of the committee, there's been significant activity by the Quebec government in both language legislation as well as professional legislation. The society, the association, and the institute there are also involved in discussions with the government, similar to the POC hearings in Ontario and the committee hearings that have been held in the Legislative Assembly here in Alberta.

MR. MUSGREAVE: Mr. Chairman, would it not be fair to say that the problem you've got in Quebec is that they are trying to make French the official working language and are not recognizing the bilingual aspect that you're trying to suggest we should be recognizing here?

MR. CROWDER: Mr. Chairman, in anticipation of any concern over the word "management", or "management" in French, I have been informed by my counterpart with the Quebec society that they have had legal and professional opinion and linguistic experts on it. "Management" is a French word. There has been nothing unofficial or official stated by the Quebec government at all that "management" would not be an acceptable word in the French language. So the society at this point in time sees no problem that would be raised by the society in Quebec not approaching the Quebec government for a change in the legislation at this point in time.

MR. ALGER: Mr. Chairman, just in generalities, I would have to guess that the complexity of any business, from farming on up, demands a certain amount of accounting. It seems to me that there are hardly enough accountants in the world to go around. What I would like to know is, is it a competitive business? Is there a schedule of rates that you go through? Do your various titles indicate a level which you can charge? Is there any real reason for asking for this particular name, to set up a schedule of rates? Does it improve your lot in that respect?

In short, if I want to get my income tax done, for instance, would I be further ahead to go to a certified general accountant, could I get it done by a man with a Bachelor of Commerce, or could I have my wife do it? Who would I pay the most?

MR. CROWDER: Mr. Chairman, your wife.

Mr. Chairman, the society is not approaching this matter with a request for a change of designation merely to enhance its status or to increase the ability of its members to either gain more through monetary compensation from employers or from members of the public whom they serve in public practice. With regard to the second part of the question -- who should one go to? -- I think the public at large would take a look at those who they feel in their opinion are best qualified in their particular area of expertise, whether it

be in farming, other areas of commerce, personal, corporate, or whatever the situation might dictate.

Membership of the society in Alberta is not predominantly in public practice. I think the society's current designation RIA, or hopefully the CMA at some future point in time, is very highly recognized by both the private and public sectors, at all levels of government be it municipal, federal, or provincial. I think the sole purpose of changing the designation is to be consistent with (a) what the membership is doing, and (b) the similarity with the corporate identity.

MR. HYLAND: Mr. Chairman, a couple of questions, the first one on section 11 of the Act. You make the notation of using either RIA or CMA. I just briefly looked through it, and I don't see any place where it would prohibit somebody from using both, and no penalty for using both. Why I ask that question is that the general public may think if they are going to somebody and they see RIA on the door, and all of a sudden they see another initial: gee, he must be a good one; he's got more than one initial behind his name. Do you have any penalties or is it in your association by-laws to prevent somebody from using both connotations?

MR. CROWDER: Mr. Chairman, if I might respond to that. It is both the provincial and the national societies' very firm intent that we would not have dual designated members within the society. At a given point in time, as Mr. Mack has indicated, once there has been at least a minimum of seven of 10 provinces representing not less than 80 per cent -- indeed that may be a higher number of provinces; that is a bare minimum -- the provincial councils would then redesignate all registered industrial accountants, RIAs, to certified management accountants, CMAs. In fact the national society, in respect of provincial societies, has undertaken a plan of action, given the particular time to implement, where even such things as certificates would be replaced and a number of other accessories that the membership gets and uses.

So there would be a change from one designation to the other, and from then on it would be the designation CMA that would be granted by the provincial councils.

MR. HYLAND: A second question, Mr. Chairman. I notice you have the fine of \$25. That to me would seem like peanuts if you are going to set up shop, use the wrong initial, and make a little money. You could pick that \$25 up pretty damn fast I would think. How come such a small fine for using an important designation?

MR. MACK: Mr. Chairman, perhaps I should respond to that. We certainly didn't think it was within our province to be asking you to increase the fine as such. We see the matter of a fine as being really a levy by Her Majesty in the public interest as opposed to our particular private interest. If the committee sees fit to increase that fine, we would certainly have no objection. But that's the reason why it hasn't been brought forward by us.

MR. NELSON: Mr. Chairman, I have two or three questions, first of all to Mr. Costello or Mr. Crowder. At such time in the future if this designation CMA were to be used throughout the country, would you consider returning to this body to have the designation RIA removed from the Act?

MR. COSTELLO: Yes, Mr. Chairman. As Mr. Crowder indicated, the national society has made the very firm commitment that at that point in time that CMA does become the designation of the Society of Management Accountants, the designation RIA would not be used. I guess I would have to refer to our legal

counsel as to what steps we would take to stop our members from using RIA and not having it as part of our Act.

MR. MACK: Mr. Chairman, on that basis I believe the Act as we are getting it amended says there will be two classes of members, "registered or certified" as determined by council. The key there is "as determined by council". Once we have met our minimum thresholds of national reciprocity, if you will, throughout the other provinces, the council would at that point presumably make a determination as to which of the two designations is to be used. Failure to adhere to that would be in breach of the society's by-laws. It would be in breach of the determination of council, and I would suspect a member would be disciplinable as a result of that.

So it would be within the control of council to make that decision and then, having made it and it being a decision of the council, would be binding upon the members.

MR. NELSON: Just a follow-up on one other question so that we're clear. Are those accounting people who are presently designated as RIA working, in the main, in an industry or public service rather than in private enterprise? Would that be a fair statement?

MR. CROWDER: Yes, Mr. Chairman. In specific reference to Alberta, I suggest that there is less than 10 per cent of our registered membership that would be in full-time active employment in public practice.

MR. NELSON: A similar question to Mr. Yeats or Mr. Cook as far as the CGA designation is concerned. What proportion would be in private enterprise -- working on their own behalf or in an accounting firm -- as against working in the larger sector of a private enterprise or in a public service?

MR. YEATS: Currently we have approximately 18 per cent of the members of the Certified General Accountants' Association working in public practice as certified general accountants or with certified general accounting firms. As I recall, we have approximately 25 per cent of our student membership that are working in public practice, not on their own names necessarily but working for either CGA public accounting firms, CA public accounting firms, or even other non-designated public accounting firms.

MR. NELSON: One further question. I don't know really how to word this without becoming a little intimidating possibly or a little argumentative. If you will excuse that part of it, I get the feeling that somewhere along the line in your argument objecting to the redesignation of RIA to CMA, you might question the integrity of this other organization as far as their use of the term CMA, identifying the fact that you have a designation CGA, that your efforts are going to be used by this other organization. How do you feel about my comments as far the professional integrity of the other organization kind of following on your name.

MR. AST: Mr. Chairman, perhaps I can answer that question on behalf of my clients. We certainly do not and have not intended and hope we have in not questioned the professional integrity of the society. We are concerned this morning with the question of confusion. I think from the questions that we have received from the members of the committee, there is some confusion existing as to why there are even four different accounting bodies in the province of Alberta. The fact remains that there are four different accounting bodies, and we are concerned about adding to the confusion which

might already exist by having a name change that becomes similar to the name of the Certified General Accountants' Association.

I listened with some interest to the comments that my learned friend made in reading from the *Black's Law Dictionary* as to the definition of registered and certified. Quite frankly, I think there is no magic in having a very descriptive name indicating what type of professional qualification you have.

When he was making his comments, I thought about the time when I was admitted to the practice of law in the province of Alberta. Rather than being registered, certified, or chartered, I was "called to the bar". I think what we are attempting to show at this point in time is that the use of the word "certified" with the word "accountant" is going to cause confusion in the minds of the public using accounting services.

MR. NELSON: Mr. Chairman, just to follow up on that. Considering the fact that there may be, according to the petitioner's words, only 10 per cent or possibly even less than 10 per cent of the RIAs out in the field, so to speak -- otherwise, basically they're in the public service or working for larger organizations -- how would it be confusing when, working for a larger company or in the public service, you have management tools to identify the difference?

MR. AST: I can't comment on behalf of the society at this point in time, but on behalf of the association, the number of CGAs who are in fact in public practice, available to the public, has grown dramatically in the past few years. I would guess the same is going to be true of membership in the society, that there are more members in public practice than was the case a number of years ago. So it is a growing field. As Mr. Alger indicated, there is a great demand for accountants. I think you're going to get more and more members of both the society and the association venturing out into public practice.

MR. NELSON: With that in mind, I assume the training is somewhat different between the two organizations. As they grow into the different larger communities of the work force, is it not prudent to identify them separately as a management organization that's certified or registered management, considering the desires of the petitioner, as against the CGA designation, which has a different connotation -- and different training, as I understand it?

MR. AST: Perhaps one of the members of the association can comment on the differences in training. But again, I am concerned that as soon as you use the word "certified" with "accountant", there is going to be confusion, notwithstanding that the word "management" or "general" may be between those two words.

Perhaps Mr. Yeats or Mr. Cook could comment on the educational training of the members of the association.

MR. YEATS: Our educational program is similar in length and structure to the society's, in that it is a little better than five years. It's based on a correspondence/lecture combination course. It's a national course, and it's examined with national uniform exams. Our emphasis in the actual academic part of the lectures gives our students some flexibility. We have in our final years four options, which would range from a management accounting type of option, through to tax, public administration and accounting, and also controllership and finance.

MR. NELSON: Mr. Chairman, just one further. I'd like possibly Mr. Crowder or Mr. Costello to comment on that last observation of mine, and I would conclude.

MR. CROWDER: Mr. Chairman, I think the confusion that has been questioned and so on by both the association and followed up by Mr. Nelson is something the society has not taken lightly in its decision. With a membership, not only in Alberta but also in Canada, in excess of 12,700 currently, the decision, as I said, has not been taken lightly. We have recognized the fact that the certified general accountants designation does exist. I can assure you that we would not deliberately want to create additional public confusion, nor would we want to create, as has been intimated, any association or tag-along between either of the two organizations. I think the programs do have their differences. The public does recognize the difference in terms of the demand and the preference in some instances for the hiring of, at this time, registered industrial accountants as management accountants. In fact, the society more frequently refers to this designation in public as RIA management accountant, because that is exactly what we are.

It seems that the greater issue probably -- as has been mentioned by the association -- is not the change of "industrial" to "management", but more the change from "registered" to "certified". Given that the society's membership nationally has unanimously agreed through the provincial organizations to proceed with petitions to the respective legislative assemblies for the change to certified management accountant, and given the fact, as Mr. Mack has indicated, that almost 48 per cent of our membership already have that approval in place, the Alberta society would far sooner be in the vanguard of any change rather than seeking again another private Bill from this committee in future, to try to keep up with the balance of our national counterparts.

MR. PAPROSKI: Mr. Chairman, my question is to Mr. Cook. You stated unequivocally that your association is opposed to this name change. I'd like you to be more specific and give some reasons why you oppose this change other than the confusion you've alluded to in some of the documentation you've handed out. I suppose the bottom line, what I'm asking, is: how will these changes impact on your association, if indeed this goes through?

MR. COOK: The association across the country has been opposed to the change in the designation of the society, primarily for the confusion reason. The other reasons are quite peripheral and probably are not that important. Confusion is the main one.

The impact upon our association will be the impact on our individual members. Members of the general public may well believe they are seeing or hiring certified general accountants when they in fact are not. It's important, and there's been a great deal of time and care taken to ensure the accounting bodies, as they exist, are quite distinct one from the other. We would like to see this distinction remain and not confuse anybody at any time.

MR. CHAIRMAN: If I might make a comment. We're rapidly approaching ten o'clock, which is the normal time for winding up this committee's work. I understand the Public Accounts Committee is not meeting today, so we can continue past ten o'clock if the members agree. I have three on the list now. If we wind this up at ten o'clock, we will have to ask these gentlemen to return at another date to finish up members' questions, if more hon. members wish to ask questions. Perhaps we could keep that in mind, and we'll see how we get along between now and ten o'clock. We'll see if members want to carry on today or if they want to adjourn at ten.

MR. BATIUK: Mr. Chairman, if I may. I think you're well aware that there was a reason why Public Accounts isn't going at ten o'clock. I think the same reason would apply to us; we shouldn't stay here much longer. But there are some questions that are probably irrelevant, and we could get by without them.

MR. CHAIRMAN: I'll just go on with the list, and perhaps we could make our questions to the point and brief.

MR. ZIP: Mr. Chairman, I would like to direct my question to both Mr. Mack and Mr. Cook. What are the differences of qualification of the four groups of accountants? Or, if it's fair to ask, who is most qualified and who is least?

MR. MACK: Mr. Chairman, since I was first in order in being named, may I be the first to say I'm not qualified to answer that question. I'm not a member of the society as such, but their lawyer. That being the case, perhaps I could defer to one of my clients present with me this morning, since it is an internal matter within the society.

MR. CROWDER: Mr. Chairman, if I might respond. I think with regard to the educational qualification and experience requirements of the three designations chartered accountant, my impression would be that the institute's educational program and work experience or term of articles is related more heavily toward the public audit function of the accounting profession. The entrance requirements, as previously stated, are somewhat different from the associations' and the society's, where they require a university degree as a prerequisite to get into the program, and then they have their educational program and national examinations.

The society's program, as I previously stated, specializes or emphasizes solely on management accounting as a discipline within the accounting profession, and indeed is the second, I suppose, recognized discipline by a number of persons in both public and governmental circles in terms of the fact that the accounting profession is indeed two-stream: public auditing and management accounting.

Possibly I could defer to the associations, but I will make a comment following up on what Mr. Yeats indicated on their educational program. I think it does differ significantly from the society's. The first four levels are common in their program. The fifth is an option level whereby they can go into one of four streams to get the CGA designation. It's interesting to note that one of those streams is management accounting. So the society is very specifically in management accounting with no options, and trains specifically for that purpose.

MR. HYLAND: Mr. Chairman, a question I guess to both parties. I believe that the CAs have a provincial Act and the RAs have a provincial Act. Do the certified general accountants, CGAs, have a provincial Act?

MR. YEATS: Mr. Chairman, the Certified General Accountants' Association of Alberta is incorporated under the Societies Act of Alberta as well as under the Act of Parliament in 1913 in Canada.

MR. HYLAND: What about other provinces? Do you know how it works there?

MR. YEATS: We are incorporated in all the provinces across Canada with maybe the exception of one of the Atlantic provinces. Maybe some of my colleagues here can correct me if I'm wrong on that.

MR. HYLAND: Under the Societies Act or under an Act of the Legislature?

MR. YEATS: In B.C., Saskatchewan, Manitoba, Ontario, and Quebec, I'm pretty certain it's all under an Act of the Legislature. In the Atlantic provinces, I am not too sure whether it's societies or the Legislature, but I'm pretty sure that three of those four provinces would be under an Act of the Legislature.

MR. COOK: Perhaps I could help Mr. Yeats out. Of the 12 jurisdictions, including the two territories, within the country, the Certified General Accountants' Association has its own Act in eight of those jurisdictions.

MR. HYLAND: Is there a reason why there was never an Act in Alberta, why it was registered under the Societies Act?

MR. COOK: On two prior occasions we have come to the Assembly with our Act, the last time being in 1976, at which time this Assembly was still considering Mrs. Chichak's report of 1972. Until that was resolved, it was determined that there would be no CGA Act. We understand that since the white paper has come out, a number of other things have occurred, and perhaps in the future we will be seeing a CGA Act.

MR. CHAIRMAN: The time for this committee has expired. I have one member left who wants to ask a question.

MR. THOMPSON: Loath as I am to go past ten o'clock, I would hate to see these people have to come back again. So I move that the committee sit for another 10 minutes.

MR. CHAIRMAN: Are the members agreed?

HON. MEMBERS: Agreed.

MR. SZWENDER: Mr. Chairman, to any of the interveners. You've emphasized the word "confusion" to the public on a number of occasions. I think that seems to be the basis of your argument. Would I be out of line or brash in suggesting that the phrase "confusing the public" could be replaced with "protecting economic interests" on your party's behalf? Would you like to comment on that?

MR. YEATS: I think that would be taking a pretty harsh position on it. Certainly the members of the society wish to remain distinctive in their own group, as we wish to remain distinctive in our own group. I don't think it has anything to do with the economics of the thing. We're both accountants, and we would earn our income based on our talents, not specifically on our designations.

MR. MUSGREAVE: Mr. Chairman, I'd like to know if there has there been any success in other provinces in Canada in melding the various organizations into one general category that the public could recognize, like we can recognize lawyers.

MR. AST: I think I can answer that question, Mr. Chairman, with the simple word: no.

MR. CHAIRMAN: If there are no further questions; Mr. Mack, would you have any closing remarks to make?

MR. MACK: Very brief remarks, Mr. Chairman. As has been indicated, our principal issue here is confusion. The issue is that there's confusion created over the duplicity in the two societies of the word "certified". I'd like to approach that, firstly, by starting to summarize our reasons for requesting the change.

My learned friend has commented to some length on the technical distinction between certified and registered. I would like to point out that while we think there is some merit in that, it is certainly not our principal reason for being before you. We wouldn't be bothering you and wasting your time if that were the only reason; however, it was given in response to a question to explain the distinction.

The word "certified", as we've indicated, gives us the facility of abbreviating the description on a bilingual and consistent basis. We think that's important because we are a national society. Additionally, we have international affiliations, and the designation is recognized on an international basis. Surely we're not so xenophobic as a province that we can't at least accept that, although admitting it's not the principal motivation. I think those are fair comments to make in respect of that.

Insofar as the confusion itself goes, beyond the reasons for wanting "certified", I think it's important to bear in mind that the word "certified" is descriptive not of the services provided but of the significance of the title. I've gone through that; I won't repeat my comments. It's important to bear in mind that the words "certified" and "accountant" are separated by descriptive words of the services; in our case "management", in their case "general". We each believe we have good reasons for that description and, with all respect, I suggest that that separation in words is sufficient to avoid confusion.

Beyond that, Mr. Chairman, I think I'm correct in saying that the members of the respective organizations are separately listed in the yellow pages, hence the comment that you might inadvertently phone one meaning to phone the other. I think the risk of that is pretty minimal.

Beyond that, Mr. Chairman, I'd like to thank you very much for the opportunity to be present this morning to present and speak to our petition. Thank you.

MR. CHAIRMAN: Thank you, Mr. Mack. That completes the presentation section of this private Bill's passage through the Assembly. Perhaps, Mr. Ast, if the interveners have any final comments?

MR. YEATS: Mr. Chairman, no. Rather than repeat our arguments, we would again like to thank the committee and the Chair for this opportunity.

MR. CHAIRMAN: As I said, then, this concludes the presentation of this particular Bill. Ordinarily the committee would be going in camera, but as there's no time for that today, I would entertain a motion to adjourn.

The Member for Edmonton Kingsway. Agreed?

HON. MEMBERS: Agreed.

The meeting adjourned at 10:08 a.m.