



**Legislative Assembly of Alberta**

**Standing Committee**

**on**

**Private Bills**

**Wednesday, May 2, 1984**

**8:32 a.m.**

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LEGISLATIVE ASSEMBLY OF ALBERTA

THE 20th LEGISLATURE

Standing Committee on Private Bills

Chairman: STILES, MR. STEPHEN, Olds-Disbury (PC)

Members: ALGER, MR. HARRY E., Highwood (PC)  
APPLEBY, MR. FRANK P., Athabasca (PC)  
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MARTIN, MR. RAY, Edmonton Norwood (NDP)  
MUSGREAVE, MR. ERIC C., Calgary McKnight (PC)  
NELSON, MR. STAN K., Calgary McCall (PC)  
OMAN, MR. ED, Calgary North Hill (PC)  
PAPROSKI, MR. CARL M., Edmonton Kingsway (PC)  
PAYNE, HON. WILLIAM (Bill), Calgary Fish Creek (PC)  
PENGELLY, MR. NIGEL, Innisfail (PC)  
SHRAKE, MR. GORDON, Calgary Millican (PC)  
SPEAKER, MR. RAYMOND A., Little Bow (Ind.)  
STROMBERG, MR. GORDON, Camrose (PC)  
SZWENDER, MR. WALTER RICHARD, Edmonton Belmont (PC)  
THOMPSON, MR. JOHN M. Cardston (PC)  
TOPOLNISKY, MR. GEORGE, Redwater-Andrew (PC)  
WEISS, MR. NORMAN A., Lac La Biche-McMurray (PC)  
ZIP, MR. BOHDAN (Bud), Calgary Mountain View (PC)

[Chairman: Mr. Stiles]

[8:32 a.m.]

**MR. CHAIRMAN:** I call the committee to order. We have a number of Bills to deal with this morning. We propose to deal first with Bill Pr. 12, the Alberta Association of Municipal Districts and Counties Amendment Act. We have Mr. Jack Edworthy here on behalf of the petitioners for this Bill. I should tell you, Mr. Edworthy, the proceedings of the committee are relatively informal. But if you're going to be presenting the case by yourself, we'll probably want to swear you so if there is any evidence that you are giving, it will be done properly. Mr. Clegg, if you wouldn't mind.

[Mr. Edworthy was sworn in]

**MR. CHAIRMAN:** It's perfectly in order for you to be seated to present your case, if you wish, Mr. Edworthy; whichever you prefer. If you'd like to make any opening remarks or introduce the substance of the Bill, then perhaps you might want to answer the questions of the committee members.

**MR. EDWORTHY:** Thank you, Mr. Chairman. My name is Jack Edworthy; I'm the executive director of the Association of Municipal Districts and Counties. The object of our Bill this morning is to tidy up our Act of incorporation. I should explain to you that the contents of this Bill were the subject of a resolution at our spring convention in Red Deer. All the items mentioned in the Bill were passed unanimously at that convention. There are several changes we want to make, some of them just housekeeping.

In section 4 of our Act of incorporation, which was first done in 1923 and amended in 1971, there was a spelling error where it said "accept and indorse all bills of exchange". "Endorse" was spelled with an "e"; we would like to correct that to an "i". The second change: our lawyers have told us that, to be absolutely legal, they wanted us to include the words, "cities, towns, villages" in section 6 where we make reference to those organizations who are able to become associate members of our association. Also in that very same section, the words "municipal" and "community" were run together, and there should be a comma following the word "municipal".

Section 8(3) refers to the term of office of the directors of our association, and our bylaws were changed three or four years ago to read "two". Our directors have been serving for just two years, and we want to legalize what we've done, by changing that section from four years to two years. We wish to strike section 8(4) in its entirety. That section says:

The president, vice-president and directors shall appoint a secretary-treasurer or secretary-manager at their first meeting after the annual convention.

Our solicitors have pointed out that secretary-treasurers of municipalities or counties do not have to be appointed each year and therefore make the request that that section be struck in its entirety from our Act of incorporation.

**MR. CHAIRMAN:** Thank you, Mr. Edworthy.

**MR. THOMPSON:** Mr. Chairman, maybe you could clarify this for me. Why is this a private Bill and not just a regular Bill of the Legislature? Was this Act originally a private Act of the Legislature?

**MR. EDWORTHY:** Yes. I understand that in chapter 67, 1923, it was a private Bill and a private Bill when it was amended in '71, chapter 116.

**MR. THOMPSON:** I'm sure you're right, but I'm just confused.

**MR. CLEGG:** Mr. Chairman, a private Act may be amended by another private Act and, generally speaking, public legislation is not used to make amendments to private Acts, unless it's being made without the concurrence of the petitioners. It was originally dealt with as a private association, and it continues to be dealt with in that way. It's always possible for any organization which is governed by private legislation to later become governed by public legislation, if it is felt that its operations affect the public more than they used to. But in this particular case, they're only seeking amendments, and no policy change has been indicated which would show that this should be brought under public law. It remains an association governed by private law and should be amended by private Bill.

**MR. CHAIRMAN:** Do you have any other questions of Mr. Edworthy?

**MR. CLEGG:** Mr. Chairman, I'd just like to mention for the record that the change in the spelling of the word "endorsed" is being changed around to strike out "indorse" with an "i" and substitute "endorse" with an "e". I may have misheard, but I think Mr. Edworthy said it the other way around. The problem is that as it stands now, the word has a different meaning. It's not really a misspelling; it's a different word.

**MR. CHAIRMAN:** Thank you, Mr. Clegg. Since there are no other questions, Mr. Edworthy, I believe that takes care of your submission for today, unless you had some final comments you wanted to make.

**MR. EDWORTHY:** No, that's okay.

**MR. CHAIRMAN:** We'll be taking the Bill under consideration, and we'll be getting back to you.

**MR. EDWORTHY:** Thank you.

**MR. CHAIRMAN:** I guess we'll deal with your Bill next. The solicitor for the petitioners for the other Bill we are to deal with this morning, Bill Pr. 9, is here but apparently his witnesses haven't arrived yet. I don't imagine you'll mind dealing with yours next.

This is Bill Pr. 5, the Alberta Savings & Trust Company Act. As you know, Mr. Knaak, our proceedings are not particularly formal. However, it will be necessary for your witnesses to be sworn. Mr. Clegg, perhaps you could tend to that.

[Messrs. Alldritt, Cox, and Gibbs were sworn in]

**MR. CHAIRMAN:** There'll just be a brief delay while

we wait for our recording secretary to come in. [Not recorded] go ahead now with your opening remarks.

MR. KNAAK: Thank you very much, Mr. Chairman. By way of introduction, I would like to say that it's nice to see my friends and colleagues at the Legislature again. I really enjoyed them and miss them as well, especially the tough arguments they used have with me at times.

The petitioners with respect to this trust company are longtime Edmontonians and Albertans. The Alldritt family is well known to Edmontonians. They've been in business here for over 30 years, and those of us who live in Edmonton are very familiar with their very substantial business activities. As many of the members know, I was here during the last four years and saw various petitions for trust companies come through. This one is somewhat different. As pointed out on page 2 of the submission you have before you, it's a private company owned and controlled by the Alldritt family, who own and manage assets in excess of \$150 million even at these deflated prices. So we're talking about a company that has very substantial financial backing.

As well, the Alldritt family has seen Edmonton go through various economic crises in the province of Alberta, understands the province of Alberta and northern Alberta and the rest of Canada very well. Notwithstanding the various swings in the Alberta economy, the Alldritt family has maintained its business activities almost exclusively in the province of Alberta and intends to continue doing that, unless there's some very good reason for moving to another part of Canada, which they don't foresee in the reasonable future.

Mr. Cox, one of the petitioners, is with us. He's a longtime Albertan, a very senior member of the Alberta Bar. He's a lawyer and senior partner in his law firm. Mr. Raymond Gibbs, who is a chartered accountant and chief financial officer of Alldritt Development Limited, is present as well to answer any questions.

You will note the mix in terms of the petitioners: two very successful, well-established businessmen; two lawyers, who are longtime members of the Alberta Bar and experienced with the Alberta economy; and a chartered accountant who is fully familiar with the financial elements. In other words, the five petitioners as a group are fully aware of the responsibilities imposed on them by the Trust Companies Act and are fully aware of the economic and business environment as well.

One of the tests that's imposed on the Private Bills Committee is to ensure there is some element of need for this trust company. Mr. Chairman, members may be aware that of the 51 trust companies operating in Alberta presently, only five are Alberta-incorporated companies. In the last 10 years, only two Alberta-incorporated trust companies remain operating. What has happened? I presume what has happened is that trust companies from other parts of Canada have come in or expanded to take up the slack. We respectfully submit that it is an advantage to Albertans and Alberta to have a trust company backed by the resources we're talking about, with Albertans who've been here and understand the economy. As well, we're aware we're in an economic recession of some sort. Mr. Alldritt and the other petitioners have not lost confidence in the Alberta

economy. They believe growth is on the horizon, perhaps not the dramatic growth we experienced during the 1970s, but they have complete confidence in the economy. We suggest that a trust company will not only provide a positive environment but will also help diversify the economy. There's no question that a strong financial centre and a strong financial industry in Alberta will help toward that goal of diversification. It's not the large megaprojects that will turn Alberta into a diverse economy. It's this kind of business continuing to grow.

Mr. Chairman, the last matter I wish to discuss is the name. In this submission, under the heading "Name", we have letters from both the Registrar of Corporations and the director of trust companies clearing the name Alberta Savings & Trust Company. I've been made aware that there is an issue of whether or not the name Alberta Savings & Trust Company could reasonably be confused with the Alberta Heritage Savings Trust Fund. In the opening comments I presented to you, I stated that in my view such confusion is unlikely to exist in a practical sense, since the Alberta Heritage Savings Trust Fund is not in business with the public. It doesn't accept deposits; it doesn't certify cheques. It doesn't act as a trustee for estates; it doesn't issue mortgages to individuals. It's an Alberta trust fund; it's a heritage savings trust fund.

One of the obvious things it doesn't have is an "and". This company has an "and"; it's Alberta Savings & Trust Company. The other one is the Alberta Heritage Savings Trust Fund. As we know, those words all have meaning. The name is also different because we have no "heritage" in the name we propose, and the words "savings" and "company" don't exist in the Alberta Heritage Savings Trust Fund.

One of the things members may not be aware of is how difficult it is to clear a name. Subsequent to being advised by Mr. Clegg that there may be concern with this name, we tried to clear various other names. It's virtually impossible to find another suitable name for a trust company. It almost appears that there's some kind of stricter test now than there has been in the past. As a practitioner, I've cleared names for numerous years, and somehow it's getting more difficult.

The other name that would be acceptable to the petitioners is Pacific Security Savings & Trust Company. I point this out as well in the opening comments of the submission. I should make the members aware, Mr. Chairman, that the Registrar of Companies has provided me with a letter. I've made copies of it, but it's short enough that perhaps I can just read it.

I have reviewed our corporate names records to determine whether the above proposed name is likely to be confused with any existing corporations.

In other words, not trust companies but any existing corporations.

It is my opinion that the name "Pacific Security Savings & Trust Company" may be confused with "Pacific Saving and Mortgage Corporation", a British Columbia company which is extra-provincially registered here. I would, therefore, recommend that "Pacific Security Trust Company" may be a much

more desirable alternative.

We don't particularly like Pacific Security Trust Company, and the director of trust companies does not like Pacific Security Trust Company at all. I asked the director of trust companies whether he had a concern with Pacific Security Savings & Trust Company. He was not clear on that, because he was aware that the Registrar of Corporations had already expressed his personal opinion — this is his personal opinion; one man's opinion — that it may lead to confusion.

I would like to submit to the Private Bills Committee that there's no confusion between Pacific Security Savings & Trust Company and the British Columbia company called Pacific Saving and Mortgage Corporation. If we talk about confusion, it has to be in some context. We're not talking about walking up to a fellow on the street: would you be confused about these two names if you just heard them briefly? We have to talk in some business context. The question surely is: would a person who is involved in dealing with either a trust company or a mortgage company be confused in where he wants to deposit his money or where he wants to obtain a mortgage or whose securities he might wish to buy?

This company is going to be a private company and will not be issuing shares to the public. Therefore there's no issue there. It will be a trust company accepting deposits and making loans. A mortgage company cannot accept deposits; it cannot act as a trust company. It can't even act as a savings company in the sense of accepting deposits unless it issues a prospectus. If it issues a prospectus, there's no confusion because the person would read the prospectus carefully. So I would respectfully submit that there is in fact no practical problem in terms of confusion that may result between our suggested alternative, Pacific Security Savings & Trust Company, and the British Columbia corporation which is called Pacific Saving and Mortgage Corporation. I would ask the committee's support in clearing that name.

There is one other matter which has to be approved. The director of trust companies has to approve the name as well. He has a problem with the existence of a company called Pacific Security Trust Company. No, that's not the name. There is a company in existence in Ontario called Security Trust Company. It does not do any business in Alberta, and it's not registered in Alberta. He's concerned that Security Trust Company would be confused with the name the registrar suggested, Pacific Security Trust Company, but we don't like Pacific Security Trust Company in any case.

Apparently there's also a company in Alberta, which went out of business approximately 15 years ago, by a more or less identical name, called Security Trust Company or Security Trust Company Ltd. I don't know; it's one of those two. One of those companies has Ltd. behind it. We just had this discussion by phone yesterday.

So it would appear to me that it's a decision for the Private Bills Committee to determine whether or not our proposed alternative, being Pacific Security Savings & Trust Company, would reasonably conflict with the B.C. company called Pacific Saving and Mortgage Corporation or the Ontario company called Security Trust Company, that doesn't even operate in Alberta.

Mr. Chairman, that concludes my remarks. Thank you.

MR. CHAIRMAN: Thank you, Mr. Knaak. We'll now open the matter for questions from members of the committee.

MR. ALGER: Mr. Chairman, I'm at loose ends as to what name you'd prefer to have. Would you prefer Alberta Savings & Trust Company, as it's presently written, over Pacific Savings & Trust Company?

MR. KNAAK: Mr. Chairman, the first preference would be Alberta Savings & Trust Company.

MR. ALGER: Mr. Chairman, for what it's worth then, I would have to suggest that that would be the title to be allowed, if we were to make that decision. I am not sure we are. In any event, there is no more confusion in my mind with that particular name than with the Alberta Home Mortgage Corporation, the Alberta Housing Corporation, the Alberta Opportunity Company, all those things. If you're not reading the literature right, you're not going to go to the right place anyway. I personally would have no problem at all with the Alberta Savings & Trust Company being confused with the Alberta Heritage Savings Trust Fund. I don't think there's a connection there that should enter anybody's mind.

Thirdly, if I were naming this company, I'd call it the Alldritt Savings and Trust Company. And what would be wrong with that?

MR. ALLDRITT: Mr. Chairman, I believe the province of Alberta would carry a lot bigger clout and more security in people's minds than the name Alldritt.

MR. ALGER: Mr. Chairman, I don't really agree with that at all. When I think of Alldritt, I think of a lot of security, compared to Alberta.

MR. HYNDMAN: Mr. Chairman and members of the committee, my remarks will be brief, because I am here simply to make a submission that I believe the title of the proposed company would cause some confusion in the minds of the public. But I am not here to indicate in any way any concern about this proposed new trust company. In fact, I think we should all applaud those who would see a new company on the Alberta financial scene. I believe their initiative should be congratulated, and it has a good future.

My concern, though, is that I believe very simply that the name Alberta Savings and Trust Company would cause and lead to confusion, uncertainty, and puzzlement in the public of the province of Alberta. My reasons for saying that can be shortly stated. Firstly, in the Alberta Heritage Savings Trust Fund — which after nine years is, I suggest, a key part of the financial and fiscal part of this province — there are four key words. With the proposed title of this new trust company, three of those four words are the same. Bearing in mind that in this day and age people are bombarded with large numbers of advertising and other communications from funds and trust companies, I suggest that to have three of the four words exactly the same will probably lead to

some degree of confusion.

The other suggestion I'd make is that there is already evidence of confusion. There is a company in the province called the Heritage trust company. I am informed that they regularly receive phone calls and letters addressed to the Alberta Heritage Savings Trust Fund. Similarly, the Alberta Heritage Savings Trust Fund receives correspondence and telephone calls destined for the heritage trust company of the province Alberta. Needless to say, those citizens who are inquiring are not impressed with the fact that they have to go through another extra series of hoops in order to get through to the people they originally wanted to contact. So for the proposed new trust company, I think this may cause them a nuisance as well, bearing in mind the experience we've had with the conflict and the confusion that's already there.

In conclusion, I simply want to say to the committee that I commend the establishment of a new trust company. I have no concern whatever, and in fact I am delighted to see a new arrival on the Alberta financial scene, providing new choices for Albertans. But I believe Albertans now realize and feel and see that that trust fund is an integral part of their daily existence — to the effect, for example, it's keeping their personal income tax this year to half what it would normally be — and it is not in the public interest to have that confusion continued. I believe it would do so if we proceeded with the name Alberta Savings & Trust Company Act.

MR. ALGER: Mr. Chairman, through you to Mr. Hyndman. I am wondering now if that confusion does exist — and I'm sure you've probably given it a lot more thought than I have. But the fact remains that if indeed the investor wants to come to a company with an Alberta heritage, if you like, wouldn't they be more inclined to come to Alldritt Savings and Trust Company than they would to Pacific Savings and Trust Company? Pacific lends me to think that it's a British Columbia proposition, a Vancouver-based company. I give them credit too for starting an Alberta trust company; I think that's magnificent. But to call it Pacific throws me completely off the trail. If it was called Alldritt, I'd be thoroughly pleased. I don't know why, but I would.

MR. HYNDMAN: Mr. Chairman, I wouldn't want to offer any comments as to what might be preferable alternatives. I share the view of the committee and Mr. Knaak that these people who are proposing the company are people of substance and of reputation in Alberta. But as to alternatives, apart from the name with which I have some concerns, I think I would leave that to the committee.

MR. ZIP: I concur with the observations of both the Member for Highwood and the Hon. Lou Hyndman. I have also thought about the Heritage Savings and Trust Company. There are too many companies starting with Alberta, and that's another source of confusion, regardless of what anybody argues. I would strongly argue for a completely different submission of names than the two you have proposed.

MR. WEISS: Mr. Chairman, I would like to ask the petitioners, through Mr. Knaak, to clarify another issue, not regarding the name whatsoever. But prior

to that, I'd like to comment and support what has been said by others, that we certainly applaud and I personally welcome the Bill and certainly wish them well if it were to be approved. I think it's certainly a credit to all Albertans, in today's period of adjustment, to see new companies coming forth and investing in Alberta and, in particular, Albertans themselves.

Mr. Chairman, my question to Mr. Knaak is to clarify. Did I hear you say that there would be no inception or request for funds, that it would be all capitalized under the group that is suggested in Pr. 5?

MR. KNAAK: Yes, Mr. Chairman. The petitioners themselves intend to put in the required amount of cash to commence the trust company, which I believe is a minimum of \$3 million as required by the Canada deposit insurance Act. Our Act only requires \$2 million, but that Act requires \$3 million, so the initial capitalization will be a minimum of \$3 million.

MR. WEISS: So at this time there is no intent to offer any public shares or call for funds?

MR. KNAAK: No there isn't, Mr. Chairman.

MR. CHAIRMAN: Do you have any other questions, comments?

MR. WEISS: Mr. Chairman, there was one other short question I had for Mr. Knaak. In their brief they say such things as they would slowly expand throughout northern Alberta as the market would dictate. To the petitioners, I am curious to know what they envision. As a northerner, I am particularly interested. For example, would they be looking to the future expansion into some of the larger urban communities or smaller rural communities, establishing field offices where they would be accepting deposits and have moneys available for loans? In the business climate, we feel a lot of Albertans in northern Alberta are misunderstood because some of the higher echelons in the banking industry have said, hey, we don't know what's going on up there. If this is Albertans, involving Albertans' money, and they have a better feel for what's happening in those communities, would they be involved firsthand, and would they be looking to establishing offices in these locales? I would be very interested in their comments.

MR. ALLDRITT: Mr. Chairman, I could field that question. I think it's true that our thinking would be that the economic times would dictate just what type of growth we have. With our company, we have been very slow to expand to other centres, hoping to more or less specialize with Edmonton and area, and become specialists at that. Our thoughts of expansion are only a far-off thought at this time, but northern Alberta would be where we would expand to if and when the times were right. But we couldn't say when. We just have to see how it goes.

MR. ALGER: Mr. Chairman, with all this high-powered help down here, I can't help but wonder who's looking after this \$150 million store. All I want to point out is what I think is a typographical error of page 2: "owns and manages in excess of One Hundred

Fifty Million". It's typed as "\$150,000.00) Dollars in assets".

MR. KNAAK: Thank you very much. We did pick that up. That's why we repeated the \$150 million. That is a typographical error. It should have been \$150 million.

MR. ALGER: Was it mentioned earlier?

MR. KNAAK: No, I didn't mention the typographical error. I just mentioned that the company's assets exceed \$150 million even in these depressed price times. Thank you very much.

MR. STROMBERG: Mr. Chairman, if an additional word were added, such as the Alberta "first" saving and trust company or the Alberta "national" saving and trust company, would that satisfy the Provincial Treasurer?

MR. HYNDMAN: I think there's still a concern there, Mr. Chairman. I suggest that it's the fact of the words "Alberta", "savings", and "trust", which have become almost embedded in the fabric of Alberta society over the last nine years. This is a fund set up by the Legislature of the province. It is unique in Canada. It is of an amount which is very sizable. And I suggest that it is something which is discussed around the kitchen tables of the province and will be in generations in the future. Therefore I think that the three words — "Alberta" and "savings" and "trust" — would cause a problem.

MR. CHAIRMAN: There are no other questions by committee members, Mr. Knaak. I believe that will complete our hearing of your submissions today, unless you have some closing remarks you'd like to make.

MR. KNAAK: I have a closing comment, Mr. Chairman, if I may.

MR. CHAIRMAN: Yes.

MR. KNAAK: Thank you, Mr. Chairman. With respect to the possible confusion in the minds of the public, I just reiterate that we're talking about practical confusion. I know the Treasurer didn't mention that anyone came to the offices of the Heritage Savings Trust Fund to make a deposit or withdrawal, but I understand the point he's making.

As an alternative, I then urge very strongly the name Pacific security savings and trust company. I'm aware I will need the help of the committee, the chairman, and probably the Minister of Consumer and Corporate Affairs to get this name cleared. It is our strong view that there is no practical confusion between this name, Pacific Security Savings & Trust Company, and the other one mentioned. I will leave the letter from Mr. Proskiw here for your information, so you know what the issue is. In terms of the director of trust companies, I think he was reluctant to comment on this name, because it was more or less the opinion of Mr. Proskiw that there was a possible conflict. He didn't say there would be a conflict, but a possible conflict.

With respect to the name that was chosen by the petitioners, I ask the committee to defer to their

choice. I am inclined to do so. They've been so successful. It's sort of hard to argue with that kind of success. I just ask your support in that.

Thank you very much.

MR. CHAIRMAN: Thank you, Mr. Knaak.

The next matter we have before us this morning is Bill Pr. 9, the Jewish Community Centre of Edmonton Act. I'd like to welcome Mr. Earl Parker, solicitor for the petitioners, and Mr. Leon Miller and Mr. Phillip Levine.

Mr. Parker, if the witnesses you have with you are going to give evidence, it will be necessary for them to be sworn. I would ask Mr. Clegg to do that at this time. We presume that you aren't going to be giving evidence yourself, so it's not necessary to swear you.

MR. PARKER: That's correct, Mr. Chairman.

[Messrs. Levine and Miller were sworn in]

MR. CHAIRMAN: I'm sorry. I should have mentioned Mr. Walker's group from the city of Edmonton. It will also be necessary to swear his witnesses. I believe Frances Lapp and Ernest Mulyk are going to be appearing for the city.

[Mrs. Lapp and Mr. Mulyk were sworn in]

MR. CHAIRMAN: Thank you, Mr. Clegg.

As you are perhaps aware, Mr. Parker, the proceeding is that we'll ask you to make an opening statement to set out the gist of the Bill. I believe the city of Edmonton will want to be heard also. Then the committee members will probably have some questions they will want to ask of your witnesses. So if you'd like to go ahead with your opening remarks.

MR. PARKER: Mr. Chairman, is it customary that I stand or remain seated?

MR. CHAIRMAN: It's entirely up to you.

MR. PARKER: Mr. Chairman, perhaps I could paraphrase from a short brief that's been prepared. I think it's been distributed to the members of the committee, if they wish to follow.

The Jewish Community Centre of Edmonton was first incorporated under the name Hillcrest Foundation of Edmonton under part 9 of the Companies Act on October 2, 1975, as a nonprofit company whereby all its revenues and assets are used solely for charitable purposes. That would of course apply on dissolution as well.

In every respect other than name, it's similar to most YMCAs and is in fact what could be called a YMHA, a young men's Hebrew association. In years past in other cities in North America, both in Canada and the U.S., when organizations such as this were incorporated or founded, they were often called YMHAs, young men's Hebrew associations. But the name is really a misnomer these days, because many of the members are not that young; they're older. They're men; they're women. Many of them are not Jewish. So the old Y sort of name is really a misnomer. Those organizations that have had the Y name for years have simply kept them. But some of the new organizations such as this use names such as

community centre, centre, or names of that like.

The property on which the centre is located was acquired late in 1975 and, during the next few years, the organization enlisted the help of various members in planning the operation and how it was going to evolve. The centre has a policy of open membership to people who are of course Jewish and non-Jewish and has approximately 1,800 members. That's counting various persons in each family as individual members. The fees vary from \$105 to \$420 per year, depending on age and family memberships, and are similar to those charged by the local YMCA.

The programming offered by the centre includes cultural programs whereby artists, lecturers, and entertainers are sponsored, sometimes in co-operation with Alberta Culture. There are recreational programs, including hobby clubs, cuisine, acting, music, pottery, folk dancing, kindergarten, and a lot of other activities that are really too numerous to mention in this forum. The phys ed program is also extensive, offering various team sports and different gymnastic things, as well as a full aquatic program.

The Temple Beth Ora congregation, which is the reform congregation in Edmonton, uses the building for religious services and related activities. Members of the committee may recall that the Beth Shalom congregation synagogue — that's the one on Jasper and 119th Street — suffered a fire in 1980. A church suffered a fire just down the street on Jasper Avenue either shortly before or shortly after that. The Beth Shalom congregation used the centre for services and for its administrative offices for the better part of a year.

There's a play school that's operated from 9 till 11 a.m. for preschool kids. There's babysitting and food service provided. Appendix 1 to the brief is the spring and summer program for 1984, a little orange brochure which just summarizes the host of programs and activities that go on at the centre. The YMCA and the centre have an arrangement whereby the YMCA operates the pool and aquatic program. It has done so since January 1, 1983, and I'm advised that since that time the attendance has exceeded 20,000 persons.

Major funding is provided by direct donations, by the United Jewish Appeal, and by a trust that was established by the members, as well as by membership fees. Membership fees are the smaller part of the total funding picture. There's also some further funding from the pro shop, cafeteria, and some secondary sources.

As I said before, the centre is really a YMHA in everything but name. Like the YMCAs, it's operated for educational, religious, recreational, charitable, and other purposes, for the general benefit of the community. In terms of membership, there aren't any statistics kept on who's Jewish or non-Jewish, and it's not a question that's asked when people apply. But I think it can be seen that those programs of a cultural nature are attended predominantly by Jewish members, and those programs of an athletic nature are not dominated by Jewish members. There's probably a majority of non-Jewish members who make extensive use of the athletic facilities, including the pool, gymnastics and weight room, racquetball, et cetera.

It's hoped that this brief will be favourably received. Mr. Miller, who is the president of the

centre, and Mr. Levine, who is one of the directors, would be happy to answer any questions you may have regarding the history of the centre and how it's operated, as would I.

MR. CHAIRMAN: Thank you, Mr. Parker. Mr. Walker, if you'd like to make some remarks at this time.

MR. WALKER: Mr. Chairman and hon. members, my name is Reagan Walker. I'm a member of the city of Edmonton solicitor's office. I have here with me today Mr. Ernie Mulyk, the assistant city treasurer, and Mrs. Frances Lapp, the manager of administration for the city of Edmonton finance department.

Although the city of Edmonton is not opposed to some relief being granted to the Jewish Community Centre of Edmonton, it is opposed to this relief being granted by way of the private Bill before you. Rather, it is the city of Edmonton's hope that you will allow the amount and timing of the relief to be determined by the city of Edmonton council, in correlation with the numerous other ethnic, cultural, and recreational groups that apply to the city for relief, and that this relief be considered as part of the city's general grants-in-aid program.

The private Bill before you today is actually the third in a series of encounters that Mr. Parker and I have had on behalf of our respective clients. Originally, the Alberta Assessment Appeal Board entertained an appeal from the assessment and denied the Jewish Community Centre an exemption. That was in November 1981. Later that year, in December 1981, the Lieutenant Governor in Council, on advice from the Local Authorities Board of Alberta, refused an exemption under the Municipal Tax Exemption Act.

Having failed in these attempts, relief was sought from this committee, presumably following the success of the Calgary Jewish Centre, which in June 1983 obtained a private Bill exempting it from taxation by the city of Calgary. Thus on July 5, 1983, the Jewish Community Centre of Edmonton wrote to former Mayor Cec Purves, asking for the city of Edmonton to support the private Bill. I was unable to locate the original copy of the letter — as you know, we've had a change of mayors since then — but I have here a copy of the centre's letter of that date. The request for support of the private Bill was referred to the city's Corporate Resources Committee, along with an extensive report on the impact this would have on the city itself and its cultural and community programs. I have with me as well a copy of this report, which I will give to the Clerk if desired.

On November 1, 1983, the Corporate Resources Committee of the city of Edmonton council reported to the city council and recommended that the school portion of the taxes on the centre be forgiven. The city of Edmonton council insisted instead, however, that this item be tabled until council dealt with the cultural policy from its public affairs committee. I have here a copy of the minutes of the council meeting, treating this application in that manner. In anticipation of the question of the hon. Member for Stettler, I might add that the November 1, 1983, meeting of council was the new council, duly elected, and thus is consistent with the approach we are



taking this morning.

The city of Edmonton has done a lot of work by way of review of its current cultural policy, the idea being to try to consolidate our approach to the various cultural and ethnic groups who apply to the city of Edmonton for relief. There are currently four private groups that are exempted from taxation by way of private Bills: the Edmonton Regiment, the Canadian Athletic Club, the YMCA, and the YWCA. In addition, there are 33 nonprofit groups who now pay taxes to the city in the amount of \$500,000 per year. There are also 26 other organizations of an ethnic or cultural nature who, in lieu of taxes, pay rents to the city for the city-owned land on which they operate. That brings the total of those groups to 59. So you can see that the Jewish Community Centre is one of a large contingent of groups that in one way or another would be eligible for tax relief.

In addition, a number of other cultural groups apply annually for cash grants from the city of Edmonton. In 1984, I believe we had 54 such applications, and I will give the clerk a summary of the grants-in-aid requests from cultural organizations in 1984. I might add, by the way, that the Jewish Community Centre of Edmonton was one of these groups and, in 1984, they have applied for a grant in the amount of \$100,000.

The city of Edmonton has taken the position that there is virtually no legitimate reason to distinguish between a cash grant and a grant by way of tax relief. Therefore, it is the desire of the city of Edmonton to review these programs and try to develop a consistent and fair approach, one that's fair to the taxpayers of the city of Edmonton and the applicants themselves, as well as the other groups who are also applying or who would be eligible for relief.

With this in mind, a review has been under way by the cultural committee, the Parks, Recreation and Cultural Advisory Board, and the ad hoc committee on culture. In other words, the city has obtained help from quite a few people to assist it in rationalizing and making consistent its treatment of these various groups. For example, the Parks, Recreation and Cultural Advisory Board is comprised of trustees from the separate school board, the public school board, a representative of the Federation of Community Leagues, a member of council, and a number of members at large.

I want to emphasize that throughout this review process, we have been very fair to the Jewish Community Centre of Edmonton. Bylaw 7449, which I'll also submit, passed late in 1983, established the Executive Committee of Council as the body to deal with applications for tax relief. On March 21, 1984, the Executive Committee of Council passed a resolution putting on hold the grant application of the Jewish Community Centre, pending the recommendation of this ad hoc committee on culture. However, at the same time it also put on hold any efforts on the part of the city to collect back taxes from the Jewish Community Centre, pending the report of the ad hoc committee, and it waived nearly \$50,000 in tax penalties. I have here a copy of the Executive Committee's resolution, which I'll also submit to the clerk. I might add that this Executive Committee of Council provided comparable treatment for the Hindu cultural society of Alberta, the Sikh society of Alberta, the Dutch

Canadian Club, and the Italian Cultural Society, all of which applied for tax relief at about the same time. We are being very fair to the Jewish Community Centre. We are trying to be fair to the other ethnic and cultural groups in the city of Edmonton.

In the spirit of fairness and equity among the various multicultural groups, Mayor Laurence Decore, who as you know is a bit of a champion of multiculturalism, wrote to the chairman of your committee on March 30 and asked that this committee postpone a decision on the Jewish Community Centre, pending finalization of the city's approach to the matter. I understand this would be very difficult for this committee to do. The Bill is before you; the applicant is before you. Therefore the position of the city of Edmonton is to oppose the Bill, pending finalization of its review of the numerous cultural and ethnic groups that are before it.

I might add that we have a number of concerns specifically in opposition to the Bill. At this point the private Bill would fragment our co-ordinated multicultural program at the very time when we are trying to put it all together. In addition, I don't think the YMCA is terribly relevant to the issue before you. I wasn't around in 1909 or thereabouts, when the private Bill exempting the YMCA from taxation was passed, so I don't know all the thinking that was behind the Private Bills Committee at that time. Times have changed since then, however, and there are numerous cultural and ethnic groups seeking relief similar to that granted in 1909. If relief were to be granted to all such groups, the erosion of the tax base of the city of Edmonton would put an insurmountable burden on the remaining taxpayers.

The Calgary Jewish Centre Act, although very similar to this Act, is a little different. The city of Calgary council decided to go the other way, more of a one-by-one approach to the various organizations and, I understand, indeed passed a resolution not objecting to the Bill. The city of Edmonton, as I mentioned to you, has not passed such a resolution and is not in favour of the private Bill approach.

Really, Mr. Chairman, we believe this to be a local matter. The centre is located in Edmonton; the Bill deals with taxes payable to Edmonton. If the city allows grants and/or tax relief to one group, it has to answer to the other groups seeking similar relief and to the remaining residents of Edmonton, who pick up the tab by way of the increased tax burden. It really isn't a provincial matter at all, other than through your general jurisdiction as the Private Bills Committee reporting to the Legislative Assembly over local matters within the province, such as companies and municipal governments.

Finally, we ask you to carefully consider what benefit can be provided to this applicant that cannot already be provided and is being provided by the city of Edmonton. Basically I think it's a difference of degree but not kind. Perhaps we are unwilling to give them as much relief as the centre would like. But the reason for not giving them as much relief is that there are a number of groups, many groups, similar to this organization, competing for relief from the city of Edmonton. It was felt that, in fairness to all such groups, it should be done on a consistent and well-studied approach.

Thank you very much, Mr. Chairman. That

concludes my remarks.

**MR. CHAIRMAN:** We have some questions from committee members.

**MR. WEISS:** Mr. Chairman, interesting remarks by both groups. I would like to try to establish, first through Mr. Parker — I believe a key is that, as you indicated, Mr. Parker, in media and others there is no difference between the Calgary submission and Bill Pr. 9. While I too wasn't here in 1909, the Act is there. So I would like to assist some of the committee members, such as myself, to show that there is no difference in the similarity to the Y groups and, in doing so, I want to ask a couple of direct questions.

I was very pleased when I heard your remarks that you don't keep statistics. That shows there is no difference between what you're operating and a Y group. But in particular, the joint use — for example, does your application form make any reference to nationality or racial background? That's a direct question; I'd like to put that as one. It's open to all.

Mr. Parker, you also referred to the fact that you use the facilities for religious services. Would you clarify? Did they pay rent for those services, so they were treated just as any individual group or corporation and the user fee or user policy has extended to any other group?

You did indicate — and Mr. Walker brought out the fact — that a similar private member's Bill exempted the group in Calgary. One clarifying point. Mr. Walker said that the group was supported first by the council, and I'm wondering if that is a possibility that could be dealt with. I realize you're into some differences of opinion. But one of the differences is with regard to the name. For example, the Y extensively uses and operates the pool. Is there any possibility, in the future, of addressing a name change that would clarify any doubt as to what the operation or facility is?

I realize those may be mixed, but I would like assistance through you, Mr. Parker, or others, to bring those issues out to help our decision. Because I appreciate that when the other Bill was before the committee, it was much easier to make a decision. It was very simple. The city of Calgary said: we support this Bill; we would like your committee to review it. I felt no second thoughts about: gee, are we establishing a dangerous precedent? Is somebody else going to turn around and take a position that this is the avenue to follow? With that in mind, I voted very clearly. I would like you to address those to help me in my direction and deliberation.

**MR. PARKER:** Perhaps Mr. Miller, who is the president of the centre, could answer. I think it's four questions that you have. He has more direct knowledge on some of the points than I do.

**MR. MILLER:** Thank you very much, Mr. Chairman and hon. members. The first question regarding nationality: under the Charter of Rights in Canada, that's not an allowable question. It has never been on our application. Our charter and our constitution basically open the membership to everyone. We have an executive director, whom we brought in from the United States to run the centre for us. He said to us: it's very difficult to tell who is Jewish and who

isn't, when a Mr. MacDonald, who happens to be Jewish, is a member. We don't ask any questions. We do know a number of the people from our synagogues and things and are aware of their Jewish background and heritage. But I can tell you that when you get into some of the very cultural programs and we start learning things about the Jewish holidays and things, I doubt if very many non-Jews do participate in those. However, when we do get into facilities like the use of the racquetball courts and the swimming facilities, when we do have some of our social functions, certainly the mix changes drastically.

Regarding the second question on the religious organization and if we charge a rent: most organizations who use the centre — and the Temple Beth Ora is one — do pay rent. But the rent that is paid is a very nominal rent, basically to assist us in covering the cost of janitor services and utilities. It in no way is an economic rent or a square footage rent that has any meaning. I believe they hold services there every Friday, and they also hold Sunday school there. They hold services on the Jewish holidays, and I believe their rent is something like \$1,500 or \$1,800 a year. So it is certainly not an economic rent.

Regarding your question on whether council help us, I'd like to refer this question to Mr. Phil Levine, one of my board members, who was present and was attempting to see that this motion did go through council. I'll let him explain that to you. I'll hand the mike to him, after your last question.

The last question you asked was the question regarding the name. When we originally set up the corporation to acquire this property, it was set up under the name of the Hillcrest Foundation of Edmonton. It was set up on that basis (a) to use a name very quickly, and (b) it had been bought from the private Hillcrest country club. It was decided, at some later date, to change the name to the Jewish Community Centre of Edmonton. In the true sense, it is a community centre of west Edmonton. It is primarily owned and operated by the Jewish community. Whether there will be a change of name in the future is something to be looked at. I'm not sure it's material in the decision that has to be made on a private member's Bill. We are primarily there to serve the people of west Edmonton, and the majority of the Jewish people live in west Edmonton. Our programs are open to all, as we said.

We do get very large, substantial donations from an organization which we call the United Jewish Appeal. That is similar to the United Way, except it is funds that are solicited within the Jewish community, by Jewish citizens of this community. Part of the moneys are used locally, to support programs such as the Jewish Community Centre. They're used to support the Jewish parochial school, and they're also used to fund a social services society we have and to provide, for people who need them, things like scholarships to go to camps and various things like that. Part of the funds also are sent as support to the state of Israel.

Phil, can you answer that third question, please?

**MR. LEVINE:** Certainly. Mr. Chairman and hon. members, in the fall of this year, we made representations to the council of the city of Edmonton — Mayor Purves was in office at the time — requesting that the Edmonton council, as had their

counterparts in Calgary, consider a resolution whereby they too would not oppose our coming before this committee with a private member's Bill. In their wisdom, the council of the city of Edmonton tabled the request for a resolution, sent it back to committee, wherein it was dealt with. As has been referred to earlier, a corporate resources committee recommendation came forward, suggesting that 50 percent, or the school taxes portion, be waived. That too got tabled.

The basic answer to your question is that prior to coming before this committee, we had sought to bring forward a private member's Bill, or to request same, in the session that preceded this one. We said: no, we will go to the city and try to follow the exact same route as had our counterparts in Calgary; namely, to approach the council, and then hopefully come forward to this committee with a parallel resolution. That was not the case and, as a consequence, it is not through our lack of efforts to obtain the same process and consideration from the city council and bring forward a resolution to you, that one is not here.

The city of Edmonton has seen fit, in their wisdom, to consider and intermesh the notions or the concepts of grants and tax relief. While on the bottom line the amount of our deficit is X dollars, and if we got a grant or tax relief it would be that much less, in our minds they are different issues. As a consequence, the city of Calgary saw fit to see them differently, to pass a resolution such that it could be dealt with in the manner you spoke of. On the contrary, the city of Edmonton has tabled the issue and decided to deal with the matter in a comprehensive fashion affecting a number of groups. We are therefore before you with a history of trying but without the success of a resolution.

MR. CHAIRMAN: Thank you. I'd just like to mention something as a matter of clarification. I don't do so in the sense of criticism at all, but there seems to be a misconception in the eyes of the public. I just picked it up now. Mr. Levine, I think perhaps you are under it also. These are not private members' Bills that we're dealing with today. This is a private Bill, and there is quite a difference. There are private members' Bills introduced in the Legislature by members of the Legislature. These are not private members' Bills. They're private Bills, and they are dealt with in quite a different way.

MR. LEVINE: I apologize, Mr. Chairman.

MR. CHAIRMAN: As I said, I'm not being critical of you, because it is a popular misconception. It's been picked up in the press. The press seem to do it all the time and cannot make the distinction for some reason or other. I don't find that it should be that difficult for them, but they apparently just aren't able to make the distinction.

MR. CLARK: Mr. Chairman, I guess most of what I was going to ask was asked by the member from . . . Where's he from?

MR. THOMPSON: Lac La Biche.

MR. WEISS: You don't know either.

MR. CLARK: I guess I want to be perfectly clear on a couple of things. I would ask if I'm right in assuming these two things from your presentation: one, as a centre you have applied to the city for tax relief; and two, the city is still considering this tax relief, along with other centres that are supplying a similar service. I guess the next thing I would like to ask to see if I'm right is if the centre is an integral part of the recreation and cultural facilities of the city of Edmonton. I would like those three.

MR. LEVINE: Mr. Chairman, hon. member, may I respond to the first question. We initially requested that the city pass a resolution not to oppose us with respect to a private Bill coming before the provincial Legislature. In that sense we did not formally apply to the city for tax relief initially but rather for nonopposition, if I can use that word. The subsequent discussions and deliberations of this matter at council had us go forward to council again when the new council came into being and took office in October, whereby we were of the view pursuant — Mr. Parker will have to give you the legal reference, but I think there is an Act that allows municipalities to grant tax relief. So we made application to city council to get tax relief under that particular provision.

MR. PARKER: Mr. Levine, I think you're referring to section 106 of the Municipal Taxation Act, where council can grant relief from taxation on a particular property.

MR. LEVINE: Yes, and for a particular period. I think they would have to renew it every year.

So we made an application in the fall. We went forward and asked for a resolution that would wipe out our taxes for the 1983 year. In that sense we applied for tax relief, but council tabled that and referred it back to committee. Because we knew we could not deal with a private Bill with respect to our 1983 taxes but only with respect to our 1984 taxes, the only option left to us for the 1983 fiscal year was to then make application for a grant, which we got in just before the deadline for grant applications.

We didn't get a resolution not opposing our proceeding to the province, and we didn't get relief from our taxes. So we went for a more positive gesture, which is the grant which was referred to earlier. I presume that that application is being deliberated. That's the long answer. The short answer is that technically we have applied for tax relief, but it hasn't been granted. We are now sitting with a grant application in to the city which has not been acted upon. Not that we've been singled out for any special treatment, but I believe they have a lot to review. We'll get the answer on our grant application. I must say we are not optimistic that the grant amount we have asked for will in fact be acceded to. However, that is not in our hands; that is in the hands of the city.

The private Bill would permit us to get permanent tax relief, and it probably would cause us to say that we needn't ask for specific grants to assist us in our operations. We think there's a fundamental difference between requesting a grant to assist in one or other endeavours and to deal with the tax problem, which in a sense leads me into the answer to your second question. We see ourselves as a quasi social agency. We are a centre, and we provide a multitude

of services for the west end as well as the Jewish community. At the issue of the principle, we don't feel that to be taxed — we are not a private club. We are not seeking to make a profit. In our view we are providing a service that, if we didn't exist, would probably have to be provided by some public body, possibly the city, possibly some of our recreational programs by the parks and recreation department, possibly some of the cultural programs by the Ministry of Culture. By virtue of the fact that we're structured, we are in a sense saving some other public body, be it municipal or possibly provincial, the requirement for doing something for those people. As a consequence, there's the principle of taxing our facility when in fact we're providing a social service.

MR. CHAIRMAN: Thank you, Mr. Levine. Members of the committee, ladies and gentlemen, I regret to find this necessary — and particularly Mr. Walker, as I realize you wish to make some remarks in rebuttal or have one of your witnesses do so. Unfortunately, our time in the Assembly is limited; another standing committee of the Legislature meets at 10 o'clock. It's apparent that a number of members wish to ask further questions, and it's apparent that we will not be able to deal with this matter this morning. To conclude it, it's going to be necessary to ask you to come back next week to finish the hearing of this particular Bill. I hesitate to intervene in this way, in the middle of the remarks addressing the particular question. But unfortunately, I am afraid we're going to have to adjourn at this point and deal with this next week.

MR. WEISS: In fairness, Mr. Chairman, I suggest that they appear first, so they would be able to make sure they're through with their submission.

MR. CHAIRMAN: Yes, I agree with that.

MR. LEVINE: May I just ask a question? When we reconvene, can other people be present, or should we restrict ourselves to having before you just the six people who started this process?

MR. CHAIRMAN: No. I should point out to you that you're free to call as many people you wish as witnesses before the committee. If there are people who wanted simply to be here, these are public meetings, and the galleries are available if there are people who would like to hear the proceedings and not necessarily participate.

I believe we can entertain a motion to adjourn.

MR. HARLE: I move that we adjourn.

MR. CHAIRMAN: Thank you. Are we agreed?

HON. MEMBERS: Agreed.

[The meeting adjourned at 9:59 a.m.]