

[Chairman: Mr. Schumacher]

[8:34 a.m.]

MR. CHAIRMAN: Ladies and gentlemen, I see a quorum. I'd like to welcome the petitioners and counsel for the Federal Canadian Trust & Bond Corporation Act: Mr. Swist as counsel, Mr. Fred Benini and David Starko as petitioners, and assisting is Mark Vosler. Welcome to the committee this morning. As I've pointed out, our procedures: I'll first of all call on the Parliamentary Counsel for a report concerning the Bill; then we have any potential witnesses sworn; we then will give you an opportunity for an opening statement, Mr. Swist, followed by the evidence relating to the new proposed company, followed by questions from the committee, and then an opportunity to sum up if it's deemed necessary.

MR. SWIST: Thank you very much, Mr. Chairman.

MR. M. CLEGG: Mr. Chairman, this is my report on Bill Pr. 23, Federal Canadian Trust & Bond Corporation Act, pursuant to Standing Order 99. The purpose of this Bill is to incorporate a trust company. The form of the Bill complies with the form prescribed for Acts to incorporate trust companies pursuant to the Trust Companies Act. The Bill does not contain any provisions which I consider to be unusual.

MR. CHAIRMAN: Thank you, Mr. Clegg.

[Messrs. Swist, Benini, and Starko were sworn in]

MR. CHAIRMAN: Mr. Swist.

MR. SWIST: Thank you very much, Mr. Chairman.

Mr. Chairman, members of the committee, I want to first of all say that from our perspective as petitioners, although we understand the process, we feel honoured just at the opportunity of finding ourselves in these august surroundings. We are, as you all have been from time to time, I'm sure, when you commenced, a little bit awed by the surroundings; they are very reassuring and very powerful.

I want to say that this company which has found its way into the legislative process was an idea of mine that was originally conceived some 20 years ago. The opportunity, because of various personal obligations and business obligations, has never arisen until this time for appropriate steps to execute the idea.

I sensed back in late 1986 that several situations were arising domestically and locally which made the execution of this idea fortuitous, and as we and I continued investigating the circumstances, I became aware and apprised of the following. First of all, the federal government was moving towards substantial deregulation of the financial industry in Canada, and it was fully expected and anticipated that all of the provinces in Canada would ultimately follow suit, including Alberta.

It further came to my attention -- and I've been closely associated with the oil industry all of my legal career, some 25 years -- that the oil industry had finally bottomed out and, publicly at least, the real estate industry had finally bottomed out. It looked like the shakeout in the financial industry in western Canada, and perhaps all of Canada, had ultimately been finalized, and the opportunity for new growth or regrowth, depending on what terminology you want to use, presented itself.

As a result of that, I originally approached a few friends of mine with whom I had been associated over many years. In fact, Mr. Starko and I go back to grade school. What I wanted

to do was to gather together independent opinions and independent business capabilities and independent thinking in a corporation that would have the opportunity to do business in this province and ultimately in western Canada. I proposed to my friends -- all of whom, with the exception of Mr. Hawkins, are long-standing personal friends -- that in fact the company ought to be incorporated. I explained to them what I thought were the factors that augured well for the success of this corporation. I further suggested to them what I believed to be the appropriate name for the company, the appropriate objective for the company in terms of succeeding where others have failed, and I was ultimately able to persuade and convince these people that in fact by bringing together a relatively eclectic group, we could present to the Legislature and ultimately to the financial community in this province a new company at a time when all the old companies had for all intents and purposes completed the mergers or had left the market.

These petitioners originally gathered together numbered five, and they appear in the Bill. Mr. Fred Benini sits beside me, and beside him is Mr. David Starko; Mr. Peter McKeen from Calgary; Mr. Merv Henkelman, who is Mr. Benini's business partner in his Calgary operation; and myself. Ultimately, it turned out that Mr. Henkelman, notwithstanding that he was very enthusiastic about the company and notwithstanding that he allowed his name to stand on the petition, determined that he was in a financial position personally and he was in a corporate position with the other petitioner, Mr. Benini, in such a way that it was not going to be perceived in his best interests if he in fact continued. I thereafter sought out another close personal friend and long-time associate, Mr. William O. Colborne from Calgary, and he volunteered, after hearing the concept, that he would replace Mr. Henkelman.

Since that date Mr. Benini has persuaded me that we needed a representative on the group of original petitioners with accounting skills beyond those which we normally associate with accountants, and he brought into the fold Mr. Rodger Hawkins. Mr. Rodger Hawkins is a well-known CA, MBA with the firm of Dunwoody & Company in Calgary. Mr. Hawkins, after meeting with Mr. Benini, allowed his name to stand. A new petition now signed by six petitioners is in the hands of the Parliamentary Counsel, and we're asking that the Bill be amended to reflect the addition of the two new petitioners and the deletion of Mr. Henkelman.

With this particular group and with the economic climate as we collectively see it, we expect that an Alberta trust company with native Albertans -- and each one of the petitioners is a native Albertan -- represents a regrowth, a resurgence if you will, a renewal in the Alberta financial community at a time that's both reflective of what we consider to be good faith in the current state of the economy -- we believe it's turned the corner, as I've already said -- and ultimately a reflection of our faith in the Alberta economy.

We are asking that the committee and that the Legislature, with the committee's approval, allow the petition and recommend that in fact the Federal Canadian Trust & Bond Corporation be incorporated as a financial institution in and for this province. We have, in formulating the initial ideas with respect to a business plan, considered many avenues, and they will of course ultimately be presented to the superintendent of trust companies. We expect that this company will be a full-range financial service on par in approximately five years in terms of offering the kinds of services that are now only offered by national trust companies. We fully expect, to the extent that the

ultimate law with respect to trust companies in this province allows, to be put in a position where we'll be fully competitive with national financial institutions yet will be fully controlled and fully governed by the local authority.

On that basis, Mr. Chairman, I represent to the committee and to yourself that this trust and bond corporation gain your support and approval. Thank you.

MR. CHAIRMAN: First of all, Mr. Swist, in regard to the operations of the company, what's the significance of "Bond" in the name? It seems to be unusual as far as trust companies are concerned.

MR. SWIST: We anticipate that with the advent of deregulation and with the full flowering of that term -- that is to say, deregulating the financial community across Canada as well as elsewhere in the world -- new types of financial instruments are going to be created. Now, the bond itself of course is not a new instrument, but the bond, the way I've investigated it and studied it, might very well be, in terms of what is called an equity bond, a vehicle of the future. That will be a bond like the recently approved and issued Alberta bonds that don't carry a coupon -- that is to say, an interest rate -- but rather is more akin to a share and carries a full equity participation in the venture. It is with that intent in mind that the word "Bond" was added to the word "Trust": to appropriately reflect the broader scope of the potential financial services and financial vehicles available through this company.

MR. CHAIRMAN: With the permission of the committee, I'll ask. I notice that the head office is proposed to be in Edmonton. In what other parts of the province does the company propose to conduct business?

MR. SWIST: In our preliminary plan we expect to be offering services across the width and breadth of the province. Our head office will be in Edmonton. Within one year of commencement of operations we expect to open up an office in Calgary, and assuming optimistically the success of both of these operations, we would then expand our services elsewhere in the province. Ultimately, regulated of course both by other provincial governments and the business climate, we fully expect that we will be able to do business all across western Canada in approximately 10 years.

MR. WRIGHT: Has the name been checked out?

MR. SWIST: It has, both federally and provincially. I am the incorporator of another company bearing the name Federal Canadian, and it is the only company in Canada bearing that moniker, if I can use the vernacular. Of course, the company, which is controlled by myself and which is not operational, by the way, has consented to the use of the name.

MR. CHAIRMAN: Does any other member have a question or comment?

MR. M. CLEGG: Mr. Chairman, it will be necessary to prepare an amendment to the Bill to reflect the change in the names of the petitioners. I'd just like to ask if we could be advised of the professions of Mr. Colborne and Mr. Hawkins. That should be mentioned in the first section of the Bill.

MR. SWIST: Yes. Mr. Colborne is a business executive, and he is the president of Allied Land Services Ltd. Mr. Hawkins is a chartered accountant with Dunwoody & Company.

MR. WRIGHT: Do I take it you are here only because section 7 of the Trust Companies Act says you have to be?

MR. SWIST: Correct.

MR. CHAIRMAN: Well, if there are no further questions, I really don't think a summing up is required, Mr. Swist.

MR. SWIST: Thank you very much, Mr. Chairman.

MR. CHAIRMAN: Thank you.

Members of the committee, I'd like to welcome Jimmy W. Chow on behalf of his Bar admission Bill. Mr. Chow, you've had the opportunity to observe the presentation of the preceding Bill, and the procedures really for all Bills are the same. We'd like to welcome you at this time, and I'll ask Mr. Clegg to give us a report on the Bill.

MR. M. CLEGG: Mr. Chairman, as the Bill has not been received yet, I haven't prepared a report in respect of it. I would only say that this Bill would provide an exception to the general law that to be a member of the Law Society and practise law one has to be a Canadian citizen. That would be the unusual provision in it. This committee has considered other circumstances in the past which are slightly different from this one.

MR. CHAIRMAN: Well, Mr. Clegg, do I understand that the Bill that you anticipate will result from all of this is in more or less standard form?

MR. M. CLEGG: Yes, Mr. Chairman. That is the Bill that has been distributed to members, the proposed draft that the committee would look at if they agreed to deal with the matter at this stage.

MR. CHAIRMAN: Then I'll ask you to administer the oath.

[Mr. Chow was sworn in]

MR. CHAIRMAN: I'm sorry, Mr. Clegg. Our first task is to find out whether we are going to receive the petition.

MR. M. CLEGG: Oh, yes.

MR. CHAIRMAN: Mr. Chow, I guess the committee is concerned that the March 20 deadline for filing a petition was not met, and we would like to hear you on that area.

MR. GIBEAULT: I move that we accept this petition.

MR. CHAIRMAN: Okay. That motion is on the floor, and then we'll hear the . . . Thank you very much, Mr. Gibeault.

MR. CHOW: Mr. Chairman, hon. members of the committee, I'd like to first thank you all for giving me this opportunity to come before you and present to you my reasons for late filing of the Bill. I certainly do apologize for the late filing, but maybe a little history of mine will shed some light on this.

I entered Canada in 1977. I attended high school and subse-

quently university, and I finished my law degree in 1986, whereupon I commenced articles with the firm Burnet, Duckworth & Palmer in Calgary. At commencement of articles I was under a work permit; I wasn't an immigrant yet. The immigration process was still in the process. I only became an immigrant in January 1987. It was only thereafter that I was able to substantively work on my Bar admission problem. In January I also became ill and had to be confined to a hospital for a week and was subjected to a surgical operation, which took me essentially to February.

Prior to my immigration I inquired into my Bar admission problem, and I virtually had three options open to me. The first option was with respect to an action against the Law Society of Alberta. I did not have to do that because someone in British Columbia had already commenced an action in the case of *Andrews v. Law Society of British Columbia* and the Attorney General of British Columbia. In that case the British Columbia Court of Appeal held that the citizenship requirement violated section 15 of the Charter of Rights and Freedoms. The case is currently under appeal to the Supreme Court of Canada. Leave had been granted in November of '86. The decision will have a great impact on all the provincial legislation with respect to Bar admission once the Supreme Court comes down with the decision.

My second option was to apply for citizenship anyhow, despite the fact that I did not meet the residency requirement. I made this application after the beginning of the year.

My third option was with respect to the private Bill, and that lingered in my mind. I was not certain whether it was applicable to me. I did not know anyone who had used that route except one person, namely Timothy Marshall, who did this last year, I believe. However, his circumstances were somehow different in that he commenced his articles within a short period of time when the transition in the Legal Profession Act was made from British subject to Canadian citizen. Mr. Marshall was a British subject, so he was just caught within the provision or transition period. Also, Mr. Marshall wanted to practise law in Bermuda instead of Canada. So he was leaving the country, and he needed to be admitted to the Bar in order to practise in Bermuda. So I was convinced that the Private Bill route was not really applicable in my situation because my set of circumstances differed from his.

However, making further inquiries with respect to my second option, the option of applying for my citizenship, I realized that that option -- the chance of it being successful was virtually zero. I realized that afterwards. I talked to someone who made an application. She was not successful at the Citizenship Court level. She appealed it to the federal court, and at the federal court level she was successful. However, the governor in council, the minister, did not exercise his or her discretion in terms of making the recommendation. So even though she was successful at the court level, she did not become a citizen because the governor in council, the minister, did not exercise their discretion. I learned that afterwards, and after that I became really serious about my final and third option, which was the private Bill.

After talking with my principal at the law firm, I was encouraged to make further inquiries into the matter just before I left for my Bar admission courses. That was at the end of April, whereupon I sent my application and my documents here. So I do apologize for the late filing of the petition, but I hope the committee may consider it. I would really appreciate that in fact.

Thank you.

MR. CHAIRMAN: Thank you, Mr. Chow. I think that before we have any questions, I'll ask Mr. Clegg to read into the record the letter that you have before you from the Law Society of Alberta dated June 8.

MR. M. CLEGG: Yes, Mr. Chairman. This letter which has been presented to us and which I have here in the original is from the Law Society of Alberta, dated June 8, 1987, addressed to Mr. Stan Nelson, MLA.

Dear Sir:

RE: JIMMY W. CHOW - BAR ADMISSION

Mr. Jimmy W. Chow graduated from the Faculty of Law at the University of Alberta in 1986 and is currently articling with Burnet, Duckworth & Palmer in Calgary. Since Mr. Chow is not yet a Canadian citizen, however, he will not be eligible for admission to the Bar once he completes his articling year in July, 1987.

To overcome this inability to practice law, Mr. Chow has submitted a Petition for a Private Bill to waive the citizenship requirement for Bar Admission. The Law Society of Alberta has no objection to the Petition given the fact that Mr. Chow is a permanent resident, has resided in Alberta for almost ten years, and is currently stateless and gives his undertaking that he will obtain Canadian citizenship as soon as it is possible for him to do so.

Yours very truly
W.B. Kelly, Q.C.
Secretary.

MR. MUSGROVE: Mr. Chairman, I'm not familiar with our immigration laws, but my question is: does it take 10 years to become a Canadian citizen if you move into . . .

MR. CHAIRMAN: Mr. Musgrove, I think it takes a certain period of time, and I believe it's three years following landing as an immigrant. Mr. Chow's problem was that when he came in 1977, he was not landed as an immigrant. He was only landed as an immigrant in 1987.

MR. MUSGROVE: So it would be three years yet before he can get his Canadian citizenship?

MR. CHAIRMAN: Almost; it would be two and a half anyway.

MR. DAY: Mr. Chairman, along those lines -- Mr. Chow, was this your only investigation as far as citizenship, talking with this person who had had some difficulty?

MR. CHOW: I also talked to the Citizenship Court offices in Calgary, and they advised me that there was virtually no chance.

MR. DAY: No chance of becoming a citizen?

MR. CHOW: If I did not meet the residency requirements.

MR. DAY: So you would have to wait the three years, you mean?

MR. CHOW: Two to three years.

MR. DAY: I'm just wondering if there were any other factors keeping you from applying for the landed status as late as you did. After being here that many years and studying law, I guess the obvious question is why you didn't, say in 1984, apply for

your landed status.

MR. CHOW: I was not eligible then to apply for the position.

MR. DAY: How long do you have to be resident before you can apply for that?

MR. CHOW: It was only after I obtained employment from Burnet, Duckworth & Palmer that I was eligible for immigration purposes.

MR. M. CLEGG: Mr. Chairman, maybe I can offer a comment in clarification. I think it is not a question of eligibility but of qualification. I think Mr. Chow maybe could confirm this. To secure landed immigrant status one has to seek to qualify with a certain number of points, and those points are derived from a large number of factors including very many things: age, family status, education, linguistic ability, country of origin, current nationality, and also employment. There are a number of people who have almost enough points but don't reach the magic number, which I believe is 70, or it was until recently, unless they actually have a job offer. Once they acquire a job offer they then have sufficient points and then qualify and are able to get landed immigrant status.

MR. CHAIRMAN: Well, members of the committee, we have a motion that the petition be received. Are there any further questions for Mr. Chow before I call for a vote on that motion? Mr. Wright.

MR. WRIGHT: Well, this is a question actually to counsel. The last petitioner, the trust company, they were late with their filing requirements weren't they?

MR. M. CLEGG: Yes, Mr. Chairman, they were.

MR. WRIGHT: I'm most concerned that we set up a double standard here, Mr. Chairman. I think we could proceed with this petition without any inconvenience to ourselves. If the Legislature ends before we have time to process it, well, that's too bad, but apart from that I see no obstacle.

MR. CHAIRMAN: Thank you, Mr. Wright.

MR. WRIGHT: It's very creditable; we want to keep this guy employed.

MR. CHAIRMAN: Any further comments before I call for the vote?

All those in favour of receiving Mr. Chow's petition raise your hand? Opposed? Carried.

Now, in anticipation of the Assembly accepting our petition, would you like to deal with the merits of Mr. Chow's application for a private Bill? Mr. Wright.

MR. WRIGHT: I would like to move that we report and recommend this Bill to the Assembly, Mr. Chairman, if that's the correct formula.

MR. CHAIRMAN: We discuss this matter in camera before such a motion, don't we Mr. Clegg?

MR. WRIGHT: Well, who said we have to?

MR. CHAIRMAN: We are going into camera immediately. Well, I guess that gives Mr. Chow an indication of how the committee feels. Are there any further questions of Mr. Chow before we conclude the public portion of our business? Mr. Day.

MR. DAY: Mr. Chow, you're going to carry on with the citizenship process?

MR. CHOW: Yes, certainly. As soon as possible I will carry on with the citizenship process, yes.

MR. DAY: And are you aware of anything that might hinder that process now?

MR. CHOW: No, I'm not aware of anything.

MR. WRIGHT: As a matter of interest, what country do you originate from and why were you stateless?

MR. CHOW: I was born and raised in West Germany, and I lived there for 12 years. Thereafter I went to Hong Kong and lived there for four and a half years, and then I came over here. In Germany the country does not issue a citizenship based on where you are born but -- it's based on your parents basically, and I did not obtain a citizenship then. When I went to Hong Kong, I was only issued a certificate of identity, which gave me just an identity but not a passport, and therefore I am stateless essentially.

MR. CHAIRMAN: Mr. Chow, I mentioned that there was a three-year time. Can that be shortened at all? Can the time for citizenship be shortened from three years?

MR. CHOW: It's based on a calculation which is set out in the Citizenship Act. Essentially, you do require three years. However, it can be shortened to two years if you have lived here long enough before you apply for the citizenship. But the process of application itself takes a number of months, up to half a year, and that's why I say that it's two to three years essentially.

MR. CHAIRMAN: Thank you.

MR. M. CLEGG: Mr. Chairman, in the discussion that the committee had on this particular petition last week, a question was raised which I attempted to make some comment on in Mr. Chow's absence, but perhaps as he is here, he will be able to expand on that. That was this question: if he was a law graduate and had completed his articles but had not yet been admitted to the Bar, what would his employment possibilities be in the intervening period before he was able to become admitted and practise law in the normal sense?

MR. CHOW: I would essentially have two options. One would be to continue as a student at law and, secondly, to withdraw from the practice of law and do something else.

MR. M. CLEGG: Mr. Chairman, would it be possible for Mr. Chow to be a lawyer in employment, working for a corporation or for a government as a legal adviser, as opposed to practising law?

MR. CHOW: I'm not sure whether there are many oppor-

tunities in that regard, as a legal adviser. People would prefer to have lawyers, I think, who would be able to practise law and [inaudible].

MR. CHAIRMAN: I guess then I would ask: what are your employment prospects with Burnet, Duckworth & Palmer if you are not able to be called to the Bar at the end of July?

MR. CHOW: They would, I think, retain me as a student at law.

MR. CHAIRMAN: That's the indication they've given you?

MR. CHOW: Yes.

AN UNIDENTIFIED SPEAKER: That's the trouble with minimum wage laws.

MR. CHAIRMAN: Well, they pay articling students much more than in the olden days.

Any further questions, members of the committee? Thank you very much. As I've indicated, we always take the evidence we've heard with us in camera to discuss our feelings about the particular petition and report later. We will be advising you, Mr. Chow, later, after we've had a chance to deliberate on what we've heard. Thank you.

Now I'll entertain a motion to go in camera. Mr. Day. All those in favour, please signify. Opposed? Carried.

[The committee met in camera from 9:09 a.m. until 9:53 a.m.]

MR. CHAIRMAN: Could I have a motion to put all the motions except Bill Pr. 9 in the committee record? Mr. Gibeault. All in favour?

MR. WRIGHT: Well, no. I want to have my name shown against the private playground Bill.

MR. CHAIRMAN: Okay, except Bill 9 and Bills Pr. 15, Pr. 16, Pr. 17, and Pr. 18: everything but those five Bills. All those in favour? Opposed? Carried.

The motion with respect to Bill Pr. 9 was Mrs. Hewes' motion to proceed.

MRS. MacKENZIE: She made a motion not to proceed.

MR. CHAIRMAN: Well, okay. You'd rather deal with it procedurally as a motion not to proceed then?

MR. M. CLEGG: Which Bill was that?

MR. CHAIRMAN: Nine.

MR. M. CLEGG: The motion should be that we recommend to the Assembly that the Bill not be proceeded with.

MR. CHAIRMAN: Yes, there should be a motion not to proceed. Who's prepared to? Mr. Clegg will make that motion. [interjection] No. As I said, it's more procedurally in order to have it . . .

MRS. HEWES: And then defeat it, Mr. Chairman?

MR. CHAIRMAN: No, because we have to have a motion to report, and if it's defeated, we don't have anything to report.

MR. WRIGHT: It doesn't matter. I move that we report and proceed with Bill Pr. 9.

MR. CHAIRMAN: Procedurally correct. I'd rather have the motion that we had in committee. So, Mr. Clegg, with your permission -- will you withdraw your motion?

MR. G. CLEGG: Sure.

MR. CHAIRMAN: Okay. Mrs. Hewes, you move that we proceed with Bill Pr. 9. All those in favour? And you wish this recorded?

MR. WRIGHT: Yes.

MR. CHAIRMAN: Have you got the names?

MRS. MacKENZIE: Yes.

MR. CHAIRMAN: All those opposed? The motion is defeated. Bill Pr. 12: there was a motion that we not proceed with that. Whose motion was that? Mr. Musgrove, do you wish to make that motion now?

MR. MUSGROVE: Yes.

MR. CHAIRMAN: We have a motion that we not proceed with Bill Pr. 12. All those in favour of that? Opposed? Carried.

Bills Pr. 15, Pr. 16, Pr. 17, and Pr. 18: Mr. Musgreave moves that we proceed, recommends proceeding with those Bills. All those in favour? All those opposed? Three. [interjection] Yes, we have those. The motion carries.

Bill Pr. 20, Institute of Canadian Indian Arts Act. Mrs. Hewes moved that. If it's all right, we'll leave it with Mrs. Hewes. All those in favour as amended? Opposed? Carried.

Bill Pr. 23: Mr. Ady, you moved that Bill as amended?

MR. ADY: Yes.

MR. CHAIRMAN: All those in favour of the Bill as amended? Opposed? Carried.

Jimmy W. Chow: who moved that Bill in committee? Mr. Gibeault moved that Bill in committee. All those in favour? Opposed? Carried, on the understanding I will not report that until Monday.

MR. WRIGHT: What about those other ones, the lake Bills?

MR. CHAIRMAN: We did the lake Bills. I did them in one motion.

MR. WRIGHT: Oh, I see.

MR. MUSGREAVE: Mr. Chairman, does that clean up all our business?

MR. CHAIRMAN: I believe that does conclude all our business. I want to thank all members of the committee for their kind co-operation and assistance throughout this session. I really appreciate it. You've been very, very good. I'll now enter-

tain a motion to adjourn. Mr. Downey. Thank you very much, [The committee adjourned at 9:58 a.m.]
members of the committee.