

Standing Committee on Private Bills

8:35 a.m.

[Chairman: Mr. Renner]

MR. CHAIRMAN: Good morning, committee. I'm going to call this meeting to order. The first item on the agenda is Approval of Agenda. Everyone should have a copy. There are a number of pieces of material that were handed out this morning, one of which is the agenda. At this time I'd like a motion to approve the agenda as circulated.

MRS. LAING: So moved.

MR. CHAIRMAN: All in favour? Carried.

We also have the minutes from the previous meeting. I would like a motion to approve those minutes as circulated.

MR. YANKOWSKY: So moved, Mr. Chairman.

MR. CHAIRMAN: Are there any errors or additions or deletions? Seeing no hands, all in favour? Carried.

Now, just before we get started with our presentations from the petitioners, I want to briefly go through the handout material and explain. Some of this material just arrived. My feeling was that it would be better to hand out the material here this morning rather than trying to catch up with everyone yesterday and run the risk of some people not receiving it. So that's the reason you got the material this morning. There's a letter regarding Mosaic College from Advanced Education. There are copies of Bills included with this material, specifically Pr. 17. There are some fairly substantial changes to Bill Pr. 17 from what you have in your binder. This Bill came in right at the last minute before the deadline in September, and we ended up putting a rough draft of the Bill in with your material. The Bill that was circulated this morning is the final version of that Bill.

MR. REYNOLDS: I'd also like to just supplement that by saying that there's a letter from myself to Dwight Bliss in your binders. That was sent out while we were preparing the material before the final draft of the Bill. I think, as you'll see, most of those points have been addressed, except for one that will be discussed.

MR. CHAIRMAN: Okay. With that, does anyone have any questions, comments? If not, then, Ms Marston, could you bring our first petitioners in? This will be Bill Pr. 3, Mosaic College of Canada Act.

[Ms Kinjo and Mr. Craig were sworn in]

MR. CHAIRMAN: Thank you. I'd like to welcome you here this morning. Before we get started, I'd like to take an opportunity just to explain the procedure to you and introduce the committee members that are here. You have petitioned the Assembly to pass an Act on your behalf. That Act has received first reading in the Assembly, and then it has been turned over to this committee for our recommendations. It's our job to look at the Act, discuss it with you, and make a recommendation back to the Assembly on how it should proceed. So that's the reason we're here today. The committee is comprised of members of both the government and the opposition, Conservatives and Liberals. We have a pretty good cross section across the province. I think what I would like to do at this time is

have the committee members introduce themselves so you have a bit of an idea where everyone is from and whom you're talking with.

Mr. Wickman, if you would start.

MR. WICKMAN: Good morning. I'm Percy Wickman, Edmonton-Rutherford.

MR. VAN BINSBERGEN: Good morning. Duco Van Binsbergen, West Yellowhead.

MR. JACQUES: Good morning. Wayne Jacques, Grande Prairie-Wapiti.

MR. HERARD: Good morning and welcome. Denis Herard, Calgary-Egmont.

MRS. SOETAERT: Hi. Colleen Soetaert, Spruce Grove-Sturgeon-St. Albert. Welcome.

MR. KIRKLAND: Terry Kirkland, Leduc.

MRS. LAING: Bonnie Laing, Calgary-Bow.

MRS. GORDON: Good morning. Judy Gordon, Lacombe-Stettler.

MR. YANKOWSKY: Good morning. Julius Yankowsky, Edmonton-Beverly-Belmont.

MR. BENIUK: Andrew Beniuk, Edmonton-Norwood.

MR. CHAIRMAN: I'm Rob Renner, and I'm the MLA for Medicine Hat.

With that, I think we can get started. It's not necessary to stand when you speak, if you're more comfortable sitting. The microphones are on your desks, so you'll be heard just fine. If you want to give us a brief rundown of what your Act proposes and what you have in mind, then we'll open up the floor for questions from the committee.

MR. CRAIG: Thank you very much. Good morning, distinguished members of the committee. I am Brent Craig, and this is my business associate Donna Kinjo. We come here today as a culmination of two years of work in collaboration with the Parliamentary Counsel's office. We are presenting Bill Pr. 3, which is being sponsored by the hon. Jocelyn Burgener. What we are intending to do is establish a private college for English as a second language. If you will refer to your handout now, it will clarify why and how we plan to do this.

English is a valuable international language and is rapidly growing in demand as international communication and business develop. Mosaic College of Canada would be a private, international, adult college dealing primarily with teaching methodology of English as a second language. There is a need for this as existing institutions are not able to meet the present demand for this type of education because of time, space, and monetary constraints. Mosaic College would be unique in filling this gap. We believe that English as a second language is a product Alberta can easily export. Many people are eager to learn English now and see Calgary as a good place to live while studying. We believe our English language and culture are as yet unrecognized natural resources in Alberta.

We anticipate attracting adult students from other countries who would enter Canada under student visa status. They would have a proven competency in English and would be seeking training

techniques to impart speaking, reading, and writing skills in English as a second language. These students would not be seeking employment in Canada but would be returning to their home countries upon completion of their program. In addition, all students will be paying full, unsubsidized tuition that will cover all college costs. Therefore, at no time will college administration or students be applying for provincial or federal grant money.

Mosaic College of Canada has as its mission statement to maintain, conduct, and support an educational institution of higher learning which would promote the advancement of theoretical and practical learning, promote cultural awareness and acceptance, undertake and support research related to education, and strive to meet the dynamic needs of the future. It is acknowledged that the essence of this institute would ensure an atmosphere which is positive, open, accepting, fair, multicultural, student oriented, goal oriented, and which inspires confidence, responsibility, and independence. This institute would produce graduates who represent the philosophy of the college, maintain a faculty which practises the philosophy of the college, and be guided by an administrative body that promotes the philosophy of the college.

8:45

MS KINJO: The terms in this mission statement can be further defined. "Institution" at Mosaic College means the school or building, the physical facility where classes are conducted. "Higher learning" at Mosaic College means advanced concepts related to the field of English as a second language, and "research" at Mosaic College means as pertaining to the advancement of English as a second language. This research would be funded by moneys from Mosaic College. The policy of the college does not permit research endeavours to be funded by public grants from municipal, provincial, or federal government sources.

Obviously, the procedure of attempting to pass a private Bill is long, complicated, and serious. Initially it was not our intention to apply for a private Bill, but the rationale for the passage of a private Bill became clear. In striving to establish a postsecondary institute of this nature, the problem of official college stature constantly presented itself. The project didn't fit the mandate of the Alberta Department of Education nor advanced education, and there were no policies or procedures governing adult academic English as a Second Language. The Private Vocational Schools Act does not suit our international academic focus due to the uniqueness of Mosaic College.

Mr. Ritter, the Parliamentary Counsel at that time, advised undertaking the passage of a private Bill through the Legislature. This would allow the college to become a recognized institute in the province of Alberta. This in turn would allow the clientele to be granted student visa status and, therefore, to enter Canada. Without this recognition it is impossible for the college to access its clientele. According to representatives of the federal department of immigration, incorporating the college as a private business would not be enough as our students would not qualify for student visa status.

We cannot stress the importance of this last comment enough. If this Bill is not passed, we will not be registered with the federal government as a recognized college and our students will not be allowed to enter Canada. We cannot operate.

In addition to accessing students, college status would also allow Mosaic College to affiliate with other colleges and universities as well as to award certificates and diplomas. As we apply the term "affiliate" at Mosaic College, it means to exist in co-operation with other colleges and universities. Should any student of Mosaic College choose to apply for admission to any other Canadian college or university, Mosaic College would ensure that they were made

aware of the fact that they needed to comply with any and all admission requirements of those institutions regarding visa students. If Mosaic College is approached to enter into affiliation through credit course transfer programs offered by other postsecondary institutes, Mosaic College administration would do so only after meeting the standards set by the Private Colleges Accreditation Board and the specific guidelines outlined by the institution initiating the affiliation.

This project seems to be timely for numerous reasons. At a time when the provincial government is attempting to cut back on government spending, this project is entirely self-sustaining. It's not a project that will cause the deterioration of the resources either of Canada or Alberta; rather it will bring in moneys from other countries that will in turn be invested in Alberta. It's timely also as it fits into Premier Klein's portfolio to enhance trade between the Pacific Rim and Alberta.

The product exists. The curriculum exists. The professionals necessary to implement the curriculum exist. The only element blocking the success of this trade is the passage of this Bill.

Mosaic College continues the precedent of Calgary being seen as an international city, which has already been established by our international oil and agricultural trade, our tourism, the Calgary Stampede, and the 1988 Olympics.

Hopefully with your approval this venture can proceed. Thank you.

MR. CHAIRMAN: Thank you.

Does anyone from the committee have questions? Mr. Jacques.

MR. JACQUES: Thank you. In your verbal presentation and in the document that you have tabled with the committee, the concentration is really in terms of English as a second language. The whole thrust seems to be in that area, yet when you come into the Bill itself and you deal with the objects, it's entirely silent in that regard. Can you please explain that?

MS KINJO: When we set about formulating the Bill, we were advised by Mr. Ritter to make it general. He said that if you go back and keep applying for amendments, it's not a very good way to proceed, that it's better to make it a little more open. We would be more than willing to adapt suggested changes, whatever you suggest, to narrow it down. We know that it seems quite general, but that was the advice that we were under at the time we drafted the Bill.

MR. JACQUES: Thank you.

MR. BENIUK: Let's talk money. What would be the tuition fee, and how many millions of dollars do you have backing you to set up this college?

MS KINJO: Well, the tuition fee is established. I think the tuition fee is not only set by the college; it's established in part by the regulations of the federal government. Before they allow the visa students into Canada, they have stipulations for time, hours, and things like that that you have to have in order for students to qualify.

MR. BENIUK: What figure? I mean, surely you must have a budget. You must have vast funds.

MR. CRAIG: The minimum figure for a visa student coming into Canada, I believe, is \$1,500, which runs over a three-month period of time. So our tuition cannot be under that \$1,500 fee, as we understand it today.

MR. BENIUK: Maybe I'm not asking the question the right way. I'll explain why I'm asking it. We'll try again. I regard this as an opening to get people to come into Canada without any problems. Student visas are an open door into Canada. My question to you is: what are you going to charge people to come through that open door into Canada? What is your tuition fee going to be? If you want to establish a true college, you must have millions of dollars behind you. It cannot be a shell college, you know, just on the books. You must have money behind you, and you must have a policy in mind already of what you're going to be charging students to come in.

MS KINJO: Yes, we do.

MR. BENIUK: It could be very profitable. What are you going to be charging?

MS KINJO: A minimum of \$1,500 for a three-month session.

MR. BENIUK: And what will be the average? Not the minimum. What will be the average? What will be the maximum?

MS KINJO: Initially \$1,500 for a three-month session.

MR. BENIUK: So you're saying, just so I understand, that you're going to be charging only \$1,500 for a student to come into Canada and be enrolled for the period of time at your college?

MR. CRAIG: That is correct. That quote reflects also the other postsecondary institutions in Calgary, the University of Calgary and Mount Royal College. That is a competitive quote with those other institutions.

MR. BENIUK: Yes. So they come in; they do the course. What obligations do you have that they will leave after three months?

MS KINJO: They won't leave after three months, because initially the scholastic year is set at three semesters. If they're not successful in the first semester, then they won't stay. The provision of the student visa is governed by the regulations of the federal government, so the student has to meet that criteria. We're not able to set that criteria. We have to go by their regulations.

MR. BENIUK: I'll just ask one more question, then pass on to my colleagues. Are you setting up a college to educate people, or are you setting up a business?

MR. CRAIG: We are setting up a college to educate students who wish to come to Canada to learn how to teach English as a second language and then go back to their home country and use those skills they have learned here to teach English as a second language in their home country. So it is a college, and, rightfully so, there is certainly a business aspect to this college, yes.

MR. CHAIRMAN: Thank you.
Mr. Yankowsky.

MR. YANKOWSKY: Thank you, Mr. Chairman. My question is to either Ms Kinjo or Mr. Craig. Following up on Mr. Beniuk's questions, firstly, what countries would you be drawing your students from?

MS KINJO: Initially it's our intention to draw from the Pacific Rim, because it's our experience that that's where the most interest is right

now. When we look at the visa students we've encountered, that's where they're coming from right now.

MR. YANKOWSKY: My second question is: who pays the student's travel to and from Canada and their living expenses?

MS KINJO: They're solely responsible for that.

MR. YANKOWSKY: They're solely responsible?

MS KINJO: Yes. I'm not a hundred percent sure, but I believe that when they come in, to qualify for the visa they have to prove they have the means. I don't know if that means they have to prove they have a return ticket, but they are responsible for supplying that proof to the federal government.

8:55

MR. YANKOWSKY: Thank you, Mr. Chairman.

MR. CHAIRMAN: Thank you.
Mr. Kirkland?

MR. KIRKLAND: I have a few questions, if I might, Mr. Chairman. The first one is: just confirm for me, Donna or Brent, that the main thrust of this particular undertaking at this point is because there is not availability within Calgary or Alberta to fulfill the needs for learning English.

MR. CRAIG: This is correct. Specifically for our college, our purpose is to instruct people from other countries who wish to come in to learn how to teach English as a second language. There are programs for immigrants in Alberta, certainly, where they can learn English as a second language, but that is not our clientele. There are courses for native English speakers in Canada who wish to learn teaching methodology for teaching second languages, but again that is not our clientele. Our clientele is foreign students who wish to come to Canada to learn skills necessary to teach English as a second language and then take those skills back to their native country.

MR. KIRKLAND: Would Donna or yourself be one of the instructors in this college?

MR. CRAIG: That is correct, yes.

MS. KINJO: We both would be.

MR. KIRKLAND: Is your background in that area? Are you both university educated? Do you have teaching certificates?

MR. CRAIG: That is correct. I have a total of nine years in education experience, two at all levels of public school education, seven at postsecondary levels, and four at teacher education levels with universities in Calgary.

MR. KIRKLAND: Just for clarification's sake again, you're proceeding along a private Bill as opposed to operating under the Business Corporations Act or the Companies Act, the Societies Act for what reason?

MR. CRAIG: Well, they do not allow us to access our students on a student visa program. I believe the latter two are only for nonprofit businesses, and hopefully we would be a college that would incur a profit.

MR. KIRKLAND: Do you have a facility in Calgary that you intend to use? I assume that's where the college will be.

MR. CRAIG: Yes. We are in the process of looking, but we do not wish to even entertain those avenues until we are certain that we are going to be able to go forward with this project. Our advancement depends, of course, on the passage of the Bill so that we can access our visa students. There is absolutely no point in us having a facility that is available if we have no students to fill it or nobody to pay the tuition and college costs.

MR. KIRKLAND: Is there an intention to access provincial grants or moneys to get your college up and running?

MR. CRAIG: No. As stated in the summary this morning, we have absolutely no intention of asking for provincial or federal funds any time for any aspect of the college. In fact, that is against our college policy.

MR. KIRKLAND: Thank you.

MR. CHAIRMAN: Thank you.
Mr. Herard.

MR. HERARD: Thank you, Mr. Chairman. I'd like to hear something about your business plan. Obviously you must have done some work with respect to what your break-even point would be, how many students you would have to have with respect to tuition and the cost of providing the service.

I'd like to hear something about your marketing plan, whether or not you've done market research. We've heard that primarily you're interested in Pacific Rim penetration, but who's your competition? Are there other institutions of this type in North American and in other provinces? Those kinds of things.

MR. CRAIG: No. To date there is nothing of this sort in the province of Alberta. There is one college in Newfoundland that is actually a branch college of one from England that does a specific teaching methodology for English as a second language, but again it is for native speakers. There is nothing for nonnative speakers in Canada as far as I am aware at this particular time.

MR. HERARD: That's one question. What about the rest of the questions I asked with respect to your business plan, your marketing plan?

MR. CRAIG: As far as a marketing plan goes, we have contacts in Japan, and we will be going through embassies in the other countries to start initial contacts. We do have serious contacts in Japan, and probably that's where we would be drawing our students from initially.

Our break-even point, as you asked for, would be a total of eight students to start off with. I think it's important to realize that as a starting venture, I don't see this college with a student body enrollment of 150 or 100 students. I don't think it's unreasonable to see Mosaic College starting with an enrollment of eight students. If we look at the beginnings of other colleges in North America, their beginnings have been quite modest. I would feel very comfortable having a student body of eight, and we could certainly manage that for the first few years.

It's also very important to know that countries in the Pacific Rim feel very strongly that word of mouth is the best way to advertise. Although we would have advertising campaigns in our target countries, the best publicity we could have is having our graduate

students going back and spreading the good word of Mosaic College, which is the case at the University of Calgary and Mount Royal College.

MR. HERARD: I guess my last question is based on your response of eight students. That, based on the \$1,500 tuition, is \$12,000 a month. It doesn't appear to be very much to run a college and pay some people and do some marketing and all that sort of stuff. Do you have, based on the previous question, backers and that sort of thing for finances during the interim when things are in a start-up and not going as well as anticipated or something like that?

MR. CRAIG: Yes, we do. We do not have millions of dollars, as suggested by Mr. Andrew Beniuk behind you, but we do have private funds that would be available to help us through perhaps the first few sessions or even the first few years when the college is maybe not turning a profit. I think it's clear that with Ms Kinjo and myself on teaching staff, we will be able to perhaps run the business better as administrators and also teaching staff. We will not have as great an overhead by doing it with that method.

MR. HERARD: Thank you.

MR. CHAIRMAN: Thank you.

I have next Mrs. Laing, then Mr. Beniuk and Mr. Wickman.

Committee members, would you try and keep your questions as brief as possible. We have two more sets of petitioners to hear from this morning. I don't want to restrain you in any way, but keep in mind that we don't want to spend all morning on our first petitioner.

Mrs. Laing.

MRS. LAING: Thank you, Mr. Chairman. I was wondering about your clientele. Will they be postgraduates? I mean, if they're coming for only three months or six months, they certainly would have basic knowledge of English to begin with, would they not?

MS KINJO: Yes. Hopefully they'd be here for a two-year period. We have a standard at which we would accept them, but we're also including provisions for upgrading their English to the point where they would enter the certificate or diploma courses. They would have to have a postsecondary level of education.

MRS. LAING: What about the accommodations? Would they just go into normal rental accommodations, or would you be involved in helping them find accommodations?

MS KINJO: Well, we would help them as much as they needed help, but they would be responsible for their own living situation. If we had chosen to go through the Department of Education and follow the K to 12 curriculum, which would enable us to ask for students to be allowed who would be under 18, who would qualify for visa student status, we could have tried that approach, but we don't want the responsibility of students in Canada who are under 18 years of age. That's, you know, part of the reason for that.

MRS. LAING: What would be the difference between the Nelson scenario and yours? Are they high school or younger? Is that the difference?

MR. CRAIG: You're speaking about the Japanese school in Nelson, B.C.?

MRS. LAING: Yes.

MR. CRAIG: Yes, their primary target is young adults. I mean, they're not adults at all. They are under the age of 18, and they are here under the K to 12, I believe, guidelines of the province of British Columbia.

MRS. LAING: Thank you.

MR. CHAIRMAN: Thank you, Mrs. Laing.
Mr. Beniuk.

MR. BENIUK: I just have a couple of quick questions. First, are you affiliated with any religious organization?

MS KINJO: No.

MR. BENIUK: No. Okay.

Second, you made a statement. On one hand, you're comparing the college when established to the University of Calgary, to Mount Royal. On the other hand, you said that if a student fails, they can retake the course. Now, if you start failing courses at a university level or a college level, you're out. My question is: how many times can a student fail your courses and still continue to be enrolled at your college? In other words, is this an open door for a long, long period of time?

9:05

MR. CRAIG: No, it isn't. We have specific policies. In order for a student to keep within the college, they have to have a total overall average of 65, which is standard in most postsecondary institutes. They cannot have any more than three failures in any one subject area. Once they had consecutive failures in one subject, then their portfolio would be looked at by the board.

MR. BENIUK: But they can take courses in other subject areas and keep going?

MR. CRAIG: Well, we have a specific program that is to be followed, and they have to meet the requirements of the program. There are options; you are correct. But we do have a core route that has to be followed, and they have to keep a specific average and their portfolio in good working order in order to stay at Mosaic College.

MR. BENIUK: You have indicated a bunch of courses that you're going to be offering. Do you have with you a sample of those courses?

MR. CRAIG: Yes. I brought them here today.

MR. BENIUK: It'd be great to see.

MR. CHAIRMAN: If you could just leave that material with the committee, and then we can have it circulated afterwards.

MR. CRAIG: Okay. All right. Very good.

MR. CHAIRMAN: Mr. Wickman.

MR. WICKMAN: Just one question, Mr. Chairman. First of all, let me say that I can see a great deal of potential in what you're attempting to establish. Part of it I can see from a positive point of view, given the ability for the learning of English as a second language to people in the Far East. Now, do you visualize going beyond that, that somehow there'll be a mechanism to put the targeted business sector that could benefit in touch with the clientele

that you'll draw in that will then go back to the Far East? Like, will there be some mechanism for some communication between Alberta and the clientele that you've brought in for a period of time?

MR. CRAIG: Yes. I would hope there would be. Our thinking behind this college is that at the same time it acts as a cultural or an intercultural focal point for our students. So we would be trying to integrate them as much into the community of Calgary and Alberta, exposing them to as much of the business opportunities that might be there and also exposing the business sector of Calgary to any opportunities that they might find through our students also.

MR. WICKMAN: I think that's the important point there, some ability to allow the business sector in Calgary to become acquainted with the clientele, that they have some communication while that clientele is here in Alberta so that there can be ongoing communication further down the road.

MR. CRAIG: Yes. We feel also that that is a very important aspect of our part that we will play as Mosaic College.

MR. CHAIRMAN: Thank you.

Mr. Reynolds, Parliamentary Counsel, has a couple of questions he would like to go over with you.

MR. REYNOLDS: I'd just like to point out to members of the committee that there are a few points in the Bill that would be changed. In section 3(1)(d) where it says "education programs, workshops, and institutes" the words "and institutes" and the comma before it would be deleted. In section 3(1)(e) where it says "to promote cultural and" the next words should be "intercultural development and awareness." So those are amendments that we've pointed out that were lost between the drafts somewhere.

With respect to some questions, members were handed this morning a copy of a letter that we've just received from the deputy minister of advanced education that was sent to Mr. Craig last week. I assume you've had an opportunity to review it and you are aware of advanced education's opposition. Do you have any comments to make with respect to that?

MR. CRAIG: Yes.

MS KINJO: Actually, I did speak to Linda Richardson of the department of advanced education, and we discussed the letter. Point number 1 that they make in the letter about our Bill giving "broad powers." As we spoke before here in this meeting, we realize that the Bill is general. It doesn't really state in our Bill that the focus is towards English as a second language, but at the time we were composing the Bill, that was the recommendation. Certainly we are open to suggestions to narrow the Bill, if that is something you would like us to do.

Number 2, granting "access to government funding." It isn't our intention at all to apply for government funding at any level.

The third one about implying accreditation. We expect that we would have to, as I said, meet the requirements of the Private Colleges Accreditation Board or any institution that we would ever enter into any kind of affiliation with.

Point number 3 where they talk about "consumer protection on the part of the government." I'm not sure what their concern is at that point, but when we were initially starting our research, we received a letter from the private vocational schools director, Mr. Andy Hendry. There is a stipulation in that letter that says:

You are asked to note that licensing as a private vocational school does not in any way imply a financial commitment on the part of the

Government of Alberta to your school or to students wishing to attend your school.

So perhaps that kind of a stipulation in the Bill or in our initial communication or any communication that we have would satisfy that requirement. I don't know.

MR. REYNOLDS: I was just referring to the last paragraph in the letter, where it talks about other means by which you could be established. Would you, to your knowledge, be the only for-profit college established by statute in Alberta?

MR. CRAIG: Could you repeat that question? I was turning the page, and I didn't hear it.

MR. REYNOLDS: Would you be the only for-profit college established by statute in Alberta, to your knowledge?

MR. CRAIG: As a private college, you mean, for profit? I am not aware. When we were researching our private Bill, it seemed that there were others that had followed this route, but I'm not sure whether they were for profit or not.

MS KINJO: I understood also in talking to Linda Richardson that some other colleges -- for example, she mentioned Old Sun College and some of the native colleges -- have had to go the private Bill route because they also ran into some kind of a problem when it came to dealing with the federal government. To get the recognition, that is why they have gone that route.

MR. REYNOLDS: Those would be expressly native colleges though.

MS KINJO: Well, I don't know. As I understood it, yeah.

MR. REYNOLDS: Now, in your discussions with Immigration Canada did you in any way try to work with advanced education in dealing with Immigration Canada with respect to your visa concern?

MS. KINJO: Other than just trying to get as much information as we could. No. Because we didn't know if there was any other route. This seemed to be where we ended up, with a private Bill.

MR. CRAIG: We were told by immigration that we had to be on a registered list of recognized colleges that could actually accept visa students into it. When we talked to advanced education and looked at the other Acts that are available to us, they did not seem to give us that access. The Business Corporations Act did not. The Societies Act and the Companies Act can be used only for nonprofit colleges, and the Private Vocational Schools Act didn't seem to fit our mandate because of our international interests and the type of students that we will be targeting.

Also, when we were in touch with advanced education, they could not give us any guidelines for the type of school we wanted to start, an adult English as a second language college. They said that it was a gray area. They had absolutely no guidelines or legislation or any sort of protocol that we could follow in order to start this initiative. It was actually after talking to advanced education that we contacted Mr. Ritter's office at that time and started this process. Advanced education did not seem to have any way of helping us access our students, or they did not mention that in our initial discussions, to answer your question. No, we did not talk to them about accessing or getting visa student status through advanced education.

9:15

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

I'm still a little bit confused why the Private Vocational Schools Act does not fit. You've said that it doesn't fit, but you really haven't explained why.

MR. CRAIG: We have a copy of the Act as we received it. I realize that it's being amended, or you're looking at it currently. As we have it, there are passages which do not seem to fit what we want to do; for example, in the regulations, section 26, where

- the Lieutenant Governor in Council may make regulations
- (a) prescribing criteria to be used to determine if an occupation, calling, trade or pursuit is a vocation . . .
- (c) respecting the enrolment of students;
- (d) respecting premises at which vocational training may be provided;
- (e) respecting the provision of vocational training by correspondence;
- (f) respecting qualifications of instructors;
- (g) respecting examinations.

We wonder, first of all, how these stipulations could be applied to the education of teachers for the specific use of English as a second language in their native country.

Also, in section 26(h), "respecting certificates, diplomas or other documents that may be issued to students." This is understandable for Canadians seeking work in Canada. None of our students will be Canadian nor seeking employment here. So, again, I don't understand where their regulations would come into effect in that matter either.

In section 26(i), "respecting fees for licences, fees for vocational training and refunds of fees." Again we are not clear on those regulations that would be set by the Lieutenant Governor and how they would apply to us.

MR. CHAIRMAN: That's fine. I see where you're coming from. I'm not sure I agree with you, but I see where you're coming from.

MR. CRAIG: There is also one other point I'd like to bring up in section 13(6): "A licence is valid for a term of not more than 2 years," which means that if we were licensed for only a two-year period of time, sometimes to apply for visa status it's quite a lengthy procedure. If our licence had to be renewed every two years, that could possibly cause problems for our students and for ourselves to be able to keep in standing with the federal government to actually be able to reach our clientele. That could cause problems for us too.

So as we see the Act before us, we have some specific concerns with it, how it relates to Mosaic College for our international approach.

MR. CHAIRMAN: Thank you very much.

Does anyone have any final questions?

I'll give you an opportunity for a final summation and comments.

MR. CRAIG: In summation, we have received the letter of concern from advanced education. We have carefully reviewed the Private Vocational Schools Act, and we feel that there are several stipulations in it that make it inappropriate for our project. If you, however, feel that amendments should be made to our private Bill, we are more than willing to seriously consider all suggested changes.

We would like to thank you for your time and attention to this petition.

MR. CHAIRMAN: Thank you very much.

We'll probably not be making any decisions -- in fact, we won't be making a decision today. I'm hoping that we can set a date for our

next meeting later on this morning, more than likely a week from now, and we can advise you what we've decided from that point. If we decide to proceed with some amendments, then we would ask that you come back so those can be discussed to make sure that you would be in agreement with any amendments we might propose.

MR. CRAIG: Thank you very much.

MR. CHAIRMAN: If you could just shut off the sound system momentarily, just while we're bringing in the next set of petitioners.

Okay. We'll call the meeting back to order. Committee, our next set of petitioners has arrived, and I'll have Parliamentary Counsel swear them in.

[Mr. Bliss, Mr. Chipeur, and Mr. Rodriguez were sworn in]

9:25

MR. CHAIRMAN: Thank you very much. I'd like to welcome all of you gentlemen to our committee this morning.

Just very briefly to run down -- Mr. Chipeur has been here before, so we've met with him on a previous occasion -- for your information, Mr. Bliss, this is a relatively informal atmosphere. We try to keep everything as informal as possible and yet try and maintain some decorum at the same time, so I'll ask the committee members to address their comments through the chair, and that way we have some control. The committee itself consists of MLAs from across the province, both government and opposition members. We have a good representation on the committee. Your petition has been received by the Legislature and received first reading and then was referred to this committee for our investigation and recommendation back to the Legislature. The purpose of this meeting here today is so the committee can gather some information about your Bill and then make a recommendation to the Legislature.

Just before we get started, I'll ask the committee members present to introduce themselves.

MR. WICKMAN: Percy Wickman, Edmonton-Rutherford. Good morning.

MR. VAN BINSBERGEN: Duco Van Binsbergen, West Yellowhead. Good morning.

MR. JACQUES: Good morning. Wayne Jacques, Grande Prairie-Wapiti.

DR. OBERG: Lyle Oberg, Bow Valley.

MR. HERARD: Denis Herard, Calgary-Egmont. Welcome.

MRS. SOETAERT: Colleen Soetaert, Spruce Grove-Sturgeon-St. Albert. Hi.

MR. KIRKLAND: Good morning. Terry Kirkland, Leduc.

MRS. LAING: Bonnie Laing, Calgary-Bow.

MR. AMERY: Moe Amery, Calgary-East.

MRS. GORDON: Good morning and welcome. Judy Gordon, Lacombe-Stettler.

DR. L. TAYLOR: Lorne Taylor, Cypress-Medicine Hat.

MR. YANKOWSKY: Good morning. Julius Yankowsky, Edmonton-Beverly-Belmont.

MR. BENIUK: Andrew Beniuk, Edmonton-Norwood.

MR. CHAIRMAN: I'm Rob Renner, and I'm from Medicine Hat.

I also at this time would like to introduce Mr. Rodriguez to the committee. Mr. Rodriguez is the superintendent of insurance, and he will be making some comments and suggestions to assist us today.

With that, I'll turn it over to you. It's not necessary to stand to address the committee if you're more comfortable sitting. The mikes work just fine from a sitting or standing position, whatever you prefer. If you would give us a bit of a recap on the purpose of your Bill, the reason that you're introducing it, and then we'll ask Mr. Rodriguez to make his comments. I'm proposing that you would then have an opportunity to address his concerns, and then we'll turn it over to the committee. If that's fine with you, that's the way we'll proceed.

MR. CHIPEUR: Thank you very much. My name is Gerry Chipeur, and myself and Dwight Bliss are here on our own behalf and not on behalf of a client, although we happen to be barristers and solicitors, to incorporate a Bill that would establish an insurance company, the purpose of which would be to provide insurance in the area of health, as its name would indicate, for services such as uninsured dental, optometry, health, medical: insurance services that right now are generally provided through employment programs or things like the Quikcard in the dental area. That's the area of insurance that the company would operate in.

In order to operate an insurance company in Alberta, of course, one must under the Insurance Act have a private Bill incorporate that insurance corporation. The Insurance Act itself, though, is where you will find all of the regulations for that corporation, not in the Bill that's before you. So while this Bill will incorporate a corporation, it will merely be a shell, and there'll be a number of things that will have to happen before it becomes an insurance company per se. For example, it must be capitalized, and it must meet with all of the other regulations under the Insurance Act. It must apply for a licence, and it must be given a licence, and it must fulfill all the requirements of the superintendent of insurance with respect to the operation of an insurance company before it commences operations.

When we first filed this Bill, there were a number of issues that were raised with the Legislative Assembly by the superintendent of insurance, and I believe you have a letter outlining some of those issues. We understand now that there is only one issue that is outstanding. All of the other issues were addressed in the draft of the Bill you have before you. The one issue that we must address with you this morning is the wording of section 4 of Bill Pr. 17. The wording of section 4 is such that it follows the Business Corporations Act procedure for corporations; that is, to provide corporations with the powers of a natural person. We have drafted section 4 to try to compromise with the concerns expressed by the superintendent of insurance to provide that the corporation shall have "the powers of a natural person," subject to the provisions of the Insurance Act.

In the past, private insurance companies in Alberta, provincial insurance companies, have been incorporated without the powers of a natural person but with a more specific statement about the fact that they have the power to carry on an insurance business. There's no specific reference to the concept of the powers of a natural person as found in the Business Corporations Act. The issue, then, for the committee is: is the committee going to follow past practice and

have section 4 narrowed to read merely "the powers of carrying on an insurance business" or will it be a more general statement, "the powers of a natural person"? It's a policy decision. I don't think there's any law out there that would help you. Certainly the Act, if it read "powers of a natural person," would not be able to override the Insurance Act in any case. There would be regulation in the Insurance Act. This corporation would not be able to carry on any business or do anything that the superintendent of insurance or the Insurance Act indicated it could not carry on.

The reason we would like you to change the policy from the past is that the business climate in the future is changing. We don't know today what insurance companies will be allowed to do in the future. We don't know what the business climate will demand of insurance companies in the future. We would like to have the greatest flexibility to meet the demands of the future from a competition point of view as we compete not only with other provincial insurance companies but with federal insurance companies. You will probably notice from reading the papers over the past few weeks and months that many other organizations are getting into the insurance business, such as trust companies and banks and other nontraditional insurance companies. We are not planning to get into the banking business, but we don't want today to have in place a Bill that would require us to come back to the Legislature if in fact the business climate changed and insurance companies were required, not only for the purposes of competition but also allowed under the Insurance Act, to do much more than traditionally has been done by insurance companies.

Traditionally there were four pillars in the economic community in Canada. There were banks, trust companies, insurance companies, and brokers. If you've been watching lately, the Royal Bank now is all three and, one could argue, is all four. The climate is changing; we would like to be in a position to change without bothering you in the future. I think you can safely make a change in your policy, knowing that the Insurance Act and the superintendent of insurance are in a position to completely and thoroughly regulate, restrict, and control exactly what this corporation may or may not do over the future through the licensing process. Our submission is that it would be appropriate for this committee to change its policy and allow this corporation to have the powers of a natural person, subject of course to the Insurance Act, as provided in section 4. Now, having said that, as lawyers we always have an alternate submission, and that is that if this committee is not willing to change that policy, we don't want you to throw the baby out with the bathwater. We would like to submit that we would be willing to make the modification to section 4 to satisfy the current policy of the superintendent and this Legislature.

Thank you.

9:35

MR. CHAIRMAN: Thank you very much.

Mr. Bliss, do you have anything?

MR. BLISS: No, I have nothing to add, Mr. Chairman.

MR. CHAIRMAN: Fine.

Mr. Rodriguez.

MR. RODRIGUEZ: Thank you, Mr. Chairman. Good morning, hon. members. We do not have an objection to the Bill per se. We just have concerns with respect to section 4, and that's the powers of the company that is proposing the incorporation.

The superintendent of insurance does not have absolute power to tell insurance companies what to do and what not to do. The superintendent derives his authority from the Insurance Act. The

Bill as proposed suggests that the company be given the powers of a natural person subject to those provisions of the Insurance Act where it's not inconsistent. Unfortunately, the Insurance Act does not address the issue of the powers of an insurance company. It's the Act of incorporation that does it, and this is why insurance companies are incorporated by special Acts and not under the Business Corporations Act, so as to restrict the powers of the insurance company to the business of insurance.

We could not stop this company from engaging in any other business if it were to be incorporated the way it is, because we do not have the authority under the Insurance Act to do so. We recognize the point that the marketplace is changing, and we propose to look at the Insurance Act in the near future to deal with this entire issue of incorporation of insurance companies and the powers of insurance companies, but we feel this should be done for all companies at the same time. Right now we have eight other provincial companies that are restricted by their Act of incorporation to the business of insurance. If we were to allow a new company to have broader powers, that will create inequities in the marketplace with respect to the powers of all provincial companies. We would like those companies to be kept on a level playing field, and if we were to change the powers of the companies, to do so for all companies at the same time so as to maintain competitive equity in the marketplace.

Another point is the regulation of insurance companies. The Insurance Act is designed to regulate the business of insurance, to deal with the protection of policyholders' moneys. If we were to give this company broader powers, we need to look as to how we can regulate those other activities. There is the risk that the policyholder premiums can be used to finance the other business ventures of this company, and those other business ventures are not regulated by the Insurance Act. That's the regulatory concern we have with respect to how we can regulate all of the activities of this company when the Insurance Act addresses only the business of insurance. The concern is there with respect to the policyholders' premiums being used for the other business ventures.

At the federal level some broader powers have been given to insurance companies, but those powers have been restricted to the financial services business. At the same time, the regulatory regime at the federal level is much more stringent. The capital requirements are much higher. The corporate governing moves are more stringent. So if we were to give a provincial company powers similar to a federal company, we need to change the regulatory mechanism provincially to match the regulatory mechanism federally to maintain that level of protection in the marketplace. That's why we are suggesting that this company under the Act being proposed be given the powers to do the business of insurance or anything incidental to the business of insurance but not beyond that scope, to have sufficient regulatory control and to provide competitive equity with respect to all provincial insurance companies.

Those are basically the two points we would like to present to the members.

MR. CHAIRMAN: Thank you.

Before I turn the floor over to the committee for questions, would either of you gentlemen care to comment on Mr. Rodriguez' concerns?

MR. CHIPEUR: No, I don't.

MR. BLISS: No.

MR. CHAIRMAN: No? Fine.

Mr. Wickman.

MR. WICKMAN: Mr. Chairman, my question will be quite blunt. Are you prepared to accept appropriate amendments to comply with the statement made by our superintendent?

MR. CHIPEUR: Yes, we are. If that's the policy decision of the committee, yes.

MR. WICKMAN: Would you want to be in the position to be able to draft those amendments, or would you prefer that, let's say, our Parliamentary Counsel were to draft them or the committee were to make the amendments?

MR. CHIPEUR: Our preference would be to continue to work with your counsel, as we have in the past, on the exact wording, if that were permissible.

MR. WICKMAN: So if the situation were to arise, would one week be sufficient to accommodate that? Or would a tabling to the spring session present a difficulty?

MR. CHIPEUR: We could sit down for five minutes after this committee and work it out. It would take five minutes.

MR. WICKMAN: Thank you.

MR. BENIUK: In your title you have the word "health." Why is health in there? Is it that you're going to be zeroing in on that market?

MR. CHIPEUR: Exactly. That is our market; not life insurance, not fire, not automobile, but health. I think you could look at Blue Cross and see what they do. I think that would be some of the same market.

MR. BENIUK: Okay. You're both lawyers. Lawyers incorporate companies. They're called shelf companies. They're there. At a certain point somebody comes in and picks it up. Is this a shelf company, or is there a person behind this company? If so, who is it?

MR. CHIPEUR: We are the individuals behind it. It is not a shelf company in the sense that we're putting it on the shelf for someone else. It's for us. I happen to practise in the health care industry and through that have learned there's a demand for insurance that in my view is not being met. That demand is what I'd like to meet.

MR. BENIUK: Mr. Chairman, could he elaborate? What demand? What is the target?

MR. CHIPEUR: Well, for example, there are many services right now that are not covered on many employee supplementary benefit programs. I don't know if you're familiar with your own, but I suspect there are many areas where there is no insurance. I could give you, for example, a real situation where a client did come and say: I wish there was insurance out there for refractive surgery. Refractive surgery is where they use laser to change the focus on your eye. The client said that there is no one currently offering that kind of insurance in the market. It would be our view that we might be able to meet that market. That's an example of the kind of thing that we're looking at. There is no current insurance for that kind of service.

MR. BENIUK: Okay. You've just answered a question I was going to ask: there's no other company out there providing this service. If you enter this market, are we entering a two-tiered system?

MR. CHIPEUR: By no means, because we are not getting into basic health services at all. We would be doing exactly the same thing as Blue Cross, except Blue Cross has also been very restrictive in what it's going to provide. Two tiered would be where you have individuals that are able to buy something that someone else could not. This is not part of the current debate that's going on over the health care system in Canada. This is just the same as the current health insurance companies in Canada that are currently providing health insurance for services that are not insured. If Blue Cross is part of a two-tiered program, then we would be, but I do not think that anyone would suggest that Blue Cross is part of that two-tiered program. They are merely providing an extra service for those who would like to have some extra coverage. For example, in the eye care area, all of us can wear glasses, or we could spend some capital dollars now and not have to have the ongoing expense of buying glasses every few years. That's what we're talking about. We're talking about merely doing what is currently being done and no change in terms of the health care field in the area where I know there is some debate today. We're not talking about insuring insured services.

9:45

MR. BENIUK: One more question.

MR. CHAIRMAN: Mr. Beniuk, I'm having a little problem relating your line of questioning to the Bill. I wonder if you could be a little bit more specific and if you have some concerns regarding the specifics of the Bill.

MR. BENIUK: You've indicated here in section 5(3) that a certain amount of money would have to be raised. How do you expect to raise that money? Do you have a partner lined up that's going to join you?

MR. CHIPEUR: No, we do not. The normal process in this type of corporation would be to incorporate it and then through the Securities Act put together an offer memorandum or prospectus and then to obtain investors to provide capital if there was capital required beyond the means of the promoters. We could not do that right now because of course the Securities Act prevents it. So I can assure you -- I'm under oath -- there is no money behind this other than the two individuals you see here today.

MR. CHAIRMAN: Mr. Jacques.

MR. JACQUES: Thank you. I have a question, then, to Mr. Rodriguez. You spoke earlier about all insurance companies having to have a specific Act to operate in the province of Alberta, and I assume that that excludes companies that are operating under federal regulations?

MR. RODRIGUEZ: That's correct.

MR. JACQUES: Okay. So companies other than Blue Cross that provide extended health medical services, such as CU & C, for example -- I take it, then, that they must be under a company that is involved with federal incorporation?

MR. RODRIGUEZ: Yes, there are other insurance companies operating in the province that are federally incorporated, and that's the majority of companies, actually. There are only eight companies licensed in the province that are incorporated in the province of Alberta.

MR. JACQUES: Okay. Thank you.

MR. CHAIRMAN: Any other questions from the committee?
Mrs. Gordon.

MRS. GORDON: I have a question if you just would answer it for me, just because I don't know about this. Within this Bill, does this just allow you to do business in Alberta, or can you do business across Canada, when we talk about provincial and federal regulations?

MR. RODRIGUEZ: This Bill gives the company the power to do the business of insurance, but it's still subject to obtaining a licence under the Insurance Act. If this company wanted to do business in another province, it would have to make an application under that jurisdiction's insurance legislation for a licence to do business also. It would not be authorized to do business in any other province without obtaining a licence from that jurisdiction.

MRS. GORDON: Okay. Thank you for the clarification.

MR. CHAIRMAN: Mr. Reynolds, do you have one point you wanted to make?

MR. REYNOLDS: Just quickly to reiterate a point. In the materials to the committee that were handed out originally there's a letter dated September 15 from myself to Mr. Bliss. The points in that letter referred to an earlier draft of the Bill, and as Mr. Bliss or I believe Mr. Chipecur pointed out at the outset, most of those have been addressed in the subsequent draft of the Bill that was presented in the House. It was indicated earlier that due to time constraints this came in rather late in the proceedings, so we were scrambling to get it together. The only outstanding point, really, that exists is point 2 about the natural person powers. Everything else, according to my understanding, has been dealt with. Is that correct, Mr. Rodriguez?

MR. RODRIGUEZ: That's correct. Yes.

MR. REYNOLDS: The other point I'd like to ask: Mr. Rodriguez, with respect to an amendment that would be in keeping with your responsibilities, would section 4 simply be deleted, or would there be some wording change that would accommodate your concerns?

MR. RODRIGUEZ: I think section 4 should be amended, and the text of the amendment could be simply: to engage in the business of insurance and anything incidental to that. The insurance business does have some incidental parts, and we do not want to restrict the company from doing anything that is associated with the business. You want to give them broad enough powers to carry on the business of insurance.

MR. REYNOLDS: Thank you. Those were my points, Mr. Chairman.

MR. CHAIRMAN: Thank you.
Any further questions from the committee? I see none.

Thank you, gentlemen. We will be making our decision probably a week from now. In the meantime, I would hope that you are able to get together with Parliamentary Counsel and work up the possible wording of an amendment should the committee decide that that's the route they want to go. I would like to have the wording agreed to before we get to that stage. If you would work together with Mr.

Reynolds in the next couple of days so that when we get together again, the committee can make the decision one way or the other.

MR. CHIPEUR: Thank you very much. I can just advise that the wording that Mr. Rodriguez just gave would be satisfactory to us if our position is rejected.

MR. CHAIRMAN: Thank you.

MR. RODRIGUEZ: Thank you very much.

MR. KIRKLAND: Mr. Chairman, I ask to be excused, if I might.

MR. CHAIRMAN: Sure.

Perhaps to save a little bit of time, committee, could we resolve the meeting time for next week now rather than at the end of the meeting? My proposal is that we come back a week from today to come up with our decisions from all three of the presentations today. Mr. Wickman has suggested that we delay the start time to 9 o'clock. I have no objection to that. Would that be reasonable for everyone?

HON. MEMBERS: Agreed.

MR. CHAIRMAN: Fine. Then that's what we'll do. We'll meet at 9 o'clock a week from today. At that time we'll make all of our final recommendations on all of the Bills that we haven't made recommendations on so far.

[Mr. Ludwig and Mr. Ritter were sworn in]

MR. CHAIRMAN: Good morning, gentlemen. Thank you and welcome to our committee this morning. I would like to just very briefly go through the procedure. I'm sure you're probably by now familiar with the procedure because you've been here all morning and listening to what's been going on. Just for your information, your petition has been received by the Assembly and has received first reading. Then it is referred to our committee for our recommendation. We're here this morning to hear you explain a little bit of the background, why it is that you feel your Act is important to be passed, and then give an opportunity for the committee to ask questions of you.

Our committee is a cross section of MLAs from around the province, both sides of the House. I would like at this time to have the committee members introduce themselves so you know who we all are.

Mr. Wickman, if you would start.

9:55

MR. WICKMAN: Good morning, gentlemen. I'm Percy Wickman, Edmonton-Rutherford. It's nice to see the two of you.

MR. VAN BINSBERGEN: Good morning. I'm Duco Van Binsbergen, West Yellowhead.

MR. JACQUES: Good morning. Wayne Jacques, Grande Prairie-Wapiti.

DR. OBERG: Lyle Oberg, Bow Valley.

MR. HERARD: Denis Herard, Calgary-Egmont, and welcome.

MRS. SOETAERT: Hi. Colleen Soetaert, Spruce Grove-Sturgeon-St. Albert.

MR. AMERY: Moe Amery, Calgary-East.

MRS. LAING: Bonnie Laing, Calgary-Bow.

MRS. GORDON: Judy Gordon, Lacombe-Stettler. Welcome.

DR. L. TAYLOR: Lorne Taylor, Cypress-Medicine Hat.

MR. YANKOWSKY: Good morning, gentlemen. Julius Yankowsky, Edmonton-Beverly-Belmont.

MR. BENIUK: Andrew Beniuk, Edmonton-Norwood.

MR. CHAIRMAN: I'm Rob Renner from Medicine Hat.

With that I think we'll get started. We're going to try and finish on time; 10:30 is our normal schedule to finish this meeting. If we run over a little bit, that's all right, but we'll try and finish as close to 10:30 as possible, so if you would keep that in mind with your opening comments.

MR. RITTER: Thank you, Mr. Chairman. We'd like to thank the members of the committee for having the time to listen to our presentation. I have to say it's kind of interesting looking at the House from this side, because for years I sat at the middle table. Now being here to see all the people with new faces that I didn't upset by misdrafting one of their Bills or something is a really interesting experience for me.

Anyway, shortly after I left the Legislature, Albert Ludwig contacted me and asked me if I would assist him and draft the Alberta Seniors' Legislature Act for him. In fact, I was happy to do it, because we'll all be seniors eventually, and the project that he had undertaken had a lot of impetus and a lot of popularity in the community of seniors in Alberta. This is backed by such notable seniors in Alberta now such as the former Lieutenant Governor, Dr. Grant MacEwan, and a number of other former MLAs and other officials of high standing in the senior community. It's something that is a nonprofit society. I'm certainly familiar with organizations that try to emulate a British parliamentary forum. I know even coming here, oftentimes the Tuxis Parliament and various other groups that have model parliaments ask me to be Speaker. In fact, a lot of debate with various segments of the community is carried out in these model parliaments, and some very good ideas are put forward and eventually end up in the real Legislature or federal Parliament, as the case may be.

This is one organization that wants to give a forum to senior citizens to sort out amongst themselves what are important issues to them and hopefully then communicate that to their members. We make no bones about the fact that we've stolen this idea. It's stolen from many jurisdictions in the United States, and it has been used with great success in many American jurisdictions. The government in all cases, in one way or another, supports the seniors' model legislature that is in existence in those states because the government itself gets a lot of good feedback from a legitimized seniors' group as to what is in fact a pressing issue. It's something that is certainly not a new idea; it has always been traditionally and favourably received by seniors. In Alberta it has gotten a lot of coverage and a lot of support from Alberta seniors' groups, and Mr. Ludwig will be able to give you more details about that.

I think, Mr. Chairman, if I could just hand it over to Mr. Ludwig. I had to squeeze in what I had to say, because I know once we get him talking, I'll never get a word in edgewise. So if I could ask Mr. Ludwig to continue.

MR. LUDWIG: Thank you, Mr. Ritter.

Mr. Chairman, is it all right if I stand up?

MR. CHAIRMAN: If you'd prefer, if you're more comfortable, please do.

MR. LUDWIG: In March of last year I was in Santa Barbara, and I saw a little ad in the paper for a Senior Legislature meeting. Well, that caught my eye, so I talked to some people. There was an election of seniors to the California Senior Legislature and to the California Senior Senate. This was in California. Now, they have about 4.2 million seniors, but many more perhaps. There was such an enthusiastic bit of action, I thought this was interesting, so I talked to some people. They introduced me to the chairman of the Aging Commission, which is a government agency in Sacramento. I went there. They received me royally and gave me all the material they had since 1981. I took it and read it, and I decided that this has to be looked at.

I kicked the idea around with some people. I spoke to Dr. Grant MacEwan, who's getting on; he's in his 90s, but he's brilliant. His mind is quite sharp. He won't be active, but he talked to me, and he said: go after it; it's a good idea and the seniors deserve it. So I thought on it a few weeks, a few months, and I then talked to Mr. Ritter, who drafted the Bill.

I had some misgivings about this because in Alberta there are a great number of senior agencies, mostly receiving some government funding. I came to the conclusion that they're not entirely independent. When an agency gets as much as \$700,000 a year from the government, even though it does a great job they have to look out for what they do. I'm not in any way adverse to all these agencies. But in the state of California, when you have around 3 and a half million seniors, there were so many independent seniors' agencies that the government didn't know who to deal with. It was impossible, so the government introduced the California Senior Legislature Act. I'll have a little bit to say about that later. Although it set everything up for the seniors, it became a nonpartisan issue. The seniors do not get government grants, and I like that because once you get grants, you're not entirely independent because you're dependent.

I took it from there. We drafted a Bill. It wasn't easy to do because their system is different. They have the Senate, and they have the Senior Legislature. So we did this. I started talking to some seniors, some individuals. The idea was well received. I did not seek any press publicity, but what I got was all favourable. My effort today is to convince the Private Bills Committee that this is not only apolitical, but it should stay that way because you have a growing number of seniors. Many of them are very capable, many of them have not lost their personal drive, and they are anxious to do something.

What caught my attention in California was the great interest and activity by seniors who otherwise would be shunted off to the side. They were in there, and they were active, and they were doing something that the government appreciated. Now, I'm not going to dwell on this, but here are the Bills that they considered in the last session, in one week. I can't even mention them, because there's lots of them. They debated them effectively. The members were not young, but they didn't lose their personal drive. They were sharp. The debates were high level, not as formal as they are in Alberta, but they were effective.

What I'm going to do now is I'm going to tell you why I went to California. First of all, a couple of seniors' agencies in Alberta felt that they're doing what we're promising to do. Well, it isn't so. There is not an agency anywhere in Canada -- this is not only the first application of its kind in Alberta but in Canada -- that has as its objective the preparation of Bills, resolutions, and proposals that they will debate at length. They will gather throughout the system

through seniors elected by their peers. There's nothing like that in Canada. This is the first, and it should be started here.

I thought that maybe we'll be encroaching on other agencies. Well, I have a letter here from a Lois Wellington, the president. They sort of befriended my cause because they felt that I should get all the information I could. Here's what she says:

In response to your questions, I am President of the Congress of California Seniors (CCS), a statewide organization of approximately 500,000.

She is also involved with the California Senior Senate. They work together. They gather ideas and problems from all these agencies, put them into Bills, and debate them. There is no conflict between the California Senior Legislature and the California Senior Senate and any other senior agency. There are little rivalries, and they're protecting their own little territories, but they work together.

10:05

I won't read this, but there is another letter here from a man I met, Laing Sibbet. He happens to be a clergyman. He's been in there a long time now. He writes a letter to the paper, and he says:

Senator Henry Mello, D-Monterey, has called the California Senior Legislature "one of the most important things that have happened for the State of California." I think that is true, but, after 12 years of existence, the CSL is still not known by the general public.

The general public does not know much about it, but the seniors know it. That's their world. He talks about the first meeting in 1981, and since then they have been dealing with Bills. As many as 70 percent of the Bills proposed by the Senior Legislature have been passed by the Legislature and the Senate proper in the state of California. Now, that means they're very careful with what they select. They're very careful. They're not just going to be frivolous and put in any kind of a Bill, hoping the Legislature will buy it. They're not seeking re-election, because there's no pay, no nothing, but they have to be careful about what the public thinks about their deliberations.

Now, I have a document I am going to read to you -- I have two documents. One is the argument in favour. This is the address I'm going to make to you, and I'll explain a few more things, but I want to be brief because you said 10:30 and I want questions from you people. I'm sure you have some for me. So here's my address to you.

On invitation by the co-ordinator of the CSL and the CSS, Robert MacLaughlin, I attended the whole session of the CSL, from October 18 to 22 inclusive, in the state capital building in Sacramento, California. This was last week. I attended committee hearings and debates in the assembly chamber and in senate chambers. After observing the performances of these bodies and reading the resulting proposed legislation and final, prioritized Bills both for the state Legislature and the federal government, I am convinced that a similar institution -- i.e., the Alberta senior legislature -- would be of great benefit to the seniors of Alberta, to the government of Alberta, and to all Albertans. I was well received by all and was invited to make a few comments from the Speaker's podium on two occasions. I was also invited to a press conference. They were anxious to see what will happen with my proposal.

The combined experience, knowledge and concern of the CSL and CSS members was very evident as they deliberated the numerous Bills and proposals. The democratic process prevailed throughout all the debates. If those present favoured different political parties, there was no evident division along party lines. I heard only one man during the whole week say he was a Democrat. The rest, whatever they were, and there were all kinds -- this did not come up. There was good debate, very little rancor, and votes were close on a number of Bills. Debate was quite serious.

One of the most obvious characteristics of the whole CSL and CSS proceedings was the seniors' concerns about costs of programs advocated by the two bodies. These are seniors that go back all the way to the last Depression. Costs were always a factor. They were not going to start springing Bills on the government that were going to be costly, because they know the government would not back them. The question of costs of proposals was frequently raised by debaters. The seniors in their deliberations appear to reflect that we are into a period of diminishing expectations and an idea, even a good one, may not be well received by the state Legislature because of costs of the proposal. They were as conscious about cost as anybody I've ever seen. One CSL member was heard to say, "If we ain't got the money, we can't spend it." The fear I have about this proposal is that some people will think, well, here's a group of seniors who are going to gang up and see what they can get. That is not so. It will not happen because if you get a cross section of seniors elected throughout the province, you're going to get every conceivable attitude, opinion, experience, and so on.

I expect that the ASL, a body of seniors elected by their peers from all areas of the province, would be a stabilizing influence and would provide leadership and guidance on many issues confronting Albertans. Now, I know that the government is concerned about seniors. They hold a hearing here; they hold a hearing there; they hold a hearing there. But it is not quite representative of a cross section of all seniors of all educational levels, backgrounds, and financial circumstances.

The proposal for an ASL is the first in Alberta and in all of Canada. Alberta governments and Albertans have led in many fields of endeavour. We know that. It is only proper that an issue of this significance, interesting possibilities, and offering challenge to all seniors should have Alberta as its place of origin. I think it's only right that if it's going to be a first, it should be here. I have no doubt that the seniors in other provinces of Canada will be interested in hearing more of what is happening here today. I have not let this out to anybody because it has to be done properly.

No doubt, change and improvement can be made to my proposal. Even today the California Senior Legislature has their joint rules committee. They meet and they change things; they alter things. In fact, in this session they altered the election period from every two years to three years because of costs. I'm confident that the Alberta seniors will, with some benefit of hindsight of the operation of the CSL and CSS -- those are the California bodies -- could do even better in Alberta than the many seniors' legislatures in other states of America. I think I gave you this: there are 23 different states. I didn't know that, but the most significant one, the most active one, is California because it has more seniors than some of these states have in population altogether. Now, when I say they have 4.2 million, it's higher, but that's a pretty safe figure. The fact that they have been of benefit to the government was displayed by the way they are received. This Mr. Robert MacLaughlin -- when I was told, "You can talk to the Aging Commission," I thought I would meet somebody at least my age -- is a young man. The cordiality and the welcome that the seniors get from the government, even though it's apolitical, is unbelievable. They are looked up to, they are taken care of, and the government makes no demands. They wouldn't dare.

Now, I've been tipped off by my agent that I have said just about all that I need to say. If I haven't said it, it's in these documents. Now, the only thing I wanted to mention: I have an argument in favour of the seniors' legislature. I think I should point out that it should be the Alberta senior legislature, instead of seniors'. I'm having trouble with this possessive.

MR. WICKMAN: Albert, can I ask a question at this point?

MR. LUDWIG: Yes, you may now.

MR. WICKMAN: Because I do have to leave in just a few minutes.

MR. LUDWIG: I will stop, but you have the document. I'd like you to read it. I prepared it in July '93; that's a few months ago. Grant MacEwan read it and endorsed it.

10:15

MR. WICKMAN: Mr. Chairman, to Albert. We do have copies of it. We've had the opportunity to read it, and I see it is signed by Grant MacEwan. I have to applaud you for your energy and the logic of what you say. It makes a great, great deal of sense. Why, though, Mr. Ludwig, would you choose to bring it forward as a private Bill as opposed to, say, approaching a government member, or an opposition member now because of the parliamentary reforms, and having it presented as a normal Bill in the House?

MR. LUDWIG: Well, first of all, if it's going to be a government Bill, it can hardly be said that it's starting off as an apolitical issue and an apolitical Bill. Secondly, when I got the Bill drafted, I had to find someone to introduce it. Well, there are no independents here. Somebody said, "Why didn't you choose a Conservative?" Because more or less if the Conservatives have a majority, it's up to them to pass or defeat it anyway. Don't tell this to Nick Taylor, but I chose him because I thought he was the oldest. I have enough problems without this getting to Nick.

MR. WICKMAN: Yeah, Albert. That's very good. I won't mention any names, but he's the second oldest. It's good; it's excellent.

MR. LUDWIG: I'd like to just add that I have a copy of the names of Bills that were given priority and will be submitted to the Legislature. I had a call from Mr. Robert MacLaughlin, the commissioner on aging, and he faxed to me yesterday copies of all the Bills that were passed and taken as priority, because they have to draw up dozens of them. I couldn't pick up the fax because I'm here. I called my home, and I picked up the message, so I haven't got copies of it for you.

Now, what else? What other questions?

MR. VAN BINSBERGEN: Mr. Chairman, I've got three questions here that I'd like to ask Mr. Ludwig. First of all, the definition I'm a little hazy on. What determines whether a person is a senior is clearly age. What age are you talking about? It says 60 in here, 55 in one of the articles that you brought.

MR. LUDWIG: The reason I mentioned California: there's no other model I can go by. All members who are entitled to participate in the election and to vote are 60 and over, but it's an arbitrary figure. I think the way things are moving so quickly and the way things are changing, when we propose the bylaws, if we get the Bill, we might look at lowering the age, but it's not up to me alone.

MR. VAN BINSBERGEN: A second question: why did you go to the trouble of coming up with an Alberta seniors' legislature? Why this model?

MR. LUDWIG: Because I wouldn't want this to be proliferated. There are all kinds of seniors' agencies. If we get any kind of a name, this has to be unique. I studied this. I thought that the Alberta senior legislature could be misleading, but in California I specifically questioned the name; is it in conflict with the state Legislature? They said no problem at all. The government proposed

the California Senior Legislature because it was frustrated with having to deal with hundreds and hundreds of seniors' agencies. This was an out, and it turned out to be very beneficial to them.

MR. VAN BINSBERGEN: You want to leave out what is inherently the party system; you want to leave that out?

MR. LUDWIG: Well, the best way to get ideas of what the seniors think throughout the province at all levels -- some are rich, some are very wealthy, some are still in business, and some are not so well off. We know that. I think every MLA's aware of it. I feel that if the government wants to know what the seniors are thinking, then the best way is to find out when they have an election provincewide on a constituency basis, on a municipality basis. I don't know yet. That will be in the bylaws. They will know what the seniors are thinking. They will have these Bills presented to them, and they have the final say. They don't have to be afraid that the seniors might do something untoward or something unusual. The final say is with the Legislature, with the government. In California as high as 70 percent of the Bills presented by the seniors have been adapted by the state Legislature and the state Senate.

MR. VAN BINSBERGEN: My final question deals with the endorsement of other seniors' organizations. As you put it, they would not oppose. Now, that sounds kind of lukewarm to me.

MR. LUDWIG: No. I have talked to some. Some of them are concerned about their funding. I know one organization that's reputed to have received \$700,000 in grants. Well, they're concerned about this. In California the California Senior Legislature's total budget for the year was about \$700,000, and here they have this whole body, elections and everything. They meet, they deliberate, they pass legislation, and pass it on to the government. Their budget isn't that big considering what they've done. The government gets the benefit of knowing the cross section of seniors. They get these Bills, and sometimes out of 10, out of 14, they'll pass seven. That's a pretty good record, better than sometimes you have in the Legislature. That was why I went that way, but I think the seniors would want to have the government know what they're thinking, and the seniors would want the government to pass their Bills.

MR. VAN BINSBERGEN: Thank you, Mr. Chairman.

MR. CHAIRMAN: Dr. Oberg.

DR. OBERG: Thank you, Mr. Chairman. My question is quite simply: you mentioned that the legislature in California has an operating budget of around \$700,000.

MR. LUDWIG: The California senior legislators and the California senior senators: I sat in on their deliberations about funding. It's tight funding. They have to scramble to raise funds, but they manage.

DR. OBERG: Which leads me to my question. You're proposing a provincewide election that I assume would involve enumeration, things like that. Where are the funds going to come from for (a) the process of election and setting up your legislature and (b) operating expenses?

MR. LUDWIG: The legislature: we would feel that once we had an election, the government would say, "Well, the seniors deserve a lot of recognition in this province, and they could meet here." But not

necessarily. It would be prestigious, it would be a recognition and an honour to the seniors to meet in this Legislature like they meet in California in the state Senate and the state Legislature. But that is not a must. They can do a lot by correspondence. They can do a lot by having senior members in different constituencies gather information, meet with people. For the year or two between elections they'd pick up a lot of ideas.

Now, I'm not sure that I've answered your question.

DR. OBERG: No. Where are your operating funds coming from?

MR. LUDWIG: We will canvass private businesses, individuals. We could even think of maybe having every seniors' organization in Alberta -- not every, but most of them -- sell memberships. They'd sell them for anything from \$10 to \$15, some as high as \$25. Now, you'd get a lot of seniors who can afford it who would probably be more than pleased to buy a membership for \$10 or \$15. That money could be carefully used, but not only that; in California they have what they call a checkoff. Instead of the funds being spent to raise funds, they have legislation which allows any taxpayer to, say, make a donation of \$10 to the seniors. Now, I don't know what kind of a discount they get; they don't get very much. They've been raising funds that way, but there are many ways to raise funds. To get people who are enthusiastic and willing, that is not our biggest problem. It'll be a problem.

DR. OBERG: If you could just indulge me, Mr. Chairman, for once. You mentioned a \$10 or \$15 or \$25 membership. Would that allow the person to vote, or would it be open to all seniors?

MR. LUDWIG: All seniors will be allowed to vote.

DR. OBERG: Whether they're a member or not, according to that scenario.

MR. LUDWIG: That's right. If some seniors could not pay the membership fee -- and there are some who might find it hard -- I would envisage that our bylaws would allow us to have firms and corporations sponsor membership. There are ways of raising funds if you go after it. We don't want government funding because we want an independent body, as the government would want advice from an independent body.

DR. OBERG: Thank you.

MR. CHAIRMAN: Mrs. Laing, Mr. Jacques, and Mr. Amery.

MRS. LAING: Thank you very much, Mr. Chairman. Mr. Ludwig, I've got about four questions. I'll just maybe list them, and then you could answer them. How often would you have an election? Why would you not have a society status? I notice that you said you might want to have a society licence so you could have bingo and casinos, that type of thing. I wondered why you wouldn't go the society status. Also, would this not be just a lobby group? Would you see yourself as being a lobby group?

10:25

MR. LUDWIG: You give me three or four questions, and they're so different. Give me one question, and then I'll answer it.

MRS. LAING: Okay. How often would you have your election then?

MR. LUDWIG: Well, I thought as they did elsewhere, once every two years, but the bylaws in the state of California were amended to allow it once every three years because it turned out to be costly. The two years passes very quickly. The seniors are not a well-funded body, and they just can't get things done as quickly as they'd like to. I would recommend three years, but it would depend on the committee that would be setting up the bylaws. Three years was the preference, and preferably not on the year that the government holds an election. That would have to be decided.

MRS. LAING: Okay.

Why would you not consider a society status? You said you would look into having casinos and licences for bingo, which implies a society status.

MR. LUDWIG: Well, if we get a private Bill, it would be a bit more prestigious for the seniors, but we are afraid of proliferation. If we get a society status and somebody said, "Well, so what; we can do it," I think it would be wrong. It would undermine the process and the intent, and it would undermine the impact of seniors if it became a registered association. We know we could go to the companies branch and register the association, but that's not what we want. I think the seniors want to be recognized in a special entity for a very special purpose and unlike any other organization in Alberta. That is our preference. Now, it will be up to the Private Bills Committee and the government.

What's the next one?

MRS. LAING: Are you going to just basically be another lobby group with a bigger voice, perhaps, than some others?

MR. LUDWIG: No, but it will be a meaningful voice. When you say "lobby group," there's nothing wrong with lobbies. The only thing is that lobbies have a slight tinge of a reputation because they're often secret. If you say that a body that's going to debate in public and present its Bills to the Legislature is a lobby group, you may say that, but it's aboveboard. But lobbies are not exactly something unusual, because the labour people have a lobby; the business people have a lobby; the teachers have a lobby. Everybody has a lobby except the seniors, and the seniors' lobby will not be something that will be done quietly with a committee. It will be in the open; it will be an honourable lobby. I favour that because seniors have a voice through other means, but this would be a voice to have the government look at their legislation.

MRS. LAING: Okay; thank you.

MR. CHAIRMAN: Thank you.
Mr. Jacques.

MR. JACQUES: My question's been asked.

MR. CHAIRMAN: Thank you.
Mr. Amery.

MR. AMERY: Mine too. Thank you, Mr. Chairman.

MR. CHAIRMAN: Mr. Herard.

MR. HERARD: Thank you very much, Mr. Chairman. Personally, I think you should be commended for this idea. I think it takes a lot of energy to take this on, and it's a great idea, I think.

Had you thought about perhaps, instead of having the legislature, having a caucus, or would that be, in your description, just another lobby group?

MR. LUDWIG: No. Well, when we say "legislature," it's a name that has been used elsewhere, and in California they have the California Senior Legislature and the California Senior Senate, but this is done in a building where everybody -- the press can be there, so we will not be any kind of a group that's trying to push something through. This will be debated openly like you debate here. You have all kinds of opposition. Many Bills are close votes; they don't ever get priority to get passed on. Everything would be in public. The caucus, as I know from my experience and you know, is a confidential gathering. The legislature would be prestigious. Now, if anybody thought the name will conflict with the Legislature, then that's a different problem, but from my observation and my investigation there has been no conflict. It's accepted in California as a recognition of a very worthy body, the seniors. The public feels good about it, the public that knows about it.

MR. HERARD: My last question would be: would you be expecting support with respect to costs of operating the building while you're using it as a legislature and also Parliamentary Counsel to draft Bills and all of these kinds of costs?

MR. LUDWIG: Well, I'm of the opinion that because that's already in place, the cost would be negligible. There will be some cost to the government, but it also costs the government to, say, hold forums and decide what's going on, say, like the roundtable meeting. That had to cost the government. I'm not criticizing anything, but the best way, in my observation and study -- and I've been hard at this -- is to get a cross section so they know what the seniors out there think. Now, it isn't easy. This is a big undertaking and a bit big for one man, but I'm hoping that with support it could be very meaningful and a first in Alberta and in Canada.

MR. HERARD: Thank you, sir.

MR. CHAIRMAN: I have a comment or a question, either case. You mentioned that you went the private Bills route because of the prestige that would be associated with it, but I'm wondering how practical that is, because you also talked about possible amendments and changes that need to be made. When you go the private Bill route, every time you want to make an amendment, you have to come back before this committee, and I'm wondering if you wouldn't be better off under the Societies Act, where you're in control of your own destiny.

MR. RITTER: Mr. Chairman, if I could address that question. The type of structure of the Alberta seniors' legislature is such that it creates institutions that simply have no counterpart in the Societies Act or under part 9 of the Companies Act. We've got Standing Orders as well as bylaws. We've got an executive council as well as a board of directors and that type of thing. The structure is so unique that when I drafted the Act, once I created a legislature, I realized that there really was no existing legislation that encompassed that type of structure as far as elections of all the membership, not just the board and that type of thing. For those things that are likely to be fluid -- such as rules of procedure, how often to have elections -- I've delegated all that to bylaws, so hopefully we've eliminated the need for, certainly, amendments. Hopefully, it will all be done through a simple resolution process of the bylaws. This Act here represents the bare bones of the structure, so that was why we chose the private Bill route.

MR. CHAIRMAN: Good.

Well, I guess I have one more speaker. I have a few comments, and then I'll invite you to make a few comments.

Mrs. Laing.

MRS. LAING: Mr. Herard mentioned Parliamentary Counsel costs. Would it be your expectation that the Parliamentary Counsel of the Legislature would also work for the seniors' legislature?

MR. LUDWIG: Well, I don't think we'd be encroaching on their busy period during the sessions and everything. I know they're very busy. Because we're not getting government funding, it would be nice if we could get some help, but it would not be something we'll be requesting. If it's offered, like it is elsewhere -- the parliamentary counsel in California does everything for the seniors, and I don't think they get a bill.

MRS. LAING: Okay. Thank you.

MR. LUDWIG: But that question means that maybe the government would have to spend a bit of money. Well, as I stated, the government spends a lot of money getting information, and this would be independent, apolitical, and a cross section.

MRS. LAING: Also, would these current groups that we have, such as the advisory council and the Council on Aging, have representation in the election or would it be a general election?

MR. LUDWIG: It would be a general election, but they could have their own people run for office. They would be members at large. I know that some of these groups don't know what it's all about yet, and there's nothing harder to accept than an issue you don't quite understand. Privately, some of these groups that are concerned have told me that it's a good idea, so I think when this becomes known, the public will favour it. I think the public thinks a lot of its seniors. Other groups will realize that we will not touch them, we will not oppose them, and we will not affect whatever they do. In fact, I think that this group, if it's in place as I envisage it -- and there's lots to be done -- will complement all these other organizations because it will give the seniors a status they haven't got anyplace else in Canada. Compared to other places, the seniors are treated very well here, but times are changing and the numbers are increasing. I think this is timely.

MRS. LAING: Thank you.

10:35

MR. CHAIRMAN: Any other questions?

I, too, would like to congratulate you. Certainly I think everyone here applauds the work, time, and effort that you've put into this, and I'm sure the committee will give it very serious consideration. We obviously don't have time to go into deliberation today. I expect that within the next week or so we should have some kind of a resolution, and Parliamentary Counsel will advise you.

MR. REYNOLDS: I just wanted to point out that when the application was received, they missed the period for advertising in the *Gazette* by one day. The chairman moved at the commencement of this session, before the Bills had been considered, that that slight delay be waived.

MR. LUDWIG: Thank you, Mr. Chairman, for the very favourable reception. I just want to state that although I don't talk like a humble person, I am submitting this very humbly. I know you people will

give the seniors the respect that they've always had, but this is a new step, and I'd like to see Alberta be first.

MR. CHAIRMAN: Thank you very much.

Committee members, that concludes our agenda for this morning. Just a reminder that we'll be meeting again a week from today at 9 o'clock in this room. We have about four or five Bills that we have to resolve, so please make sure that you're here.

MRS. SOETAERT: At 9 o'clock?

MR. CHAIRMAN: Yes.

Also, for your information, the private Bills that have been proceeding are at third reading, and third reading will take place this afternoon, if anyone is sponsoring one of the Bills that's at third reading.

With that, I'll declare this meeting adjourned.

[The committee adjourned at 10:38 a.m.]