

Standing Committee on Private Bills

8:41 a.m.

[Chairman: Mr. Renner]

THE CHAIRMAN: Good morning, everyone. I'd like to call the meeting to order. This is the regular meeting of the Standing Committee on Private Bills.

The first item of business this morning is approval of the agenda. It was circulated yesterday. Does everyone have a copy? A motion would be in order then.

MR. HERARD: So moved.

THE CHAIRMAN: Mr. Herard. Any discussion? All in favour? Opposed? Carried.

We also circulated a copy of the minutes from the last committee meeting. Has everyone had a chance to read those? Are there any errors or omissions to those minutes? Then I would entertain a motion.

MRS. FRITZ: I so move.

THE CHAIRMAN: Mrs. Fritz. Motion to approve the minutes. All in favour? Opposed? Carried.

The business we'll be dealing with this morning is Pr. 3 and Pr. 6. There was some delay with the airbus in Calgary this morning, and the petitioners for Pr. 3 have just arrived. In the meantime, I had made arrangements for Pr. 6 to go first, so we'll stay with that order. I'll ask Mr. Reynolds to invite the petitioners as well as the intervenors for Pr. 6.

There was some additional information circulated this morning on Pr. 6. If anyone hasn't got it, we have extra copies.

[Mr. Lennie, Mr. Chew, Ms Davies, and Mr. Turner were sworn in]

THE CHAIRMAN: Good morning, everyone. I want to welcome you to the committee this morning. As I mentioned in the Confederation Room earlier when I met you, we try and keep it as informal as possible. This is really an opportunity for the petitioners to explain what it is they are requesting of the government, and we also give opportunity for anyone who has an interest in the petition, in the request, to explain their situation as well. So this morning we have the petitioner, Mr. Chew, and his counsel, Mr. Lennie, and we also have representatives of the Law Society with us.

Just a little bit of background and to explain the process a little bit. Your Bill has received first reading in the Legislature. It's then referred to this committee. The purpose of this committee is to interview you to gather as much information as possible about the Bill and then make a recommendation to the Legislature as to whether or not the Bill should proceed beyond first reading. So that's the purpose of this meeting this morning. I'll give you an opportunity to explain your position, to explain what the Bill does, why you're asking the government to pass this Bill, and I'll also give an opportunity to the Law Society to explain their position. Then I will open up the meeting to questions from committee members.

With that, I'm not sure who wants to be the spokesperson, but I offer you the floor.

MR. LENNIE: Thank you, sir. Hon. members, my name is Malcolm Lennie. I'm appearing as counsel for Mr. Colin Chew. Mr. Chew has practised law for 20 years in Malaysia. He took his

education at the Honourable Society of the Inner Temple in England and completed it in 1969. I'll come back to the word "completed" a little later, because that's kind of the focal point of the need for this particular Bill. The process in England at the time, as I'm informed by Mr. Chew, was that upon completion of educational requirements by association with the temple, one was admitted to the law society. This is a different process than happens in Alberta. At that time you could go through your legal education without having a prior degree; that is, you did not need a prelaw degree as is now the case in Alberta.

Mr. Chew then practised in Malaysia, as I said, for 20-odd years, and he came to Canada and applied for admission as a student at law in Alberta and became a student in 1993. As part of the process for determining whether Mr. Chew could become a student, the Universities Co-ordinating Council, I believe, and perhaps the Law Society -- and my friends will speak to this later -- obtained a certificate of good standing from the Honourable Society of the Inner Temple. In that certificate of good standing there's reference to the words in the middle paragraph -- and I believe it's in your binder. It says Mr Chew

did not complete those elements of education required at that time by the Consolidated Regulations as a qualification for entering pupillage, and is therefore not qualified to practise in England and Wales.

At the time Mr. Chew applied to become an articling student in Alberta, I would respectfully submit that that phrase was simply overlooked, because he was permitted to commence his articles. A number of months later Mr. Chew was advised that he was not eligible to continue his articles because of this failure to complete those elements of education as pointed out in the certificate of good standing.

The Law Society has suggested that Mr. Chew could apply under section 39 of the Law Society Act for admission as a student. Section 39 would require Mr. Chew to obtain, I believe, 60 credits; that is, go back and get the prelaw degree that he did not have in 1969. It became obvious to me, therefore, that the question was: was there some element of educational disability that Mr. Chew suffered from in terms of continuing as an articling student, remembering that as an articling student he is still subject to passing all the exams and all the Law Society regulations necessary to become admitted as a lawyer in the province of Alberta.

I had written to the Honourable Society of the Inner Temple attempting to get clarification of the phrase having to do with the incomplete "elements of education." That is, Mr. Chew advised me and was adamant that there was nothing about the educational component that was missing and stated simply that he had completed all elements of the education required. Most recently, I think, the letter from the Honourable Society of the Inner Temple, which I in fact received last night by fax, has been added to your binder. The last phrase therein is the more interesting one for the purposes of this hearing. The incomplete "elements of education" refer to the fact that he did not complete his pupillage in a barrister's chambers; that is, he did not complete his articles or what we would call articles. I submit to you that that is not an educational deficiency. That is a work-related, job experience deficiency that he cured in Malaysia. He did do his articles in Malaysia in order to practise there. He wishes to do his articles in Alberta to practise here. He did not do his articles in England because he had no intention of practising in England.

8:51

Now, the section in which Mr. Chew applied, section 42, has provision as well. That clause makes reference to having practised three of the last five years in England, and clearly Mr. Chew did not practise three of the last five years in England. That's in section

42(1) of the Legal Profession Act. It is from that requirement that we are seeking the exemption. The purpose of this Bill is to exempt Mr. Chew from the three of the five years' practice in England. It is our submission that he is otherwise qualified to become an articling student in the province of Alberta and would then, of course, take his exams and the Law Society would have the opportunity to assure his quality and his capability to perform as a lawyer.

Thank you.

THE CHAIRMAN: Thank you, Mr. Lennie.

Mr. Chew, do you have anything you wish to add.

MR. CHEW: No.

THE CHAIRMAN: Okay. Thank you.

Professor Davies? I'm not sure who is the spokesman for the Law Society.

MS DAVIES: We have decided, Mr. Renner, that I will be the primary spokesman, but if I run into difficulty, Mr. Turner will help me out.

THE CHAIRMAN: Fine.

MS DAVIES: Mr. Chairman, ladies and gentlemen, it appears the provisions of the Legal Profession Act dealing with the enrolment of members are there for two specific reasons: firstly, protection of the public, and secondly, in order that there should be some fairness and some consistency with respect to people who wish to practise law in this province. The rules are really quite simple. Basically, the normal route in becoming a barrister and solicitor in Alberta is for one to take a BA or at least have two years of undergraduate work behind them, or the equivalent of that, to get an LLB from a university in Alberta, then to article for a year and pass the bar exams. That is the normal route. Yet people obtain their law degrees and their education elsewhere and practise elsewhere, so we make provision with respect to that. Under the Legal Profession Act, if you get your law degree or your qualifications elsewhere, then the normal route under section 39 is for you to have your undergraduate qualification or two-year equivalency examined by the Universities Co-ordinating Council, which is a body set up by legislation. It's under the Universities Act passed by this body. That body then looks at the law degree and sees that that also is equivalent to a degree obtained at an Alberta university. Having obtained a certificate of equivalency from the Universities Co-ordinating Council, they will give one a certificate of equivalency if they feel it equivalent or ask a person to take certain exams to make it equivalent. Then one can move on to article and take the bar exams. Those are the two normal routes.

There are two particularly exceptional situations that are dealt with separately. Those are situations where a person has obtained a law degree or has in fact practised in a Canadian jurisdiction for three out of five years; then he can be enrolled without having to have his academic qualifications looked at. The second exception is if you have been called to the bar of a jurisdiction with a legal system like ours -- England and Australia fall within that group -- and you practise there for three out of five years. These are people we believe -- or the Legislature, because this is legislation, not something the Law Society made up -- will not cause difficulty with respect to the public. They're competent to practise law in this province. They're competent to tell people how to convey people's houses, to advise them, to represent them in court. But usually you have to have your academic qualifications looked at by the co-ordinating council and Albertanized, as it were, to make sure you

have the courses that are necessary, we believe, to practise law in this province without being a hazard to the public. Only if you've practised for three out of the last five years in either a Canadian jurisdiction or a jurisdiction like England do we make exceptions. As I say, this is for the protection of the public, but it's also for consistency and fairness.

We have a very large number of people who want to practise law in this province. They come from different countries. They come from different provinces. We have rules, and we say, "Pass these rules, because that's what everybody else has to do, and if you don't fit into section 42, then you go on to section 39." We have to have these rules. We can't have people having handmade criteria, because it's not fair, and it doesn't give us a rubric by which to determine whether people should be called to the bar of Alberta or not. So on the basis of protection of the public and the basis of fairness and consistency, we would ask that Mr. Chew does in fact follow the normal path, that of section 39, which would mean his degree and his prelaw qualification will be assessed by the co-ordinating council, as it is with everyone else who comes to this province, and then when the co-ordinating council says he has the equivalent of that which an Albertan would have to have, he would be permitted to article and write his bar exams. So we asked for that on two bases.

I would point out that in the materials Mr. Reynolds provided us -- that is, How to Petition the Alberta Legislature to Pass a Private Bill -- it's set out that private Bills are basically for two purposes, either "to accommodate . . . things in which there is no other . . . remedy" -- and of course that provision does not apply here, because there is a remedy to Mr. Chew. He complies with section 39 and passes through the normal pathway. The other is to deal with
 a situation [which] may arise which is so unique and exceptional,
 that an application of the standard laws might be perceived to create
 a miscarriage of justice.

I would suggest that this is not the case either. Mr. Chew's situation is not unique. There are many people who come from different jurisdictions and have to pass through section 39. So our submission is that there is no reason not to pass the normal procedures.

THE CHAIRMAN: Thank you.

Mrs. Fritz, and then Mr. Tannas and Mr. Herard.

MRS. FRITZ: Thank you, Mr. Chairman, and good morning. I just have a couple of questions. Mr. Chew practised 20 years in Malaysia. When was that practice completed?

MR. LENNIE: In 1991.

MRS. FRITZ: In 1991. So within the past five years he has practised a year of law or . . .

MR. LENNIE: He continually practised until August of '91, and then there was a six-month period or a five-month period of his articles here in Canada.

MRS. FRITZ: So prior to coming to Canada he had practised three of the five years. I guess I should say: when did you come to Canada?

MR. CHEW: I came to Canada in 1991, August.

MRS. FRITZ: Okay. That's when you came in.

MR. CHEW: I've been in active practice since 1972.

MRS. FRITZ: Okay. Thank you.

Also, the questions that are here before us: I wonder if you could just answer them quickly for me. On page 2 of the Bill, Mr. Chew "is a Canadian citizen or is lawfully admitted into Canada for permanent residence." Is that . . .

MR. CHEW: I'm a permanent resident here.

MRS. FRITZ: Permanent resident. Thank you.

And you "passed a Bar admission examination" in Canada?

MR. CHEW: Well, I have got to complete my articles first before I can sit for my bar exams.

THE CHAIRMAN: Mrs. Fritz, I think you may be looking at the outdated Bill.

MRS. FRITZ: I'm looking at the Bill, Mr. Chairman.

THE CHAIRMAN: No, it's an outdated Bill. There is a revised copy of the Bill, and I don't think that's the one under consideration right now.

9:01

MRS. FRITZ: I don't have the revised copy here. Do you have it? I think other members do not as well. I think just Mr. Amery . . . Thank you.

Sorry, Mr. Chairman, I'm just going to quickly look at this. Okay. Thank you. That answers that the four questions don't need to be a requirement.

Also, I have one other question. What is the Honourable Society of the Inner Temple? I'm not familiar with law. Can someone answer that question for me, Mr. Chairman? I have two new submissions this morning. One is signed by Miss Joanna Bailey, office and house manager, from the Honourable Society of the Inner Temple.

MR. LENNIE: I'm going to attempt to answer it. I'm not absolutely certain that I have the answer to that. As I understand the English educational system at the time, and I'm not sure if it is still in place exactly in this manner, the education of students falls to -- I can't remember whether it's four or six societies or temples. There is a legal education component to their operation, and they are responsible for the legal education of all those who would become either barristers or solicitors. You may or may not be familiar that in England they split that function. One is not both a barrister and a solicitor as you are here; you are either a barrister or a solicitor. So the temples are responsible for the legal education process in England.

MRS. FRITZ: Thank you.

I don't know whom to ask this question of. I understand, Mr. Chew, that you are articling in Canada -- this is just my understanding from the submissions -- and when this was reviewed, you had been articling for several months.

MR. CHEW: Yes. I was with Lennie & Company for almost seven months until I received a letter from the Law Society informing me that I have not complied with section 42.

MRS. FRITZ: How did it come about that you could article for that length of time and be accepted to article?

MR. CHEW: In fact, I got permission. I wrote to the co-ordinating council, and they found that my legal qualification was acceptable except that I had to do two subjects, which are constitutional law and land titles. I had to complete that before I could be called to the bar here. I applied to Lennie & Company, and I was accepted as an articling student. Then we wrote to the Law Society, the usual procedure to be a student.

MRS. FRITZ: So they accepted you to article prior to you writing to the Law Society?

MR. CHEW: No.

MRS. FRITZ: No?

MR. CHEW: It's a pretty long story. In fact, prior to my articling with Lennie & Company, I had taken the courses provided by the Legal Education Society here, and I think it was with the knowledge and consent of the Law Society as well. I was under the impression that all along I had no problem at all. In fact, it's been depressing, because after all these months I was faced with this letter from the Law Society.

MRS. FRITZ: Had the Law Society ever written to you prior to you articling that they were giving their consent for you to go ahead and do this articling?

MR. CHEW: Well, consent, of course, was required and is one of those procedures that -- Mr. Lennie had to send in applications and so on.

MRS. FRITZ: It's a written consent.

MR. CHEW: Yes, but all along I believed the Law Society knew that I was doing the bar courses under the Legal Education Society.

MRS. FRITZ: Thank you.

THE CHAIRMAN: I have a fairly long speakers' list. I can put your name on the bottom, if you'd like.

MRS. FRITZ: Okay. I just have one more question, and that's it. Is there ever any discretion used at all? Are the rules black and white which you gave to us . . .

MR. TURNER: Mr. Chew filed his documentation, and in his documentation was a copy of his original certificate from the Inner Temple. The Law Society registered Mr. Chew subject to an updated certificate of standing. When the Law Society received the updated certificate of standing, it was clearly indicated that he did not qualify under section 42. Mr. Chew has always been able to apply under either section 39 or section 42. The position of the Law Society is that because of the qualification, if I may call it that, on his membership in the Inner Temple, which precludes a necessary element of section 42, he does not qualify to be registered under that section, and that's what he was advised. He is in the position now, subject to the review of the University Co-ordinating Council, to apply and be registered under section 39.

MRS. FRITZ: Thank you, Mr. Chairman.

THE CHAIRMAN: I have to move on.

Mr. Tannas, Mr. Herard, and Mr. Pham.

MR. TANNAS: Thank you, Mr. Chairman. First of all, I want to place a question through our Parliamentary Counsel. Has this committee, and therefore the Alberta Legislature, ever waived or set aside the medical requirements for the practice of medicine or the Law Society requirements for the practice of law in recent history?

MR. REYNOLDS: Mr. Chairman, with respect to the medical profession, I couldn't give you an answer without looking up the index of the private Acts since 1905, but I'm not aware of anything waiving something in the Medical Profession Act. There have been Acts passed with respect to exempting people from the operation of the requirements under the Legal Profession Act. I believe, subject to checking, that the most recent one was in the late '80s, and I believe it was the Scott J. Hammel Legal Articles Act which dealt with a situation where someone had articulated at the Federal Court. There is no allowance, I believe, at the time in the Legal Profession Act for someone to articulate at the Federal Court, so there was a special Act, a private Act.

MR. TANNAS: Did that one receive the support of the Law Society, or were they opposed?

MR. REYNOLDS: Mr. Chairman, I don't know the answer to that. It was a few years ago, and I just know that an Act was passed. We would have to go back and check the files, if they still exist.

MR. TANNAS: It truly would be helpful if we had any clear-cut cases or precedents, particularly where the applicant's petition is not supported by the Law Society.

I wonder if I could ask Professor Davies a question. What difficulties would you envisage Mr. Chew encountering to meet the terms of the Law Society and the Legal Profession Act? Say, for instance, that his petition here is not granted, yet he still wants to continue to become a lawyer in good standing in the province of Alberta. What provisions would you then recommend to him in order to accomplish that?

MS DAVIES: Under section 39, which is the section under which he would now fall, which is the normal section for people who come from out of the country or indeed out of the province, he would have to have not only his law degree assessed -- and he says he's had his law degree assessed -- but he would also have to show that he did at least two years of prelaw or the equivalent of that. I understand from Mr. Lennie's submission that this is the problem for Mr. Chew, that he didn't have prelaw. I may be wrong, but Mr. Lennie might correct me on that.

9:11

MR. LENNIE: That is correct. At the time Mr. Chew was admitted to law in England, it was not required to have a two-year prelaw process, so he does not have that prelaw degree. The answer in part to your question would be: Mr. Chew would need two or three years of prelaw at this point in order to have a section 39 application heard.

THE CHAIRMAN: Mr. Herard.

MR. HERARD: Thank you, Mr. Chairman. I'm trying to understand this clearly. I'm looking at the February 24, 1995, letter from the Law Society. I'm also trying to understand the comments of Mr. Turner when he said he clearly did not qualify. Yet I read the words in this letter. On the third line it says, "defective in that it is subject to completion of specified educational requirements," yet in the submission before us, would I be correct to assume that that

specified educational requirement is really a pupillage or, in our terms here in Alberta, articling? Professor or Mr. Turner, is that a correct assessment?

MR. TURNER: Mr. Chairman, I defer to the comments that Mr. Lennie originally made. He indicated that his correspondence with the Inner Temple indicates that that is correct.

MS DAVIES: Mr. Herard, there are two problems with respect to Mr. Chew's application under section 42. There is firstly the question of being called to the bar. Being called to the bar is the term that has caused us some problems. It seems that Mr. Chew has passed the academic part of the course, the bar exams as it were, but he didn't do the articles. In our terms we wouldn't consider that being called to the bar because you've got to do the whole package, but in English terms he'd passed part but hadn't done the pupillage.

The second problem under section 42 is the three out of five years active practice in that jurisdiction. He didn't comply with that either.

MR. HERARD: Right, but we're really concerned about this jurisdiction. So in all fairness, I would say that Mr. Chew was prepared to articulate and was in fact allowed to do so for seven months, as we have heard. That's the part that seems to be missing from the jurisdiction on the other side of the pond, and I want to be sure that I understand that to be correct. Now, I think you said, Mr. Turner, that that is correct.

MR. TURNER: The part that is missing for full and complete membership, as required by section 42, is the pupillage. As Professor Davies has pointed out, there is also the requirement for three years of active practice in the past five years, which Mr. Chew does not have. I don't think it can be legitimately considered that the seven months of articles in this province are active practice.

MR. HERARD: Okay.

I want to now ask one more question with respect to the fact that here in Alberta we would require a student to take a prelaw degree. Could you tell me what sorts of prelaw degrees would qualify?

MS DAVIES: Basically, any prelaw degree. You can have a BA, you can have a BSc, you can have only two years of that if you get into law school. I think the requirement of the prelaw is really to make sure our law degree is a graduate degree. In many jurisdictions such as England law is just another undergraduate degree of the equivalent standard of a BA, and ours is differentiated by the fact that it is indeed a postgraduate degree.

MR. HERARD: So you're suggesting the remedy in this case is that Mr. Chew go back to university and get himself some sort of degree that may or may not have anything to do with the practice of law. That would satisfy you. Is that correct?

MS DAVIES: Yes.

THE CHAIRMAN: Mr. Herard, I have a number of speakers, so I'm going to have to move on.

MR. HERARD: Thank you.

THE CHAIRMAN: Mr. Pham, Mr. Amery, and Mrs. Laing.

MR. PHAM: Thank you. My question is directed to Professor Davies. Assuming that Mr. Chew's petition is passed by the House, what examination would he have to pass and what practical

experience would he have to acquire before he can become a lawyer in Alberta?

MS DAVIES: If his petition passes, he'll complete his articles with Mr. Lennie and have to take the bar course and pass the bar exams.

MR. PHAM: And will those requirements guarantee his qualification to be a lawyer here?

MS DAVIES: If the petition passes, that is what he would have to do in order to qualify. If the petition doesn't pass, then he has to do some more education.

MR. PHAM: Let me put the question in another way. Are you confident that the examination he would have to pass will guarantee his knowledge as a lawyer?

MS DAVIES: I'll let Mr. Turner answer that one.

MR. TURNER: The bar course relates to what we call skills training: advocacy, negotiations, client interviews, and things like that. It's not academic law. It doesn't teach you land titles law, administrative law. It doesn't teach you about the law on personal property or things like that. The bar course is related primarily to skills.

As Professor Davies has pointed out, the primary route to becoming qualified for the practice of law in this province is to proceed through a law school in Alberta. There are exceptions, and the exceptions are primarily related to people who have been actively practising in another jurisdiction of similar law.

MR. PHAM: Thank you, Mr. Turner. I completely respect, I understand the process a person has to go through. My question is very simple. Can a person pass the exam set out by the Law Society and still have insufficient knowledge to become a lawyer? Can that be the case?

MR. TURNER: Well, we like to think not, but it's quite possible, yes.

MR. PHAM: My last question . . .

THE CHAIRMAN: Mr. Pham, one last question. We have to wrap this up fairly quickly because we have another hearing.

MR. PHAM: My last question. According to the discussion I have heard up to now, Mr. Chew has completed the academic requirements portion of the law degree. What he lacks now is the two years of undergraduate study. Is that correct? If he goes back and takes two years of undergraduate in any discipline -- economics, philosophy, science, whatever -- he would be qualified to be accepted as a student at law under the current provision of the law. Right?

MR. TURNER: Under section 39 that is correct.

MR. PHAM: Okay. Thank you.

THE CHAIRMAN: Mr. Amery, Mrs. Laing, and Mr. Wickman.

MR. AMERY: Thank you, Mr. Chairman. I want . . .

THE CHAIRMAN: Just before you start, I'm going to have to limit the number of questions to a maximum of two each, very short.

MR. AMERY: My question has been answered. Thank you.

THE CHAIRMAN: Oh, terrific.

MRS. LAING: I have just a quick one. Is Mr. Chew now a Canadian citizen?

MR. CHEW: I've been in the country for just three and a half years. I'm in no position to apply for Canadian citizenship, as I understand it, unless I've been here for at least three years.

9:21

MRS. LAING: Is that also a requirement of the Law Society?

MR. TURNER: No, presently it's either citizenship or residency.

MRS. LAING: Thank you.

THE CHAIRMAN: Thank you, Mrs. Laing.
Mr. Wickman.

MR. WICKMAN: Yeah. Just a question to Professor Davies. If this was approved, from the society's point of view it could set a very dangerous precedent in that others may try a similar approach to be admitted to the bar.

MS DAVIES: Mr. Wickman, that is indeed the problem here. We have to have consistency and fairness. To be perfectly honest, I can understand Mrs. Fritz, Mr. Herard, Mr. Pham saying: what good is it going to do him to go back and do two years of an arts degree? I can understand that. To tell you the truth, I can empathize with that. Our problem is: we've got the rules; other people have followed them. We have many people who come from England with undergraduate law degrees. In fact many Canadian students who can't get into our law programs go to England and do a law degree over there. The problem of course is the question of losing any consistency, and indeed either you get flooded or we change the legislation. It's the lack of fairness and lack of consistency that is the main problem with this petition.

MR. WICKMAN: Okay.

My last question, Mr. Chairman. How many years has it been now since this Legislative Assembly has given you the right to govern yourselves under the Legal Profession Act? The one I have here is 1990. I assume that's an amended Act.

MR. TURNER: Since 1907, Mr. Chairman.

THE CHAIRMAN: I just have one summation question, and then I'm going to offer Mr. Reynolds an opportunity to ask any questions of a technical nature. When you were talking about section 42, you said that there are basically two problems and two areas where there are deficiencies: first of all, the fact that Mr. Chew has not been in practice for three of the last five years, and secondly, we have this discrepancy on the educational requirements. I guess my question is: had the discrepancy on the educational requirements not been a case, had a very clear indication come from the Inner Temple that Mr. Chew had completed the requirements, the fact that he has been practising in Malaysia -- is that correct? Was that most recent? Malaysia is not on the list of countries. I notice that even the United States is not on the list of countries. Had Mr. Chew been practising in the United States, he still would have had a problem. I would like you to very briefly explain to the committee how the countries that

are listed in this very short list are arrived at and the reason for excluding the rest of the countries in the world.

MR. TURNER: Section 42, Mr. Chairman, is what I call a remnant of empire. These jurisdictions specified were, in the opinion of the Legislature when they were originally passed, jurisdictions that were primarily common-law jurisdictions, and when this section originated in the Legal Profession Act, the similarity between the common-law jurisdictions was quite significant. That is not the case today. As a matter of fact, the benchers of the Law Society have already passed a resolution that will request the Legislature of Alberta to repeal that section as no longer an appropriate section, and they are not asking that anything be substituted in place of that section. This is a section that may well have been appropriate when the law of Alberta relied much more on old, historical common law and much less on the legislation that has been passed by this Legislature. It is the opinion of the Law Society that the section is no longer appropriate although it is still there, and certainly if Mr. Chew had qualified under it, he would be entitled.

THE CHAIRMAN: Thank you.

Very briefly, Mr. Chew, could you advise the committee if Malaysia practises common law?

MR. CHEW: Oh, yes. It's a common-law jurisdiction. We have the tolerance system which is similar to the tolerance system here, which we follow. Our system is mainly common law based on English common law.

THE CHAIRMAN: Thank you.

I don't see any other . . .

MR. HERARD: I'll ask one.

THE CHAIRMAN: Very, very briefly.

MR. HERARD: I was just interested in the comment by Mr. Turner about the fact that section 42 is being asked to be repealed. There's been a lot going on in this province with respect to modernization of legislation, and a lot of the professions have been participating with the Professions and Occupations Bureau to modernize and to remove unnecessary red tape and so on. I'm just wondering if this repeal of section 42 was the result of participating in such an action, and perhaps if there are other things you know of that in fact will be asked to be repealed.

MR. TURNER: The result of the resolution of the benchers came from a subcommittee of the Law Society that studied the question of transfer and mobility with the objective of facilitating the transfer and mobility of lawyers within Canada and throughout the world. Certainly we have had communications with counsel of the provincial government in this regard. There was a protocol signed by all law societies in Canada that is attempting to facilitate this. The concern always is that the mobility of lawyers is subject to a competency test within the jurisdiction, both as to the law generally and as to the jurisdiction's specific law. This is the basic concern that the Law Society has in this regard, but the recommendation for the repeal of 42 is part of a full package that will come forward from the Law Society at the appropriate time.

THE CHAIRMAN: Thank you.

Mr. Reynolds, do you have any questions of a technical nature?

MR. REYNOLDS: Of a technical nature to Mr. Turner, when he was discussing the bar admission requirements. I understand it's changed over the past few years, but is it your submission that there are no longer exams offered as part of the bar admission course with respect to specific areas of law such as family law, land titles?

MR. TURNER: No, they are part of it. It's just that the emphasis is on skills as opposed to the substantive law. The premise of the bar, of course, is that the individual either has the immediate academic qualifications or a substantial practice of law that keeps them fully familiar with the substantive law of both the jurisdiction they've been in and Alberta.

MR. REYNOLDS: Mr. Chairman, there still are exams that every student must pass. Is that not the case in order to pass the bar admission?

MR. TURNER: Yes.

MR. REYNOLDS: How many exams are there, sir?

MR. TURNER: There are six exams and three assessments, an assessment being where the participant participates in an activity and people evaluate their performance.

MR. REYNOLDS: Mr. Chew would have to pass through that even if this petition was granted?

MR. TURNER: Yes.

MR. REYNOLDS: Mr. Chew, on another note, where did you receive your legal education?

MR. CHEW: In England. In London with the Inns of Court. The education was provided by the Council of Legal Education, and that's the body that governs students' exams and so on.

MR. REYNOLDS: Did you attend a university too?

MR. CHEW: The Inns of Court is a very unique system in England. If one wishes to practise as a barrister, one has got to be enrolled as a member of the Inns of Court, attend the usual lectures, and pass exams and be called to the bar before one can be a barrister. Even if a person is a graduate -- for example, if he's a bachelor of laws, LLB -- he can practise. So as far as England is concerned, if one wishes to practise as a barrister, as a lawyer, one has got to be enrolled at the Inns of Court. The Council of Legal Education is the body that governs the exams and so on. That's the body. The profession is not fused in England.

9:31

MR. REYNOLDS: Did you attend a university, though, to obtain . . .

MR. CHEW: I attended the Inns of Court. The Inns of Court is the body, and the Council of Legal Education is the body that governs the exams, the lectures, and so on.

THE CHAIRMAN: I would give an opportunity to Mr. Lennie or Mr. Chew to very briefly make a summation statement.

MR. LENNIE: Very briefly, I'll only say that it is our opinion, as submitted to this body, that the exemption we are seeking has to do with the three of the last five years in respect of the practice. We

concede that has not occurred as set out in the Legal Profession Act. It is our submission that Mr. Chew's certificate of good standing in fact should have read clear "certificate of good standing, he is in good standing," period. It would not have come to the Law Society's attention whatsoever if they had said that what he has not done yet is his pupillage or, the equivalent in Alberta, the articling student provision. That's not to say we should rely on something that might not have come to their attention. We are simply saying: had the language been the same in both England and Alberta, in all honesty I think Mr. Chew would have finished his articles and be a practising lawyer today. However, he would not have met the strict interpretation of 42(1)(c), which is the three of the past five years. That one we concede, and that's what this Bill hopes to exempt him from.

Thank you.

THE CHAIRMAN: Thank you very much.

Committee members, we'll take a very brief break while we change petitioners. We'll be back with Bill Pr. 3 immediately.

[The committee adjourned from 9:33 a.m. to 9:40 a.m.]

[Mr. Carruthers and Mr. Cumming were sworn in]

THE CHAIRMAN: Welcome, gentlemen. In addition to welcoming you this morning, I want to very briefly explain the process. I think you were able to listen in on our previous petitioner, so you have a bit of an idea where the committee is coming from.

Your petition has received first reading, and it's the responsibility of this committee to recommend to the Legislative Assembly whether it should proceed beyond first reading. Like any Bill of the Legislature, it requires debate at second reading, committee, and third reading. The purpose of this committee is to make a recommendation to the Legislative Assembly. Normally there isn't a lot of debate in the Assembly as a whole on private Bills. The Assembly to a large extent depends upon this committee to make recommendations as to how the Bill should proceed. So this is a very important part in the legislative process.

As I did earlier, I'll give you an opportunity to explain your position with respect to this petition. We have received your briefing notes that you forwarded to us. Those have been distributed to committee members. As well, we have distributed to committee members the four-column document that you sent. So members are reasonably familiar.

I'm not sure what the best process is. I'm not sure that it would be productive to go through the Bill line by line. I think perhaps you could explain in broad terms what the purpose of the Bill is, and then we can let committee members deal with specific details if they wish.

MR. CARRUTHERS: Thank you. Hon. members, my name is Ted Carruthers, and I'm here with Thomas Cumming. Mr. Cumming is the president of the Alberta Stock Exchange. The Alberta Stock Exchange plays a very important role in the province of Alberta as a regulated forum for the raising of capital and the exchange of equity. Its constituency is primarily growth companies, the vast majority of whom are based in Alberta.

The exchange itself, as a bit of history, was established in 1914 as the Calgary Stock Exchange in response to the need for a regulated forum for trading in oil claims and stocks following the discovery of oil in Turner Valley. The Alberta Stock Exchange has become an internationally recognized exchange, trading over 2 billion shares and \$2 billion in value in each of the last two years. In order to handle these trading volumes, the exchange has developed an

automatic trading execution system which was developed in partnership with an Alberta systems company. The trading system has now been licensed to four foreign stock exchanges, with two additional stock exchanges in advanced stages of negotiation to acquire this technology.

The exchange as it exists today was established by the 1974 Alberta Stock Exchange Act that had the effect of continuing the Calgary Stock Exchange. That Act has not been touched for 20 years, so this is the first time the Act has come back before this House. The exchange operates on a not-for-profit basis -- that is, the profits are reinvested in the institution -- and it's owned by the member firms who are part of the Investment Dealers Association and the other organizations which constitute the investment community.

The Alberta Stock Exchange is part of the Alberta advantage. It focuses on Alberta-based companies. Its primary constituency is those growth-oriented companies that are here in Alberta. They're primarily emerging and junior companies, and I think we recognize that that's a very challenging sector of the capital markets. It maintains a diligent regulatory oversight which contributes to its reputation as a clean, fair, and well-regulated exchange. The Alberta Stock Exchange doesn't have the problems that have been associated with other junior exchanges. Finally, it's responsive to the capital requirements of Alberta industries and corporations.

This Bill, as you'll see in the briefing note, has a number of major categories that we want to deal with. The first is "to expand the objects of the Exchange from a 'stock exchange' to 'an Exchange . . . for trading in securities or other instruments.'" This is consistent with the amendment to the objects of the other major Canadian exchanges, recognizing that the instruments which trade on exchanges are no longer just stocks but rather encompass a broad array of financial instruments, some of which weren't even thought about in 1974 and some of which, I'm sure, have not even been thought about now. But recognize that these fall within a broader generic category of securities, that it's appropriate to expand the objects of the exchange to cover trading in securities. These instruments would include financial instruments derivative from commodities trading so-called derivatives.

I want to make two points. First of all, the exchange is not a trader in derivatives but rather facilitates the trading of derivatives. There's no proprietary interest or principal interest here. Secondly, the expansion of the object of the exchange will not give it the power to become a commodities exchange. There's no present intention of the exchange to be a commodities exchange.

The second area is "to provide for . . . public directors" or, as the exchange refers to them, "governors." The exchange has historically appointed two and, in the last two years, three members of the public to its board of governors. These people are not associated with investment dealers and are representative of the general public interest. That is consistent with other self-regulating organizations and consistent with positions that have been taken with respect to other self-regulating organizations, and there's certainly nothing controversial in that. All we're trying to do in this Act is to provide for a formalization of the requirement that has been done informally and then to build a definition of public governor to ensure that that definition is clear, that it is a person who is not associated with an investment dealer or an owner of the exchange.

The third area is to "expand regulatory authority" consistent with the exchange's mandate to regulate its members and the companies which are listed on the exchange. A couple of problems have been experienced in the regulation of members; that is, the investment dealers. The first is that the exchange is in effect a club, and the law is that the ultimate sanction for a member of a club is to be excluded from the club. What this Act will do is expand the authority of the

exchange to discipline or regulate the conduct of a person who was a member of the club after they're no longer there. So it's a claw-back provision to expand the regulatory jurisdiction. This comes out of a Supreme Court of Canada case, *Chalmers*, which is referred to in the four-column material, where the Supreme Court of Canada in reference to the Toronto Stock Exchange said that it had lost jurisdiction with respect to a member who had resigned from the industry. The effect of doing that is to continue the jurisdiction of the exchange. The alternative, as happened in one case in Alberta, is where the Securities Commission then had to do the prosecution. Again, consistent with what's happening in society generally, the self-regulating organization should bear both the responsibility and the cost of that disciplinary proceeding rather than having it borne through the public purse, through the Securities Commission, but retaining the Securities Commission's regulatory oversight over (a) recognizing an exchange and (b) being the court of appeal, if you will, for decisions of the exchange.

9:50

The second area where we wish to expand the jurisdiction is related, and that is to authorize the exchange to appoint a receiver over the affairs of a member. This amendment will permit the exchange to act quickly on notice to the commission, to move quickly to appoint a receiver so that where an investment dealer has -- the normal situation is that they have become or are becoming insolvent, and the exchange needs to step in quickly to safeguard the assets and make sure the customer assets are protected.

The last two areas are what we would characterize as house-keeping. The first is to clarify the duties of the president of the exchange to make it clear that he is a member of the board of governors, and secondly, to delete the reference to the chief administrative officer. Because of the expansion of the exchange, he's the chief executive officer but not the chief administrative officer.

There are a couple of other housekeeping things that you can see in the briefing note: the elimination of a minimum and maximum of directors, meetings by telephone, clarifying that the president appoints officers and employees, and clarifying the ability of the board of the exchange to form committees and to delegate responsibilities to those committees.

I'd be more than happy to respond to questions from the members. Thank you.

THE CHAIRMAN: Thank you very much.

Just before I go to questions, I want to point out to members that we do not have intervenors involved in this petition. We have a letter that every member is in possession of from the Securities Commission, signed by Mr. Hess, indicating that the Securities Commission does not have any problems with the proposed amendments.

I'll then go to Mr. Pham, Mr. Herard, Mr. Tannas.

MR. PHAM: Thank you, Mr. Chairman. Welcome, gentlemen. I have three questions for you today. The first question is: what you are asking for in this legislation is very similar to the legislation for other stock exchanges in Canada. Is that correct?

MR. CARRUTHERS: Yes, it is.

MR. PHAM: Okay. My next question is: what lost opportunities would you suffer if this Bill is not passed?

MR. CARRUTHERS: I think I would respond to that with three particular areas. Actually, let me start in the way they're in the

briefing note. There's a serious issue whether or not the exchange is restricted to facilitating the trade in broader securities, broader financial instruments that are not shares of a corporation; for example, a bond, other financial contracts. By limiting the exchange to trading in stock, there will be irresistible market pressures which will develop to have other institutions undertake trading in instruments other than stock.

Secondly, with respect to the regulatory aspect, the exchange is mandated to discipline and regulate its members. The inability to regulate members after they leave the industry forces those members to avoid discipline, and there's a potential risk there that they could leave the industry and come back and there'd be a new regime and new people and it would not be possible to discipline because of the loss of witnesses or trading records and that sort of thing. Also, if the situation is serious enough, it forces the obligation for discipline onto the Alberta Securities Commission, so in effect the discipline is undertaken through the public purse rather than the private purse, if you will, the exchange and its members.

The third point is that formalizing public governors is very much consistent with what I see this government attempting to accomplish now with respect to a large number of self-governing organizations. To put the responsibility for government back into the organization and then requiring the organization to have representatives of the public in order to give a perception of fairness: the Exchange recognizes that, and in fact has appointed those public governors informally for some years. The effect of this legislation is to formalize that process.

MR. PHAM: Thank you.

My last question. Obviously what you are proposing in here is very important legislation, and it will affect the lives of many people in Alberta. I'm just wondering: why do you use a private Bill to proceed with this legislation? Why don't you approach government, especially Treasury, for example, and ask them to bring this in as a government Bill?

MR. CARRUTHERS: Thank you for the opportunity to address that. When we began the process, we realized that the Stock Exchange Act is a private Act of the Legislature. In speaking with Treasury officials -- and I would like to assure the House that all the way through this process we have been working with Treasury and the Securities Commission to ensure they have a full involvement in the development of this Act -- we were told that Treasury had a very full agenda. So we, in effect, proceeded on two tracks, a private Bill track and a government Bill track. The private Bill track opened up first. The exchange is anxious to get this legislation passed in order to have certainty in its roles and responsibilities, and we've been advised by Treasury that their agenda is very full and there is no hope of getting it on as part of Treasury's legislation in this session and perhaps not in the fall. So this avenue has opened up to us more quickly.

THE CHAIRMAN: Thank you, Mr. Pham.

Mr. Herard, Mr. Tannas, and Mrs. Laing.

MR. HERARD: Thank you, Mr. Chairman, and welcome, gentlemen. I was interested, as a bit of a technology buff, in your comments, Mr. Carruthers, because previous to looking at this Bill I had read that certainly the technology aspects of the exchange are very well known throughout North America and certainly overseas as well. I guess I see this Act as being sort of trying to bring the exchange into the 21st century.

I have two questions. One is with respect to the perception of the public with stock exchanges in general. There have been in our past,

throughout North America and I suppose elsewhere, instances where dealings at stock exchanges have come into question. I'm wondering if this legislation with respect to what's going on in Canada is also bringing us into the 21st century that way, in protecting the public. One of the concerns I would have is: are we in fact taking steps with this legislation to protect the public as best we know how in Canada, for example?

MR. CARRUTHERS: I'd like to deal with the protection of the public, and to the extent there are technology issues, I'd pass them to Mr. Cumming. The protection of the public is paramount. The exchange enjoys an enviable reputation as a clean, fair exchange. The ability to move quickly to appoint a receiver is fully within the mandate of protection of the public. Where you've got a house that's offside and the bad guys are in charge of the cheque book, there's a need to move very quickly. Giving the exchange, which has the primary responsibility for that regulation, the ability to appoint a receiver avoids the necessity of the existing situation where it has to go to the Securities Commission to get the commission to appoint the receiver and then the commission comes back to the exchange and looks for the financial indemnities. By the time that all gets together, putting it into place is several more days. In the meantime, you've got the bad guys in charge of the treasury and the customers' assets potentially at risk. So that's very much focused on the protection of the public.

Perhaps Mr. Cumming could address the trading issues.

10:00

MR. CUMMING: Or any other issues for that matter.

Mr. Herard, thank you for that question. Going back to your main thrust on the public protection side, the first item we are requesting here is the change in focus in dropping the word "stock" from "exchange," which to me is much more meaningful than it may on the surface appear. This means that those items that may appear on the market for trade and be made available to the public -- if they can be brought under our wing and traded under the aegis or the regulated forum we have established under our rules and regulations, to me that suggests that at least the public will receive a greater degree of protection than if we see those sorts of instruments traded in an unregistered, over-the-counter type of market, which is where most of the problems seem to occur.

You've probably all seen the OTC expression in the paper. Most problems are occurring in OTC markets. This way would bring them all under the aegis of the exchange, trading in a highly regulated forum where there's full disclosure, transparency, and the public has total access because of our technological advancement. It's even more so today where we're able to present to the public around the world on an on-line, current time basis as transparent a marketplace as exists in the world. We're very fortunate to be able to do that. I think from a public protection standpoint that's very important.

MR. HERARD: My second question. I'm going to have to ask the indulgence of the chairman, because it may be in the realm of opinion. I was attending a fund-raising breakfast this morning and was disturbed to hear that out of the top 70 venture capital transactions last year in Canada, none of them invested in Alberta. I'm wondering if what you're doing here with respect to being able to trade in other instruments could have a beneficial effect with respect to venture capital, or is this outside the realm of what we're talking about?

MR. CUMMING: It's very difficult to address it directly. I haven't seen that particular article that you saw. I did see a listing yesterday

in some publication of the top venture capital investments in the world. I noticed that one or two Alberta firms were involved, but I don't know where the actual investments were made. I would like to think that the two are mutually compatible, although one doesn't replace the other.

The exchange fills a very important role and a very unique role in this province. It doesn't exist in any other province, and you can include British Columbia in that to some degree because of the focus we put on the regional market that Vancouver doesn't put on its market. We provide to emerging industry here, I think, an alternative. Now, it doesn't suit everyone. Not every one of our investments is applicable or appropriate to venture capital investment depending upon the terms of reference of the venture capital investor. But there's no question when you consider we listed 160 companies last year, albeit some of them quite modest in size, that a good portion of those -- the funds that were raised by the initial placement offerings of those firms -- probably replaced venture capital type investments but probably more likely will enable them to become eligible for venture capital investment of a capital form because they are now publicly listed and as they develop a track record of compliance and operation.

I'm sorry I can't give a specific answer on that.

MR. HERARD: Thank you.

THE CHAIRMAN: Mr. Tannas, followed by Mrs. Laing.

MR. TANNAS: Thank you, Mr. Chairman. I have a couple of questions. The first one may venture into an opinion. Anyway, Mr. Carruthers, would you say this would provide public protection equal to or greater than the Vancouver Stock Exchange?

MR. CARRUTHERS: I think you have to look at that issue in two ways. The first is the law. The ability to operate is equal to or as good as the Vancouver Stock Exchange. The exchange has the legal authority to regulate its members. The next issue, I think, is more subjective, and that really reflects the determination of the board of governors to run an exchange of a particular quality and a particular type. Probably that question would be better responded to by Mr. Cumming.

MR. CUMMING: As Mr. Carruthers has indicated, on paper the rules and regulations of the two exchanges, and in fact all four exchanges in Canada -- and probably you could expand that to include the New York Stock Exchange -- are quite similar in the general powers. The essence of the exchange in its capacity as a regulator is shown by how it performs and how it interprets and how it applies those laws. I like to think that, again, perhaps because of the focus we've taken -- we keep our focus primarily in this province. We like to know people we're doing business with. In some respects you could say it's more good luck than good management, but I really think it's a portion of good direction on our side that we do focus in this province and therefore know who we're doing business with. In my opinion, even though we're treading in the same waters, we're able to apply the rules with much more diligence and much more effectiveness. What we're trying to do here with a couple of these changes is to expedite and make that even more effective.

MR. TANNAS: Okay. Thank you.

THE CHAIRMAN: Thank you.
Mrs. Laing.

MR. TANNAS: I have one more question. I was just waiting for the green light to come on.

THE CHAIRMAN: Oh, I'm sorry.

MR. TANNAS: Thank you.

In the file here we have the letter on the Securities Commission's support for your changes. My second question is: do we have one from the Provincial Treasurer, or has the Provincial Treasurer been contacted? Or is the Securities Commission support deemed to be the same as if it were from the Provincial Treasurer? I'm not sure if that goes to our council or to . . .

MR. CARRUTHERS: The response is yes to all three. We approached the Provincial Treasurer and the chairman of the commission at the same time. The Provincial Treasurer told us to deal with the Securities Commission but also to keep the Deputy Provincial Treasurer, Mr. McPherson, in the loop, and we have done that. In fact, it's not before you, but I have a note here from the Deputy Provincial Treasurer confirming that he's seen the Bill and it looks fine to them.

MR. TANNAS: Okay. Thank you.

THE CHAIRMAN: Mr. Reynolds, do you want to address that as well?

MR. REYNOLDS: Well, Mr. Chairman, I would point out that the January 17 letter that the committee has in its possession is addressed to the Provincial Treasurer from Mr. Hess, and it's CC'd to Al McPherson, the Deputy Provincial Treasurer. Of course, the Securities Commission is under Treasury in terms of the organizational chart of the government.

THE CHAIRMAN: Thank you.

Mrs. Laing and Mrs. Fritz.

MRS. LAING: Thank you, Mr. Chairman. I, too, would like to congratulate you for the protection you're putting in for consumers and the election of more public governors. I think that's a very important step. I have just one question about the appointment of a receiver over the affairs of a member you feel is in problems. Would that give them the power over all the business or just those things that are listed on the stock exchange?

10:10

MR. CUMMING: We're speaking here about a member firm of the stock exchange. The member is the stockbroker, as I use that context. In effect that is the member. It would give us power to take action against that full business of the stockbroker.

We're not to be confused with the listed company which trades on the stock exchange. We don't have that type of authority. We would not seek that authority. We're speaking here particularly about our members, the stockbroking firms, their ability to survive financially, and our feeling that we need to be able to proceed against them very quickly in conjunction with the Securities Commission to protect the public dealing with that particular brokerage firm but not to be confused with the listed company.

MRS. LAING: Okay. Good. Thank you very much for that clarification.

THE CHAIRMAN: Thank you.

Mrs. Fritz.

MRS. FRITZ: Thank you, Mr. Chairman. A brief question on page 3 in regards to officers. How many officers are there?

MR. CUMMING: Five.

MRS. FRITZ: So it's fairly small, a fairly limited number then.

MR. CUMMING: The officers you're referring to here, I believe, are elected. There's the chairman . . .

MRS. FRITZ: Yes. I was looking under section 6.

MR. CUMMING: Pardon me.

MRS. FRITZ: I was looking under section 6. "Section 8 is repealed and the following is substituted." It's actually 8(3) on page 3.

MR. CUMMING: Page 3 of the Bill?

MRS. FRITZ: It says:

Every officer of the Corporation . . . shall be appointed by the President with the approval of the board of directors.

MR. CUMMING: That's not the elected officers. That's the appointed officers.

MRS. FRITZ: I guess I could just share with you what my thoughts are. First of all, I wondered if all five would be senior officers, whether or not, when I look back to the definitions, they're considered to be insiders, and why it wouldn't have just been left with the president, why it needed the approval of the board.

MR. CUMMING: Well, we are established as a not-for-profit organization. Presumably the board, who owns the organization, should have some insight or some say or some influence on the selection. They have in their wisdom elected a president, and they've given the president authority to appoint operating officers of the company. This is where I was just a little bit -- not confused. But we also appoint a group of officers -- the chairman, the vice-chairman, an honorary secretary, and an honorary treasurer -- and those are elected from our member governors. These are not full-time jobs. These are people who are on our board of governors, are employees of member firms, and do not hold, if you like, line positions. My position as the chief executive officer and president is to appoint operating officers within the firm. In this case there is not a designated number. In effect, it's not clear.

Does it not refer to the officers that are elected, Ted?

MR. CARRUTHERS: Yes.

MRS. FRITZ: That's clarification enough, Mr. Chairman. It explains to me why it's written the way it is. Thank you.

THE CHAIRMAN: I have no other speakers on my list. Does anyone else have any questions? That being the case, then, Mr. Reynolds, do you have any questions of a technical nature?

MR. REYNOLDS: Just a very short point of clarification, Mr. Chairman. I noticed that the letter from the Securities Commission, from Mr. Hess, is dated January 17. I just want to clarify for the committee that the Bill they reviewed was essentially identical to the one that's now before the Legislature. That's correct, Mr. Carruthers?

MR. CARRUTHERS: Yes. Thank you, Mr. Reynolds.

MR. REYNOLDS: The only changes that have been made since that time, certainly from our office when we received it, would be of what could be termed a minor stylistic or drafting nature.

MR. CARRUTHERS: That's correct. Just for the record, Mr. Hess also saw a copy of that Bill and informally concurred that there were no substantive changes.

MR. REYNOLDS: It's my understanding -- and perhaps you mentioned this -- that in drafting this Bill and the provisions, you were in contact with the Securities Commission and with Treasury, who perhaps steered or had comments as the version progressed. Is that correct?

MR. CARRUTHERS: Yes, that's correct.

MR. REYNOLDS: Thank you, sir.

Those are my questions, Mr. Chairman.

THE CHAIRMAN: Thank you. With that, then, I will give either of you gentlemen an opportunity to make any closing remarks you would like.

MR. CARRUTHERS: Thank you. The one thing I should raise with you is that Mr. Cumming has brought copies of the annual report of the exchange for the committee, and we'll leave those with you for distribution to members who might be interested. Other than that, subject to Tom having anything to say, I'd just like to express our appreciation for the time of this committee and the opportunity to make this presentation.

MR. CUMMING: Thank you for your time and attention and interest. As Mr. Carruthers indicated, I do have copies of our annual report, which is just out and I think gives you some rather interesting insights. I suggested to someone that I might give it to you in advance. People thought that might be some type of inappropriate lobbying, but it wasn't meant in that context at all.

We're very proud of what we're doing at the exchange. These are very challenging times for us in that markets are opening up. As we grow, we can no longer consider ourselves strictly a regional market from the standpoint of investor activity. Because of our advancement, because of what's happening in the world, we're now in front of the world from an investment standpoint, which is what we all want, but that brings with it certain other responsibilities. The amendments we're asking for here will give us a little more room and a little more ability to respond in that regard. It's an interesting business and we think we're on the right track.

Thank you, for your attention.

THE CHAIRMAN: Thank you. Just for your information, the committee will not be making a decision today. The purpose of today's meeting is just for information gathering. We will be meeting after Easter in fact and will be bringing forward information from all the petitions and making a decision at that time on what we will be recommending to the Legislature. Mr. Reynolds will be in contact with you after that decision is made so you'll know what the decision is. The committee also reserves the right to contact you and request further information, clarification, or that type of thing. Once we get into the debate, we may find that we need some additional

information, so we may be contacting you just prior to that decision being made.

MR. CARRUTHERS: Thank you.

THE CHAIRMAN: Just for the information of committee members, I have a very brief item of business to deal with as soon as our guests leave. Please don't leave the room quickly.

Committee members, under new business, I would like to advise that we have heard from the solicitor representing Concordia College with respect to their Bill. As you may or may not know, there has been some intervention on the part of Concordia University, and the presenters of the petition from Concordia College would like to defer the hearing and the consideration of that Bill until the fall sitting. They want to have an opportunity to try and resolve their differences with Concordia University prior to coming to us, and I actually concur with that. I think that is the appropriate manner that we deal with that. That being the case, I have indicated that with the permission of the committee that would be all right.

I need to do two things. I need the committee to ratify -- and perhaps we should wait until we get it in writing. We've had it verbally. I'll bring it back to the committee when we get it in writing, and then we can ratify that decision at that time.

More importantly, Concordia College was to be here next week, a week from today. With them not coming, that would leave only one presentation. On the original agenda, we had three petitions scheduled for the 11th of April. I would like a motion from the committee that we could ask Ms Marston to contact the Galt Scholarship Fund Continuance Act petitioners and, if they're available -- and there's no guarantee they're available -- I hope we could hear from them next week rather than the week after. I think that will smooth things out for us. Moved by Mr. Trynchy.

Do you have a pretty good idea what that motion would be?

10:20

MS MARSTON: I would say that Mr. Trynchy moves that the Galt Scholarship Fund Continuance Act be heard on April 4 instead of April 11, if possible.

MR. TRYNCHY: Could we not leave it open that one of the three . . .

THE CHAIRMAN: Well, the other two are related, so that's really the only logical one.

MR. TRYNCHY: Oh. Good enough.

MRS. LAING: I still have one quick question.

THE CHAIRMAN: Sure. Mrs. Laing.

MRS. LAING: Thank you, Mr. Chairman. Would this mean that it would have to be a new application, or would they be expecting to be exempted from posting bonds and things again?

THE CHAIRMAN: No, it wouldn't be necessary for them to re-petition unless the Legislature is prorogued over the summer. If we would come back with a new session of the Legislature, then they would have to go through all of it, and they have been informed of that.

MRS. LAING: Okay. Thank you.

THE CHAIRMAN: Provided that we come back in the fall with the same Order Paper that we have now, we just carry on as a committee like it had been dealt with in the spring.

Any other discussion?

Then on the motion to ask Galt to come next week, all in favour?

Opposed? Carried.

A motion to adjourn is in order. Mr. Pham. All in favour?

Opposed? Carried.

[The committee adjourned at 10:23 a.m.]