

LEGISLATIVE ASSEMBLY OF ALBERTA

Title: **Friday, April 8, 1988 10:00 a.m.**
 Date: 88/04/08

[The House met at 10 a. m.]

[Mr. Speaker in the Chair]

PRAYERS

MR. SPEAKER: Let us pray.

We give thanks to God for the rich heritage of this province as found in our people.

We pray that native-born Albertans and those who have come from other places may continue to work together to preserve and enlarge the precious heritage called Alberta.

Amen.

head: INTRODUCTION OF BILLS

Bill 232
An Act to Amend the
Guarantees Acknowledgment Act

MR. NELSON: Mr. Speaker, I request leave to introduce Bill 232, being An Act to Amend the Guarantees Acknowledgment Act.

This Bill is introduced to address a situation in the community and is a precautionary measure that to be written into the Guarantees Acknowledgment Act will prevent people from accepting guarantees unless they have a perfect understanding of what's expected of them.

[Leave granted; Bill 232 read a first time]

head: TABLING RETURNS AND REPORTS

MR. M. MOORE: Mr. Speaker, I'd like to table with the Assembly copies of the Alberta Registered Dieticians Association annual report for the year 1986-87.

I'd also like to table a copy of the annual report of the Alberta Association of Registered Nurses for the year ended September 30, 1987.

As well, Mr. Speaker, I'd like to table the annual report of the committee chaired by the hon. Member for Cypress-Redcliff, the Alberta Health Facilities Review Committee, for the year 1987.

MR. RUSSELL: Mr. Speaker, I'd like to table a report required by statute, the annual report of Medicine Hat College.

MR. BRADLEY: Mr. Speaker, I'd like to table the annual report of the Alberta Research Council for 1987.

DR. WEBBER: Mr. Speaker, I'd like to table the 1986-87 annual report, Alberta Petroleum Incentives Program Fund.

MR. PAYNE: Mr. Speaker, I'd like to table with the Assembly this morning the fourth annual report of the Advisory Committee on Heavy Oil and Oil Sands Development

head: INTRODUCTION OF SPECIAL GUESTS

MR. HORSMAN: Mr. Speaker, as the member of the Legislature for Medicine Hat, I'd like to introduce 28 young and interested Albertans from Medicine Hat and southeastern Alberta. This group of 28 young people is here for the weekend to join with other members of the Progressive Conservative Party in the annual convention. They represent university, college, and high school students who are taking a very active interest in the political life of this province. I would ask that all hon. members join me in demonstrating a warm welcome to this fine group of young people. Would they please rise and receive the welcome of the Assembly.

MS MJOLSNES: Mr. Speaker, it is my pleasure this morning to introduce to you and to members of the Assembly, 22 grade 8 students from Sir John Thompson school, located in the Edmonton-Calder constituency. They are accompanied by their teacher Mr. Bob Krzak and classroom aide Judy Hickey. They're in the public gallery, and I would ask that they rise and receive the warm welcome of the Assembly.

MR. GIBEAULT: Mr. Speaker, I am very pleased this morning to introduce to you and to the other members of the Assembly, some 50 grades 5 and 6 students from the Ellerslie elementary-junior high school in the constituency of Edmonton-Mill Woods. They're in the public gallery, accompanied by their teachers Mrs. Phyllis Olson and Mrs. Elaine Bartz. I'd ask them to please rise now and receive the warm welcome of the House.

head: ORAL QUESTION PERIOD**Principal Group**

MR. MARTIN: Mr. Speaker, I guess I'd like to direct the first question to the Deputy Premier. The Assistant Deputy Minister of Consumer and Corporate Affairs wrote his superiors in April 1984, urgently requesting a meeting with the minister regarding the safety and security of funds on deposit by First Investors and Associated Investors.

Now, Mr. Speaker, in view of the collapse of these companies and the losses suffered by innocent Albertans, has this present government bothered to determine whether the government fouled up on this request? Obviously, they did nothing about it.

MR. RUSSELL: Well, Mr. Speaker, I'm surprised at that question. I thought the Premier explained very clearly yesterday that the reason for the inquiry which is under way now and going into great detail, taking many, many weeks, involving hundreds of people, is to get at the exact answers to those kinds of questions — not only that but all the others associated with this matter.

MR. MARTIN: Mr. Speaker, this is now a public document. We're talking about this government; we're not talking about the Code inquiry.

Maybe I'll direct a second question to the Minister of Consumer and Corporate Affairs. As part of the submission at that time, Mr. Darwish stated, and I quote:

In my view, the company does not meet the capital requirements under The Investment Contracts Act and there exists a state of affairs that is or may be prejudicial to the interests of its investment contract-holders.

My question: does the minister agree with the assessment of the assistant deputy minister?

MISS McCOY: Mr. Speaker, there are two objections one may make to the questions being raised by the Leader of the Official Opposition. One is that the questions he's asking me precede the date that I took responsibilities for this portfolio. But the more serious one is that he is anticipating questions that are being examined in a judicial inquiry, and that is not a rule of the House.

MR. SPEAKER: Thank you.

The questions along this line were happening two days ago, and there is a real concern once again about matters being raised that are indeed before the Code inquiry. We've had the direction of the House in that regard before. As a matter of fact, at one stage of the game two days ago Standing Order 23(g) was indeed violated, in the opinion of the Chair, by the Member for Westlock-Sturgeon when the statement was made, "It's obvious the government is at fault."

Once again we have to come back to the fact that the matter is clearly sub judice, and a minister only has the opportunity to stand and make that comment and make no additional comment. Because once again we go back to the tradition and the observance of this House, which is clearly there in precedent. It goes back to May of '78 when Speaker Amerongen made these comments, and I think all of us do need to bear them in mind:

Not only should questions and answers and debate in this House avoid the appearance of influencing judicial proceedings, they should also not be used as a means of getting information which could conceivably be useful in those proceedings. The procedures of the courts [or quasi-judicial bodies] are designed for getting all the information necessary for those proceedings, and it would not be proper to use the question period as a sort of adjunct or an aid in regard to court proceedings.

Please bear that in mind.

The Chair also instructs the Table to add three minutes to question period, please.

MR. MARTIN: Well, Mr. Speaker, I will come back. I'm going to ask these questions. They don't have to answer them; I accept that. But certainly we have the right to ask. This is a public document. If they want to hide behind it, go ahead.

My question to the same minister, then, Mr. Speaker. He also said, and I quote:

Administrators of Acts relating to financial institutions must ensure that proper valuations are used. Failing this, more and more investors place money with the company when they shouldn't.

Does this minister deny on the part of the government that that is exactly what happened, that thousands of investors were led down the garden path because someone at the political level...

MR. SPEAKER: Order please. Order. The responsibility lies on the questioner as well as the one making the response.

Hon. minister.

MISS McCOY: Mr. Speaker, the questions the leader is irresponsibly raising are the very questions that Code is inquiring into in the inquiry. It would be irresponsible for me, as it is irresponsible for him, to delve into the subject that is being judicially inquired into, for the very reasons that you mentioned a moment ago, and that is (a) to anticipate a decision and (b) perhaps to influence the course of a judicial inquiry. It is simply

not part of the rules of this House, nor has it been part of the House of Commons tradition.

MR. SPEAKER: Thank you, hon. minister.

Last supplementary, please.

MR. MARTIN: Mr. Speaker, I'll direct this back to the Deputy Premier. It goes on to say:

Should this company fail, the effect on the confidence in financial institutions in Alberta would be serious.

This is a public document. My question to the Deputy Premier does he not agree that this cozy relationship between the Connies and the cabinet led to thousands of innocent Albertans losing their life savings?

MR. RUSSELL: Well, Mr. Speaker, I can only repeat what has been said so often. The thousands of documents associated with this entire case are being examined by lawyers representing all the groups. The proceedings are televised; the people of Alberta can see it every night. There's nothing to hide. The government was the one that initiated this inquiry to make sure that all those facts, doubts, questions are fully answered and done so in a public way, and we have nothing to hide.

MR. SPEAKER: Second main question, Leader of the Opposition.

MR. MARTIN: I expected my friend to jump in, Mr. Speaker.

I'd like to designate the second question to the Member for Edmonton-Highlands.

Government Appointments

MS BARRETT: Mr. Speaker, in the last few days Albertans got treated to the news that after nearly a year of vacancy, the Minister of Agriculture in Alberta finally decided to appoint his former backbench buddy from the House of Commons and, I think, his former roommate to a fairly senior position within the Department of Agriculture. Will the minister explain why it is that he was able to wait for nearly a year before filling this important vacancy?

MR. ELZINGA: Mr. Speaker, as all departments did, we went through a process of trying to increase efficiencies within our departmental aspects as we went through a budgetary deficit-reduction process. For that reason we were analyzing as to whether we could combine this with the economic branch of our department. We recognize the importance of a planning secretariat so that we can be forward-looking in addressing the difficulties of the agricultural sector, especially at this time when we do face somewhat of a financial crisis. Because of the superb qualifications of this individual I am delighted that he has accepted to come on and help us confront the difficulties we are facing in the agricultural community.

MS BARRETT: Nice try. He says, "Oh, the position was redundant for a year, but now it's time."

Will the minister tell all Albertans why 113,000 unemployed Albertans and everybody else in Alberta didn't have a crack at applying for that job? Will he explain that?

MR. ELZINGA: Mr. Speaker, I recognize that the NDP is very good at twisting the truth, and they work on the philosophy that

if they tell a lie often enough, people will believe it.

But I should share with the hon. members as I indicated to the press: if somebody was interested in that job, we were open to receiving their recommendations as it related to that specific position.

AN HON. MEMBER: They didn't know it was empty.

MR. ELZINGA: The hon. member says they didn't know it was empty. She just said it was empty for a year. Mr. Speaker, I'm delighted. If Mr. Schellenberger had the qualifications of the members opposite, I would understand their concern, but since his qualifications are so much superior...

MS BARRETT: I won't even bother responding to that stuff.

Mr. Speaker, I see that as of yesterday the Department of the Environment now has a vacancy for a senior position in the Environment Council of Alberta. Will the Environment minister now commit himself to properly posting that job instead of waiting for a year without posting it and giving it to one of his cronies?

MR. KOWALSKI: Mr. Speaker, I'd like to make it publicly known that effective April 22 the chief executive officer of the Environment Council of Alberta will be leaving Alberta to take a very significant position with the government of Pakistan, and I with regret a number of weeks ago accepted the resignation of Mr. Crerar. I know that all of us would want to congratulate Mr. Crerar for accepting this international responsibility, and I know that the knowledge he has gathered here in the province of Alberta dealing with environmental matters will be of great benefit to the government of Pakistan.

There are terms of reference that we follow in terms of selecting officials associated with Alberta Environment, and I will be following a similar process in the upcoming weeks, Mr. Speaker.

MS BARRETT: Mr. Speaker, the process is order in council, which doesn't require public posting.

All right; final supplementary. We'll go back to the Minister of Agriculture here. Given the likelihood that there's going to be a few more unemployed Conservative MPs in the coming months, is it now the minister's policy and the government's policy to arbitrarily hold senior positions and just appoint their Tory cronies to them?

MR. ELZINGA: No, Mr. Speaker. I should indicate, though, in fairness -- and I can understand the concern of the hon. member when one looks at what the New Democratic Party has done consistently the few times they have assumed positions of authority throughout our country and the way they've treated the individuals who were employed within the public service. We're not going to follow that sad example. We have in excess of 1,000 people... [interjections] Mr. Speaker, they ask a question, but they don't want the answer.

I should indicate to them that this appointment has been enthusiastically endorsed by senior people within the department... [interjections] Mr. Speaker, I'm sorry. They don't want the answer; they're shouting me down.

MR. MITCHELL: A supplementary to the Minister of Agriculture. I wonder if the Minister of Agriculture could tell us how we know for certain, beyond his statement of opinion, that we

have received the best candidate for this position if we haven't had an open competition for that position?

MR. ELZINGA: Mr. Speaker, I just indicated to the New Democratic Party, and I'm happy to reinforce it for the hon. member from the Liberal Party, that if an individual is interested in this position -- as I indicated to the press, it's received such wide publicity to date -- they would indicate that to me. I've always worked, and I'm going to continue to work, on the basis of an open-door policy. If there are concerns -- and I must say in all honesty that we haven't had that concern relayed to us by anybody other than the opposition and the media.

DR. BUCK: Mr. Speaker, to the hon. Minister of Agriculture. At the time the Deputy Premier the hon. Dr. Horner was in the House he said: "Do you really think I would appoint someone from another political party to a sensitive position like this?" Does the minister still go along with that philosophy that he would not appoint [inaudible] someone?

MR. ELZINGA: Recognizing the wisdom that the hon. Member for Clover Bar has consistently displayed in the House, I will take his recommendations under consideration.

MR. SPEAKER: Vermilion-Viking.

DR. WEST: Yes, to the minister. Could you clarify the role of Mr. Schellenberger in planning the future of the expanding agricultural industry, such as is going on in the red meat sector at the present time?

MR. ELZINGA: Yes. Mr. Schellenberger's assistance in our planning secretariat is going to be very crucial as we go through negotiations with the federal government, because as the hon. member has underscored, it is so important. [interjection]

MR. SPEAKER: Order please.

MR. ELZINGA: The New Democratic Party itself endorsed this in their alternate throne speech, whereby we have to work with the federal government on a very close basis. Mr. Schellenberger is going to contribute to that because he has been an outstanding member in Canada's Parliament for over 15 years, and his service will be very valuable. I should stress, so that it is on the record also, that this gentleman is a professional agrologist. He has a bachelor of science in agriculture from the University of Alberta. He's worked very closely with the agricultural community, and I'm happy that he has accepted this position.

French Language Usage

MR. TAYLOR: Mr. Speaker, my question is to the Attorney General, the minister in charge of Federal and Intergovernmental Affairs. As you probably know, Mr. Bourassa, one of that expanding family of Liberal Premiers, will be visiting the province next week. Consequently, there will be, I'm sure, some discussions on the use of French, and in particular in this post Meech Lake accord, where the Premier and Attorney General have talked about offering trials in both official languages, drafting future statutes in both languages, and the use of French in the Legislature: all parts of the Meech Lake accord.

The first question, Mr. Speaker, is to the Attorney General.

Will he be able to assure Mr. Bourassa that he will be following the lead of Saskatchewan, at least in as far as the fact that French will be allowed in the Legislature provided translations are supplied, without the permission of the Speaker being required?

MR. HORSMAN: Mr. Speaker, first of all let me say that the visit of Premier Bourassa to Alberta has been under planning now for several weeks and is not associated in any way with the most recent decision of the Supreme Court of Canada to which the hon. Leader of the Liberal Party has referred.

There is an agenda, of course, which has already been discussed with officials from the government of Quebec who, as you know, have an office in Edmonton. That agenda includes a number of items relating to our close relationship with the province of Quebec. I may say that if discussions do take place with respect to language issues, they will be done in the context of clear recognition that Alberta legislators will legislate for Alberta. Alberta has never as a government taken a position relative to what Quebec should do with respect to their language legislation, and we expect that position will be the same relative to Quebec's position to Alberta.

I should say, to be specific with regard to the question about language in the Assembly, that it is obvious that as I've said outside the House, the Meech Lake matter will of course have to be kept in mind. The *Mercure* decision as it affects Saskatchewan is something we are reviewing now, and it will be decided within this Chamber by all members as to whether or not we make changes relative to the Standing Orders. But as yet the government has not taken a position specifically with respect to those rules, but in due course it will be coming before the Assembly during the course of this sitting.

MR. TAYLOR: Mr. Speaker, I suggest it's about time they start taking a position. Would he be able to assure the House that he's going to establish the right of French-language trials in Alberta, which is already practical now? Would he go that far?

MR. HORSMAN: French-language trials, of course, are taking place in Alberta in the criminal courts when requested, although it is a matter -- as the hon. member will appreciate -- of some difficulty in obtaining in some locations jurors in jury trials, but it has been done. We will continue that practice.

In the meantime, of course, the Supreme Court decision in *Mercure* indicated that the provision of translation services, as is now being done for people who do not speak English -- either French or other languages -- is a satisfactory method of dealing with civil trial matters. That, of course, will continue to be done and has been successfully done over the long history of this province.

MR. TAYLOR: Mr. Speaker, I think what we'd like is that as a right not just as a privilege.

To go on a bit further, is the minister aware that there is a great deal of federal assistance available from Ottawa to translate our future laws into both French and English, and will he be taking advantage of that?

MR. HORSMAN: No, Mr. Speaker, I'm not aware of any federal assistance being made available to the province of Alberta at this stage. There have been reports that that might be the case, but in fact there's been no official advice to me to that effect.

MR. TAYLOR: Mr. Speaker, I'm amazed that he's not aware that there is ability.

Would he not, then, undertake to correspond with -- as he said the other day, there was nobody in the federal government, thank God, who corresponded to his position, but who is close to it. Would he undertake to correspond on behalf of the Legislature to find out what assistance there is available from the federal government to translate our future statutes into both French and English?

MR. HORSMAN: Well, the hon. leader of the Liberal Party -- I must correct him when he says that I indicated to the Assembly that there is no one in the federal government in an equivalent position. What I said was that there is no position in the government of Alberta that deals with the subject of delivering the mail. That is quite a different issue. There is indeed a minister responsible for federal and provincial relations. His name is Senator Lowell Murray, and he is planning a visit to Alberta within a matter of days. We will have an agenda on which we will discuss a number of issues, and the one raised by the hon. member will be one of those on the agenda.

MR. SPEAKER: Thank you.

Member for Edmonton-Highlands.

MS BARRETT: Mr. Speaker, supplementary to either the Attorney General or the Government House Leader. Will the government consider striking an all-party committee to actually draft the legislation prior to introduction in the Assembly?

MR. HORSMAN: The government will continue to carry out its responsibilities to bring forward government legislation.

MR. R. SPEAKER: Mr. Speaker, to the minister. The minister indicated that there was consideration with regards to the cost of this translation. Has the minister made any estimates of that that we would be aware of, or will estimates be done?

MR. HORSMAN: Mr. Speaker, we have not made any estimates at this stage. We have been advised, however, that the cost to Manitoba to date in their translation process has required, because of a decision of the Supreme Court of Canada relating to Manitoba, in the neighbourhood of \$15 million, and they're not finished yet. In terms of translating past... [interjections]

MR. SPEAKER: Order, please, in the House so perhaps all of us could hear the answer.

MR. HORSMAN: The hon. Member for Calgary-Mountain View and the hon. leader of the Liberal Party continue their loud noises; that's all they are.

I would like to respond, however, by saying to the hon. Member for Little Bow that those costs associated with Manitoba relate to translation of past statutes. There is, of course, an ongoing cost which would be associated with the translation of any current statutes or new statutes, and no estimates have yet been made as to what that might be. Of course, there would be costs associated with that matter.

MR. SPEAKER: Member for [Clover Bar], followed by the Member for Calgary-North West, then Vegreville, then Edmonton-Gold Bar.

Oil Sands Development

DR. BUCK: Mr. Speaker, I would like to address my question to the hon. Minister of Energy. This has to do with the \$3 million AOSTRA has invested in an experimental oil sands extraction process by Shell in conjunction with Solv-Ex. This project has been abandoned. Is the minister in a position to indicate what we as Albertans received for our \$3 million in this joint project?

DR. WEBBER: Well, Mr. Speaker, Solv-Ex Corporation entered into an agreement with Shell Canada to test this process out in its Albuquerque plant -- when I say "its" Albuquerque plant, it would be Solv-Ex' Albuquerque plant -- to see whether or not the solvent technology would be one which would be appropriate for Shell to develop its leases in the oil sands area. There were, if I remember correctly, some \$6 million expended on the project, with AOSTRA contributing approximately \$3 million, as the hon. member has indicated.

As the hon. member knows, AOSTRA enters into a number of agreements with companies to test oil sands and in situ projects. The purpose of the experiment was to see whether or not this particular process would be economical. Shell concluded that it was not an economical process for them to proceed to enter into a pilot demonstration plan on their lease in Fort McMurray. However, the Solv-Ex Corporation has approached the provincial government to look at the possibility of Solv-Ex Corporation proceeding to develop their own technology in a pilot project in the Fort McMurray area.

DR. BUCK: Mr. Speaker, to the minister. AOSTRA has also committed a 30 percent loan guarantee. Can the minister indicate what the status of that loan guarantee can be in light of the fact that Shell has bought their way out of the joint project?

DR. WEBBER: If I recall correctly, again, Mr. Speaker -- and I'll maybe have to check and get back to the hon. member -- Shell and Solv-Ex were having discussions with our Department of Energy, as a number of projects are being discussed with our department. They were looking at some form of a Crown agreement, should the pilot project work out to Shell's satisfaction, whereby the government and AOSTRA would participate with Shell in that pilot project. The agreement was never signed; it was one where the department had discussed the principles and the terms with Solv-Ex and Shell, but my understanding is now that there is no agreement in place, and thus it stops there.

DR. BUCK: Mr. Speaker, supplementary to the minister. In light of the fact that Shell Canada spent a million dollars to get out of the project, can the minister indicate if he's had any discussion with the Shell people as to why they backed out of the project?

DR. WEBBER: I haven't had any personal discussions with Shell on this, Mr. Speaker. We, of course, received the press release, as the hon. member probably did as well, where they indicated the Shell settlement of \$1 million with Solv-Ex and that Solv-Ex would be proceeding to have discussions with the province on a possible lease development in the old Bitumont plant downstream from Fort McMurray. But the conclusion, as I understand it -- and AOSTRA would have further information -- is simply that in Shell's view the project was not economical for them to pursue the developments on their lease.

MR. PASHAK: Mr. Speaker, with respect to a similar project, would the minister tell the Assembly how much money Alberta Oil Sands Equity has committed to the OSLO project?

DR. WEBBER: It's a long way from Solv-Ex, Mr. Speaker. I'd be happy to respond further in estimates to that. The Alberta Oil Sands Equity group is a partner with the other five companies that are involved with the OSLO proposal. To this stage we've had discussions about the terms of the possible agreement, and there haven't been any conclusions there yet. However, the budget would reflect an increase in the moneys for the Oil Sands Equity group for the coming year to do some field work which took place this winter. But I'd be happy to discuss that further in the estimates.

MR. SPEAKER: Member for Redwater-Andrew.

MR. ZARUSKY: Thank you, Mr. Speaker. A supplementary to the Minister of Energy. Has AOSTRA gained any technological information on this project which would help the recovery of heavy oil in the future?

DR. WEBBER: Mr. Speaker, I guess the question can always be raised, and it's always a valid one, as to how much we learn from experiments that don't work out the way you'd like them to work out. That's the nature of AOSTRA's investments: to work with the private sector to try to develop new technologies. An attempt was made in this particular case to develop this technology. If it's not been to the satisfaction of Shell, however, that doesn't mean that's the end of that technology. I would speculate that AOSTRA and Shell have learned a great deal from this particular pilot project and would take the results into account in considering any further work in that area.

MR. TAYLOR: Mr. Speaker, supplemental to the minister. Part of it's praise, for a change.

Solv-Ex is a small company. It's trying to move into what this government has left open only to the major companies for some time. Is the minister now thinking about maybe opening up, as many other countries around the world do, at least 20 to 25 percent participation in these new major projects in oil development to small Alberta/Canadian companies?

DR. WEBBER: Well, that's a valid question, Mr. Speaker, and one in which -- we would love to see smaller companies participate in oil sands development. That's why we've had considerable work done in looking at the concept of a regional upgrader, whereby smaller companies could get into leases and do the mining and extraction and move that ore over to a regional upgrader. Work in continuing in that regard, to see the feasibility and the possibilities of that with respect to smaller companies. As the hon. member knows, there are many small companies, not just oil companies but mining companies as well, that are interested in this.

The proposals that we have before us right now that we're actively negotiating do involve the larger companies. And really, Mr. Speaker, it's difficult for a small company to raise the capital that's required for these projects. With the OSLO proposal, for example, it's a \$4 billion proposal, and it's only the medium to large corporations that can afford to raise the money to be involved in those kinds of projects.

MR. SPEAKER: Member for Calgary-North West, followed by

Vegreville.

Employment Statistics and Initiatives

DR. CASSIN: Thank you, Mr. Speaker. Could the Minister of Career Development and Employment give us an update on the most current employment statistics in the province of Alberta?

MR. ORMAN: Well, Mr. Speaker, the labour force statistics came out today from Statistics Canada. It's a survey of the provinces that gives the trends and indications with regard to employment levels and reports that in actual terms the unemployment rate in Alberta is 8.8 percent and in adjusted terms it's 8.1 percent. We're very pleased with the continued decline.

I should point out, too, that it is the first time in the last five years that Alberta has moved into second place to Ontario in terms of the second lowest unemployment rate in this country. That is to say that we had 1.17 million people working in Alberta in March, and that, too, is a new all-time record for the province of Alberta.

DR. CASSIN: Supplementary to the minister. Has there been any impact on the city of Calgary following the Olympics? And also, has there been any change in the stats in Edmonton?

MR. ORMAN: Mr. Speaker, as I indicated last month at this time in discussions about the level of employment in Calgary vis-à-vis the Olympics, it's obvious that the closing of that event is going to have some negative impact on the level of employment in Calgary. However, the strength of the economy in Alberta in the long term will dictate as to whether or not those dislocated individuals who were employed for the Olympic period will find alternate employment in the coming months. Calgary's unemployment rate, in any case, is down 1.1 percent from this time last year. And I should say that Edmonton's is down 2.7 percent from this time last year and that there are 7,000 more people working in Edmonton than this time last month.

DR. CASSIN: Second supplementary, Mr. Speaker. To the Minister of Economic Development and Trade: is this department taking any initiatives to follow up on the promotion of trade and industry and development as a result of the Olympic marketing process?

MR. SHABEN: Mr. Speaker, there is an important follow-up being undertaken by our department, the departments of Tourism, Forestry, Lands and Wildlife, and Technology, Research and Telecommunications as a result of the many, many business visitors who were in Calgary during the Winter Olympics. That follow-up is being undertaken on a direct basis with individual businesspeople who visited Alberta Business House or were involved in Enterprise '88, which was a private-sector endeavour by the business leaders of Calgary. Also, of course, I believe the Deputy Premier has outlined a program to follow up by way of promotion of Alberta as a follow-up to the Olympics. So there is a very aggressive follow-up to the Olympics going on right now.

DR. CASSIN: A final supplementary, Mr. Speaker, also to the minister of economic affairs and trade. Has your department conducted any studies to determine the impact of the initiatives that this province has taken in northern Alberta in pulp, paper, and heavy oils on the city of Edmonton as a supply and service

industry?

MR. SHABEN: Yes. Edmonton is well known as an excellent supplier of fabricated goods for major industrial projects, and in recent years the city has suffered quite extensively as a result of a slowdown in industrial investment in not just northern Alberta but throughout western Canada. As a result of major investment decisions that are being made now that are to a great extent a result of aggressive policies by the province to diversify, the results are very positive in terms of the expansion of the fabricating capability and job creation in Edmonton and in northern Alberta.

MR. SPEAKER: Calgary-Buffalo, followed by Edmonton-Highlands.

MR. CHUMIR: Yes; to the Minister of Career Development and Employment. It's nice to see that employment is down, but the situation is clearly not rosy for everyone. I wonder whether the government is making any study or paying any attention to how many of these employed are the working poor who have to resort to food banks and have other difficulties? What is the government doing to look after their concerns?

MR. ORMAN: Well, Mr. Speaker, the Member for Calgary-Buffalo brings forward an important point, that irrespective of the fact that we have a record level of employment in Alberta, there still are people who are unemployed and it is still our responsibility as a government to deal with them and to provide opportunities for them to move into the labour force. Economic initiatives by the private sector are first and foremost, and programs like the employment alternatives program, which moved some 6,000 people from social assistance into the labour force to give them a chance at being productive in the economy, are very important initiatives, and we will continue in that direction.

MS BARRETT: A supplementary question, Mr. Speaker. Will the Career Development and Employment minister now commit his government, seeing as how the unemployment rate is down, to raising the minimum wage immediately?

MR. ORMAN: Mr. Speaker, I'd refer that question to the Minister of Labour.

MR. SPEAKER: The topic is a matter of minimum wage being changed immediately. [interjections] Well, the matter has been referred.

The Chair recognizes Vegreville, followed by Edmonton-Gold Bar, then Edmonton-Centre.

Rural Postal Service

MR. FOX: Thank you, Mr. Speaker. On two recent occasions the Minister of Federal and Intergovernmental Affairs has said in the House that he's not prepared to make representation to his kinsin' cousins in Ottawa about their plans to close 180 post offices in rural Alberta because it's a federal responsibility. Now, if we overlook the Minister of Agriculture hiring Hugh Planche to make representation to federal politicians about a federal issue of grain transportation or the Minister of Economic Development and Trade sending officials from his department to Canadian Transport Commission hearings to encourage them to abandon rail lines in Alberta and institute variable freight rates,

I'd like to know if the minister has now articulated what is going to be a new government policy of silence on federal issues that hurt ordinary Albertans.

MR. HORSMAN: My answer remains the same as I gave the other day to the hon. Member for Vegreville and to the hon. Member for Edmonton-Beverly. The postal services of this country are the responsibility of the federal government. It is, of course, a matter of concern to all Albertans, and they should take appropriate action in terms of expressing their concerns to their Members of Parliament.

MR. FOX: Well, our Members of Parliament have no influence, and he knows that.

But with respect, this government has routinely made representation to the government on issues like taxation, trade, agricultural assistance, the PGRT. Is the minister saying that he is being arbitrary and selective and that he's not prepared to stand up for rural Albertans on this issue?

MR. HORSMAN: Where there are matters of joint federal/provincial responsibilities, we of course take an active role. When it affects, as the PGRT did specifically, the ownership interests of Alberta -- where we took an active role in opposing the national energy program, supported by the NDP and the Liberals -- we certainly took an active interest, and we will continue to do that on behalf of Albertans. Where it is the responsibility solely of the federal government, they should be the people who are contacted by all Albertans who have concerns, not by this minister.

MR. SPEAKER: On the direction of the Chair there are no more questions on the matter of the postal issue. [interjections] On the postal...

AN HON. MEMBER: Under what standing order?

MR. SPEAKER: Thank you, gentlemen; the references were given the other day. Again, keep to the matter of the representation. The last part of the question wandered from that issue.

MR. FOX: Mr. Speaker, the Department of Federal and Intergovernmental Affairs Act states that the minister is obliged by statute to conduct a continuing review of all policies in relation to the government of Alberta and the... [interjection] I'd like to know, given the fact that this minister seems to be willing to be selective in his choice of issues to make representation on behalf of Albertans, if the Deputy Premier would now consider reducing his budget by half and calling it the ministry of interprovincial government affairs.

MR. SPEAKER: Final supplementary, Vegreville.

MR. FOX: Final supplementary then. Recognizing that the closure of post offices in rural Alberta will have a serious impact on our communities, businesses, and people, I'm wondering if the Minister of Economic Development and Trade has bothered to make any sort of investigation into just what the exact impact will be of this hurtful federal action on our rural communities in Alberta.

MR. SHABEN: Mr. Speaker, in discussions with a number of

MLAs who are doing their job for their constituents, I'm well aware of their individual interventions with their MPs on this matter.

MR. HYLAND: Mr. Speaker, to the Minister of Federal and Intergovernmental Affairs. I wonder if the minister is prepared to assist MLAs in writing their own letters to federal members and federal ministers if they're unable to do it themselves, unlike some of us -- maybe some of them over there.

MR. HORSMAN: Mr. Speaker, the Department of Federal and Intergovernmental Affairs is not really in the job of writing letters for members. But if they do need assistance in learning what the responsibilities of our government are as opposed to the responsibilities of the government of Canada and need some help in taking them through sections 91, 92, and 93, and so on -- responsibilities -- well, I guess we can give some assistance to hon. members who do not understand that there are divisions of responsibilities set out in the Constitution Act of Canada, one of which is in section 91 of the Constitution Act: solely a responsibility of the federal government. I as an individual Albertan, as an individual MLA, am certainly in discussions with my Member of Parliament, and that is where it should belong.

MR. SPEAKER: Thank you.

The Chair recognizes Edmonton-Gold Bar.

Social Assistance Rates Criteria

MRS. HEWES: Thank you, Mr. Speaker. I wasn't sure I was going to get in this morning.

Mr. Speaker, we've been treated in the last few weeks to a number of contrasting signals and activities in the social service arena. We've had the tantalizing remarks from the Deputy Premier about the mysterious social policy...

AN HON. MEMBER: Question.

MRS. HEWES: Wait for it.

... and we have the food bank report telling what's really happening. We've got the native children's repatriation, the empty John Bosco Ranch, hungry children given family counseling, and we've had a ministerial announcement regarding a food allocation increase of 13.5 percent.

My question to the Minister of Social Services is: regarding this food allocation increase, who gets it, this princely amount that would come down to approximately \$3.25 a week? Who's going to get it, of social allowance recipients?

MRS. OSTERMAN: All people who are on social allowance, Mr. Speaker, and the amount that is available is according to the age and the needs of the individual.

MRS. HEWES: Thank you, Mr. Speaker. So I take it everybody gets some part of the increase, which probably will not be equal. Will the minister make public the rationale for the allocation about food and the information as to how it was developed?

MRS. OSTERMAN: Mr. Speaker, I would hope that the hon. member, having raised a family, would be well aware of the nutritional food groups that are necessary, particularly for children in their growing needs, and would know that within those

groups there are various foods available at varying prices. Choosing those groups and making sure that we have a reasonable selection available to families is how we arrive at that amount

MRS. HEWES: Well, we're not going to find out who develops it, Mr. Speaker.

Will the minister now separate utility allocations from shelter allowances -- a longtime standing problem for individuals?

MRS. OSTERMAN: Mr. Speaker, I would reiterate once again that we believe that the amounts that have been made available to families are sufficient, but where there are anomalies -- and there certainly can be in some parts of this province -- those people who are recipients are certainly entitled to go to an appeal committee and have those anomalies and needs addressed.

MRS. HEWES: Mr. Speaker, will the minister make damage deposits available to single employables so that they can find a place to live?

MRS. OSTERMAN: Mr. Speaker, it is our view that the amount that is available is sufficient

MR. SPEAKER: Supplementary, Edmonton-Calder. [The Member for Edmonton-Gold Bar rose] No, all three have gone, hon. member. Thank you.
Edmonton-Calder.

MS MJOLSNESS: Mr. Speaker, a supplementary to the minister. Would the minister explain to this Assembly how she can argue that social allowance recipients don't know how to budget when rates are set in this province arbitrarily and do not reflect the true costs of rent, clothing, utilities, and food?

MRS. OSTERMAN: Mr. Speaker, I categorically disagree with the premise to the hon. member's question. It is interesting to note that there is obviously a very major difference in the approach by the Official Opposition and the government. We do have considerable faith in Albertans' ability to manage and know that at many times Albertans need the tools, and some of that's by way of education in order to bring information to them. I note that the hon. Leader of the Opposition said that we don't want counseling; we want food. We believe children need three square meals a day and that families need some assistance in coming to that.

MR. HYLAND: A supplementary question, Mr. Speaker, to the minister. I wonder if the minister can share with the Assembly any information she may have that the present system of allowing social recipients money for food rather than the old system where they had food vouchers -- if we can see that the new system is vastly superior and that we get proper food through it.

MRS. OSTERMAN: Mr. Speaker, it is fair to say that unfortunately we do have to recognize that there are some people who, regardless of assistance that's made available by way of information and counseling, will not spend money where it should be appropriately done. In those cases at times the department must intervene and pay directly to landlords or, alternately, provide vouchers. But by and large, it is our view that given the responsibility to manage their money, in fact the welfare recipients are doing just that

MR. SPEAKER: Member for Edmonton-Centre. [The time for question period expired] Ha, ha; just by this.

REV. ROBERTS: Mr. Speaker, last night...

MR. SPEAKER: Sorry, hon. member.

The Chair, however, did recognize the member before the beeper went. Does the House give unanimous consent to deal with this issue as raised by the Member for Edmonton-Centre?

SOME HON. MEMBERS: Yes.

MR. SPEAKER: Opposed?

AN HON. MEMBER: No.

MR. SPEAKER: The Chair hears a no.

ORDERS OF THE DAY

MR. SPEAKER: Orders of the Day have been called. Might we revert to the introduction of special guests?

HON. MEMBERS: Agreed.

head: INTRODUCTION OF SPECIAL GUESTS (reversion)

MR. SPEAKER: The Chair recognizes first the Government House Leader. There are at least four to come into introductions.

MR. YOUNG: Mr. Speaker, it's my pleasure this morning on behalf of my colleague the Premier to introduce a grade 6 class from the Greenfield school. For the information of all hon. members, the class is in two parts, an English and a French section. The 57 students with us this morning are accompanied by their teachers Mr. Jim Horen and Claudette Warnery. I would ask that they rise and receive the warm welcome of the Assembly.

MR. SPEAKER: Member for Calgary-North West, followed by the Minister of Career Development and Employment, followed by the Associate Minister of Agriculture.

DR. CASSIN: Thank you, Mr. Speaker. It's my privilege today to introduce to you and through you and to the Members of the Assembly, five members from my constituency of Calgary-North West: a representative of the city of Calgary police force, Mr. David Oldring; his wife, Jane; their three children, Nicholas, Rachel, and Christopher John, the nephew of the Member for Red Deer-South. I would ask that they rise and receive the warm welcome of the Assembly.

MR. ORMAN: Mr. Speaker, I'd like to introduce to you and to the members of the Assembly, two important people in the constituency of Calgary-Montrose. First I'd like to introduce Jennifer Caswell who goes to Dr. Egbert community school in Marlborough Park in the constituency of Montrose. Jenny is here to attend the Conservative convention this weekend. I should let you know, Mr. Speaker, that Jenny has put me on notice that she intends to succeed me as the Member for Calgary-Montrose upon my retirement. She's accompanied today by her

father, Doug Caswell, who is the immediate past-president of the Marlborough Park Community Association. He is the president of the Calgary Montrose PC Association, and he is also a member of the Agricultural Products Marketing Council. I'd like them to rise and receive the traditional warm welcome of this Assembly.

MRS. CRIPPS: Mr. Speaker, it's my pleasure to introduce to you and to the Assembly this afternoon, 22 grade 6 students from St. Anthony school in Drayton Valley. I met with these students a couple of weeks ago, and I know they are very interested in the session today. They're accompanied by their teacher Rose McColl and parent Gertrude Weiss. They're in the public gallery, and I would ask them to rise and receive the warm welcome of the Assembly.

head: GOVERNMENT MOTIONS

5. Moved by Mr. Young on behalf of Mr. Getty:
Be it resolved that the address in reply to the Speech from the Throne be engrossed and presented to Her Honour the Honourable the Lieutenant Governor by such members of the Assembly as are members of the Executive Council.

MR. YOUNG: Mr. Speaker, in making that motion I am pleased to acknowledge the support given yesterday by members of the Assembly to the Speech from the Throne.

[Motion carried]

7. Moved by Mr. Young:
Be it resolved that the report of the special committee appointed March 17, 1988, under Standing Order 49 be now received and concurred in and that the committees recommended therein be hereby appointed.

[Motion carried]

head: COMMITTEE OF SUPPLY

[Mr. Gogo in the Chair]

MR. CHAIRMAN: The Committee of Supply will please come to order to consider estimates of Consumer and Corporate Affairs. Members having comments, questions, or amendments to the estimates could indicate to the Chair. The Chair would point out the only amendment that would be entertained would be one of reductions.

Consumer and Corporate Affairs

MR. CHAIRMAN: Members of the committee, the estimates are on page 89 of the government estimates book. The authority of the minister is contained in that page, and the authority for the programs the minister is requesting approval on are on page 92 of the estimates book.

The hon. minister, the Hon. Elaine McCoy. Do you have any opening comments on your estimates, hon. minister?

MISS McCOY: Thank you, Mr. Chairman. Yes, I do. It's my pleasure today to present the estimates for the Department of Consumer and Corporate Affairs, which I will do very briefly. Nineteen eighty-seven and 1988 were exciting and successful

years for the department and for the Securities Commission, which reports through me -- exciting because we were doing some major restructuring in both the department and the Securities Commission.

Dealing firstly with the Securities Commission, I would say again that the commission is being restructured following upon a ministerial advisory committee's recommendation. The commission is now in the process of being split into two, an agency and a board, the agency being that portion which is the enforcement portion as well as the securities clearance portion of the Securities Commission's work, and the board being the judicial and policymaking functions. It was felt very strongly that the chief of police should not be the same person as the Chief Justice, and it was also felt that in today's consumer world of securities the complexities of the marketplace are such that the commissioners should properly be given the time and resources such that they could concentrate on policy development as well as on their judicial role, which would be of assistance to the investing public. It is my intention during this session to introduce a Bill to this House which would accomplish the restructuring to allow the two functions to operate co-operatively but separately.

On the 1988-89 estimates for the Securities Commission, which I'm presenting today, there is an increase of over 60 per cent in the budget. This will allow us to add 17 more positions to the commission, and that will primarily increase the analysis enforcement capability of the commission. It will also allow the commission to enhance their public information mode, and it will allow the Calgary office to be extended.

Regarding the Department of Consumer and Corporate Affairs itself, we have over the last two years been restructuring the department, putting more and more emphasis on the delivery of services to the people of Alberta, whom we regard as our clients. In this budget, we have achieved a percentage reduction in administrative expenses as a percentage of the total budget, from 35 percent to 15 percent. So the Departmental Support Services, or internal services to the department itself, have been reduced, and at the same time we have increased the resources devoted to direct service to Albertans.

Overall, on the other hand, we have been able to make, for such a small budget, a significant contribution to deficit reduction for the province. We have, because of the budget restrictions and also because of our conviction that those who need the service most should get it, concentrated on focusing our energies toward those men and women of Alberta whom we regard as needing our services the most: primarily those who are in low-income areas. On the other hand, because of the deficit reductions, we have also had to find new and creative ways to multiply our resources. Examples of our activities in this area include working with native friendship centres so that the department, in co-operation and partnership with a native friendship centre, teaches consumer skills to the community leaders who, in turn, teach those skills to their community members.

We have, as another example, on radio channel CKER, 30 pieces of advice given each month, broadcast in Spanish, Polish, and Chinese. We have consumer corners in over 130 public libraries which give pertinent and useful consumer information to men and women of Alberta in their own communities. We have TV programs on ACCESS. We have consumer advice columns in 40 weekly newspapers. We have co-operative projects under way with the Better Business Bureaus in both Edmonton and Calgary, and we do have consumer skill programs delivered for new Canadians through immigrant societies. In addition to

all the above, we have opened satellite offices in Slave Lake, Drumheller, Brooks, Camrose, and the surrounding areas.

We also are developing liaison with industry groups that impact directly on consumers. Our strategy in that direction has been to increase the accountability the industry has, both in its individual memberships and in its associations. We have moved in that direction in the securities field, we moved last year in that direction with the real estate industry, and I will be making, later in this session, proposals to move in that direction with the insurance industry as well.

Mr. Chairman, I do believe the Department of Consumer and Corporate Affairs is indeed doing more with less. I would like to take this opportunity to thank the staff of the Department of Consumer and Corporate Affairs and of the Securities Commission, with whom I have worked now, this being the third budget. I have nothing but praise for their commitment and their hard work, and I thank them very much for serving the people of Alberta as well as they do.

Thank you.

MR. CHAIRMAN: Thank you, minister. The hon. Member for Edmonton-Strathcona.

MR. WRIGHT: Thank you, Mr. Chairman. Apart from Federal and Intergovernmental Affairs, this is the smallest department in terms of budget, but one of the most important in terms of people service. And it is good to see the government is continuing forward movement in that direction of consumer protection and helping people through unfair and improper and unethical situations which hitherto have escaped the purview of the law. The reason it can be a relatively small budget and yet do great things is that it doesn't require as a matter of necessity a lot of government intervention or red tape or regulation in fact, because a great deal can be done with the laws. With the Unfair Trade Practices Act in 1976, a good start was made in that direction. I'll say more about that in a moment. Of course, last year the Consumer Credit Transactions Act was proclaimed, it having been passed in 1985, and we look forward to the improvement in the various areas of that Act that is promised by the legislation.

But having said that, Mr. Chairman, I'm not convinced yet that all is being done that could be done even without an increase in budget to protect consumers and help the business atmosphere get increasingly civilized, which is the path of progress in any modern society. It's a truism that you can't legislate honesty and fairness, but too often that is taken as an excuse for allowing the powerful to take advantage of the powerless, saying, "Well, you can't legislate honesty and fairness." But it's not true, Mr. Chairman. You can legislate the consequences of dishonesty and unfairness, and that has been the path of progress in the making of law. I believe that this department is at the cutting edge of that sort of progress in society.

I suggest to the minister that an area she should look into next is the area of unfair trade terms -- call it what you will -- unfair contractual terms. I'm mainly thinking of take-it-or-leave-it contracts which you sign up again and again, whether it's consigning your luggage to the aircraft or consigning your person to the airplane or buying consumer goods where there are so-called guarantees which in fact cut down your rights instead of amplifying them.

MR. CHAIRMAN: Order in the committee, please.

MR. WRIGHT: Thank you, Mr. Chairman. There is in fact a model for the sort of legislation I'm suggesting in the United Kingdom, called the Unfair Contract Terms Act, chapter 50 of 1977. This deals with such diverse matters that nonetheless are of great concern to unfortunate citizens who run afoul of the matters referred to, such as, for example, the contract that says the contractor is free of liability for negligence even though it causes personal injury or death. At one time we were taught in law school, as the hon. minister knows, that such a stipulation in a contract is ineffective. It is not so; it has been shown that such contracts can be drawn.

There are those contracts which I think in France are called "contrats d'adhésion," in which you can't read the fine print at the back, and even if you do, it's no good; it's: you take it or leave it. This Bill goes through such contracts and decides which of them should answer to a test of reasonableness before they are effected. In general, it is the thought that there are many transactions of this sort which, when the event occurs, causes the litigation or, if litigation is hopeless, the realization of hopelessness, so that the ordinary person would say: "That is extremely unfair. Why should that be allowed to happen?" But you have no choice.

Have you ever seen someone that tried to read the back of the form when they're at the counter and asked to sign, and when they're handing their bag over the counter there's a queue behind? You can't do it. Yet our law is deficient in supposing that such contracts are just like contracts you and I might make between us, Mr. Chairman, over the back fence. In other words, we've considered every term and agreed to it.

The next step, I'm suggesting, in consumer legislation is to get at such contracts and exclude those terms that are unreasonable. It's a matter of considerable detail. I can't go into any of the details here, except to mention that one common thing is that guarantees on these contracts commonly restrict the rights which otherwise are available under the Sale of Goods Act, for example. The Sale of Goods Act itself allows one to contract out. Commonly the fine print contracts you entirely out of the Sale of Goods Act, even though there are some essential conditions of merchantable quality, for example, that no one should be allowed to contract out of. So I am suggesting that as the way ahead.

Vote 3, I see, contains authorization under the Business Corporations Act. I was just wondering where the cost of the Code inquiry is to be found. I presume it's in Treasury somewhere. But the inquiry is under the terms of that Act. I suppose it doesn't really matter what department it's in; it's got to be borne somehow. Perhaps it could be explained what the mechanism is to put the cost in another department.

[Mr. Musgreave in the Chair]

Vote 2, Mr. Chairman, is entitled Consumer Services and "enforces legislation to ensure acceptable standards of ethics in the retailing of goods and services," but financial services are excluded. I have made the suggestion to the minister before, and I repeat it, that it is wrong that the ethics imposed by law on used car salesmen, for example, should be of a higher order than that imposed on the salesmen of securities. I don't see any good reason for excluding the effect of this Act from all consumer transactions that are in the ordinary sense of that term, i. e. public transactions.

In the minister's annual report for the year '86-87, one reads that the program area of the department aims at safeguarding

consumers' interests while providing a stable, positive regulatory environment with a minimum of intervention for the province's financial institutions. Well, part of that's right anyway. There was minimum intervention. But insofar as this department regulates the activities of institutions such as the Principal Group, FIC, and AIC, there was certainly not enough intervention. That's a whole other story, doubtless, Mr. Chairman. But I'd be interested to hear a little more detail from the minister as to how the proposed securities legislation will better protect citizens from what happened in that debacle.

Under vote 3, Mr. Chairman, one notes there are a number of statutes that are enforced and which are of importance if commonly resorted to but which are little resorted to. For example, there is a debt consolidation service spoken of. To what extent are people in the country aware of this -- I mean in rural parts of Alberta -- and to what extent are farmers encouraged to make use of it in their plight?

The corporate registry deals with the Societies Act under this vote. That is about to be swallowed up in the volunteer incorporations Act in whatever form that Act will be enacted, if at all. But I asked the minister to have a look at the Bill from the point of view of seeing whether it is not too skewed to a corporate model and whether it is wise to get so far away from the friendly societies, to give it the original term, aspect of the Societies Act, which was supposed to be corporate protection for informal groups. One's impression is that the Bill proposed tries to press into a single mold two dissimilar entities, taken from the old Companies Act on the one hand and from the Societies Act on the other. I suspect that the minister is well aware of the arguments in this area, but I would appreciate some remarks on them, however brief, at this time. I myself at first had thought that the volunteer incorporations Act should be almost waved through, because it had been so thoroughly vetted by the Law Research and Reform. In fact, it is their Bill substantially. So I was a little surprised for the first time when I looked into it further, realizing there were some serious questions about one of their publications.

One of the other duties of the department referred to under this vote is the investigation of auto insurance rate increases for the compulsory part of auto insurance. I wonder how the minister's department has made out in its comparative survey of rates in Alberta compared to the three neighbouring provinces, since those provinces have public auto insurance that's run by the province, which we are strongly for. I wonder how their research has shown the rates to compare.

I was puzzled by an Act called the credit transactions Act in the book until I realized it was a mistake -- the Consumer Credit Transactions Act. I couldn't find it in the index. Also, I wasn't aware until I looked it up that that Act came into force on November 1, I think, last year. I wonder how that's working out so far, if the minister could tell us.

Vote 4, Mr. Chairman, deals with the Securities Act, the Franchises Act, and the Deposits Regulation Act, and that, you would have thought, would be all of a piece with investment contracts. Yet the Investment Contracts Act is under the jurisdiction of Treasury, and I wonder if this cleavage between the way the Investment Contracts Act is handled and the other three presents any difficulties to the department and whether part of the trouble recently with FIC and AIC and the rest of them might have been due to its falling in cracks between the two regulating departments.

I had a question as to the explanation of the 6 percent increase in the regulation of the securities market under this vote,

which the minister has explained. In some sense I suppose one can complain that this is shutting the stable door after the horse has bolted, but after all, when that does happen, it is the least one can do to make sure it doesn't happen again, as sure as one can ever be on these things.

I wonder if the minister can tell us why it takes so long to get the annual reports published. I realize this isn't unique to her department. It is something we all complain about with almost all departments. But it's almost as if one waits until the budget for the current year is out of the way before the report for the previous year, meaning the year that was past one year before, is published. At the present time the latest report we have is for the year ended March 31, 1986, and when one tries to refer to that and make comparisons with the current budget, which is for two years thence, it becomes a little meaningless. I wonder why it isn't possible that the annual reports can at least come out before the budget in the following year.

I learned something by chance yesterday looking in *Erskine May*: that the annual years for the budget used to be January 1 of every year, but it was shifted about 1830 to April 1 so the estimates could all be through in the year before people started spending them. In fact, it's never been achieved, either in the United Kingdom or certainly over here in the province. So at least the annual reports, I believe, should be capable of being published.

Those are my remarks, Mr. Chairman.

MR. DEPUTY CHAIRMAN: The Member for Westlock-Sturgeon.

MR. TAYLOR: Thank you, Mr. Chairman. In starting out today, I'd like first to tell the minister how lucky she is in that she can ask for almost any favour from this government, because the debacle of the Code inquiry has shown that things are in a very sad array so that she will be in a very good position to get almost anything she wishes. If she doesn't already realize it, I would certainly recommend to her that she use all this climate, as it exists now, to get as many things in place as possible, because it not likely will strike again for another 20 years. Actually she need only worry for two more years; nevertheless, I guess we might as well get some of the things in place that we might be able to build statues in some village squares around the province as a tribute to her.

But instead of getting down to specific votes, I wanted to ask the minister -- these are, I think, rather avant-garde ideas, or avant ideas; maybe not so much garde -- whether she has them in her kit bag and was thinking of going ahead because we'll never get, as I said, the opportunity to do so again. There are a number of areas -- and I'm going to take very little time. One is in the case of regulations and licensing of travel agents. This happens to be an area, at least in my experience, now that both travel agents and the travel agent users want to see some regulation come into being, because it enhances the reputation of the good travel agents and keeps some of the more scurrilous operators out of the field, and of course, everybody's had a relative or a friend at one time that has spent more than a few days trying to get back on an airline that the tickets hadn't been paid for. So it is something where, I think, the public is willing to go along, and she will have a wonderful opportunity to implement.

Second is: I wonder if she has set any limit on appeals of public decisions, Mr. Chairman. For instance, I have one in hand here that I got a year or so ago, that they put the original appeal in in 1984; the decision answered in March '86. I know

of another one where it went in in '86, and they still haven't got an answer. So I was wondering if she will have a time line on appeals, because a lot of the time by the time a person has laid a complaint and by the time the department has acted on it a couple of years later, the company has either folded up or they've left the province or whatever -- in other words, try to shorten up the time line. I noticed an increase of about 68 percent in policing in the budget; it may augur well for that time.

The third area I want to touch quickly on is compensation without litigation. Now, I know she is a member of a very old profession, the legal profession, as is the Member for Edmonton-Strathcona and as is Mr. Chairman, and there is a vested interest, of course, to farm the files by lawyers -- there's always something thicker than blood and thicker even than political parties -- to try to keep other lawyers busy. You'll notice if you ever write a letter to a lawyer, you can never get by with just having a communication with one lawyer. Before you know it, there are about five lawyers all in it, all writing each other letters, and unless you get in very quickly and declare you will not pay for any of them, it'll go on ad infinitum, answering each other's letters and questions.

So the whole question of compensation without litigation is something -- and I would refer the minister to political policy options in an April '87 issue -- which should be very interesting. I think it would be an area that, particularly, we could start with the question of private insurance and tort litigation. I believe the minister could take the lead here and do some work in a new system of compensation and deterrents. It's not quite no-fault litigation, but there is some work being done in Ontario and eastern Canada. I think this minister would be in an excellent position to move ahead, because I'm sure she knows, as a practising legal eagle today, that the legal costs in litigation, tort litigation, and on insurance eat up a great deal of the money that's loose in the system and reflect back in very high premiums, indeed to the fact where many of our municipalities and school boards are almost being driven to the wall on the costs of paying for this insurance. I believe the government is a big enough unit here in Alberta to try to do some experimental work on that or, at least, I would suggest to the minister she may even think of striking a committee -- again while the iron is hot -- to do some progressive work in this field.

Lastly, Mr. Chairman, to the minister, a field that's very near and dear to me, and I think to nearly anyone that's been in business in Alberta, is the carnage that's existed through our present debt laws. Now there again, I don't want to sound as if I'm anti-lawyer. Some of my best friends are lawyers. I even have relatives that are lawyers; I don't always brag about it very much. But the present system as it's in use... [interjection] I have to be very careful about this; it's not their fault. But when a company or a person is in trouble, whether it's a farmer or a small businessman or a big business, it doesn't matter -- if you're big enough you can somehow or another roll it along like Dome or something -- in general, what happens is that all it needs to bring down the house of cards is one stupid lawyer. And if you have 20 or 25 lawyers acting for different creditors, you're bound to hit one. As a matter of fact, that's a good average: only one stupid one out of 25. I know with my own profession of geologists, it's probably one out of every 10. One stupid geologist out of every 10 will only cost you a dry hole, but one stupid lawyer out of 25 will bring the corporation down by filing a statement of claim and precipitating an action that makes no particular sense at all.

What we have here in our courts today, what we use in

Canada and Alberta, I think can go a long way towards trying to use the system of chapter 11 in the United States. I realize the easy way out is to say, "Well, that's a federal problem." But I think we can go a long way to some sort of trusteeship of individuals and corporations that are in trouble to work on the corporation before it becomes a carcass. Because our present system is that nothing can stop that sleigh ride going downhill, from turning the corporation into a carcass -- and then the lawyers pick over the bones.

But the point is that we should have some sort of system of seeing whether or not the corporate body should be turned into a carcass first. Because as it stands now, all it takes is one over-enthusiastic lawyer that is getting paid by the hour instead of on a commission basis -- that might be the best way to stop it; I think the number of corporations that would go into bankruptcy would dry up almost overnight if all the lawyers that were pressing to put them into bankruptcy were only paid on how much they got out of dissolving the corporation -- and they convince their clients that if they reach in and grab first, somehow or another they're going to get something. All it does is precipitate an avalanche and the company goes into bankruptcy and then receivership. There isn't anywhere near the funds usually to pay out, otherwise they would have been paid out, and what we have is a bunch of well-fed lawyers but a bunch of underpaid creditors.

I would like to suggest to the minister -- she's in the position because she is a member of that group -- now to get in and maybe put some sort of legislation in that resembles chapter 11, whereby you at least examine the corporation very thoroughly first before it goes into bankruptcy. Now what we do is go into bankruptcy, and then you hear over the next year or two: "Lordy me. I wish we'd kept it alive. We could have done this, we could have done that" But instead, the whole idea is to cut them off immediately and then try to pick over the bones. And that is very good for the lawyers. Look at the Code commission. If this government keeps going the way it has in the Code commission, the lawyers will make much more money than the investors ever did, because it will go on and on and on. Much better if we'd have...

MR. WRIGHT: That's under our equivalent of section 11.

MR. TAYLOR: Yeah. Well, no. I know, but the point is that it was wound up first. Their licences were canceled. If I may...

MR. WRIGHT: They weren't canceled.

MR. TAYLOR: Pardon the debate, Mr. Chairman.

There should be a way of putting companies into trusteeship and then operating and having a very close look at it before you wind it up. Instead, we wind it up and then we start fighting over the bones as to who's going to pay the what and wherefore and what kind of regulatory rules are made.

So I guess with that point I'm left to summarize it: compensation without litigation, travel agency legislation, shorten the time line on appeals, and lastly, some sort of regulatory change so that a corporation can be kept alive until it's really examined by the courts, whether it should go into the next stage of either receivership or bankruptcy rather than doing everything backwards -- kill off the corpse first, and then try to pick over the bones.

Thank you.

MR. DEPUTY CHAIRMAN: The Member for Edmonton-Kingsway.

MR. McEACHERN: Thank you, Mr. Chairman. It's indeed a pleasure to get a chance to speak on the estimates for Consumer and Corporate Affairs, and I say to the minister that she made one of the flimsiest introductions I've ever heard for a department that's as important as hers and in as much trouble as her department is in. Why would she just stand up and say a few nice little words about what wonderful things they're doing and totally ignore an incredible number of problems that this department has had over the last number of years?

I will start by looking at the estimates and saying I'm glad there is this increase of some 62 percent in the budget on regulation of the Securities Commission and other financial and regulatory bodies in the commercial sector. I'm also glad to note that on the Treasury side the government has increased the funds there for regulation of financial institutions. Mr. Chairman, one cannot distinguish clearly, I don't think, between the responsibilities of this minister and the minister of the Treasury, given the way the government has decided to divide them up.

I believe that the government shifted over responsibility for trusts and the credit unions to the Treasurer because they knew that there was a great deal of trouble ahead in North West Trust, for example, and Heritage Trust and the credit unions, and they wanted a senior minister that could supposedly handle and cover up that mess that this government has created over X number of years. The Minister of Consumer and Corporate Affairs will, of course, then disclaim responsibility for those areas. But I say they are overlapping jurisdictions, and once in a while I may fudge that distinction between the jurisdictions of those two departments.

Mr. Chairman, this minister has to accept responsibility for the Alberta Securities Commission and for the superintendent of insurance and their regulatory roles in regard to what has happened in the past in such cases as the Principal case, the credit unions, North West Trust, Abacus -- I could name a bunch of others, and I will later on, and talk about some of them in detail.

She came out about a year ago with a thing called the orange paper, a discussion paper on the Alberta Securities Commission, and she has moved -- or is going to move, she says, in this session -- to make some changes there in terms of separating the enforcement part of the Securities Commission's responsibilities from its policy-making function. And that, perhaps, may turn out to be a good move. Time will tell. But the thing that we have to tell this minister is -- her orange paper, when she released it with such great fanfare and bragged about how she was going to set up these SWAT teams that were going to go out there and make sure that everything was on the up-and-up in the securities business -- I've got to say to her: what happened with the First Commonwealth and Audit Resources problem? It has come back to haunt us, and we find that her SWAT team has totally bungled the investigation. The case got thrown out of court, not on the merits of whether there was a problem or not but on the bungling of the case. I would suggest to the minister that she get her SWAT team in place and start doing some work if she's going to regulate the securities market in this province.

I would remind the minister that we still have blind pools in our Alberta Stock Exchange, and they still continue to cause us some concern. For instance, banks are saying that the stocks on the Alberta Stock Exchange cannot be used for collateral because this is a junior stock market and, therefore, suspect and in some ways not acceptable as collateral for loans; that is, the

stocks sold on the Alberta Stock Exchange are not acceptable. Oh, they've backed off after a bit of a furor and some screaming and hollering on the part of a number of companies on the Alberta Stock Exchange, but even so, they've brought in some technical rules that pretty well make it so that it cuts out most of the Alberta securities anyway from being used as collateral.

This minister, in the House last year, said that she was worried about the Hocken/Kwinter agreement on the regulation of subsidiaries of banks that get involved in the stock markets because she was concerned about losing provincial powers in that area. I would suggest to the minister that what she should be concerned about is protecting the consumers in this province, not so much worried about protecting provincial powers vis-à-vis federal powers. It is time that she started to co-operate with the federal authorities. In fact, I understand there has been a series of meetings between the financial regulators of the provinces and the federal government over the last year or so -- the Treasurer mentioned it a while ago -- and I would have thought that the minister would have taken this opportunity to expound a little bit about what's going on there and tell this House what her plans are: whether things are going smoothly in those talks and whether or not we're going to see some kind of co-ordination and, I guess, common regulation throughout the country instead of having different rules in every province, as has been the case to some extent up to now.

Also, another place where this minister fell down. Not too long ago the United States Securities and Exchange Commission people got together with the regulators from Ontario, Quebec, and British Columbia and decided to co-operate in terms of exchanging information whenever they thought there was something wrong with some particular securities and what was happening with them on their markets. And this minister didn't even go to the meeting. Now, why wasn't she there and why wasn't she getting involved in this? For instance, if she had been, perhaps the Audit Resources thing would have been picked up much sooner.

Mr. Chairman, this minister also has some growing up to do on the democratic front a little bit -- and I'd say that to the government as a whole, actually. The only document that this government ever released indicating that some legislation was coming and put out as a sort of discussion paper was an accident, and that was the Credit Union Act changes that are being suggested. That document was probably released by accident, but it's the kind of thing that this government should do on a regular basis when they're planning a major piece of legislation. Put out a document like that, let everybody have a go at it, and then bring it back, rather than doing it in secret and then bringing in a Bill and saying, "Here it is," and then having to turn around and do it again, like the mess they've made with the education Bill.

The reason I raise this, Mr. Chairman, is because this minister did something similar with the volunteer incorporations Act. In fact, she went a step further. I think it's not a bad Act, generally speaking; there are some detailed criticisms one might get into another time. But because a lot of people hadn't seen it and didn't know about it, there's been quite a furor about it. She's now going to have to back off and hold it for a while, and I'm not sure when she'll be able to introduce it. And I would say to her that when she sent out her questionnaire to all Tory-held ridings -- that is, to all the nonprofit corporations in Tory-held ridings -- she should have had the courtesy to send it to all nonprofit corporations in all of Alberta. After all, are they somehow less important to the legislation and how it will act because the head office happens to reside in, say, my riding instead of

the Member for Calgary-McCall's or something? It doesn't make any sense, and obviously that questionnaire could have gone out to all the important volunteer corporations, not just those in Tory ridings. It doesn't make any sense. The democratic process would work much better if she did it the way it should be done.

Mr. Chairman, this minister did inherit an incredible record of political failure in regulating the financial institutions of this province, but I don't think it was our laws that were particularly to blame. In some cases it may have been; they may have been too weak in some areas. I think it was the political will, and I think that is brought home very, very clearly in these present Code hearings. We hear the head of the corporation saying that he got along great with the cabinet minister at the political level, but the people at the regulatory level in the department -- he even talked about a personality conflict, which of course is nonsense. It's clear that he wasn't meeting the regulations that were required by this government's own statutes, and the political people kept interfering and letting the company off the hook. So we get this long legacy of the thing going on and on and on and eventually more and more people getting sucked into putting their money into it. And then it collapses, and we get the boondoggle we have now. It was the political will of the Tory government through the years that was the problem, not the regulations, and I don't see any change in attitude on the part of this minister or the minister of Treasury, who now has some responsibilities in the area.

[Mr. Gogo in the Chair]

Mr. Chairman, we're entering a period when the so-called four pillars of the commercial and financial world are breaking down. We used to have banks supposedly doing one function, trust companies performing a slightly different role, insurance companies performing another function, and then we had stock exchanges performing a different function again. Now those lines are becoming blurred. We are moving into a very difficult period in which we try to adjust the regulations and try to figure out how to regulate these industries in a market that's becoming more and more international, and here we have a minister worrying about protecting her provincial powers instead of co-operating to see to it that we have rules in place that are consistent across Canada and that co-operate with foreign exchanges and foreign regulators to see to it that the customers of these financial institutions are protected. It's not going to be an easy thing to do.

When you walk into a bank, if the person that's about to take your money on deposit can either recommend you go to one of his friends in the same bank or himself whip you off into another office and offer you the right to purchase some stocks instead of putting money on deposit, then I'd say he may have a conflict of interest in terms of what he advises you to do. Certainly there are some very difficult ethical questions. The concept of the Chinese Walls which we hear a lot of talk about doesn't exactly answer the problems, I don't think.

Mr. Chairman, the mandate of the Minister of Consumer and Corporate Affairs reads something like this. It says that the program delivery mechanism -- and I'm just reading from page 92 of the estimates:

Through a regionalized concept, with eight office locations throughout the Province, provides a wide range... This is the Department of Consumer and Corporate Affairs that does this.

... of consumer and business services by informing, educating, mediating, counseling, setting standards, applying standards, and enforcing legislation.

Now, I commend the minister on her attempts to educate the population to be wise consumers of financial products, but there is also the enforcing legislation side of it, and I don't see that the minister has put much teeth into anything so far; I don't hear her talking that way. In fact, in this House she has sort of stood up and said that she would rather educate the consumers rather than protect them. I'm going to use an analogy in a different area, in the environmental area, to illustrate the difference and why that may not be adequate.

When I as a consumer decide that I want to buy some soap, be it hand soap or washing soap, I don't want to have to go to a counter that has 350 different kinds of soap on it, each with their own claims about exactly what it is that those soaps will do or not do and how pollutive one might be compared to another one. I would prefer that the Consumer and Corporate Affairs department see to it that there are no soaps on the shelf that are particularly bad as polluters. I do not see why you would expect each individual person to be able to sort out from a wide variety of different kinds of soap which ones are going to be the most pollutive and which ones are going to be the least pollutive.

By the same token, then, while it's okay to try to educate students in high schools -- as was suggested by the chartered accountants in some of their lists, and I am going to look at some of their suggestions, because they have some good ones -- nonetheless, it would seem to me that the logical thing to do is to see to it that the companies are operating in an up-front, honest, and forthright manner in making sure the consumers know what they are getting into in every case. And I am going to have some specific suggestions in that area.

I would like to start by looking at some of the things that the chartered accountants' people have put out in their document. I trust the minister has had one and has had a look at it. I'm thinking of, you know, areas like disclosure levels of information, self-dealing problems, ownership rules, what kinds of percentages, directorships, and their accountability, and so on. I'm going to skip over and pick out certain points from the document put out by the chartered accountants of Alberta called Regulation of the Financial Industry in Alberta: a discussion paper, December 1987. In one section here they list a number of things, and I'll just run through them quickly.

Suggestions the government may wish to consider are:

a) increased disclosure of financial information

We've been told that many times. He should do something in that area.

b) clear accountability of corporate management

c) public access to audited financial statements

Something this government doesn't always see happen. Think of the Principal case.

d) a complaint-based system for investigation of consumer concerns, perhaps administered by an industry-funded body

That's in connection with self-governance of the corporations or of the industry.

e) standards set and policed by industry itself (e.g., education, sales practice)

Now, they have some qualifications there. The minister has to take some responsibility too. Will he work with the industry for self-regulation?

f) clear delineation between insured and uninsured products

In that regard I would remind the minister of a suggestion by

Nelson Riis, who was our finance critic at the time at the federal level. He said that a person making a guaranteed investment certificate deposit should have to sign a document indicating that he knew the deposit was not insured by CDIC if indeed it was not insured, and some of them are. That would be a specific kind of idea that this government could pick up and put into the negotiations on helping to protect consumers.

g) expansion of consumer education

The minister has done some work in that area.

h) industry-administered risk rating or other relevant information on risk

The chartered accountants go on to say:

Legislation should hold senior management and the Board of Directors accountable for the integrity of sales practices and for full, true and plain disclosure to depositors and investors. Penalties for breaches should be in the legislation and should be relatively severe.

In that regard I would note that in Manitoba they have some teeth in their penalties. There are not any in Alberta; the penalties are minimal. Let me just read one paragraph from the duties of directors and officers and what happens for penalties from the Manitoba Securities Act

Directors and officers.

136(3) Where a company or a person other than an individual is guilty of an offence under subsection (1), every director or officer of such company or person who authorized, permitted, or acquiesced in such offence is also guilty of an offence and is liable to a fine of not more than \$1,000,000 or to imprisonment for a term of not more than two years, or to both.

Now, there is nothing comparable in the Alberta legislation. It's something like \$5, 000 in Alberta; totally ridiculous by comparison. So it's time this government got on the job and started putting some teeth into the regulation of financial industries in this province.

One of the points the chartered accountants brought out that I don't really quite agree with -- they said:

The government should minimize its role in this area [meaning the regulatory role] and leave the development of standards to the industry.

Now, for instance, would this government be willing to leave to the industry the ratio of liquidity to investments and those sorts of very basic and fundamental things? But even here they do accept that the government would set "perhaps broadly stated investment restrictions."

Self-dealing and conflict of interest is a very interesting and very specific point the chartered accountants bring out that I think is worth reading to this Assembly. They talk of

Full disclosure in financial statements and a clear requirement that transfers of assets be at the lower of cost and fair market value are important steps if combined with heavy penalties for infractions.

Another aspect of the self-dealing:

Significant self-dealing (e. g., transactions involving assets constituting more than 2% of the entity's assets) may require preapproval by the regulators.

That's another thing that I recommend to the government. They should look at that sort of an idea. Audited, consolidated financial statements should be required and be available for public scrutiny. So the chartered accountants have done their homework, and I haven't heard any response from the minister.

Skipping over to the next page, just a couple of final points from the chartered accountants. Enforcement

Enforcement is also a key aspect of any regulatory system. The Government must devote sufficient resources to ensure adequate enforcement.

I said earlier that you need the political will. You also need the people, and I hope that the 17 new people you've hired in your department will help some. I hope that the Treasurer, with that increased funding that I mentioned earlier in the financial regulation sector, will also hire some new people and put them to work and give them their head, let them do what it is they're supposed to do rather than continue to interfere as they did in the Principal case.

The chartered accountants go on to say here that it's a difficult balance, this trying to keep public confidence in these institutions, and that in some circumstances government must backstop the system or risk complete collapse in public confidence. And they are quite right on that. We have seen the CCB fiasco, in which the government tried to rescue it and didn't succeed. We have seen the government rescue North West Trust. I'm not sure they should have. I mean there are a lot of problems associated with that, and the taxpayers got nailed because the government allowed the mess to develop in the first place. I'll save that for another story. But in any case, when the consumers' confidence in the financial institutions starts to wane, the government obviously has to get involved one way or another. So they should be doing the job first and seeing to it that these situations do not develop instead of sitting back and waiting for them to develop and, in fact, playing around with the regulatory responsibilities the way they have and letting the collapses take place.

I said I would list some of the companies that collapsed, and I'll just go back to that for a minute. I wanted to mention Battleford as an important example of one of the companies that collapsed in this province, again because of regulatory failure. Finally, when they did collapse, then the investors tried to sue the government and the law society because they felt they were at fault in not regulating the company earlier. It took six years before they could get it before the courts because this government kept interfering and kept getting it put off. So, Mr. Chairman, the government not only has the responsibility to protect the consumers, but they should at least abandon their role of being antagonists to consumers like in the Battleford case.

AN HON. MEMBER: Alex, I'm back over to support you. I hope you noticed me.

MR. McEACHERN: Don't worry. Just be patient

Mr. Chairman, another suggestion for protecting consumers would be that the government should see to it that salesmen are distinguished from investment counselors. Very clearly, they are two different concepts. Somebody who is a salesman for a particular company should not be able to pass himself off as an investment counselor. The concepts are entirely different, and those are the kinds of things that government could see were clearly delineated so that a person would know if they were being pressured to buy a certain particular product for a particular benefit of the person doing the persuading, rather than an investment counselor, who may have the ability to suggest a variety of different kinds of investments.

I would note that the Treasurer, in his suggestions for changes to the Credit Union Act, had a section that is very, very tough -- and perhaps rightly so; I'm not suggesting there's anything wrong with it -- on conflict of interest for directors of credit unions. I would say to this government that they should do the same thing for all these financial institutions, for some of the government Crown corporations, for example, like the Treasury Branches, which are not really Crown corporations,

but even there, there should be conflict of interest rules applied. They should apply it to the directors of North West Trust; they should apply it to the board of Alberta Mortgage and Housing Corporation: full disclosure of who they are, what their interests are in great detail, just as the Credit Union people will have to do. In fact, it would not be a bad idea even for cabinet ministers and MLAs, and I recommend it to the government.

Mr. Chairman, this minister and this government have not taken their roles seriously as protectors of the consumers. This minister administers an Act called the Unfair Trade Practices Act, so she can't hide behind the idea that somehow some of these financial institutions have been handed over to the Treasurer to administer. I wonder if the minister has made any representation to Ottawa about the bank charges scandal that is now breaking. I mean, has she been protecting consumers in that area? She was totally silent on it in her introductory comments.

So I'm just going to stop with a couple of questions. Is it the intention of this minister to continue to ignore her role as protector of the consumers and just try to educate them rather than actually do something with some teeth in it to try to protect them, and is it her intention and how much has she got involved in the federal reforms that are presently under way? I would like to hear some comment from the minister.

MR. CHAIRMAN: Hon. Member for Edmonton-Meadowlark.

MR. MITCHELL: Thank you, Mr. Chairman. I just have a few quick questions. First, with respect to statements made by the minister on April 7, 1987, where she emphasized that one of her theories of regulatory review of securities activities is the need for informed and educated buyers, I wonder whether she has assessed that particular philosophy in light of the difficulty evidenced in the market in the failure of Principal Group in the communication effectively of very, very detailed and complex information. Certainly the philosophy is admirable and very important

My second question in that regard is: what steps is she taking to ensure that people can be informed and properly educated? Certainly to some extent that would be covered by adequate disclosure, in which I think the Alberta Securities Commission is capable and has performed capably. Is she considering a broader education effort that would involve schools, universities; better consumer knowledge from a broader spectrum so that people who are confronted with disclosed information have some basis upon which to be able to evaluate that information fairly and effectively?

With respect to the appointment of the head of the Alberta Securities Commission, my caucus has proposed that the appointments of people in positions such as these -- the Alberta Securities Commission is the one position that is under this minister's auspices -- should be reviewed by the Legislative Assembly, possibly by a standing committee of the Legislative Assembly. The precedent that I think is very powerful in that regard is the hiring process involved in hiring an Ombudsman. Clearly, the head of the Alberta Securities Commission has as much impact in as significant an area as the Ombudsman does. Great care and attention is undertaken by this Legislature and by the legislative process to ensure that that appointment is done fairly and in a balanced way, and I would suggest and propose on behalf of my caucus that a similar process should be implemented for the head of the Alberta Securities Commission. Could the minister please comment on that proposal?

A third area that I would like to discuss is the creation of a

bond market in Alberta. Could the minister indicate whether her department has given some consideration to the creation of a bond market, whether possibly the issuing of Alberta capital bonds and the raising of bond money in foreign markets might not give us the potential to create a bond market in Alberta?

Next I would request that the minister provide us with a status report on blind pools or junior capital pools, as she calls them: which junior capital pools have been authorized, have been taken to market, and what the status and outcome of each of those issues has been.

The next point concerns the requirement of a consumer advocate in this province. It has been a proposal of our caucus for some time that the government create an office of a consumer advocate who could, among other things, make representations on the part of consumers to public utilities rate hearings and that kind of thing.

Finally, I would like to emphasize the point made by my caucus colleague from Westlock-Sturgeon concerning parallel policy and legislation to chapter 11 legislation in the United States, which would provide the government the power to take a company over under necessary circumstances to ensure the orderly dissolution or, in fact, the recovery of that company. The classic case in recent events is Principal Group, where the government, I think, can be faulted for the manner in which it engineered the demise of Principal Group. No one is denying that First and Associated should have been delicensed. No one is denying that management should have been changed. The fact is that by delicensing First and Associated in isolation, confidence in the entire group was ruined.

Confidence is everything in a financial institution, and a company whose carcass sold to Metropolitan Life for \$15 million net had a value on the public markets perhaps as much as \$170 million prior to the delicensing of First and Associated. A major brokerage firm in the east valued the mutual fund management company at between \$120 million and \$140 million in the spring of 1987. The trust company was probably worth \$15 million to \$16 million, and there is suggestion that an offer had been made in that regard in the spring of 1987, and that's about \$155 million. In addition to that the computer facilities and so on could have been assessed in total, those factors, for a value between \$170 million and \$180 million. Had the government moved in, taken over the entire group, sustained the value of the poor firms, the failed firms, First and Associated, then they could have sold, without the erosion of public confidence, the good firms for as much as \$170 million. Were they even able to get only \$100 million, taking that much cash and putting it into First and Associated would have secured those companies for orderly dissolution, and probably nobody would have had to lose any money in the dissolution of the entire group. Could the minister please assure the House that her department is assessing legislation that would allow her department that kind of authority to ensure the orderly dissolution of companies in distress.

Thank you, Mr. Chairman.

MR. WRIGHT: Mr. Chairman, I'm glad to be able to get back in on more detailed suggestions for the minister under vote 1 concerning her department. It is an impressive list of statutes that this department administers, and if I could make suggestions to her to pass on to her people in the department as to ways that consumers could be benefited in the steady march forward of improvement in the legislative regime under which people operate, as I referred to in my opening speech. For example, the

general trend in the United States in the whole area of consumer legislation is less regulation and more information, so that it is not left entirely to the regulatory agencies concerned to see that the people who are selling goods or selling securities or otherwise getting money out of the public, one hopes for value received, are doing it fairly and squarely.

Also, greater ability is given to the members of the public to understand exactly what they're getting into. We're always told that it's the fault of an investor or a buyer of goods if he or she gets into trouble; it's not always so. Of course, First Investors and Associated Investors are very good examples, because you can't tell the truth. If the trend in this department is towards greater ability to see what's going on, to compel the people dealing with the public to disclose what their financial standing is and what is entailed in the particular transaction that is the subject of the sale or service, then the regulation can be proportionately less and the responsibility of people for making up their own minds correspondingly greater and justifiably so. But in order to do this, one has to have the information. Now, we can make a lot of progress in obliging public information on the instruments that change hands when the transaction takes place or on filing obligations down at the companies branch; in the Investment Contracts Act, for example. We already have stringent regulations under the Securities Act for that and for being honest in prospectuses. But I'm talking about the day-to-day transactions that people enter into across the province. The government can do that; that's true. But surely a much greater help to their making up their minds in an informed way is to have a freedom of information Act.

You know, we suggested such an Act provincially; we keep on suggesting it. Our model is Ged Baldwin's Act, and it never gets anywhere here. That's the privilege of this House, I suppose, to reject legislation which some members think is good. But I just make a special plea in the context of this department's estimates under vote 1, concerning the operation of the department, to get some weight behind a thrust towards a freedom of information Act. When you look at the way it's worked in the United States, you see what a marvelously efficacious tool it is in the area of consumer transactions. Where did we learn about the deception of the Ford Motor Company in the celebrated case of self-reversing Fords, for example? Did we learn about it from lawsuits? Well, we did, yes, in part. But those lawsuits became successful precisely because their freedom of information Act allowed consumers and consumer groups to go through the Department of Transportation in the United States to get at the documents that the company had to file in response to complaints through that department and through regulatory requirements.

Now, we can't do that in Canada. There's no provincial Act that permits us to do that provincially. That's the sort of thing I'm talking about. I remind you that in the United States the information about combines that were getting together to fix petroleum prices, to fix drug prices, and so on came about by that route. Again, legislation in that respect, even federally, where they have an Act -- but of course, provincially we don't have an Act at all -- is very deficient. So I ask that this essay in glasnost, as I like to call it, should equally apply in this country as elsewhere.

Now, on more detailed matters that are within the jurisdiction of the department. For example, one of the ways in which corporations maintain control over their shareholders, perhaps the single biggest way, is by the use of proxies. Now, the theory of a proxy is fine. You can't be at the company's annual gen-

eral meeting; therefore, you appoint someone else in your stead. In practice it's not fine, because when the notice of the meeting is sent out, as those of you who have shares in any public company know, invariably there's a form that goes with the notice of the meeting -- it's an official form -- that is actually a proxy form. Most people -- I say most people -- think it's the way the company is run, and they're glad to do something to help things along, as they think, so they sign the proxy form, which in fact gives their vote to the existing directors.

So it becomes almost impossible for disgruntled shareholders, however justified their complaints about the conduct of the company are, to get anywhere at the annual general meeting, quite apart from the fact that there's usually a restriction of something like three months' notice of any motion they wish to make at the annual general meeting in getting their complaints on the floor in the first place. If they surmount that hurdle, there's still this huge phalanx of votes of the shareholders, which automatically are exercised by the directors. I suggest that the right to nominees in corporate transactions simply be abolished. If they want a model, section 29 of the Companies Act, 1967, United Kingdom.

Another way of dealing with consumer complaints -- well, all right. In my opening remarks, Mr. Chairman, I made the point that this department can do wonders without any substantial expenditure of money at all, just by making the laws right. But that means that citizens have to have the means of engaging those laws. Particularly those most hurt by ordinary transactions just don't have the money to conduct a lawsuit, so they either shrug it off or make a bad settlement and just assume that's the way it has to be. It's not the way it has to be, because if you are without funds entirely, you can get legal aid. But I'm talking about the ordinary person on an income of maybe \$30,000 a year, which is not peanuts by any means but usually will not leave enough over to engage a lawyer on any lawsuit other than a life-and-death matter in which you just have no choice. Legal aid isn't equipped to help such people, although they need the help, so I ask the minister to get behind a push to allow legal aid to be more flexible and to put help on a contribution basis so that the needs of the would-be litigant could be assessed. It may be that it will be a 75 percent contribution requirement. At the present time we do have in legal aid a requirement for contribution, but it's invariably a lump sum amount, so you guess in advance what it's going to take. But I suggest that in order to put teeth into, for example, the Unfair Trade Practices Act, the minister concurrently push for a legal aid system which is flexible and allows contributory certificates and, as well, take rather more cases in which the director of trade practices is a plaintiff. I suppose there have been some; I'm not aware, but that doesn't mean to say that there haven't been some. I'd be interested in the figures, though, from the minister. Now, that does entail the expenditure of public money, and I'm not saying that should be widespread, but there are certainly cases where it's justified.

Let me give you one example which I think would be very justified. That is the case of these parking tickets, which I don't suppose any member in this House has escaped entirely, where you are parking in a parking lot and you come and there's a ticket on the windshield for \$35 usually. It says that if you pay within a short period of time, five days or something, you can get off \$10 or \$15 of it. It looks official, and most people pay them and curse their bad luck. Well, I would say that 95 percent of those tickets are not what they purport to be at all, because you're parking on private property, and they have not engaged the procedure under the municipal bylaw. It is simply a private

enterprise initiative. That's all right if it's not deceptive, but it is deceptive. The latest one from Impark, I think, in this city -- I'm sure it's in other places too -- actually prints out the bylaw on the back. So you think, "Well, this is an official ticket; I'd better pay." But if you read the fine print there, you see that it says, "This is the bylaw that governs." It's true, but it carefully says, "But this is just a notice of an intention to bring a civil action."

Now, I say to the minister that this is a good example of a deceptive transaction that is contrary to section 4(1)(d), in my respected opinion, of the Unfair Trade Practices Act. I myself have made the suggestion to the department a couple of years ago that they should take up this case, and it was rejected. Since then the evidence is even stronger, because they weren't printing the bylaw on the back -- very deceiving. Also, in the subsequent follow-up -- it comes from a collection agency -- they referred to the debt. It's not a debt. If someone parks on your front lawn, Mr. Chairman, it's perfectly permissible to put something on the windshield saying, "Look, if you don't get off, I'm going to sue you for trespass." You see? So that kind of notice is permissible, and these official tickets try and squeeze themselves into that mold and succeed.

Anyway, just one example of a deceptive transaction that the department could take up and perhaps encourage the Municipal Government Act to elucidate under their bylaws. Because it's not that you and I are having money extracted unfairly and improperly and under false pretenses, but municipalities are also losing money. I don't mind paying the fine too much, assuming I've been guilty of overparking, if it goes into municipal coffers. God knows, they need it. But to have it mulcted from me under a false pretense, thinking I'm obliged to repay it and somehow it's going to municipal coffers, is too much.

One source of great concern to citizens, Mr. Chairman, which I urge the minister to pay attention to, is the inability under provincial legislation to correct false credit information, so the credit agency -- say it's the local Better Business Bureau, for example -- will have you marked as a bad debt. Now, you can usually get this corrected by drawing it to their attention, admittedly, but there is no right to do that and no obligation even to disclose what the credit agency has on you. The only way you can get it is to sign up as a subscriber; get the information that way. And most people can't do that. In other provinces there are the means of correcting false credit information, which can be extremely damaging to you and you don't know why it's damaging. All you know is that your application for credit somewhere or to purchase something or for a mortgage has been refused, or a bond has been refused. They won't tell you. In fact, they can't tell you because the contract you have with the agency obliges you to keep silent about it.

The Landlord and Tenant Act is administered by this department, Mr. Chairman. I recently read what struck me as an excellent brief from the landlord and tenant board, I believe, of the city of Calgary. I expect that the minister has had that too. I see she's nodding her head. I take it that the considerations there are under review by the department as possible amendments to the Act: sensible things like if you've got a roomer, for example, or a boarder, you don't have to give him or her three months' notice if you wish him or her to leave -- but I believe that is the current interpretation put on the three months' requirement for terminating a tenancy, because it is a sort of tenancy -- and many other ones of that description.

Mr. Chairman, I know that the minister will wish to make some remarks, so I'll leave the opportunity for any other mem-

bers to get in and for her to make those remarks.

MR. CHAIRMAN: Minister of Consumer and Corporate Affairs.

MISS McCOY: Thank you, Mr. Chairman. I appreciate the suggestions that have been put forward by members opposite, and due consideration will be given to all of those in due course.

One of the areas that was spoken to at some length is the securities area, and rightly so, primarily because the marketplace in that regard has become so much more complex than ever before, particularly with what I call the dynamiting of the four pillars, which was referred to. I dealt primarily with the restructuring of the Securities Commission in my opening remarks and not with the broader issues. But I will do that in more detail as to the structure now and also make some general comments in regards to the marketplace.

In restructuring the Securities Commission, what I am proposing to do is basically design a gun, and then with all of the other legislation that is under consideration, we are looking at what bullets the gun will be allowed to fire. The gun, the Securities Commission itself, apart from being split into two, a board and an agency, will have increased resources, as I have said, both personnel and monetary. The SWAT teams that were referred to are covered in vote 4. 0. 4, and the increase in resources given to that area will be 159 percent over last year.

In terms of what bullets we will be giving the Securities Commission and other regulators to fire in the new and more complex marketplace, needless to say we are giving serious and extended consideration to that subject. It has, however, various facets to it. Some legislation is being developed, as everyone is aware, in the department of Treasury, and some considerable co-operation between the Department of Consumer and Corporate Affairs, the Securities Commission, and the department of Treasury is ongoing. There are also initiatives at both the federal level and the provincial level, and there is considerable debate and co-operation going on there. On the federal/provincial scene there has been movement regarding who takes the lead regulatory role. We are closer now to a consensus across Canada whereby the provinces maintain their provincial jurisdiction over securities regulation and the federal government maintains its jurisdiction over banking institutions, for example.

We have several initiatives under way, all of which are considering the reforms that are necessary. Some comments were made, for example, on understanding and education of consumers. I have been saying for some time now that it's not sufficient to give the information to consumers; the information must be in a form that consumers can understand. However, it's a simpler proposition to state than to implement. We have, however, the Committee on Fair Dealing, that has now been working for almost a year on propositions that would be of help to consumers and investors in this field. It includes representatives from industry and from the consumer side, and we are taking care to make sure that the consumer voices are heard in that regard before we make final recommendations.

In February of this year the federal/provincial consumer ministers conference was held in Calgary, Alberta, and one of our main conclusions coming from that meeting was to strike a task force. The task force is to look at how we can standardize consumer terminology across Canada, in the field of financial services in particular, such that some words would be given a standard meaning so that consumers would then know that what

they hear and see is what they get. There are various other initiatives under way, but it being such an important subject, we are taking great care and pains to think our way completely through it. We will in due course be bringing recommendations forward. I would say, however, that the project is an ongoing one and, particularly when you're speaking of standardizing regulations or terminology across Canada, that the initiatives will take some considerable time.

There was a reference to junior capital pools. Questions were being asked about them, and I will supply details to the member who asked. Recently the Alberta Stock Exchange issued a comprehensive status report. I will undertake to get a copy of that and forward it to the Member for Edmonton-Meadowlark.

There was a reference to an agreement being signed by some securities commissions in Canada with the Securities and Exchange Commission of the United States, some comment being made that this minister did not attend that. I would just like to say for the record that of course no minister attended that. There were representatives of the commissions. The Alberta Securities Commission of course operates in these fields somewhat independently of the government. It is true that no representative of our commission was there, but it would have been a commissioner who would have attended, not the minister.

A question was asked as to why the Code hearings are being funded out of Treasury. I stand to be corrected on this, but I do believe it is coming out of the Treasury Department. I would simply point out that the primary regulatory responsibility for those companies lies with Treasury, and therefore it's logical for the funding to come out of it.

The appointments for the Securities Commission. Some suggestion was made there as to having them being fair and judicious appointments, and I can say that they have been. They have been run completely by way of open competition with an independent selection panel being used to bring forward a shortlist of recommendations. In all steps, those in recruiting and in interviewing, there have been fair procedures used. Because the commission is an arm of government, it reports through a minister of the Crown, and for that reason, it is the government -- in fact, the Lieutenant Governor in Council -- that has the responsibility for appointing to those senior positions.

There were some various other comments that were made by the Member for Edmonton-Kingsway, and I must say that one is disappointed to see in our back benches some level of invective being used on a constant basis. Instead of insight, the member continues to apply rhetoric rather than reason. He continues to indulge in insult instead of intelligent debate. I find that it is generally speaking not useful and does not contribute to the stature of this House for that practice to continue.

I would, however, respond to the Member for Edmonton-Strathcona, who has raised some good points. He did ask regarding the Consumer Credit Transactions Act and how that was working. It was implemented starting November 1. We are working closely with a representative group of those persons who are reporting under the new forms. There have been so far, I believe, some glitches identified. We have undertaken to review the forms within the year to see how they are working in practice and to then correct on the basis of experience those procedures that are placing an undue burden on the industry. At the same time, of course, we're quite committed to the disclosure document because it is simple. We think it is one that can be understood by consumers quickly, and we're very committed to having that standardized disclosure document in place. It's an

example of an approach that we would hope to take more and more often; that is, rather than focusing on the institution, we focus on the consumer so that we have some kind of standardized consumer approach rather than an approach that depends on which institution you're dealing with.

There was a suggestion that we have legislation for workouts rather than blowouts on corporate insolvencies. I myself am very sympathetic to that view. At present there is not much legislation on the books, either federally or provincially, that allows that sort of an orderly winding up process which would allow some continued operations. There is some consideration, I believe, being given to that flexibility in Bankruptcy Act proposals that have been discussed now for some seven or eight years between the provinces and the federal government. I believe those may be close to being introduced by the federal minister. In the meantime there is a flexibility to some extent. It depends on how you implement the existing legislation. The practice by receivers has not been to do a workout. It has been more a sudden death situation.

Family financial counseling and the legislation that exists, some of which is federal but administered by the province; some of which is provincial, administered by my department. The question was asked: how many people know about this? While I don't have the exact statistics with me today, I can say that it is a major portion of the services we offer Albertans through the regional offices. The take-up on that is extensive. Without being able to give the numbers to the House today, I can say that it is one of the more active areas of the department and certainly it is one of the more successful programs, judging by the number of people who come in and ask for help under that program.

Compensation without litigation. There were suggestions made in that regard, and I can say that more and more our legislation is moving towards arbitration or mediation services. Certainly even without legislation this department has become involved in many arbitration and mediation services. On an ongoing basis, of course, the members of staff are mediating and intervening between buyers and sellers on a continuing daily basis, and their success rate of resolving consumer complaints is considerably high. I can mention, as an example, an arbitration process that has been put in place with co-operation from the industry through the Motor Dealers' Association on complaints having to do with new cars. One of our co-operative efforts with the Better Business Bureau, particularly in Calgary, which is where we are piloting this one, is to set up an optional arbitration or mediation process through the good offices not only of the department but also of the bureau. We are experimenting more and more in that direction.

One specific example that was given was no-fault insurance.

MR. CHAIRMAN: Excuse me, Madam Minister. Order in the committee, please.

Minister of Consumer and Corporate Affairs.

MISS McCOY: Thank you.

In fact, we do have no-fault insurance here in Alberta through the regulations of the standard automobile insurance contract. The proposal in Ontario is to extend those considerably and to set up something more akin to a workers' compensation board. The debate on that subject has not finished yet, but we are watching and monitoring it with great interest. There are balances to be struck there, and the debate hasn't finished yet.

I was asked for a comparison of automobile insurance rates across Canada, particularly with the provincially owned insur-

ance corporations. A survey was taken recently, and it was reported that in fact a driver in Calgary pays less for automobile insurance than anywhere else that was chosen to compare with. I remember Vancouver, Winnipeg, Regina, and Toronto being the comparisons. Of course, it's a matter of public record that the Manitoba Public Insurance Corporation is seriously threatened by insolvency at the moment because of some political activity, allegedly at least, which has interfered with the business decisions of the corporation, and recently the president of that corporation resigned. We'll have to wait and see as to the new administration there -- we're expecting it to be a Conservative one of course -- and what the future of that corporation will bring.

On the time line for appeals, I would say that as a matter of course they are conducted as expeditiously as is possible, given however that justice must be done and that sometimes delays occur primarily to allow the parties to an appeal to have time to prepare to put their case forward. I am not specifically aware of any undue delays in that process. The member who raised the question, the Member for Westlock-Sturgeon, may have some specific examples he could share with me, and I would of course undertake to follow up on those to investigate whether there has been any undue delay.

Regarding the licensing of travel agents or travel brokers, and of that nature, over the years Alberta practice has not been to do so. In fact, a private travel insurance option has been developed, and I do think there are two or three insurance companies in the market offering insurance against failures as well as failures of transportation and accommodation, which seems by and large to be working well, although I must say that from time to time there are some misfortunes in that field.

On the other hand, we are moving more and more in Alberta, as I mentioned in my opening remarks, to increased industry accountability, whereby we do encourage members and executives of trade associations to take upon themselves more and more responsibility for living up to high standards of practice in the consumer marketplace. I recall the comments of the Member for Edmonton-Strathcona in his opening remarks when he said that you cannot legislate morality or behavior, and I agree with that. I do agree, however, that you can establish a standard of practice which is considered to be fair and acceptable and then also provide for consequences in the event that those standards are not lived up to. What we are encouraging industries to do is to increase those standards of behavior, have them more and more fair, and to participate in monitoring the individual performance of their members and also of course in bringing to light any breaches of the standards that have disadvantageous consequences for consumers.

References were made to the volunteer incorporations Act. This is a Bill that I introduced last session. I have no intention of introducing it this session. As the member opposite did mention, it was a Bill that had been worked on for three years by the Institute of Law Research and Reform. Yet I was most concerned to make certain that the legislation would be user friendly, because it does need to be legislation that can be implemented by volunteers on their own behalf. If they have to have the intervention of costly accountants and lawyers, then I think it won't do the task. So we have been over the past few months, and we will continue to be over the next few months, extensively involved in getting input from the volunteers themselves. So while the experts had their three years, the volunteers will have adequate time also to work with the legislation. We will bring back proposals that the volunteers consider will work,

as well as the legal and accounting experts consider will work.

There was mention of a consumer advocate, particularly for the Public Utilities Board. I would point out there that there are consumer advocates who are commonly known as intervenors, who are representing the major user groups such as the city of Calgary, which is a very effective intervenor in utility matters before the utility board and the Energy Resources Conservation Board. I do think the consumers' interests are being looked after very well in that regard by interested parties. It's difficult in many cases to have a consumer advocate position that would adequately respond to consumer needs insofar as so many consumer complaints and issues are individual cases and they need to be dealt with individually. One person couldn't possibly respond to all of those cases adequately. We have some 300 staff members in our department, the bulk of whom are responding to consumer complaints and helping to resolve them. I think that is the better route to go, particularly since we are regionalized throughout the province, and I have described some of the strategies we are using to extend our assistance even further.

There are some other specific points that have been made. I think, however, that I will mention just one of them, and that has to do with credit rating information and access by a consumer. We have, I know, intervened as a department in several instances to help consumers correct their record, and I know of several others where consumers have done so individually. So I think there is no problem with access to your own record and seeing what it is and then correcting it, if that needs to be done.

Those are my remarks, Mr. Chairman.

MR. CHAIRMAN: Are you ready for the question?

SOME HON. MEMBERS: Question.

MR. CHAIRMAN: Hon. Member for Calgary-Mountain View.

MR. HAWKESWORTH: Thank you, Mr. Chairman. I would like to participate in the discussion here this afternoon. First of all has to do with the Mortgage Brokers Regulation Act. I'd like to know if the minister is contemplating changing section 2(k) of that particular Act, which provides an exemption to members of the Law Society when they're acting in the capacity of their profession.

As the minister is well aware, many Albertans have been burned in the past by activities of lawyers in this province, and many of those have gone to the Law Society. Many of those claims have been honoured under the assurance fund, but as the minister well knows, Mr. Chairman, many of those claims were denied because the Law Society determined that the member of the Law Society was not acting in his capacity as a lawyer. However, for an individual who's meeting with the lawyer at the time, that's not always clear to them, and to many of them, because in the past they've trusted what lawyers have said and done on their behalf, it was not clear to them that the lawyers were not acting as lawyers but, in fact, as investment counselors or mortgage investment advisors. Is the minister concerned about this fact that people are not always aware in those situations and are not always covered?

Mr. Chairman, given the hour, I would move to adjourn debate.

MR. CHAIRMAN: The motion is not in order.

Hon. Government House Leader.

MR. YOUNG: Mr. Chairman, I move that the committee rise and report and request leave to sit again.

[Motion carried]

[Mr. Speaker in the Chair]

MR. GOGO: Mr. Speaker, the Committee of Supply has had under consideration certain resolutions, reports progress thereon, and requests leave to sit again.

MR. SPEAKER: Does the Assembly agree with the report and

the request for leave to sit again?

HON. MEMBERS: Agreed.

MR. SPEAKER: Opposed? Carried.

MR. YOUNG: By way of information on the proceedings on Monday, Mr. Speaker, it is the intention of the government to call the debate on the budget on Monday afternoon and the estimates of Culture and Multiculturalism on Monday evening.

[At 1 p. m. the House adjourned to Monday at 2: 30 p. m.]

