

Legislative Assembly of AlbertaTitle: **Monday, April 15, 1991**

8:00 p.m.

Date: 91/04/15

head: **Committee of Supply**

[Mr. Schumacher in the Chair]

MR. CHAIRMAN: Order please. The hour appears to be 8 o'clock, and the Committee of Supply is in session.

head: **Main Estimates 1991-92****Consumer and Corporate Affairs**

MR. CHAIRMAN: Would the hon. Minister of Consumer and Corporate Affairs care to introduce the estimates?

MR. ANDERSON: Thank you, Mr. Chairman. I'm pleased to have this opportunity to speak to my estimates, and I'm sure you're pleased that God has limited my ability to speak for a long time.

We are requesting from the committee this year an increase of 3.7 percent over last year's estimates, a modest amount but an amount that I believe will allow us to continue the programs which we have developed for Albertans, which we have initiated, and which we are planning to aggressively move ahead with.

Mr. Chairman, I do believe, in speaking to the general concept of the estimates, that I should outline for you the priorities of the department, which have been largely to first of all ensure that there is a partnership with consumers and with business and that the partnership is fruitful in protecting consumers, in educating us in Alberta to understand the new and changing marketplace, and in dealing with the establishment of standards for the betterment of the people of Alberta.

We also have as a top priority in this department the continuance and further development of fair but tough rules for our marketplace, in particular for our securities endeavours. That field, as you know, is growing rapidly, and individuals and companies involved with it are facing a myriad of changes and new opportunities that we have to be ever prepared for. This year's budget estimates do indeed allow us the resources to continue to do that on behalf of Albertans.

The third priority of this department in this year is to encourage the use of plain, understandable language in contracts and forms of the province of Alberta. Now, to some that may not sound like a major initiative, but I believe that we have reached a time in the life of our province when our citizens are saying clearly that they want to be able to understand what it is they're signing. They want to be able to comprehend the ramifications of a decision before that decision is made. I'll speak further to the accomplishments in that regard in a minute and to the plans for the coming year.

Mr. Chairman, before going into other aspects of the budget, I would like to express my thanks to the staff of our department. I believe it is an innovative, efficient, and dedicated staff, some of whom are represented in the gallery. I'll draw to your attention our acting deputy minister, Dave Hudson, and our director of finance and administration, Don Woytowich: two gentlemen who have assisted me greatly over the years. Our director of personnel is also there, as are my assistants from my office, Don Doherty and Di Genereux. Shirley Dul, I should mention, is our director of personnel.

In the budget estimates members will quickly find that we are requesting 42 fewer full-time equivalent positions. It would

seem to be a large number of positions, and indeed it is for a department of our size. I should emphasize in that regard that we in fact over the past few years, in developing our partnership programs and our increasing efficiency through computerization and other resources, have been able to hold positions back from being filled, and consequently there are no permanent jobs lost, actual individuals in positions lost in this budget. There are nine temporary or wage positions that would not be renewed and in many cases would not have been regardless of the availability of budget dollars.

If I were perusing this budget from another part of the House, my first question would be with respect to vote 1 and what would seem to be significant increases in the components of that vote versus the other parts of the department. That needs to be put into context, first with my office, by saying that there is no increase in the number of people in my office, there is no increase in the budget for travel, there are no new furnishings coming into my office; there is only a rationalization of the true dollars that it is costing for manpower. That is very much true with other parts of that vote 1 series of budget estimates as well. There are not additional bodies there at the expense of elsewhere in the department. There is a rationalization and in some cases a need for increasing the support which that part of our department gives to our regional offices. As we have computerized, there are some data processing costs in there. As we have developed our partnership programs, there are central requirements that are there in support of that wider partnership throughout our community. So you see the increases identified there.

I would also indicate that in a department with as comparatively small a budget as this one, a very minimal change in manpower or in costs can cause those percentages to change quite sufficiently. That is in fact the case with much of this department.

In votes 2 and 3 we are planning to maintain the services that are provided to Albertans through our 10 regional offices and through the variety of opportunities that we give to Albertans through that. I might indicate once more that the partnership program has been very successful in allowing us to utilize resources of volunteer organizations, of businesses, and of individuals. Even with reduced resources over the past few years, we, acting as a facilitator, are in fact giving Albertans much more in the way of education, in the way of policing, and in the establishment of standards than we would have been able to with increased resources because of that approach to partnership in our society.

Vote 4, of course, deals with the regulation of securities in the province and is primarily dealing with the Securities Commission. You will note a 10.8 percent increase. In fact, there has been a 71 percent increase in the dollars for the Securities Commission since the '88-89 budget year. That is because we do believe that in this fast-moving marketplace, in this time when rapid change is taking place and there are constantly a number of questions and opportunities in the securities area, we must have that fair but tough marketplace and must have the rules to reflect that. We have made changes to the Securities Act to tighten that area up. We have reorganized the Securities Commission. We will continue to take steps of that sort to ensure a proper place for Albertans to invest in the future of this province.

Mr. Chairman, those are brief remarks with respect to the various votes involved. Let me again, though, state our priorities. Partnership. Specifically in that regard we have with the Insurance Council developed a body where they, with consumers

on their board, carry out a good deal of education. They also do that in terms of licensing and some policing under our regulation, our watchful eye, to ensure that those are in the best interests of the citizens. Now, we are moving in that direction with the Real Estate Association, and as well we have recently released a report from the Automotive Working Committee, again a group comprised of consumers and of representatives of the industry. That has evolved suggestions which are now being taken to the public with regards to a regulatory body to ensure the fair operation of our automotive system in the province of Alberta. I am soon expecting a report from a similar working committee in the funeral industry area to ensure once again that at a time when people are vulnerable and dealing with that particular need that we all face at the end of our lives, there is fairness assured and a system where people can appeal, where there can be some education and assurance of standards maintained.

8:10

In terms of our other priority area, plain language, we have introduced the Financial Consumers Act, passed, of course, last year. We recently proclaimed most sections of that Act and will next year proclaim the remaining sections. As members know, it's the first Act of its kind in the British Commonwealth which requires disclosure in plain language of various pieces of information required by a purchaser of a financial product. We also announced earlier this year a plain language initiative which is intended to encourage all businesses and governments to rewrite their contracts and forms in understandable language and form. We've also announced that, together with the industries, we are going to do that with the automobile insurance area, with the real estate offer to purchase and other forms, with the landlord and tenant boards in terms of contract lease agreements for tenants, and with the Consumers' Association regarding home renovation contracts. We are going to encourage all businesses to move in that direction. Additionally, it is our intention later this year to announce how we will look at this government cleaning up its own house with respect to the complicated language in its forms and its legislation. In our own department we've certainly gone through and are continuing to overhaul regulations and other forms which do not meet the standard which we think consumers want. That will be continued throughout the government.

For a June meeting of consumer and corporate affairs ministers across the country we have asked that a major topic on that agenda be plain language so that citizens across the country can have that benefit and, in this day when forms and information cross boundaries quickly, that overall direction is established. It has been agreed that that will be a major topic at that June ministers' meeting.

Mr. Chairman, we also in this year will be recommending to the Legislature, as I alluded to earlier, further changes to the Securities Act, developed through these and last year's budget estimates, which will try and tighten up even further our securities market, adding to our '88 changes and to our policy changes of the past couple of years. We are, I believe, reaching the point where we want to be with our securities system in terms of its policing of the marketplace and its education of citizens there.

There are a number of other programs which are provided for in these estimates. Members will note an increase in the amount of grants from \$40,000 to \$140,000. The purpose of that is to further encourage that partnership program and dimension to assist volunteer organizations and other associations to pick up

that mantle. One project we will be announcing in the not too distant future in that regard is an interactive telephone system where we do hope to make available to consumers through one phone number the information from a variety of sources as they try and meet the challenges of the coming years and of the marketplace which, as I've said before, changes so very rapidly.

Mr. Chairman, with those remarks I'll sit back and await questions members might have and do my best to answer them. Should we not be able to give an answer this evening, I'd be happy to undertake to get back to any of the members involved.

Perhaps just one more comment I was going to make before sitting down, and that is to pay some homage to my former critic from Edmonton-Strathcona in this House. When I talk of plain language directions, we shared together that commitment and that direction. I appreciated his input and his dedication in that matter as I know all members appreciated his honesty and dedication to this province and what he contributed there. I look forward to working with my new critic, who has replaced that member, Gordon Wright, in this Assembly.

MR. CHAIRMAN: Order please. Before proceeding to the next speaker, might there be unanimous consent to revert to Introduction of Special Guests?

HON. MEMBERS: Agreed.

MR. CHAIRMAN: The hon. Member for Red Deer-North.

head: **Introduction of Special Guests**

MR. DAY: Thank you, Mr. Chairman. On behalf of our Solicitor General, who's representing the government out of province tonight, I'm happy to introduce to the Assembly the 2nd St. Albert Falcon Pack. There are about 30 young, ambitious citizens who are in the process of drafting a law for the Solicitor General as we speak. Accompanying them are Tom Thackeray and seven other adults. They're visiting with us tonight. I'd ask them to stand and receive the warm welcome of the Assembly.

MR. CHAIRMAN: Thank you.

head: **Committee of Supply**

head: **Main Estimates 1991-92**

Consumer and Corporate Affairs (*continued*)

MR. CHAIRMAN: The hon. Member for Edmonton-Strathcona.

MR. CHIVERS: Mr. Chairman, thank you. I'd like to begin by thanking the hon. minister for his kind comments with respect to my predecessor. I'm sure those comments will be gratefully appreciated by the family.

I also would like to acknowledge the presence in the Assembly Chamber this evening of the officials and staff from the Department of Consumer and Corporate Affairs. Their efforts and dedication, given the limited resources of this department, are a tribute to them.

Mr. Chairman, the activities of the Consumer and Corporate Affairs department touch upon each and every citizen of Alberta in one way or another every day of the year, because we're all of us involved in the marketplace every day of our lives. Each of us has to make choices in the marketplace which are to a certain extent governed and guided by information that's

available from the Department of Consumer and Corporate Affairs, by educational programs and by services that are provided through that department. It's in this context that I think it's very important to acknowledge the role of the Department of Consumer and Corporate Affairs in the marketplace economy of Alberta. We need to have those services available. We need to have confidence that the information being supplied to us by the marketplace is information that we can rely upon. We need to have confidence that the goods and services that are being provided are the goods and services that are being advertised. We need to know that the goods and services that we are obtaining are actually the goods and services that we do get and that they meet our needs and expectations.

I believe I'm correct in saying that there a total of 33 statutes that fall within the purview of the Department of Consumer and Corporate Affairs, and I think that perhaps is the greatest single number of statutory enactments dealt with by any department of government. These statutes encompass a phenomenal variety of consumer transactions. Indeed, the mere fact of the plethora of legislation dealing with the relationship between consumers and corporations is the first issue that I would like to address with the minister.

My question for the minister is this: given the number of statutory enactments that the department has to deal with, does he not think that it would be desirable to rationalize and consolidate the statutory regime within which his department operates? It seems to me that we've reached a point in time where it makes good sense to rationalize and consolidate this area of statutory law in Alberta. It makes good sense from the viewpoint of the department, it makes good sense from the viewpoint of the marketplace, and it makes good sense from the viewpoint of consumers. Rationalization and consolidation of the statutory regime would in my opinion enable the department to deliver the services that it provides in an even more efficient manner. At least as important is that rationalization and consolidation of the statutory regime would make it easier for the consumer to know precisely where he should look for his information and answers with respect to the myriad of problems which arise within the parameters of this enormous statutory regime.

8:20

Mr. Chairman, the minister is to be congratulated with respect to his initiatives with respect to plain language in corporate and consumer contracts. Is the minister prepared to take that principle, the principle of plain language, a step further and undertake a full-scale review of the 33 statutes which his department must administer? This review I would suggest should be first so as to ensure that so far as possible the statutory regime is rationalized and consolidated and, secondly and perhaps even more importantly, to ensure that the principles of draftsmanship that have been developed in relation to consumer contracts are applied and that plain language becomes a reality not only with respect to consumer contracts but also with respect to the legislation and the statutory regime that governs consumers in the marketplace within which they operate.

In my view, it's imperative that all legislation be written in plain language; however, it is even more imperative that when we're dealing with the area of consumer legislation, it be written and expressed in plain language. After all, as the Minister of Consumer and Corporate Affairs often stated in the material announcing the plain language initiative, "Plain language is essential to a fair and honest marketplace," and it certainly is in my opinion. One of the principle reasons that we do have

complex consumer contracts is the fact that the laws which regulate consumer relations are themselves complex and difficult to understand. I urge the minister to apply the same principles with respect to plain language to a review of the entirety of the legislation which falls within the domain of his department.

I've studied the estimates of the Department of Consumer and Corporate Affairs with a great deal of interest and with a growing concern. It's indeed a challenging task to master the variety of legislation and the variety of programs that are encompassed within the realm of this department. As I did so, I had a growing concern as I struggled to get a handle on the direction of the department. Let me say at the outset, as a new member of this Assembly, that I've experienced a growing frustration and an increasing sense of futility with respect to the exercise of going through departmental estimates. Of course, the time allotted is insufficient, and that point has been made ad nauseam perhaps in this Assembly in the past couple of weeks. But it is true that the time allocated is insufficient.

[Mr. Jonson in the Chair]

The other point of concern and perhaps of even greater concern to me is the delay in the publication of the reports. Now, in terms of preparing for the estimates, it's necessary for the members of the Assembly to rely on information that is up to two years old. For example, in preparing for my comments tonight, I had access to the public accounts for the year 1989-90 and the Alberta Consumer and Corporate Affairs report for the year 1989-90. That information is stale. What in my view should be required is that before an estimate debate commences, the immediately preceding year's annual report should be made available to members of the Assembly and the immediately preceding year's public accounts should be made available to the Assembly. In this age of computerization and particularly in respect of this department, which is certainly well computerized – it's been an ongoing initiative within this department and one which I applaud – I see no reason why that information could not be made available to the Assembly. Indeed, I would suggest that it be a condition of debates on the estimates that the public accounts and annual report for the previous year be available before the debates on the estimates continue.

The importance of that is that when you're reviewing this information and you're two years out of date, it's very difficult to make informed comment on the directions of the department or indeed the implications of the budgetary matters that are addressed in the estimates. It's difficult to undertake a meaningful scrutiny of the estimates without that information being available at the time the estimates are debated.

Mr. Chairman, we have a glaring example of the delay. I note from examining previous *Hansards* that there has been an effort with respect to the report of the Department of Consumer and Corporate Affairs. This year we're a year more current with respect to our annual reports; we're only one year behind at this point in time. I also note that there's been some movement with respect to the companion reports of the Alberta Securities Commission. Some time at the beginning of April two annual reports were provided to this Assembly. It seems to me that it would be logical and possible for the departments, and this department in particular, to provide that information on a more current basis.

With respect to the department's activities during the immediately preceding year, that information is very crucial to a meaningful and informed discussion of the estimates. Without that information we're deprived of an opportunity to make the

kind of input that we should be in a position to make. So, Mr. Chairman, I suggest to the minister and I ask him whether it would be feasible for his department to consider providing the information, the annual report and the public accounts, before the estimates are debated in the Assembly next year.

Mr. Chairman, turning to the estimates, a small point, but I consider it an important point. If you would examine page 38 of the annual report of the department – I'm referring to the green document – you'll find that there is a statement of the expenditures of the department in this year, 1989-1990. I notice that there is a discrepancy between the figure reported there and the figure that's reported for that same year in the 1991-92 estimates with respect to the expenditures for the year 1989-90. Now, it's only a \$25,000 discrepancy, but in my submission that amount is the annual income of many Albertans, and it's important to know why it is and how that discrepancy has come about. I see the minister looking quizzical. I would ask him to perhaps explain to the Assembly, when he has an opportunity to examine these matters, how that discrepancy between the expenditure reported in the annual report and the expenditure reported in the estimates for the year 1989-90 has come about. What is the explanation for it?

Turning to pages 73 and 74 of the estimates, a couple of things become apparent from examining these charts. The first is that within some of the programs, two of them in particular, there have been significant decreases in the funds to be devoted to Consumer Services and Consumer Standards. These areas, in my opinion, are the core services that are provided by the department. Consumer Services has been reduced by approximately \$225,000. I think that's more meaningful than dealing with percentages. The employment complement of that service – and I've listened with interest to the minister's explanation as to the cutbacks in staffing, but according to my calculations the cutback between the previous years that are reported here in the summary of manpower authorization in the Consumer Services program is a total of 26. I suppose the discrepancy again comes about as a result of that figure presumably being based on an estimate from a previous year rather than what actually happened in the past year. Whatever the actual numbers, I would appreciate an explanation of the apparent discrepancy between the figures that are reported there. Perhaps my mathematics are incorrect, but I don't believe so. It appears to be an elimination of 26 positions, and I would ask the minister to explain that to the Assembly.

8:30

I understand that there are some reductions in manpower services, even in the minister's explanation of 42 positions being eliminated. Which of them were permanent positions? None of them were permanent positions, according to the minister's explanation. I'd like the minister to explain which of the 10 office locations throughout the province have been affected by the reductions in manpower. To what extent have these reductions in manpower affected the delivery of the programs of the department?

The Consumer Services program is supposed to be the vehicle, after all, by which the department delivers consumer and business services by informing, by educating, by mediating, by counseling, by setting standards, by applying standards, and by enforcing legislation. This is the program of all of the programs within the department which, in my understanding, is supposed to be disseminating information, is supposed to be providing educational opportunities, and is supposed to be ensuring that the standards are developed and enforced. Would the minister

please provide details as to what areas and what services are to be cut back as a result of the decrease in funding to that program?

Would the minister also please advise as to whether the cutback in this program is a result of declining demand for the services? Perhaps it's a result of change in the orientation of the department, or perhaps it's for some other reason. Would the minister please explain what the reason is? As I have attempted to point out, in my opinion, Mr. Chairman, this program of all the programs offered by the Consumer and Corporate Affairs department is the area which most immediately interacts with consumers on a day-to-day basis. I consider that a significant reduction in the expenditures of that department.

The other program which is being cut back is Consumer Standards. That program is cut back by approximately \$153,000. The reduction in positions, as I calculate it, is equivalent to 29 positions. The objective of the Consumer Standards program as stated in the estimates is "to develop programs and policies which will facilitate a fair marketplace which balances consumer and industry needs." It's charged with "monitoring of marketplace practices," with scrutinizing the practices and promoting the "development of suitable industry standards," and with developing "policies and programs to encourage a fair and honest marketplace." Would the minister please advise as to which of the programs will suffer as a result of the reductions and as to which of the services of the program and to what extent and in what ways the service of Consumer Standards programs are going to be impacted? It seems to me that once again the cutbacks have been made in programs which are of great assistance to consumers.

Mr. Chairman, in all, according to the information contained in the estimates, there's been a reduction of the equivalent of 63 positions, as I calculate it: two position equivalents in Departmental Support Services, 26 in Consumer Services, 29 in Consumer Standards, and six in Regulation of Securities Markets. Of these, 55 have come from the two programs that I've discussed. That's a 12 percent reduction approximately in the staffing of these two programs. By contrast, the total budget for the Department of Consumer and Corporate Affairs has increased by approximately \$746,000. Departmental Support Services, vote 1, has increased by approximately \$662,000. The bulk of it is there. This is accounted for by double-digit percent increases in every area of Departmental Support Services. The average increase is 15.9 percent throughout that program. Personnel Services has increased by 45.4 percent. These increases are despite the fact that two positions have been cut from the support services program. Could the minister please give a detailed account as to the amount saved by the staffing reductions and as to the reasons for the phenomenal increase in the cost of departmental support services in each of the areas listed in vote 1?

Would the minister also please give an account as to the nature of the grants. I know he's discussed this briefly, but I would like some more specific information with respect to what organizations, what associations, are being given grants under this program. What is the purpose of the grants? What is the service to the consumer that is expected to be funded by these grants? That's an interesting figure there with respect to the grants. It's a 250 percent increase in grants. I know that in real terms it's a \$1,000 increase, but the percentage is a massive percentage. Presumably there is a need which is being met by this increase in grants. I'd like some information with respect to the services that are expected to be funded by these grants.

With respect to the Securities Commission Board and Securities Commission Agency appropriations, again we have a pretty massive increase. I believe it's an increase across the department of 10.8 percent. In real terms it amounts to \$460,000. Here again, according to the information in the estimates, there's been a reduction of the equivalent of six positions, but the total wage package as set out in that estimate has increased by about 17 percent, or \$444,000 approximately. Would the minister please explain what accounts for the phenomenal increase in Salary, Wages and Employee Benefits in this program? If one were to simply take the 106 positions within this program and divide that number of positions into the \$444,000, it would yield \$4,191 per position, and I'm sure that is not the basis of the distribution of those increases that have taken place. It is, I submit, a pretty phenomenal increase. Who are the increases going to and in what amounts and why?

This is particularly important in view of the recent debacle, Mr. Chairman – and I call it a debacle – respecting the Securities Commission inquiry into the trading practices related to the Cormie matter, which was before the Securities Commission a short time ago. That Securities Commission investigation ended with a whimper and not with a bang. In my submission, the entire proceedings were a farce, for in the end the persons investigated simply chose to undertake on their part a voluntary trading ban for a period of time, and the Securities Commission was practically forced to abandon its proceedings because the legislation has no teeth.

The commission did not even succeed in obtaining an admission of wrongdoing. It was, indeed, an interesting spectacle. The alleged wrongdoers were able effectively to circumvent the entire process by sentencing themselves. If there's some merit in this approach, perhaps the hon. minister might want to recommend it to the hon. Attorney General as a method of dealing with the backlog in the criminal courts. I would expect that if persons accused of wrongdoing under our criminal law were likewise able to avoid admission of wrongdoing and were able to sentence themselves to nominal sentences, we might well soon dispose of the backlog in the criminal courts, and indeed we certainly wouldn't need as many prosecutors or judges. The benefits to this sort of an approach are, to put it mildly, mind boggling.

My question in this area is: does the Minister of Consumer and Corporate Affairs intend to revamp the securities legislation to bring it in line in this area with the law in other jurisdictions and to ensure that such a travesty and such a spectacle does not repeat itself? What is the point of having a commission that has no teeth and no ability to impose meaningful sanctions against wrongdoers? I appreciate that one of the rationalizations for the commission dealing with the matter in the way that it did was that the penalties imposed would probably have been more severe had the commission gone ahead with its proceedings, and in fact the length of the voluntary trading ban was probably at least as severe as the commission would have been able to impose. The reality of the matter is that there was no admission of wrongdoing, and the citizens of Alberta are still awaiting an accounting from the Attorney General with respect to his intentions in terms of criminal proceedings in that matter.

8:40

Returning to the annual report, on page 37 I see that the departmental revenue for the year 1989-90 was over \$12 million. When you compare that with the expenditures, it seems that the revenue of the department in the past few years has been approximately 65 percent of its expenditures. If we assume that

the same proportions between revenue and expenditures will apply this year, it means that the net cost to the taxpayer for the services provided by Consumer and Corporate Affairs is approximately \$7,270,000. Now, the net cost is, in my submission, a real deal for the taxpayer and for the consumers of Alberta.

The problem, as I see it, with respect to the activities of the department is not its cost to the taxpayer; the problem is with respect to the inadequacy of the resources that are devoted to this very important department of government. In my view, there is not enough funding devoted to the activities of this department. The job of the Department of Consumer and Corporate Affairs is a very fundamental job. It's to ensure fairness and equity in the marketplace and to make sure that the information and services that are needed by citizens around Alberta are available to them. It's to provide a system of licensing and regulation and to protect the public.

Mr. Chairman, there are a host of areas in the marketplace where the consumer is in desperate need of assistance. The law governing landlords and tenants is one area. As the Assembly is aware, this is an area which has been studied by a committee, but I don't believe we yet have any action proposed by the government in respect to that matter. I believe that committee reported nearly a year ago, if I'm not incorrect. The report was called *Achieving a Balance*, and that indeed is the very task that this government must undertake in terms of the area of landlords and tenants. In my view, the recommendations of the committee do not go far enough to achieving a proper balance between landlords and tenants. In particular, it is my view that there should be, for example, no termination of a residential tenancy without cause. The committee, however, at least found it necessary to set forth an extensive list of prohibitions against termination of a tenancy. Even this limited measure has not yet been brought before the Assembly, and I'm wondering if the minister could advise the Assembly as to his intentions in regard to that item of the report particularly and in respect to the recommendations of the report in general.

There are many urgent needs in the area of landlord and tenant reform. For several years now the various ministers responsible for the administration of this Act have been promising reforms. Why does it take so long to bring the reforms into being? When can we expect legislation to be introduced in this area? There are acute and serious problems facing tenants. Tenants need protection in a number of ways. They need some way of appealing unjust increases in rent, perhaps to a board or a rentalsman, as it's called in some jurisdictions. Tenants need protection against retaliatory eviction. It's not an uncommon practice for a landlord to evict a tenant who makes a complaint, any type of complaint, particularly complaints with respect to the state of repair of the residential tenancy. The tenant desperately needs protection against these unfair evictions.

There are many ways of making matters more fair between landlords and tenants. These are suggestions that I would recommend to the minister, but they are not the only ways. One of the constant problems in the area is the failure of the landlord to make repairs. That can be very simply corrected, in my submission, by allowing the tenant to make the repair after he's given appropriate notice to the landlord. If the landlord does not take the necessary action within that period of notice, then the tenant should be permitted to make the repair and then to deduct the cost of reasonable repairs – I say reasonable repairs, because it should not be *carte blanche* – from the rent, perhaps over several months.

Security deposits are still a contentious area. They have long been a contentious area, and they are a legitimate area of concern for tenants. Complaints with respect to . . . [Mr. Chivers' speaking time expired]

Mr. Chairman, thank you for your attention. If I have an opportunity, I'll make some further comments.

MR. DEPUTY CHAIRMAN: Thank you. Just prior to recognizing the Member for Edmonton-Meadowlark, I would like to apprise the Assembly of the request from the Liberal caucus to split the critic's time between Edmonton-Meadowlark and Calgary-Buffalo. There is some precedent for that, so unless there . . .

SOME HON. MEMBERS: Agreed.

MR. DEPUTY CHAIRMAN: Pardon me. Edmonton-Meadowlark, do you have a comment on that?

MR. MITCHELL: Yes. We've never asked to have it split. We've said that we would like to have two speakers speak, but if I use 30 minutes, the Member for Calgary-Buffalo would speak if there were time left this evening.

Thank you very much, though.

MR. DEPUTY CHAIRMAN: The Chair was misinformed. Edmonton-Meadowlark, you're recognized to speak.

MR. MITCHELL: Thank you, Mr. Chairman. I can hardly imagine that you were misinformed. I'm sure that we didn't express ourselves clearly enough. It doesn't happen very often. Thank you very much for your consideration.

Mr. Chairman, I have a number of points that I would like to make, a number of what I would call technical administrative points, and several issues that I would like to address. I'd first like to say that the minister has had an impressive year. He's been busy. He's addressed and attacked a number of important issues. Many of them, I would like to say, he seems to have anticipated and initiated his consideration of; others seem to have come upon him. Nevertheless, I've been given the impression that he has been pursuing issues of importance in the marketplace, and I would like to congratulate him for that. I hope it is clear by the end of my comments that I don't agree with everything he is doing with respect to these issues. Nevertheless, I do appreciate his efforts, and I would ask that he consider some of the comments and suggestions that I, and hopefully later my colleague from Calgary-Buffalo, will be able to make.

First, a number of straightforward administrative questions with respect to expenditures by vote. The Member for Edmonton-Strathcona has mentioned a number of these, so I'll just mention them quickly. The Minister's Office is up 12.2 percent; that attracts attention. Why? Deputy Minister's Office, vote 1.0.2, similarly is up 15.9 percent. Personnel Services, 1.0.4, is up 45.4 percent; Administrative Services up 10.5 percent. While there are other subvotes under that vote that are up, those are four that attract my attention in particular. I would appreciate the minister explaining those if he would. With respect to grants under that vote, they have increased 250 percent over the last year, and an explanation of that would be appreciated.

Vote 2.0.7, Consumer Information Development, is down 30.5 percent. This seems to be an important area and in some senses an area that is core to the mandate of the department. Why the decrease? I believe that I can anticipate part of the answer.

The minister has said that industry had taken over a good deal of consumer education. How is this being monitored, and how is it that the department is still fulfilling its responsibility in this regard?

8:50

Consumer Standards. Vote 3.0.7, Co-operative Standards, is down 25.5 percent. This seems like a significant decrease in a year when at least the Edmonton Co-op is having a good deal of trouble. I will be addressing that issue momentarily.

Real Estate Standards is up. Why this increase? It is not one that would immediately be a problem. Certainly in the area of real estate standards my impression is that there's always much to be done, and an increase of this nature might well be and I'm sure is defensible, but I would like to hear what the minister's feelings are about that.

Issues. The failure of the Edmonton Co-op is a current issue, and the minister will be aware, of course, that I raised that in the House last week. I have some concerns. As I understand it, a Saskatchewan co-op called FCL, Federated Co-ops Limited of Saskatchewan, had an agreement to manage the Edmonton Co-op and was in a position, therefore, to provide goods at wholesale prices to Edmonton Co-op. Allegations have been made that in fact those prices may have been inordinately high, that FCL, Federated Co-ops Limited, was able to supervise and call for the audit of Edmonton Co-op, an audit which ultimately would have led to Edmonton Co-op being put into receivership, and that FCL in turn appointed itself as receiver/manager and then ultimately ended up managing the assets under yet a new co-operative arrangement.

The advantage to FCL, if one were cynical or skeptical about this, could be seen to be that they now have greater control over the management of these assets than they may have had under a previous board. These are simply questions that arise. I'm not taking a position one way or another, but it seems to me that there could at best be a serious concern of a conflict of interest throughout that process, and if we're suspicious about that just on the face of that list of events I've just mentioned, then we might be even more suspicious of that given that my information is that FCL has refused to provide a copy of the management agreement under which they say they had been given the power to do all these things.

The minister mentioned in the House last week, if I'm not mistaken, that the board of Edmonton Co-op had the authority to allow FCL to do these things, that it was the board's responsibility if, for example, the association was being charged wholesale prices that were inordinately high. It was the board that signed a debenture that allowed FCL to call the debenture and put the organization into receivership and so on. The minister seemed to be saying: "Well, it's the board's problem. It's not really the government's problem, and the government should be careful about intervening." To some extent that's, I guess, logically true, but there are a couple of problems with that position.

One is that the board is, of course, without resources with which to pursue this issue in the courts, where they might find recourse. There's also this logical problem, and that is that if the board is there to protect the board's interest under the management of a co-operative, then why do we need this department's division to supervise co-operative standards? It seems to me that the minister can't on the one hand pay almost \$100,000 a year for his co-operative standards division and on the other hand say that the board of Edmonton Co-op is really

responsible for what's occurred and is on its own. Surely the government does have a role to play.

It's interesting to note that at the outset of the problems the department implied or suggested that they would be doing an investigation and several days later retracted that suggestion and said that one wasn't necessary. I wonder whether the minister could explain why it was that in the first place the department suggested that they would do an investigation, and several days later, four or five days later, they decided against that. That's one question. The second one arising out of this is the question of who should be able to call the audit, supervise the audit, and whether there should not be some kind of regulation in circumstances such as these, where the stakes are terminal for an organization such as Edmonton Co-op, a provision for an external or outside audit process.

The second issue of concern, Mr. Chairman, falls under the department's responsibility for the automobile insurance industry. I've been encountering more and more consumer concerns and, in fact, insurance agent concerns with the operation of the facility pool insurance program, or the facility association insurance program. This problem first came to my attention when a constituent of mine approached me. He is a man in his mid-40s, a responsible individual, who'd had two speeding tickets within the last several years, several I believe being two or three years, and who'd had in the past year a single accident which was his fault and which cost his insurance company about a thousand dollars to cover. When his insurance came due this year, he was told that he would not be insured as a regular consumer of auto insurance and instead was referred to the facility pool program. This saw his insurance potentially rising from \$500 a year, which it had been, to \$1,400 a year.

Quite apart from the broader issue of how it was that he went from where he was to the facility pool, he was never informed, for example, that that was going to occur if he did not pay the thousand dollars himself for his own repairs. So he was put in this illogical predicament of having had his insurance company pay a thousand dollars so that for the next three years his insurance premium could go up \$2,700. Presumably if they had said to him, "Pay it yourself and we'll save you \$2,700 in insurance premium increases," that would have been an option which he might have exercised. Even if that option existed, there is still another problem in this; that is, that in fact very arbitrarily he and other consumers of auto insurance in this province can be and are being referred from their regular status as auto insurance risks to a much riskier status under the facility pool insurance program, and these relegations of status are being made without consistent criteria.

In fact, if you discuss this with people in the industry, you will find that smaller companies will be more inclined to refer people more quickly to the facility pool because they are less able to take the risk of a higher risk driver. A larger company may be more lenient in that regard. That's inconsistent in itself. What's particularly unfair is that, of course, if you had been originally dealing with one company versus the other, you would be treated differently and perhaps unfairly if it were a smaller company. What's also unfair is that if you had been referred unfairly by the one company to the facility pool insurance and you went to another company which might not have otherwise referred you there, that would have accepted you as a normal risk or a slightly elevated risk, they won't in many cases even look at you, because you have already been referred by another company to the facility pool insurance program.

9:00

What we need, Mr. Chairman, are some kind of uniform criteria if this process is to be fair. Nobody is saying that inordinately high-risk drivers must be insured under some normal course of action by a given insurance company. There is a strong argument to be made for pooling that kind of risk, for sharing that risk probably throughout the industry. There is an inherent incentive for a company to refer somebody to the facilities pool and almost no disincentive to do that. In the case of my constituent, he was referred to the facilities pool insurance. He got in touch with me; he had the presence of mind to do that. I got in touch with staff in the department, whom I would like to congratulate for the professional manner in which they acted and the success they had in dealing with this problem, because very shortly after their contact with the company in question my constituent was taken out of the facilities pool and given a higher rate but a much more reasonable rate of \$700 a year instead of \$500 and instead of the facilities pool of \$1,400.

What is to stop a company from taking any marginal-risk driver and referring him to the facilities pool on the off chance that they may stick because they won't have the presence of mind to complain? Then when they're caught – in this case I complained, the government staff got in touch with the company, and the company said: "Oops, sorry; we made a mistake. We'll handle it." There's no incentive for them not to try to get more premium under the facilities pool insurance program. In fact, there's every incentive to try and no disincentive. Nothing happens if they say, "Oops, we made a mistake; we'll handle it." All those people that didn't think to complain will be treated unfairly.

I believe, Mr. Chairman, that this particular problem must be addressed quickly and effectively. It's not enough for the minister to talk to the industry, to utilize moral suasion. I believe that it is one of those cases where there must be consistent and obvious publicly demonstrated criteria that establish when a given driver under given circumstances is relegated to the facilities pool program at the penalty of paying particularly high insurance premiums. If they deserve it, then no question; it is a plausible and reasonable thing to do. If they do not deserve it, if it is an arbitrary and unfair decision applied by a given company that would have been applied differently by another company, then I believe that this department and this minister have to begin to do something concrete about it.

There are other concerns with respect to the auto insurance industry, Mr. Chairman. The Automobile Insurance Board is to be releasing a report on some of these concerns at the end of May. I'm wondering whether the minister could simply comment on whether that schedule is still holding, that we will see that report at the end of May. There are grave concerns, I think amongst all of us, that the auto insurance industry is having tremendous difficulty in this province and elsewhere in this country, so the Automobile Insurance Board report is important, and we anticipate it.

I would like to ask as a corollary to that issue, the question of costs, what the minister's thinking is now on the impact of Ontario's proposal or consideration to bring in government-run auto insurance: whether that will in fact mean that major companies will pull out of Canada and what impact that will have on Alberta's auto insurance industry, particularly its competitiveness and, therefore, its cost fairness for Alberta auto insurance consumers.

I would in that respect, I guess, like to mention that after discussing the question of facilities pool insurance with a number

of agents, it was remarkable and, in fact, almost frightening to hear their frustration with the situation with auto insurance circumstances in this province, to the extent that some of them are actually arguing for government-run automobile insurance distributed, as it is in the case of B.C., by private agents but managed at the company level, as it were, by the government. To consider that small businesspeople in Alberta would be advocating a solution like that to the problems of auto insurance in this province is to acknowledge that indeed there probably is a grave problem. It's one that we would ask to know what the minister is thinking about it at this point.

Recently we've seen a case of, I believe, where consumer protection needs to be enhanced. That's the case of the McDowells in Black Diamond and their having purchased real estate which, yes, they knew had sometime before been a site for an oil refinery but which they didn't understand was a toxic waste dumping ground and in fact had toxic waste seepage problems. What's disconcerting in particular about this case is that three or four years prior to their purchase of that land the Department of the Environment had undertaken a study which discovered and outlined very clearly that there were serious health problems relating to toxic wastes in that piece of property. It seems to me that the government does have a role to play in a circumstance such as this, that consumers need to be protected from issues and analyses that would go beyond the resources of a layman real estate purchaser. In particular, I think I would like to know what the minister feels his government's responsibility is in protecting the consumer in this case where in fact the government knew much more than they were allowing potential consumers of that property to know.

It raises another interesting point: that in this day and age as we try to come to grips with environmental problems, whether in fact the government couldn't consider standards or guidelines for the description of properties for sale which would include their relative environmental efficiency, energy efficiency in particular, so that it would become very clear to people purchasing a piece of real estate, a home in particular, what the environmental standards were and whether those had been reported broadly and properly and consistently amongst properties.

Mr. Chairman, the Landlord and Tenant Act issue has been raised earlier this evening. I would like to join my colleague from Edmonton-Strathcona and emphasize the concerns that he has raised. It's been over two years since the committee was appointed, January 1989. It reported, yes, April 1990, a year ago. I would like to know what the status of the committee's recommendations are now and what action the government proposes to take and when they will be taking it. Amongst the issues that they have raised are: the maintenance and repair of dwelling units by landlords needs to be included in the Landlord and Tenant Act; they consider, and I agree with this very strongly, that the definition of residential premises should be broadened to include roomers, if you will, and boarders; there needs to be enhanced regulation and protection of the tenants' interests with respect to security deposits; we need a mechanism for resolving disputes.

9:10

I was interested to listen to Edmonton-Strathcona's point that somehow a tenant should be allowed to request a repair. If that request isn't met by the landlord within a reasonable period of time, then the tenant could undertake the repair and take the charges out of rent. This could create serious problems, because a given tenant could choose to remodel their entire apartment,

for example, on the premise that these were, in their mind, reasonable repairs. It might be that some procedure in that regard is necessary, but there would for certain have to be some kind of arbitrator that could rule on what is reasonable. Therefore, the advisory committee's recommendation to establish a residential tenancy commission to resolve disputes has a particular relevance in that context.

I've mentioned security deposits, but I'd like to ask the minister in particular whether he has done anything to enhance the regulation of that area of landlord and tenant relationships and what he's going to do so that renters are not forced to go to court to get back something that is rightfully theirs.

We're also concerned, Mr. Chairman, and I would ask that the minister comment on his feelings about the need for a renters' tax credit. We in the Liberal caucus had been supportive of that tax credit as a policy which supported low-income Albertans in a reasonable and fair manner.

Mr. Chairman, I would also ask that the minister give us a report on the progress being made by the federal government as a result of the minister's request to investigate gasoline pricing in Fort McMurray. Could the minister give us an idea of when that investigation will be complete and what action he thinks might be in order once that investigation is complete?

Mr. Chairman, those are my questions and comments. Thank you very much.

MR. DEPUTY CHAIRMAN: Thank you.

The Member for Cypress-Redcliff. Cypress-Redcliff, do you wish to speak?

MR. HYLAND: Thank you, Mr. Chairman. I wonder if the minister could tell us a little more about the committee that is looking at the motor vehicle dealer Act that I introduced into this House a couple of years ago. It was supported from all sides of the House, which at one stage made me a little nervous. When you have members of the opposition from both parties supporting you, you really wonder: is it right? I think we had it passed, and nobody voted against it.

MR. SIGURDSON: No, it's correct. It's not right.

MR. HYLAND: It's not right.

MR. SIGURDSON: It's correct.

MR. HYLAND: It's correct. Okay.

As a result of that, meetings were held with the industry. I was a part of a couple of them, one being held in Calgary when the present Minister of Labour was the Minister of Consumer and Corporate Affairs. Meetings were held in Calgary and in Edmonton with people from the new car industry, the used car industry, consumers, and a couple of citizens who had had problems with cars. As a result of that, this committee that the minister briefly spoke about was formed. I wonder if he can outline for the House when he sees the industry getting together and actually coming forward with such a proposal where they indeed do control it. Similar to either the insurance industry or the real estate industry out there, they control those who sell and who service vehicles and also have such things as a mechanically-worthy certificate signed for a used vehicle when you buy it and some simple mechanical approvals so that we don't have a bunch of cars on the road that we keep on hearing from people that they've bought this car and there's been something wrong with it and they have nobody to turn to. I wonder if the minister

could briefly outline what he sees as the time frame in getting that board together and getting on with that work.

Thank you.

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

MR. McEACHERN: Thank you, Mr. Chairman. There are a number of issues I wish to address. I want to start by asking the Minister of Consumer and Corporate Affairs if he has any intentions of asking the Securities Commission to investigate the NovAtel prospectus. It does seem to me that the NovAtel prospectus was deficient. We all know that. The government owned up to it and, of course, issued a taxpayer insurance to make sure that the dollars came through on behalf of the shareholders in Telus. I don't think that the taxpayers should have had to pick that up. I think somebody that put that prospectus together made some grave errors, and I think the minister should be asking the Securities Commission to look into it.

It would not be right for the minister not to ask them. It would not be right for them not to investigate it and, if they have investigated it, to not make their findings public, because in this case it's an even more delicate situation than usual: the government itself is involved in the prospectus in a secondary sort of way. Well, in fact it was their sale. The minister would not, I'm sure, want people to feel that because the government was involved, somehow things were not investigated and seen to be done properly. So I would ask the minister to check into that and indicate to the House that he will indeed ask the Alberta Securities Commission to investigate the NovAtel prospectus of last September.

The issue that I want to spend the most time on is connected to the auto insurance industry and the automobile repair industry. There's a number of different aspects of it. I want to start by saying that it's all very well for the minister, who has done some work and is to be commended, I guess, for his initiatives in the auto repair industry, the release he put out a little while ago, but there are some areas of the auto insurance and repair industries that do concern me considerably, and I want to take some time with them.

The first one I want to mention is the fact that the minister, although he has the Department of Consumer and Corporate Affairs, is sometimes a little bit slow and the government is not, I think, strong enough in protecting consumers. One area where that is true, to my mind anyway, is in the insurance rates that the government allows insurance companies to charge male drivers under 25 years of age. Now, allowing them to do that flies in the face of the Individual's Rights Protection Act, which says that you cannot discriminate against anyone for reasons of age, sex, or marriage. The reason I mention marriage – the age and sex is obvious – there is a clause that allows somebody who's under 25 to have a slightly reduced rate, I gather, if they are married. It would seem to me, Mr. Minister, that the criteria really should be how many accidents the particular person has had. Just because you happen to be 18 or 21 and male doesn't mean you should be nailed as a lousy driver just because people in that category happen to have a high rate of accidents. You should at least have the right to be not judged guilty before you commit an offence. Therefore, the insurance pattern should be that those people who have accidents: yes, I'm in favour of them having higher insurance, but it should not be imposed before the person commits any accidents which are his or her fault. So I think that it's time this government lived up to the

intentions of the Individual's Rights Protection Act and took away that right of insurance companies to discriminate against single males under 25 years of age.

Now, it does seem to me that if you are going to insist that automobile drivers have auto insurance, and I'm sure everybody here agrees that they should have, if the government is going to pass a law that says all drivers must have insurance, then along with that statement goes the responsibility on the part of the government to put up an insurance scheme to supply that insurance to people at minimum cost. It is not fair to pass a law like that and then drive every driver, if you like, into the hands of the insurance industry, which then takes them for a ride in any way, shape, or form they can manage. I don't understand why any government should consider that it's fair to pass a law that does that without at least offering the alternative, if people wanted it, of a basic insurance scheme run by the government.

9:20

This government runs, basically, an insurance scheme for its own cars. In fact, if you have a government car, as the cabinet ministers do or a number of other department heads and officials have, purchased for you by the Alberta government, the Alberta government does not bother to buy insurance from a company to cover that. They merely use the fact that the Alberta taxpayers have to raise some \$10 billion or \$12 billion every year to run this government, and it's cheaper for the government to cover any accidents there might be, any repairs there might be directly. It's cheaper to do that than it is to pay premiums to some insurance company that's going to cover those accidents and take off a little profit on the top of it. That makes sense. I agree that the government should not pay insurance for its cars. Now, if that's true and it makes sense for the government, surely it makes that much more sense for all the people of Alberta. You've told them they have to have car insurance, so offer them a cheap and straightforward insurance plan. It seems to me totally logical and reasonable that you would do that so that the insurance plan is run at cost. There is no reason for anyone to make a big profit on that. If the government can run an insurance scheme for its cars, it can run an insurance scheme for all the drivers of Alberta and run it at cost. I submit, Mr. Chairman, that that has been done in other provinces relatively successfully, and I think the minister should consider that seriously.

There is one particular aspect of the auto repair industry that I've had a certain amount of literature and phone calls about over the last several years. I talked to the former Consumer and Corporate Affairs minister about it in some detail two or three years ago, but it looks like it's time to revisit it again because it's got all the same problems today that we had then. It's the auto glass repair industry as part of the car insurance industry. The first point I'd make, and I'll come back to this later in another context, is that the minister is the Minister of Consumer and Corporate Affairs. One of the people who was complaining to me about the auto industry said that when he approached the minister's office about his problems with this industry – he's a small businessman involved in the auto glass repair business, windshield repair – the response he got was, "Well, we're concerned about consumers here; we're not concerned about business-to-business problems." Now, it does seem to me, Mr. Chairman, that the minister has a responsibility under the Unfair Trade Practices Act, which is listed in his estimates, to have some concern about that industry, and I want to raise some specific points about it.

Small companies are finding it very hard to compete because insurance companies are telling people who have a broken windshield that in order to get it repaired, they have to take their car to specific big companies. Some of those companies are named, and I'll give the minister the names later if he would like. In other words, the insurance companies are directing who will do the repairs for the people that have taken out insurance with those companies. Now, there's a number of companies doing it; I've got documents to show that. The problem with it is this. If company A, which is a small windscreen repair company, has a customer come in and wants a repair, he has to tell him, "Well, I'm sorry; I'm not allowed to do it for that insurance company, because that insurance company has already told me that you have to go to one of these other big companies and get an estimate before I can repair it." Of course, as soon as you do that, you never see the customer again, because what he does is go over to the big repair company. They give him an estimate all right. Then they tell him also that they will do it cheaper than the small repair company can do it. One of the things they're doing, which should be illegal, and the minister should consider this seriously, is they are discounting the deductible. These big companies are telling the customer, "Oh, get it fixed here, and you won't even have to pay the \$50 deductible."

[Mr. Moore in the Chair]

These big companies also are doing some of their own warehousing of glass windscreens and can purchase them cheaper than the small companies, so they have another advantage. Between that and waiving the deductible, along with the predatory sort of pricing policies they have, they are putting the small companies into jeopardy of going under. Now, when I raised this in the House last time around, the Minister of Consumer and Corporate Affairs' rebuttal was: oh, well, but it leads to lower prices for the customers, and how can you complain? In fact, there's another aspect of that that's really important and quite serious. This one person whom I've had a lot of communication with informs me that a lot of the repairs that are done by some of these so-called expert windscreen repairers are not being done properly. There are a couple of different kinds of kits that you can use for repairing windscreens. One is a butyl kit, but some of the modern windscreens require what's called a urethane kit to be installed properly. While it might just sound like it's an unimportant difference, it's not. It's a very important difference.

The butyl kit is simple and easy to use, but the glue in it only leads to a strength of some 30 pounds pressure that it will withstand before it rips free. My informant tells me that if you consider that the windscreens are now built very, very strongly, so that the glass is pretty well as strong as the metal in the frame of the car, if you're going to keep the structural integrity of the vehicle intact, you have to put that windscreen in with the urethane kit, which takes about an hour longer, which is more expensive and not so easy to do, but if you do it right, you get a gluing, if you like, of the windscreen into its position that will withstand up to 600 or 800 pounds pressure. Compare that to the 30 pounds of pressure we're talking about with the butyl kit. He maintains, and I think the minister needs to look into this, that a lot of these so-called expert companies that advertise on TV – and I saw one last night – saying, "Oh, come to us; we're the experts," are using the cheaper one, they're using sloppy workmanship, they don't really know what they're doing, and they're not living up to the kind of standards that should be

imposed on the industry by this minister's department. I think the minister needs to look into that. There are experts around that know, that come and do schools, and some of the people from these various companies go to these schools and do know the difference, but they're not being made to live up to any kind of standard whatsoever. There is no regulation in the industry. From a couple of points of view, one from safety for people for one thing, from the point of view of fairer competition, the minister needs to look closely into this industry.

While I was talking about the Unfair Trade Practices Act, I think another thing that the minister might want to look into . . . Now, his job isn't just to protect consumers from businesspeople. Okay? That's part of it, and to see that there is fair regulation of businesses, I think that's part of what he does as well. The idea of having fairer competition is something that a government should be very aware of. When you think about it, it isn't just the auto repair industry that has its problems. In fact, I would like to put forward the thesis that this government itself contributes to unfair trade practices by a number of its programs in this province. Vencap: a totally capricious organization which decides that yes, this company will get help; no, that company won't get help; yes, this company will get help; with no thought to what it does to the industry. I'll give you one example: half a dozen companies that service the northern towns and resource communities. Vencap decides that PTI should have some government money, so in goes the government money. The first thing you know, you've got PTI outbidding its competitors and really putting them on the rocks, making it very difficult for them to continue to service northern towns. So the government as many times interferes in the economy in ways which lead to unfair practices.

9:30

One of the very stupid ones they did was that \$4 million they gave to Cargill, for example, in the meat packing industry. Why would any government give a corporation that has far more money than the province of Alberta has, money to build a modern, updated meat packing plant that then puts companies like Gainers and Fletcher's and Canada Packers into trouble? It doesn't make any sense. The minister should think about unfair trade practices and start talking to the Minister of Economic Development and Trade and to the Treasurer and to other departments like Technology, Research and Telecommunications and start thinking seriously about this trying to pick winners. It's not working. It's costing us a heck of a pile of money and making a tremendous mess of our economy and putting the noses of a lot of businesspeople out of joint, I'll tell you. I've talked to a lot of businesspeople lately and most of them don't like the way the government is interfering in the economy. If you are going to interfere in the economy, you should be doing so under a program that has set criteria and is arm's length from the setup in conjunction with the whole industry; everybody has equal access to it and equal benefit from it, or at least the opportunity to apply to have equal benefit. Mr. Chairman, I submit to the minister that that's an area that needs a lot of looking into on the part of this government.

I want to pick up on a couple of other points here. An area that has troubled the New Democrats for some time, and we have raised it in the House a number of times over recent years, is the number of travel agencies that go bankrupt and leave people stranded in Hawaii or losing their holiday money that they've paid to some travel agency. There is no real reason why the minister shouldn't be doing a better job of licensing and regulating the travel agencies of this province. He could help

them to regulate themselves. He could help them to set up an indemnity fund which would reimburse people that get caught when a company goes bankrupt. It's true that other provinces, other jurisdictions have been able to set up those kinds of programs, and there's no reason why this government shouldn't, other than lack of will, I guess.

One of the other problems that I wanted to get into fairly briefly is the growing practice of converting apartments into condominiums. It seems to me that other jurisdictions have been able to address this problem much more successfully than Alberta. There's a number of measures, of course, that you could take to alleviate the tremendous amount of stress and worry that the person who's told, "Look, you've either got to buy this apartment or we're going to sell it out from under you," can go through in trying to make a decision as to whether they want to move or not, particularly if they've been there for some time. So it's time the minister came up with something a little tighter on the regulations on that. Notice should be at least six months, for example.

Another area that I wanted to get into and spend a little bit of time on is this recurring problem of tax discounters. I do not understand why the minister continues to allow tax discounters to take poor people for a ride. The problem has been extensively studied. We know that there's a major problem here, that a lot of people get ripped off, yet the minister continues to let tax discounters take people for a ride. For example, there are some stats and figures I can give you. Table 3 on page 23 of the annual report of Consumer and Corporate Affairs for 1989-90 demonstrates that tax discounting is a big business in Alberta. Tax discounters in 1989 dealt with nearly \$96 million in refunds and retained a discount of some \$8 million. That's about 8.28 percent. The turnaround period between the time the discounter pays out and the time he receives reimbursement from Revenue Canada is 60 to 90 days. That means that the interest earned on an annual basis is between 33 and 49 percent. It's a scandalous record for anybody to own up to. Surely this province can do better than that in protecting its people. It's fair to say that on average the interest rate on an annual basis for these advances, then, is around 40 percent. No other business is allowed to charge those kinds of rates; it would not be tolerated in any other marketplace. The tax discounting service preys on the poor and the financially desperate, low-income Albertans who have no alternatives but to use this predatory type of service.

Of course, there are a couple of things the minister could do about it. He could regulate the industry and not allow those kinds of rates; of course, the other approach is to provide alternatives to the consumers. In fact, there are a number of volunteer agencies that do a good job of helping people with their tax returns, but of course there's not enough of them and they don't get enough support. The government could help them to alleviate this problem.

One of the areas that has also concerned me for some time is the area of public contributions. The previous minister attempted - I forget the name of the Act, but basically the nonprofit organizations contributions Act sort of thing. Now we do have some legislation in that area, but it's not adequate. We have too many firms that are allowed to raise money on behalf of charitable organizations that charge too high a percentage of the donations they get. Fifty percent is not uncommon, and I gather it goes as high as 90 percent in some smaller charities where the agency that is collecting the funds on behalf of the charity ends up taking most of the funds. Now, we all know that when we go to make donations ourselves, we're always very

concerned about how much of that money we're giving actually goes to help the people we want to help and how much of it gets taken off in administration costs. This is an area that the minister needs to look into very closely.

He also needs to look very closely into the area of why some charitable organizations in this province are allowed to get away without disclosing their annual books to the public. If the public is going to be asked for money, they've got to be allowed to see the books as to what's done with that money: how much is collected, who kept what percentages, where it was spent, how it was spent. There are some 130 companies that have been allowed through special dispensation to not make their books public, and the minister continues to let that situation exist. Of course, it is quite ridiculous that it should be allowed to exist.

Mr. Chairman, that is the essence of my remarks. I'd be interested in listening to the minister's response to some of the questions we raised.

MR. ACTING DEPUTY CHAIRMAN: Calgary-Buffalo.

MR. CHUMIR: Thank you, Mr. Chairman. I would like to add my comments to those of earlier members congratulating the minister on tackling a number of consumer problems with vigour, particularly those relating to the automotive industry, the financial consumers legislation, and his plain language initiative. He has a good track record, but there are many other problems which need addressing. In that context I would echo comments made earlier by the Member for Edmonton-Strathcona when he noted that in the 1990 fiscal year the department received revenues of \$12 million. With an expenditure this year of approximately \$21 million, we're spending only \$9 million net for what is a very, very important package of services to the citizens of Alberta.

9:40

I would like to spend a few moments talking about a few areas of particular need before commenting on the securities regulation in this province. I do want to drive home the concern that's been expressed by other members here this evening about the delay in addressing the very serious problems in relation to the landlord and tenant issue in Alberta. There is a desperate need for changes, a need to restore balance. I'm in no way suggesting that tenants are always right in disputes between landlords and tenants, but balance is needed, and the current legislation is badly imbalanced in favour of landlords, perhaps the most imbalanced legislation in that regard in the country.

I will very briefly just deal with three areas that I'm sure the minister is well aware call for some form of action. Firstly, the need to protect the security of tenancy of tenants. I think we've now reached the stage where there has to be general consensus that a person should not be evicted from their home without reasonable cause. This doesn't mean never evicted; it doesn't mean there aren't causes, but there should be reasonable cause or else the person should be entitled to remain in their home. Secondly, there is a need for a new scheme to deal with damage deposits, and I combine that suggestion with a third observation that there is need for a regulatory agency with binding powers, with teeth, to deal with security deposit issues and other issues. So, Mr. Minister, I would be very interested to know when we're going to get some action. Let's get moving. It's long overdue, and this is a very important issue that affects a very significant portion of our populace.

I also have concerns that I have expressed in earlier years with respect to the issue of the loss of money of those going on trips

through the failure of travel agencies and airlines. A year has now passed since my last comments in that regard, and I'm wondering whether this activist minister – I hope the minister won't be offended if I call him that – has any plans to deal with that particular matter.

Thirdly, last year I had occasion to raise personally with the minister an issue that was raised in Calgary by a resident of that city with respect to a bad experience relating to a moving company where there was an advertisement by the mover – in fact, in the Yellow Pages – to the effect that the mover was bonded. The only bonding experience the mover had, I think, was with a bonded beverage, and it was a terrible experience. Upon looking into this and consulting with the Department of Consumer and Corporate Affairs, it was quite clear that there was virtually no protection or regulation in respect of that type of situation. I was wondering whether the minister has had occasion to consider that particular problem and whether he would be prepared to report and give us some of his comments in that regard.

The Societies Act was under review by his department some two years ago, I believe. Draft legislation was presented in the form of the volunteer contributions Act. That fell upon hard times. There is a need for some change; not the change that was proposed, at least not all of the changes certainly that were proposed in that legislation, but certainly a need for change to ensure that there is greater disclosure, that many of these societies are no longer the private fiefdoms that they have become in many instances. I'm wondering whether the minister would care to comment with respect to where we are in this province with respect to that piece of legislation.

The Public Contributions Act was also mentioned earlier, and I add my concerns because abuses with respect to the collection of funds for charities discredit charitable giving as a whole, and by so doing, they hurt all charitable organizations and the community. I have some very serious concerns about situations that have been dealt with, particularly in my home town of Calgary over the past number of years, with respect to exorbitant proportions of funds raised going to the fund-raising organizations being spent on administrative expenses and otherwise rather than going towards the good works. These are bad news and destructive of the desire and willingness to give.

The situation in Calgary has become a particular mess, with the city of Calgary being somewhat disgruntled with respect to the obligation, and perhaps one might suggest it's a voluntary obligation because nobody has compelled the city of Calgary to pass a bylaw regulating these matters. But in terms of protecting its own charitable organizations, there is a strong incentive for such legislation, and the full cost of monitoring charities then falls upon the municipal jurisdiction in issue. The city of Calgary has, I believe, made representations to the minister suggesting that that financial burden is not an altogether reasonable or fair one. I'm wondering whether the minister has addressed that and might give us the benefit of his wisdom as to why the city is off base in asking for some provincial financial input in respect of monitoring of charities in cities.

I also would be very interested in knowing – and this might be something that would have to be provided in writing subsequently – in which instances the director of licensing of trades and businesses under the public contributions legislation does the monitoring in terms of charitable contributions, because that is one of the options: direct monitoring by the director himself as opposed to a municipality. I'm wondering whether perhaps I might get some indication, some literature from the minister as to the criteria that would be applied by the director in terms of

proportions of funds that have to go to the charity as opposed to being expended in fund-raising activities. I believe in the city of Calgary it is 42 and a half percent to the charity and the rest can go to expenses, so I would appreciate some indication from the minister in that regard.

I'd also like to add my voice of concern to the issue of condominium conversion. It's certainly very important. In a time of tight tenancies it seems that the number of condominium conversions increases in inverse proportion to the vacancy rate. Just when rental properties are most needed, we seem to have very little, if any, constraints with respect to that. Indeed, I know of no provincial constraints. Constraints were imposed for a brief time back in the '70s at the time of the tremendous rental crunch and, I believe, the wage and price control era. I'm wondering whether the minister might comment on his perception of that problem and the policy of his government in that regard.

I would like to comment now, Mr. Chairman, on vote 4, Regulation of Securities Markets, and related issues: obviously, a very important subject to this province because such regulation is at the heart of the capacity of our businesses to raise money for the economic activity on which jobs are so dependent.

9:50

We have had some problems with respect to the regulation of securities from time to time in this province, but overall it has been reasonably healthy, and we certainly don't have the crap shoot that the Vancouver Stock Exchange has been and apparently still is. We need to be vigilant to ensure that our Alberta stock markets, the Alberta Stock Exchange in particular, do not become a carbon copy of that crap shoot. It's particularly important that we be vigilant because we have been somewhat aggressive here in Alberta in some of our financing tools, very interesting tools such as the junior capital pools. We have been fairly aggressive in use of exchange-offering prospectuses, prospectuses which are somewhat short of the full and expensive and complex treatment accorded. As a result, it's important that we be very careful.

Now, I would note, Mr. Chairman, and would ask the minister to comment on a concern that has been expressed to me that the investigations have lagged somewhat during the past year as a result of a full complement of investigators not having been hired by the Alberta Securities Commission and that some positions which have been left vacant – I've been advised intentionally – were perhaps left vacant for the purpose of saving some money and that investigations have thereby suffered. I would appreciate the minister's comment in that regard.

Now, I note that the funding for the Securities Commission Board has increased by some 7.4 percent over the 1990-91 estimates. I'm wondering whether the minister would be in a position to tell us how those 1990-91 estimates compared to the actual forecast expenditure. In other words, I'm trying to get some sense of what the actual increase would be in relation to what was actually spent last year rather than what was estimated; similarly for the Securities Commission Agency, where spending over the previous estimates is forecast to be up 11.9 percent. I note that in that regard the Securities Commission Agency estimates are in fact down nearly \$200,000 from what they were some two years ago. It's obvious that perceived needs of the agency at that time have not been realized. I'm wondering whether the minister might comment on whether that is a reflection of volumes of work or whether there was some conscious policy change not to proceed with the beefing up of

the agency to the degree that was anticipated in the 1989-90 estimates.

Now, this year, Mr. Chairman, I note that total expenditures are up 10.8 percent across the board and, of this, the wage component is up some 16.9 percent. We have the paradox where wages, salaries, and benefits are up 16.9 percent, yet the number of full-time staff and full-time equivalent staff, which are both the same, is down 3 persons, from 56 to 53. Now, a 16.9 percent increase and the number of people are down: I would wonder what's going on. It sounds like the existing staff are getting a lot more money; that would seem to be the obvious likelihood.

I note, Mr. Chairman, that the expenditures in Calgary have continued the increase of the past few years and are up significantly. As a Calgarian, and being aware of how important it is to our financial community and our business community in Calgary to be able to get service from the Securities Commission in that city, I would like to tell the minister to keep it up; you're going in the right direction. It's very important for a business centre like Calgary.

Now, I have some concerns with respect to the operations of the Securities Commission. They are concerns with respect to direction. They arise out of several cases that have received some publicity. One relates to that of Sun City Ventures, and the other is relating to the Cormies. In terms of Sun City Ventures, there were some allegations of impropriety in that instance. The concern I have is that that matter was resolved by the imposition of 30-day trading bans without the presentation of any evidence in public. This was commented upon by the former chief investigator, Mr. Bob Demcoe, who had indicated that in the previous two years of his tenure, he having recently departed, that was unprecedented; he was unaware of a single instance. Similarly in the Cormie case, there some resolution was made again without the matter being dealt with publicly.

Now, I can see the arguments, being a member of the legal profession and being fully familiar with plea bargaining and realizing that sometimes the public interest can be satisfied when comparing the long hearings, complexity, and so on. Notwithstanding the fact that I can understand that in certain instances, the concern I have here is that there seems to be a move within the Securities Commission to the back rooms so that what's happening with respect to the administration of the Securities Commission, the disciplinary process, is less visible to the public. They're remembering that old maxim of justice, that justice should not only be done but should be seen to be done. I'm somewhat concerned about that and would appreciate some comments with respect to that from the minister.

I note in that same direction on a slightly different tangent that the Alberta Securities Exchange is being given the power to approve, scrutinize, and approve exchange-offering prospectuses. This will certainly be more efficient and perhaps more expeditious, but of course it's also fraught with potential conflicts of interest. All of these developments, while perhaps having a sensible rationale, cry out, "Hey, look me over; let's be careful." They certainly cry out in that regard when one considers that the former chief investigator, Mr. Demcoe, left under mysterious circumstances. In fact, he was apparently given the punt – let's call a spade a spade – after circumstances which were never publicly explained, after two years, apparently because he was too tough. The minister I don't believe has ever made a statement with respect to the circumstances of his departure. I solicit such a statement, not from the point of view of gossip but from the point of view of what does that mean? What is the signal that is being given in terms of how the securities legisla-

tion in this province is to be administered? By asking that question, I don't imply that there's anything untoward in terms of Mr. Demcoe's departure, but I think there's certainly a call for some explanation.

10:00

Finally, Mr. Chairman, rather a fine point arising from the Telus/NovAtel fiasco, in which the people of this province were subjected to the national embarrassment of having to announce on the eve of the closing of the final prospectus that what was an estimated \$4 million of revenue of NovAtel had turned into a \$17 million loss, a \$21 million mistake. We're still all trying to figure out how that happened and who is responsible. Nobody seems to be responsible. Of course, that was only the first of the fiascos, but that fiasco was right in the midst of a public offering with the eyes of the whole Canadian financial community upon us, and the minister is well aware that there's been some criticism with respect to the appointment of bosom buddies of the government in terms of RBC Dominion Securities as the chief overseers of this particular matter.

It is in that context that I ask the minister whether any thought has been given to implementing a regulation similar to that which is being suggested in Ontario. Certainly it was still in the suggestion stage last fall; it may be beyond that. It was suggested policy 9.1, and the new policy would have required that whenever a company which was listed on the Toronto Stock Exchange undergoes significant change, evaluation of the transaction must be obtained from an unbiased third party. The unbiased third party in that instance would, of course, mean someone who is not getting a commission from the sale of the particular stock issue involved. That would have meant in this instance that we would have brought in a third party other than the sales people to have a look at this whole matter. It may be that there are many deficiencies with that particular proposal, but it's certainly something that is very timely to consider in light of the fiasco and the national embarrassment to this province, Mr. Chairman. I would bring that to the minister's attention and solicit his comments in that regard.

I see that my time is quickly fading, so I think with that I will yield the floor and give other speakers, including possibly even the minister, an opportunity to comment.

MR. ACTING DEPUTY CHAIRMAN: Red Deer-North.

MR. DAY: Thanks, Mr. Chairman. I'll be brief and try and show that in four or five minutes a member can ask more questions from this side of the House than can be put in about two hours of rambling-rosing from the other side.

[Mr. Schumacher in the Chair]

MR. McEACHERN: Who said they wanted to ask questions?

MR. DAY: I do believe, in listening to some of the comments from Edmonton . . . That guy there. Well, he's from somewhere in Edmonton. I do think that his heart is in the right place; I really do believe that. The challenge that he has is connecting the brain now. It's a little bit like an engine running in a car. The engine is absolutely necessary, but a steering wheel has to be hooked up; otherwise, the car is going to go around in circles. But I do believe his heart is in the right place, and I do believe he has the safety of consumers at heart. I really sincerely believe that.

But I think if we're not careful – and I'd like the minister to be sensitive to this as he looks into various industry regulations – that in the desire for super safety we can wrap ourselves in a cocoon of regulations, a cocoon of regulations so tight that in fact the wings of enterprise may not be able to struggle free and fly free and bring the benefits that are intended to our economy.

I appreciate the mandate of the department, which is listed right here in our estimates book. It talks about "fair standards of commercial endeavour," and I think as members none of us has any problem with that. We all want to see fair standards of commercial endeavour. I think we need to be careful with the phrase that's there about fostering "orderly development of business activity." We want to be careful with that. The rules need to be clear to all. We're absolutely agreed on that, and the rules can't change on a whim. There has to be a level playing field. I appreciate initiatives like the plain language initiatives, which do everything possible to let the consumer know what the rules are and what he is dealing with. But we need to be careful about talking about fostering "orderly development" and not see ourselves as Big Brother or Big Sister or Big Person. We have to recognize that sometimes business is frantic, sometimes it swings, sometimes there's an ebb and flow. In controlling especially small business, we need to remember that with small business as the heartbeat of our economy, there's a pulse and then there's a relaxation, a pulse and a relaxation. We've got to be careful about the pacemaker of regulation interrupting that ebb and flow, that pulse that causes the business environment to flow the way it should.

Under vote 3 there's a mention of "development of education and counselling services." I think that's excellent, and it's needed. I'd like to ask the minister if he has looked at a process of training trainers. That is, people from his department, instead of looking at a network of government people providing the education and counseling services in relation to finances, look at training trainers in each locality, possibly within different groups – volunteer groups, service clubs, churches, community associations – in fact, training people to be those counselors so that the government isn't the one who is involved in all the education and counseling services, but the government helps to move the responsibility into the community and helps the community and individuals take that responsibility. I'd like to ask if that's been looked at.

Under Program Delivery Mechanism, where it talks about supporting "the delegation of authority to responsible industry groups," if that means that government is getting out of administration, then I think that's good. But if it's going to mean that industry, because it's then able to regulate itself, is able to develop a closed shop and actually limit competition, then I think we've got to be careful. I'd like to ask the minister what steps he and the department take in a general sense to make sure that in moving regulation into the control of the industry group itself, letting the industry group do the regulating – what are the controls in place to make sure they don't develop an exclusive or closed shop? I don't just mean by appointing a public member to the board, because public members, not having the expertise of the industry, can be easily swayed and possibly led astray with certain facts and figures. What steps are taken there?

Under Services Provided by Program – this is also under vote 3 – where it talks about the "development of mediation mechanisms for consumer/industry disputes," exactly what has been developed in terms of mechanisms? That's stated there in the votes in a generic way. I'd like to know what has been developed and at what cost have these mechanisms been developed,

and where have the savings to the taxpayer been realized in the development of these consumer/industry dispute mechanisms? I'll give an example. Actually, one of the other members shared one in a similar vein, so I'm wondering if we're seeing a lot in this particular area. It's an example of a constituent with a commercial property who in the early '80s had developed a septic field and built it to the standards of the Department of the Environment at that time. Now, 10 years later, there's some seepage in the actual field, and it requires some remedial attention. In fact, the Department of the Environment is now saying that a wholesale overhaul of the septic field has to take place according to standards now, not according to the standards that the department itself okayed almost 10 years ago. This particular business is looking at the fact that it may fold because it doesn't have the capability to totally overhaul according to the new standards but in fact built according to standards set out back in the early '80s. Is there a mechanism, for instance, in place for that type of dispute?

That concludes my questions and remarks, and I'll look for the minister to possibly answer some of these. Thank you.

10:10

MR. CHAIRMAN: The hon. minister.

MR. ANDERSON: Thank you, Mr. Chairman. I'll attempt to answer some of the questions that have been raised this evening. As I indicated previously, should I not do that for any member and if there is not another opportunity in these budget estimate discussions to do that, I'll undertake to get the information for the member and be happy to talk to them about ideas and thoughts that were there.

First, let me say that I appreciate some of the thoughts and the innovative suggestions that were made and, from some quarters of the House, some of the congratulations for both the department and for activities that we have undertaken.

Jumping right into some of the questions, the Member for Edmonton-Strathcona made a series of points. The first two dealt with legislation. I would agree with him that it's desirable to have all legislation in plain, understandable language. I think it will be some years before we achieve that goal. It would be both costly and difficult to rewrite all of ours in any one fell swoop, and I do feel that there are some other priorities in the plain language area that we need to address first, primarily the forms that people use on a day-to-day basis, the information they have regularly. Those things we're looking at addressing first. We did, as I think the member may know, write the Financial Consumers Act in plain, understandable form last year. We would look forward to trying to do that where it's possible. The day we get the Securities Act written in plain, understandable language and form, we will probably have achieved our goals.

Mr. Chairman, the member also asked about annual reports. Certainly we are moving to improve how quickly we're able to get the information. I don't know that it would be possible to have one year's estimates dealt with before we start the next one. If any of the accounting geniuses are able to give me a method for doing that, I'd be happy to have it, but I don't know where that has been achieved or where it could be.

The \$25,000 difference that the member very astutely found between the estimates and the annual report is as a result of our transfer of the professions and occupations area to the Solicitor General's area. That \$25,000 went with it to administer that field.

In terms of a reduction of services, alluded to by this particular member and others through the evening, and a reduction in

activity in some of the votes, in fact as I indicated in my initial remarks, there is an increase in consumer information, consumer mediations, standard development, far beyond what the budget estimates might indicate. That is as a result of the partnership program, which has brought the community organizations, businesses, and consumer groups to recognizing the needs in the different industry areas and meeting those needs with our help and facilitation. Rather than trying to carry out all of the responsibilities, we're in fact facilitating a wider response to consumer needs in that way.

The member, and again I believe at least one other hon. member, asked about some specifics in terms of increases in the budget. Once again, I would indicate that in vote 1 most of those increases are either to increase the computer capability to deal with a wider range of needs of Albertans or to rationalize the manpower situation. In that vote, I will indicate once more, we have had a significant reduction over the past number of years and not a reduction to the corresponding other divisions. This year, in order to facilitate full development particularly of the partnership and other such programs, we have made sure that the personnel dollars are there. Having said that, there is not in fact an increase in personnel except in the Personnel Services area, where there is one contract person to do training as we reorganize our department to deal with these changing times and needs.

The grants: again, raised by a couple of members. It's a hundred thousand dollar increase in grants. The purpose of those grants is to facilitate once again this partnership, to help organizations meet those needs on a kickoff basis. One example of where those grants are likely to be utilized would be with regards to the interactive phone system, where we're trying to have consumers able to contact who they need to contact – Better Business Bureau, Consumers' Association, perhaps the federal department, and others – through one central source. Facilitating that, we believe, will assist consumers on a 24-hour basis and will improve that access that's there in a partnership way.

Mr. Chairman, Securities Commission increases are indeed to meet the needs and changes of that marketplace. Personnel increases are a matter of rationalizing manpower, but also the qualifications needed in the hiring of some of those people have been in excess of what they might be elsewhere. The investigative experience requires people with the training, who require a fairly high level of compensation.

Mr. Chairman, again, there were questions about the powers of the commission and how it's exercising those powers and whether or not we should be addressing further the need for powers of the commission. The short answer is yes, we will be looking at a further authority for the commission to meet the needs of the changing marketplace. Again, this member and others alluded to the use by the commission of undertakings between someone whom they have suggested is not meeting the needs of the Act and the commission, as opposed to going to a full-blown hearing. One member suggested that we should come in line with other jurisdictions. In fact, those undertakings are that. The Ontario commission and the British Columbia commission, I understand, have been doing that for some time; we have now for some time as well. I wouldn't presume to question the independent judgments of the commission with respect to it. Their main purpose is to have any player in the marketplace that may be doing some harm or causing some difficulty no longer in that marketplace and operating, and their judgments would seem to reflect that need. I might add that in some cases where there is thought to be criminal activity, those

cases would go, of course, through the court system as opposed to the Securities Commission. The sanction by the commission may be a minor part of the penalties faced by individuals of companies involved.

Mr. Chairman, again, several members asked about the Landlord and Tenant Act. It's true that the report of the MacLachlin committee was presented last year, and following that, we have sent the report for their response to all landlords and all tenants in the province who have expressed an interest. We have been compiling that and in fact looking at how best we might deal with the very significant recommendations made which would cause significant changes to our system. It is still my hope that we will be in a position to discuss changes to that Act in the Legislature during this sitting.

There were questions from Edmonton-Meadowlark. I thank him for his congratulations on some of our program initiatives. He asks about the Minister's Office vote. I think I dealt with that, again in the opening remarks. No increase in staff and so on, but a rationalization of the manpower costs, actually putting them there to make sure it reflects properly what's happening at this moment.

Grants I've dealt with. Co-operative standards the member dealt with for some time. While I won't dwell specifically on the Edmonton Co-op situation, let me say that our deputy and department have met with those individuals. I would intend to meet with them in the future. We have to be careful to get involved in a dispute among members of Federated Co-operatives in Edmonton. The member's argument, I might say, that because we generally register co-operatives, we should be involved in their day-to-day running: I would hate to see that extended throughout our community and have our department involved in every company and organization which we register, which is all, and volunteer organizations. I do want to ensure that there's fairness, and inasmuch as that's the case, we will be meeting with them to discuss concerns that are there and see if it does fit within our mandate to pursue any of those avenues.

10:20

Insurance was dealt with by the hon. member and again others. Indeed, I share the member's concern for the number of people who've recently been considered to be high-risk individuals. My personal opinion: there have been more than would normally be merited by that circumstance. I have gone to Toronto and met with industry representatives there and have done the same here to tell them that. The reason, of course, relates to the overall situation with automobile insurance, where the companies have lost \$77 million over the past period of time as a result of our increasing claims in the province. We do have to find some way of dealing with that. Generally, in Alberta we have paid not as much as many other places for insurance, but we now have to take a look at how we can keep insurance affordable and at the same time have an industry viable. I don't know that I'd agree with the member's suggestions on how to do that, if I understood them right, but he is quite correct that it is a circumstance that we have to look at and where we have a potential problem. It is why I've asked the Automobile Insurance Board to do a study into our situation and respond in answer to whether they're going to be on time with a report. I'm advised it will probably take them longer than they originally anticipated, and we're looking probably at the summer period before that report is complete, according to Justice Wachowich, who chairs the Automobile Insurance Board.

The Member for Cypress-Redcliff talked about the Automotive Working Committee and the legislation he's previously

introduced. I might take this opportunity to congratulate him on being the leader in this Assembly with regards to this particular issue, in presenting private member's Bills in years gone by. It was partially that which spurred on the establishment of the committee, and we look forward, if not to enacting the specific Bill, at least to addressing a number of the problems that he appropriately raised as the committee meets with the Alberta public and reports this fall.

Edmonton-Kingsway, Mr. Chairman, asked to have the Alberta Securities Commission investigate the Telus offering. In fact, they governed every aspect of that offering and of course the amended prospectus. My only instruction to them, as it would be today, was to make sure that in that situation, as in all, those proposing to make the issue met all of the requirements that are there under the Act. My question after was: did they? The answer was yes.

The member dealt with automobile insurance, which I've dealt partially with, and with the problems of glass extensively. That area is one that needs some consideration in this overall review of insurance. We're not involved with the competition end. The federal government has the competition bureau, and I'll resist the temptation to get into any discussion of what other departments do in terms of competition in the province.

Travel agencies this member mentioned, as did the Member for Calgary-Buffalo. The Member for Calgary-Buffalo said: I hope the minister doesn't take exception to being called the minister of indecision or inaction on this. He picked the wrong example to do that with. I'm sure there are areas that we haven't yet moved in that we perhaps could move quickly, but we've met with the industry. We have with them ensured that all people who go to those people in the travel association agencies will be offered insurance that would cover default. I will be talking to them again next week, and we're looking at how that can be extended further. I'm pleased with the co-operation of the industry in that regard, so I respectfully say that I don't think the title applies in that instance at least, hon. member.

Tax discounters. There is federal legislation that deals with that particular area. The public contributions field we made some significant changes to last year. I would say that this year, with respect to Calgary city council's request for dollars, in these areas city councils can't have it both ways. They can't say to us, "We should have unfettered funding from municipal assistance grants and so on, no strings attached, to operate those things which are delegated to municipalities in the province," and at the same time say, "Give us dollars for these specific problems." We have those municipal assistance grants and others that are generically used. The cities 20-some years ago requested to have the Public Contributions Act under their jurisdiction in the manner that it is, and I believe that is the best spot for it. We're happy, however, to review and assist, as we've done with the city of Calgary, and will continue to operate in that way.

Mr. Chairman, that deals with a lot of the questions. I think there were some asked with respect to condominiumization. Generally, I would say it's more of a problem when markets are tight than when they're not. The rental market at the moment has about twice as many vacancies as it did last year at this time, so the difficulty isn't as great. But I do believe it's an area for review, and it is on our list of Acts which need to be looked at in terms of the appropriateness. There is an Act, of course, the Condominium Property Act, and that governs that overall direction.

The Member for Calgary-Buffalo suggested that in the securities area investigations were lagging. I don't know where

that's the case. There's always some lag, but if he has some specifics, I'd be glad to investigate. In fact, the commission has had a 71 percent increase in resources over the past number of years, needed because of our need to stay strongly in that marketplace and make sure it's fair and tough. In answer to his suggestions with regards to the previous chief of the commission, I can say absolutely no to a suggestion that his departure or anybody else's is related to them being too tough. If anything, the member will see that we have tightened up in a number of areas and that legislation intended for this session will do that further with the commission. He suggested an Ontario rule. I'll have to take a look at that. I appreciate the suggestion and will undertake to do that.

Red Deer-North made a number of excellent points. We certainly have to constantly look at the balance of overregulation versus protection and proper information to consumers. That is a struggle for us, and I appreciate both sides. His suggestion of training trainers: a good one. In fact, what we do through the partnership program and through our seminars to businesses and individuals in a community is use community groups and organizations to further move consumer information and to deal with the general policing of the marketplace. As I've said before, our commitment to delegation and to partnership will move us further in that direction.

10:30

Mr. Chairman, he also talked about the delegated responsibilities and said that they're good if they're placing some things in the hands of the industry but bad if they're creating a closed shop, and I agree with that analysis. Again, we have to watch that carefully. How do we do that? First, we will maintain regulatory control; in other words, we will establish the regulations which will be carried out by the boards in all instances. Secondly, in the newest ones we're looking at, the automotive industry for example, the suggestion isn't one consumer on the board, it's half consumers, half industry, which I think will help considerably in that respect.

The development of mediation mechanisms. I'm not sure in which sense the member meant that, but we, I suppose, have to first in the department. Our own people mediate between a concerned consumer and a business to properly find agreement. The vast majority of our cases are resolved that way, as opposed to taking somebody to court. The other aspect of that is under the Financial Consumers Act, and in other areas we are encouraging a list of arbitrators and mediators to be developed, where people can go to resolve a dispute within an Act like the Financial Consumers Act, and that's the primary way.

Mr. Chairman, I think those overall answer the questions raised by hon. members. Again, there may be specifics which I missed which I'd be glad to respond to in another way.

MR. CHAIRMAN: The hon. Deputy Government House Leader.

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

[Motion carried]

[Mr. Deputy Speaker in the Chair]

MR. JONSON: Mr. Speaker, the Committee of Supply has had under consideration certain resolutions of the Department of

Consumer and Corporate Affairs, reports progress thereon, and requests leave to sit again.

MR. DEPUTY SPEAKER: Does the Assembly concur in this report?

HON. MEMBERS: Agreed.

MR. DEPUTY SPEAKER: Opposed? Carried. So ordered.

[At 10:33 p.m. the Assembly adjourned to Tuesday at 2:30 p.m.]

