To the Honourable
Henry P. Bell-Irving, D.S.O., O.B.E., E.D.,
Lieutenant-Governor of the
Province of British Columbia

May It Please Your Honour:

I have the honour, Sir, to submit respectfully herewith the Annual Report of the Ministry of Consumer and Corporate Affairs Act for the year ended March 31, 1979.

James A. Nielsen
Minister of Consumer and
Corporate Affairs

The Honourable James A. Nielsen
Minister of Consumer and Corporate Affairs
Parliament Buildings
Victoria, B.C.

Sir: I have the honour to submit for your consideration the Annual Report of the Ministry of Consumer and Corporate Affairs under the Ministry of Consumer and Corporate Affairs Act for the year ended March 31, 1979.

Peter Bazowski
Deputy Minister
Ministry of Consumer and Corporate Affairs

Ministry of Consumer and Corporate Affairs

Annual Report

for the year ending March 31, 1979

Province of British Columbia
Ministry of Consumer and Corporate Affairs

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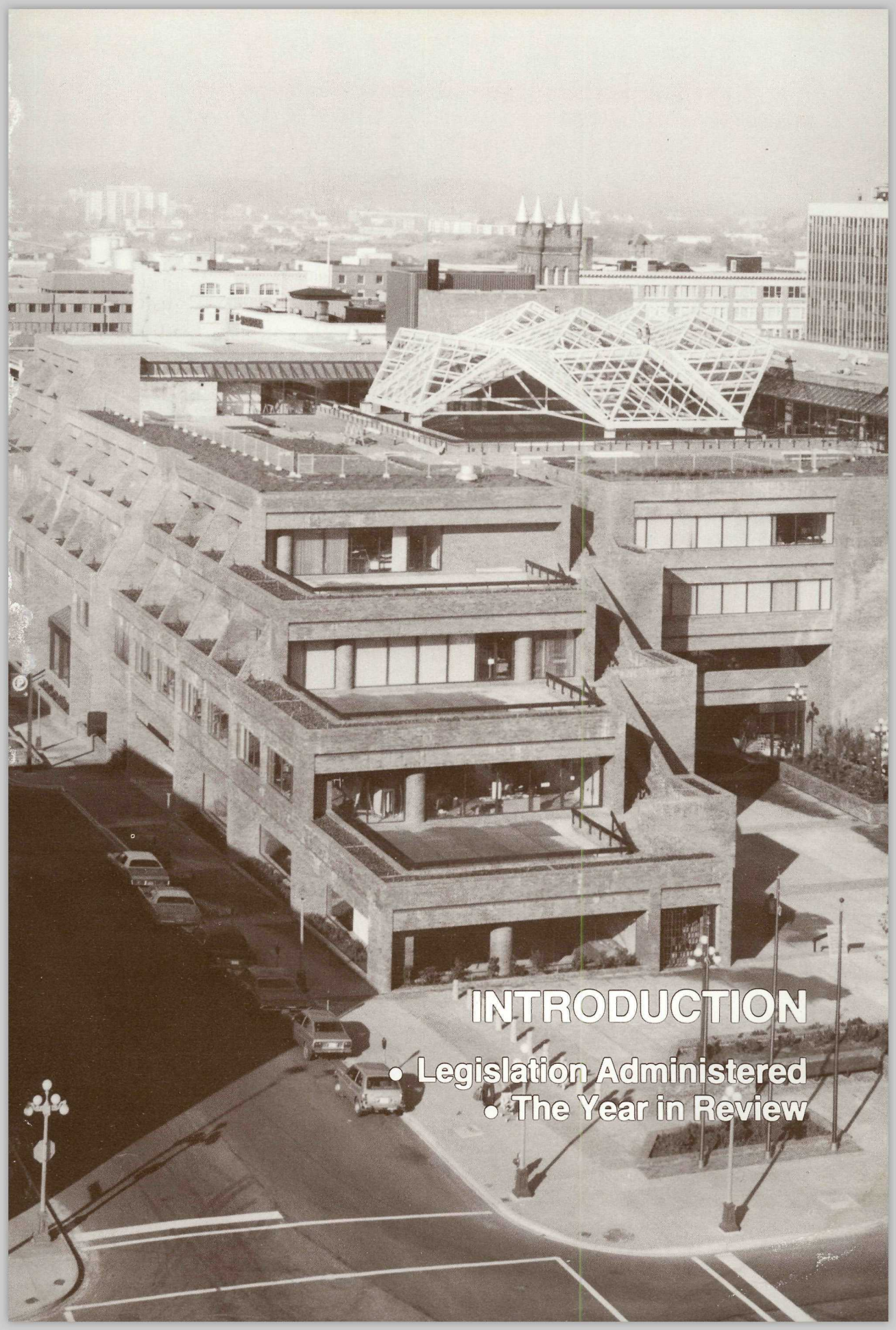


INTRODUCTION

- Legislation Administered
- The Year in Review

LEGISLATION ADMINISTERED BY CONSUMER AND CORPORATE AFFAIRS

CONSUMER AFFAIRS

Bankruptcy Act (Federal-Part X only)
Blind Persons'Rights Act
Cemeteries Act
Cemetery Companies Act
Closing-out Sales Act
Consumer Protection Act, 1967
Consumer Protection Act, 1977 (not entirely proclaimed)
Cremation Act
Debt Collection Act
Debtor Assistance Act
Motor Dealers Licensing Act
Municipal Cemeteries Act
Pawnbrokers Act
Personal Information Reporting Act
Pyramid Distributors Act
Trade Practices Act
Trading Stamp Act
Travel Agents Registration Act

CORPORATE AFFAIRS

Assignment of Book Accounts Act
Bills of Sale Act
Commodity Contracts Trading Act (not yet proclaimed)
Companies Act
Companies Clauses Act
Conditional Sales Act
Co-operative Associations Act
Credit Unions Act
Insurance Act
Investment Contracts Act
Marine Insurance Act
Mortgage Brokers Act
Mutual Fire Insurance Companies Act
Partnership Act
Pre-arranged Funeral Services Act
Real Estate Act
Savings and Loan Associations Act
Securities Act (excluding Section 140)
Societies Act
Strata Titles Act
Trust Companies Act (excluding Section 77)

LIQUOR CONTROL AND LICENSING BRANCH

Liquor Control and Licensing Act

LIQUOR DISTRIBUTION BRANCH

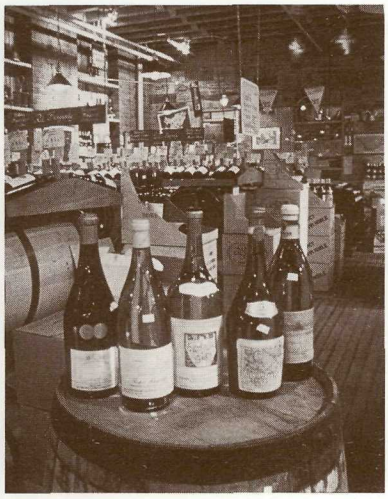
Liquor Distribution Act

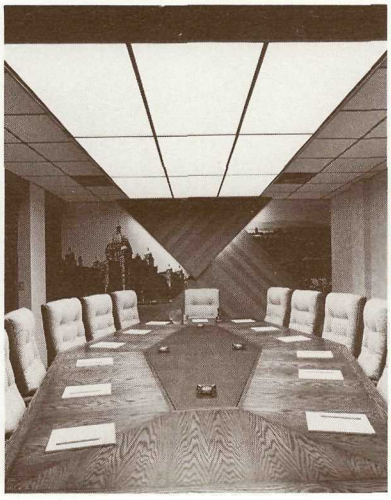
RENTALSMAN & RENT REVIEW COMMISSION

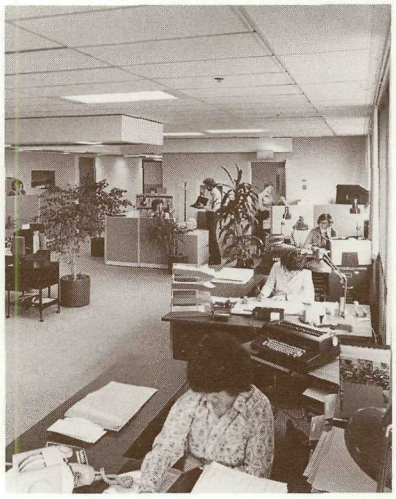
Residential Tenancy Act

OTHER

Ministry of Consumer and Corporate Affairs Act







The year in review

1978 - 79

During its formative years, the Ministry of Consumer and Corporate Affairs' mandate was clearly to introduce and update laws that would protect the public in the marketplaces of British Columbia. When those laws were in place, the Ministry's new challenge was to improve its internal administrative structures in order to provide better service to the public. Accordingly, initial steps were taken to ensure that the consumer, corporate, rentalsman, and liquor functions no longer depended on small, inadequate internal services. These administrative improvements will be reflected in the Ministry's report for the period ending March 31, 1980, by which date reorganization will be complete.

On the consumer side of the Ministry in 1978-79, mediation officers assisted consumers in recovering more than $682,695 in refunds; debt counsellors helped debtors arrange almost $2 million in payments to their creditors, which would not otherwise have been repaid.

Canada's most advanced Motor Dealer Licensing Act was proclaimed January 1, 1979, and approximately 1,600 motor dealers were subsequently registered. This new legislation was based on the belief that full disclosure makes for a fair market environment.

Consumer Affairs received many complaints regarding General Motors engine switches on certain 1977 automobiles. As a result, the Ministry entered into negotiations with General Motors. Those negotiations, still under way at fiscal year end, were later concluded with agreement by General Motors to compensate qualified consumers.

Tax rebating was another major area of consumer complaint. An investigation of rebating services resulted in prosecution of a Vancouver tax discounter, and nearly $50,000 was returned to taxpayers who received less than the full 85 per cent of their anticipated refund. The Ministry was also successful in encouraging two conventional lenders to operate tax rebate services during the tax season.

Grants totalling nearly $140,000 to consumer groups for consumer protection services such as complaint handling and debtor assistance were awarded to eleven organizations, plus an additional $17,500 to an organization (the Pacific Association of Communications in Friendship Indian Centres — P.A.C.I.F.I.C.) representing native people.

On the Corporate Affairs side of the Ministry, growth of business activity in the province over the past few years continued again last year, resulting in an overall increase in filings, incorporations, assets, etc., of 11.8 per cent.

The Ministry continued to review its legislative base in order to update irrelevant corporate legislation and to reflect current activities and practices. Two proposed bills were circulated as discussion papers: The Personal Property Security Act and The Commodity Contracts Trading Act. The latter was passed in 1978, but not proclaimed.

One of the Ministry's major corporate projects was to study the province's capital markets and the methods by which capital is raised, with a view to restructuring securities regulation in B.C.

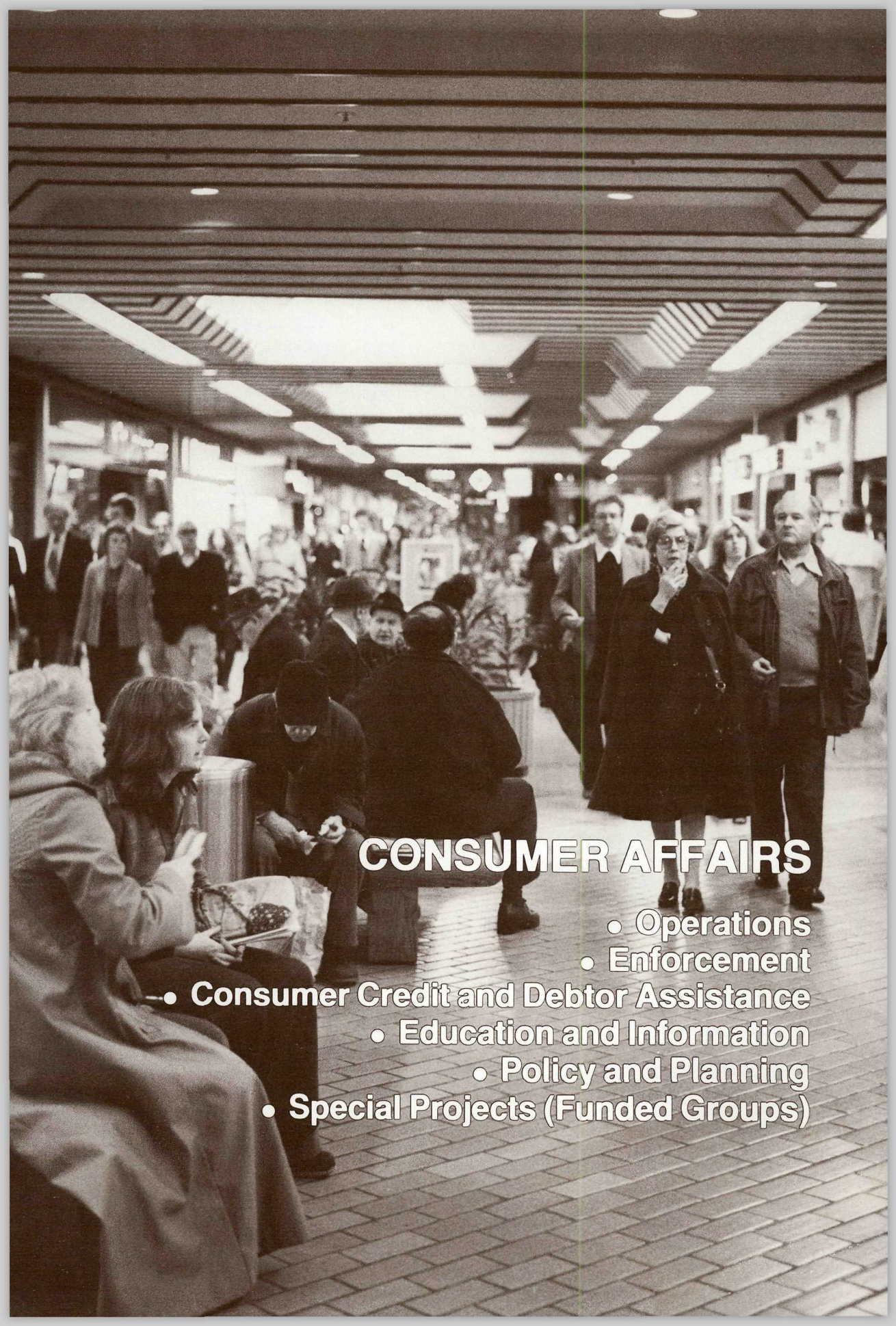
Two offices — the Superintendent of Credit Unions, Co-operatives and Trust Companies, and the Superintendent of Brokers, Real Estate and Insurance, moved to new accommodation in Vancouver's financial core. As expected, this move resulted in improved access by the public.

Under the guidance of Mr. Jim Patterson (appointed Rentalsman in April 1978) the Office of the Rentalsman and the Rent Review Commission were merged. Of 37 appeals to rent increases since the gradual removal of rent controls (announced in April 1978) in only one case was it necessary for the Rent Review Commission to take action to reduce the increase. Approximately 9,000 units have been decontrolled to date.

The Liquor Control and Licensing Branch reviewed existing licensing policies, with a view to incorporating unofficial procedures into regulations. This codification of branch policy will clarify the standards that licensees and applicants are expected to meet.

R.A. Wallace was appointed General Manager of the Liquor Distribution Branch. The L.D.B. continued to improve its management and administration procedures in an effort to provide the public with the best possible selection of alcohol products. One major change was the introduction of an agent stocking program, which has produced significant warehouse efficiencies, reduced stock outages, and placed the onus on agents to warehouse their product, allowing the branch to use its facilities for distribution purposes only. This will continue to allow growth in volume without increasing existing L.D.B. warehouse facilities and avoiding large capital expenditures.

The challenge for Consumer and Corporate Affairs in the months ahead will be to strive for uniform excellency in the provision of services to consumers, renters, borrowers, investors, and the business community. As part of this process, policy, research, finance, personnel and administrative services will be strengthened; administrative efficiency and accountability will be enhanced; and computer applications will be introduced to cope with accelerating growth in the marketplace.



CONSUMER AFFAIRS

- Operations
- Enforcement
- Consumer Credit and Debtor Assistance
- Education and Information
- Policy and Planning
- Special Projects (Funded Groups)

DESCRIPTION

The Consumer Affairs Program promotes fairness and knowledgeability in the marketplace. Its responsibilites include:

1. Developing, administering and enforcing consumer legislation, including the Trade Practices Act and the Consumer Protection Act.
2. Mediating problems between consumers and suppliers.
3. Assisting over-committed debtors by means of counselling services and debt-pooling arrangements.
4. Educating consumers and businesses regarding their rights and responsibilities.
5. Regulating specific industries, including: cemeteries, motor dealers, and travel agents and wholesalers.
6. Conducting research on a wide variety of consumer related issues.
7. Providing funds to groups that provide consumer assistance in areas not serviced by a Consumer Centre.

BRANCHES

Operations
Enforcement
Consumer Credit and Debtor Assistance
Education and Information
Policy and Planning
Special Projects (Funded Groups)

OPERATIONS BRANCH

DESCRIPTION

The responsibilities of the Operations Branch include the provision of consumer complaint-handling and mediation services in four Consumer Centres, and the regulation of certain industries affecting consumers.

In Kamloops, Prince George, Vancouver and Victoria, consumer workers in the Consumer Centres look into complaints and enquiries received from the public regarding consumer matters. In cases where the consumer has tried unsuccessfully to seek satisfaction from a supplier or trader, Ministry staff will attempt to resolve the dispute. Most consumers are given advice about their particular problem and deal with the matter themselves.

The Registrar of Motor Dealers is responsible for the administration of the Motor Dealers Licensing Act, which came into force in January, 1979. This Act licenses motor dealers and requires them to meet certain standards and to disclose certain information to consumers. Compliance with the Act is monitored by the Registrar and three Inspectors, based in Vancouver and Kamloops.

The Registrar of Travel Agents is responsible for the administration of the Travel Agents Registration Act, which came into force in February, 1978. He registers travel agents in British Columbia, and monitors the activities of registered travel agents to ensure their compliance with travel legislation. In addition the Act provides for compensation for travel services paid for but not delivered.

The Cemeteries Division exercises a regulatory function over all cemeteries, mausolea, columbaria, and crematoria in British Columbia. In addition to inspections and audits, the Division investigates all consumer complaints forwarded to it pertaining to the funeral and cemetery industries.

The Operations Branch administers the Blind Persons' Rights Act, which protects the rights of blind people accompanied by registered guide dogs. This program is administered in close cooperation with the Canadian National Institute for the Blind.

Also administered by this Branch is the Personal Information Reporting Act, which licenses and regulates the activities of credit bureaus and other agencies that collect personal information.

ACTIVITIES 1978/79

- In 1978-79, the Consumer Centres received over 100,000 telephone enquiries, and were visited by over 18,000 people. There were 7,376 consumer complaints, which required detailed enquiries and mediation. (These complaints have shown a steady increase in

recent years, and there has been a corresponding increase in the complexity and significance of consumer transactions mediated by the Ministry.) As a result of the involvement of Ministry consumer staff, rebates amounting to $682,695.00 were returned to consumers dissatisfied with products or services they had purchased.

- The Motor Dealers Licensing Act was proclaimed in January 1979.
- All motor dealers were required to re-register by April 1, 1979. At the end of the 1978-79 fiscal year, there were 1,612 registered motor dealers in British Columbia.
- During 1978-79, 11 registrants under the Travel Agents Registration Act went out of business, either through bankruptcy, a voluntary surrender of their registration, or revocation of their licence by the Registrar.
- There were 621 registered travel agents and wholesalers in British Columbia as of March 31, 1979. During the year, 159 claims resulted in payments of more than $78,000.00 under the Travel Assurance Fund, which held $252,260.05 at March 31, 1979.
- Stewart Goodings was appointed Director in October 1978.
- The first Travel Assurance Board was appointed. Appointees were as follows:

  Gustav Kroll (Chairman)
  Jean Douglas
  Malcolm Nicholson
  David Hardouin
  Gerrard Manning
  Bruce McCulloch*
  Allan Gould**

  (*Replaced in January by Stewart Goodings; **replaced in July by David Edgar)

- Inspections of Cemeteries, Mausolea, Columbaria, Crematoria 148
  Audits/Passings of Perpetual Care Funds 37
  Cemetery, Mausolea, Columbaria By-law Amendments and Rules Approved 103
  Cemetery, Mausolea, Crematoria Rate Increase Approvals 37
  Provincial Cemetery Board Appointments 9
  Cemetery Closures 8
  Cemetery, Mausolea Burial Areas Approved 5
  Certificate of Public Interest for Crematoria 1
  Certificate of Public Interest for Mausolea 1
  Crematoria Licensed 11
- Under the Blind Persons' Rights Act, 13 certificates were issued in 1978-79 to eligible guide dog owners.
- Under the Personal Information Reporting Act, 34 licences were issued in 1978-79, and during this fiscal year 9,858 consumers examined their files at credit bureaus as permitted by the Act.

Consumer Rebates by Month

April, 1978	$ 84,188	November	52,077
May	62,547	December	67,274
June	42,482	January, 1979	39,600
July	71,088	February	53,482
August	57,067	March	35,467
September	54,098		
October	63,325	Total	$682,695

ENFORCEMENT

DESCRIPTION

The Enforcement Branch takes formal enforcement proceedings (civil or "quasi-criminal") when consumer laws such as the Trade Practices Act or the Consumer Protection Act have been violated.

Under the Trade Practices Act, the Director of Trade Practices is empowered to substitute himself for a consumer or consumers in situations where a principle of law requires clarification in the public interest.

Investigators are located in each of the Ministry's Consumer Centres (Victoria, Vancouver, Kamloops and Prince George).

ACTIVITIES 1978/79

- The courts awarded a total of $15,600 in fines under the Trade Practices Act and Consumer Protection Act. Prosecution was emphasized as an enforcement option; larger fines were imposed towards the end of the year, including one fine of $2,000 for a violation of the Trade Practices Act.

- Test shopping of suppliers by the Ministry continued, and the first prosecution resulting from this program was dismissed. Other prosecutions are underway.
- In civil proceedings, awards and settlements totalled $75,962.
- The provision of the Consumer Protection Act which regulates tax discounters gave rise to a constitutional challenge. The court upheld the legislation, and subsequently the principals of a Vancouver business were found in contempt of an order which required that they comply with the legislation. Both were fined.
- The following enforcement activities were completed during the 1978/79 fiscal year:

Prosecutions	13
Substitute Actions	8
Assurances of Voluntary Compliance (AVC's)	2
Declarations	2
Applications for Receiver	1
Total	26

CONSUMER CREDIT AND DEBTOR ASSISTANCE

DESCRIPTION

The Consumer Credit and Debtor Assistance Branch counsels over-committed debtors and, if necessary, assists them in arriving at suitable arrangements with their creditors for repayment of their debts.

A total of 8 Debt Counsellors are located in Vancouver, Victoria, Kamloops, Prince George and Nanaimo.

The Branch maintains contact with the credit industry at large, and licenses debt collectors under the Debt Collection Act.

ACTIVITIES 1978/79

- Debtor Assistance:

(a)	Total counselling sessions	4,432
(b)	Orderly Payment of Debt[1] orders granted by the Branch	496
(c)	Orderly Payment of Debt orders paid in full, settled or defaulted	440
(d)	Net increase in case load	56
(e)	Total ongoing case load March 31, 1979	1,211
	(i) Orderly Payment of Debts	1,103
	(ii) Debtor Assistance Pool Plan[2]	198
(f)	Funds receipted Orderly Payment of Debts Program	$1,487,694.01
	Funds receipted Debtor Assistance Program	362,833.98
	Total Funds receipted	$1,850,527.99
(g)	Funds disbursed to credit grantors Orderly Payment of Debts	$1,575,813.12
	Debtor Assistance Pool Plan	339,329.25
	Total funds disbursed	$1,915,142.37
(h)	Settlements, funds saved by negotiating settlements for debtors consistent with their ability	$161,065.99

- Debt Collection:

(a)	Number of licences issued to agencies	110
(b)	Number of licences issued to collectors	335
(c)	Number of written complaints handled (April, 1978 - March 31, 1979)	134
(d)	Number of telephone complaints/enquiries	1,500
(e)	Number of licences suspended	1
(f)	Number of licences reinstated	1
(g)	Number of prosecutions under way	1

[1] The "Orderly Payment of Debt" provision of the federal Bankruptcy Act provides that a court order may be issued, binding the debtor and creditor to a realistic plan of repayment.

[2] The "Debtor Assistance Pool Plan" is a voluntary method of repayment acceptable to both debtor and creditor. It may be administered by either the Consumer Credit and Debtor Assistance Branch, or by the debtor.

EDUCATION AND INFORMATION BRANCH

DESCRIPTION

The Branch is responsible for explaining laws and policy, and providing advice to the public by means of public speaking engagements, news releases, enforcement reports, radio and television appearances, newspaper interviews, etc. Information officers also look after advertising and general public relations programs for the Ministry as a whole.

Resource centres, located in the Ministry's storefront offices, provide books, magazines, clipping files, and consumer product reports, to help consumers make more informed decisions in the marketplace. Also, consumer education kits are provided for teachers to use in classrooms across the province.

The Trade Liaison Division keeps the business community up to date with guidelines and bulletins on consumer legislation.

A special Trade Liaison team monitors newspaper, radio and television advertising; questionable ads are followed up by telephone and letters.

ACTIVITIES 1978/79

- The following publications were printed and distributed:

1. "The Personal Information Reporting Act and You"
2. "Trade Practices Act and You" (revised)
3. "Money Marketplace"
4. Court referral program materials ("Small Claims Court Referral Program" and "Family Court Referral Program")
5. "Travel Agents Registration Act" (trade bulletin)
6. Travel Agents Registration Act (pamphlet)
7. Consumer Assistance Directory 1978/79
8. Credit Advertising Guidelines
9. "No Down Payment — No Payment Till" (trade bulletin)
10. Motor Dealer Directory Supplement
11. Motor Dealers Licensing Act and Regulations (consolidated and printed in booklet form for dealers and R.C.M.P.)

- 40 news stories were released
- "Consumer Action", a syndicated newspaper column providing advice to consumers, was approved for distribution 1979/80, and a sample column was prepared for use by community newspapers throughout the province.
- Banners were prepared for Ministry use in fairs and exhibitions.
- Two enforcement reports (#20 and #21) were issued.
- Radio advertisements were produced, informing the public of new rights under the Travel Agents Registration Act.
- John Usher was appointed Director of Consumer Education and Information.
- A campaign to discourage alcohol abuse was launched in October 1978, and was subsequently discontinued in March, 1979, at the conclusion of phase 1. The program was taken over by the Ministry of Health.
- A ministry slide/tape show was produced, describing Ministry activities.
- Trade Liaison seminars were conducted at Parksville and Victoria, to explain Ministry policies to the media and the advertising community; Trade Liaison staff also interviewed employees of all major department store advertising departments in Victoria, with a similar objective.
- Distribution statistics were as follows:

(a)	Letters/Requests:	1,884
(b)	Acts:	22,580
(c)	Brochures:	126,864
(d)	Teachers' Kits:	1,237
(e)	Education materials:	2,823
(f)	Advertising Guidelines:	1,470
(g)	Motor Dealers Guidelines:	737
	Total	157,595

POLICY AND PLANNING BRANCH

DESCRIPTION

The Policy and Planning Branch was formed on April 1, 1978, from an expanded Research Division which had been part of the Community Programs Branch. Its mandate was extended to provide a central resource of policy, research and planning services to all parts of the Consumer Affairs Program. Its functions are to coordinate the development of policy within the Consumer Affairs Program; to assist other Branches to develop programs, policies and legislation; and to conduct research on problems and questions referred to it by other branches.

In the coming year (1979-80) it is planned to amalgamate the Policy and Planning Branch with the Corporate Staff Group (presently part of the Corporate Affairs Program) to form a single Policy, Legislation and Program Planning Branch, reporting directly to the Deputy Minister and responsible for coordinating all policy, research and program planing functions within the Ministry.

ACTIVITIES 1978/79

- Research was conducted in the following areas: franchising; sequential dialling machines; coupons; warranty and product liability legislation; regulatory systems for mail-order companies; mortgage foreclosures; moving and storage industries; wine tariffs in the European Economic Community; federal proposals to change Bank Act legislation; Sunday shopping; reverse annuity mortgages; direct mail marketing ethics; car mileage claims; liquor price index; motor vehicle rusting complaints.

- The Food Price Monitoring program, which had monitored food price trends in B.C. since January, 1976, was transferred to the Markets Branch of the Ministry of Agriculture.

SPECIAL PROJECTS (FUNDED GROUPS)

DESCRIPTION

A special projects officer provides administrative assistance and briefing material for the Assistant Deputy Minister (Consumer Affairs) and for inter-provincial task forces. She also co-ordinates the Ministry's funded group program, which provides consumer assistance in areas not serviced by a Consumer Centre.

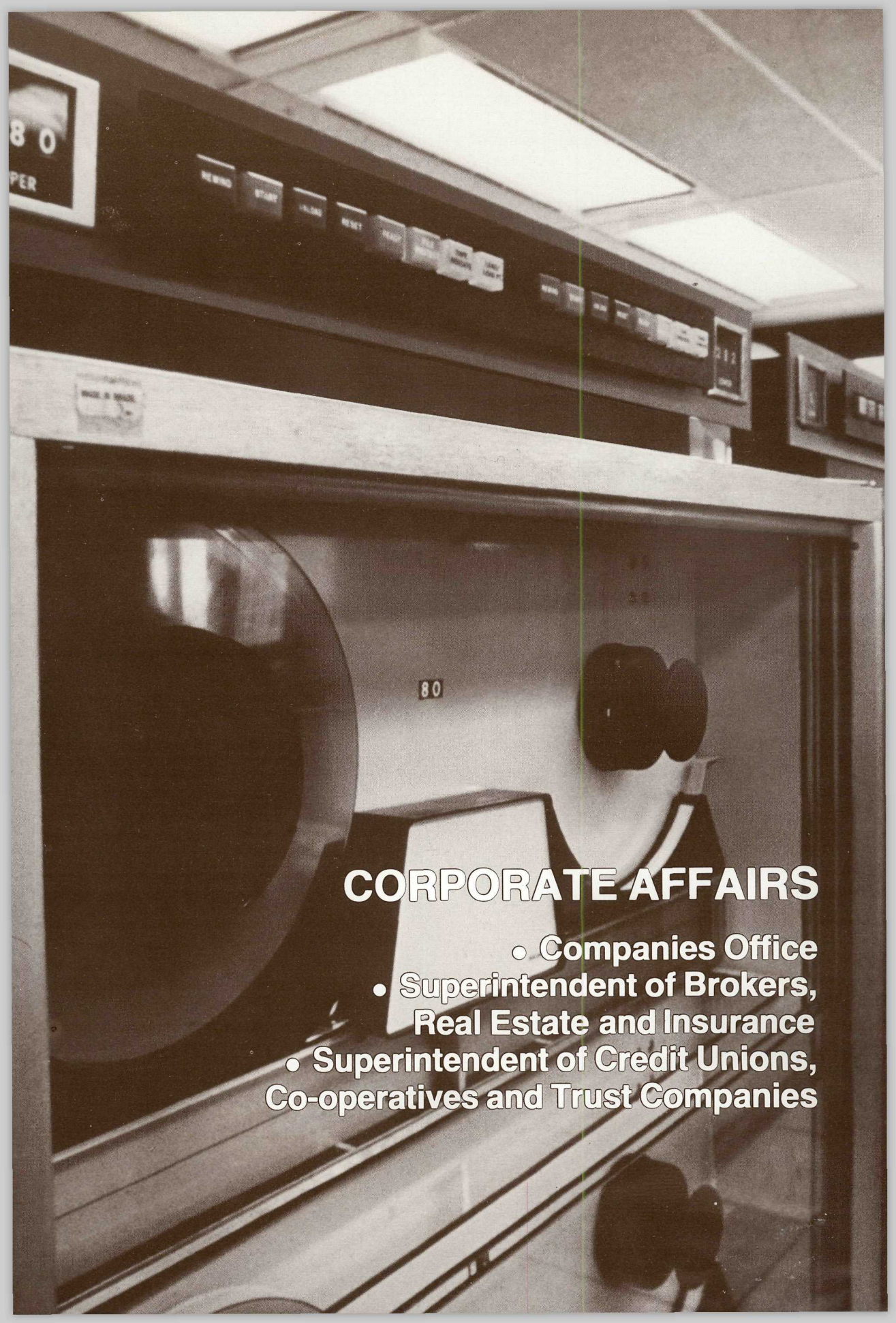
ACTIVITIES 1978/79

- Grants totalling $140,000 were awarded to eleven consumer organizations for the provision of consumer services (such as complaint handling and debtor assistance) in areas not easily serviced by a Consumer Centre.

  Grants were awarded as follows:

Consumers' Association of Canada	$ 35,000
Matsqui Abbotsford Community Services	20,000
Vernon Social Planning Council	6,500
Smithers Community Law Centre	7,500
Surrey Intersection Society	20,000
South Okanagan Civil Liberties Society (Penticton)	14,000
Legal Information Services, Maple Ridge	5,000
Powell River Civil Liberties Society	13,000
Terrace Community Services	5,000
Quesnel Human Rights and Civil Liberties Association	7,000
Williams Lake Community Law Centre	7,000
Total	$140,000

- The Ministry also provided assistance to native people by means of a grant to the Pacific Association of Communications in Friendship Indian Centres (P.A.C.I.F.I.C.), to improve native peoples' access to consumer services. The grant totalled $17,500.



CORPORATE AFFAIRS

- Companies Office
- Superintendent of Brokers, Real Estate and Insurance
- Superintendent of Credit Unions, Co-operatives and Trust Companies

DESCRIPTION

The Corporate Affairs Division of the Ministry regulates financial, commercial and investment activities undertaken in the province, for the benefit of market participants and British Columbians in general.

The division is oriented toward the protection and preservation of a free market, the promotion of sound business and investment practices, and the development of policies to balance investor protection and economic growth.

Specific goals of the division include:

1. Protecting the investing public.
2. Ensuring the operating efficiency of capital markets and business institutions.
3. Maintaining public confidence in business and financial institutions.
4. Encouraging individual ownership of business, securities, real estate and other forms of investment.
5. Maximizing returns to the economy as a whole.

BRANCHES

Companies Office and Central Registry

Superintendent of Brokers, Real Estate and Insurance

Superintendent of Credit Unions, Co-operatives and Trust Companies

COMPANIES OFFICE AND CENTRAL REGISTRY

DESCRIPTION

The Registrar-General is responsible for all documents filed in the Central Registry, and for the administration of all matters relating to the filing of corporate documents under the B.C. Companies Act, Societies Act and other related statutes.

The office maintains complete corporate files on all B.C. companies, extra-provincial companies, co-operatives, partnerships, societies and trust companies. It also maintains specialized files on library commissions, cemeteries, railroads and savings and loan associations.

ACTIVITIES 1978/79

- On April 1, 1978, the Companies Office and the Central Registry were integrated as one office under the Registrar-General. This was a major step toward simplifying the filing of all corporate and personal property registrations by everyone in the province.
- There was a general increase of 11.8% over last year in new incorporations and also a total revenue increase of 11.8%; there was no increase in the fee structure (indicating an increase in workload of about the same percentage).
- Preliminary work connected with placing basic corporation records on an active on-line computer system was completed.
- Amendments to the Partnership Act were proclaimed in November, 1978, to provide for the registration of extra-provincial limited partnerships.
- At March 31, 1979 there were approximately 1,800,000 encumbrances on the Central Registry data base.
- The "Personal Property Security Act" was circulated to the private sector as a discussion paper. This statute will codify legislation dealing with the registration of chattel mortgages and other security interests in personal property.

- Companies Office:

1. Incorporations & Registrations 1978-79

(a)	B.C. Companies	15,755
(b)	Extra-Provincial Companies	1,181
(c)	Trust Companies	3
(d)	Partnerships	2,784
(e)	Co-operatives	42
(f)	Societies	786
(g)	Changes of Name (Companies)	2,372
(h)	Changes of Name (Societies)	72

(i)	Amalgamations	262
(j)	Continuations - 37 A (into the Province)	104
(k)	Continuations - 37 B (out of Province)	106
(l)	Roll-Overs	1,412
2.	**Dissolutions & Restorations**	
(a)	Companies	5,139
(b)	Societies	678
(c)	Partnerships	114
(d)	Company Restorations	167
3.	**Encumbrances**	63,457
4.	**General Filings**	146,357
5.	**Miscellaneous**	
(a)	Certificates of Good Standing	4,462
(b)	Certified Copies	7,436
(c)	Change of Objects - Societies	107
(d)	Partnership Changes	92
6.	**Searches**	147,945
7.	**Total Revenue** (Increase - 11.8%)	$4,491,827

- Central Registry:

1.	**Documents Registered Under:**	**1978-79**
(a)	Conditional Sales Act	70,719
(b)	Bills of Sale Act	261,894
(c)	Mechanics' Lien Act	39,440
(d)	Assignment of Book Accounts Act	2,125
(e)	Companies Act	943
(f)	Provincial Home Acquisition Act	103
(g)	Late Order Registrations for Conditional Sales Act	7,350
(h)	Late Order Registrations for Bills of Sale Act	29,379
(i)	Late Order Registrations for Assignment of Book Accounts Act	103
2.	**Documents Discharged Under:**	
(a)	Conditional Sales Act	4,140
(b)	Bills of Sale Act	15,151
(c)	Mechanics' Lien Act	4,510
(d)	Assignment of Book Accounts Act	111
(e)	Companies Act	420
(f)	Provincial Home Acquisition Act	787
	Total Number of Documents Filed	437,175
3.	**Revenue:**	
(a)	Document Registration Fees	$3,351,794.00
(b)	Search Fees	551,333.80
(c)	Photocopy Fees	11,843.15
	Total Revenue	$3,914,970.95

SUPERINTENDENT OF BROKERS, REAL ESTATE AND INSURANCE

DESCRIPTION

The Superintendent regulates the investment, insurance and real estate industries for the protection of investors. He also contributes to the optimization of the economy of British Columbia by encouraging operating efficiency in the capital markets, stimulating individual investment in securities, and monitoring the marketplace in real estate and insurance transactions.

ACTIVITIES 1978/79

- The "Commodity Contracts Trading Act" was introduced as a bill in June 1978 to regulate trading in commodity futures contracts, commodity futures options, and traders in those commodities.
- A provision was enacted under the "Ministry of Consumer Affairs Statutes Amendment Act", requiring real estate agents to keep records of every transaction involving the receipt of money; in addition, the Superintendent of Real Estate was empowered to accept a prospectus for filing before a strata plan is deposited in the land registry.
- A voluntary "residential disclosure statement" was circulated to real estate agents and salespeople, to provide purchasers of older homes with information about problems not easily discernable on inspection (e.g. drainage, insulation, etc.).

- **Registrations**

(a)	Securities Act	1,562
(b)	Mortgage Brokers Act	1,126
(c)	Investment Contracts Act	4

- **Licences Issued**

(a)	Insurance Act	8,570
(b)	Real Estate Act	15,492
(c)	Debt Collection Act (April-June)	97

- **Vettings and Filings**

(a)	Securities Act	
	1. Prospectuses accepted	461
	2. Statements of Material Facts accepted	199
(b)	Real Estate/Strate Titles Act	
	1. Subdivisions accepted	824
	2. Strata Plans approved	477

- **Hearings**

(a)	Before the Superintendent	11
(b)	Before the Corporate and Financial Services Commission	14

- **Rulings and Orders**

(a)	Securities Act	1,050
(b)	Real Estate Act	2
(c)	Societies Act	8

- **Suspensions/Cancellations**

(a)	Securities Act	5
(b)	Mortgage Brokers Act	47

- **Investigation Orders/Investigations**

(a)	Completed	244
(b)	Underway	90

- **Prosecutions**

Total (Securities Act, Mortgage Brokers Act, Criminal Code)	9

- **Revenue**

(a)	Securities Act/ Mortgage Brokers Act	$148,932.50
(b)	Real Estate Act	$231,988.00
(c)	Insurance Act	$525,524.31
(d)	Debt Collection Act (April-June)	$ 3,250.00
(e)	Miscellaneous	$ 10,683.94

SUPERINTENDENT OF CREDIT UNIONS, CO-OPERATIVES AND TRUST COMPANIES

DESCRIPTION

The office of the Superintendent of Credit Unions, Co-operatives and Trust Companies is responsible for: regulating credit unions and examining their finances regularly; registering co-operatives; and regulating and inspecting all trust companies operating in the province.

ACTIVITIES 1978/79

1. Credit Unions

- Total credit union assets continued to grow in 1978, reaching $3.8 billion as at March 31, 1979 — an increase of 29.5 per cent over 1977/78.
- Membership in credit unions reached 896,921 by the end of March.
- Liquidity reserves as at March 31, 1979 were 12.05 per cent of the net share capital and deposits, an excess of $73,538,117 over the statutory requirement.
- The number of credit unions in the province dropped to 166 from 173 as a result of several amalgamations and the dissolution of OMREB credit union.
- The office's six inspectors inspected a total of 129 credit unions.
- Senior staff attended two meetings of the National Association of Administrators of Co-operative Legislation during 1978. B.C. hosted the western regional meeting of NAACL in January, and the annual convention was held in Edmonton in June.
- The Ministry met with B.C. Central Credit Union on several occasions to discuss proposed changes to the Credit Unions Act, including expansion of investment powers for credit unions,and the provision of clear guidelines for credit unions seeking to set up branches.

- Assets of the Provincial Share and Deposit Guarantee Fund (which provides an unlimited guarantee on the shares and deposits of credit union members) totalled $30.4 million at March 31, 1979.

2. Co-operatives:

- Comments received from the co-operative system regarding "A Proposed Bill to Regulate Co-operative Associations" (which was circulated for input in November 1977) indicated that the proposed legislation is too cumbersome for the needs of smaller co-operatives. Accordingly, the bill has not yet been introduced in the Legislature, and is under review.
- 42 new co-operatives were incorporated, including 14 housing co-ops, 16 consumer co-ops, 9 producer co-ops, 1 service co-op, and 2 others of a general nature.

3. Trust Companies

- As of March 31, there were 110 trust company branch offices, an increase of 64 per cent since 1975.
- 16 of a total of 29 main offices were inspected during the fiscal year, as well as 23 of a total of 81 branch offices.
- The initial Conference of Administrators of Trust Companies Legislation was sponsored by the Ministry in November 1978. It was attended by delegates from the federal and provincial governments and the Yukon.
- Assets under administration by trust companies in B.C. totalled $4,244,142,267, including: demand deposits and certificates; term deposits and certificates; other special deposits; and estates, trusts and agency funds.
- Demand deposits from the public totalled $244,102,691.
- Guaranteed investment certificates and term deposits totalled $1,035,022,525.
- Overall total of deposits and certificates was $1,259,125,216.
- Mortgage lendings totalled $2,531,737,730.

RENT

- Rentalsman
- Rent Review Commission

RENTALSMAN

DESCRIPTION

The Rentalsman has exclusive jurisdiction over most matters involving rented residential premises throughout the Province of British Columbia including:

1. Termination of tenancies
2. Right to possession of residential premises
3. Disposition of security deposits
4. Disposition of abandoned chattels
4. Contractual rights and obligations

ACTIVITIES 1978/79

- Mr. J. Patterson was appointed Rentalsman, effective May 1, 1978, while retaining his position as Commissioner on the Rent Review Commission.
- The Rentalsman and the Rent Review commission completed arrangements for merger.
- The head office in Vancouver and regional office in Victoria recorded a 45% increase in workload.
- Regional offices were approved for Kelowna, Kamloops, Prince George and Cranbrook.
- Proposed amendments to the Residential Tenancy Act were submitted.
- 17,200 case files were opened.
- 242,304 telephone inquiries were received.
- 13,428 members of the public visited Rentalsman offices.
- 2,886 inspections were conducted.

RENT REVIEW COMMISSION

DESCRIPTION

All matters concerning rent rates and increases, as outlined in the Residential Tenancy Act, are the responsibility of the Rent Review Commission.

The Commission is empowered to conduct research and inquire into any aspect of rent payments in general and to determine specific rent payments.

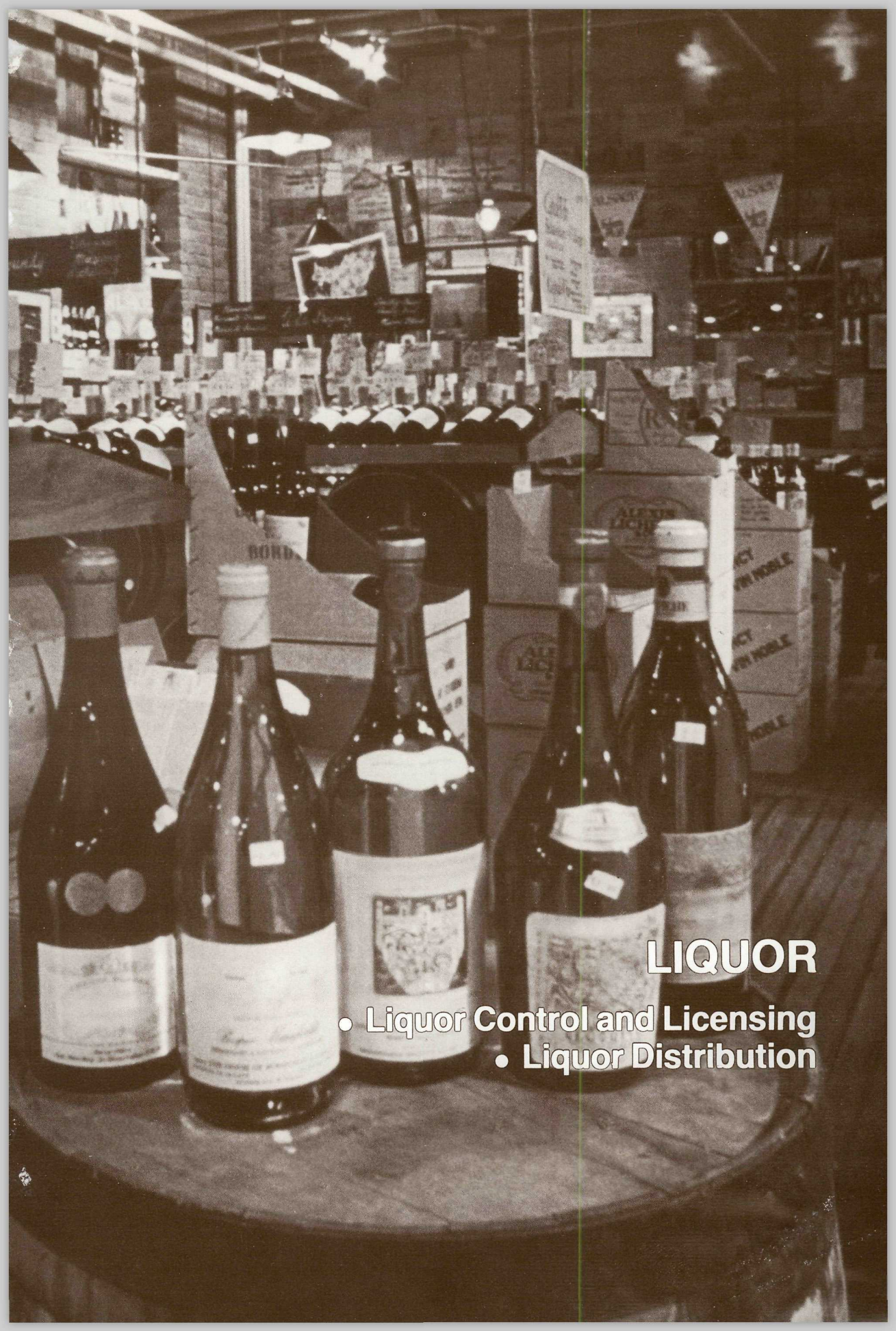
In addition, inquiry officers appointed by the Commission may investigate complaints by either tenants or landlords, and mediate or confer with the parties and hold hearings. The decisions or orders of the inquiry officers, subject to appeal to the Commission, are binding on the landlord and tenant.

ACTIVITIES 1978/79

- The rental housing situation during the year was quiet because of the relatively high vacancy rates in most communities in the Province, and because many landlords declined to take those increases to which they were entitled.
- During the year the first steps towards rent de-control were taken. The first step was announced in April (effective August 1) lowering the general exemption level from $500 to $400. The second step, announced in October effective February 1, introduced rent de-control by the size of apartment as measured by the number of bedrooms. This step exempted 1-bedroom and studio units renting over $300, 2-bedroom units renting over $350, and 3 or more bedroom units renting over $400.
- The implementation of de-control provisions brought into play for the first time the appeal system embodied in Section 70 of the Residential Tenancy Act for tenants of de-controlled units. These tenants, if they find a rent increase excessive, may appeal to the Commission for an adjudication. During the year only 37 appeals were made, indicating that most landlords were taking only moderate increases. (Of those 37 appeals, only one resulted in a lowered increase.)
- The first court challenge to the constitutionality of the Rent Review Commission's function was made in a case entitled Cohen et al vs. Dhillon et al, which remained unresolved at the end of the year.

- The budget for the fiscal year 1978-79 for the Commission was $542,806, which was underspent by about $80,000. The normal staff complement during this period was 24 persons.

• Notices of Rent Increase Received	127,048
Applications for Additional rent Increases	402
- approved	289
- denied	49
- withdrawn or pending	64
- number of units involved	2,476
Section 70 Applications Received	59
- resolved in favour of landlord	29
- resolved in favour of tenant	2
- withdrawn or pending	27
- refused	1
Files Opened	3,395
Files Closed	3,137
Letters Sent	22,287
Letters Received	20,486
Telephone Calls Received	26,089
Formal Hearings	117



LIQUOR

- Liquor Control and Licensing
- Liquor Distribution

LIQUOR CONTROL & LICENSING BRANCH

DESCRIPTION

The Liquor Control and Licensing Branch, pursuant to the provisions of the Liquor Control & Licensing Act and Regulations, is engaged in the following activities:

1. Issuing and transferring license for the sale of liquor.
2. Licensing breweries, distilleries and wineries.
3. Licensing the agents of breweries, distilleries and wineries.
4. Monitoring and controlling liquor advertising in the province.
5. Inspecting licensed premises to ensure they comply with the law.

ACTIVITIES 1978/79

- A major overhaul of B.C. liquor regulations was initiated. The Ministry contracted the province's 5000 liquor licensees asking them to recommend changes to the regulations, with a view to simplifying and clarifying liquor laws. Subsequently, the Minister hosted an all day session with senior branch officials, representatives of the major licensee associations, and municipal and police authorities, to discuss common problems and potential solutions.
- A "marine pub" licensing category was created, in response to the unique requirements of geographical areas that focus on a body of water as a source of recreation, transportation, and/or livelihood.
- Draft beer servings in public houses and neighbourhood pubs were converted to metric (¼ litre glasses, and ½ litre steins). Wine was made available in ¼, ½ and 1 litre carafes.
- Changes were made to the Liquor Control and Licensing Act to provide for a cottage wine industry in British Columbia.
- Allan Gould was appointed Deputy General Manager.
- Distillery licence fees were reduced to $1000 per annum (as opposed to four cents per gallon of proof alcohol).
- Licence categories:

A Licences:	Hotels, resorts, clubs, recreational centres, aircraft, trains, motor vessels, international airports, municipally and provincially owned cultural centres, universities, military messes.
B Licences:	Dining establishments primarily engaged in the service of food, and Department of Transport airports with meal facilites.
C Licences:	Cabarets primarily engaged in providing entertainment.
D Licences:	Neighborhood Public Houses.
E Licences:	Sports stadiums or concert halls.
F Licences:	Establishments oriented to marine activities (Marine Public Houses).

- Licences issued, transferred, suspended or surrendered or cancelled:

	Licences Issued	Licences Transferred
A Licences	1,213	87
B Licences	2,490	304
C Licences	289	42
D Licences	126	22
E Licences	–	–
Distillers Licences	6	–
Winery Licences	6	–
Brewers Licences	4	–
Totals	4,134	455

	Licences Suspended	Surrendered or Cancelled
A Licences	47	62
B Licences	30	48
C Licences	29	7
D Licences	8	1
Totals	114	118

- Liquor Control and Licensing Revenue for the Year Ended March 31, 1979:

Annual Licence Issuance Fees	$418,900.00
Distillers Licence Fees	238,033.73
Winery Licence Fees	9,250.00
Brewers Licence Fees	411,633.13
Liquor Purchase Assessment Fees	7,397,533.64
Transfer Fees	22,750.00
Transfer of Shares & Sundry Receipts	12,699.00
Special Occasion Licences	87,510.50
	$8,598,310.00

LIQUOR DISTRIBUTION BRANCH

DESCRIPTION

The Liquor Distribution Branch (LDB) is responsible for all physical operations connected with liquor distribution in British Columbia. Its goal is to provide liquor to the people of British Columbia in an efficient manner while bearing in mind all the social and legal responsibilities connected with liquor.

The advantages of this single distribution system to consumers are several:

1. It provides equitable service, at the least cost, to all residents in the province, while returning maximum revenue to government.

2. It assures consumers of being charged the same price everywhere in the province.

3. It is the most economical, with savings arrived at through bulk purchasing, and a centralized distribution centre.

4. It provides consumers with a complete choice of listings throughout the province. Service is provided in remote areas for public convenience.

ACTIVITIES 1978/79

- At year end, the LDB was selling approximately 1500 different product listings (wines, beer and spirits).
- The Branch's Agent Stocking program, initiated in mid-1978, transferred the responsibilities of importing and inventory control from the government to the private sector. At present, more than 95 per cent of all imported products are purchased through local agents participating in this program.
- Robert A. Wallace was appointed General Manager in July, 1978.
- Re-pricing policy for liquor on shelves in government liquor stores was changed in March 1979, to be effective May, 1979. Under the new policy, when a price is increased price tags on shelf stock will not be changed; however, products subject to a price decrease will be re-tagged at the lower price.
- Effective March 1, 1979 retail price changes in liquor stores were instituted on a monthly basis, as required, rather than tri-annually.
- Domestic beer was unavailable for the summer months as a result of a labour dispute at B.C. breweries. In response, the Liquor Distribution Branch imported approximately 8 million cases of American beer, which were sold at a discount when the dispute ended. Total sales of American beer exceeded $40,000,000, producing a net profit of approximately $14,000,000.
- Liquor bottled in B.C. with locally manufactured bottles and labels was made available in 40 ounce bottles.
- Six replacement stores were completed, three new stores opened, and major upgrading and conversion to self-serve occurred in four stores, bringing the total to 207 liquor stores. Twenty new Agency stores were appointed during this period bringing the total to 41.
- A new "wine and specialty shoppe" was opened in Vancouver at 1120 Alberni Street, bringing the total number of specialty stores to nine.

• Financial Statement: April 1, 1978 - March 31, 1979

1. Summary of Balance Sheet as at March 31, 1979

Assets

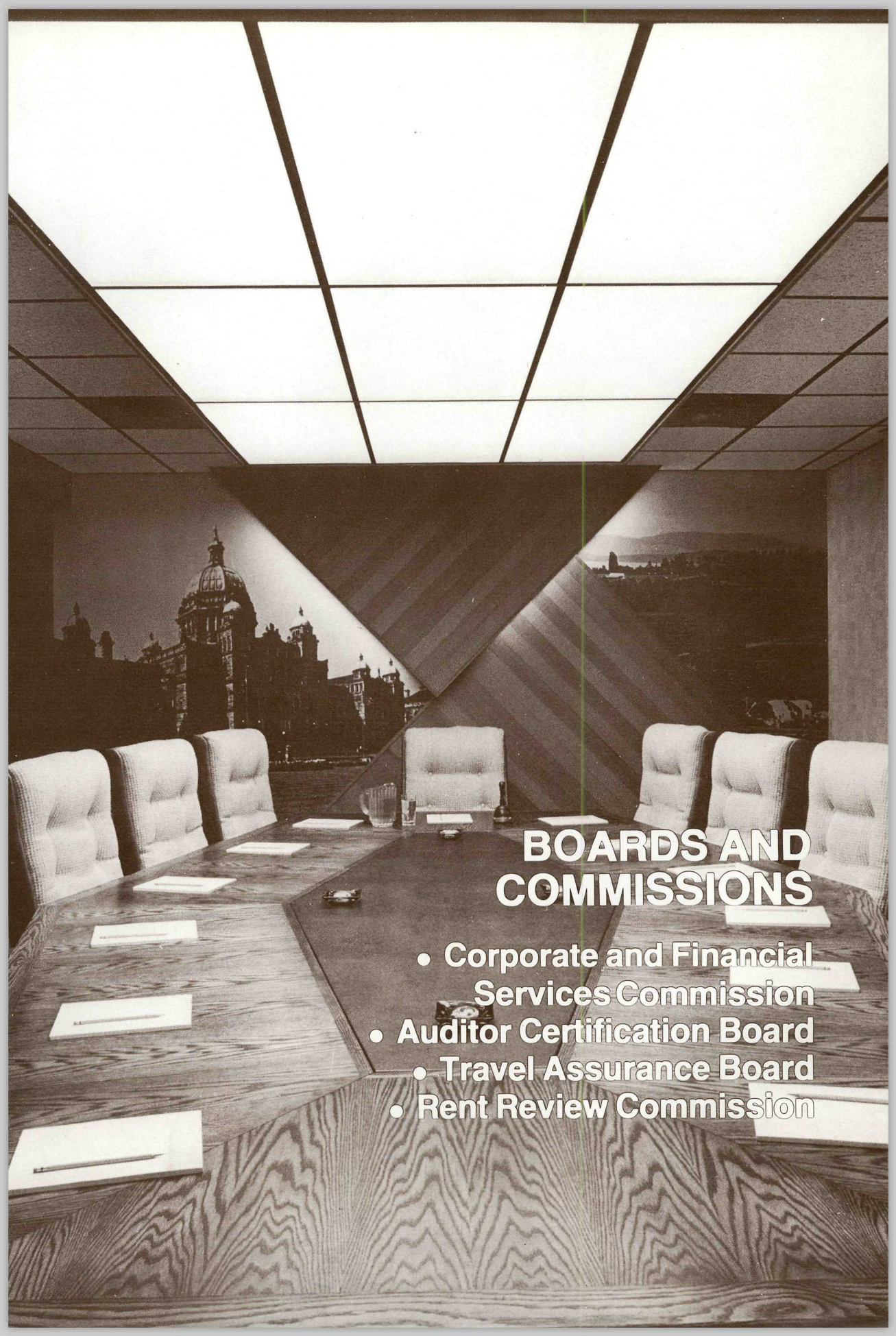
Current Assets	$31,618,843.
Fixed Assets (at cost, less accumulated depreciation)	2,365,902.
Total Assets	$33,984,745

Liabilities

Current Liabilities	$27,183,136.
Working Capital Advance	6,801,609.
Total Liabilities	$33,984,745.

2. Summary of Statement of Income, year ended March 31, 1979

Sales	$526,198,275.
Cost of merchandise sold	$277,022,895.
	$249,175,380.
Provincial Malt Levy	$ 19,955,196.
	$269,130,576.
Operating Expenses	$ 64,750,372.
	$204,380,204.
Other Income	$ 2,628,715
Net Income	$207,008,919.



BOARDS AND COMMISSIONS

- Corporate and Financial Services Commission
- Auditor Certification Board
- Travel Assurance Board
- Rent Review Commission

CORPORATE AND FINANCIAL SERVICES COMMISSION

DESCRIPTION

The Commission acts as an appellant body to hear and review rulings under certain sections of the following statutes: The Securities Act, Mortgage Brokers Act, Companies Act, Credit Union Act, The Liquor Control and Licensing Act, Liquor Distribution Act, the Travel Agents Registration Act, and the Motor Dealers Licensing Act.

Generally any person, or company primarily affected by any administrative direction, decision, order, or ruling under any of the above Acts, or by a stock exchange, has a right of appeal to this Commission. (There are specific exceptions).

ACTIVITIES 1978/79

- The Commission heard 14 appeals, requiring 20 days of hearing and review. The appeals were made under the following statutes:

  8 under the Liquor Control and Licensing Act

  4 under the Securities Act

  1 under the Companies Act

  1 under the Credit Unions Act

- During the fiscal year there were several changes in the membership of the Commission. Mr. Leon Getz resigned as chairman on June 30, 1978; his successor, Dr. G.F. Curtis, Q.C., was appointed August 31, 1978. Mr. K.G. Russell was appointed a member May 4, 1978. Toward the end of that same month, David A.L. Tait's untimely death robbed the Commission of a valuable member. On August 31, 1978 member J.M. McEwen was appointed. Other ongoing members were vice-chairman H.F. Herbert and Prof. W.A.W. Neilson.

AUDITOR CERTIFICATION BOARD

DESCRIPTION

The Board examines and certifies individuals, who are not chartered accountants or certified general accountants, as auditors of reporting companies.

A reporting company is generally one which comes under one of the following specific areas.

(a) a company with securities listed on any stock exchange.

(b) a company ordered by the Superintendent of Brokers to be a reporting company;

(c) a company deemed to be a public company prior to the 1973 Companies Act;

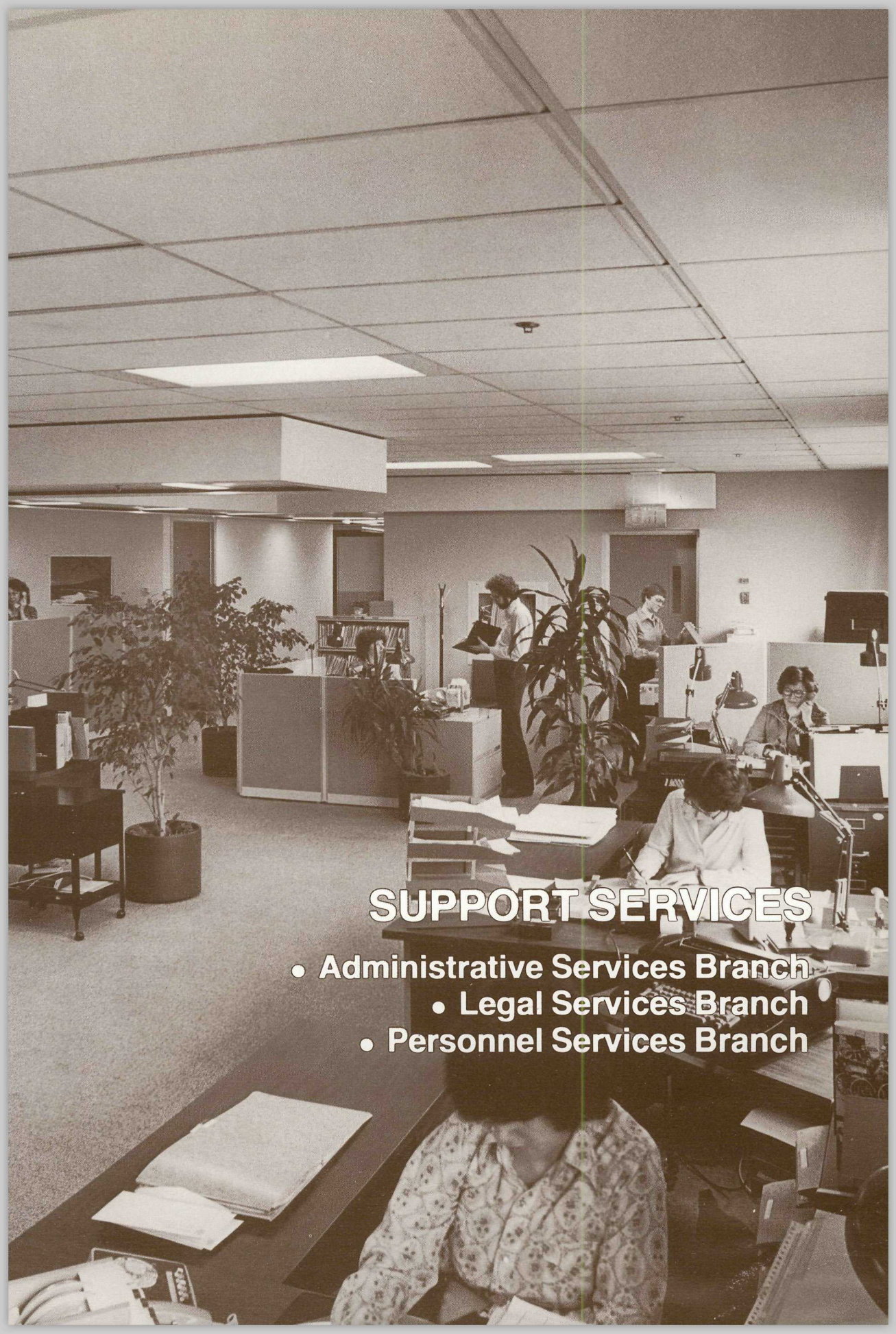
(d) any corporation by or under an act of the Legislature.

TRAVEL ASSURANCE BOARD

(See page 11 under "Operations Branch")

RENT REVIEW COMMISSION

(See Page 21)



SUPPORT SERVICES

- Administrative Services Branch
- Legal Services Branch
- Personnel Services Branch

ADMINISTRATIVE SERVICES BRANCH

DESCRIPTION

The Administrative Services Branch provides central services to all programs of the Ministry. These central services are as follows:

1. Co-ordination of Ministry budget, budget control, accounting for revenues and expenditures, and processing accounts payable.
2. In co-operation with the Purchasing Commission and the office of the Queen's Printer, acquisition of office supplies and office furniture and equipment.
3. In co-operation with the Buildings Corporation of British Columbia, provision of adequate office space for all Ministry programs.
4. Provision of other services of a miscellaneous nature that may be required from time to time.

Note: The above does not include the provision of Personnel Services.

ACTIVITIES 1978/79

- All Victoria Consumer and Corporate Affairs personnel moved into Provincial Government Office Building #2 (940 Blanshard Street).
- The following table indicates administrative expenditures during the fiscal year ended March 31, 1979.

Salaries	approximately	$ 7,490,000
Office Expenses	approximately	509,000
Office Furniture and Equipment	approximately	166,000
Materials and Supplies	approximately	55,000
Acquisition of Motor Vehicles	approximately	29,000
Building Occupancy Charges	approximately	1,490,000
Total Expenditures, including miscellaneous expenditures not itemized above		$11,608,595

LEGAL SERVICES BRANCH

DESCRIPTION

The Ministry of Consumer and Corporate Affairs administers 43 pieces of legislation and countless regulations.

The Legal Services Branch provides legal services to the rest of the Ministry. The need for new legislation or for changes to existing legislation are summarized, and in many cases made the subject of legislative bills or amendments to be introduced by the Ministry.

Invariably, many problems brought to the attention of the Ministry by consumers are of a legal nature and require legal advice. In addition, the debtor assistance role performed by the Ministry means that individuals with debt problems seek advice and assistance. Again, many debt problems also involve legal problems.

ACTIVITIES 1978/79

- J. David Edgar was appointed Director of Legal Services on January 18, 1979. He succeeded Allan Gould.
- Law students were retained on a part-time basis throughout the year to assist in legal research and advisory work.

PERSONNEL SERVICES BRANCH

DESCRIPTION

The Personnel Services Branch oversees all personnel functions, including recruitment of all new employees, job evaluation and organization analysis, labour relations, staff training and development, and employee relations. A major role of this office is to provide assistance and advice to senior managers on the evaluation of their organizations's structures, as they relate to the goals and objectives of their particular branch.

ACTIVITIES 1978/79

- At the end of the fiscal year, there were 473 regular employees in the Ministry, an increase of 57 over 1977/78. (Note: these figures exclude Liquor Distribution. See the LDB Annual Report.)

- A total of 81 competitions for positions were held, and 182 regular positions were filled. Forty-three students were hired under the Work in Government program.
- There were two deaths and nine retirements; 84 employees resigned or transferred out of the Ministry.
- The following management positions were filled: Director of Operations; Director of Education and Information; General Manager of Liquor Distribution; and Deputy General Manager of Liquor Control and Licensing.
- Central Registry was transferred from the Ministry of Energy, Transport and Communications to Consumer and Corporate Affairs.
- The Rentalsman and the Rent Review Commission were merged.

Ministry of Consumer and Corporate Affairs

SENIOR STAFF

As At February 1, 1980

Minister	Hon. James A. Nielsen
Deputy Minister	P. Bazowski
Executive Director of Finance and Administration	W. Stewart
Director, Legal Services Branch	D. Edgar
Director, Policy, Legislation and Program Planning (acting)	J.C. Lovelace
Rentalsman	J.D. Patterson
Deputy Rentalsman	F. Fenn
Deputy Rentalsman	L.W. McArthur
Deputy Rentalsman	P.B. Smith
Deputy Rentalsman	D.A. Tant
Deputy Rentalsman	L.R. Tubman

Consumer Affairs Program

Consumer Affairs, Assistant Deputy Minister (acting)	S. Goodings
Director of Enforcement	M. Hanson
Director of Education and Information	J. Usher
Director of Consumer Credit and Debtor Assistance	H. Atkinson
Director of Operations	S. Goodings

Corporate Affairs Program

Corporate Affairs, Assistant Deputy Minister	E.T. Cantell
Superintendent of Brokers, Real Estate and Insurance	R.L. Bullock
Deputy Superintendent of Brokers	E.T. Jewitt
Deputy Superintendent of Real Estate and Insurance	T.D. Hammill
Superintendent of Credit Unions, Co-operatives and Trust Companies	J.H. Thomas
Registrar of Companies	M.A. Jorre de St. Jorre
Deputy Registrar	L.G. Huck

Liquor Control and Licensing Branch

General Manager	V.C. Woodland
Deputy	A. Gould
Director of Licensing	D. Andersen
Director of Enforcement	D.D. Cliffe
Director of Policy, Research and Administration	K.G. Stewart
Manager, Administration	N. Fielding

Liquor Distribution Branch

General Manager,	R.A. Wallace
Director, Finance	L.N. Dyer
Director, Management Services	S.P. Dubas
Director, Personnel Department	A.I. Allen
Director, Purchasing (acting)	C. Ruddick
Director, Store Operations	A.V. Branham
Director, Distribution (acting)	R. Kyle
Security Manager	J.R. Bowcott
Communications Manager	C.J. Courtney

BOARDS AND COMMISSIONS

TRAVEL ASSURANCE BOARD

Chairman	G. Kroll
Member	J. Douglas
Member	M. Nicholson
Member	D. Hardouin
Member	G. Manning
Member	D. Edgar
Member	S. Goodings

CORPORATE AND FINANCIAL SERVICES COMMISSION

Chairman	W.H.K. Edmonds
Vice-Chairman	C.F. Long
Member	J.H. Carter
Member	J.M. McEwen
Member	K.G. Russel

AUDITORS' CERTIFICATION BOARD

Chairman	R. Campion
Member	W.S. Irwin
Member	F.B. Adams
Member	W.J. Fedorak
Member	G.C. Gray

RENT REVIEW COMMISION

Manager	J.D. Patterson