

8:30 a.m. Wednesday, November 3, 1993

[Chairman: Mrs. Abdurahman]

MADAM CHAIRMAN: I'd like to call us to order. The first item of business is approval of the agenda. Could I have a motion, please? Moved by Ty Lund. Any discussion? If not, all those in favour, say aye.

HON. MEMBERS: Aye.

MADAM CHAIRMAN: Any against? It's carried unanimously. Approval of the minutes of the October 27, 1993, committee meeting. A motion to accept as circulated? Moved by Sine Chadi. Any discussion? If not, all in favour, say aye.

HON. MEMBERS: Aye.

MADAM CHAIRMAN: Any nays? It's carried unanimously. I'd like to extend a warm welcome this morning to our Provincial Treasurer, the Hon. Jim Dinning, and once again to the Auditor General, Mr. Salmon, and Mr. Andrew Wingate.

Mr. Minister, I'd appreciate it if you would like to introduce your staff at this time.

MR. DINNING: Madam Chairman, I thank you. It's a pleasure to be here once again. I'm joined this morning by Mr. Jim Peters on my left, your right, who serves as the Controller for the provincial government, and Mr. Paul Taylor on my right, who serves as executive assistant in my office.

MADAM CHAIRMAN: If you'd like to proceed.

MR. DINNING: Well, thank you. I appreciate having the opportunity to come back and perhaps repeat some long-standing truisms for you to be able to reflect upon the public accounts of the province of Alberta. I'm here as a Treasurer willing and able to explain the accounts, particularly of the department of the Treasury, in the general revenue fund, but I'm also here working with Jim Peters in disclosing all of the accounts of all of the government, from all of the government departments and Crown corporations, agencies, boards, and commissions, and will do my best to explain the accounting of their financial activities. As for any accountability on the specifics of those activities, I will do my best to answer some of those questions, but perhaps some of the more detailed questions about rationale, principles, or specifics might properly be addressed to the ministers responsible for those particular activities.

Madam Chairman, the one thing that I can come to this Chamber and this committee and be proud of and account to this Public Accounts Committee is a number of the positive, I believe responsible actions that our government has taken since Premier Klein became the leader of the party in December of 1992. Following his appointment officially as Premier on December 15 and his swearing in of a new cabinet, within six days of his arrival at that post, the Provincial Treasurer had the pleasure of providing to Albertans, for the first time ever that early, the consolidated public accounts for 1991-1992. So I believe we got off to a very good start when it comes to accountability. We set the tone and the standard then, and I believe we've maintained that standard ever since.

In January we appointed the Financial Review Commission that oversaw the books of the province, did an arm's-length objective

review of the province's finances, top to bottom. They did their work during January, February, and March.

In January the Premier released the response to the Auditor General's report on the NovAtel Communications Ltd. matter that the Auditor General had provided to all members of the Assembly back in September or October 1992, and the Premier responded to the recommendations therein and accepted virtually every single one of them.

We also were in the Assembly in January and February, not with special warrants but supplementary estimates, here explaining and accounting to the Assembly and through the Assembly to Albertans extra spending, particularly in the Department of Health and social services and a few others, but not doing it the special warrant route, using the proper procedures of the Assembly to be accountable.

Also, in February the Auditor General came down with his 1991-92 annual report, and the Premier released the government's response to that report in February or March of this year. Again we have gone a long way to accepting and implementing a number, virtually all, of the Auditor General's recommendations in that report.

In March we held a budgetary roundtable in Red Deer, bringing together Albertans from all corners of the province and all walks of life, allowing and enabling them to help us, to give us some advice on how we ought to tackle the deficit problem.

In April the Financial Review Commission did release its report. It focused on the past number of years, particularly on '92-93, which is appropriate because those are the accounts that we are discussing today, but gave us a number of longer term recommendations. When we brought the budget down on May 6, we implemented virtually all of the Financial Review Commission's recommendations. We are on track to doing a number of those, and I'm proud to say that.

June 15 was another momentous occasion that led to success partly because of that accountability. I'll leave any further comments about June 15 to other members of the Assembly.

On August 19 we released our first-quarter report, which we had said we would do and which was in the Deficit Elimination Act, which had been in the May 6 budget. We said that we would show Albertans on a quarterly basis where we were on track, where we were off track, and actions we would take and have taken to make sure we stayed on track. August 19 was the first of many quarterly reports, the next one, for the second quarter, being out before the end of November.

On September 8 we reintroduced our provincial budget and made a number of important extra changes in further accepting the Auditor General's report. We booked our pension liability, as the Auditor General and as the Financial Review Commission had recommended. Recognizing that we are on two long-term plans - one a four-year plan to balance the budget and one a longer term, 40 to 70 years in fact, that will fund the pension plans of the province on a fully funded basis. Both of those plans, the Deficit Elimination Act and the plans to bring about a funded state in the various pension plans, were approved by members of this Assembly, by all parties of this Assembly, and as a result I think we are on the right track. That same budget on September 8 also found us releasing, again for the first time as early as less than six months into the fiscal year, the consolidated financial statements of the province: volume 1 that you've got before you today, and then, secondly, later on in the month - I believe it was September 27 - we introduced and tabled the remaining parts of the public accounts, volumes 2 and 3.

So, Madam Chairman, I believe we are on the right track in the kind of accountability and disclosure that Albertans expect and that

this Legislature needs in order to make informed decisions. I'm proud of that record. It's under the leadership of Premier Ralph Klein that we have taken these important steps that Albertans can more than reasonably expect, and it in fact is their right to have that information.

I could go on at length, Madam Chairman, about some of the challenges that are facing the department of the Treasury; in fact, the entire government. But our focus today, as I think is agreed, is the Auditor General's report for the year ended March 31, '92, and the three volumes of the 1992-93 public accounts. So having said that, I would prefer to leave the rest of the time for questions and hopefully answers of modest length.

MADAM CHAIRMAN: Thank you, Mr. Minister.
Ty Lund.

MR. LUND: Thank you, Madam Chairman, and good morning, gentlemen. Looking in the public accounts, volume 2, on page . . .

MR. DINNING: I'm sorry to interrupt, colleague.

MR. LUND: I'm used to that.

MR. DINNING: He is used to that. Is it possible perhaps that we could go through the volumes 1, 2, and 3? It's up to the committee.

MADAM CHAIRMAN: Well, what we've historically done this session is that the questions come and they identify what volume and try and make it easy as a reference point. I certainly would like us to continue with that.

MR. DINNING: That's fine.

MADAM CHAIRMAN: Carry on, Ty.

8:40

MR. LUND: Thank you. I'm looking at volume 2, page 2.118. In there we see Land Purchase Fund. There was some \$4.9 million in the estimates under that line, but I see that there was \$11,261,839 expended. I'm wondering how it is that we would have an overexpenditure of \$6,361,839 on land purchase.

MADAM CHAIRMAN: Ty, you're going to have to speak up. I'm having difficulty even hearing you.

MR. LUND: Oh, I'm sorry.

MADAM CHAIRMAN: Did you hear it, Mr. Minister?

MR. DINNING: Yes, I did, Madam Chairman.

First of all, remember what the land purchase fund is. It's a vehicle through which departments may purchase land now - I think of transportation in particular and Public Works, Supply and Services - knowing that its use will be required down the road, whether it's next month or next year or two or three or five years down the line. Having said that, that's what the fund is for.

In this case, Public Works, Supply and Services, facing a requirement of further restraint and willingly complying with same, had at this time not reimbursed the land purchase fund for lands that they had in fact put into primary use. That payment is to come. I suppose in fact it's a receivable. That had not been

paid because public works was facing further restraint from its ministry.

MADAM CHAIRMAN: A supplementary, Ty?

MR. LUND: I'm not sure that I totally understand how it would show up as an overexpenditure. Are you forgiving Public Works, Supply and Services? Is that how it shows up as an overexpenditure here under Treasury? Can you be more specific on where this land is or what it is we're talking about?

MR. DINNING: That is again a question that perhaps Mr. Thurber could answer when he appears before the committee. Public works is in the habit of purchasing land on a regular basis and had made purchases through this fund. When the land was put into primary use, was actually put to use officially, normally that payment would be made from public works' budget into the land purchase fund budget. But it has not yet been done, because they were under a period of restraint last year. I could check for you to see whether that payment has been or will be made since April 1 in the new fiscal year.

MADAM CHAIRMAN: A final supplementary?

MR. LUND: No. That's good. Thank you.

MADAM CHAIRMAN: Mike Percy.

DR. PERCY: Thank you, Madam Chairman. My question begins initially from the report of the Auditor General for '91-92, page 32, section 2. Just to quote: "Treasury Department has now told other departments what information is needed." That's with regards to the criteria and information with regards to loan guarantee proposals. "Also, the Department has a draft of a revised internal procedures manual to be used by analysts." Then the Auditor General goes on to say, "My staff will review the manual when it is complete."

Now, I can go to the government bookstore in British Columbia and buy the manual for the department of finance. I can buy the manual in Ontario for the Ministry of Finance there. So my first question is: is such a document now available, and can you supply it to the Public Accounts Committee so that when they assess the historic record of these loan guarantees, grants, et cetera, we have the criterion now that is being used by Treasury and presumably, then, sets the framework for other departments in government?

MR. DINNING: Well, Madam Chairman, a variety of guarantees is provided by the provincial government. There are program guarantees along the lines of the student loan program. That's an important example. There are loan guarantees that are provided by way of specific loan guarantees on commercial ventures. Those are other examples. Virtually all of those are under the various Acts, either departmental Acts or program Acts or under the Financial Administration Act. So the original work that is done by individual departments to prepare the necessary documentation and to bring that forward is then reviewed by the Treasury Department.

I don't have a manual to sell you. Perhaps having purchased the one in British Columbia and in Ontario, you might be able to provide it to me on a loan basis, free of charge. When it comes to the Treasury Department, we do review such guarantees along the following lines. First, we look for the adequacy of the documentation. Is there adequate current financial information? Are there pro forma statements? Are there term sheets, net worth

statements of major shareholders? Secondly, what would be the rationale? You know, why is the guarantee necessary? What is the status of the entity financially? Thirdly, what's the viability of that enterprise? Items that are reviewed would include the market assessment, competitive factors, sensitivity to price or volume changes, the organization of the corporate entity, its capitalization. Fourthly, we'd look at the matter of risk sharing, and that includes not only the risk of the company from its product or technology but also the adequacy of its security, the priority on its security, the percentage of the loan to be guaranteed, or other matters required to ensure that the province's interests are protected. This is a subject that we discussed at the subcommittee of supply at an earlier time. That's the kind of review that we do within the department of the Treasury.

DR. PERCY: Mr. Provincial Treasurer, we've historically had to go to the United States to get freedom of information to find out about NovAtel and other loan guarantees. Now you're telling us that for an outline of the financial criteria to assess those types of guarantees we have to go elsewhere as well. So I find that somewhat disheartening.

Let me just repeat again what the report of the Auditor General says. It says, "The Department has a draft of a revised internal procedures manual to be used by analysts." I think it is important then that the government has set out very clearly what are the discount rates used to assess the return on projects, what are the procedures used to evaluate risk, how it distinguishes between returns that accrue to firms and returns that accrue to society as a whole. That is standard operating procedure in every provincial government: that there is such a manual.

I'm asking really that the manual that is discussed then on page 32, which the Auditor General was going to review when it was complete, be made available to the Public Accounts Committee so that it, too, can assess the specific issue here of evaluating and monitoring specific loan guarantees that exist. As we know, there are six or seven that are outstanding, and we have been told week after week after week for the last two months that the review will be forthcoming and be announced in the House. That has not yet happened. So my question, with respect, Mr. Provincial Treasurer, is: may this committee have that manual?

MR. DINNING: I would want to consider that.

MADAM CHAIRMAN: Final supplementary.

MR. McFARLAND: Madam Chairman.

MADAM CHAIRMAN: Yes?

MR. McFARLAND: Are we not dealing with the 1991-92 public accounts and the Auditor General's report?

MADAM CHAIRMAN: Yes.

MR. McFARLAND: Is this question not leading to something that's happening now?

8:50

MADAM CHAIRMAN: Five documents were leading to. The question was asked in relationship to the Auditor General's report.

MR. McFARLAND: It was, but the last question related to today and yesterday and the last two weeks and will he provide some-

thing now. I don't think it relates to this Auditor General's report, Madam Chairman.

MADAM CHAIRMAN: Well, I would rule that it does. The question has been asked, and the minister has responded. So I would like us to move on to the final supplementary question.

DR. PERCY: My final supplementary, then, ties in from the general issue of monitoring and evaluation to an issue under vote 3.3, which is finance, which co-ordinates financial and policy analysis for government loans and guarantees, et cetera. So the flow of my question is from the general on 3.3 to a more specific item. The specific item is that in light of the recommendations, then, of the Financial Review Commission to provide the reader with greater disclosure as to the risk attached to loans and loan guarantees - we don't have the manual - will the Treasurer commit, then, to providing to this committee a breakdown of the provision for loss on guarantees that are set out in the public accounts volume 1, page 20, and loans and advances that are set out in the public accounts volume 2, page 1.15, on an individual entity basis? The reason I ask this question - and I often hear quotes in the House - is that in the *Calgary Herald* of February 11 there's a quote from the hon. minister saying:

There is no reason that a company choosing to have a financial relationship with the provincial government shouldn't reveal the details of that transaction.

MR. DINNING: Madam Chairman, there are a number of questions in there. I appreciate his ability to ask several questions in one supplementary, and I see the tolerance and leeway of the chair. I would beg to perhaps differ with the hon. member when it comes to providing a breakdown of the provision for losses or the possibility of losses as it relates to loans and loan guarantees. As the hon. member and I have exchanged in this Assembly and also privately in the coffee room, were we to show our hand with an asset that is, may I say, underperforming and our willingness or zeal to get out of that investment - were I to say: "Okay, the asset was worth \$100. We've now made provision for losses of \$50; therefore we're privately willing to sell it for \$50," when in fact somebody might come in and offer us \$60 for it, wouldn't you want to stand and reprimand me and hold me to account for the \$10 loss on the sale of that asset? Knowing the penetrating ability of the hon. member, he would do precisely that, and if I were in his shoes, I would do it as well.

I believe that as long as we can show to the Auditor General our statement of accounts, the statement of our investments, and how we view the status of those investments, and bundle them, as we have done, in various places in the books, and show him that we have made adequate provision for these write-offs, then I think we have gone the necessary distance to disclosing our vulnerability. Perhaps the Auditor General might want to comment on that. But it's my strong belief that to be more forthcoming with those details is to open ourselves and taxpayers to a reduction in the potential return on those assets.

When it comes, Madam Chairman, to accounting for investments or matters that we've done since June 15, I wouldn't hesitate and I have not hesitated in standing in this Assembly, in the likes of the Pacific Western Airlines, PWA Corp., Canadian Airlines International loan guarantee that was filed in this Assembly - the legal documents were filed in this Assembly. When it came to the Syncrude matter between the government and Murphy Oil, again not in this fiscal year, but as far as accountability is concerned, we filed the term sheet. It's never been done before in this Chamber. You are absolutely correct. Premier Klein's belief is and I believe

very strongly that when a company is willing to do business with the government, then the instrument through which we do that arrangement should be filed. It should see the light of day.

As for the hon. member's questions, he alluded to the outstanding commitments, one of which – let's be frank; it was mentioned in this Assembly before – is Consumers Paper. It's been a matter of some debate, and some useful information has come out of the *Medicine Hat News* that mentioned that during the election campaign. I know there's heat in an election campaign, but I found it interesting that the leader of the Liberal Party, when campaigning, said that he would support Consumers Paper. That is an example of an outstanding commitment that the hon. member asked in his question. Those are being reviewed, and quite properly. I can assure the hon. member that if there is a financial or a legal arrangement entered into with any of those people, a condition of that arrangement is that we will file that material in the House.

As for his question on the manual, the Auditor General has made that comment. The Financial Review Commission said we should de-emphasize the use of loans and guarantees and those kinds of instruments. We've accepted the Financial Review Commission's recommendations there. We are strongly de-emphasizing the use of those instruments, and as a result my hope is that such a manual will be required less and less and less. But as I said to the hon. member, I will consider his request.

MADAM CHAIRMAN: Does the Auditor General wish to make any comments?

MR. SALMON: Madam Chairman, the only thing I'd like to say would be to assure the committee that in reviewing the financial statements of the province and considering the provisions for losses and allowance for doubtful accounts and so forth, I as auditor and my staff are always assured, before I ever sign an opinion, that the allowances and provisions are adequate. Certainly it would be somewhat akin to someone auditing the auditor in relation to the financial statements sometimes if some of the background information were provided. Certainly I can give that assurance as an independent auditor not connected in any way, not being influenced in any way in what we do and of course coming with a public report, that the provisions are adequate for the particular year that we're talking about.

MADAM CHAIRMAN: Thank you.
Gary Friedel.

MR. FRIEDEL: Thank you, Madam Chairman. I'm referring to volume 2, page 2.122 of the public accounts. The estimates for the Pension Liability Funding is \$15.7 million, but the amount expended was only \$8.4 million. Given this figure, will the province be able to keep spending on the pension liabilities within this year's estimate? Would those figures indicate that?

MR. DINNING: Are you at 2.122? Madam Chairman, if I recall, this is a matter that relates to the extra costs associated with higher contribution rates and a surcharge to recover and begin to recapture the unfunded pension liability. If the question is whether we budgeted adequately for those costs, I believe we have. The intention at one point had been to have the contribution rate increases go into effect on April 1, but if I'm not mistaken, the legislation only was successful in the Assembly in May. So the new contribution rates and the increases in those rates took effect on August 1, and these changes were implemented to accommodate the various pension boards' requests. Yes, I believe we will

be able to adequately account for those costs and indeed those growing costs.

9:00

MADAM CHAIRMAN: A supplementary, Gary?

MR. FRIEDEL: Yes. Is the liability for the teachers' retirement fund included in that figure of \$15.7 million, and if it is, how much of it is accounted?

MR. DINNING: No, sir. I'd refer you, I believe, to page 2.46 of the same volume, where at 2.5.1 you see a contribution by the provincial government as, quote, employer in this case only, unquote, of some \$93 million and change in payments to the teachers' retirement fund. That is an obligation that goes back to the beginning of the TRF's time, that the government would pay the employer's contribution to the TRF. There's nothing new here. As well, the government as employer will also now pay the surcharge to overtake the unfunded liability, and you'll see that payment itemized in the public accounts when they're released this time next year.

MADAM CHAIRMAN: A final supplementary?

MR. FRIEDEL: Yes. The last question is: how much of that pension fund liability would be expended on Members of the Legislative Assembly pension plan?

MR. DINNING: If you refer to the consolidated statements at page 19 of volume 1, you see in item (c) the information there.

MADAM CHAIRMAN: Are you finished the answer, Mr. Minister?

MR. DINNING: Yes.

MADAM CHAIRMAN: Sorry; I thought you were looking for some further information. Thank you.
Sine Chadi.

MR. CHADI: Thank you, Madam Chairman. I'm wondering if the Provincial Treasurer wouldn't pass that note around.

MR. DINNING: Well, if you want, I'd happily read it. It's rather a chuckle. It relates to a conversation that I'd had with somebody in the last few days, and I'm sorry Mr. Percy isn't here anymore. It related to the use of financial instruments, particularly loan guarantees. A particular company had been in contact with my office in the last few days and was interested in investing in Alberta. You asked, so I'll tell you. He was looking for a loan guarantee to invest here, and it turns out that the only governments that were interested in talking with him and providing him with a loan guarantee were Liberal governments. That's why I was chuckling.

MR. CHADI: Okay. Suicide.

MR. DINNING: Well, since you asked, I had to. In the spirit of disclosure and forthcoming I wanted you to use your first question productively.

MR. CHADI: We needed a little humour in here. Since you wouldn't share the laughter from the last question, I thought maybe you'd just want to share it with us now.

Madam Chairman, with respect to my questions this morning, my questions are with regard to the Magnesium Company of Canada Ltd., MagCan as we've come to know it. This government has provided almost \$103 million in loan guarantees to this company, and we've been forced of course to take over this facility a couple of years ago. As a result, last year alone, with reference to the public accounts, we have paid as of March 31, 1993, in that year, \$27.8 million, almost \$28 million, and I would imagine this is for interest payments under this guarantee. There has been some talk of . . .

MADAM CHAIRMAN: Could you identify your references?

MR. CHADI: I'm referring within volume 2 to page 1.15. I'm sure it's quite clear to the Auditor General. He's gone to that page many, many times. Under Other Loans and Advances, Magnesium Company of Canada is in there, and it's the \$27.8 million I was referring to in that category. We've also received information that there was some sort of an arrangement or the province is looking at purchasing the technology to operate the plant from MagCan, the Magnesium International of Houston. We're not sure just where that's at as of now, but my question is to the Provincial Treasurer. Mr. Minister, can you advise us as to where we're at on the acquiring of this technology?

MR. DINNING: Madam Chairman, Mr. Kowalski could answer that question.

MR. CHADI: All right.

Then my question is with respect to Burns Fry and the market study that we apparently had them do on the Magnesium Company of Canada plant. In order to sell it, I would imagine we had them do some kind of an appraisal. Did we in fact get them to do that, and did we get them to appraise it on an as is basis and with the technology?

MR. DINNING: Madam Chairman, I wouldn't want Sine to exhaust all his questions. I'll simply say again that the Deputy Premier, in this case the Minister of Economic Development and Tourism, is responsible for that file. Clearly, what we have done in the public accounts – and quite properly you're asking the questions – is ensure that proper disclosure of the government's transactions relating to MagCan appear on page 20 of volume 1 and page 1.15 of volume 2. Quite properly you could ask questions of the Provincial Treasurer on absolutely every single financial transaction that appears in the public accounts, but the people who can give you the specific answers – they have the responsibility to account for those – are the individual ministers. I have a responsibility to ensure that they are adequately accounted for and disclosed, and the Auditor General is the hawk over our shoulder to ensure that we have done that.

MR. CHADI: Madam Chairman, I still have a supplementary question. I just want to get something clarified before I go one step further, and that is, clearly within vote 3.3, which is financed under the Treasury estimates and under the finance section – if we go to the finance branch and the Treasury annual report it says, and I quote: co-ordinates financial and policy analysis for government loans and guarantees and administers and monitors the resulting agreements, provides advice on economic development investments, and reviews and develops legislation concerning guarantees and policy investments. Now, if we administer and monitor the resulting agreements, I would suspect you should have an answer to some of these question, Mr. Treasurer. So, Madam

Chairman, could you please instruct the Treasurer to answer my question. If he doesn't know it, he should perhaps say, "I don't know."

MADAM CHAIRMAN: Hon. minister, as chairman I certainly would appreciate a clarification, because when the hon. minister of agriculture was before us, in a question that's documented in *Hansard*, he did not answer the question and said that that was within the jurisdiction of the Provincial Treasurer. So I think we as a Public Accounts Committee need to have an understanding from government who indeed is prepared to answer certain questions. I would ask the hon. minister at some point in time to refer to Public Accounts, October 20, 1993, page 70. It was with regards to Gainers. I believe the hon. member is following on that point that was made at that time. So we need some clarification.

9:10

MR. DINNING: Well, I'll give you clarification on Gainers, Madam Chairman. If a member has a question about Gainers, I will do my best to answer that question today, but I've made it clear that the minister responsible for Economic Development and Tourism is the person in charge of the Magnesium Company of Canada Ltd. file. He is the one who oversees the department. As he said in this Assembly, I believe this week, yesterday – it seems like years ago – he and his department are responsible for the discussions that are ongoing. The hon. member heard the question, maybe put the question. Somebody else put the question. You heard the answer yesterday. It was as memorable an occasion for me as it was for you perhaps, but you heard the hon. member attempt to answer the question. He said that he would get further information and would provide it to the Assembly. So having said that, having stood up as the minister responsible and accountable for MagCan, I don't understand why the member or why you, Madam Chairman, would want now the Treasurer to come and do a second guess or attempt to answer for a file that belongs to the Minister of Economic Development and Tourism.

MADAM CHAIRMAN: Thank you. Let us move on.

MR. LUND: A point of order. I think we're getting into this year's budget and proceedings, and I really have trouble with this. Where does what is currently happening today tie into the public accounts of 1992-93?

MR. CHADI: I'd like to respond to that, Madam Chairman.

MADAM CHAIRMAN: I don't want us to get into a procedural hassle. We've got a limited time, but certainly if you want the reference point, I will ask Sine Chadi to do that. Hopefully that will clarify it, and we'd move on. Sine.

MR. CHADI: It's well within 3.3 in the finance section of the Treasury estimates. I mean, it's quite clear there. We take it a step further. If you look at page 1.15 of volume 2, we have paid \$27 million, almost \$28 million in interest payments last year alone. That is, we're paying a million dollars a day. If that isn't of interest to this Public Accounts Committee, then, Madam Chairman, I think something is desperately wrong here. We have to deal . . .

MR. LUND: I'm sorry.

MADAM CHAIRMAN: Mr. Chadi has the floor. You asked for the point; he's making it. Then you will have the floor when he's finished.

MR. CHADI: We have a situation here where we have instructed or consulted with Burns Fry. We've probably paid them fees to give us appraisals, and those appraisals happened last year. I'm wondering how much did it appraise for? That's all that I ask.

MADAM CHAIRMAN: I don't want you – you've identified your reference point.

MR. CHADI: I'm going back to the Provincial Treasurer.
My third question, Madam Chairman.

MADAM CHAIRMAN: Sine, just a second, please. I would like now Mr. Lund to have the floor.

MR. LUND: I want him to clarify where he got in the book that we're spending a million dollars a day on interest. I can't find that.

MR. CHADI: I'm sorry. It's a million dollars per month, I said.

MR. LUND: No, you did not say per month. You said a day.

MR. CHADI: I meant a month.

MR. LUND: Oh, I'm sorry.

MADAM CHAIRMAN: I want some order, please. Order.
[interjections] Order.
Mr. Lund, you have the floor.

MR. LUND: Go ahead.

MADAM CHAIRMAN: I said you had the floor.

MR. LUND: Oh, I'm sorry.

If he thinks we're mind reading, I'm sorry; we are not mind readers. So he can go ahead, but I hope he's more explicit in what he says.

MADAM CHAIRMAN: Your final supplementary question.

MR. CHADI: Thank you, Madam Chairman.

MR. DINNING: He's had three.

MADAM CHAIRMAN: I beg your pardon?

MR. DINNING: He's had three.

MR. CHADI: No, no, no. That was only two. God, for a bean counter . . .

MADAM CHAIRMAN: Would you please address your questions through the chair. Your final supplementary.

MR. CHADI: It was back in February of 1993 when the Premier suggested that there were no active buyers, so therefore he'll reveal the financial statements of MagCan in the public accounts. Will the Treasurer, Madam Chairman, make a commitment to release these financial statements and all relevant documentation with respect to MagCan as of March 31, 1993, as indicated by the Premier?

MR. DINNING: I'm sorry. I missed the intent of the question.

MR. CHADI: Will the Treasurer commit to release the financial statements and the relevant documentation with respect to MagCan as of March 31, 1993? It was in February 1993 when the Premier made the commitment that he would.

MR. McFARLAND: Point of clarification, Madam Chairman, please.

With respect to the member, he references the Premier making a commitment in 1993. Would he clarify that the Premier is not the present Premier?

MR. CHADI: I'm sorry. Certainly in February 1993 there was only Premier Klein, and therefore . . .

MR. McFARLAND: I think you're referring to the former Premier. Madam Chairman, it is the former Premier, not the present Premier.

MR. CHADI: Madam Chairman, could I speak on this point of order then?

MADAM CHAIRMAN: Yes.

MR. CHADI: Okay; I'll refer to an article reported in the *Edmonton Journal*. It says that in the wake of the news that Premier Klein said Monday he would open up the books on both Northern Steel and Magnesium Company of Canada, two government-supported multimillion dollar losers . . .

MADAM CHAIRMAN: The point – and I think it's been made – was that the present Premier was the Premier on the date you're referring to.

MR. CHADI: Thank you.

MADAM CHAIRMAN: Let's tighten up the questions, please.

MS CALAHASEN: Madam Chairman, is it possible that we can refer to the Public Accounts rather than asking questions which I think are more relevant to question period? I'm not sure if this is relevant to the Public Accounts we're dealing with at this time, other than the fact that if it's recorded in there and you can prove to me . . .

MR. CHADI: Is this a point of order, Madam Chairman?

MADAM CHAIRMAN: As chair, if the question is referenced to the public accounts '92-93, I will allow the questions to be put to the hon. minister.

MS CALAHASEN: But I would like to know the point of reference, if at all possible, of where he's coming from.

MR. CHADI: The financial . . .

MS CALAHASEN: Which part of public accounts, please?

MADAM CHAIRMAN: He has made reference to that already.

MS CALAHASEN: Well, I'd like to hear again.

MR. CHADI: With reference to 1.15 and also with respect to the Public Accounts, volume 3, the financial statements of provincial agencies, Crown-controlled corporations, commercial enterprises,

et cetera. The financial statements are all recorded in here. Now, I'd be curious to know why we have one of the companies not recorded yet – we've got it recorded in volume 2, but we don't have financial statements here – when the Premier made it clear back in February 1993 that we would have it.

MR. DINNING: Madam Chairman, the Auditor General perhaps could comment on this. What the province discloses in its accounts are those entities which it controls by way of ownership, now 50 percent or more. In the case of Magnesium Company of Canada Ltd., that definition doesn't apply to them, because it is not a company that is owned by the provincial government.

MADAM CHAIRMAN: The Auditor General.

MR. SALMON: It's not a Crown-controlled organization.

MADAM CHAIRMAN: Thank you. Would you like to repeat the answer?

MR. SALMON: I said it's not a Crown-controlled organization.

MR. CHADI: It's a commercial enterprise, Auditor General.

MADAM CHAIRMAN: Barry McFarland.

MR. McFARLAND: Thank you, Madam Chairman. I'd like to go back and reference the second question that was asked today. It has relation to the 1991-1992 Auditor General's report. I guess the preamble is that I don't see a highlight on any manual, other than a reference made to it. My question has to do with the recommendation that's noted in the first paragraph by the Auditor General, and I'd like to read it:

I recommended that the Treasury Department specify the minimum information to be supplied by other departments to support specific loan guarantee proposals.

I noted that the reference to that recommendation is not included in the current year's Auditor General report. So the question I have, Madam Chairman, is: does that lack of reference mean that the recommendation has been fully complied with in this year's Public Accounts?

MADAM CHAIRMAN: Your question is to the Auditor General, Barry?

MR. McFARLAND: Right.

MR. SALMON: Madam Chairman, this particular page 32 of the Auditor General report is clarifying the position of the recommendation that was made in the 1990-91 report. This is our means of following through without repeating that recommendation on the basis of the action that had been taken by the Treasury Department. We just follow up from there without including the recommendation again. So this is sort of what we call a write-out of the old recommendation based on the procedures Treasury has taken into account, and we would follow that up by reviewing that manual when it is ready.

9:20

MADAM CHAIRMAN: Supplementary, Barry.

MR. McFARLAND: Thank you. To the Provincial Treasurer: does the Provincial Treasurer then believe that these changes are

sufficient to ensure full disclosure of loan guarantees? Or would he like to see more changes in coming years in public accounts?

MR. DINNING: Well, Madam Chairman, the hon. member raises a very good point, and it just comes down to a matter of disclosure. We have done our level best in a short period of time to bring about a greater disclosure of our financial situation. I go back to the Financial Review Commission, and I go back to the budget of May and September, the consolidated financial statements in September of this year and then volumes 2 and 3. I go back to the August 19 statement. I know what you're seeing is a greater degree of disclosure and accountability so that Albertans see sunshine in the public's finances.

As for ongoing or future loans or loan guarantees, we have said we're de-emphasizing their use. The Financial Review Commission strongly recommended that, and I believe you'll see a continued de-emphasis of their use. When we do any of those, they will be made public. That is a condition we have that Premier Klein has put on all financial transactions of those kinds. Now, to go back and roll back those previous agreements without consent – I would have trouble revising or reinventing the rules. We do our best where a request is made. Where we can seek mutual consent and mutual consent is agreed to, then that is made public. But I can assure the hon. member and this committee – all Albertans, indeed – that as we enter any future financial transactions, that material, that information must be made available publicly.

MADAM CHAIRMAN: Final supplementary, Barry.

MR. McFARLAND: While I still have mixed feelings on disclosure, I don't think there are many Albertans that would question the disclosure of loan guarantees and their particulars when it relates to large companies and multinationals. I leave it up to you to comment on my concern that the small businessman who has a loan guarantee subjects himself or herself to a witch hunt if everything's on the table and transparent. If somebody takes it upon themselves to investigate or go into the loan guarantee itself, then that person becomes subject to ridicule or public exposure, and in my opinion it can actually be a witch hunt.

MR. DINNING: The comment is an excellent one, Madam Chairman. It's a balance. I appreciate that if my daughter, when hopefully she goes to postsecondary education, applies for a student loan, all of her financial situation or mine couldn't be revealed any more than it already is. But I don't think that's fair perhaps for students. On the other hand, if a businessperson, a small or large business owner, chooses to do business with the government and take up the government's offer to provide export loan guarantee financing or any other kind, I think it's important that we have a debate as to whether the price of doing business with the government is a price of full disclosure. And they make a choice. Nobody – nobody – is forcing that person to come to the export loan guarantee program department door and has a gun to their back to do so. They make a choice. If they choose not to because disclosure may be required, again that's their choice.

I appreciate the hon. member's question, and I tend to agree with him when it comes down to personal: people with faces, families, mortgages, cats, and dogs. But I do think that in this day and age taxpayers are looking to us to be more accountable with their dollars which we put to use and potentially expose them to having to pay even more in the future.

MADAM CHAIRMAN: Thank you.
Debby Carlson.

MS CARLSON: Thank you, Madam Chairman. Public accounts, volume 3, page 2.70, note 4. Given the recommendations of the Financial Review Commission to provide greater public disclosure with respect to the risk attached to outstanding loans and loan guarantees, can the Treasurer provide this committee with the breakdown of the \$332 million loan portfolio outlined in note 4?

MR. DINNING: No, Madam Chairman.

MADAM CHAIRMAN: Will you be able to do it at a later date?

MS CARLSON: Okay. With regard to that matter, Mr. Minister, the Guidelines for Public Accounts Committees in Canada made a recommendation, recommendation 22, which says:

The Public Accounts Committee shall have the right of access to all financial information and other documents as it determines necessary for its investigations.

Given this, given that we have never complied with this recommendation in the past, and given your policy of an open and honest government, will you provide to this committee the management letters with regard to this matter?

MR. FRIEDEL: A point of order, Madam Chairman. We didn't hear the first part of the question. Could we ask the member to repeat the first part?

MADAM CHAIRMAN: Of the second question?

MR. FRIEDEL: Of the second question.

MADAM CHAIRMAN: Debby.

MS CARLSON: I said with reference to the first question I asked, as outlined in the Guidelines for Public Accounts Committees in Canada, recommendation 22 states:

The Public Accounts Committee shall have the right of access to all financial information and other documents as it determines necessary for its investigations.

I asked if the minister would provide the working papers from the Auditor General with regard to the matter I asked in my first question.

MR. FRIEDEL: A point of order, Madam Chairman. Are those binding guidelines on this Public Accounts Committee, or are they just recommendations?

MADAM CHAIRMAN: They're just recommendations. They're the recommendations that were circulated as chair from the Canadian council on public accounts, which I believe the previous chairman and representatives of public accounts Alberta did attend. We're part of that body.

Jocelyn.

MRS. BURGNER: A point of order. Just for clarification, Debby, did you ask for the working papers? Is that what you said?

MS CARLSON: Yes, I did.

MRS. BURGNER: I would like to just clarify it. It's my understanding that we're looking at these documents and these

figures, and I wasn't aware that we would have supplementary documents of working papers.

MADAM CHAIRMAN: The question is to the minister. If we could just allow the minister to answer, we may be able to move on in our business.

Hon. minister.

MR. DINNING: No, Madam Chairman.

MS CARLSON: I would like to state in reference to that that we are one of only two provinces in Canada who do not comply with that recommendation. Given that comment, then, I'll move on.

Again, volume 3, page 2.70. Given this government's commitment to greater disclosure, can the Treasurer provide to this committee a breakdown of the \$88.6 million provision for loss on the loan portfolio by RSA, MSA, which is the rural service area and the metropolitan service area. Go for three in a row, Jim.

MADAM CHAIRMAN: It was 2.17 in volume 3?

9:30

MR. DINNING: Madam Chairman, the short answer is no. The long answer is that I would refer the hon. member to my first opportunity to appear before this committee, in which I had a rather enjoyable exchange with Mr. Dalla-Longa on that very matter of management letters. I would also refer the hon. member to page 82 of the Auditor General's report on NovAtel Communications, wherein he states, "However, based on the information available, I believe an adequate allowance for loan losses has been made." I would simply leave it there, that that was stated then and I've heard nothing to the contrary since.

MADAM CHAIRMAN: Thank you, Mr. Minister.
Moe Amery.

MR. AMERY: Thank you, Madam Chairman. Mr. Minister, in volume 2, page 2.120, under Statutory Appropriations, the heading Grants shows overexpenditures of nearly \$170 million above an original estimate of \$50 million. What is the cause of that expenditure?

MR. DINNING: Grants. Of the \$169 million?

MR. AMERY: I think the original estimate was \$50 million. It went up to \$219 million, so an overexpenditure of about \$169 million.

MADAM CHAIRMAN: The chair would request that at the next Public Accounts if you could have page numbers, it would make it much easier for a reference point.

MR. DINNING: There are page numbers in the upper corners of the pages.

MR. AMERY: Page 2.120.

MADAM CHAIRMAN: Have you been able to find the quote?

MR. DINNING: Yes. I'm going to ask Mr. Peters to answer that question.

MR. PETERS: Well, the Grants line, which shows an authorized amount of \$50 million, an expenditure of \$219 million – the other line just below that . . .

MR. AMERY: That was my next question.

MR. PETERS: . . . shows an authorized amount of \$1.3 billion and an expended amount of \$1 billion. The Grants expenditure line includes about \$159 million for debt servicing costs for the capital fund, which was included in the Other line in the budget. It's a misallocation or a mismatching, if you like, of the line where the budget was provided as compared with the line where the expenditure was charged. But it's all within the same appropriation.

MR. AMERY: So the \$169 million is included in Other? That was my next question. What exactly are the other expenditures that fall under Other?

MR. DINNING: It's a matter of assigning the interest payable on the various types of debt, one being the general revenue fund overexpenditure and having to finance that, another on the capital fund interest costs. The bottom line washes out, but it's a matter, under Grants, that that grant was associated with the capital fund costs.

MR. AMERY: Thank you, Madam Chairman.

MADAM CHAIRMAN: Final supplementary?

MR. AMERY: No, that's fine. Thank you.

MADAM CHAIRMAN: Thank you.
Moving to Alice Hanson.

MS HANSON: Good morning, Mr. Minister. My reference is the ministry overview. It looks like this.

Since the Treasurer is responsible for the sale of North West Trust as well as Softco, which was set up to dispose of the assets of North West Trust, I'd appreciate the Treasurer answering a couple of questions in regard to North West Trust and Softco. Can the Treasurer give us any idea of who in the private sector has expressed any interest in the company as of March 31, '93? Because there has been talk of six or seven interested people or companies.

MR. DINNING: Madam Chairman, without the consent of those people who did express an interest, either by letter or by conversation, with the agent, I would think it inappropriate to speak on their behalf.

MS HANSON: Mr. Treasurer, I guess I worded that wrongly. I should have said "industries" rather than "people." I didn't intend to point to individuals.

MR. DINNING: As for the industries, there have been others involved in the financial institution business. Whether they are life insurance companies or other trust companies, it is those kinds of entities that have expressed interest.

MS HANSON: Thank you.

The reference for my supplementary question is volume 3, page 3.28, note 7. As well, there's another reference on page 3.34, note 3. Okay?

MR. DINNING: What was your second reference?

MS HANSON: Page 3.34, note 3. The question is: given that the government expects to sell North West Trust in the near future,

could the Treasurer tell us when and how North West Trust will redeem the \$44 million in class C preferred shares that are listed as tangible assets of Softco as of March 31, '93?

MR. DINNING: Madam Chairman, when North West Trust is sold, the terms of agreement, presumably the contractual agreement between North West Trust or ourselves and the purchaser of North West Trust, would address exactly how that is done. Without having an offer or a negotiated final contract to file in the Assembly today, I would be unable to say exactly how that's going to be done simply because no such contract or agreement has yet been made. But when it is, that information I would happily provide to the Assembly, as to how we're dealing with that matter.

MS HANSON: So it will be included in any contract. Thank you.

MR. FRIEDEL: A point of order, Madam Chairman. I would like to suggest that the last two questions have only the vaguest relationship to the public accounts. They're dealing with something that is speculated or might happen in the future, and I don't think these are fair questions.

MS HANSON: Madam Chairman, my references are from the public accounts as well as from the ministry overview, and it's very clear that Treasury is responsible for North West Trust and for the disposal of the assets of Softco. So I see a direct relationship.

MADAM CHAIRMAN: Continue, Alice.

MR. MAGNUS: On that same point of order, Madam Chairman, I suggest that the hon. member's asking a speculative question based on something that may or may not happen somewhere down the road. It's not connected to public accounts.

9:40

MADAM CHAIRMAN: I didn't see any difficulty with the minister answering it. If the minister objects to answering a question that's not related to public accounts, the chair will definitely rule. So I'd like us to move on.

Your final supplementary question.

MR. MAGNUS: Madam Chairman, I think the chair should rule on a question if it's not part of the public accounts to start with.

MADAM CHAIRMAN: I have ruled. I allowed the question to go forward because of the identification of the reference point. I ruled that it is in order.

MR. MAGNUS: I'd suggest you have a number of members of this committee that disagree with you.

MADAM CHAIRMAN: That could well be.
If you'd like to proceed.

MS HANSON: Thank you, Madam Chairman. Mr. Minister, could you explain to us why Softco declared a \$7.7 million actual impairment of value on property sold in '92-93 after budgeting for no impairment at the beginning of the year, despite the fact that \$27 million of assets were disposed of in '92-93? I'm sorry; I didn't give you the reference point there. It's volume 3, page 3.32. Would you like me to repeat the question?

MR. DINNING: No. If you'll allow me a little private consultation.

MS HANSON: I thought that since I hadn't given you the reference point first . . .

MR. DINNING: No. It's a number that I have some familiarity with.

What it is, Madam Chairman, is our estimate of the value of the assets. Goodness knows how those creative geniuses in the accounting business come up with some of these descriptors, but provision for impairment of the value of assets is simply a write-down of the value of assets. Having reviewed its portfolio throughout the year, at March 31 it was determined that the value of those assets had declined by some \$7.7 million. It would naturally be our hope at the time of the sale of those assets that we could recover some or all of that or more. Just in the interest of accounting on a conservative basis, you'd put those provisions in.

MADAM CHAIRMAN: Thank you, Mr. Minister.
Jocelyn, please.

MRS. BURGNER: Thank you, Madam Chairman. I'm going to preface my remarks with a little note to the chairman. There's no page, so I'm going to read it: Muriel, might I suggest that the mikes be turned up for our next meeting? The softness of early morning voices is disconcerting.

MADAM CHAIRMAN: It could be requested at any time. The young gentleman above the clock would certainly oblige.

MRS. BURGNER: Well, I just can't hear some of the comments that are being made.

Now, to get to the issue at hand, I'd like to talk on page 2.123, statement 2.18.4

MR. DINNING: Volume?

MRS. BURGNER: Volume 2.

MR. DINNING: Two point . . . ?

MRS. BURGNER: It has to do with . . .

MADAM CHAIRMAN: Could you repeat it, Jocelyn? The minister didn't hear.

MRS. BURGNER: Volume 2, page 2.123, statement 2.18.4.

MR. DINNING: Go.

MRS. BURGNER: Okay; we're on a roll here.

I just want to discuss the issue of the collection of previously written write-offs. You know, there's a suggestion there that there is an increase of about \$7 million in the collection of previously written accounts. My question has to do, first of all, with why it is that we would have in excess of \$7 million to collect on issues that we had previously written off. I guess there are two sides to it. One is that we weren't paying attention to our bad debts in the past, or perhaps we had simply viewed them as being uncollectible and for simplicity had just let them go by the boards. Perhaps now we're more aggressively pursuing some of these. So I'd like an understanding, first of all, of what had happened in this fiscal year. We'll go with that one first.

MR. DINNING: It's a good question, Madam Chairman. Specifically relating to this \$7 million, some time ago the Canadian Commercial Bank fell into a financial quagmire. Somehow it might have been related to an earlier policy in about 1980 related to the national energy program inspired by the Liberal Party of Canada. In this case we had written off any notion of getting a recovery from the liquidator of the Canadian Commercial Bank because we simply didn't think that in the interests of good conservative accounting we would get the money back. Through the good financial stewardship and penetrating efforts of those in the government, particularly in the Treasury, we were obviously able to convince the liquidator that \$7.4 million could in fact be recovered, and that is the reason why that number is as high as it is.

Again, it goes back to change in market conditions and a desire to be disclosing fully our financial situation. We write things off. If we believe that it's unlikely we're going to get them back or that it's unlikely they're going to be recovered, then we do write them off. But that doesn't stop – sort of don't then go to sleep and not act and work hard to recover those funds. We do. In this case and in other cases, hopefully, down the road, much like Alice was talking about Softco, we will be able to recover what we may have written off on the conservative accounting side. We may do that in the future, but it doesn't stop our efforts to recover.

MADAM CHAIRMAN: Supplementary, Jocelyn?

MRS. BURGNER: Yes. Thank you, Madam Chairman. Are we in a position to use private collection agencies to go after these outside bills, or do we do it ourselves?

MR. DINNING: Indeed we do. The efforts of the departments are strong, but sometimes in the case of the courts we're seeking what was thought to be unrecoverable or which is due to us. In the case of student loans, say, the department of advanced education and the Students Finance Board will do their level best and more to recover bad debts or payments or loans that have gone into default. They come to the point sooner or later where they say: "We've done all we can. We'll pass it to Treasury." Treasury will exhaust its efforts but usually go through a debt collector to try and track those dollars down. Sometimes we have to go into the far reaches of North America to track those people down, but if they owe money to the Crown, we don't let anybody off lightly. We try and make sure we get what's due to the taxpayer. Yes, we will use private agencies.

MRS. BURGNER: My final supplementary question. The nature of these write-offs: I think it would be important to know that certain areas are more negligent than other areas in terms of not paying, as you've described it, bills owed to the Crown. Yet I appreciate the fact that we don't work from working papers; we work from the documents that you've provided. Would you be able to elaborate, maybe, on where some of this \$7 million is coming from? Are we looking at back taxes? Are we looking at student loans? Are you being dumped on by certain departments that are negligent in collecting their own accounts? I think it's critical, relative to the accountability and the diligence with which we pursue our financial responsibilities, that the various ministries are aggressive about collecting unpaid bills. In this bulk number of \$7 million could you give us some breakdown as to who are the offenders and what areas? I think that's good information for us to have.

9:50

MR. DINNING: Yes. My recollection, Madam Chairman, is that a lot of this would be in the area of student loans, that the recoveries are shown there. In this case it was, I think, an unusual year in our recovery of this \$7.4 million from the liquidator of CCB. It is a pool of recoveries from 16 government departments in this case. I think specifically of student finance, and I am reminded that Jack Ady is reviewing the whole student finance area and is considering other ways – hopefully more effective ways is what he wants to achieve – of not only providing adequate student finance but also recovering that which is due to the Crown. This particular number, other than the \$7.4 million, is a basket of recoveries.

MADAM CHAIRMAN: Thank you, Mr. Minister.
Frank Bruseker.

MR. BRUSEKER: Thank you, Madam Chairman. I'd like to draw the minister's attention to volume 3 of the public accounts, page 2.70. Just by way of suggestion to the Auditor General and perhaps the Treasurer, given this new accountability and opening, maybe we should change it to red ink in the book instead of black for future editions.

I'm looking at note 4 in particular. I'd like to follow up on the question asked by my colleague to my left here regarding the \$332 million loan portfolio. Her question regarded the distribution of that, and the minister's response was no. Following up on that, I'd like to know if the minister's refusal to provide a breakdown on where that money has gone is a case of he can't or he won't provide that information.

MR. DINNING: Madam Chairman, it is much like other questions that the member has asked in the Assembly under questions or Motions for Returns and is asking for specific details, specific agreements, specifics that we have debated and even had the bells ring over. Having entered into confidentiality agreements, unless there's a mutual consent, we don't believe that it's proper to break those confidentiality agreements. In the case of future obligations that the government would enter into, as I mentioned earlier, it would be our intention, as it has been since the first of the year, to disclose that information in the Assembly.

Again I would refer the member to page 82 of the Auditor General's report where the Auditor General, having had the responsibility to do a thorough review of NovAtel Communications Ltd., did so and came to the conclusion at the bottom of page 82 that "an adequate allowance for loan losses has been made" and, in reviewing the accounts thereof on the very page that the member is referring to, has once again presumably reviewed that again and found it complete.

MR. BRUSEKER: Well, the reason I prefaced my first question on the last one is because I'd like now to turn to note 10 on the very next page, 2.71. I suspect I will get the same response. With respect to the minister I have no feeling of obligation whatsoever to any U.S. corporation regarding expenditures made by the Alberta taxpayer, so I respectfully disagree. However, in note 10 contractual funding commitments are \$29 million as of December 31, 1992. I'm wondering if the minister can or will provide information as to the breakdown of what, if any, of those funds have been advanced as indicated by that particular note.

MR. DINNING: No, Madam Chairman. If you look on page 78 of the Auditor General's report, I think he has addressed that matter there.

MR. BRUSEKER: Well, I guess we might as well try one more shot then.

Further in note 10 it says that financial commitment letters are outstanding in the amount of \$5.561 million. I wonder if the Treasurer can provide a breakdown as to where that money went.

MR. DINNING: Again, Madam Chairman, I would refer the hon. member to page 78 of the Auditor General's report.

MADAM CHAIRMAN: Thank you, hon. minister.
Ty Lund.

MR. LUND: Thank you, Madam Chairman. In public accounts, volume 2, on page 2.117 I notice a number of transfers: in votes 1, 3.5, 5, and so forth. Could the minister give some insight into what was going on there? Why all these transfers, and where'd they go?

MADAM CHAIRMAN: We've just under five minutes, hon. minister.

MR. DINNING: Are you referring to 2.117 and the transfer of . . .

MR. LUND: It's on page 2.117.

MR. DINNING: Oh, I see.

Madam Chairman, they would primarily refer to the amalgamation of the department of Treasury with the department of consumer and corporate affairs and the Alberta Securities Commission. For instance, in the case of the regulation of financial institutions that would now include insurance. Insurance would now be housed within the department of Treasury, whereas at the start of the fiscal year it was not. The same is true with the Securities Commission. So it's primarily associated with that.

As well, I am reminded that there were a number of payments associated with the early voluntary options program. In order to make these payments, the Financial Administration Act allows for intervote transfers. It was done under that authority. Jim has reminded me that a number of them were associated with the early voluntary options program.

MR. LUND: I'd like a little more specific answer on 3.8. We see there where we have an estimate of \$824,100. There was some \$250,000 transferred out and then the authorization of \$274,100, but we find that there's still some \$216,083 that wasn't expended. Could you elaborate on what on Earth that would all be about, please?

MR. DINNING: I will provide that information to the hon. member. I don't have that information at hand.

MADAM CHAIRMAN: Could you provide it through the chair, hon. minister, so that all members get it?

MR. DINNING: Yes.

MADAM CHAIRMAN: As we're running out of time, do you wish to still put a final supplementary, Ty?

MR. LUND: No, that's fine. Thank you, Madam Chairman.

MADAM CHAIRMAN: I'd thank the minister and staff for appearing before us.

Is there anything under Other Business before I mention next week's meeting? If not, the Minister of Municipal Affairs will be appearing before us on Wednesday the 10th.

[The committee adjourned at 9:59 a.m.]