

Standing Committee on Public Accounts

Wednesday, June 1, 1983

Chairman: Mr. Martin

10 a.m.

MR. CHAIRMAN: If we could, I'd like to bring the meeting to order. First of all, are there any errors or omissions in the minutes as circulated?

MR. GOGO: Were they circulated, Mr. Chairman? I have trouble finding them.

MR. CHAIRMAN: They were circulated. Would someone like to move adoption of the minutes? It's been so moved. All those in favor of adopting the minutes say aye. Opposed, nay. It's carried.

I'd like to thank our guests for coming again. It's a nice Wednesday morning. I would just remind people -- I had to be reminded -- that the oath you took before is still applicable for this session.

I would ask Mr. Adair if he wants to make any quick opening remarks before we continue on the speakers' list.

MR. ADAIR: No.

MR. CHAIRMAN: I'll go right to the speakers' list then, and the next person is Mr. Campbell.

MR. CAMPBELL: Thank you very much, Mr. Chairman. I was just wondering in regard to the western area destination study -- of course you had to kick off at Rocky Mountain House. Just what has progressed since that time?

MR. ADAIR: Mr. Chairman, the destination area study program involves a number of areas throughout the province, one of which was the west-central Alberta study, which was released some time ago in Rocky Mountain House. The procedure that usually follows that, and in this case has occurred, is that they set up some open houses that officials will go down to. They invite the chambers and any interested persons, the tourist associations and the likes of those, to participate in a discussion about the study and whether in the minds of those who would be attending there are any points that may have been missed or areas that may need to be expanded.

That would then be correlated and they would come back with what appears basically to be the base document that involves the recommendations of the study, which I should again reiterate are not necessarily government policy. They are recommendations of the consultants, and we can accept or reject all or part of those recommendations.

They would then take that added information to, say, that tourist zone, through the tourist zone to the consultants, and put together a base document that will lead us to what might be called the first discussion plan. In other words, from there they would go back to the various departments of government, because obviously to some degree they are affected -- Transportation relative to roads, Energy and Natural Resources relative to Crown lands in the area, Environment to water bodies and the likes of that, and other areas too -- just to inform them that this is what is coming and do they have any concerns; if they do, what they are. They can then start the process beyond that of going to phase two somewhere down the road.

We haven't reached phase two with any of the studies proposed. We are trying to get the total inventory for the province in place and this year are

working on completion of a study in the evergreen zone, doing one on the Mackenzie Highway -- the midnight/twilight Mighty Peace Tourist Association.

I'm going to have to look at Mr. McDonald; I believe we're completing one other in the south.

MR. McDONALD: Mr. Chairman, we are completing one in east-central Alberta.

MR. PAPROSKI: Mr. Chairman, my question is to Mr. Parker and again flows from the question I asked last week about Edmonton and Calgary. My question deals specifically with the thousands of inquiries, that you referred to last week, that AOC receives annually. I believe that number is very important, and I would like you please to qualify these numbers; in other words, do you in any way document or classify these inquiries across the province?

MR. PARKER: We don't have them in our statistical report. There are varying types of inquiries, from the casual phone call where someone phones wondering what we do and how we can help them, which is dealt with over the phone in a five-minute conversation, to a visit to one of our offices where it can go from 10 minutes to an hour. Where we have a face-to-face meeting, we have written reports of what was discussed so that there is a record for any future discussions, should there be a follow-up to that inquiry. But as far as the number per branch, per month, I think it is available but we don't publish it in our statistics.

MR. PAPROSKI: A supplementary, Mr. Chairman, specifically about the Edmonton inquiries. Would you classify these in any way to see the trends from the requests from Edmonton citizens? For example, how many of these inquiries deal with refinancing, how many with new businesses, how many with renovations to property, and how many deal with other areas that don't fit into any other categories? Would you have that kind of information?

MR. PARKER: No, we don't. We have that kind of information in regard to specific loan applications. But as far as breaking down inquiries, in our view it would be a considerable amount of time and effort required for uncertain returns.

MR. PAPROSKI: A final supplementary, Mr. Chairman. I'm disappointed in that, because I sincerely believe that AOC should have and indeed does have the pulse of the economy in this province. I think the fact that you alluded to thousands of inquiries a year means that people are asking for some type of assistance. I would ask that if possible in the future, the value of the calls and the letters you receive somehow be documented, because I think it's important, not only to the citizens of Edmonton but across the province, as to where there is a need. I remember you mentioning last week that the reason Edmonton and Calgary have such a small amount is because of there are other lending institutions and other avenues, and that's fair ball. But I think it would be a tremendous asset to all of us as MLAs to understand where the major inquiries are coming from as of 1983-84, 1984-85, or 1985-86. That's my opinion, sir.

MR. PARKER: First of all, I think we do have a finger on the pulse of the small business community in that even though we don't sit down and document how many from this and how many from that, we do know for instance that over the past two years there's been a significant upsurge in requirement for refinancing. There is always a large portion looking for retail inventory financing assistance. When the changes occur, in our regular management

meetings we in senior management, who aren't on the firing line, are kept informed by our branch managers as to the trends that are going on.

As a result of this, the refinancing policy, which I think we first put into effect in November 1979, reflected the flow from our branches of a new requirement. We have refined that to the point of our policy today, which has resulted in a significant percentage of total dollars approved last year. Had we not done this, and maintained our previous policy of not being involved in refinancing, that would have been an area of support for the business community which would not have been available.

MR. NOTLEY: Mr. Chairman, I'd like to direct Mr. Parker back to questions last week with respect to loaning policies, using Ram as an example. What is the general philosophy of the Alberta Opportunity Company in terms of the emphasis one places on saving companies from going under? I say that, Mr. Parker, because the chief executive officer of Ram has been quoted in a couple of reports, on November 2 and October 30, as indicating that the Alberta government loan through AOC saved Ram from going under. What is the policy of the AOC with respect to what you might call bailouts?

MR. PARKER: That is the basis of our refinancing policy, which I think I outlined at the last meeting. Obviously when you're refinancing and a business is in difficulty, it is a high-risk situation. We have to look at it from the point of view that with the existing financing in place, as things stand the business appears to be in jeopardy and its chances for medium-term survival are limited or uncertain, but with our financing there is a reasonable possibility that it can continue to operate. By that we mean operate at break even or better, so that in the medium to long term it will be able to survive and stay in existence. That is the policy for attempting to save existing businesses in difficulty.

MR. NOTLEY: My first supplementary, Mr. Chairman. Would you agree then, Mr. Parker, with comments attributed to Mr. Peckham that, had AOC not authorized the \$8 million loan, Ram in fact would have gone under last fall?

MR. PARKER: I don't know whether it would have gone under last fall or not. It would depend on what sources of financing were available to it. At that time it appeared that they were few and far between, if available at all, other than ourselves. But I couldn't put a time frame on whether or not they would have gone under.

MR. NOTLEY: My second supplementary question in this round would be with respect to page 10 of the Alberta Opportunity Company statement, where we outline the types of authorizations. What would you classify Ram? It's hardly a new business, it didn't expand an existing business, and it wasn't a purchase of an existing business. How would you categorize that with respect to the purpose of the authorizations listed on page 10 of the Alberta Opportunity Company report?

MR. PARKER: I think I indicated last week that all these refinancings were included in the middle section, to expand existing businesses. We have used the three levels in this categorization since we were established. Quite frankly, at the time of getting into the refinancing, this aspect of our annual report wasn't thought of and, as a result, this is what has transpired.

MR. ADAIR: Mr. Chairman, I might add to that, if I can. That is the category Mr. Parker explained last week that it fitted under, and that's in the minutes of last week. But the other one was that some time ago, when we as a

government saw that there was some need to consider possible refinancing in some areas -- keeping in mind that the Alberta Opportunity Company is a lender of last resort -- we asked AOC to consider refinancing, based on the ability to repay. I think the word that was used by the hon. member was "bailout". That in no way was the request for refinancing. It was to assist a business that may be having some difficulty because of high interest rates or whatever the case may be. If AOC were to consider an application that took into consideration the points relative to a possible lower rate, the ability to have some fixed term, and all of those other factors, and that the company, whoever the company may be, had the ability to repay that loan, they would consider refinancing in that manner. They would also take into consideration the competitive factor of the business, wherever that business was located.

In essence, it's an expansion of point two, to expand an existing business. The word we started to use then -- and that I have used publicly on quite a number of occasions -- was to create an atmosphere of survival, where we were interested in assisting, for a short period of time, those businesses that were in fact in place in the province, possibly to a greater extent than new businesses, because the ones that were in business were experiencing difficulties across the province -- not every one, but some of them were. That was the kind of request that we were getting consistently from the private sector.

MR. STROMBERG: Mr. Chairman, to the minister. I believe that the majority of your loans are for a 10-year period. Is that correct? Or are all of them for a 10-year period?

MR. ADAIR: Mr. Chairman, I'll get Mr. Parker to expand on it. But generally they are now a five-year term, amortized generally over 15 years.

MR. PARKER: To a degree. The term can be up to five years, depending on the purpose the money is being put to. If it's for working capital, then it would likely be two or three years. If it's for machinery and equipment, normally the amortization period would be five to seven years. So the term would be five, and it can be up to 15, and on the odd occasion more, for the amortization period, but never longer than a five-year term. At the end of that term, we review the situation. In most cases, it is renewed for up to another five years, based upon the current interest rate at that time.

The purpose of the five years is to give a five-year, no-change interest rate -- it's not a floating rate -- so you can do your business planning for up to a five-year period. If there is a sharp drop or a sharp increase in interest rates over that time, you are going to have that reflected in your next five-year term. Obviously at that time, if you can get your money elsewhere, then you pay us out and go to your bank or whoever.

MR. STROMBERG: Thank you.

MR. McPHERSON: Your response to that last question, Mr. Parker, has prompted a question. I am concerned about asking it, because I want to ask a question about Ram Steel, with three supplementals. Can I ask three questions?

MR. CHAIRMAN: It will be better if I come back to you. I'll put you down on the list again. So take one train of thought to begin with.

MR. McPHERSON: The first question I had, just based on the Member for Camrose's, is: Mr. Parker, will the AOC put itself in a position or will it consider refinancing its own loans? In a situation where a company has an AOC

loan of, let's say, a year and a half dated back, would the AOC consider refinancing that loan on a different term or interest rate?

MR. PARKER: In a case like this, you're looking at a business that is in difficulty if it can't meet its existing repayment terms. We would consider several options. One could be a postponement of principal payments for a six-month period or a number of six-month periods. We can only postpone payments for six months at a time, but we can to a maximum of 30 months. So it would be a kind of continuing process if required.

MR. SZWENDER: Mr. Chairman, on a point of order. I take great offence with uninvited guests coming on the floor of the Assembly. This is a privileged area that I think should be restricted to elected members and their guests. I think you should enforce that decorum of the Assembly.

MR. CHAIRMAN: I stand to be corrected, but it's my understanding on Public Accounts that you can have people bring material in as long as they're not sitting. That has been the tradition in the past, to my understanding at least.

MR. NOTLEY: Mr. Chairman, on the point of order. We have discussed this, not in Public Accounts but in heritage trust fund committee. We don't have a page system, so the agreement we had in heritage trust fund committee was that while assistants would not be able to sit on the floor and advise members, there would be a way of getting messages in and out. It seems to me that's perfectly consistent with that. I don't know how else we're going to do it, unless we're going to arrange to have a page system set up.

MR. CHAIRMAN: That was my understanding.
Were we finished on the first supplementary?

MR. PARKER: No, I was cut off in midstream. We have the system of postponing payments, which hopefully will satisfy the requirements. On other occasions, for whatever the reason, we can look at extending the amortization period if it appears the business can be saved by changing the amortization period from, say, four years to seven years and thus lower the monthly payment; we will do that.

As far as changing interest rates are concerned, we would not either raise or lower the interest rate of an existing customer. The only time something like that could be considered would be if you have a small balance left and you're getting a new loan at a different interest rate. What we would likely do would be to provide you with a loan -- say you wanted \$100,000, and you had \$10,000 owing on the last -- of \$100,000 so you'd only have one loan. That could conceivably change the interest rate on the existing one. But according to our Act, we do not raise or lower the interest rates on loans once they're taken up. There's one minor exception to that, and that is if at the time of authorization but before acceptance, between those two periods of time, there is a change in interest rates -- if our interest rate goes down, then we give you, the customer, the benefit of that lower interest rate.

MR. McPHERSON: Mr. Chairman, a supplemental. Yes, I can appreciate that, because no doubt once the loan is consummated you've made commitments on the money and the interest rate must stand. But I'm interested and pleased to hear that you'll consider postponement of payments and extension of the amortization period. Would a client make a request for this type of arrangement through the general regional office, or would he go directly to the head office of AOC? What would be the procedure?

MR. PARKER: The procedure would be for him to talk to his loans officer. We have, I think, 31 loans officers on staff around the province, and each of them has a specific number of accounts he has to administer. They are in continuing contact, not on a weekly or monthly basis necessarily, but certainly at least once a year and sometimes more often when we get financial statements in, that we review to see how the business is doing. Obviously, if someone is either late in payments or isn't making payments, we get in touch with them to see what the problem is. As often as not it can be the loans officer who says, hey, look, you've got a problem here; it may be short term or longer, but it appears that one of the ways to solve the problem is to change your repayment terms in some manner, which in conjunction with other sound business practices, may result in saving your business.

So the recommendation will come from the loans officer to his manager and to whatever the authorizing level is for approval. As I say, it can be either the applicant, the customer, or the loans officer who makes the recommendation.

MR. R. MOORE: Mr. Chairman, seeing AOC is a lending institution of last resort, it's always been a concern to me that other financial institutions shy away from providing the finance that you do. Where do we stand on the loss ratio? What is the actual risk factor we are taking? What have been the end results? We know it's a high-risk situation we go into.

MR. PARKER: You can look at it from several points of view. First of all, our allowance for doubtful accounts, which we set at 8 per cent, is significantly higher than other lending agencies. Our write-offs to date have been, I think, somewhere between 5 and 6 per cent of the total funds we have disbursed. This compares to chartered banks, which generally have a loss ratio of between a quarter and a half of 1 per cent. So we do have a significantly higher allowance for doubtful accounts and a significantly higher write-off level. This varies from year to year, from one economic condition to another. As a high-risk lender, a lender of last resort, that's part of the game. It's expected. If we were having much lower loss ratios, I think we would not be doing the job we were set out to do.

MR. R. MOORE: A supplementary, Mr. Chairman. In the last few years, what has the increase been? I take it that with our economic downturn, there must be an increase, or is there an increase actually?

MR. PARKER: Yes, there has been. That is shown in our actual bad debt write-offs. The allowance, as you likely are aware, is set aside for future losses, but as of the end of the most recent fiscal year I think we were between \$13 million and \$16 million that we had written off. Of that, I would say \$7 million or \$8 million of it has been written off in the past three years, which is the period in which the difficult economic circumstances have come to plague us.

MR. R. MOORE: A supplementary, Mr. Chairman. On these losses and arrears, how much time do you give them in arrears before you calculate them as a loss?

MR. PARKER: They're not written off until we've gotten to the point where the assets have been sold and all our security remedies have been followed up. Then, if there's a shortfall between what we were owed and what we collected in the sale of the assets, you get to the write-off stage.

As far as the period of time we allow someone to get into arrears, it varies from account to account. For example, we'll sometimes find a situation where the business is up to date, it hasn't missed a payment, and all of a sudden,

one day we find out they've shut their doors and gone away. Then we appoint a receiver or immediately take whatever legal action.

For example, there are several businesses in the lumber industry that have been in very difficult times over the past three to four years. They have gotten in arrears, maybe one, two, two and a half years; they're that far behind in their payments. But we know that when the industry turns around, they will make some significant profits and they can reduce those arrears very rapidly. It would really be to no one's benefit for us to go out, when the industry is in the pits, liquidate them, and destroy what is potentially a viable business. Those are kind of the two extremes. It ranges in between.

MR. NOTLEY: Mr. Chairman, Mr. Parker, I have two market reports, one dated February 28 by Ram Steel, another one January 1982. If we could have someone pass these across the way, if you have an opportunity to peruse them. My question first of all would be whether or not in the preliminary assessment by the Alberta Opportunity Company before the company requested the Woods, Gordon feasibility study, this information was reviewed by the AOC.

MR. PARKER: I believe we did have these provided to us. I think they were the ones I referred to last week. Again I would have to go through our files to make sure that these are the same as what we have on file. But as I said last week, if these are the ones they were not considered in our assessment of the situation, because we felt that significant time had passed since they had been drawn up, and I'm not exactly sure of the purpose for which they were drawn up. We relied on the Woods, Gordon report, that we commissioned at our full and complete expense, along with our own individual investigations by our staff, for the judgment and recommendations we made.

MR. NOTLEY: My first supplementary question, Mr. Parker. I certainly don't pretend to be an expert in the steel industry. You mentioned two reports last week. Presumably these are the same reports, but we'll let you check that out. I looked them over, and they seem to be pretty superficial documents. From your evaluation of these reports, would you consider them credible reports for a major concern to put out?

MR. PARKER: That's a pretty difficult question to answer. The reports I saw I think indicated significantly strong markets and significantly high profits forecast for the business. At the time we looked at their proposal, the market had changed considerably. As a result, we disregarded these and took no credence in them. We attempted to get from the private sector good and valid information from dispassionate third parties who really had nothing to gain from the report other than to maintain their own credibility.

MR. NOTLEY: There's another set of questions I have on these reports, but I want to sort of get some indication of AOC's assessment process. The January report, for example, has one set of estimates as to capital expenditures by industry over the next five years, at \$24 billion; then that's crossed out and we have \$10 billion. It struck me in reviewing this information that whoever did it was doing it basically on the back of an envelope. I wonder to what extent this kind of what I would think superficial report would have created difficulties for the proponents of Ram in getting loans from credible lending institutions.

MR. PARKER: Again, it depends on when the information was drawn together and what their assessment of the market was. Obviously, a severe contraction did take place during this period of time. It may have been that they were kind of after the fact recognizing the situation which had snuck up on them.

However, as I say, we didn't look at these and consider them in our assessment of the proposal. As a result, they played no basis in the decisions and recommendations we made. We looked at the situation independently, on our own.

MR. CLARK: Mr. Chairman, to Mr. Parker. Again, it's on Ram Steel. Were there any stipulations placed on the loan that was authorized, or has the money been actually put into the company yet? Are there any stipulations the company must meet before the money is actually transferred?

MR. PARKER: With all loans, there are terms and conditions involved. The funds were totally disbursed January 12, 13, or 14 -- sometime in there. By that time, the conditions in the loan terms had been met.

MR. CLARK: A supplementary on a little different topic. I guess one of the complaints I've received from my constituents on AOC is the length of time it takes and the amount of work a person is required to do to receive a loan through AOC. I wonder if you could give us what you thought was an approximate time that it takes to get an average loan through -- say, one of the larger loans -- and what is required from AOC.

MR. PARKER: There are two dates we have to be concerned about: first is the approval date and second is the disbursement of funds, the date or dates they take place. In regard to the approval date for a large loan -- if you're talking of \$1 million or more, that means it has to be reviewed and written up by a loans officer, reviewed by his manager, go to our management loans committee in Ponoka for its review and, if things are successful, ultimate recommendation; then on to our board of directors and, if it finds things satisfactory, then on to the Lieutenant Governor in Council. Obviously, the larger the loan, the more concerned we are in the detail that we will go into in writing up the loan report because there is a significantly greater amount of money at risk.

To begin writing up the loan report, we require a reasonable amount of information: firm costs on buildings, equipment, and so on; projections; financial statements; details of the shareholders, what their holdings are, and so on. Until such time as the applicants provide this, we're in a difficult position. We can't complete that loan report because the information is required for us to make our decision. In some cases, there are individuals who think oh, they're just government people, we won't worry about them; we'll give them what we want, and they'll go on about their business. This isn't the way we work. If you're going to get the funds, you have to provide sufficient information for us on which to make the decision. Then of course we do our investigation beyond that.

Once that information is available, it generally takes from one to three weeks to have the loan report written up, depending on what further investigation has to be done. It comes to the loans committee, which meets weekly. But if there is an urgent situation, we can kind of meet instantly, because the bulk of the people are in Ponoka. We'll just call them together to our board room and, after having reviewed the proposal, discuss it. Our board of directors meets twice a month. So it goes to the next board meeting.

Once that is done and assuming it's recommended, then a submission is prepared. It goes to the Lieutenant Governor in Council. Certainly the vast majority of ones we have put forward have been dealt with quite promptly. But it could take, on average, from one to two months for a large loan to reach the point where it's recommended to the Lieutenant Governor in Council. If in the meantime there are questions raised by the loans committee or the board of directors requiring more information, then that would extend the period.

I'm not sure if I answered everything.

MR. CLARK: Mr. Chairman, there have been loans authorized -- I'm under the understanding of this, anyway -- that have never been loaned to the company. Is that true?

MR. PARKER: That have never been disbursed? Yes, that's quite true. There are terms and conditions required. For instance, if we're going to provide \$1 million and the shareholders are to put in \$400,000, until such time as their money is in we will not disburse our funds because we have to be sure that the program can be completely financed. It would be a very difficult situation to find ourselves in if we disbursed our funds and then the shareholders said, oh, by the way, we only have \$100,000; you'd better provide us with another \$300,000. The whole situation would be changed in that it would be doubtful that the business would have the ability to pay it.

Another situation -- and there's certainly one that comes to mind -- is that you get halfway into the project and, for whatever reason, there are significant cost overruns. One of the things we tell the individuals who have the ownership of the business is that if you have cost overruns before the project is completed and we find out about it -- and generally we do -- then we will not disburse any more funds until you show us where those additional funds are coming from. Sometimes we will provide the additional funds, sometimes a portion of it, and sometimes none of it. It depends on the ability of the business, in our estimation, to service the debt they have taken on and the additional debt they may require. So this can delay things quite a bit.

But if they meet the loan terms, if they stay within the project budget, then we'll provide the funds and disburse very promptly. Most of our funds are disbursed, I think, pretty quickly.

MR. McPHERSON: Mr. Chairman, to the minister, Mr. Parker, or whoever. On the concept of terms and conditions of a loan, I've seen it reported that in light of Stelco's presence with Ram -- I think they have a 33 per cent interest in the company. In light of the fact that they're an eastern company -- and it's also reported, I think, that they have an option to purchase the majority interest of the company. I don't want to get into the commercially confidential part of it, but does the AOC have an agreement under the terms and conditions that Stelco would buy out the AOC loan or would have to refinance or guarantee the loan in the event of a purchase by Stelco of Ram Steel?

MR. PARKER: I don't feel comfortable going into the terms and conditions of this or any other loan, because I think they are confidential between ourselves and the applicant. However, I would point out that the maximum term of any loan is five years. So if, for instance, Stelco obtained 100 per cent interest in Ram Steel two years from now, then you're looking at two and a half years to go before the term is up. If it was felt appropriate at that time not to renew the loan, then everything would be due. This is one of the benefits, especially when you're dealing in larger loans or where you're in a position -- we don't have it particularly with Ram, but with many businesses -- whereby the business changes hands at a certain period of time during our loan. When you have a five-year term, if the new people are not appropriate or there is something that we feel is detrimental, then we have the right not to renew at the end of five years, although we expect it to be very few and far between where we do this.

MR. McPHERSON: A supplementary on that point. It seems to me that the fact that Ram is located in Red Deer, in central Alberta -- I firmly believe that it's presence will continue to be there under one ownership or another. It's a fine operation and has terrific potential in the long term. But in consideration of the loan -- and it's been mentioned that a number of documents were reviewed. There were originally some documents by Ram Steel which, I understand, have really not been the basis of consideration of the loan. In the original prospectus of the company, I think there was a land value placed at \$1.2 million which, after rezoning, became \$3.7 million. Were those numbers known to the AOC at the time of the loan?

MR. PARKER: This is kind of a ticklish situation. What I will say is that we did not value the land at any appraised value. The land was valued at the price that Ram purchased it at from the third party at the time it was originally acquired. That is public record in the government files. But I don't feel that it's appropriate for me to say what any particular item was valued at -- whether it be land, buildings, equipment, or so on -- because that's the company's own private records, that I don't think should be made public.

MR. NOTLEY: Mr. Chairman, I want to come back to the report in just a moment. But I was intrigued with one of the questions that Mr. McPherson asked. I take it from your answer, Mr. Parker, that the value of the land was at \$1.2 million rather than the rezoned value of \$3.5 million.

MR. PARKER: That's the figure that's shown in the land titles, and that's the value.

MR. NOTLEY: Mr. Chairman, I'll come back a little while later to this other set of questions. Hopefully, of course, Ram Steel will be able to pull through. Should it not, however, where does our \$8 million stand? Where are we in terms of creditors?

MR. PARKER: Again this is, I guess, public record. There are debentures registered in various offices. Our security is subject to a prior charge by the Canadian Commercial Bank of \$9 million.

MR. NOTLEY: So the Canadian Commercial Bank would come ahead of us at this stage. In terms of the resale value, do we have any figures at all of the basic assets? There have been different figures. I've had figures attributed to Mr. Peckham and different figures that have been cited publicly. Do we have any information on that?

MR. PARKER: Of course, the proof of the pudding is in the eating. If, as, and when the assets have to be sold -- and I'm not convinced they will have to be sold -- then that would be determined at that time. But it is our view that we have suitable security.

MR. NOTLEY: For the full . . .

MR. CHAIRMAN: I'm sorry, that's three supplementaries.

MR. R. MOORE: Mr. Parker, I am wondering what your working relationship is with other government loaning agencies like ADC, in regard to, say, double financing, where they receive money from one agency and use it as an equity base to go to another agency. How closely is this monitored? How is your working relationship in this area?

MR. PARKER: We have a very good working relationship. We don't always agree, but I think we have an excellent working relationship between us at all levels of AOC and AADC. At one point in time, there were businesses in Alberta that had loans from both AOC and AADC. However, two or three years ago -- I'm not sure of the exact date -- it was determined that this should cease. Then at one point in time, the bulk of the ones where there was double borrowing which related to agriculture or agribusinesses were taken over by AADC. There may be one or two minor ones left of no significance, but the overwhelming majority were taken over by AADC. We have continued to studiously avoid having AOC make loans to AADC customers and vice versa.

MR. R. MOORE: A supplementary, Mr. Chairman. I've had statements from constituents that they go to AOC and AOC says, well, you don't qualify for us; go to ADC. They go to ADC and ADC says, well, you don't qualify for us; go to AOC. Then they come to me and say, what kind of a runaround am I getting? Is there a communication where if you turn down and refer somebody to ADC, you turn over the application and say, we're referring this to you for action? Or do you leave it up to the client to bounce back and forth?

MR. PARKER: No, those are few and far between. They do happen on occasion, and sometimes they don't qualify for either of us, for good and valid reasons.

However, when we become aware that they have been turned down -- usually it's at the branch level, where a loans officer or their equivalent of a loans officer, for whatever reason may be off base, then at a high level either myself and Harold Hanna or my deputy and his deputy will get together, discuss the matter, and say, okay, it either goes to your shop or my shop. We deal with it expeditiously and with a certain amount of embarrassment.

But I don't think this happens very often, and probably the majority of the times the reason they're turned down is because there is not sufficient viability for the lender to make a loan.

MR. CHAIRMAN: Mr. Moore, could I ask you to come down? I have to take a break.

Mr. R. Moore in the Chair

MR. PAPROSKI: Mr. Chairman, my question deals specifically with the "other services" section you allude to on page 13, where some 15 per cent of the funds under the service sector were attributed to other services. I don't want an extensive list. I'd just like to get three or four examples, if I could, of what those other services would be; not amounts or anything, just the types of businesses.

MR. PARKER: I would have to have my statistician here, who divides these up. Tourist and entertainment could be, for instance, service businesses in the oil industry, or things of that nature. Quite frankly, the division of these is handled by others than myself for statistical purposes, and I can't be categorical in what I tell you.

MR. PAPROSKI: My second question would be -- and possibly it's the same type of answer. I understand 7 per cent, \$1.2 million, was granted in "other manufactured products". I wonder if you are aware of what businesses we're talking about there.

MR. PARKER: I think those would be kind of unique manufactured products that would relate to a specific industry where the manufacturer would be a subcontractor dealing with a specific industry, as opposed to the broad

spectrum of society. Again, the oil industry comes to mind and some major other manufacturers where subcontracting plays a significant portion.

MR. PAPROSKI: My final supplementary deals with the complete list of AOC loans. I would assume there is a list available to the public that lists not the names of the people but the types of loans and specifically what these "other services" and "other manufactured products" businesses would be. Is that available?

MR. PARKER: Yes, the *Alberta Gazette* publishes monthly the names, locations, and dollar amounts of each loan approval. This is available to the public, because the *Gazette* is available to them.

MR. PAPROSKI: But you don't have it yourself?

MR. PARKER: Not with me. We have at the office.

MR. NELSON: Mr. Chairman, to Mr. Parker. Do you have any reason to doubt that Ram's repayment of the obligation is in jeopardy?

MR. PARKER: I would say that with the bulk of our loans there is some concern as to whether they will repay or not, because we're a high-risk lender, a lender of last resort. As a result, a business could falter for any number of reasons. Until after a two- or three-year time period, I certainly wouldn't wish to venture the opinion that someone would categorically be able ultimately to repay us in total from operations.

MR. NELSON: Well, with Stelco presently a prime interest in the operation of Ram, do they have any obligation towards the loan that Ram has taken out?

MR. PARKER: You're getting into the loan terms and conditions, which I don't feel at liberty to divulge.

Mr. Martin in the Chair

MR. NELSON: I guess what I'm trying to get at relative to the -- can you indicate whether the moneys of the taxpayer are reasonably protected and, if Stelco is a partial purchaser of the company, whether that purchase would obligate them to ensure the protection of the moneys the taxpayer has put up for the survival or otherwise of Ram Steel at one point in time?

MR. PARKER: Again, I have to repeat my comment that that's part of the loan terms and conditions, which are confidential.

MR. NOTLEY: Mr. Chairman, going back to Mr. Parker's comment about the land, it's my understanding that the land was swapped for shares in Ram. This raises the question of how one deals with the question of principals taking equity in return for services and assets. How do you judge that? In that sort of situation, how do you judge the value of land, of legal work, of other types of services -- specifically as it relates to Ram but as a general policy as well?

MR. PARKER: As a general policy we look at the assets, whether it be sweat equity -- someone who constructs their building, if it's a small business -- equipment or land, and judge from our own point of view whether or not the figure is reasonable. Even if it isn't reasonable -- it may be slightly overstated -- if it still leaves us with sufficient tangible equity investment

to justify the loan, then we say fine. If you want to put it on your books, if you say you're contributing \$25,000 of labor to build the building and that goes with something else you've put in, for a total of \$50,000, even if we think that's overstated by \$10,000 -- if \$40,000 is still a sufficient amount to justify our loan and we think our loan can be repaid, then great. What you've put on your books is not of major significance to us as long as there is tangible value there. We felt that was the case with Ram.

MR. NOTLEY: But that would surely have some impact on your ability to recover in the case that something goes under. If someone has overstated their equity . . .

MR. PARKER: It could very well.

MR. NOTLEY: Because you're a high-risk lender, you're getting into loans on the basis of other than the normal rules that a bank, for example, would use, because you are a lender of last resort. That being the case, is there not some danger that where a person has overstated their service and swapped land or whatever in favor of equity, the public loan in fact is jeopardized, or at least influenced in a negative way, by an overstatement?

MR. PARKER: First of all, a bank would approach it in no different way than we would. They are not going to make you rewrite the assets on your balance sheet. If it's legal within the tax framework, that's fine. But what you do is look at the assets that are there and determine for yourself as a lender -- the AOC, a bank, RoyNat, or whoever -- whether there is sufficient true value for us to be justified in making this loan. That's the way we work and the way we viewed it in this instance.

MR. NOTLEY: You indicated that you take a very close look where there are cost overruns. There were cost overruns in Ram, were there not? What examination was made of those cost overruns?

MR. PARKER: Well, again this situation is a little different. Cost overruns that I was referring to relate to a project that we are financing. The project we financed with Ram did not have cost overruns. Now, I may be kind of splitting hairs. The cost overruns which you referred to would have taken place before we were involved and would have been a concern of the prime lender at that time.

MR. NELSON: Mr. Chairman, to the minister. I just want to change the tack of the question a little bit. As you're Minister of Tourism and Small Business, I'm interested as to the activity that has progressed on Mount Allan with the recent announcement with the Calgary Olympic people. What activity has been taking place in that particular area?

MR. ADAIR: Since the announcement in Calgary some weeks ago, we have been negotiating with the five proponents that were involved at that time as to their possible involvement in the project. We had stated at that time, and I'll state again, that we want to make sure that if at all possible the private sector develops the project. But because of a commitment we made to the Olympics in 1981, if we aren't able to work something out with the private sector, we would be involved in the construction of the Mount Allan site. Maybe we should go over that again.

The Mount Allan site would involve the women's downhill and the men's and women's slalom. The request made through the Minister of Recreation and Parks and in co-operation with the Olympic committee was for the men's downhill to

be held at Lake Louise -- one major event at Lake Louise and the other events on Mount Allan. At the present time, we're putting together the plan that will be submitted to the proponents for their perusal and possible acceptance.

MR. NELSON: One supplementary. With the men's downhill now being proposed for Lake Louise, has there been any indication from the federal government as to the use of that facility for that particular event, and has IOC agreed to allow this circumstance to prevail?

MR. ADAIR: Mr. Chairman, I can't really respond to that particular one. My direct involvement of course is with the Mount Allan site. But from the standpoint of government, I am aware that the Olympic committee has submitted their plans for that site to the federal minister. I haven't seen that, so I can't comment on it. My understanding, however, is that it would not be dissimilar to the two World Cup events held there in recent years. So there is a possible chance that it could be accepted by the federal minister and the federal government. We hope that will occur, and I say that in the sense of attempting to be an optimist. We then could have the best of both worlds.

MR. NELSON: So in essence, we then get back to Mount Allan. Do you feel confident that we'll be able to rely on the ability of the proponents you're discussing this project with to develop the Mount Allan facility for the 1988 games, rather than using government dollars?

MR. ADAIR: At this particular point in time I think it's a little early to say, but I would try to respond by saying that we hope that if one of the private-sector developers does come forth, construction would take place in co-operation with us in the preparation of that plan to meet the requirements of both the Olympics and the recreational ski opportunities that we were involved with in the original request for proposals. So yes, if the private sector can respond I don't see any major problems, although from a time point of view we are getting very close to the deadline.

MR. STROMBERG: Mr. Chairman, a few years ago there was a proposal put forward by, I believe, a Japanese group to develop their own type of resort in the coal valley line south of Edson. This would entail an airport, golf course, hotel, et cetera. I believe the department rather frowned on that at that time. Now, with the change in the economy and in tourist patterns -- and I'm very impressed with the number of Japanese tourists that are in Victoria -- are we really going after that market? Or are we still concerned that a Japanese travel agency does all the booking and none of our own people get in on the booking, and they would like to move as they have in Hawaii where they even have control of the hotel, et cetera? A question either to the minister or the DM: how is this shaking out with the Japanese tourist?

MR. ADAIR: That's a very interesting question and somewhat difficult to answer. I think that one of the problems we have had to live with in recent years is the federal government's decision to cut back on VIA Rail, which directly affected the Japanese market to quite an extent, particularly the winter traffic into the Jasper region. I think it would be fair to say that we've had some difficulty from the tour agent's point of view as to whether we in fact can deliver, because you've got to take into consideration that most of the tour packages are booked as much as two years ahead of time -- sometimes a year and a half or two and a half years. Funds are placed in trust with that particular company, and they then attempt to work out the total travel arrangements. It may involve flying to Vancouver, train to Jasper, a ski package to Jasper, or a summer package. You then run into the

problems of decisions like the VIA Rail decision, which was fairly arbitrary, if I can use that word, and fairly short; in other words, the time frame, the ability to notify the tourist market, whether it be in the Pacific Rim or wherever, that that service was no longer available. In some cases many of the tours had already been booked, so there were some real problems with it.

To try to answer the other part of your question, the use of our services to promote tourism, we promote tourism as a department in the European market, the U.K., the balance of Canada, primarily the west coast market in the U.S., and in the Pacific Rim area. As far as we're concerned, from the standpoint of tourism the dollar is still green regardless of who it comes from. Therefore the value of that dollar to us is very important indeed.

One of the images we have to overcome within the province is that a trip to Canada by a good number of people from the Pacific Rim area is considered a trip to the Banff Springs Hotel, not necessarily to Banff. Therefore, we have a role to play in expanding what services we have available in the province, not just in Edmonton, Calgary, Jasper, and Banff, but in other parts of the province like the Cypress Hills area, west-central Alberta, the Lakeland region, and of course the Peace River country where I come from. We attempt to do that.

MR. STROMBERG: A supplementary, Mr. Chairman. Has consideration been given to perhaps the advantages of encouraging Japanese investment in our province, such as in hotels with their own golf courses and swimming pools, to tap what is called in Japan the "company holiday", where the company will send their workers to a beach in Hawaii where they own the hotel, et cetera? Has that been looked at, discussed, or encouraged?

MR. ADAIR: During my term of office, we've not had any discussion or inquiries from any groups. But I might ask the deputy minister whether there have been any discussions in the past at all.

MR. McDONALD: There were discussions some six or seven years ago with a Japanese travel firm that was looking at building a resort in the Eastern Slopes. There was never a formal presentation made to the government in that regard. I guess with the economic times, they decided not to go ahead with it. We are in a position, though, to talk to anybody that is interested in setting up a tourism facility in Alberta. We just had discussions yesterday in fact with some European people who are looking at putting up a resort in Alberta.

MR. NOTLEY: Mr. Chairman, to Mr. Parker. We understand that Ram has had some inventory problem. Are there any difficulties in the short term with that company meeting its obligations to AOC? For example, are the payments on the loan made on time and up to date?

MR. PARKER: I'm afraid that's confidential, and I don't think we should reveal it.

MR. NOTLEY: A supplementary question to Mr. Parker, and this is following up on Mr. Nelson's question about the Stelco involvement. I wasn't quite clear about that involvement. It said that Stelco now owns 33.33 per cent of Ram. Is that correct?

MR. PARKER: I think they have an option to acquire that amount.

MR. NOTLEY: What do they own at the moment?

MR. PARKER: I'm not sure of the specific amount.

MR. CLARK: Mr. Chairman, my question is really to the minister on the promotion of tourism by his department. I take it for granted that that is what Tourism and Small Business is about, promoting tourism in this province. One of the major tourist attractions in the province is the Drumheller valley. By the way, it's third after Banff and Jasper parks, I understand, in attracting visitors. They have a very fine park north of Brooks. I am wondering if the Department of Tourism and Small Business ever makes recommendations to the Department of Transportation on the accessibility of these two very fine attractions, not only there but in other areas of Alberta where there should be some access; in this case, down the river, and in other places it might be roads through to other areas of the province, to promote the attractions that we have. I am wondering if you work with the other departments, trying to make recommendations in this regard.

MR. ADAIR: Mr. Chairman, we have had and will continue to have ongoing discussions primarily with the Department of Recreation and Parks, from the standpoint of their responsibilities relative to the development of parks and the use of that finished park as a tourist facility. One of the concerns that I think has to be recognized in there -- and I believe you were relating to road access, to facilities. The only concern I would express is that road access is one part of the total package. Our concern obviously, from the standpoint of tourism, is that if we saw a road developed to a site and the site wasn't able to handle the numbers of people that would use the improved road -- it has to part of a total package that should be considered; that is, the development of the park facility and in conjunction with that the improvement of the roads, if improvements are necessary.

So I think it's fair to say that we have had discussions and support, within the bounds of the normal budget process, the development of roads, access to park sites, keeping in mind the ability of that park to handle the numbers of people that may use it.

MR. ALGER: Mr. Chairman, to Mr. Parker. I think I might have missed this, and it may have been discussed. If it has, please stop me. In my constituency I have three or four cases of farmers and ranchers who have a whole parcel of small loans and one thing and another, would like to amalgamate them, and they haven't had a great deal of help from ADC. Through one endeavor or another, they don't seem to be getting their point across that they could use some more money and possibly have somebody go at a higher risk, which I understand this company does.

My question would be: have you ever been approached by any people in the farming and ranching world, in the feedlot world, or anything like that? Say a fellow came in, bared his soul, and laid it all out for you like cold supper, and said, here it is, I'd like to get this all into one, like Household Finance used to advertise; let me make one payment sort of thing and feel a lot more comfortable and probably do a lot better job. Do you ever get approaches like that from this style of person -- farmers, ranchers, feedlot operators?

MR. PARKER: We do on occasion, but we are precluded from getting involved in direct agricultural business. We can, and do on occasion, get involved with agribusinesses. We have an arrangement with Ag. Development whereby they do some things and we do others; like in the veterinary animal business, they do vets that do large animals like horses and cows, et cetera, and we do ones where they have dogs and cats. But as far as farmers, ranchers, and so on, we

are precluded from that, and we tell them to go and see Ag. Development, because that's their area of expertise.

MR. ALGER: I think that's why I brought it up, because in their area of expertise they seem to be leaving out at least some of my constituents. I keep thinking if this is the absolute last resort, maybe they should be coming to you. Just from your congenial attitude in the House, I would suggest they would get a far better response.

MR. PARKER: Well, if our Act said we could deal with them, we would; but we can't, so we don't.

MRS. KOPER: My question, Mr. Chairman, is to the minister, if we may go back to Mount Allan. Is there a time line for the completion of specifications so that we may know when we will hear when work will start?

MR. ADAIR: We were working basically on a 30- to 45-day time frame and that was from about -- how many days ago, Mr. McDonald? I can't recall just exactly.

MR. McDONALD: Is the question with regard to specifications of the hill or our dealings with the private developers?

MRS. KOPER: The dealings with the private developers.

MR. McDONALD: We'll be in a position very shortly to go forward to the minister with regard to our recommendations relative to private developers.

MRS. KOPER: That's good news. The second question is related to that and the general field of tourism. Mr. Stromberg talked about it a little bit. Is your department included in representation on our trade missions that go forth and seem to be so successful?

MR. ADAIR: Not directly, although we have an understanding between the hon. minister and myself that if a tourism question is raised, he alerts me when he comes back. We haven't involved any our people directly by request. I guess a better way of putting it is that, to my knowledge, we haven't had any requests for our involvement.

MRS. KOPER: In view of the economic situation, would there be any consideration of making a higher profile on the tourist industry on these trade missions?

MR. ADAIR: That is a possibility. I would certainly seek the support of any of my colleagues for the kinds of funds necessary to ensure that that could take place. At the present time, I think we're doing almost everything possible relative to promoting the province outside North America, for example, and the west coast in the U.S., as well as in the business and convention field, on which we are placing a great deal of emphasis right now, particularly as a result of the rescinding of that U.S. Bill which allows it to be a tax expense for the American client. We are in the market place now with the opening of the convention centre here in Edmonton and the one in Calgary, to basically compete on the world market for international congresses and conventions. Our staff in Travel Alberta has done an excellent job in that area. We have quite a number of major events that are already booked for Edmonton or Calgary, I believe up to almost 1986 or 1987, and major ones where there are as many as 2,500 to 4,000 visitors coming to attend those particular

congresses or conventions. They turn over a tremendous amount of dollars that are then considered tourist dollars. Obviously, by having them attend a function of that nature, we have the opportunity to sell within the province what we have here, and many of them will return on their own time for a holiday. So it's a major area for us to consider, and we are working in that area.

MR. PAPROSKI: Mr. Chairman, my question deals with beautiful downtown Edmonton, specifically the Edmonton convention centre, and is addressed to the Minister of Tourism and Small Business. I wonder if you could allude to how the bookings are going, what kind of progress. Indeed has the economy and the economic downturn had an impact on the bookings?

MR. ADAIR: My first response is that the opening went very well. I don't have the figures at my fingertips as to how their bookings are going. I could probably get them from Mr. Kolesch, but I don't have them at hand. I wouldn't want to respond.

MR. PAPROSKI: A supplementary to the minister. With our extensive financial commitment from the provincial government, is there with that commitment an involvement of your government department staff with respect to day-to-day activities of the Edmonton convention centre?

MR. ADAIR: Not necessarily day-to-day activities, although we have, as I said a little earlier, been involved in the business and convention trade, where we are attempting to assist any organization to bring to Alberta the large congresses or conventions. We would be working with the convention centre people in both Edmonton and Calgary. I should also point out, as well as the other centres on the smaller scale -- it's not exclusively just Edmonton and Calgary. It may well be the other 10 cities or some of the smaller centres that have facilities that will handle conventions or meetings of some type with any particular number, that it would be beneficial to us to have in the province from the standpoint of business, travel, conventions, and meetings; but beyond that as well, the benefit that provides to us from the standpoint of the after- or pre-event activities of families who may come.

MR. PAPROSKI: My quick supplementary would be: with the liaison between your department and the Edmonton convention authority, is there one individual, or will there be one individual, who will be that liaison from your department, or is everybody open to communication?

MR. ADAIR: I would rather consider at this point that everybody is open, that our doors are open and you can come in. If it is specifically related to that particular area, then Ted Sample's group would be the one that would be more closely tied to their activities than maybe some of the other officials within the department.

MR. NOTLEY: Just one quick question to both Mr. Parker and perhaps the minister. I note in the preliminary market survey, there's a fair amount of attention given to government projects: department of highway projects, Alberta energy projects -- if one can call the Alberta Energy Company at least partly a government-participating body. My question is: was there any suggestion in the review of the prospects for the company that there might in fact be preferential treatment for an Alberta-based steel firm?

MR. PARKER: Again, we didn't concentrate on this study at all. The information we had did not base itself on preferential treatment from any

source, because there are other pipe producers in Alberta. It was based upon projected levels of market and what was considered by the experts a reasonable proportion of that market coming to Ram Steel.

MR. STROMBERG: Mr. Chairman, I have been rather impressed over the years with a publication of British Columbia, sponsored by their department of tourism, called *Beautiful British Columbia*. It's monthly, very colorful. I think it has a fairly large subscription rate here in the province. What I'd like to know is how our budget in tourism stacks up in comparison to the budget in British Columbia?

MR. ADAIR: Good question, Mr. Chairman. I guess there are two things. It's the case of the overall dollars, and British Columbia does provide more dollars than we do, based on a number of factors that we may not take into total consideration. From the standpoint of the dollars we have -- and I'd be somewhat remiss if I didn't say it -- we get as good as or better value for our dollar in the way we use it. And we have to, obviously, if we're going to be doing this service for the people of Alberta. But when you're dealing in a larger population and a different climate -- in other words, there is a fair amount of year-round summer activities, if I can use the term "summer" loosely, along the British Columbia coast and the island. Ours primarily has been used for summer promotion until within the last five to six years, when we have moved into what we call the four-season concept, looking at summer, winter, spring, and fall. The need for those kinds of promotion and development opportunities to be available to the tourist is evident in the province. You can't operate a tourist facility for three and a half months in the summertime and expect to get any return on your investment. So that's been one of the difficulties we and the private sector have had in the province in attempting to put up the kinds of facilities that would withstand the winters we have. I say, as Minister of Tourism and Small Business, that the winter is also a great opportunity to generate tourists to come and visit for any number of reasons: North AM at Wetaskiwin, snowmobile racing, cross-country skiing, downhill skiing -- you name it. There are a great number of things we can do. There are many, many winter carnivals around the province that have some tourist value as well.

MR. STROMBERG: Yes, I can certainly agree with the last statement. I would sooner spend a winter here skiing than in the fog and rain in Vancouver, British Columbia. Maybe we should advertise how much rain and fog they receive on their west coast.

However, I wonder if our dollars are directed at the right market. The British Columbia Ministry of Tourism has done a good job of supporting the tourism industry in Alaska. They're running major ads in Alaskan magazines -- I speak now of the *Alaska* magazine, that's sold monthly here, a very colorful one. I'm a regular subscriber to it. If you're going to visit the last frontier -- that's the slogan Alaska has -- come through beautiful British Columbia; if you're coming from the midwest of the United States or the eastern United States, for heaven's sake, don't come through north of Chicago and the prairies; cut right across the Lewis and Clark trail, come right through Vancouver, take our highways up or get on our ferries and our boats that are plying the inland passage. I wonder why we haven't targetted in on that same market that is now developing quite a tourist business for the state of Alaska -- instead of driving over those crooked, rough roads in British Columbia, try our Alaska Highway.

MR. ADAIR: Mr. Chairman, we are in fact doing some promotion in that area through an organization that was set up loosely some years ago, I believe

around 1976, called Canada West. That involves the province of British Columbia, the province of Alberta, and the two territories, the Northwest Territories and Yukon, where we work together and promote, on the international scene, activities that may occur in any one of those four.

Obviously, from an international point of view, the three international airports that would bring visitors to the Canada West area would be Vancouver, Edmonton, and Calgary. Of course, from there you've got the beautiful Mackenzie Highway going into the Northwest Territories, right through my home town of Peace River -- I had to get the plug in -- and my constituency. Then of course on the other side, the Alaska Highway starts at Valleyview and heads over to Grande Prairie and up the highway. There's no question about it. There is some work being done on that area, possibly not quite as high profile as the use of the inland water passage along British Columbia, but reasonably effective from our standpoint.

MR. MARTIN: After that advertisement about the Peace River constituency, you have one supplementary now. I have one more person on the list. It is 11:30.

MR. STROMBERG: I'll pass.

MR. ALGER: I can pass.

MR. CHAIRMAN: It's up to the wish of the committee. There are two things: if we want to bring back the people, if there are more questions, we can ask them more questions, or we can go on to the next group. I need your direction.

MR. R. MOORE: I think the gentlemen here have certainly provided the information we've requested. I appreciate their attendance and the way they replied. I think we should move on to Economic Development next week.

MR. CHAIRMAN: The motion from Mr. Moore is that we move on to Economic Development. Is that agreed?

HON. MEMBERS: Agreed.

MR. CHAIRMAN: Just before we do that, though, not knowing exactly when the House is going to finish -- it could be done by Wednesday. So I guess I'd need some recommendations from the committee. If the House is still sitting, I take it we will meet next Wednesday. Is that agreed?

HON. MEMBERS: Agreed.

MR. CHAIRMAN: If it's not sitting, can I get some direction? We can meet any time we want, if we want to over the summer. I guess the traditions have been that we only meet during the sessions, but again would be up to the committee. Can I get some direction?

MR. R. MOORE: They meet during the session, when the session is in. When it's not in, they do not meet.

MR. CHAIRMAN: If I can sum it up: we'll meet next Wednesday if we're in session; we will not if we're not in session. Then we'll meet some time after the fall session starts. Is that agreed?

HON. MEMBERS: Agreed.

The committee adjourned at 11:33 a.m.