

[Chairman: Mr. Pashak]

[10:03 a.m.]

MR. CHAIRMAN: Let's call the Public Accounts Committee of the province of Alberta to order. We have with us in attendance the Auditor General, Mr. Don Salmon. He's accompanied by his assistant auditor, who is responsible for the audit of the Economic Development and Trade department, and that's Mr. Ken Smith. I'll introduce the Hon. Larry Shaben in a moment, and he can introduce the people who are accompanying him.

But perhaps we should deal with a few items of business first. Approval of the minutes for April 27, 1988: is there a motion to adopt the minutes? Okay; Mr. Jonson. Are there any errors or omissions? Hearing none, are we agreed that we adopt the minutes as distributed? Agreed? Okay.

I'd like to introduce the Hon. Larry Shaben, the Minister of Economic Development and Trade. I should maybe point out that the way the committee operates is to give each member a question and then two supplementals. I try to restrict the questions either to the Auditor General's report itself or to the Public Accounts documents. Then I ask the members to refer to a particular page or entry, so that at least makes it, I think, easier for you to generate answers. You're welcome to make an opening statement, and as part of that statement you may like to introduce the people who are accompanying you.

MR. SHABEN: Thank you very much, Mr. Chairman. I always appreciate the opportunity to attend at Public Accounts, having been a member of this important committee for a number of years, and the work is so important.

I'd like to introduce the gentlemen who are with me. On my left, I'm sure all of you know Clarence Roth, who's the deputy minister of the department, responsible for planning and, of course, services, and on my right is Mr. Parker, who is the CEO of Alberta Opportunity Company.

Mr. Chairman, I would like to make a few comments, because '86-87 was an unusual and difficult year for Albertans. Let me give you a couple of highlights first. With the dramatic drop in oil prices in mid-1986, the impact upon our economy was really significant. It was reduced somewhat as a result of government spending. As you know, that was the year in which our expenditures exceeded our revenues by some \$3.5 billion, so that cushioned the impact upon Albertans to a considerable extent. But the nominal drop in our exports was some 22 percent, and that gives you an idea of the price impact upon our economy.

With respect to the management of the finances of the department, that was a year in which the government recognized the difficulties that we were encountering because of a 60 percent drop in resource revenues, and all of the departments were asked to exercise restraint. Our department had, I think, in that year some \$13 million in lapses, so that that restraint was exercised subsequent to a request from the Provincial Treasurer and Treasury Board in the early fall of 1986 as a result of the drop in resource revenues. A large part of that lapse was, of course, in the SBEC program. I think about \$8 million of the \$13 million in the lapses were in SBECs that were not taken up. You budget for the small business equity corporation take-up, and \$8 million was not taken up. So the other \$5 million were significant lapses, and they were as a result of our attempt to reduce expenditures. Those are just some general comments.

As far as the activity of the department, it was a very busy and normal year in terms of activity level. In our small business

area we increased our support to small businesses in terms of the consultative process by some 30 percent over the previous year, so that was important. The management assistance program, which is one of our key programs, was offered in 20 communities and offered to 390 participating businesses. In addition to that there were six special retail programs and one hospitality program that involved 245 businesses. So that was an important part of the management assistance component of the small business sector. We distributed 167,000 publications to assist small businesses in terms of advice. The various publications — these went out through the department. The small business term assistance program which was implemented in '86-87 was very successful, and we continue to get responses, Mr. Chairman, to the success of that program.

Our continuing efforts at expanding exports by our small and medium-size companies has been assisted by our export loan guarantee program, and in the '86-87 year we provided cumulatively \$56 million in loan guarantees. We reached that cumulative total to assist Alberta companies in financing confirmed export orders. So that's been really helpful.

In the industry development section I'd like to give you just some examples of some of the areas we're involved in; I think it will help the members get an idea of what we were doing. One of the companies that we spent a lot of time with was Edo (Canada) Ltd., which is a company that's involved in advanced composites and intends to do, and is now doing, some research in advanced ceramics. They have made a decision to expand their operations in Calgary, and we expect that company to grow to employ 400 to 500 highly skilled people in that particular field, which is an important area of manufacturing.

We worked with a number of plastics companies because that's a priority for us, to expand the downstream activities as a result of our petrochemical growth, and that included activities with companies in the speciality plastics — the high value, low weight products — and in chemicals and pharmaceuticals.

As you know, the Motion Picture Development Corporation has been an important clean industry, and it's footloose in that it can move throughout the province, although a lot of the shooting activity has occurred in southern Alberta. I'm looking at one of the members who has benefited in terms of the activities there. The Motion Picture Development Corporation contributes some considerable job activity and investment to the Alberta economy for television and full-length feature films. I'm pleased that in the current year Bill 11 is on the Order Paper, which will add further assistance to our indigenous filmmaking capability.

Some other examples of where we provided assistance was McCain Foods, not in a financial sense but in a consultative sense in assisting them and providing them information on markets and locations and so on, and they established in Alberta in Airdrie. We work co-operatively with the department of forestry in various forestry projects, including those new ones that have been announced as well as the smaller projects and the sawmilling area and provide, from time to time, advice on marketing and other assistance.

On the investment side the department was active in consulting with investors who are looking for joint venture partners or opportunities to invest. Of the national foreign investment that was attracted to Alberta, we were third to Ontario and Quebec, accounting for about 15 percent of the investment that occurred from foreign investment into Canada.

Trade missions were important. We assisted a number of companies with our export missions as well as the incoming

missions, in working with companies that were coming in looking for joint venture opportunities or to expand trade. So that was an important part. I have a number of examples of successful export endeavours that we believe have been substantially assisted by our trade activities. One area of interest is the one, of course, that Career Development and Employment is heavily involved in, and that's the entrepreneurial or business immigration program. Alberta, I believe, was fourth in Canada with respect to that category of investment, the entrepreneurial investment.

We also provide services to companies in transportation planning. That's an important part of the department's activities. As members know, Alberta, being landlocked and not having direct access to tidewater, faces an impediment in terms of freight costs. So we work with the shippers to assist them in planning the least-cost modes to move their products to market and have in fact helped establish a forestry shippers association and other associations in order to increase the leverage of smaller businesses to obtain lower cost freight rates as a result of getting the groups together and strengthening their bargaining position with the railways. It's an important role.

Fitted in that role is the activities of Alberta Intermodal Services, which was established — I think its first full year of operation was 1985. It has now reached the stage where AIS in its last full year moved some 27,000 TEUs of Alberta goods and provided, I think, a savings to Alberta shippers that totaled some \$5 million. So AIS is an important part of our strategy to improve our competitiveness in the world market. I think those are some of the highlights.

AOC is a very important part of the activities of the government, and as all members know, the operations of AOC are run by a private-sector board of directors. In the year that we are dealing with, AOC provided — I think Roy would confirm this — some 388 loans totaling about \$34 million. These are generally loans to small companies that were unable to obtain financing from any other sources. As well, we launched in late 1986-87, early '87, the new venture activities, and I'm sure Mr. Parker would be prepared to discuss the activities in that year. Perhaps, Mr. Chairman, because it was a start-up, there may be a spillover into the current year in terms of activity level.

Just one last comment on the international aid program. We have had to reduce the budgeted funds available for our international aid program, but it remains the most successful provincial aid program in Canada. We don't make judgments on where the aid goes; we simply work with the nongovernmental agencies and respond to their fund-raising and their contributions toward worthy projects in Third World countries and, in most cases, match them. As a result of the reduction in funds, we've had to put criteria upon that matching. Our primary criteria is on health care and to assist the country to which the benefits are going to do economic entrepreneurship within that country so that they can have a growth in their own economy. So those are now the two principal criteria. It's been a really successful program. In 1986-87 we provided support to 92 nongovernmental organizations supporting 366 projects in 75 Third World countries around the world.

Mr. Chairman, that's an overview of the activities of the department in 1986-87, very quickly, and I'd be pleased to try to respond to questions of the members of this committee.

MR. CHAIRMAN: Thank you very much for that very informative opening statement, hon. minister. I've got quite a list of people here who would like to ask questions. I'll read

through the list just to make sure I've got everyone on here who has indicated that they would like to put a question: Mr. Taylor, Mr. Mitchell, Mr. Heron, Mr. Alger, Mr. Jonson, Ms Laing, Mr. McEachern, Mrs. Mirosh, Mr. Payne, Mrs. McClellan, Mr. Musgrove, Mr. Fisher.

MR. ADY: Mr. Chairman, I thought you nodded to me as the first guy.

MR. CHAIRMAN: Well, if it's all right with members of the Committee, I'll let Mr. Ady ask the first question. Are you agreed?

HON. MEMBERS: Agreed.

MR. ADY: Thank you. I appreciated the overview of the minister and the direction he has gone with his department and his contribution to the economic improvement, but my first question relates to volume 2, page 9.6, vote 4.3.1. It has to do with an expenditure that the department had of some \$20.6 million to Sturdi-Wood Ltd. Could the minister tell us something of that expenditure and what regions of the province specifically benefit from that investment?

MR. SHABEN: Mr. Chairman, that Sturdi-Wood investment was an investment by way of preferred shares in an Alberta-owned and Alberta-based company that I think is an exciting success story for Alberta. The company is a subsidiary of Pelican Spruce Mills Ltd., owned by Al Owens, who is the principal owner of the company that has over the years developed a process. He calls it sturdi-wood; it is the oriented strandboard. He was really the first in Alberta to make a major use of poplar. His first mill to use poplar was in Edson. The sturdi-wood mill was in Drayton Valley, and we provided financial assistance to that project. I think the total was some \$26 million by way of preferred shares, and in that year, 1986-87, about \$20 million of it flowed to the company. The product has achieved some considerable success in national and international markets, and he is now having some success in penetrating markets in Asia as well as those that he has been able to penetrate in the United States. So it's a very good diversification effort and particularly important to the people of Drayton Valley and area.

MR. ADY: Thank you. A supplementary: do you anticipate that this is just a one-time expenditure, or are we obligated for some ongoing assistance there?

MR. SHABEN: We do not anticipate any further investments in that particular company, although there has been some interest in that product, because there is an available wood supply, by other companies. There may in the future be other companies that would seek support from the government, and we would certainly consider similar kinds of investments.

MR. ADY: A final supplementary. Did that expenditure take the form of a grant, or is it a loan? If it's a loan, could you give us some indication of the payback arrangement?

MR. SHABEN: It's a preferred share investment on commercial terms that will yield a return to the province.

MR. TAYLOR: Just for a confirmation -- I don't know whether I waste it on the first question or not. Just where are the

guarantees listed? In what books are they listed?

MR. CHAIRMAN: Mr. Salmon, did you . . . The guarantees for the . . .

MR. TAYLOR: Ones that Economic Development and Trade do. Economic development makes guarantees from time to time, rather famous ones, some of them.

MR. SALMON: Well, one of the sources is 27.21 in volume II.

MR. CHAIRMAN: Section 27, Mr. Taylor, of public accounts for 1986-87, volume II.

MR. TAYLOR: They're not listed as to who they're . . .

MR. SALMON: Just by department, not by recipients.

MR. TAYLOR: That's the first question. Why the secrecy on a guarantee, whereas you will list a grant or a loan? You know, you'll say who the individual is or the corporation that gets a grant or a loan, but why not the guarantee?

MR. SHABEN: Mr. Chairman, we provide a compilation. For example, under the export loan guarantee program the total in 1986-87 is \$19 million. They range from very small amounts to sums that are in the area -- the maximum available under that program is \$5 million. We have not made it a practice to list the recipients of loan guarantees under existing programs, but I'd be happy to make that information available to the member.

MS LAING: I'd like it also.

MR. CHAIRMAN: Let me just clarify this with the hon. minister. Would you be prepared to make that available to the members of the committee?

MR. SHABEN: Yeah, I'll make the export loan guarantee program available to the members.

MR. CHAIRMAN: Thank you very much. Supplementary.

MR. TAYLOR: Is this all grants or all . . .

MR. SHABEN: Well, the rest are all made public as they are announced, so that would be in the area of public domain. I think the only area, Mr. Chairman, that the members would not have access to is on the export loan guarantee . . .

MR. TAYLOR: It's just a case of going back through all the news releases, and you would say every guarantee is made out in a news release, is it, or . . .

MR. SHABEN: Mr. Chairman, I think it would be as easy for the hon. member to do it as it would for me.

MR. TAYLOR: Okay. [interjection] I know; I've got the three already. I was just trying to understand where he had hidden this stuff. I hadn't really gotten closed in on them yet. I thought the first one was exploratory, as to where the hell things are listed. The second thing . . .

MR. CHAIRMAN: There are other members of the committee

that would like to get some questions in, Mr. Taylor.

MR. SHABEN: Go ahead, Nick. I know I surprised you with the answer, but . . .

MR. TAYLOR: I'd like two quick ones in then. One is: in loan guarantees I know you can step into somebody's shoes, but is it the policy of the department to get personal guarantees before the department will make a loan guarantee?

MR. SHABEN: We really work closely with the financial institution and the individual, and we take whatever security we feel is appropriate, depending on the risk that is involved in that loan guarantee. Quite often we're guaranteeing a loan to the bank where the bank has taken the personal guarantee, so we become a party to that guarantee.

MR. CHAIRMAN: Mr. Mitchell.

MR. MITCHELL: Thank you, Mr. Chairman. I've become concerned that there seems to be a diminishing role and presence on the part of the Economic Development and Trade department and that that is reflected most vividly in the declining emphasis on small business programs. You're aware of that, and our discussions in the House have promoted it.

MR. CHAIRMAN: Excuse me, hon. member, but no preamble; let's get to, you know, some specific entry in the . . .

MR. MITCHELL: It's too bad you're only a chairman. You'd make a great Speaker.

Could you please explain why it is that there was no net increase in the loan and loan guarantee portfolio in the Alberta Opportunity Company from 1985-86 to '86-87? I believe it stayed at about \$142 million despite the fact that about \$34 million in new loans and loan guarantees were issued. Is it a policy of the department to keep the portfolio at that limit?

MR. SHABEN: I'm going to encourage Mr. Parker to respond to the question because he has the intimate knowledge of the activities of AOC. But from a policy perspective, Mr. Chairman, we don't set a limit in a particular year on the loans that would be available. We expect that Alberta Opportunity responds on the basis of the interest and the applications they receive. So it's not a function of the government saying there is a limit on the activity level of the AOC. No, the government does not set an activity level or a volume level in terms of the size of the portfolio or the total obligations of AOC to the heritage fund.

MR. MITCHELL: Is Mr. Parker going to supplement that?

MR. PARKER: I'd be more than happy to. As a matter of interest, the fiscal year '86-87 resulted in the highest number of loans approved since our inception, 388, which exceeded the previous high in fiscal '79 or '80; I don't remember which. One of the reasons that the number of dollars outstanding on our books, the commitments and that to be dispersed, remained fairly stable is due to two things: one, we're approaching a mature stage, so there are continuing repayments being made on our loan portfolio; and secondly, we have found during the past four or five years that there have been a significant number of prepayments made by businesses that have matured and are at

the point where they can get their funding from the private sector.

Finally, we believe, and I think others would agree, that we have a very trim portfolio, in that when we do our semiannual analysis of accounts in difficulty, we make very significant allowances for doubtful accounts and we write off accounts or dollar amounts that we think are appropriate, and are conservative so that the value of what is left and shown in our financial statements is realistic and is not filled with millions of dollars worth of bad debts that we haven't recognized yet. So that's basically it.

MR. MITCHELL: Thank you. Back to the minister. You're saying that you don't put a limit on the number of loans and loan guarantees. At the same time, it seems to me that you're not actively promoting. What if nobody came in the door? Would that be sufficient? Would that be acceptable? No, of course not. What specific measures are you taking to get out and actively promote the services you offer, to take an aggressive role in economic development through small business? How is it that you determine that 388, for example, is an acceptable number? Maybe 10,000 is an acceptable number.

MR. SHABEN: I think I have to separate the hon. member's question really into two parts. One is the part related to Alberta Opportunity Company and Alberta Opportunity Company's activities. I think Mr. Parker responded in that we have offices throughout the province; the offices are readily accessible to Alberta businesses. There is a communications system and a program in place by AOC letting people know about the availability of Alberta Opportunity Company and its services. As a matter of fact, Mr. Parker advises me that in addition to the loans, the company is very active in providing consultative advice to its existing clients. So there is a good networking that's going on in terms of the knowledge of AOC. Also, AOC holds its board meetings, moves them around the province so that businesses are made aware that . . . For example, last week a meeting of the board was held in Grande Cache. They do move their board meetings around, so there is a very good effort by the board and the administration to let people know about AOC.

Now, with respect to the member's question about Alberta government or our department's commitment to small business, Mr. Chairman, that commitment is the key part of the activity of the department. The hon. member has considerable business experience and knows how the small business sector works in terms of the number of individuals who are coming into business and going out of business constantly. So it is important that we provide that support. In that year we provided — in that vote I think there's nearly \$4 million for the small business sector, and I'd like to give the member an idea of what we did.

The client contacts between our counseling service and small business increased by 30 percent in 1986-87 over the previous year, to 25,371 consultations with small business, which is a massive effort by the people who are involved in that small business sector. In addition, there were 3,300 community municipal clients assisted through our 11 regional offices, and 6,600 information requests in writing were responded to. And this, Mr. Chairman and Mr. Mitchell, is all in the small business area. That's an important part of our activity.

The management assistance program. I outlined that program in 20 different communities, providing that support for the number of businesses I'd indicated, and we have now provided assistance to some 6,000 Alberta companies in improving their

management skills. Because as the member knows, that's the key to the success of small businesses, having finely honed management skills. Retail business workshops were held in Whitecourt, Edson, and Wainwright, with 66 participating businesses. I'd mention the 167,000 publications that are helpful publications to small business. I'd be happy to send the hon. member a sample of each so he knows what's happening and might assist with his constituents as well.

The financial and professional assistance. We're involved with the national government, Mr. Chairman, in developing the small business data base. It's important that small businesses have the same kind of access to data that large businesses can afford to have. So through our co-operation with the federal government, we're working to develop that, and this project is providing data to small businesses on request that they wouldn't be able to afford. This is on market data, on a whole range of subjects that assist them in a way they wouldn't be able to probably afford on their own. That's an important part of what we do.

MR. CHAIRMAN: I think that's a sufficiently comprehensive answer to satisfy the member's questions.

MR. MITCHELL: I'm not satisfied, of course, but it's not getting any better. I'm only kidding. Yes, that's fine. I have another question if you . . .

MR. CHAIRMAN: You get a final supplementary.

MR. MITCHELL: Yes, unless the minister wants to continue.

MR. SHABEN: I can, but I'm in the hands of the Chair. Go ahead.

MR. MITCHELL: You mentioned in the House that AOC does support student businesses specifically. Could you please indicate how much money they put into student businesses in the year under review?

MR. SHABEN: In the year in review? [interjection] Yes, I'm going to have Mr. Parker respond to that in the specifics. We developed the program; we are pioneers in providing that financial support for students. The Federal Business Development Bank saw how attractive it was, and they have moved in and provide student loans at no interest. They have moved into an area where we were providing these \$3,000 student loans with interest. So in the current year, the demand has gone way down because the price is cheaper from the Federal Business Development Bank, but in the year in question, maybe . . .

MR. MITCHELL: So the federal government is actually supporting student small business more effectively than the provincial government?

MR. SHABEN: Well, that's a matter of judgment.

MR. CHAIRMAN: That's right. That's an interesting way of entering a fourth question, as well.

MR. PARKER: In regard to the student loans approved and the dollar amounts in fiscal 1987, we made 38 loans for a total of \$98,900, and these loans can be for amounts up to \$3,000. In regard to your final statement, it is our view that providing

something for nothing does not establish good business training for these students. We think everybody has to learn there's no free lunch and you've got to pay for what you get. We have recommended that this policy of free student loans, as far as interest rate goes, should be rethought, and there should be some repayment for the money they're borrowing.

MR. CHAIRMAN: You've come to the end of your supplementaries. You may come back on that point later, if you wish.

Mr. Heron. Hello, Mr. Heron. Are you here?

MR. HERON: Thank you, Mr. Chairman. Knowing that we'd probably be in session well into the summer, I was longingly looking at Alberta's beautiful campgrounds and picnic areas.

Mr. Minister, you wound up your opening comments by touching on the assistance provided outside Canada. I would like to turn, very specifically, to volume 2, page 92, vote 5, and it is noted that \$6,625,969 has been expended as international assistance. Could the minister give us a brief breakdown of what areas were assisted by these funds, and in doing so, is this the 75 countries he referred to?

MR. SHABEN: I'm sorry; I didn't hear the last part of the question.

MR. HERON: In your opening comments, you made mention of some 75 countries. Can that be found in the \$6 million that's shown there as international assistance, provided by a brief breakdown of that large expenditure?

MR. SHABEN: Yes, Mr. Chairman, there is the detailed information through the annual report under the international aid program that would give the names of the countries. I think the credit for this program properly goes to the community groups in Alberta who raised the money that goes into these volunteer and charitable activities around the world. It's a tremendous effort by Albertans. I think there's some \$21 million contributed by Albertans that goes into this, that really the \$6 million levers that amount of money in terms of the contribution by NGOs. Those nongovernmental organizations number 92, and as I said earlier there are some 366 projects. A very good program, Mr. Chairman.

MR. CHAIRMAN: A supplementary, Mr. Heron?

MR. HERON: Yes, thank you, Mr. Chairman. We're just looking a bit at the economic benefits then, Mr. Minister. Is this assistance provided with conditions? For example, must the money be used to purchase Alberta products? Is it so-called tied aid, or is it simply a grant of funds?

MR. SHABEN: For a couple of years we attempted to put constraints upon the aid and insisted that the aid be Alberta sourced. We do not insist anymore. We use a best-efforts request of the nongovernmental organizations. In other words, where we are competitive in terms of the supplies, absolutely Alberta is the source, but where we are not competitive, we do not insist upon Alberta being the source. Some examples where Alberta technology . . . Where they're doing water well drilling, we ask them to use Alberta water well drillers, who are as good as any in the world. So that provides work for Albertans. And in some cases where there is other aid that matches our skills, we en-

courage them to use Alberta companies. So it's worked really well.

Another upside, Mr. Chairman, of our international aid program is that it assists our exporters in their relationship in those countries in accessing markets. So it helps Alberta companies to trade in these countries.

MR. HERON: Thank you, Mr. Minister.

Given the very sharp economic downturn that Alberta has experienced in recent years now, could the minister tell us if any other provinces have a budgeted provision for international assistance?

MR. SHABEN: Quebec, I believe, is the only other province that has anything similar to Alberta. It's small. In total, Alberta's international aid is more than all the other provinces combined.

MR. CHAIRMAN: Thank you very much, Mr. Minister.

Mr. Alger.

MR. ALGER: Thank you, Mr. Chairman. Generally speaking, Mr. Chairman, the department is involved in granting large sums of money to private firms in which the expectation is to diversify and stimulate the economy. Could the minister outline what criteria are used by the department in evaluating and selecting applications for grants? I've had a few in there, and they're all turned down.

MR. SHABEN: Mr. Chairman, with the greatest respect, I disagree with the hon. member in the premise contained in the early part of his question. The department does not provide a lot of grants. That really is ancillary to what we do. We provide support programs, as I've described to the Member for Edmonton-Meadowlark, but I guess the number that appears in the budget as the small business equity corporation is the major one. I think that program has been a huge success, where we have provided incentives to create private-sector equity pools that have resulted in over 400 private equity corporations that have now made investments in Alberta of over \$112 million. So if the hon. member is referring to that component as a grant, the \$8 million to the SBECs, yes, very important, but it was used as a tool to create small pools of equity capital.

Our export services support program, which is probably the next largest area, is to assist companies in preparing bids for export contracts around the world, and it has generated very good success for Alberta companies in providing them with financial assistance to prepare their bids. We provide a part of the support, and then if they're successful, they repay this financial support. So those are the two key areas.

The other ones that I think are noteworthy are the product development assistance, where if a company wants to improve a product so that it has market applicability, we have the capacity to provide up to \$30,000 to an individual or a company to develop a product. Mr. Chairman, I could give the member an example. The other day a farmer phoned me and said that he'd been working and fiddling around and he developed what he thought would be a product that would have some market potential. It was an automatic brake for a wheelchair. He said there are a lot of accidents that occur with people who have wheelchairs who don't use the manual brake when they stop their wheelchairs. He has designed a device that he believes would work in saving a lot of injuries to wheelchair patients. So we're

providing some assistance to that fellow to develop that product, and it may become a product that could be patented and marketed internationally. That's one of the kinds of things we do. So our role in providing grants is really a catalytic role as opposed to a lead role.

MR. CHAIRMAN: Mr. Alger, a supplementary.

MR. ALGER: Mr. Chairman, I wonder if the minister would describe the conditions or the performance requirements. You almost did with that wheelchair example. But what are the requirements attached to the granting of moneys to private firms?

MR. SHABEN: Of course, there are the normal requirements that are in the legislation, the normal requirements on preaudit and postaudit that any well-run organization must have, and the close guidelines prior to the provision of any financial support as well as an ongoing reporting that is required of the recipients of any government assistance.

MR. CHAIRMAN: I have a little difficulty with this line of questioning because I think that information is available through the department, unless I'm mistaken. [interjections] It's not available through the department? Perhaps I could just direct this question to the hon. minister. Is this information generally available through the department, or is it only available through a session such as this, where we're dealing with the public accounts?

MR. SHABEN: I think generally it's available in our informational brochures. For example, Mr. Chairman, the SBEC program: before the grant is made, the SBEC must show that he has made the investment. These are normal procedures that are in place.

MR. CHAIRMAN: I just want to make sure that we make maximum use of your time while you're here before the committee in terms of our purpose, which is to review the public accounts.

Mr. Alger, a final supplementary.

MR. ALGER: On that note, Mr. Chairman, I almost shouldn't ask this, because I pretty near know the answer. But the follow-up in other departments is pretty precise. I wonder: what does your department do to ensure that the conditions of the grants are being followed? Do you have a watchdog-style person out there to take care of it? You have so many that it must be an awful chore.

MR. SHABEN: There is the requirement that any recipient of government support must provide us with a detailed performance of what they are doing. That's one of the conditions. Those are at least done on an annual basis, Mr. Chairman.

MR. ALGER: I'm sliding in a fourth: Mr. Salmon would probably be the overseer of that, I suppose, Mr. Chairman?

MR. CHAIRMAN: We could ask Mr. Salmon to respond to that. Do you want to repeat the observation, Mr. Alger?

MR. ALGER: When people are applying, or at least when they're contributing to the condition of the grant, I would have to guess that Mr. Salmon would be blessed interested in how the

money was spent and whether or not we got good mileage out of it.

MR. SALMON: You mean that it'd be part of our ongoing audit of the department, including the types of grants and the authorities given for the grants and what they're doing with the accountability process they've set up in the department. We would review that.

MR. ALGER: You would review that. Thank you.

MR. CHAIRMAN: Mr. Jonson.

MR. JONSON: Yes, Mr. Chairman. I'd like to ask questions with respect to the Motion Picture Development Corporation. I note in the minister's remarks that he referred to Bill 11 and the amendment or change there to increase the loan fund under this corporation. However, if I'm reading the statements correctly — and I'd like to refer to volume 1, page 5.64 — it would appear that the loans to motion picture development firms had declined from 1986-87. I wonder if the minister could inform the committee as to what the basis now is for increasing the fund.

MR. SHABEN: Mr. Chairman, Alberta pioneered this concept. The objective was to build a strong indigenous filmmaking capability. The Motion Picture Development Corporation's mandate and legislative responsibility has been and is to assist in the preproduction phase of filmmaking; in other words, to help fledgling filmmakers develop their script, go out and look for the financing and so on but not get directly involved in any way in the financing. That process has been really helpful in assisting Alberta filmmakers to have some successes, and members are aware of some of the successes.

The new legislation, if it is approved by the Legislature, would allow the Motion Picture Development Corporation, in addition to providing that preproduction assistance, to provide them an opportunity to invest by way of an investment in a film, in an actual production. The intention would be that the Motion Picture Development Corporation not be first in but play a top-up role in assisting and financing films. A similar type of facility has been set up in Ontario, has been very successful, and we have no reason to believe it would not encourage and strengthen our filmmaking here.

MR. CHAIRMAN: Supplementary?

MR. JONSON: Yes, Mr. Chairman. With respect to the financial assistance given here, particularly the loans, although I understand equity is being considered for the future to a greater degree, what policy is in place with respect to securing these loans? Because it would seem to me that it must require an approach somewhat different or unique from other financing, in that if a movie or a television clip is uninteresting to the public, what do you have in the way of security? So my question, just to perhaps summarize, Mr. Chairman, is: what is the policy with respect to providing security for these loans?

MR. SHABEN: Mr. Chairman, we're pretty fortunate. We've got an excellent private-sector board who have retained skilled people in the corporation who have pretty good judgment. The security is very skinny in the preproduction area, and we recognize that. For example, from the inception of the corporation to the present time, the corporation has provided preproduction

loan assistance to 63 projects, and 38 are still in the development stage, so this process continues. So though the film development corporation may provide assistance in 1982, there may not be a successful production of that film for 10 years, because that incubation period can vary, as the hon. member knows from his own reading. So the risks are high. The security is not that great, depending on the filmmaker's own financial strength, but we think the benefits are commensurate with the risk.

MR. JONSON: Mr. Chairman, despite the questions I've asked, I think this is a good program.

I wonder if the minister could outline some of the spin-off benefits that come from this particular economic activity in our province.

MR. SHABEN: Well, there have been 13 projects successfully completed that the Motion Picture Development Corporation has been involved in, and that's resulted in nearly 2,000 production jobs that have spun off from those 13 successful productions, as well as the opportunity for people to gain skills for other production that is not indigenous, that comes in from other parts, particularly the United States. But directly from the Motion Picture Development Corporation it's resulted in that kind of activity, and that's up till the end of 1987. Pretty significant.

MS LAING: One of the things I have found interesting ever since I've come here are special warrants. I'm wondering, in both vote 3 and vote 4 — there are special warrants in vote 3.2 of \$8 million. In fact, that was for the most part not expended. In both vote 3 and vote 4 the special warrants for the most part were not expended. On what basis, then, are these special warrants granted, and on what basis does the minister make application for them? It's vote 3.2; sorry.

MR. SHABEN: Mr. Chairman, I think there were two special warrants in the year we're dealing with, and one was to assist with Sturdi-Wood. Often a policy decision is made with respect to support, as I've described earlier, to Sturdi-Wood and the construction of the oriented strandboard plant at Drayton Valley and the funds are not available. So a special warrant is necessary to respond at the time that the requirement of the funds is there. I think there are two special warrants in that year, and the other one is for Chembiomed. Chembiomed was a policy decision of the government to establish the biotechnology company based at the University of Alberta. The funds had not been budgeted, but the funds were required to pursue the policy decision that had been made. We try to keep them at a minimum, and I think we've been successful in doing that in our department.

MS LAING: I guess the concern I have is that the estimates were for \$8 million. Then we had an additional \$8 million in special warrants for a total authorized of \$17 million. But then only \$9 million was expended, so we had the unexpected of \$8 million. I'm wondering, when in fact you have a budget, then you go and get special warrants and they seem to fall outside the legislative budgetary process in that they go through order in council — and why you would go for a special warrant when it would appear on the surface that you still have money in the budget. Do you see what I'm saying? You've gone for a special warrant that is almost equal to the amount that . . . Like, that seems almost unnecessary in that you did not overspend your budget except by, you know, a small amount. So that's the

question I'm asking: how come you go for special warrants when there appears from the outside to be money still left?

MR. SHABEN: Mr. Chairman, I think the one that is the best example and the largest part of the special warrant request is the small business equity corporations. The difficulty is that we don't pay the grant until the small business equity corporation makes their investment. Under the terms of the legislation, Ms Laing, the small business equity corporation has two years in which to make their equity investment, and we respond to them based on what our expectation is. Then sometimes our expectations just don't follow through, so we may raise a special warrant and yet not use the funds because the SBEC has not made the investment. I can't explain it any other way, unless maybe the . . .

MS LAING: I guess that makes sense inasmuch as maybe it should show up. Okay.

Following on that, I guess the other thing is that you talked about the Alberta Opportunity Company. What I have received in my office is a number of people that — what do I know about these things? — seem to have good proposals but were turned down. So I guess I'm wondering — we had questions about criteria. I expect it's application of criteria that gets to be the problem, but we had 388 businesses supported. How many and what percentage of those that applied were turned down?

MR. SHABEN: I'm going to ask Mr. Parker to respond in the specifics. But I'd like to let the members of this committee know that we get literally hundreds of proposals, people who come to the department with business proposals, and we attempt as best we can to provide consultative advice to budding entrepreneurs or business people. Could I tell the hon. member that far more of the proposals are poorly developed and have very little success of succeeding than those that do? I'm not sure what the percentage is, but it's a far higher percentage of those that are poorly planned, poorly developed, and must be refused.

So I, as do you and all members of the Assembly, hear from people who are unsuccessful in accessing a government program, whether it's AOC or other programs. That's difficult for all of us, but many of the proposals are not very well developed. Now, others are a matter of judgment, and I'd like Mr. Parker to talk about that judgment process that he's involved in.

MR. PARKER: Yes; I would be pleased to because I think it's a very good question and worth while exploring. In the annual report for the year ended March 31, 1987, there's a table at the very back which shows the applications received on an annual basis for each of the four years up to and including 1987. They range — we'll start at 1,095 in '84 and end up at 1,190, with kind of ups and downs in between. You can see that the trend has been that as a percentage we have been getting from 25 percent to close to 40 percent in improvement from '84 to '87. That doesn't reflect a change in policy; it reflects a change in improved economic conditions and better proposals being put forward to us. Beyond the applications that were received and were investigated, resulting in these approvals, we have in excess of 10,000 inquiries a year at our branches around the province. We have 11 branches plus our head office in Ponoka, which is our largest branch.

There are two factors which cause us to decline a loan. The

first one and certainly the minority is that in some cases the applications are ones that private-sector lenders are interested in doing, and our mandate as such is not to do those if a private-sector lender is interested in doing that, and we inquire in this regard, and so we will send them to those.

The other factor represents those which the minister referred to which are lacking in either management skills, markets, equity. There has to be some investment by the owners of the business that will (a) allow the business to service a debt that it's going to take on from people like ourselves and (b) give them a stake so that if things start to look a little weak, they don't say, "Thank you very much; here are the keys; away we go." They have to have something to lose in order to give them the tenacity that is needed to make any business that's going to succeed succeed.

Finally, I guess the one factor which we guard jealously and attempt to not make a mistake on is where a good proposal comes forward and it's going to be a good business but there are other taxpaying businesses in competition with it which are going to be severely damaged by it. It's our view that we should not use the taxpayers' money to put other taxpayers out of business.

The final point I'll make is that all applications that are declined or approved are reviewed by our management group and are also reviewed by our board at our semimonthly board meetings. We have our loans committee review, which is approvals made in-house which the board goes over and asks questions on pro and con. We have the ones that have been declined or canceled or whatever. There's a brief summary of what that is, and the board reviews those and asks questions, which we respond to.

MR. CHAIRMAN: Thank you very much, Mr. Parker.  
You really have used your sups.

MS LAING: Oh; don't I have another one?

MR. CHAIRMAN: No.  
Is the committee agreed that Ms. Laing can extend it?

HON. MEMBERS: Agreed.

MS LAING: Okay; the thing that I hear most is the equity thing. What I hear from small businesspeople is, "I've got to be a success before I can get this kind of aid." But I guess the further question is then: of those that are approved, how many are written off? What percentage is written off? Or what kinds of moneys are lost through bad debts, through bad judgment the other way? Because, I mean, I've looked at some of these proposals and they look -- for all that I can tell, they meet many of the criteria that you state here. So then in how many that you give the money to do you err the other way? How much is written off? Because you said you didn't keep them on the books.

MR. CHAIRMAN: I think the minister can make sense of the question.

MR. SHABEN: Mr. Chairman, I'll just make a general comment and then have Mr. Parker respond further. You put your finger on an area that I think we've discussed in the House. Mr. Mitchell has raised the questions and some other members have raised this question.

The most difficult area is seed or start-up capital. It is an

area that is very tough to respond to. One of the reasons we established the small business equity corporations, which now have made, I think, 400 and some investments in small businesses, was to respond by creating these private-sector pools of investment capital. But that tough area is the seed capital that is required, generally up to the \$100,000 or \$150,000 range. Those entrepreneurs who are looking for that kind of seed capital find it very difficult to access. We have asked AOC, and they've responded very well, tremendously well, in now getting involved in the venture capital area. They've approved a number of investments already, and I'm really pleased with the response of the board and AOC to that new direction.

But the area that is really difficult -- and we recognize that it is difficult -- is to respond in that \$10,000 to \$100,000 seed capital area. We're working on ways that we might improve or develop programs that could respond, but it's a tough area to respond in.

Roy?

MR. PARKER: Yeah; I'd like to add a couple of points. First, since our inception to the end of March '88 we have approved approximately \$485 million in funding. Of that we've written off approximately \$51 million. So we are taking risks, and we do have a significant write-off loss. The numbers that have been approved and that declined and failed we estimate in the 10 to 12 percent.

One final point that I would like to respond to you. We did a study several years ago of the ones that had failed and where we had suffered losses to try and avoid this continuing situation which every lender faces. What was a common thread among them? The biggest single factor, the commonality in the businesses that went broke was that these were businesses that we had turned down at least once and possibly twice and three times, but they had eventually convinced us against our better judgment that we should do it. They were the biggest single group. Had we stuck to our decision initially, these losses would not have taken place, not only to ourselves but to these people who had invested their money in there.

So while we attempt to have -- and we promote within our people to be positive in their approach, to be developmental and develop something, try and find a way to do it and not be judgmental and sit in judgment as many lenders tend to. You're still going to have people who are unhappy because they're turned down. On occasion we will make mistakes, and there will be people whom we will turn down that we shouldn't, but we do the best we can, and we want to save our money and theirs if we're sure they're going to lose it and the business is going to fail.

MR. CHAIRMAN: Thank you very much.  
Mr. McEachern.

MR. McEACHERN: Mr. Chairman, could I ask that at the end at 11:30 the committee stay for a few minutes -- I have a proposal I want to make to the committee -- so that we don't get disbanded like we did last time without getting a chance to have an internal question?

MR. CHAIRMAN: Could you please put a question, hon. member, and you can raise that under Other Business.

MR. McEACHERN: Thank you.  
My question to the minister. In your opening comments you

purported to deal a bit with the problems of the whole department's budget. You didn't explain why the 1986-87 estimates, as outlined in the budget documents of that day, indicated a total department estimate of \$56.8 million and the document page that we're now working with, volume 2, 9.2, says that the total budget was \$65 million, of which we expended \$60 million. When you throw in the special warrants which you referred to earlier, somehow we didn't spend some \$13 million. But where does that number, \$56.8 million, fit in as the original estimate? Now, it may be the difference between the April 3 budget and a June 16 budget, but I don't remember any change on that.

MR. SHABEN: I'm not sure that I understand the question, but I'm going to . . .

MR. McEACHERN: If you look on page 9.2, you'd agree that the estimates say almost \$65.5 million, but if you looked at the original estimates, the estimates book for 1986-87, it says \$56.8 million. I realize that there was an election between the original date of that one book being put out and the other, but I don't remember the change being indicated.

MR. CHAIRMAN: Is your question finally put?

MR. McEACHERN: My question is to find out what's happened there, what's going on. There's some \$4 million or \$5 million difference there in the numbers.

MR. SHABEN: Well, I'm looking at page 9.2 under the estimates column.

MR. McEACHERN: Yes; \$65.5 million, in effect.

MR. SHABEN: Yes, and . . .

MR. McEACHERN: The estimates book for the year 1986-87 says — and I've got it right in front of me, page 99 — \$56.8 million for the total estimate.

MR. SHABEN: About the only thing that I would expect would account for it would be the special warrants that we have discussed earlier.

MR. McEACHERN: The special warrants are \$8.7 million, and that doesn't add up. The \$8.7 million is added to \$65 million to get your total authorized of \$74 million, so that still doesn't account for why the \$56.8 million. Perhaps it's something you could take on notice, then, and look it up later.

MR. CHAIRMAN: I'll ask the minister to decide how he . . .

MR. SHABEN: Okay, Mr. Chairman. If Mr. McEachern is talking about my opening comments versus what's in here . . .

MR. McEACHERN: No, your opening comments fit what's on page 9.2, but those numbers do not coincide with the estimates that you brought before the Assembly in June of 1986-87. The figure in this book on page 99 is \$56.8 million, not \$65.5 million, and I'm asking for a reconciliation on that.

MR. SHABEN: Well, I need help from a financial whiz. Perhaps the Auditor General.

MR. SALMON: I can't remember whether that was the year or not that there was a supplementary budget. Have you got the supplementary budget that came forward after the election?

MR. McEACHERN: Not with me. I think all we were given . . .

MR. SALMON: If it's there, it will be included in that column. It will be included in total, and if that's the case . . . I haven't got it here either, so I can't look it up.

MR. McEACHERN: Well, I was just asking the minister: would he check back into that and perhaps report back to me if that's the case?

MR. SHABEN: I would suspect that our expenditures would be within the approvals of the Legislature, or the Auditor General would be all over my back.

MR. CHAIRMAN: I think that the Auditor General has indicated that it is there, and I take it that there'd be some report back to the committee either by the Auditor General or by the hon. minister. Could we leave this question with the Auditor General? Thank you.

MR. HERON: Mr. Chairman, does this question fall within the scope of this committee meeting here today? I think the minister has done a good job of trying to answer it, as has the provincial Auditor, but we're looking at the public accounts for this year and not going back. I don't think it's fair to be reconciling figures from year to year, is it?

MR. CHAIRMAN: In my judgment it's a legitimate question. It touches directly on total expenditures for the department, and it attempts to seek a reconciliation or at least an explanation between what was actually spent and what was authorized by the Legislature.

Second supplementary, Mr. McEachern.

MR. McEACHERN: The second question I wanted to ask . . . Are you saying second supplementary or second question?

MR. CHAIRMAN: First supplementary.

MR. McEACHERN: First supplementary; thank you.

A similar kind of problem exists with the special warrants, probably under the SBEC thing, vote 3.2 on that same page. If you go to the original document that I indicated a minute ago and look on page 107, the estimate there is \$1.2 million. I know there was a supplementary requisition, but again there must have been a similar kind of change and problem with that, so I would like the assurance that you would look into that problem also.

MR. SHABEN: I think if the hon. member would note on public accounts that the special warrant for \$8.7 million for the SBECs that was approved and then subsequently expended — and this refers to your colleague's earlier question. The amount expended was only \$653,000, and that's as a result of what I'd describe to you as: we can't control the pace at which the grants are paid out because that's a function of the investments being made by the SBEC. If the member has a concern about the OC versus what was actually expended, that is what has happened and that's the comparison of the amount.

MR. CHAIRMAN: Would the Auditor General care to supplement that part?

MR. SALMON: I understood the question as being a detailed amount here in the estimates column that will be different from what your other book is. They will all show up when we tell you what the figure is at the total. It'll come that way.

MR. McEACHERN: I spent some time working on the supplementary information to the public accounts last night, endeavouring to sort out those expenditures by payee that belonged to the Department of Economic Development and Trade. I spent quite a while — I'm not sure; I didn't time myself, but certainly something like 10 or 15 minutes.

MR. CHAIRMAN: I'm sure that's all very useful . . .

MR. McEACHERN: It's background to the question I want to ask, and important.

I finally got through the As and started on the Bs, and I guess what I would ask of the minister is: would he be willing to release to this committee the list of companies that the government paid money to in one list so that we don't have to go through 300 pages to find them all?

MR. SHABEN: Okay, let me start that process for the hon. member. Sturdi-Wood Ltd.: authorized, \$22.9 million; expended, \$20.6 million. Weldwood of Canada had been earlier authorized \$3.3 million, and we expended \$3.3 million. The Alberta Stock Exchange: we had authorized a total of \$1 million in support, and we expended \$426,000 in that year. Proctor & Gamble Cellulose: we provided support by way of a \$2 million loan. XL Food: \$500,000 was authorized toward an interest deficiency payment; nothing was expended, for a total of \$24,326,000.

Thank you.

MR. McEACHERN: That's only a small start on the list . . .

MR. CHAIRMAN: You've used your supplementaries.  
Mrs. Mirosh.

MR. McEACHERN: I didn't ask him a question. I asked: could we have the list?

MR. CHAIRMAN: The minister can answer his questions that are put to him in any way he . . .

MR. SHABEN: Mr. Chairman, I'm happy to continue.

MR. McEACHERN: If there's been a document, I don't expect you to read it . . .

MR. CHAIRMAN: Hon. member, will you please wait until you're recognized by the Chair?

MR. SHABEN: Mr. Chairman, I'm in your hands. Do you want me to continue to provide information to the hon. member?

MR. CHAIRMAN: At this point we have a number of members who still would like to put questions to the hon. minister. I guess the answer to that question is: is the minister prepared to provide a list for everyone? I mean, I think the list would be

rather lengthy, and it would use up what little remaining question time there is.

MR. SHABEN: The information the hon. member seeks is in the supplementary information of the public accounts. If he has a specific question on a specific company or expenditure of funds, maybe we could deal with it one on one. He could drop me a note and I'd respond to it. I'd be happy to do that.

MR. CHAIRMAN: Thank you very much, hon. minister. As a matter of fact, I don't think it's a question that's properly put to the minister of economic development. It's more of a question that has to do with the way the public accounts are presented. It's a question that's either more properly addressed to the Auditor General — and the hon. member had an opportunity to address that question to the Auditor General at our last two meetings when the Auditor General was before us — or it may be a question that's more appropriately addressed to Treasury.

MR. SHABEN: Mr. Chairman, if I could just add that I believe that every payment the government makes is in that detailed information. As I say, I'm pleased to respond to a specific request.

MR. CHAIRMAN: No; I agree. For the information of the hon. minister, it's just that there may be some efficiencies made available to members of the committee if the payments were organized in the supplementary information by department rather than by payee. But that's not your decision to make.

Mrs. Mirosh? Mr. Payne.

MR. PAYNE: Mr. Chairman, in the moment or two remaining, I wonder if I could return to the questions raised by our colleague for Stony Plain with respect to the department's international grant program.

In fiscal '86-87 we experienced, as all members know, a \$3 billion-plus deficit. I suspect it's safe to say that was the largest per capita deficit provincially in the nation. With that as a backdrop, I know we all have constituents who would be puzzled as to why we would ship millions of dollars offshore to assist projects for which there was no commitment to make use of professional and occupational services here in Alberta. To put the question another way, Mr. Chairman, could the minister explain why he and his officials didn't restrict those grants to those offshore projects for which there was such a commitment to use Alberta services, at a time when our economy was reeling?

MR. SHABEN: I think that in my opening comments, Mr. Chairman, I indicated that over the years since this program's inception we have not made judgments on the activities of the NGOs and their choice of beneficiary. Subsequent to the dramatic drop in our revenues, Mr. Payne, we have made a dramatic cut in the amount of money available for international aid. I believe that in the current year it's down to \$3 million, and in the year that we're dealing with, it was \$7.5 million. [interjection] Six and a half? Six and a half million dollars or \$7 million, I think, in total were the available funds.

So the response occurred in the following year, and that only occurred after consulting with the nongovernmental organizations — by writing to as many as we could, explaining what our difficulty was in terms of availability of funds, asking for their advice on how we should set our criteria in order to respond to that limited amount of funds. We got really good input, so we

were able to reduce by more than half the amount of money available to NGOs but target it more effectively. We only did it after consulting with them rather than doing it arbitrarily.

MR. PAYNE: Mr. Chairman, I do have several supplemental questions that I think, given the hour, I might be able to address personally to the minister and would move an adjournment motion at this time.

MR. CHAIRMAN: Before I accept the motion, we do have to deal with Other Business. Is there other business that a member would like to bring forward. I recognize . . .

MR. HERON: Yeah, there is. Mr. Chairman, may I take this time, then, to thank the minister? There's no sense him sitting through if we're going into Other Business. May we thank him so that he can get on with his day?

MR. CHAIRMAN: Apparently, there's another point. I recognize Mr. Mitchell first.

MR. MITCHELL: Thank you, Mr. Chairman. I would like to thank the minister and his senior officials. This has been very informative, but there's much more to be pursued with this department, and I would like to move that we ask the minister to return prior to the end of the Legislative sitting so that we could pursue this questioning, preferably next week. I would make that a motion.

MR. HERON: Question.

MR. CHAIRMAN: Question on the motion. Is that what you're asking?

MR. HERON: Mr. Chairman, we've gone through this at previous meetings, and that is that we have an agenda before us and the scheduling of the ministers so they can budget their time to maximize the benefit to this committee. This is two consecutive weeks we've had an attempt to disrupt that schedule. So I have to speak against the motion, and I call for the question to vote on it and dispense with it fairly quickly.

MR. CHAIRMAN: Well, I'm going to rule the motion out of order. Is the committee agreed?

HON. MEMBERS: Agreed.

MR. CHAIRMAN: The Committee's agreed.  
Mr. McEachern.

MR. McEACHERN: On this question? [interjections] Then why don't you let the minister go, since it doesn't concern him?

MR. CHAIRMAN: Well, on behalf of members of the committee, I'd like to thank the hon. Mr. Shaben for coming today and bringing members of his department with him. I'm sure that all members of the committee appreciate the detailed way in which you answered their questions, and I think that if there is an occasion on which we could ask you back, the members would be very interested in pursuing that. So again, thank you very much.

Now, we're still dealing with Other Business. Are there other matters?

MR. McEACHERN: Yes, if I may, Mr. Chairman, I'd like to move a motion that the chairman of the Public Accounts Committee request on behalf of this committee that the Treasurer or the cabinet, whichever is required, authorize the Auditor General to release the list of payees found in the supplementary information document receiving government funds, by department.

MR. CHAIRMAN: I think we could ask the Auditor General for his comments on that motion.

MR. SALMON: Mr. Chairman, if that motion was to the Treasurer, that would be probably something that could be considered. I don't have the detail in my own shop. That's a Treasury detail which we audit in the form of the processes they use. We don't actually have the tapes or anything else of the detail by department. It would have to be something that the Treasury would choose to release.

MR. CHAIRMAN: Release in that particular form?

Therefore, the motion as I understand it, then, is a motion that would request the Treasury to provide supplementary information to the Public Accounts not just by payee but by department. Is that correct? So you have a motion before you. Is there any discussion on the motion?

AN HON. MEMBER: Question.

MR. CHAIRMAN: Hearing no discussion, the question's been asked. Those in favour of the motion? Those opposed? The motion is defeated.

I'd just like to announce that the next meeting of this committee will be Wednesday, May 11, at 10 a.m. in the Assembly and that the Hon. Dave Russell, Minister of Advanced Education, will be present.

Now I'll entertain the motion by Mr. Payne that we adjourn. Those agreed? The meeting's adjourned.

[The committee adjourned at 11:32 a.m.]

