Exhibit (d)

Province of Alberta

(Canada)

The description of the Province of Alberta is dated January 24, 2001 and appears as Exhibit (d) to the Province of Alberta's Annual Report on Form 18-K to the U.S. Securities and Exchange Commission for the fiscal year ended March 31, 2000.

THE DELIVERY OF THIS DOCUMENT AT ANY TIME DOES NOT IMPLY THAT THE INFORMATION IS CORRECT AS OF ANY TIME SUBSEQUENT TO ITS DATE. THIS DOCUMENT (OTHERWISE THAN AS PART OF A PROSPECTUS CONTAINED IN A REGISTRATION STATEMENT FILED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED) DOES NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY ANY SECURITIES OF THE PROVINCE.

TABLE OF CONTENTS

	Page
Province of Alberta Summary Information	3
Introduction	4
Physiography and Population	4
Constitutional Framework of Canada	4
Government of Alberta	4
Economy	5
Overview	5
Recent Economic Developments	7
Gross Domestic Product	8
Economic Structure	12
Primary Industries	12
Secondary Industries	14
Service Industries	15
Finances of the Province	15
Financial Administration	15
Consolidated Financial Position	16
Revenue and Expense	17
Fiscal Responsibility Act	17
1999-2000 Fiscal Year	18
Budget 2000	18
Revenue	19
Expense	22
Net Change in Capital Assets	23
Other Funds and Agencies	24
Alberta Heritage Savings Trust Fund	25
Debt of the Province	26
Financing and Debt Management	26
Consolidated Debt	26
Recent Developments	30
Pension Plans	30
Plans under the Public Sector Pension Plans Act	30
Members of the Legislative Assembly Pension Plan	31
Provincial Judges and Masters in Chambers Pension Plan	31
Teachers' Pension Plan	31
Province of Alberta's Pension Obligations	32
Canadian Foreign Exchange and International Reserves	32
Statement of Unmatured Debt	33

In this document, unless otherwise specified or the context otherwise requires, all dollar amounts are expressed in Canadian dollars. On January 24, 2001, the noon buying rate in The City of New York for cable transfers in Canadian Dollars ("$") as certified for customs purposes by the Federal Reserve Bank of New York, was $1.00 = $.6611 United States dollars ("U.S.$") (see "Canadian Foreign Exchange and International Reserves").

In this document, statistics for the economy of the Province of Alberta ("Alberta" or the "Province") are set forth on a calendar year basis at market prices, except as otherwise indicated. Economic statistics for recent years frequently are estimates or preliminary figures which are subject to adjustment. Historical data may change over time due to a number of data related revisions. Financial statistics for the Province are set forth on a fiscal year basis (from April 1 to March 31 of the succeeding year), unless otherwise noted.

Compound annual rates of growth are computed by using the "geometric average method", which is based on first and last year observations of the variables rather than all observations of the variables over the period concerned.

This document appears as an exhibit to the Province's Annual Report to the U.S. Securities and Exchange Commission (the "Commission") on Form 18-K for the fiscal year ended March 31, 2000. Additional information with respect to the Province is available in such Annual Report and in amendments thereto. Such Annual Report, exhibits and amendments can be inspected and copied at the public reference facilities maintained by the Commission at: Judiciary Plaza, 450 Fifth Street, N.W., Room 1024, Washington, D.C. 20549; Northwestern Atrium Center, 500 West Madison Street, Suite 1400, Chicago, Illinois 60661; and 7 World Trade Center, New York, New York 10048. Copies of such documents may also be obtained at prescribed rates from the Public Reference Section of the Commission at its Washington address or, without charge from Province of Alberta, Alberta Treasury, Liability Management, Room 309 Terrace Building, 9515 – 107 Street, Edmonton, Alberta Canada T5K 2C3.

The consolidated financial statements of the Province as at and for the year ended March 31, 2000 (the "consolidated financial statements") are hereby incorporated by reference herein. The consolidated financial statements were filed with the Commission on June 29, 2000, as an amendment to the Province's Annual Report on Form 18-K for the fiscal year ended March 31, 1999 and can be obtained at the addresses set forth above.

PROVINCE OF ALBERTA SUMMARY INFORMATION

The following information is a summary only and is qualified in its entirety by the more detailed information elsewhere in this document.

All dollar amounts are in Canadian dollars, unless otherwise noted.

	Year ended December 31				
	1995	1996	1997	1998	1999
	(millions of dollars unless otherwise indicated)				
Economy					
Gross Domestic Product	$91,356	$97,416	$106,922	$105,927	$115,417
Gross Investment	21,234	21,909	29,410	32,862	31,999
Consumer Price Index (annual change)	2.3%	2.2%	2.1%	1.1%	2.4%
Population (thousands at July 1)	2,740	2,781	2,837	2,907	2,959
Unemployment Rate (average)	7.8%	6.9%	5.8%	5.6%	5.7%
Gross Domestic Product Per Capita					
Alberta (dollars)	$33,342	$35,029	$ 37,688	$ 36,439	$ 39,005
Canada (dollars)	27,495	28,076	29,277	29,814	31,414
Personal Income Per Capita					
Alberta (dollars)	23,630	24,087	25,665	26,545	27,325
Canada (dollars)	22,907	23,177	23,832	24,660	25,452
Alberta's Established Reserves of Conventional Crude Oil and Equivalent as a Percentage of Canada's	56.0%	54.6%	50.6%	49.7%	49.8%

	Fiscal Year ended March 31				
	1997	1998	1999	2000	Revised Budget (a) 2001
	(millions of dollars unless otherwise indicated)				
Consolidated Financial Position (b)					
Revenue	$16,719	$17,815	$16,882	$20,168	$ 23,555
Expense	14,230	15,156	15,788	17,377	18,726
Net Increase (Decrease) in Capital Assets Affecting Operations (c)	(38)	20	68	74	159
	2,527	2,639	1,026	2,717	4,670
Alberta Heritage Science and Engineering Research Endowment Fund	—	—	—	—	500
Consolidated Surplus/Economic Cushion (d)	2,527	2,639	1,026	2,717	4,170
Pension Provision	(371)	(91)	(77)	(85)	19
Consolidated Surplus/Economic Cushion including Pension Provision	2,898	2,730	1,103	2,802	4,151
Consolidated Net Debt (Assets) at March 31 (e)	$ 8,709	$ 5,979	$ 4,876	$ 2,074	$ (2,569)
Consolidated Net Direct and Guaranteed Debt (at March 31)					
Net Direct Debt	$15,245	$13,158	$12,979	$11,687	n/a
Net Guaranteed Debt of Provincial Agencies (f)	4,151	3,951	3,677	3,423	n/a
	$19,396	$17,109	$16,656	$15,110	n/a
Guaranteed Debt of Third Parties	$ 1,323	$ 842	$ 621	$ 465	n/a
	$20,719	$17,951	$17,277	$15,575	n/a
Per Capita (dollars)	$ 7,450	$ 6,327	$ 5,943	$ 5,264	n/a
As a Percentage of:					
Personal Income	30.9%	24.7%	22.4%	19.3%	n/a
Gross Domestic Product at Market Prices	21.3%	16.8%	16.3%	13.5%	n/a
Alberta Heritage Savings Trust Fund					
Financial Assets (at March 31)	$12,084	$12,309	$12,098	$12,418	n/a

Note: All figures are current dollars unless otherwise indicated.

(a) "Revised Budget" refers to the information in the 2000-01 Second Quarter Fiscal Update, which updates the 2000 Budget and which was filed with the Commission on November 14, 2000, as an amendment to the Province's Annual Report on Form 18-K for the fiscal year ended March 31, 1999 (the "2000-2001 Second Quarter Budget Update").

(b) Prior year revenue and expense have been restated to reflect changes in accounting adjustments.

(c) Converts capital to pay as you go basis for the purposes of the consolidated surplus.

(d) Subject to the Province's Balanced Budget and Debt Retirement Act and Fiscal Responsibility Act.

(e) Includes pension obligations based upon actuarial valuations. At March 31, 2000, the pension obligation was $4,728 million.

(f) Net of internal holdings.

INTRODUCTION

Physiography and Population

The Province of Alberta ("Alberta" or the "Province") is the fourth largest province in both area and population of the ten Canadian provinces after Quebec, Ontario and British Columbia. Alberta's total area is about 660 000 square kilometres (255,000 square miles), of which some 17 000 square kilometres (6,500 square miles) are covered by lakes. Alberta is bounded on the west by British Columbia, the most westerly Canadian province, on the east by Saskatchewan, on the south by Montana and on the north by the Northwest Territories. The terrain includes dry lands in the southeastern portion of the Province, a mountainous region with coniferous forest running along the western border, prairie grasslands in central and southern Alberta and mixed woodlands in northern and central Alberta.

The population of Alberta on July 1, 2000, was estimated by Statistics Canada to be 2,997,236, or 9.7% of Canada's population of 30,750,087. From 1995 to 1999, the population of the Province grew at an average annual rate of 1.9%, compared with 1% for Canada. A diverse mix of cultures is represented, with population growth having been strongly aided by immigration. Approximately 60% of the population is located in Edmonton and Calgary. Edmonton, the provincial capital, is a commercial, governmental and oil refining center. Calgary serves as a financial and commercial center, and is the location of many head offices for energy and resource corporations.

Constitutional Framework of Canada

Canada is a federation with a parliamentary system of government. The Queen of the United Kingdom of Great Britain and Northern Ireland (the "United Kingdom") is also the Queen of Canada and is the formal head of the Canadian state and is referred to as the "Crown". Responsibilities under the Constitution of Canada are divided between a federal government and ten provincial governments. The Canada Act 1982, passed by the Parliament of the United Kingdom effected the patriation of the Constitution of Canada. That Act enacted the Constitution Act 1982, which provided for, among other things, a Charter of Rights and Freedoms, enlarged provincial jurisdiction over and taxation of certain natural resources, principles of fiscal equalization and the reduction of regional economic disparities and a formula for amendment of the Constitution of Canada.

Under the Constitution of Canada, each provincial legislature has exclusive authority to make laws in relation to borrowing money on the sole credit of that province and the authority to raise revenue for provincial purposes through direct taxation within its territorial limits. Each province owns minerals and other resources on its provincial Crown lands and may own sub-surface resources on its other lands. Provincial legislatures have the right to levy royalties on all lands, mines and minerals which they own and also have the right to regulate and raise revenue by any mode or system of taxation in relation to the exploration, development, conservation and management of non-renewable natural resources, forestry resources and electricity generation. Each province also has legislative authority in the areas of education, health, social services, property and civil rights, natural resources, municipal institutions and generally all matters of a purely local or private nature.

The Parliament of Canada is empowered to borrow money and to raise revenue by any mode or system of taxation and has authority over matters not assigned exclusively to provincial legislatures. Parliament has legislative authority over, among other things, federal public debt and federal property, the regulation of interprovincial trade and commerce, currency and coinage, banks and banking, bankruptcy and insolvency, national defense, foreign affairs, postal service, navigation and shipping and employment insurance.

A federal election was held in November 2000. There are 301 seats in the Parliament. The Liberal party has 173 seats and forms the government.

Government of Alberta

Legislative power in the Province is exercised by a unicameral legislature elected for a term of five years, subject to earlier dissolution. The last general election was held in March 1997. There are 83 seats in the Legislative Assembly, of which 64 are currently held by the Progressive Conservative Party, 15 by the Liberal Party, two held by the New Democrat Party, one held by an Independent, and one vacant. The Lieutenant Governor of the Province (the "Lieutenant Governor") is appointed by the Governor General in Council of Canada to represent the Crown. The Lieutenant Governor calls upon the leader of the political party with the largest number of elected members to serve as Premier and to form the government. On the recommendation of the Premier of the Province (the

"Premier") the Lieutenant Governor convenes, prorogues and dissolves the Legislative Assembly and assents to Acts adopted by it.

On the advice of the Premier the Lieutenant Governor appoints members of the Executive Council (the "Cabinet"). Cabinet members are usually appointed from the Legislative Assembly and usually head government ministries. The Cabinet determines government policy and is responsible to the Legislative Assembly for the operation of the Government.

ECONOMY

Overview

Alberta's economy has capitalized on its strengths in agriculture, energy and other resource-based industries to develop a dynamic and diverse economy. On average over the past ten years, Alberta has had the fastest growing economy in Canada. In addition, Alberta has a higher level of GDP per capita than any other province as well as the highest per capita level of business investment and retail sales.

Alberta has the lowest overall taxes of any province in Canada. With respect to personal income tax, the 8% provincial surtax was eliminated on January 1, 2000, reducing Alberta's top combined federal/provincial marginal rate to 43.7% in 2000 from 45.2% in 1999. The remainder of the personal tax plan, which was implemented on January 1, 2001, includes the elimination of the 0.5% flat tax, the replacement of the low income tax reduction with increased personal and spousal exemptions, and the implementation of a new personal tax system that levies tax at a single rate of 10% of taxable income. The tax system is indexed to inflation. Combined with federal personal tax reductions, the top marginal rate for 2001 is 39.0%, the lowest in Canada.

In September 2000, the government announced a $955 million cut in business taxes starting April 1, 2001. The cuts are based on the recommendations of the Business Tax Review Committee and will be phased in over three years, subject to affordability. The general corporate income tax rate will be cut from 15.5% to 8% by April 1, 2004, the manufacturing and processing rate will be cut from 14.5% to 8% by April 1, 2004, the small business rate will be cut from 6% to 3% by April 1, 2003, the small business income threshold will be increased from $200,000 to $400,000 by April 1, 2003, and the Financial Institutions Capital Tax will be eliminated on April 1, 2001. As well, Alberta matched the federal reduction in the capital gains inclusion rate to 50%.

In addition, Alberta is the only province that does not levy a provincial retail sales tax. These factors provide the Province with considerable fiscal capacity.

Alberta is an export-oriented economy and, as a result, is influenced by the international prices of its main traded goods, such as crude oil, natural gas, petrochemicals, agricultural and food products, and by the economic performance of its principal trading partners, particularly the United States and the other provinces of Canada. Although Alberta's dependence on the mining and oil and gas extraction sector has fallen since 1985 (from 37.2% of nominal GDP at factor cost in 1985 to 20.7% in 1999), the Province's exposure to the energy sector is still the largest in Canada. In 1999, Alberta accounted for 77.4% of Canada's total crude oil reserves (conventional plus oil sands) and 80.9% of all natural gas reserves.

Since 1990, the Alberta economy has outperformed the national economy, in real terms, except for two years (1998 and 1999).

In 1995, real GDP grew by 3.7% in Alberta. Growth was mainly due to a 5.0% increase in real exports, as real investment declined by 0.3%. Nominal GDP growth was 5.4%.

In 1996, the Alberta economy grew by 2.1% in real terms, led by a 4.1% increase in total investment. Residential construction rose by 14.7%, while machinery and equipment investment grew by 8.3%. Economic growth was dampened by a 1.2% decline in real government expenditure on goods and services and a 5.5% increase in real imports. Nominal GDP rose by 6.6%, reflecting a strong increase in oil and gas prices in 1996.

The Alberta economy grew by 8.4% in real terms in 1997, the highest growth among provinces and the highest growth in Alberta since 1993 (9.3%). By comparison, the Canadian economy as a whole grew by 4.4% in real terms in 1997. Growth was led by a record 32.2% increase in investment, a 6.8% increase in consumer spending, and a 3.7% increase in exports. Growth was dampened by a 0.2% decline in real government spending on goods and services and a 13.2% increase in imports. Nominal GDP rose by 9.8%.

The Alberta economy expanded by 2.4%, in real terms, in 1998. Total employment grew by 3.9%, the strongest increase among provinces, while Alberta's population rose by 2.5%, the fastest in Canada. Real growth in 1998 was led by a 26.1% increase in business investment in machinery and equipment and a 12.1% increase in government investment. Real consumer spending grew by 3.3%. Business investment in non-residential construction increased by only 2.1% due to the slowdown in energy industry activity. The sharp drop in U.S. dollar world oil prices decreased the nominal value of Alberta's output by 0.9% in 1998.

The Alberta economy strengthened in 1999, growing by 3.6% in real terms. Although oil and natural gas prices strengthened over the year, a drop in energy sector investment reduced real business investment by 2.5%. Continued low unemployment and a 2.5% gain in employment contributed to a 3.3% increase in consumer spending. Government investment increased by 22.1%, and real exports grew by 1.1%. Nominal GDP rose by 9.0% because of the strong increase in energy prices.

The following table provides a summary of major economic indicators for Alberta and Canada from 1995 to 1999. See "Recent Economic Developments" for the most recently available economic indicators.

Major Economic Indicators

	Year ended December 31					Compound Annual Growth Rate
	1995	1996	1997	1998	1999	1995-99
	(millions of dollars unless otherwise indicated)					
Gross Domestic Product: Alberta						
Current Market Prices	$ 91,356	$ 97,416	$106,922	$105,927	$115,417	6.0%
Annual Rate of Change	5.4%	6.6%	9.8%	(0.9)%	9.0%	
Per Capita (dollars)	$ 33,342	$ 35,029	$ 37,688	$ 36,439	$ 39,005	4.0%
Constant 1992 Prices	$ 88,474	$ 90,309	$ 97,898	$100,210	$103,794	4.1%
Annual Rate of Change	3.7%	2.1%	8.4%	2.4 %	3.6%	
Per Capita (dollars)	$ 32,290	$ 32,474	$ 34,508	$ 34,472	$ 35,077	2.1%
Gross Domestic Product: Canada						
Current Market Prices	$807,088	$833,070	$877,921	$901,805	$957,911	4.4%
Annual Rate of Change	5.2%	3.2%	5.4%	2.7 %	6.2%	
Per Capita (dollars)	$ 27,495	$ 28,076	$ 29,277	$ 29,814	$ 31,414	3.4%
Constant 1992 Prices	$769,082	$780,916	$815,013	$842,002	$880,254	3.4%
Annual Rate of Change	2.8%	1.5%	4.4%	3.3 %	4.5%	
Per Capita (dollars)	$ 26,200	$ 26,318	$ 27,179	$ 27,837	$ 28,867	2.5%
Personal Income Per Capita (dollars)						
Alberta	$ 23,630	$ 24,087	$ 25,665	$ 26,545	$ 27,325	3.7%
Canada	$ 22,907	$ 23,177	$ 23,832	$ 24,660	$ 25,452	2.7%
Retail Trade Per Capita (dollars)						
Alberta	$ 8,297	$ 8,561	$ 9,495	$ 9,654	$ 9,909	4.5%
Canada	$ 7,283	$ 7,444	$ 7,931	$ 8,154	$ 8,549	4.1%
Investment Per Capita (dollars)						
Alberta	$ 7,750	$ 7,878	$ 10,366	$ 11,304	$ 10,813	8.7%
Canada	$ 4,678	$ 4,841	$ 5,598	$ 5,755	$ 6,118	6.9%
Consumer Price Index (annual percentage change)						
Alberta	2.3%	2.2%	2.1%	1.1 %	2.4%	
Canada	2.2%	1.6%	1.6%	1.0 %	1.7%	
Population (thousands at July 1)						
Alberta	2,740	2,781	2,837	2,907	2,959	1.9%
Canada	29,354	29,672	29,987	30,248	30,493	1.0%
Unemployment Rate (average)						
Alberta	7.8%	6.9%	5.8%	5.6 %	5.7%	
Canada	9.4%	9.6%	9.1%	8.3 %	7.6%	
Alberta's Established Reserves of Conventional Crude Oil and Equivalent as a Percentage of Canada's	56.0%	54.6%	50.6%	49.7 %	49.8%	

Sources: Alberta Treasury, Statistics Canada and the Canadian Association of Petroleum Producers.

Recent Economic Developments

The 2000 Budget ("Budget 2000"), tabled on February 24, 2000, by the Provincial Treasurer, forecast the Alberta economy to grow by 4.5% in real terms in 2000. In September, this forecast was revised up to 6.1% because of stronger than expected energy prices and global economic growth.

The following table sets forth the change in selected economic indicators for Alberta for the year ended December 31, 1999, compared with the year ended December 31, 1998, and for the indicated periods of 2000 compared with the same periods in 1999.

SELECTED CURRENT ECONOMIC INDICATORS

	Percentage Change 1999 vs. 1998 (Year ended December 31)	Percentage Change 2000 vs. 1999 (Period as indicated)	
Volume of Crude Oil and Equivalent Production	(6.1)%	1.0 %	(a)
Volume of Natural Gas Sales	2.9 %	3.5 %	(a)
Average Monthly Number of Rigs Drilling	(4.0)%	41.1 %	(b)
Oil and Gas Wells Drilled	6.1 %	56.1 %	(b)
Manufacturing Shipments	5.8 %	18.7 %	(c)
Housing Starts, Urban Centers	(6.9)%	7.3 %	(b)
Retail Sales	4.5 %	9.4 %	(c)
Consumer Price Index	2.4 %	3.5 %	(b)
Employment	2.5 %	2.2 %	(b)
	1999	**2000**	
Average Unemployment Rate	5.7 %	5.0%	(d)

(a) January to July.

(b) January to December.

(c) January to October.

(d) Average level, January to December.

Sources: Alberta Energy and Utilities Board, Canadian Association of Oil Well Drilling Contractors, Canada Mortgage and Housing Corporation, Statistics Canada, Bank of Canada, and Alberta Resource Development.

World oil prices have recovered strongly since the low of U.S.$10.72 reached in December 1998. The price of West Texas Intermediate, which averaged U.S.$19.30 per barrel in 1999, averaged U.S.$30.26 per barrel in 2000. From April 1, 2000, to January 18, 2001, oil prices averaged U.S.$30.65 per barrel, compared to the budget forecast of U.S.$19 per barrel. In the 2000-01 Second Quarter Fiscal Update, the forecast for the 2000-01 fiscal year was revised up to U.S.$30.00 per barrel.

Natural gas prices continued to strengthen in 2000, following a rise in the Alberta natural gas reference price from $1.98 per mcf in 1998-99 to $2.66 per mcf in 1999-2000. From April 1 to November 30, 2000, the Alberta reference price averaged $4.63 per mcf, compared to the budget forecast of $2.50 per mcf. In the 2000-01 Fiscal Update the reference price forecast was raised to $4.65 per mcf.

Alberta's economy is expected to grow 6.1% in real terms this year, led by a strong rebound in energy sector investment. Non-energy business investment is expected to remain healthy, while lower taxes and strong growth in labor income should help maintain consumer spending.

In the first ten months of 2000, retail sales rose by 9.4%, compared to the same period in 1999. Urban housing starts increased by 7.3% in 2000.

Employment in Alberta was up 2.2%, or 34,900 jobs, in 2000, and the unemployment rate averaged 5%.

Investment activity is expected to lead Alberta's overall growth in 2000. According to Statistics Canada's survey of Public and Private Investment intentions released in July 2000, investment in the mining, oil and gas industry in Alberta increased by 35% in 2000. In 2000, the average monthly number of rigs drilling was 41.1% higher than in 1999, while the number of oil and gas wells drilled was up 56.1%. Although the Statistics Canada survey forecast an 11.9% decline in non-energy business investment, non-residential non-institutional building permits are up 26.7% in the first eleven months of 2000 compared to the same period in 1999.

The value of manufacturing shipments was up 18.7% in the first ten months of 2000, compared to the same period in 1999, led by increases in refined petroleum and coal products (up 67.8%), primary metal (up 28.5%), and machinery (up 25.1%).

Net interprovincial migration has declined since its recent peak in 1998, as economic growth has strengthened in other provinces. In the 12 months ending June 30, 1999, Alberta gained 25,191 people from other provinces, down from 43,089 the year before. For the 12 months ending June 30, 2000, Alberta's net interprovincial migration was 11,793, second only to Ontario.

Gross Domestic Product

In 1999, Alberta accounted for 9.7% of Canada's population, but Alberta's GDP of $115.4 billion accounted for 12% of Canada's total domestic production. The following table provides detailed information on Alberta's GDP from 1995 to 1999.

GROSS DOMESTIC PRODUCT

	Year ended December 31					Compound Annual Growth Rate
	1995	1996	1997	1998	1999	1995-1999
	(millions of dollars)					
Gross Domestic Product						
Current Market Prices						
Personal Expenditure on Goods and Services	$43,492	$46,103	$ 50,499	$ 52,802	$ 55,588	6.3 %
Government Expenditure on Goods and Services	14,877	14,869	15,155	15,886	16,260	2.2 %
Gross Investment	21,234	21,909	29,410	32,862	31,999	10.8 %
Value of Physical Change in Inventories	1,247	122	1,915	(575)	831	(9.6)%
Exports of Goods and Services	49,551	56,081	58,564	55,839	61,554	5.6 %
Minus: Imports of Goods and Services	(38,386)	(41,082)	(47,131)	(49,280)	(51,513)	7.6 %
Total Expenditures	92,015	98,002	108,412	107,534	114,719	5.7 %
Residual Error of Estimate	(659)	(586)	(1,490)	(1,607)	698	—
Total Gross Domestic Product Current Market Prices	$91,356	$97,416	$106,922	$105,927	$115,417	6.0 %
Gross Domestic Product						
Constant 1992 Dollars						
Personal Expenditure on Goods and Services	$41,197	$42,646	$ 45,539	$ 47,042	$ 48,582	4.2 %
Government Expenditure on Goods and Services	14,232	14,063	14,040	14,472	14,664	0.8 %
Gross Investment	20,363	21,200	28,034	30,900	30,547	10.7 %
Value of Physical Change in Inventories	1,009	181	1,663	(435)	793	(5.8)%
Exports of Goods and Services	44,799	47,039	48,793	49,758	50,320	2.9 %
Minus: Imports of Goods and Services	(32,486)	(34,277)	(38,805)	(40,008)	(41,740)	6.5 %
Total Expenditures	89,114	90,852	99,264	101,729	103,166	3.7 %
Residual Error of Estimate	(640)	(543)	(1,366)	(1,519)	628	—
Total Gross Domestic Product Constant 1992 Dollars	$88,474	$90,309	$ 97,898	$100,210	$103,794	4.1 %

Source: Alberta Treasury.

Personal Expenditure Consumer expenditure has been a source of strength for the Alberta economy. Sales to persons constituted 48.5% of nominal GDP (excluding residual error of estimate) in 1999, compared to 47.3% in 1995. In 1999, personal income per capita in Alberta was $27,325 compared with the Canadian average per capita income of $25,452.

Government Expenditure The share of expenditure in Alberta on goods and services by federal, provincial and municipal governments declined from 16.2% of nominal GDP in 1995 (excluding residual error of estimate) to 14.2% of GDP in 1999.

Gross Investment Gross investment's share of nominal GDP (excluding residual error of estimate) increased to 27.9% in 1999 from 23.1% in 1995. In 1999, gross investment declined by 2.6% from 1998 levels due to an 11.1% decline in investment in mining, oil and gas. Non-energy investment, Alberta's primary source of strength since 1985, increased by 1.6% before adjustment.

Projects totaling about $5.4 billion are under construction or announced for infrastructure and institutions, as well as $1.4 billion of commercial or retail projects and $0.7 billion of tourism/recreation projects. There are also $3.1 billion of pipeline construction projects that are currently under construction or that have been announced. This includes the project by TransCanada Midstream in Strathcona County ($235 million), Corridor Bitumen Pipeline ($580 million), Enbridge Inc. Terrace pipeline ($650 million), and Nova Gas Transmission ($1 billion).

Petrochemical projects worth almost $1 billion are under construction or planned over the medium-term in Alberta. Projects under construction or just completed in 2000 include Amoco Canada Chemical's $400 million linear alpha olefins plant at Joffre, Nova Chemicals' $400 million polyethylene plant at Joffre, Shell Canada's $180 million hydrogen manufacturing plant in Strathcona County, and TransCanada Midstream/Suncor Energy's proposed Hydrocarbon Liquids Conservation Project ($220 million) in Sturgeon County.

Projects totaling over $500 million are under construction or announced for the forestry sector. Weyerhaeuser Canada is upgrading its pulp mill in the County of Grande Prairie ($167 million), and Ainsworth Lumber is expanding its mill near Grande Prairie ($133 million) and has announced another $160 million project in Greenview. In addition to these projects, Tolko Industries is proposing an expansion of its OSB plant near High Prairie ($100 million) and Grande Alberta Paper Ltd. is proposing a light weight coated paper mill ($900 million).

There are also about $35 billion worth of projects proposed, announced or under construction within the oil sands sector. Among those projects, large investments in the Fort McMurray region by companies such as Syncrude (Aurora mine and upgrade project $7.8 billion) and Suncor (Millennium project $2.8 billion) are expected to double current production at the plants over the next 2 to 8 years. In addition to these, Albian Sands Energy and Shell Canada are jointly involved in the development of the Muskeg River mine near Fort McMurray and the construction of an upgrader and modifications at Shell's Scotford refinery outside of Fort Saskatchewan ($3.9 billion). This project will develop bitumen at the mine site that will be transported to Fort Saskatchewan by the newly constructed Corridor Pipeline for further upgrading. Imperial oil, the largest bitumen producer in the Cold Lake area, is also expanding its facilities to produce additional bitumen to meet the increasing market demand ($630 million). Additional proposals have been put forward by Canadian Natural Resources (Mic Mac Mining and Drilling project $6.5 billion), Mobil Oil ($1.7 billion for an oil sands mine and extraction plant and a $1.4 billion upgrader), SynEnCo ($1.5 billion) and True North Energy/UTS ($2 billion).

Statistics Canada's survey of Private and Public Investment Intentions released in July 2000 forecast an 8.4% increase in total investment in Alberta in 2000, led by strong activity in the oil and gas extraction and other mining industries.

The following table shows gross investment in Alberta by industry and by the private and public sectors from 1995 to 1999.

Gross Investment
(Based on NAICS)

	Year ended December 31					Percent of Total for 1998	Percent of Total for 1999
	1995	1996	1997	1998	1999 (a)		
	(millions of dollars)						
Primary Industries and Construction							
Oil and Gas Extraction and Mining	$ 9,399	$ 9,873	$13,427	$12,351	$10,980	38.2%	35.1%
Agriculture, Forestry, Fishing and Hunting	897	901	1,155	1,128	1,117	3.5%	3.6%
Construction	206	215	287	275	176	0.8%	0.6%
Manufacturing	1,314	1,251	1,573	2,397	2,407	7.4%	7.7%
Sub-Total	11,816	12,240	16,442	16,151	14,680	49.9%	47.0%
Utilities	509	597	708	1,186	1,173	3.7%	3.7%
Wholesale Trade	283	241	350	302	295	0.9%	0.9%
Retail Trade	476	484	696	644	554	2.0%	1.8%
Transportation and Warehousing	1,241	1,076	1,391	2,951	2,733	9.1%	8.7%
Information and Cultural Industries	683	772	910	948	1,096	2.9%	3.5%
Finance and Insurance	463	459	809	912	1,365	2.8%	4.4%
Real Estate and Rental and Leasing	462	433	834	1,459	1,331	4.5%	4.3%
Professional, Scientific, Technical and Management Services	215	181	266	401	356	1.3%	1.1%
Administration and Support, Waste Management and Remediation Services	63	50	89	91	111	0.3%	0.4%
Education Services	249	245	344	304	325	0.9%	1.0%
Health Care and Social Assistance	89	118	175	192	260	0.6%	0.8%
Arts, Entertainment and Recreation	55	78	79	113	138	0.4%	0.4%
Accommodation and Food Services	121	104	129	236	198	0.7%	0.6%
Other Services	201	65	138	118	144	0.4%	0.5%
Public Administration	1,095	1,005	1,032	1,195	1,387	3.7%	4.4%
Housing	2,885	3,219	4,449	5,143	5,149	15.9%	16.5%
Sub-Total	9,090	9,127	12,399	16,195	16,615	50.1%	53.0%
Total Investment	20,906	21,367	28,841	32,346	31,295	100.0%	100.0%
Add: Adjustments (b)	328	542	569	516	704		
Equals: Gross Fixed Capital Formation	$21,234	$21,909	$29,410	$32,862	$31,999		
Annual Rate of Change (%)	0.3%	3.2%	34.2%	11.7%	(2.6)%		
Alberta Total as a Percentage of Canadian Total	16.3%	15.9%	18.5%	20.0%	17.7 %		
Private Capital Formation	$19,345	$20,217	$27,607	$30,926	$29,709	94.1%	92.8%
Public Capital Formation	1,889	1,692	1,803	1,936	2,290	5.9%	7.2%
Total Capital Formation	$21,234	$21,909	$29,410	$32,862	$31,999	100.0%	100.0%

(a) Preliminary actuals.

(b) Includes defence outlays, transfer costs on sales of real estate and other adjustments.

Sources: Alberta Treasury and Statistics Canada.

Exports and Imports Under the Canada-U.S. Free Trade Agreement, which was implemented on January 1, 1989, tariffs between the two countries were completely eliminated on January 1, 1998. The North American Free Trade Agreement ("NAFTA"), among the United States, Canada and Mexico, was implemented on January 1, 1994. Tariffs among the three Parties have already been substantially reduced by NAFTA, and all tariffs are scheduled to be eliminated by January 1, 2008. After more than seven years of negotiation, the Uruguay Round of the General Agreement on Tariffs and Trade ("GATT") came into force on January 1, 1995 and created the World Trade Organization. The Uruguay Round expanded the coverage of international trade rules, and significantly lowered tariffs, among more than 120 nations. These trade liberalization initiatives have considerably benefited Alberta's economy:

- The value of Alberta's exports to the rest of Canada and other countries rose from 52.3% of GDP (excluding statistical discrepancy) in 1994 to 53.7% in 1999.

- Alberta's imports from the rest of Canada and other countries increased to 44.9% of GDP (excluding statistical discrepancy) in 1999, from 41.9% in 1994. Alberta's net trade balance, in real terms, declined slightly from $10,575 million in 1994 to $8,580 million in 1999.

- Since 1988, the year before the implementation of the Canada-U.S. Free Trade Agreement, Alberta's total exports (excluding grains) to all foreign countries have risen by $24.8 billion, an increase of 206%.

- In 1999, the value of Alberta's international exports (excluding grains) increased by 9.2% over 1998.

The following table shows the value of Alberta's exports by major category, total exports and total imports for the years 1995 to 1999.

Trade with the Rest of Canada and Abroad

	Year ended December 31					Percentage Contribution to Total Exports for 1999
	1995	1996	1997	1998	1999	
	(millions of dollars)					
Manufacturing	$15,601	$17,295	$18,473	$18,021	$19,156	31.1%
Oil	10,199	11,634	11,336	8,578	10,078	16.4%
Gas	6,426	8,418	9,787	10,001	12,347	20.1%
Agriculture	2,508	2,777	2,394	2,254	2,160	3.5%
Other Primary (a)	2,006	2,693	2,305	1,756	1,941	3.1%
Other Services (b)	12,811	13,264	14,269	15,229	15,872	25.8%
Total Exports	49,551	56,081	58,564	55,839	61,554	100.0%
Total Imports	38,386	41,082	47,131	49,280	51,513	
Net Exports	$11,165	$14,999	$11,433	$ 6,559	$10,041	

(a) Includes coal, sulphur, pentanes, butanes, ethanes and NGL's.

(b) Includes travel, freight and shipping, and other services.

Source: Alberta Treasury.

Economic Structure

The following table shows the contribution of each sector to GDP at factor cost (in current dollars) from 1995 to 1999.

Gross Domestic Product at Factor Cost by Industry

	Year ended December 31					Percentage Contribution to GDP for
	1995	1996	1997	1998	1999	1999
	(millions of dollars)					
Primary Industries						
Oil, Gas, and Minerals	$15,528	$20,468	$22,077	$18,821	$ 22,198	20.7%
Agriculture, Fishing and Trapping	2,686	2,731	2,633	2,609	2,422	2.3%
Forestry	332	306	340	303	347	0.3%
	18,546	23,505	25,050	21,733	24,967	23.3%
Secondary Industries						
Manufacturing	9,771	10,035	11,326	11,180	11,880	11.1%
Construction and Housing	5,611	5,596	7,389	7,484	7,929	7.4%
	15,382	15,631	18,715	18,664	19,809	18.5%
Service Industries						
Transportation, Storage and Communication	6,526	6,876	7,658	8,231	9,109	8.5%
Utilities	2,393	2,377	2,452	2,075	2,398	2.2%
Wholesale Trade	3,939	4,419	5,125	5,277	5,983	5.6%
Retail Trade	4,089	3,979	4,510	4,758	5,066	4.7%
Finance and Insurance	2,852	2,925	3,203	3,457	3,590	3.4%
Real Estate Operators and Insurance Agents	7,957	8,146	8,835	9,417	9,843	9.2%
Business Services	3,926	4,353	4,869	5,613	6,077	5.7%
Government Services	4,203	4,156	4,026	4,380	4,616	4.3%
Educational Services	3,599	3,568	3,798	4,181	4,318	4.0%
Health and Social Services	4,125	4,159	4,247	4,539	4,759	4.5%
Accommodation, Food and Beverage Services	2,253	2,237	2,476	2,636	2,727	2.6%
Other Services	3,272	3,331	3,485	3,698	3,754	3.5%
	49,134	50,526	54,684	58,262	62,240	58.2%
Residual Error of Estimate	155	(751)	(630)	(1,847)	(1,078)	
Gross Domestic Product at Factor Cost	$83,217	$88,911	$97,819	$96,812	$105,938	100.0%

Source: Alberta Treasury.

Alberta has an abundance of renewable and non-renewable resources. The provincial economy has an infrastructure to deliver these resources to domestic and foreign markets, a well-developed service sector and a diversified manufacturing base. In 1999, the primary sectors (energy, agriculture and forestry) accounted for 23.3% of Alberta's GDP at factor cost (excluding the residual error of estimate) and provided 10.3% of all employment. The secondary sector (manufacturing, construction and housing) contributed 18.5% of GDP at factor cost (excluding the residual error of estimate) and 16.2% of employment, while the tertiary or service sector contributed 58.2% of GDP at factor cost (excluding the residual error of estimate) and 73.5% of employment.

Primary Industries

Oil, Gas and Minerals One of Alberta's important industries is the exploration for, and development and production of, crude oil, natural gas and related products, and minerals. In 1999, this industry directly generated

20.7% of Alberta's GDP at factor cost (excluding the residual error of estimate) and employed 4.7% of all Alberta workers.

Total capital spending in Alberta by the upstream oil and gas industry and mining was almost $11 billion in 1999, an 11.1% decrease from 1998 levels and accounted for 35.1% of total investment (excluding adjustments). The Statistics Canada survey on Public and Private Investment Intentions released in July 2000 forecast that capital spending in the oil and gas industry in Alberta would increase by 35% in 2000, largely reflecting the strength of crude oil and natural gas prices.

Between 1995 and 1999, the volume of oil production increased by 2% per year. However, volatile oil prices resulted in fluctuations in the value of total annual oil production. Between 1995 and 1999, the value of gas production in Alberta rose by an average of 11.9% per year due to an increase in production as well as an increase in the price of natural gas.

Crude Oil In 1999, 27% of Alberta crude oil production was retained in Alberta, 15% was exported to other Canadian provinces and 58% was exported internationally, mainly to the United States.

At the end of 1999, Alberta had remaining established conventional crude oil reserves of 1.9 billion barrels, equal to about five years of production at the 1999 rate. Established reserves are defined as reserves recoverable with current technology and under current and anticipated economic conditions, specifically proven by drilling, testing or production. Established reserves also include the portion of contiguous recoverable reserves interpreted from geological, geophysical or similar information with a reasonable certainty to exist.

Exploration and development costs for conventional crude oil in Alberta are lower than in most other areas in Canada and the United States, largely due to Alberta's favorable geology. Alberta's conventional crude oil production also has lower operating costs than in most other parts of Canada and the United States.

Incremental production from Alberta's oil sands is expected to replace diminishing conventional crude oil supplies. During 1999, production of bitumen and synthetic crude oil from the oil sands averaged roughly 585,000 barrels per day, representing about 36% of Alberta's and 28% of Canada's total liquid petroleum production. Alberta's oil sands underlie approximately 77 000 square kilometres, and contain some 1.7 trillion barrels of oil, of which 300 billion barrels are ultimately recoverable. Favorable market conditions, breakthroughs in *in situ* and surface mining technologies, and a new fiscal regime conducive to oil sands development have been the major contributing factors to planned increases in non-conventional crude oil production.

With the announcement of Alberta's new oil sands royalty regime on November 30, 1995, and federal tax changes in the 1996-97 budget, the appropriate framework has been set to allow for further investment in Alberta's oil sands. Plans for about $35 billion of investment for the development of new oil sands projects and expansions to existing projects for the medium-term have been announced or proposed. Several projects will apply new technology such as Steam Assisted Gravity Drainage ("SAGD") processes, and variations of this technique, which extract bitumen using horizontal wells. Technological improvements have allowed both oil sands mining and *in situ* projects to reduce unit operating costs dramatically.

Syncrude Canada Ltd. and Suncor Inc. Oil Sands Group are involved in major expansions to their oil sands mining and upgrading projects that will double current production levels. Shell Canada Limited will be joining those projects in the Fort McMurray area with a new oil sands mining and extraction facility with plans to reach 150,000 barrels per day. Shell's project also includes a $2.1 billion investment to add an upgrader to their Scotford refinery near Edmonton. Several other new oil sands developments are planned for the Athabasca, Cold Lake, and Peace River regions, including an expansion of Imperial Oil Resources Limited's thermal *in situ* project at Cold Lake.

To accommodate the expected increase in heavy oil and bitumen supply, there is a need for expanded pipeline infrastructure to access markets with upgrading capacity. These needs are being addressed by several proposals for heavy oil pipelines connecting to Alberta's oil sands deposits, as well as numerous export line expansions.

Natural Gas Since deregulation of natural gas markets and prices began in 1986, the Alberta natural gas industry has been increasing sales and marketing access.

At the end of 1999, Alberta had remaining established natural gas reserves of approximately 42.8 trillion cubic feet, which is equal to about nine years of production at the 1999 annual rate of five trillion cubic feet. In 1999, 46.6% of Alberta's natural gas production was exported to the United States, while 22.2% of Alberta's natural gas production was used locally for petrochemical feedstock, other industrial uses and space heating. Since 1994, total gas production has increased 18.6%, while the volume of natural gas exports to the United States grew by 5%, reaching 2,415 billion cubic feet in 1999.

Natural gas production results in several by-products such as condensate, propane and butane, which are mostly exported. Ethane, another by-product, is used mainly within the Province as a petrochemical feedstock.

Several pipeline projects have been completed this year that should provide enough export pipeline capacity for the next few years.

Alliance Pipeline Limited Partnership and Alliance Pipeline L.P. ("Alliance") Alliance has constructed a 1.325 billion cubic feet per day pipeline originating near Fort St. John, British Columbia, extending through Alberta to the Chicago area. The pipeline came on-stream on December 1, 2000, shipping mainly natural gas produced in northeastern British Columbia and northwestern and central Alberta.

Vector Pipeline The $500 million Vector Pipeline will help to absorb additional Canadian gas volumes with Alliance in service. Vector can move one billion cubic feet per day of gas from the terminus of Alliance at Chicago to Dawn, Ontario. Vector came on-line on December 1, 2000.

Sulphur In 1999, the value of sulphur production rose to $82 million from $74 million in 1998. At the end of 1999, Alberta's remaining established reserves of sulphur totalled 252.6 million tonnes, sufficient for 34 years of production at the 1998 rate of 7.496 million tonnes.

Coal The volume of Alberta's coal production decreased by 5.1% in 1999 and its value decreased by 6.7% to $501.4 million. Alberta has enough recoverable coal reserves to continue production at the 1999 rate for approximately 985 years. Most Alberta coal is sub-bituminous coal which is used locally in power plants. Alberta also produces bituminous coal, including thermal coal, which is mainly exported to Ontario and Japan, as well as metallurgical coal, most of which is exported to Japan.

Agriculture In 1999, the agriculture industry accounted for 2.3% of Alberta's GDP at factor cost (excluding the residual error of estimate) and 4.7% of Alberta's total merchandise exports. In 1999, the agriculture industry accounted for 5.3% of the Province's employment and 21.5% of Canada's total farm cash receipts. In 1999, total farm cash receipts increased by 1.6% (including program payments) to $6.5 billion, as the $191 million decline in crop receipts was offset by a $298 million increase in livestock receipts. Farm expenses rose 6.9% in 1999, resulting in a 19.4% decline in net cash income. Realized net farm income (which includes depreciation) fell to $71 million in 1999 from $360 million in 1998.

Forestry The forestry industry contributed $347 million towards, and accounted for 0.3% of Alberta's GDP at factor cost in 1999 (excluding the residual error of estimate). The forestry industry includes logging and other services, such as supplying local sawmills and pulp mills which, in turn, serve mainly export markets. It does not include pulp and paper mills nor wood industries, which are included in manufacturing.

Secondary Industries

Construction and Housing In 1999, construction and housing accounted for 7.4% of GDP at factor cost (excluding the residual error of estimate) and provided 7.6% of all employment. The value of construction and housing in Alberta rose by 5.9% in 1999, to a level of $7.9 billion.

Manufacturing The value of manufacturing shipments increased by 5.8% in 1999 to $35.4 billion. The gains in 1999 were widespread, with only two sectors (fabricated metals and machinery) experiencing declines. The gains were led by increases in shipments of refined petroleum and coal products due to a combination of higher prices and volumes.

The following table shows manufacturing shipments by sector from 1995 to 1999.

VALUE OF MANUFACTURING SHIPMENTS BY SECTOR

	Year ended December 31				
	1995	1996	1997	1998	1999
	(millions of dollars)				
Food and Beverages	$ 6,335	$ 6,820	$ 7,324	$ 7,549	$ 7,816
Chemicals	5,593	5,425	6,046	5,744	5,894
Refined Petroleum and Coal Products	4,203	4,961	4,990	3,898	5,131
Wood	1,732	1,934	2,110	2,069	2,283
Paper and Allied Products	2,173	1,637	1,656	1,666	1,876
Fabricated Metals	1,453	1,693	2,137	2,072	2,041
Machinery	1,525	1,618	2,168	2,080	1,554
Primary Metals	915	1,002	1,340	964	1,054
Printing and Publishing	886	948	991	1,064	1,131
Non-Metallic Minerals	791	913	1,025	1,159	1,196
Furniture	354	388	540	613	728
Other	2,927	3,732	4,346	4,530	4,656
Total (a)	$28,887	$31,071	$34,673	$33,409	$35,359

(a) Total may not add due to rounding.

Source: Statistics Canada.

Service Industries

The service sector includes 12 industry groups: business services; government services; educational services; health and social services; accommodation, food and beverage services; other services; finance and insurance; real estate operators and insurance agents; wholesale trade; retail trade; transportation, storage and communication; and utilities.

The service sector in Alberta in 1999 accounted for 58.2% of real GDP at factor cost (excluding the residual error of estimate) and 73.5% of employment. These industries are labor intensive and generally serve local population and businesses with little competition from imports. From 1995 to 1999, total output in the service sector grew by a compound average rate of 6.1% per year and employment in the service sector grew by a compound average rate of 4.2% per year.

FINANCES OF THE PROVINCE

Financial Administration

The Province has the authority to raise money from direct taxation and wide powers to levy taxes and royalties on natural resources, including minerals and mines, and electricity generation. In addition, the Legislature of the Province has the exclusive authority to make laws in relation to borrowing money on the sole credit of the Province. The Provincial Treasurer, by virtue of the Province's Financial Administration Act, is the Minister responsible for coordinating and implementing the borrowing program for the Province.

The authority of the Province to raise money by the issue and sale of securities, to receive and disburse public funds, to control revenue and expenditure and to prepare the Public Accounts of Alberta is governed by the Province's Financial Administration Act. The accounts of the Province are subject to an annual audit by the Auditor General of the Province (the "Auditor General"), who is appointed by the Lieutenant Governor in Council upon the recommendation of the Legislative Assembly. The Auditor General is independent of the government and reports directly to the Legislative Assembly.

Certain powers and responsibilities assigned to the Province are delegated to municipalities, school boards and regional health authorities. Municipalities may raise revenue from a number of sources, the most important being a real property tax. Municipal governments may offer a wide range of services to the public including transit, utility and other services and may derive revenue from such services. Borrowings by school boards must receive Ministerial approval. Under the Province's Municipal Government Act, municipalities can borrow as necessary and only require Ministerial approval if regulated borrowing limits would be exceeded.

Consolidated Financial Position

The consolidated financial statements of the Province aggregate the results of operations, financial position and changes in financial position of all government entities including Offices of the Legislative Assembly, departments, Alberta Heritage Savings Trust Fund ("Heritage Fund"), other regulated funds, and provincial agencies, except those designated as commercial enterprises which are included on an equity basis. All transactions between consolidated entities as well as related asset and liability accounts are eliminated in the consolidated financial statements. Regional health authorities, school boards, and provincial agencies such as universities, public colleges and technical institutes are not included in the consolidated financial statements. The consolidated financial statements therefore provide a summary of the transactions of the Province and its agencies with third parties.

Reporting of Capital Expense Capital investment is defined to include only government-owned facilities. Support for hospital, post-secondary, school and secondary highway construction is reported as program expense because the Province does not manage or control the assets.

Program expense is generally defined as the cost of providing day-to-day government services and programs, including all support for infrastructure and annual amortization of the government's capital assets. All government-owned capital projects are amortized based on their actual costs. By including amortization in program expenditure, the use of capital assets is not a 'free good'. The use of capital assets is part of program delivery costs and must be considered in program decision making.

The consolidated surplus position of the Province is calculated on a 'pay-as-you-go basis' for capital. Amortization is included in program expense but is reversed (to avoid double counting) and replaced by capital investment costs in calculating the consolidated surplus. This calculation is reflected in the Net Change in Capital Assets affecting Operations line of the consolidated financial summary presented in Budget 2000.

The following table summarizes the Province's operating, investing and financing transactions on a consolidated basis for each of the fiscal years in the five-year period ended March 31, 2000.

SUMMARY OF CONSOLIDATED FINANCIAL TRANSACTIONS (a)

	Fiscal Year ended March 31				
	1996	1997	1998	1999	2000
	(millions of dollars)				
Operating Transactions					
Revenue	$15,590	$16,719	$17,815	$16,882	$20,168
Expense	14,439	14,230	15,156	15,788	17,377
Net Increase (Decrease) in Capital Assets	19	(38)	20	68	74
Consolidated Surplus (Deficit) before Pension Provision	1,132	2,527	2,639	1,026	2,717
Pension Provision	—	(371)	(91)	(77)	(85)
Consolidated Surplus (Deficit) including Pension Provision	1,132	2,898	2,730	1,103	2,802
Non-Cash Items	202	259	93	83	(345)
Restricted Equity and Other	(465)	(487)	165	(685)	(258)
Cash Provided by (Applied to) Operating Transactions	869	2,670	2,988	501	2,199
Investing Transactions, Net					
Investments	(2,057)	(361)	(1,092)	(332)	(588)
Loans and Advances	598	753	849	478	222
Other	336	31	(15)	(17)	64
Cash Applied to (Provided by) Investing Transactions	(1,123)	423	(258)	129	(302)
Financing Transactions					
Gross Debt Retirement	(21,981)	(20,893)	(16,175)	(24,759)	(20,647)
Gross Debt Issues	22,285	17,995	13,694	23,970	19,062
Cash Provided by (Applied to) Financing Transactions	304	(2,898)	(2,481)	(789)	(1,585)
Increase in Cash and Marketable Securities	$ 50	$ 195	$ 249	$ (159)	$ 312
Consolidated Net Debt at March 31 (b)	$11,607	$ 8,709	$ 5,979	$ 4,876	$ 2,074

(a) Prior year revenue and expense have been restated to reflect changes in accounting adjustments.

(b) Includes pension obligations based upon actuarial valuations. At March 31, 2000, the pension obligation was $4,728 million.

REVENUE AND EXPENSE

Fiscal Responsibility Act

In May 1995, the Legislative Assembly approved the passage of the Balanced Budget and Debt Retirement Act and amended it in September 1996. This Act required balanced budgets after 1995-96 and, starting in 1996-97, the orderly repayment of Alberta's net debt (assets less liabilities excluding pension liabilities) by March 31, 2010. Alberta's net debt (excluding pension liabilities) was eliminated in 1999 as a result of stronger than anticipated revenue growth.

In March 1999, the Fiscal Responsibility Act ("FRA") was passed. The FRA sets out a legislated schedule to eliminate the Province's accumulated debt in no more than 25 years. The FRA also sets out accumulated debt repayment milestones that must be met every five years.

The FRA requires that an economic cushion equal to at least 3.5% of revenue be set aside in the budget to protect against revenue weakness and the cost of public emergencies or disasters. If the economic cushion is not required, at least 75% of it must be used to pay down debt or make other improvements in the Province's net worth.

The government is committed to fostering a competitive and prosperous economy. To stimulate investment and job growth in the private sector, Alberta plans to maintain a very competitive tax system, eliminate unnecessary rules and regulations and generally reduce the role of the government. In 1995, the Alberta Taxpayer Protection Act was passed, requiring a general public referendum to be held before a provincial sales tax can be introduced in the Province. On a per capita basis, Alberta's tax burden remains the lowest of the ten provinces.

In Budget '99, the government announced the phase-in of a new personal income tax system. On January 1, 2000, an 8% surtax on middle and high income individuals was eliminated. On January 1, 2001, the Province unhooked from the federal tax system and introduced a single personal tax rate of 10% on taxable income. Basic and spousal exemptions were also raised to $12,900 on January 1, 2001.

In the fall of 2000, the government announced major business tax cuts. Starting April 1, 2001, the cuts will be phased in over three years, subject to affordability. The small business rate will be cut in half to 3% and the small business threshold increased from $200,000 to $400,000. Both the general and manufacturing and processing tax rate will be reduced to 8% from the current rates of 15.5% and 14.5%, respectively. The Province will also eliminate Alberta's capital tax on financial institutions on April 1, 2001.

1999-2000 Fiscal Year

The consolidated surplus for fiscal 1999-2000, excluding the provision for unfunded pension liabilities, was $2,717 million compared to the budget estimate of a $617 million surplus and a fiscal 1998-99 surplus of $1,026 million.

In fiscal 1999-2000, consolidated revenue was $20,168 million, an increase of $3,286 million or 19.5% compared to fiscal 1998-99. The increase was due mainly to high energy prices, growth in personal income tax revenue, and higher investment income. Also federal transfers increased. Crude oil prices averaged over U.S.$8.00 per barrel higher in 1999-2000 than in 1998-99.

In fiscal 1999-2000, consolidated expense was $17,377 million. This was $1,589 million or 10.1% higher than the fiscal 1998-99 level. Expenditure increased for education, health, infrastructure, agriculture and many other program areas partially owing to one-time initiatives. The cost of servicing the debt decreased by $423 million.

At March 31, 2000, the Province's consolidated net debt including the pension obligations of the Province, was $2,074 million. Consolidated net debt represents the financial claims payable by the Province net of the Province's financial claims on outside organizations and individuals and inventories held for resale at the end of the year.

Budget 2000

On February 24, 2000, the Provincial Treasurer tabled Budget 2000 — New Century — Bold Plans ("Budget 2000"). On November 14, 2000, the government released the 2000-01 Quarterly Budget Report — Second Quarter Update (the "2000-01 Second Quarter Fiscal Update"), which provides an updated 2000-01 forecast.

The discussion which follows on Alberta's financial position for fiscal 2000-01 refers to Budget 2000, as revised by the 2000-01 Second Quarter Fiscal Update. The surplus and net debt figures are on a fully consolidated basis for all years.

The following table provides an overview of the Province's revenue, expense, surplus and net debt for each of the fiscal years in the four-year period ended March 31, 2000, and the revised budget forecast for fiscal 2000-01.

	Fiscal Year ended March 31				Revised Budget (a)
	1997	1998	1999	2000	2001
	(millions of dollars)				
Revenue	$16,719	$17,815	$16,882	$20,168	$23,555
Expense (b)	14,230	15,156	15,788	17,377	18,726
Net Increase (Decrease) in Capital Assets affecting Operations	(38)	20	68	74	159
	2,527	2,639	1,026	2,717	4,670
Alberta Heritage Science and Engineering Research Endowment Fund	—	—	—	—	500
Consolidated Surplus/Economic Cushion before Pension Provision (c)	2,527	2,639	1,026	2,717	4,170
Pension Provision	(371)	(91)	(77)	(85)	19
Consolidated Surplus/Economic Cushion including Pension Provision	2,898	2,730	1,103	2,802	4,151
Consolidated Net Debt (Assets) at March 31 (d)	$ 8,709	$ 5,979	$ 4,876	$ 2,074	$(2,569)

(a) "Revised Budget" refers to information in the 2000-01 Second Quarter Fiscal Update.

(b) Expense includes program expenditure, capital amortization and debt servicing costs.

(c) Subject to the Province's Balanced Budget and Debt Retirement Act and Fiscal Responsibility Act.

(d) Includes pension obligations based upon actuarial valuations. At March 31, 2000, the pension obligation was $4,728 million. Assets include the $500 million allocation to the Alberta Heritage Science and Engineering Research Endowment Fund.

Revenue

Revenue is received from: personal, corporate and other taxes; non-renewable resource revenue; transfers from the Government of Canada; investment income, primarily from the Heritage Fund; premiums, fees and licences; net income from commercial operations; and other miscellaneous revenue. Total revenue forecast in the 2000-01 Second Quarter Fiscal Update is $23,555 million, an increase of $3,387 million or 16.8% over the 1999-2000 actual.

The following table provides a breakdown of the Province's consolidated revenue by major source for each of the fiscal years in the four-year period ended March 31, 2000, and the revised budget forecast for fiscal 2000-01.

CONSOLIDATED REVENUE

	Fiscal Year ended March 31					Percentage of Total Revenue for 2001
	Actual				Revised Budget (a)	
	1997	1998	1999	2000	2001	
	(millions of dollars)					
Income Taxes						
Personal income tax	$ 3,445	$ 3,877	$ 4,601	$ 5,100	$ 4,114	17.5 %
Corporate income tax	1,407	1,848	1,659	1,255	1,776	7.5 %
	4,852	5,725	6,260	6,355	5,890	25.0 %
Other Taxes						
School property tax	1,169	1,212	1,118	1,128	1,127	4.8 %
Fuel tax	545	558	547	568	562	2.4 %
Tobacco tax	317	330	341	339	340	1.4 %
Other	295	331	290	334	393	1.7 %
	2,326	2,431	2,296	2,369	2,422	10.3 %
Non-Renewable Resource Revenue						
Royalties, rentals and fees, bonuses and sales of Crown leases	4,274	4,003	2,618	4,838	8,873	37.6 %
Royalty tax credit	(240)	(225)	(250)	(188)	(175)	(0.7)%
	4,034	3,778	2,368	4,650	8,698	36.9 %
Transfers from Government of Canada						
Canada Health and Social Transfer	1,129	903	970	972	1,053	4.5 %
Canada Health and Social Transfer — Health Supplement	—	—	—	192	292	1.2 %
Other	222	280	365	476	425 (b)	1.8 %
	1,351	1,183	1,335	1,640	1,770	7.5 %
Investment Income	1,616	1,747	1,610	1,906	1,529	6.5 %
Other Own-Source Revenue	2,540	2,951	3,013	3,248	3,246	13.8 %
	$16,719	$17,815	$16,882	$20,168	$23,555	100.0 %

(a) "Revised Budget" refers to information in the 2000-01 Second Quarter Fiscal Update.

(b) Includes $49 million for medical equipment.

Income Taxes Provincial taxes include personal and corporate income taxes. Income tax revenue is forecast to total $5,890 million in fiscal 2000-01, 7.3% lower than fiscal 1999-2000, and 10.9% lower than the original estimate in Budget 2000. Corporate income tax is now forecast at $1,776 million, an increase of 41.5% from the previous year, and personal income tax is now forecast to be $4,114 million in fiscal 2000-01, a decrease of 19.3% over the 1999-2000 actual. The significant reduction in personal income tax is due to tax reductions, including an Energy Tax Refund, and a negative prior year adjustment.

Other Taxes Other taxes include school property tax, fuel tax, tobacco tax, insurance corporations tax, freehold mineral rights tax, financial institutions capital tax and hotel room tax. Revenue from other taxes is forecast to total $2,422 million in fiscal 2000-01, an increase of 2.2% over fiscal 1999-2000 and almost unchanged from the original Budget 2000 estimate. The Province does not levy a general retail sales tax, a general capital tax, or a payroll tax.

Transfers from the Government of Canada The Government of Canada makes transfers to Alberta to help finance a number of programs. In total, federal transfers are forecast at $1,770 million in fiscal 2000-01, an increase of 7.9% from the fiscal 1999-2000 level.

Transfers made in respect of health care, post-secondary education and social services are provided through the Canada Health and Social Transfer ("CHST"). CHST payments are independent of the amount of provincial spending in specific areas.

The federal government has substantially increased CHST funding in the past three years. Through a combination of temporary CHST supplement trust funds and permanent base funding increases, the federal government will have increased its national funding commitment from $12.5 billion in 1997-98 to $18.3 billion in 2001-02. The federal government has also moved towards a more equal distribution of the CHST among provinces: by 2001-02, the total CHST entitlement (cash plus tax transfer) will be allocated among provinces on an equal per capita basis. Finally, in September 2000, the federal government agreed to provide provinces with a $0.5 billion two-year supplement for medical equipment plus a $200 million four-year Health Transition fund.

For Alberta, these changes mean that our revenues from the CHST have increased from $903 million in 1997-98 to $1,345 million in 2000-01. Alberta's CHST funding is expected to increase to $1.5 billion in 2001-02, and by about $60 million per year subsequently.

Non-Renewable Resource Revenue Non-renewable resource revenue consists of royalties on the production of crude oil, natural gas and by-products, synthetic oil, bitumen and coal from Crown lands; rentals and fees; and bonuses and sales of Crown leases. Certain industry allowances and the Alberta Royalty Tax Credit are deducted from non-renewable resource revenue.

Non-renewable resource revenue was forecast at $4,048 million in Budget 2000. In the 2000-01 Second Quarter Fiscal Update, the forecast of resource revenue was increased to $8,698 million, $4,650 million higher than the budget estimate. The higher revenue is largely due to higher crude oil and natural gas prices. Resource revenue is expected to be 87% higher than in fiscal 1999-2000.

The following table provides a breakdown of non-renewable resource revenue for each of the fiscal years in the four year period ended March 31, 2000, and the revised budget forecast for fiscal 2000-01.

Non-Renewable Resource Revenue

	Fiscal Year ended March 31				
	1997	1998	1999	2000	Revised Budget (a) 2001
	(millions of dollars)				
Natural Gas and By-Products Royalty	$1,299	$1,660	$1,467	$2,441	$5,318
Crude Oil Royalty	1,386	914	470	1,072	1,365
Synthetic Crude Oil and Bitumen Royalty	512	192	59	426	930
Coal Royalty	18	18	17	15	13
Bonuses and Sales of Crown Leases	927	1,071	463	743	1,086
Rentals and Fees	132	148	142	141	161
Royalty Tax Credit	(240)	(225)	(250)	(188)	(175)
Non-Renewable Resource Revenue	$4,034	$3,778	$2,368	$4,650	$8,698

(a) "Revised Budget" refers to information in the 2000-01 Second Quarter Fiscal Update.

Investment Income Investment income consists primarily of income from the Alberta Heritage Savings Trust Fund and the Alberta Municipal Financing Corporation. Investment income was $1,906 million in 1999-2000, an increase of 18.4% over fiscal 1998-99. Investment income is forecast at $1,529 million in 2000-01, a decrease of 19.8% from 1999-2000 due to weaker equity markets. The Heritage Fund income is forecast at $825 million in 2000-01 compared to $818 million in Budget 2000.

Other Own-Source Revenue The total of premiums, fees and licences, net profit from commercial operations, and other revenues was $3,248 million in fiscal 1999-2000, an increase of 7.8% from the fiscal 1998-99 level and is expected to amount to $3,246 million in 2000-01. These revenue sources include health care insurance premiums, motor vehicle licence fees, and net income from liquor operations and lottery revenue.

Expense

Total expense (including capital amortization and debt servicing costs) for fiscal 1999-2000 was $17,377 million, an increase of $1,589 million or 10.1% from the fiscal 1998-99 actual. Total expense forecast in the 2000-01 Second Quarter Fiscal Update is $18,726 million, an increase of $1,349 million or 7.8% over the 1999-2000 actual. The increase in 2000-01 is due to one-time and accelerated infrastructure initiatives, higher spending in priority areas such as education and health, and a Farm Income Assistance package.

The following table provides a breakdown of the Province's expense by ministries (restated) for the fiscal years ended March 31, 1999 and 2000, and the revised budget forecast for the 2000-01 fiscal year (restated numbers for 1997-98 and prior years are not available).

EXPENSE

	Fiscal Year ended March 31			Percentage of Total Expense for 2001
	Actual 1999	Actual 2000	Revised Budget 2001 (a)	
		(millions of dollars)		
Legislative Assembly	$ 36	$ 38	$ 57	0.3%
Agriculture, Food and Rural Development	483	781	819	4.3%
Children's Services	455	506	583	3.1%
Community Development	320	345	430	2.3%
Economic Development	35	47	51	0.3%
Environment	492	446	358	1.9%
Executive Council	12	13	13	0.1%
Gaming	186	179	183	1.0%
Government Services	51	47	49	0.3%
Health and Wellness	4,794	5,486	5,947	31.8%
Human Resources and Employment	904	976	1,030	5.5%
Infrastructure	1,242	1,868	2,185	11.7%
Innovation and Science	158	170	188	1.0%
International and Intergovernmental Relations	35	39	34	0.2%
Justice	399	409	458	2.4%
Learning	3,816	4,192	4,449	23.7%
Municipal Affairs	137	133	160	0.9%
Resource Development	120	133	156	0.8%
Treasury	734	613	631	3.4%
	14,409	16,421	17,781	95.0%
Debt Servicing Costs	1,379	956	945	5.0%
Total Expense	$15,788	$17,377	$18,726	100.0%

(a) "Revised Budget" refers to information in the 2000-01 Second Quarter Fiscal Update. Excludes pension obligations.

Health and Wellness Health and Wellness is responsible for the delivery of publicly funded health services and the promotion of healthy living. As well, it is responsible for the delivery of services to persons with developmental disabilities and for a range of addiction prevention and treatment programs. Spending is forecast to increase by $294 million over the Budget 2000 estimate. The major increases are $113 million to assist regional health authorities in acquiring medical equipment; $54 million to reduce waiting times for major diagnosis and treatment; $20 million to expand long-term care and home care; and $39 million to help pay for the cost of negotiated salary settlements. The forecast level of spending in 2000-01 is 8.4% higher than in 1999-2000.

Learning Learning provides funding for basic and advanced education. It also provides financial assistance for post-secondary students. Funding for basic education covers kindergarten and grades 1 to 12. The Province also provides direct financial support to universities, colleges and technical and vocational institutions for their operating and capital requirements. Spending is 6.1% higher than in 1999-2000.

Human Resources and Employment The ministry provides income support to individuals and families, as well as assisting Albertans to prepare for, obtain and maintain employment. It is also responsible for the establishment of professional standards and workplace safety. Expense for the ministry is forecast to be $1,030 million, or 5.5% higher than the 1999-2000 level.

Infrastructure The ministry of Infrastructure is responsible for Alberta's infrastructure and supports municipalities in the development of local roads and bridges. Infrastructure also supports the provision of infrastructure for schools, post secondary, health care, water management, and government facilities. Beginning in 1998-99, the government began a major three year infrastructure renewal initiative. Since that time, about $2 billion has been spent on one-time or accelerated funding beyond the normal base funding level. This funding has been directed towards the transportation network, learning and health.

Agriculture, Food and Rural Development Agriculture, Food and Rural Development is responsible for contributing to a competitive and sustainable agriculture and food industry in Alberta. The main expenses of the ministry comprise insurance payments, farm income support and lending activities to the agriculture sector. Agriculture, Food and Rural Development spending is expected to increase by $177 million in 2000-01 over the Budget 2000 estimate, to $819 million. The government has announced a $233 million agriculture disaster assistance program to provide emergency support to farmers and ranchers in 2000. A similar $232 million assistance program was implemented for 1999. Overall expense for the ministry is 4.9% higher than the 1999-2000 level.

Debt Servicing Costs Debt servicing costs comprise the interest, amortization of foreign exchange gains and losses and other costs paid on direct debt of the Province. Debt servicing costs in 2000-01 are forecast to be $945 million, a decrease of 1.2% over 1999-2000 levels. This is $36 million lower than the Budget 2000 estimate. The lower forecast reflects the large debt payment the Province is making this year. A higher foreign exchange valuation due to the weaker Canadian dollar partially offsets lower interest costs.

Capital Amortization Included in the 2000-01 forecast of program expense is $280 million for the amortized costs of government-owned capital.

Net Change in Capital Assets

The Net Change in Capital Assets affecting Operations line in the consolidated fiscal summary converts capital to a 'pay-as-you-go' basis for purposes of the consolidated surplus/economic cushion. Capital investment in fiscal 2000-01 is forecast at $439 million. There is a $280 million capital amortization reversal forecast for fiscal 2000-01.

The following table provides a description of net change in capital assets affecting operations for the fiscal year ended March 31, 2000 and the revised budget forecast for fiscal 2000-01.

NET CHANGE IN CAPITAL ASSETS

	Fiscal Year ended March 31	
	Actual 2000	**Revised Budget 2001 (a)**
	(millions of dollars)	
Capital investment	$ 304	$ 439
Capital amortization reversal	(230)	(280)
Net Increase in Capital Assets	$ 74	$ 159

(a) "Revised Budget" refers to information in the 2000-01 Second Quarter Fiscal Update.

OTHER FUNDS AND AGENCIES

The most important Crown funds and agencies are described in the following text.

Alberta Treasury Branches Alberta Treasury Branches ("ATB") was established by statute in 1938 with the objective of providing credit in outlying areas of the Province. ATB is a self-supporting commercial enterprise and on October 8, 1997, became a provincial Crown corporation, with powers similar to other regulated deposit-taking institutions. ATB makes personal, business and mortgage loans and accepts deposits on a commercial basis. Deposits and the interest thereon are guaranteed by the Province. ATB provides services throughout Alberta communities through a network of 274 branches and agencies.

For the year ended March 31, 2000, ATB had net income of $228.5 million, compared to a net income of $110 million in the previous year. The provision for credit impairment in 1999-2000 was (0.49)% of the average total loans outstanding.

At March 31, 2000, ATB had total liabilities of $10,159 million, including deposits of $9,925 million. Assets totalled $10,432 million, an increase of $1,151 million from 1999, including a loan portfolio of $8,928 million. At March 31, 2000, ATB had a surplus of $272.6 million.

The Workers' Compensation Board The Workers' Compensation Board ("WCB") operates under the authority of the Workers' Compensation Act. The mission of the Board is to minimize the impact of work-related injuries on workers and employers by efficiently providing effective compensation and rehabilitation services and, together with their clients, promoting injury prevention.

While the WCB is a statutory corporation of the Province, it does not receive government funding. In 1995, legislation was passed which moved WCB outside the government's reporting entity. This means the accounts of the WCB are no longer included in the consolidated financial statements of the Province. The legislation does not allow the WCB to incur future unfunded liabilities.

Alberta Social Housing Corporation The Alberta Social Housing Corporation's ("ASHC") primary purpose is to facilitate the provision of social housing accommodation, through public non-profit management bodies and private non-profit groups, to low income families and individuals, seniors and those with special needs.

ASHC had program costs in 1999-2000 of $51 million. ASHC reported a surplus in 1999-2000 of $45 million after contributions from the Department of Municipal Affairs of $41 million for operations and $31 million for debt retirement. As a result of this contribution, ASHC's 1999-2000 balance sheet reports a surplus of $212 million.

At March 31, 2000, ASHC had $951 million in assets, which included $910 million in social housing program assets valued at amortized cost, and $21 million of mortgages, land and real estate that were held for resale. ASHC had $739 million in liabilities, including $673 million in long-term debt and advances from the Province. The corporation made a repayment of $38 million to the Heritage Fund in 1999-2000. ASHC also repaid $12 million of its long-term note principal and $5 million of its advance to the Treasury Department in 1999-2000. In total, ASHC repaid $55 million in principal debt to the Province. An additional $6 million was repaid to the Canada Mortgage and Housing Corporation.

Agriculture Financial Services Corporation The lending division of Agriculture Financial Services Corporation ("AFSC") provides loans, loan guarantees, facilitation of financing and business analysis services to beginning and developing farmers, agriculture producers, agri-food processors and the agribusiness sector. Since some of these programs are offered at less than full cost recovery, the Province contributes to AFSC's operating costs. In fiscal 1999-2000, the revenue of AFSC's lending division equaled expenditure, after contributions of $15 million from the Province. AFSC had a loan portfolio of $710 million and long-term debt of $685 million from the Heritage Fund and the General Revenue Fund. At March 31, 2000, AFSC had contingent liabilities on loan guarantees of $56 million.

The insurance division of AFSC provides crop, hail insurance and wildlife damage compensation programs to Alberta farmers for protection against production losses. It also delivers the Farm Income Disaster Program to provide compensation for disastrous drops in farm income margins. Except for hail insurance which is entirely funded by producers' premiums, all programs are delivered at less than full cost recovery. Producers pay 50% of crop insurance premiums and the provincial and federal governments fund the balance of premiums and the entire administration costs. The Province and the federal government pay for the Farm Income Disaster Program. Both levels of government fund the Wildlife Damage Compensation Program. In fiscal 1999-2000 the Province contributed $50 million to the insurance division. Insurance operations had an excess of revenue over expense of $98 million in fiscal 1999-2000 due to decreased indemnities.

In fiscal 1999-2000 AFSC had a net surplus of $98 million from its operations. At March 31, 2000, AFSC's accumulated surplus totalled $408 million. $131 million in reinsurance funds were on hand with the provincial and federal governments. The net contribution by government was $355 million with the Province paying $202 million and the federal government paying $153 million.

Alberta Opportunity Company Alberta Opportunity Company ("AOC") provides loans and loan guarantees to small businesses who cannot obtain private sector financing. It also provides business consulting to small businesses throughout the Province. Since AOC delivers its programs at less than their full cost, the Province's General Revenue Fund covers losses incurred by AOC. AOC received a contribution of approximately $5.6 million from the General Revenue Fund in 1999-2000 and had an excess of revenue over expenditure of $5.6 million. At March 31, 2000, AOC had loans receivable of about $117 million (net), retained earnings of $31.4 million and contingent liabilities of about $4.2 million.

At March 31, 2000, AOC's debt totalled approximately $86.9 million comprised entirely of promissory notes payable to the Province.

ALBERTA HERITAGE SAVINGS TRUST FUND

The Alberta Heritage Savings Trust Fund (the "Heritage Fund") was established in 1976 by an Act of the Alberta Legislature in recognition that Alberta's conventional oil and gas resources would be depleted over time and that the revenue generated by such resources can fluctuate due to factors beyond the Province's control, such as international oil and gas prices. The savings in the Heritage Fund provide Alberta with a significant source of revenue and add flexibility in the Province's financial management strategy.

From fiscal 1976-77 to fiscal 1982-83, the Heritage Fund received 30% of the Province's non-renewable resource revenue. From fiscal 1983-84 to fiscal l986-87, the transfer of non-renewable resource revenue to the Heritage Fund was reduced to 15% in response to budgetary requirements and effective April 1, 1987, the transfer was suspended entirely. From September 1982 to March 31, 1996, all net income of the Heritage Fund was transferred to the Province's General Revenue Fund to help finance budgetary expenditures.

The new Alberta Heritage Savings Trust Fund Act was passed in May 1996, and proclaimed in force on January 1, 1997. Under the new Act, the Heritage Fund will focus on maximizing the long-term return on assets and on supporting the short and medium term income needs of the government's fiscal plan. All investments will be made based solely on prudent investment principles and strategies.

To meet its objectives, the Heritage Fund now consists of two portfolios:

- the Transition Portfolio, invested in fixed income securities with an emphasis on generating current income to support the fiscal plan, and

- the Endowment Portfolio, invested in a diversified portfolio including fixed income securities, Canadian equities and international securities with a long-term return objective.

Starting in fiscal 1996-97, assets will be transferred from the Transition Portfolio to the Endowment Portfolio at a minimum rate of $1.2 billion each year and, by no later than December 31, 2005, all assets will be fully invested in the Endowment Portfolio. In 2000-01, up to $2.4 billion is authorized to be transferred from the Transition Portfolio to the Endowment Portfolio.

The total equity of the Heritage Fund at March 31, 2000, was $12,256 million on a cost basis and $12,854 million on a fair value basis. In fiscal 1999-2000, the Heritage Fund's net income was $1,169 million, of which $939 million was transferred to the General Revenue Fund and $230 million was retained for inflation proofing.

During fiscal 1999-2000, the Transition Portfolio had a market rate of return of 6.7%, while its benchmark, the market cost of the Canadian dollar portion of the Province's debt portfolio, was 6.8%. The one year performance of the Endowment Portfolio was 18%, 160 basis points ahead of the policy benchmark return of 16.4%.

The following table shows the total assets and net investment income of the Heritage Fund for each of the fiscal years in the five-year period ended March 31, 1999.

ALBERTA HERITAGE SAVINGS TRUST FUND

	Fiscal Year ended March 31				
	1996	1997	1998	1999	2000
	(millions of dollars at lower of cost or market)				
Total Assets	$12,002	$12,084	$12,309	$12,098	$12,418
Net Investment Income	$ 1,046	$ 932	$ 947	$ 932	$ 1,169

DEBT OF THE PROVINCE

Financing and Debt Management

The Province's financial requirements for capital and operating expenditures are met primarily by taxes, non-renewable resource revenue, transfers from the Government of Canada, other revenue and, since September 1982, the transfer of Heritage Fund investment income to the General Revenue Fund.

From 1976 until the end of fiscal 1994-95 the borrowing requirements of most major provincial agencies were met largely from the Heritage Fund. Since fiscal 1995-96, the General Revenue Fund has borrowed in the name of the Crown and then on-lent to provincial agencies. Alberta Municipal Financing Corporation ("AMFC") has borrowed from market sources and from the Canada Pension Plan Investment Fund.

Liability Management The Province uses a variety of derivative financial instruments, such as interest rate swaps, forward interest rate agreements and foreign exchange contracts, to reduce its debt costs and/or to manage its exposure to interest rates and foreign currency exchange rates. Senior management of the Treasury Department monitor all transactions involving financial instruments and approve the parameters for such transactions. These financial instruments expose the Province to credit risk arising from the possibility that a loss may occur from the failure of another party to perform according to the terms of a contract. Credit exposure to counterparties is a fraction of the principal amount. This exposure is monitored and is minimized by dealing only with highly rated counterparties in accordance with established credit approval practices.

Alberta has a policy of no third currency exposure. Any obligations arising from debt issued in currencies other than Canadian or U.S. dollars are swapped into either Canadian or U.S. dollars. Borrowing in U.S. dollars creates a "natural hedge" because over 50% of Alberta's resource revenues are directly linked to the U.S. dollar/Canadian dollar exchange rate. Oil royalties and a portion of royalties from natural gas are either received in U.S. dollars or dependent on U.S. dollar based prices.

Consolidated Debt

Consolidated debt includes direct and guaranteed debt of the Province. Direct debt includes debt obligations of the General Revenue Fund, which at March 31, 2000, amounted to $11,749 million ($11,687 million net of internal holdings). The Province maintains assets, principally deposits with financial institutions, equal to the debt of the Farm Credit Stability program. These deposits are not netted against the Province's direct debt.

Direct government debt consists of funded and unfunded debt. Funded debt has an original term to maturity of one year or more and includes that portion of such debt maturing within one year. Unfunded debt has an original term to maturity of less than one year and includes treasury bills and short-term notes issued in Canada and the United States. Guaranteed debt includes guaranteed debt of provincial agencies and guaranteed debt of third parties. Consolidated debt does not include debt of the Agriculture Financial Services Corporation and Alberta Opportunity Company which is held by provincial entities, principally the Heritage Fund and the General Revenue Fund and totalled $764 million at March 31, 2000.

After deducting sinking funds of $457 million, internal holdings (debt held as assets by provincial entities, primarily the Heritage Fund and the General Revenue Fund) of $658 million and offsetting notes of AGT Limited totalling $150 million, the Province's net consolidated debt, including both net direct and guaranteed funded and unfunded debt, totalled $15,110 million at March 31, 2000.

The table below summarizes the Province's consolidated net direct and guaranteed debt at March 31 for each of the fiscal years 1996 to 2000.

Consolidated Net Direct and Guaranteed Debt

	At March 31 (a), (b)				
	1996	1997	1998	1999	2000
	(millions of dollars)				
Net Direct Debt					
Unfunded Debt	$ 1,928	$ 158	$ 406	$ 629	$ 178
Funded Debt	15,806	15,087	12,752	12,350	11,509
Total Direct Debt	$17,734	$15,245	$13,158	$12,979	$11,687
Net Guaranteed Debt of Provincial Agencies	4,399	4,151	3,951	3,677	3,423
Net Unmatured Debt	$22,133	$19,396	$17,109	$16,656	$15,110
Guaranteed Debt of Third Parties	$ 2,038	$ 1,323	$ 842	$ 621	$ 465
Net Consolidated Debt	$24,171	$20,719	$17,951	$17,277	$15,575

(a) Unhedged U.S. dollar obligations were converted to Canadian dollars at the following rates per U.S. dollar: $1.3631, $1.3843, $1.4166, $1.5092, and $1.4535 which were the noon spot rates on March 31 in each of the years 1996 through 2000, respectively, and were also adjusted for deferred unamortized gains or losses and hedged transactions.

(b) Net of holdings of provincial debt by various provincial entities, principally the Heritage Fund and the General Revenue Fund.

Direct Funded Debt At March 31, 2000, gross direct funded debt of the Province was $11,571 million. After deducting internal holdings of $62 million, net direct funded debt was $11,509 million.

The following table sets forth direct funded debt of the Province at March 31 for each of the fiscal years 1996 to 2000.

Direct Funded Debt

	At March 31				
	1996	1997	1998	1999	2000
	(millions of dollars unless otherwise indicated)				
Payable in Canadian Dollars					
Alberta Capital Bonds/Alberta Savings Certificates	$ 1,796	$ 1,303	$ 926	$ 737	$ 389
Debentures/Notes	7,904	8,274	6,779	6,713	7,157
Canada Pension Plan Investment Fund	679	679	679	679	679
Total Payable in Canadian Dollars	10,379	10,256	8,384	8,129	8,225
Payable in U.S. Dollars (a)	5,024	4,135	3,819	3,735	3,067
Payable in Japanese Yen (b)	675	576	444	463	170
Payable in Australian Dollars (b)	—	105	106	108	109
Payable in New Zealand Dollars (b)	—	186	193	—	—
	16,078	15,258	12,946	12,435	11,571
Less: Internal Holdings (c)	272	171	194	85	62
Net Direct Funded Debt	$15,806	$15,087	$12,752	$12,350	$11,509
Per Capita (dollars)	$ 5,769	$ 5,425	$ 4,496	$ 4,210	$ 3,882
As a percentage of:					
Personal Income	24.8%	23.0%	18.6%	16.0%	14.2%
Gross Domestic Product at market prices	17.9%	16.0%	12.5%	12.3%	11.1%

(a) Unhedged U.S. dollar obligations were converted to Canadian dollars at the following rates per U.S. dollar: $1.3631, $1.3843, $1.4166, $1.5092, and $1.4535 which were the noon spot rates on March 31 in each of the years 1996 through 2000, respectively, and were also adjusted for deferred unamortized gains or losses and hedged transactions.

(b) Obligations were converted to Canadian or U.S. dollars at hedged or actual rates.

(c) Holdings of provincial debt by various provincial entities, principally the Alberta Heritage Savings Trust Fund.

The table below shows the maturities of the Province's gross direct funded debt at March 31, 2000.

Maturities of Gross Direct Funded Debt at March 31, 2000

Maturing in Years Ending March 31	Canadian Dollars (a)	U.S. Dollars (b)	Japanese Yen (c)	Australian Dollars (d)	Total in Canadian Dollars (e)
			(millions)		
2001	998	803	—	—	2,160
2002	908	300	—	100	1,465
2003	660	500	—	—	1,392
2004	1,043	500	—	—	1,802
2005	990	—	10,000	—	1,132
2006	1,248	—	2,000	—	1,276
2007	151	—	—	—	151
2008	354	—	—	—	354
2009	778	—	—	—	778
2010	117	—	—	—	117
2011	246	—	—	—	246
2012	321	—	—	—	321
2013	237	—	—	—	237
2014	40	—	—	—	40
2015	38	—	—	—	38
2016	41	—	—	—	41
2017	21	—	—	—	21
Total	$8,191	$2,103	¥12,000	$100	$11,571

(a) At March 31, 2000, principal and interest payments on principal of $825 million had been hedged into U.S. dollars.

(b) At March 31, 2000, principal and interest payments on principal of U.S.$3 million had been hedged into Canadian dollars.

(c) At March 31, 2000, principal and interest payments on principal of ¥2,000 million had been hedged into Canadian dollars and ¥10,000 million hedged into U.S. dollars.

(d) At March 31, 2000, principal and interest payments of AU$100 million had been hedged into U.S. dollars.

(e) Refers to gross debt (including $62 million internal holdings) at the March 31, 2000, exchange rate of U.S.$1 = $1.4535 Cdn., or hedged exchange rates.

The Province estimates that mandatory debt service payable out of the General Revenue Fund, including interest and mandatory sinking fund instalments, on debentures and medium-term notes (excluding $59 million of Alberta Savings Certificates — a retail instrument sold to Alberta residents and corporations on which the interest rate is reset semi-annually) outstanding at March 31, 2000, at the foreign exchange rate on that date or, where appropriate, the interest obligation created through the currency hedging of certain issues, would be $819 million in fiscal 2000-01.

Guaranteed Funded Debt Guaranteed funded debt of the Province includes guaranteed debenture debt of provincial agencies and guaranteed debentures and loans of third parties. At March 31, 2000, $658 million of provincial agencies guaranteed debt was held by provincial entities, principally the Heritage Fund and the General Revenue Fund. At March 31, 2000, the Heritage Fund and the General Revenue Fund held $764 million of Agriculture Financial Services Corporation and Alberta Opportunity Company debenture debt. The debt of these corporations is not expressly guaranteed by the Province and therefore is not included in the Province of Alberta guaranteed debt table.

At March 31, 2000, the gross guaranteed debt of provincial agencies amounted to $4,688 million. After netting internal holdings of $658 million, AGT Limited offsetting notes of $150 million and sinking funds of $457 million, net guaranteed debt of provincial agencies totalled $3,423 million. AMFC accounts for almost 89% of provincial agencies guaranteed debt on a net basis. AMFC makes loans to municipalities, school boards and hospitals and other local entities at interest rates based on the estimated cost of provincial borrowings with similar terms. At December 31, 2000, AMFC had retained earnings of $150 million.

At March 31, 2000, the Province also had outstanding guarantees and indemnities of $465 million.

The net guaranteed funded debt of the Province amounted to $3,888 million at March 31, 2000. $3,333 million or 86% represented net debt of AMFC, and $465 million or 12% represented guaranteed bank, Treasury Branches, credit union and other loans. These guarantees consisted primarily of loans guaranteed under the Province's Farm Credit Stability Act, the Small Business Term Assistance Act, the Alberta Housing Act, the Student Loan Act, and the Agriculture Financial Services Act, and a number of loans to various private sector commercial enterprises.

The following table sets forth guaranteed funded debt outstanding net of sinking funds and net of guaranteed debt held by provincial entities at March 31 for each of the fiscal years 1996 to 2000. Approximately 15% of the $4,688 million gross guaranteed debt has a maturity date prior to March 31, 2001, and approximately 48% has a maturity date between March 31, 2001 and March 31, 2006.

Net Guaranteed Funded Debt (a)

	At March 31					
	1996	1997	1998	1999	2000	
	(millions of dollars)					
Guaranteed Debentures of Provincial Agencies						
AGT Commission	$ 800	$ 600	$ 400	$ 200	$ 150	(b)
AMFC	4,786	4,569	4,403	4,172	3,848	
ASHC	1,165	1,102	1,042	759	690	
Gross Guaranteed Debt	6,751	6,271	5,845	5,131	4,688	
Less: Internal Holdings (c)	1,233	1,167	1,102	829	658	
Less: Sinking Funds	319	353	392	425	457	
Less: Offsetting Notes of AGT Limited held by AGT Commission	800	600	400	200	150	(b)
Net Guaranteed Debt of Provincial Agencies	4,399	4,151	3,951	3,677	3,423	
Net Guaranteed Debt of Third Parties	2,038	1,323	842	621	465	
Net Guaranteed Funded Debt	$6,437	$5,474	$4,793	$4,298	$ 3,888	

(a) The Province also guarantees deposits in Alberta Treasury Branches Deposits Fund, which at March 31, 2000, stood at $9,925 million. These liabilities plus other liabilities of $235 million were offset by $10,432 million in assets. In addition, Treasury Branches had guarantees of third party debt of $414 million outstanding at March 31, 2000.

(b) AGT Commission exercised its option to redeem all outstanding debentures on May 31, 2000.

(c) Provincially guaranteed debt held by various provincial entities, principally the Alberta Heritage Savings Trust Fund and the General Revenue Fund.

Unfunded Debt Unfunded debt of the Province includes short-term notes issued in Canada and the United States with an original term to maturity of less than one year. At March 31, 2000, net unfunded debt totalled $178 million. The following table sets forth the direct unfunded debt of the Province at March 31 for each of the fiscal years 1996 to 2000.

Direct Unfunded Debt

	At March 31				
	1996	1997	1998	1999	2000
	(millions of dollars)				
Promissory Notes	$1,335	$ 22	$406	$629	$178
U.S. Short-term Notes (a)	593	136	—	—	—
Gross Unfunded Debt	1,928	158	406	629	178
Net Unfunded Debt	$1,928	$158	$406	$629	$178

(a) These notes are fully hedged and transactions are translated at the rate of exchange established by the terms of the forward exchange contracts, except for U.S.$72.5 million at March 31, 1997, which was unhedged.

Funded Debt of Other Public Institutions In addition to debt of and debt guaranteed by the Province, public institutions under the Province's jurisdiction have issued debt not guaranteed by the Province or held by AMFC. At December 31, 1999, gross debt and capitalized leases of municipalities, colleges and universities stood at approximately $1,101 million for municipalities and $37 million for colleges and universities.

Recent Developments

The Province's net financing requirements for fiscal 2000-01 are estimated at approximately $663 million, including maturities of $2.5 billion.

From April 1, 2000, to December 31, 2000, the Province raised over $516 million in term financing in domestic and foreign capital markets.

The following table summarizes the Province's funded debt financing from April 1, 2000 to December 31, 2000.

GENERAL REVENUE FUND FUNDED DEBT
FINANCING FROM APRIL 1, 2000 TO DECEMBER 31, 2000

Source of Funds	Amount	Date of Issue	Term to Maturity
	(millions of dollars)		(years)
Canadian Notes — Private	$ 50	April 2000	5
EMTN Euro-US Notes	291	April 2000	4
Canadian Domestic debenture	100	December 2000	10
Canadian Domestic debenture	75	December 2000	16
	$516		

From April 1, 2000 to December 31, 2000, the Province's gross unfunded debt, on a par basis, decreased by $34 million from $180 million to $146 million. At December 31, 2000, $146 million Canadian of short-term promissory notes were outstanding. There were no internal holdings of unfunded debt at December 31, 2000.

PENSION PLANS

Plans under the Public Sector Pension Plans Act

Legislation and regulations under the 1993 Public Sector Pension Plans Act provide for the Local Authorities Pension Plan ("LAPP"), Public Service Pension Plan ("PSPP"), Universities Academic Pension Plan ("UAPP"), Special Forces Pension Plan ("SFPP"), Management Employees Pension Plan ("MEPP"), and the Public Service Management (Closed Membership) Pension Plan.

Prior to passage of the Act, the government guaranteed public sector pension plans. The Act substantially changed the government's financial obligations to the plans. The guarantee of benefits for the LAPP, PSPP, UAPP and SFPP was replaced by an arrangement requiring additional payments to be made by employees, employers and the Crown to retire the pre-1992 service of unfunded liabilities. For all the plans, the legislation also requires post-1991 service to be fully funded on an ongoing basis by employees and employers. The government continues to guarantee all benefits for the Closed Management plan and the benefits are paid from the General Revenue Fund.

Under the Act, pension boards comprising equal numbers of employee and employer representatives, and a Crown representative, were established for each active plan. With the exception of the Management Employees Pension ("MEP") Board, the boards are responsible for establishing the contribution rates necessary to properly fund the plan, setting policy guidelines for investment the pension fund, hearing appeals of administrative decisions and recommending plan rule changes. The MEP Board serves in an advisory capacity to the Provincial Treasurer on these matters.

The Provincial Treasurer holds each plans' assets in trust and invests the assets through Treasury's Investment Management Division. In December 2000, the combined assets of the Treasury administered pension plans totalled approximately $18 billion. Pension funds are invested in diversified portfolios of bonds, domestic and international equities, mortgages, real estate, and short-term securities and are subject to the "prudent person" rule.

The Local Authorities, Public Service and Management Employees pension plans were fully funded for both pre-1992 and post-1991 service as at December 31, 1997, December 31, 1998, and December 31, 1999, respectively. Additional contributions by the Crown, employers and employees towards these unfunded liabilities have been discontinued. The Special Forces and Universities Academic pension plans are expected to be fully funded for all service in the near future, well ahead of the 2036 and 2043 targets, respectively, set in the 1993 legislation.

The 1999 Public Sector Pension Plans Amendment Act confirmed that once a plan's unfunded liability has been eliminated, the Crown has no further liability in respect of that unfunded liability.

In 1999, the government established a Retirement Compensation Arrangement ("RCA") for Management Employees Pension Plan members earning more than $86,111. Employees pay 7.75% of salary above $86,111 towards the RCA. The RCA is being fully funded on an ongoing basis.

Beginning January 1, 2001, trusteeship for the Universities Academic Pension Plan has moved from the Provincial Treasurer to a trustee board appointed by the universities and academic staff associations. The plan will be regulated like a private sector plan under the Employment Pension Plans Act.

For the Local Authorities Pension Plan, employee and employer groups are looking at new governance arrangements that would transfer the trustee role from the Provincial Treasurer to newly constituted board of trustees.

Members of the Legislative Assembly Pension Plan

The government is responsible for the Members of the Legislative Assembly ("MLA") Pension Plan which provides pensions to retired MLAs and sitting MLAs who have 5 or more years of service accrued before June 15, 1993. The plan was closed to future service accruals effective June 15, 1993. The government's obligations to the MLA plan were estimated at $49 million as at March 31, 2000, based on an extrapolation of the December 31, 1997, valuation. There is no fund for this plan and pensions are paid from the General Revenue Fund.

Provincial Judges and Masters in Chambers Pension Plan

The government is responsible also for the Provincial Judges and Masters in Chambers Pension Plan. The Province is liable for all benefits not paid by the plan. The plan showed a surplus of $29.5 million as at the March 31, 2000, actuarial valuation. Judges began making employee contributions to the plan for the first time in 1998. Employee contributions are 7% of all salary, with the benefits accruing above the $86,111 salary cap funded through a Retirement Compensation Arrangement ("RCA"). The RCA for Provincial Judges is administered by the government as a separate trust and will be fully funded on an ongoing basis.

Teachers' Pension Plan

The Teachers' Pension Plan Act and regulations give effect to the agreement between the government and the Alberta Teachers Retirement Fund Board ("ATRF") The ATRF Board is trustee, administrator and custodian of the plan's assets. The government guarantees the benefits for all service before September 1, 1992.

The plan sponsors, the government and plan members (represented by the Alberta Teachers Association) established the current plan funding arrangements in 1992. Under this agreement, active plan members and the government share equally the current service costs, except for the additional 10% COLA for service after 1992 which is paid for solely by teachers. The funding agreement also requires the pre-1992 service unfunded liability to be eliminated by 2060. The government pays 67.35% and active members pay 32.65% of the additional contributions required. In addition, where there is surplus on post-1991 service, that surplus is put towards reducing the pre-1992 unfunded liability.

Additional contributions currently being made are not sufficient to cover the interest costs on the unfunded liability and, therefore, the amount of the unfunded liability continues to grow. It is estimated that around 2045 the additional contributions will be sufficient to cover interest costs and start to reduce the principal of the unfunded liability.

The actuarial valuation as at August 31, 2000, estimates the unfunded liability for pre-1992 service at $4.591 billion and total assets at $2.067 billion.

In March 2000, the ATRF Board approached the plan sponsors to gain support for a review of the existing funding structure of the Teachers' plan. Preliminary work on this review has commenced.

Province of Alberta's Pension Obligations

An accounting of the government's pension obligations for the public sector plans is reported each year in the Public Accounts. As at March 31, 2000, pension obligations totalled $923 million for the plans administered by Alberta Treasury plus $3.8 billion for the Teachers' Pension Plan.

	March 31, 2000
	(thousands of dollars)
Teachers' Pension Plan	$3,805,000
Public Service Management (Closed Membership) Pension Plan	653,660
Universities Academic Pension Plan	121,204
Special Forces Pension Plan	54,895
Members of the Legislative Assembly Pension Plan	49,177
Management Employees Pension Plan	39,000
Public Service Pension Plan	5,000

The pension plans mentioned above are defined benefit pension plans. The most recent actuarial valuations of these plans assumed real rates of return as follows: LAPP at 3.75%, PSPP and MEPP at 4.25%, UAPP and SFPP at 4.0%, Judges Pension Plan at 3.5%, and the Teachers' Pension Plan at 4.5%.

CANADIAN FOREIGN EXCHANGE AND INTERNATIONAL RESERVES

Canada maintains a floating exchange rate for the Canadian dollar in order to permit the rate to be determined by fundamental market forces without intervention except as required to maintain orderly conditions. The following table sets forth the average noon spot exchange rates for the Canadian dollar relative to the U.S. dollar for the years 1996 through 2000.

Spot Exchange Rate for the Canadian Dollar

	Year Ended December 31				
	1996	1997	1998	1999	2000
			(U.S. cents)		
Average Noon	73.34	72.23	67.43	67.30	67.33

Source: Bank of Canada.

The following table shows Canada's official international reserves, which consist of U.S. dollars, gold, its reserve position in the International Monetary Fund, Special Drawing Rights ("SDR") and other foreign currencies.

Canada's Official International Reserves

	At December 31				
	1996	1997	1998	1999	2000
			(millions of dollars)		
U.S. Dollars	$17,521	$14,630	$15,907	$18,838	$21,692
Special Drawing Rights	1,168	1,126	1,097	526	574
Reserve position in the International Monetary Fund	1,227	1,575	2,297	3,164	2,508
Other foreign currencies	507	492	4,004	5,594	7,149
Gold	155	146	122	524	323
Total	$20,578	$17,969	$23,427	$28,646	$32,246

Source: Finance Canada.

STATEMENT OF UNMATURED DEBT

The following table sets forth certain data relating to the unmatured debt of the Province at March 31, 2000. The amounts provided are par values and are not adjusted for deferred unamortized gains or losses, unamortized discounts or hedged transactions.

Year of Issue	Amount Issued	Coupon %	Maturity	Currency of Issue	Payable Currency	Debt Type	Par Value Outstanding March 31, 2000	Reference
DIRECT DEBT								
1999-00	180,200,000	Various	1999-00			MTN	180,200,000	
1990	500,000,000	9.250	1-Apr-00	US	US		500,000,000	
1995	25,000,000	7.750	18-Apr-00			MTN	25,000,000	
1995	646,427,400	4.650	1-Jun-00				158,185,200	a1
1997	173,454,564	5.125	1-Jun-00				171,347,764	a2
1995	300,000,000	6.250	19-Oct-00	Euro US	US	MTN	300,000,000	
1995	21,000,000	6.985	24-Nov-00	Euro US	CDN	MTN	3,469,113	b
1996	19,000,000	5.650	15-Feb-01			MTN	3,890,827	c
1996	600,000,000	6.250	1-Mar-01				600,000,000	
1996	8,000,000	6.750	29-Mar-01			MTN	8,000,000	
1991	500,000,000	10.250	22-Aug-01				500,000,000	
1996	350,000,000	6.125	4-Oct-01				350,000,000	
1994	10,000,000	8.400	31-Oct-01			MTN	10,000,000	
1999	300,000,000	5.250	15-Mar-02	Euro US	US		300,000,000	
1997	100,000,000	7.000	20-Mar-02	Euro AU	US	MTN	100,000,000	
1997	13,250,000	5.440	27-Mar-02			MTN	13,250,000	
1999	100,000,000	5.250	8-Apr-02			MTN	100,000,000	
1999	250,000,000	5.500	19-Jul-02			MTN	250,000,000	
1997	12,240,000	5.000	30-Sep-02			MTN	12,240,000	
1999	200,000,000	6.000	29-Nov-02			MTN	200,000,000	
1998	100,000,000	5.000	18-Dec-02			MTN	100,000,000	
1993	500,000,000	7.000	18-Feb-03	Euro US	US		500,000,000	
1998	14,200,000	5.000	31-Mar-03			MTN	14,200,000	
1993	500,000,000	7.750	5-May-03				500,000,000	
1996	118,336,510	4.250	1-Jun-03				42,484,151	a1
1999	50,000,000	6.100	1-Jun-03			MTN	50,000,000	d1, e
1998	500,000,000	4.875	29-Oct-03	Global US	US		500,000,000	
1998	400,000,000	5.100	1-Dec-03			MTN	400,000,000	
1999	23,000,000	5.700	15-Mar-04			MTN	23,000,000	d2, f
1999	20,000,000	5.300	30-Mar-04			MTN	20,000,000	
1997	32,959,719	4.650	1-Jun-04				16,953,348	a1
1994	600,000,000	6.375	1-Jun-04				600,000,000	
1994	10,000,000,000	4.600	28-Jul-04	¥	US	PL	10,000,000,000	
1999	40,000,000	5.500	8-Oct-04			MTN	40,000,000	e
1998	350,000,000	5.750	1-Dec-04			MTN	350,000,000	
1995-99	125,000,000	8.450	16-May-05			MTN	125,000,000	
1998	15,000,000	5.550	20-May-05			MTN	15,000,000	d3, f
1995	2,000,000,000	4.400	13-Sep-05	¥	CDN	MTN	2,000,000,000	
1993	500,000,000	7.250	28-Oct-05				500,000,000	
1995	500,000,000	7.500	1-Dec-05				500,000,000	
1996	60,000,000	7.862	4-Jan-06			MTN	60,000,000	f, g1
1999	20,000,000	5.500	25-May-06			MTN	20,000,000	d4
1996	50,000,000	8.200	5-Jul-06			MTN	50,000,000	f, g2
1999	25,000,000	6.000	16-Aug-06			MTN	25,000,000	d5
1997	40,200,000	6.900	5-Feb-07	CDN	US	MTN	40,200,000	f, g3
1995	50,000,000	8.420	24-Apr-07			MTN	50,000,000	g4
1999	166,000,000	5.650	1-Oct-07			MTN	166,000,000	
1998	25,000,000	index	5-Nov-07			MTN	25,000,000	d6, h
1998	25,000,000	5.700	6-Jan-08			MTN	25,000,000	d7, f
1998	50,000,000	5.800	5-Jun-08			MTN	50,000,000	d8
1998	20,000,000	5.650	11-Mar-08			MTN	20,000,000	d9
1998	30,000,000	6.000	24-Mar-08			MTN	30,000,000	d10, f
1998	50,000,000	5.800	22-Apr-08			MTN	20,000,000	g5
1998	500,000,000	5.000	16-Dec-08				500,000,000	
1999	20,000,000	5.530	23-Feb-09			MTN	20,000,000	f, g6

Year of Issue	Amount Issued	Coupon %	Maturity	Currency of Issue	Payable Currency	Debt Type	Par Value Outstanding March 31, 2000	Reference
1999	20,000,000	5.860	15-Mar-09			MTN	20,000,000	f, g7
1999	20,000,000	5.350	17-Mar-09			MTN	20,000,000	d11
1999	20,000,000	5.600	19-Mar-09			MTN	20,000,000	d12, f
1999	20,000,000	5.600	31-Mar-09			MTN	20,000,000	d13, f
1999	20,000,000	5.650	4-May-09			MTN	20,000,000	d14, f
1999	15,000,000	5.750	1-Jun-09			MTN	15,000,000	d15, f
1999	20,000,000	5.900	1-Jun-09			MTN	20,000,000	g8
1999	20,000,000	5.350	1-Jun-09			MTN	20,000,000	d16
1998	50,500,000	5.400	15-Jun-10			MTN	47,400,061	c
1991	201,865,000	10.450	1-Mar-11				201,865,000	i
1996	25,000,000	7.642	14-Jun-11			MTN	21,372,370	c
1992	280,721,000	9.920	2-Mar-12				280,721,000	i
1993	196,110,000	9.370	1-Mar-13				196,110,000	i
1999	83,000,000	5.393	14-Jun-13			MTN	78,332,200	c
1997-00	493,000,000	5.930	16-Sep-16			MTN	457,647,921	c
GUARANTEED DEBT								
THE ALBERTA GOVERNMENT TELEPHONES COMMISSION								
1983	150,000,000	11.500	31-May-03				150,000,000	j
ALBERTA SOCIAL HOUSING CORPORATION								
Various	109,751,295	Various	Jan-22-Jan-30				90,059,000	
1976-94	268,500,000	Various	Oct-01-Jan-12				192,851,649	c, k
ALBERTA MUNICIPAL FINANCING CORPORATION								
Various	3,097,555,000	Various	Oct-00-Dec-09				3,097,555,000	i
1979	70,000,000	11.700	1-Nov-99				70,000,000	
1980	35,000,000	13.450	3-Mar-00				35,000,000	
1980	30,000,000	11.750	3-Jul-00				30,000,000	
1980	35,000,000	13.200	15-Aug-00				35,000,000	
1980	50,000,000	13.650	1-Dec-00				50,000,000	
1979	70,000,000	11.850	15-Dec-00				70,000,000	
1981	30,000,000	14.100	2-Mar-01				30,000,000	
1981	85,000,000	16.250	15-Jun-01				85,000,000	
1983	450,000,000	12.250	15-Dec-02				450,000,000	l
ALBERTA MUNICIPAL FINANCING CORPORATION SINKING FUND							457,167,000	m

References

Par value outstanding is stated in the issued currency.

All debt is non-callable and non-redeemable unless otherwise indicated. Footnotes as of January 24, 2001.

Group (a) – Alberta Savings Certificates (name changed from Alberta Capital Bonds), sold to Alberta residents only:
- (1) redeemable at the option of the holder semi-annually, floating interest rate
- (2) fixed term; fixed interest rate.

(b) – Fixed rate instalment note amortizing to a schedule, payable monthly in arrears.

(c) – Debentures/notes with blended payments of interest and principal.

(d) – Extendible notes at the option of the province:
- (1) Extendible quarterly on March 1, 2001, to maturity; interest rate increases to 6.75%
- (2) Extendible semi-annually on March 15, 2001, to maturity
- (3) Extendible semi-annually on May 20, 2001, to maturity
- (4) Extendible semi-annually on May 25, 2001 to maturity; interest rate increases from 5.50% to 6.25%
- (5) Called on February 16, 2001
- (6) Extendible only on November 5, 2001; when extended, interest rate will be 5.22% if the government bond index return plus 0.25% to the extension date is positive. If the index return plus 0.25% is negative, the extended coupon is adjusted down
- (7) Extended on January 6, 2000 to January 6, 2008 maturity at interest rate of 5.70%
- (8) Extended on June 5, 2000 to June 5, 2008 maturity at interest rate of 5.80%
- (9) Extendible semi-annually on March 11, 2001, to maturity; interest rate increases from 5.65% to 6.75%
- (10) Extendible semi-annually on March 24, 2001, to maturity
- (11) Extendible annually on March 17, 2001, to maturity; interest rate increases from 5.35% to 8.50%
- (12) Extendible annually on March 19, 2001, to maturity; interest rate increases from 5.60% to 6.40%
- (13) Extendible annually on March 31, 2001, to maturity; interest rate increases from 5.60% to 7.00%.
- (14) Extendible semi-annually on May 4, 2001, to maturity
- (15) Extendible semi-annually on June 1, 2001, to maturity
- (16) Extendible annually on June 1, 2001, to maturity; interest rate increases to 6.50%.

(e) – Monthly pay note.

(f) – Accrual notes, with interest compounded semi-annually and payable upon redemption on or at maturity.

(g) – Callable at the option of the province:
- (1) Called on January 4, 2001
- (2) Called on July 5, 2000
- (3) On February 5, 2001, semi-annually thereafter
- (4) Called April 24, 2000
- (5) On April 22, 2002, only
- (6) After August 23, 2001, semi-annually to maturity
- (7) After March 15, 2001, semi-annually to maturity
- (8) After June 1, 2001, semi-annually to maturity.

(h) – Canadian dollar bond index linked note, return accrued to the extension date based on the government bond index plus 0.25%.

(i) – Redeemable at the option of the holder upon 6 months notice subject to CPP requirements.

(j) – Self supporting debt, redeemed on May 31, 2000.

(k) – All issued to and held by Alberta Heritage Savings Trust Fund.

(l) – Callable as a whole on any interest date 2 years or less prior to maturity, at face value.

(m) – Amortized book value.

Debt Type
MTN – Medium-term and Promissory Notes
L – Loans
PL – Private loan
PP – Private placement

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