

Standing Committee on Public Accounts

Wednesday, June 20, 1979

Chairman: Mr. Mandeville

10 a.m.

MR. CHAIRMAN: Good morning, ladies and gentlemen. We'll now bring our meeting to order.

First of all, I would like to introduce our people. Our secretary is Miss Ross; she's going to record our minutes. The Auditor General Mr. Rogers, his assistant Mr. Henkelman, and Mr. Blain are with us. I am Fred Mandeville, the chairman. You'll have to excuse me, ladies and gentlemen. There are 29 new members, but I'm pleased to see that I've got the majority of the ladies on the committee. I'll know their names, but don't feel offended if I have to call you by your first names, your last names, or possibly even your constituencies. I'll catch on sooner or later.

First of all, committee members, I imagine to start with we should set the day we want to have our meetings from now on. In the past we've been having our meetings on Wednesdays. Possibly we could decide the dates and times for our meetings. Maybe we could have some discussion. Is Wednesday satisfactory, or is there another day the committee would like to hold the meetings?

MR. McCRAE: Mr. Chairman, I think we'd be quite happy with Wednesday mornings at 10 o'clock until, say, 11:30, running over if we should be cleaning up something.

HON. MEMBERS: Agreed.

MR. CHAIRMAN: Agreed. Okay. As far as transcription is concerned, they're recording up there now. A lot of the members aren't going to be sitting in their own seats, so could anyone who gets up identify their constituency. It would help the sound system.

So we've agreed to have our meetings on Wednesdays from 10 to 11:30. Now, what are the wishes of the committee? Do we want to have transcriptions for all members, or should we have a certain number of our proceedings transcribed? They'll all be recorded and tapes will be available for anyone who wants to hear them. I talked to *Hansard* this morning, and *Hansard* indicated it wouldn't be that costly to transcribe. In the past we've had a certain number of the proceedings transcribed and charged 10 cents per copy. Would you like to follow the procedure we followed in the past, or could we have some discussion on that?

MR. R. CLARK: Mr. Chairman, from our point of view, we were in the situation of getting one or two copies to our office. It certainly served our purposes. As far as our office is concerned, we want to follow the same practice we had in the past, which I believe was to make some copies available to the government side, some to Mr. Notley's office, and some to our office. Then

any member who wanted additional copies could just let the Chairman know, and additional copies could be made. That procedure is quite satisfactory as far as we're concerned.

MR. McCRAE: I think our side would agree as well. The past system, whereby we had minutes and some copies of the transcript, has sufficed. However, you did say that the extra cost of transcribing would not be very much. Inasmuch as we have a new committee, if the cost isn't excessive I think we might as well make them available to everyone. I would ask: how much is it going to cost?

MR. CHAIRMAN: Mr. McCrae, I couldn't get a definite figure on the cost; I talked to *Hansard* this morning and they indicated the cost to have transcriptions for each member wouldn't be that great. But they didn't indicate what the cost would be.

MR. McCRAE: Anybody want transcripts?

AN HON. MEMBER: Yes.

MR. McCRAE: Well, why don't we make a transcript available to everyone, Mr. Chairman? I believe there are only 32 members.

MR. CHAIRMAN: Did you want to make that a motion?

MR. McCRAE: I would make that motion, yes.

MR. CHAIRMAN: Could we have a seconder?

MR. PAHL: I second it.

*Motion carried*

MR. CHAIRMAN: This is going to be our organizational meeting. I would like some discussion from the committee on how we're going to proceed. We realize a number of new members are on the committee. There has been some suggestion that Mr. Rogers could give us an overview at our next meeting. Seeing we're not going to have many Wednesdays left in this spring session -- we're hopeful, anyway -- possibly Mr. Rogers and his assistant could give us an overview of public accounts. However, do you think we should discuss which departments we're interested in going through when we get into the meat of public accounts?

MR. R. CLARK: To lead off the discussion, Mr. Chairman, I think your suggestion of spending next Wednesday -- at the rate we're going it's pretty obvious we're going to be here the following Wednesday -- spending those two Wednesdays making it possible for Mr. Rogers and Mr. Henkelman to deal with the public accounts, and also spending a bit of time on the new arrangements we now have with an Auditor General and a Controller in the Treasury Department. I think if we spend one meeting on public accounts and one on this new arrangement -- and I'd welcome Mr. Rogers' advice in that area -- perhaps that would get us to the end of this session.

It would be my hope that we could start early in the fall session with having a number of departments or agencies in departments. We could wait a week or two to decide which areas we want to bring in in the fall. I think it

would be helpful to decide which ones we're going to be dealing with this fall before we adjourn this summer. But that may be a decision we'd want to make in a week or two. I'm quite prepared to suggest the Alberta Housing Corporation, but we may want to think about that for a week -- at least the government members may want to.

MR. McCRAE: Mr. Chairman, to respond to that. First of all, could I congratulate you on your assumption of the chairmanship. We've always had a good committee of public accounts, and I'm sure that will continue under your stewardship. So congratulations to you from our side.

Naturally we are anxious to get right down to the business of the day and start examining departmental accounts, but recognizing the fact that there are a number of new members on the committee, in the spirit of conciliation we'd be quite happy to go along with the suggestion of the Leader of the Opposition and spend the next two weeks in the explanation of the book and the role of the Auditor General. With the number of new members, it would be very appropriate to get into that in considerable detail, and that would be very helpful to us.

On the suggestion of picking agenda items, I'd think we'd be quite happy to indicate areas of interest to us today. Then, as the hon. member has suggested, over the summer or early in the fall we could discuss an agenda for next fall, based on the suggestions that come out of the recommendations today. That would be quite satisfactory to us.

MR. R. CLARK: Mr. Chairman, it's been an unusual example of co-operation between the hon. Member for Calgary Foothills and myself. I think it is important that before we adjourn this summer we at least pick the first one or two areas we want to study in the fall, so there's an opportunity to do some preparation in those particular areas. Other than that, I find myself in almost complete agreement with the hon. member.

MR. CHAIRMAN: Is there any other discussion as far as our meetings are concerned? Mr. McCrae, would you want to wait to pick these topics? Do you want to have any discussion on the topics today, or at a further meeting?

MR. McCRAE: Mr. Chairman, I would recommend to the meeting that today we indicate areas of interest, departmental areas, Crown agencies, or whatever. Then over the next two weeks we will attempt to agree with all members of the committee as to what the agenda could be. I would suggest that if we can't agree, then we'll come back to the usual system of picking the agenda through the vote process. But I suspect we would have no difficulty in agreeing on the fall agenda.

MR. CHAIRMAN: Do the members have any suggestions? Mr. Notley.

MR. NOTLEY: Mr. Chairman, I certainly think we should examine the Alberta Housing Corporation, in particular the rural and native housing aspect. One other area that I think is useful: in 1976 we had some useful discussion in public accounts on the operation of the Alberta Export Agency. Perhaps as a consequence of some of the hearings in public accounts and a change in government policy, a rather significant change was made in the way the government now handles our thrust into the markets of the world. I'd like to see us bring the international marketing people from the various departments

here, so we can discuss how we're now handling that important area since the change.

MR. CHAIRMAN: Mr. Pahl.

MR. PAHL: Mr. Chairman, I would express an interest in dealing with the Alberta Oil Sands and Technology Research Authority. But perhaps my feeling about the topics covered would be a bit stronger after we had an opportunity to hear from Mr. Rogers in terms of the functions of the Auditor General. It seems to me that my interest in the Oil Sands Technology and Research Authority was in part to look at models for the building of the brain industry, if you will, or the performance in the brain industry. I might have a better feeling on the metes and bounds of that topic at a time that I get a better understanding of the committee and its opportunities to function.

MR. CHAIRMAN: Thank you, Mr. Pahl. Mr. Pengelly.

MR. PENGELLY: Mr. Chairman, I am Nigel Pengelly, the Member for Innisfail. I'd like to see the Agricultural Development Corporation discussed here.

MR. CHAIRMAN: Thank you. Mr. Clark, did you have your hand up?

MR. R. CLARK: I'd just like to put on the record our desire to have the Alberta Housing Corporation, especially the rural and native housing area.

Could I just make one other comment, and in no way at all am I disparaging any suggestions that may come forward, but simply reminding members that in the Legislative committee on the Heritage Savings Trust Fund in the fall, we spend quite a portion of the time on agencies which are funded by the trust fund. I only raise that to say that's one way there is some accountability with agencies like the oil sands research group and other groups funded out of the Heritage Savings Trust Fund appropriation.

MR. PAHL: Mr. Chairman, to clarify the function of the committee, we're looking at 1977-78 expenditures, are we? So we're in the past, if I can be frank about it.

MR. CHAIRMAN: Yes, that's right.

MR. PAHL: Okay. Thank you.

MR. McCRAE: Mr. Chairman, could I just respond to the Leader of the Opposition and say that I think today we should take all these suggestions. It may well be that some of them will fall into the area of the heritage trust fund committee. That's the kind of thing we can assess over the next week or two in attempting to agree on the agenda. It may well be that rural and native housing is adequately covered through the heritage trust fund committee as well. I don't think we need to debate that right now. We should simply take all these suggestions and assess them at a later date.

I think also that the instruction we get from the Auditor General over the next couple of weeks will make very apparent to the committee that it is a financial review of the '77-78 period and not a fishing expedition in terms of government policy in the 1980s or '79, '81, or '85. With reasonableness, those constraints will be imposed on the committee.

MR. CHAIRMAN: Thanks, Mr. McCrae. Committee members, we have to keep in mind that the '77-78 public accounts are the last to be handled by the Auditor General. From this point on, it's going to be Treasury.

MR. NOTLEY: I really don't want to leave the remarks of the hon. Member for Calgary Foothills entirely unchallenged. I certainly agree that the detailed discussion has to relate to the financial year we're looking at. But I think we have to ask ourselves why in heaven's name we have public accounts. We have public accounts not just to do a bookkeeping function, because the Auditor General can do a much better bookkeeping function than we can. That's why we have an Auditor General.

The usefulness of the whole public accounts procedure is that we can look at government actions in a particular year as a guide to the success or failure of policies. So when we examine it, we have to look at it from a public policy point of view, not just a bookkeeping point of view. Otherwise we really aren't fulfilling our obligations as members of the Public Accounts Committee. In the spirit of generosity, I'll assume that Mr. McCrae's comments about constraints are going to be very loose constraints, that we will be carrying on in the best traditions of the Public Accounts Committee in the last House, which allowed us the kind of free-flowing discussion of the public policy implications. I think it's fair that it should be related to the specifics of the financial year, but we have to be able to draw conclusions.

MR. CHAIRMAN: The hon. Member for Bonnyville.

MR. ISLEY: Mr. Chairman, I'd like to add airport development as one of the topics.

MR. L. CLARK: Mr. Chairman, I'd like to add museums and historical sites to the agenda, if I could.

MR. CHAIRMAN: Mr. Kushner.

MR. KUSHNER: Mr. Chairman, I'd also like to add recreational parks to that for consideration.

MR. CHAIRMAN: Mr. Woo, did have a suggestion?

MR. WOO: That was part of my recommendation, Mr. Chairman, but in addition I'd like to add that program element dealing with the major cultural recreational facilities development.

MR. CHAIRMAN: Could you repeat that, Mr. Woo?

MR. WOO: The program element dealing with the major cultural recreational facilities development program.

MR. CHAIRMAN: Any further suggestions? The hon. Member for Calgary Forest Lawn.

MR. ZAOZIRNY: Mr. Chairman, I'd like to see consideration of the Alberta Opportunity Company.

MR. CHAIRMAN: Mrs. Cripps.

MRS. CRIPPS: When we're dealing with the Alberta Housing Corporation, I wouldn't want to stick to the native housing program. I'd like us to review the whole thing, especially the starter home ownership programs.

MR. CHAIRMAN: Mr. Anderson.

MR. D. ANDERSON: Mr. Chairman, I'd like to see us take a look at the Alberta Educational Communications Corporation.

MR. CHAIRMAN: Any further suggestions?

MR. McCRAE: How many do we have, Mr. Chairman?

MR. CHAIRMAN: We have 11 different areas to scrutinize at this point. If there are no further suggestions . . . Mr. Knaak.

MR. KNAAK: Mr. Chairman, I would like to look at Alberta Government Telephones and the Department of Environment.

MR. CHAIRMAN: Okay. If anybody is superstitious, that's 13. If there aren't any further suggestions, possibly I could make a suggestion that Mr. McCrae has made: instead of setting our priorities at the meeting, we could have, say, someone from the government side and someone from the opposition side determine the priorities. It would save us a lot of time at our committee meetings.

MR. R. CLARK: Mr. Chairman, in commenting on that, I would remind the committee of the tradition in the past, I think it's fair to say. The opposition would select one area, the government would select an area, the opposition would select an area, and the government would select an area. If members want to go back and check the transcript from this meeting a year ago, that's been the practice followed over the last two years. From our point of view, we'd certainly be very agreeable to the continuation of that kind of approach. That's the approach we certainly would favor.

MR. McCRAE: Mr. Chairman, I can advise that certainly we'll take it under consideration and meet with the hon. members, if that is okay. I would just comment in passing that the hon. member said this was the tradition over the past couple of years. I recall sitting here a couple years back and getting snowballed a bit with this your choice my choice sort of thing and being told then that it had been a tradition. However, I am not necessarily disagreeing with him right now. I simply say that we'll take it under advisement and would be agreeable to meeting with him over the next week to try to agree on the agenda and not having a harangue here.

MR. R. CLARK: Mr. Chairman, with all due respect to the government house leader in this particular committee, until the Export Agency came to this committee government members had very little interest in the committee. Then the Export Agency came to the committee and we spent some four, five, or six weeks on that area. The summer following that, the government phased out the Export Agency, after this committee had spent its time on it. Since that time, there's been much more interest. We're quite prepared, on a one-for-one

basis. But I want to serve notice very clearly to the hon. member and members of this committee that if we're going to use this committee with a view in mind of the government using its majority here to determine what's going to be studied, then the committee basically will cease to be effective.

Let's call a spade a spade: if it's going to be the case that the government and the hon. minister is saying to us today that if we can't agree over the next week on the items to be studied, we're going to come back to the committee and vote. If agreement can't be reached during the next week, we in the opposition know very well what's going to happen; that is, dicey areas like the rural and native housing program and other areas will not get a chance to come to the committee if it's the decision of the government members to try to use the committee that way.

MR. McCRAE: Mr. Chairman, I think we're having a debate over something that hasn't happened yet. The hon. member is fulminating over that and two or three years back and, according to themselves, a bit of clout that really wasn't the reason for the change in the government's policy on . . .

MR. R. CLARK: Oh, oh.

MR. McCRAE: . . . the Export situation. That was well in hand (interjections) and the examinations in this House were certainly worth while and helpful and so on. But that was not the reason. (interjection) Anyway, Mr. Chairman, we don't need to debate that today. We'll come to the agenda in due time. and there's no point in our throwing rocks back and forth. I'm sure we can settle the agenda very quickly.

MR. CHAIRMAN: Is there any further discussion? Mr. Notley.

MR. NOTLEY: Mr. Chairman, I must confess that we have the iron hand in the velvet glove here in the hon. minister: let us try to be reasonable and friendly and we'll chat over what the agenda should be. But he doesn't make the key commitment which I really think has to be made. After all, an opposition member chairs this committee. Why? Because the tradition of the Public Accounts Committee is that the opposition should have not only the right but the responsibility to quiz the government and departments. So there could be no question about the role, the opposition has normally supplied the chairmen of the public accounts committees in our parliamentary system, all over the commonwealth.

I would think it's a reasonable arrangement that we rotate, as we've done in the past -- quite successfully, I might add. I'm not going to get into an argument with the hon. Member for Calgary Foothills as to whether the hearings we held in 1976 were crucial or not. That is subject to debate, and we could debate that for a long time in this committee, to little avail. But I don't think it should be subject to debate that we rotate between the government and the opposition, so we can have a thorough examination of the pertinent and relevant branches and agencies and the public interest can be fully satisfied by our work in this committee.

MR. CHAIRMAN: Mr. Carter, did you have a comment, or has it been covered?

DR. CARTER: Well, Mr. Chairman, I'm amazed by what goes on here, and I'm being kind. I wouldn't want the Member for Olds-Didsbury to try to do the reverse process: first he has accused the government of trying to steamroller, if you

will, but in effect he now wants the opposition to do the steamrolling. I would hope . . .

AN HON. MEMBER: Oh, oh.

DR. CARTER: That's the implication. I would hope we could just carry on in the sense Mr. McCrae has mentioned: we're willing to discuss the agenda; we can get on with it. Certainly in this committee no matter what department is discussed in no matter which order, the public interest is being served. So let's just get on with the business.

SOME HON. MEMBERS: Agreed.

MR. CHAIRMAN: It's agreeable then that the government and the opposition sides can get together and have a meeting and determine. If we can't do it at that point, we'll have to come back to the meeting and make a decision. Is that satisfactory?

HON. MEMBERS: Agreed.

MR. CHAIRMAN: Are there any other topics the committee members would like to discuss at this point? Are we going to adjourn early? There's one suggestion that we have two meetings: one to go over the Auditor General's role and the other to have an overview of public accounts, since we have new members on the committee. We could do it that way if that's agreeable to the committee, and have an early adjournment.

HON. MEMBERS: Agreed.

MR. CHAIRMAN: I'd like to bring up just one point. There is going to be a meeting in St. John's, Newfoundland. The auditors general are going to be meeting early in the week. On the fourteenth and fifteenth, the public accounts chairmen from across Canada are going to have a meeting. If it were the wish of the committee, I would be willing to take this journey to St. John's and take a look at the new government. (laughter)

MR. ROGERS: Mr. Chairman, could I speak to that for a moment?

MR. CHAIRMAN: Yes. I'll just let Mr. Rogers . . .

MR. R. SPEAKER: Mr. Chairman, the chairmanship is under review as of today. (laughter)

MR. CHAIRMAN: Mrs. Osterman.

MRS. OSTERMAN: Mr. Chairman, would you like a motion?

MR. CHAIRMAN: I would like a motion to that.

MRS. OSTERMAN: You don't know what my motion is going to be.

MR. CHAIRMAN: I'll accept it, Mrs. Osterman, whatever it is.

MRS. OSTERMAN: We've got somebody wanting a vice-chairmanship here. I have a feeling you may suddenly get incapacitated by the vice-chairman, who would want to go.

I would make a motion that this committee support your travel to St. John's, if you wish to go.

HON. MEMBERS: Agreed.

AN HON. MEMBER: Is it a return trip or just one-way?

MR. CHAIRMAN: Mr. Rogers is going, too. The auditors general meeting is at the same time. Maybe I could just let Mr. Rogers comment on the meeting.

MR. ROGERS: It might help if I gave a little background. From Confederation onwards, the auditors always operated individually and alone. Several of us came to office around 1973. We decided we had very much in common and that, rather than each of us inventing the wheel in our own backyards, it would be easier to get together and share experiences and common problems and the solutions we had each discovered and help each other, with the result that we've had annual meetings since '73 onwards. St. John's wasn't picked because it is the furthest place from Alberta. We had the meeting in Government House in Edmonton last year.

The chairman of the public accounts committee in Ontario is Mr. Reid, MPP. He was at our meeting last year. Out of that meeting came the discussion that perhaps it would be a very constructive move if the chairmen of the various public accounts committees across the country were at our next meeting. That is how this came about. He has issued this invitations.

The idea is that the chairmen of the various committees will meet on Tuesday and then join us on Wednesday. However, they are also invited as observers to join our discussions on Monday, when we will be discussing comprehensive auditing, which is something we are developing and which I would like to discuss in the next two weeks. That is the general background, Mr. Chairman, if that helps.

MR. CHAIRMAN: Thank you, Mr. Rogers. Just one final point. What would we like to discuss at our meeting next Wednesday? Should we have an overview of public accounts, or should we have the Auditor General give an overview of his position and new role as Auditor General in the province. What are the wishes of the committee?

MR. ROGERS: Mr. Chairman, could I speak to that for a moment? If the committee doesn't mind, for the next two weeks I would like to weave in the two subjects, because they are very closely linked. If I could have the discretion in that, I would divide the time as needed, if that's all right with the committee.

HON. MEMBERS: Agreed.

MR. CHAIRMAN: Thank you. If there isn't anything further, our meeting will be adjourned until 10 o'clock next Wednesday.

*The meeting adjourned at 10:35 a.m.*