

Standing Committee on Public Accounts

Wednesday, May 21, 1980

Chairman: Mr. Mandeville

10 a.m.

MR. CHAIRMAN: We just barely have a quorum, so we'll bring our meeting to order as soon as Shirley gets back to the right side of the House.

Are there any errors or omissions in the May 14 minutes? If not, we'll have them filed. I've been telling Donna that she doesn't need to have such a comprehensive set of minutes, because it's all recorded by Hansard, but she still gives us a really good review in the minutes. I appreciate that, Donna.

We decided at our last meeting that at this meeting we would be looking at areas we want to go further into, that we'd have suggestions on what areas we should get involved in. That's what I'm hopeful we'll be able to get from the committee members. Then we thought, as we'd indicated at our last meeting, probably with Stu McCrae, the Leader of the Official Opposition, and myself, possibly we could set up priorities on the different departments we'd like to deal with. So now we'll open the meeting up to suggestions.

MRS. OSTERMAN: (inaudible) . . . form a quorum.

MR. CHAIRMAN: If you leave, Connie, we'll be short.

Now, if we could have some suggestions from the committee members on the different areas you would like to bring before the committee.

MR. McCRAE: Could I suggest that we have the Provincial Treasurer in first of all, recognizing that the role this way is, to a degree, in two parts; one being the Auditor General's report, the other the Public Accounts. I think if we started next fall with the Provincial Treasurer and went from there, we would have laid a good foundation for any response we might want to make to the Auditor General's report.

MR. CHAIRMAN: I'm pleased to hear Mr. McCrae's optimistic, anyway. Here he says the next meeting will be next fall. Mr. Speaker.

MR. R. SPEAKER: I'd just like to add two areas to the list; one is Social Services and Community Health, with special emphasis on the preventive social services program, along with some unexpended money in public assistance, and some of the other social programs where the funds were not expended. We'd just like to find out some of the reasons. The second was Housing and Public Works; I had some general questions there.

Mr. McCrae mentioned that the Provincial Treasurer would be put on the report first. I thought maybe the resolution at the last meeting was that after we make these suggestions, the Leader of the Opposition, Mr. McCrae, and yourself, Mr. Chairman, would get together and determine the priority list, or that first item. I don't think we'd have any argument, though, with the Provincial Treasurer being first. That would be acceptable.

MR. PENGELLY: Mr. Chairman, I'd like to see Environment on the list.

MR. CAMPBELL: Mr. Chairman, I'd like to see the Solicitor General on this list.

MRS. EMBURY: Mr. Chairman, I guess I would like just to raise one point that I believe was partially discussed at the last meeting, just to raise it for discussion at some point, depending on how the final list is drawn up. That's in regard to Mr. Speaker's request that Housing and Public Works be on the list, because I believe that was done last spring, wasn't it?

MR. CHAIRMAN: Yes.

MRS. EMBURY: And I just wondered that if we were going to consider doing different departments over a certain number of years, that we would consider that we have been through Housing and Public Works once.

MR. McCRAE: Mr. Chairman, could I respond to that. I think the Member for Calgary North West makes a good point. I think we should be looking at the role of this committee in two areas: first of all, in responding to the Auditor General's report -- and I don't know whether Housing and Public Works is highlighted there or not; I didn't think it was. But if it is, and it appears important to have them in, I think, fine, we should, in connection with the Auditor General's report. And then I think we should go to the second report, the blue Public Accounts volumes, and, as the Member for Calgary North West has suggested, look for areas that have not been before the committee for some years. I think the subcommittee that's going to set the priorities needs some guidance from the committee, and I would really like to know if what the Member for Calgary North West has said is the opinion of the group here or not.

MR. CHAIRMAN: I suggest that today, we set all the different areas, but not the priorities. Then, say, if we come up with the Provincial Treasurer for the first one, we could make a recommendation to the committee at each meeting, because it'll be hard to get through more than one area at each meeting. Future meetings after that, we'll get a recommendation from the committee. We'll suggest a priority, and then we'll get approval from the committee.

Are there any further suggestions? Mr. Notley.

MR. NOTLEY: Mr. Chairman, I came in late . . .

MR. CHAIRMAN: I'll just indicate the areas we've discussed: number 1 was the Provincial Treasurer; number 2, Social Services and Community Health; number 3, Housing and Public Works; number 4, Environment; number 5, Solicitor General.

MR. NOTLEY: Have we developed any ordering of those areas, or are those just the ones that have been suggested?

MR. CHAIRMAN: I think possibly we are thinking of setting out all the areas we are going to discuss, and then possibly yourself, one member from the official opposition, Stu McCrae, and myself sit down and set the priorities for our first meeting, and then after that get the approval of the committee on it, if they approve our recommendations.

MR. NOTLEY: Mr. Chairman, how are we going to be dealing with some of the specific recommendations of the Auditor General; for example, the whole question of contract services?

MR. CHAIRMAN: What I would like to do is get to Mr. Crawford and see if we could get the terms of reference changed, if that's the wish of the committee, so that we can deal with the report. Mr. Trynchy was indicating that it's not within our jurisdiction even to be dealing with the report, and here we've been sitting . . . And if there's be some method so we could . . . As I see it, this report is to the Legislative Assembly, and there has to be a mechanism to take it to the Legislative Assembly.

MR. McCRAE: I just wanted to respond to the question of the Member for Spirit River-Fairview. This is the point I've been trying to get at. We have two things here, the Auditor General's report and the Public Accounts. If we get the Provincial Treasurer in first, he may respond to a number of areas, including the one you just mentioned about contracting of services, and so on. He may give you an adequate response and he may not. At that juncture, I think we decide if we want the individual departments in, such as Solicitor General, that may have been referred to in the Auditor General's report, or do we move on to something else. I think if we start with the Treasurer, we'll have a better picture of where we want to go then.

MR. NOTLEY: Mr. Chairman, I don't object to having the Provincial Treasurer in for our first meeting in the fall. I think that's fair enough. But it seems to me that just having the Provincial Treasurer in and then going on with a review of the departments in a traditional way, begs the rather fundamental question that we have two areas of responsibility: we have the traditional responsibility we've carried on over the years of looking at different departments; we also have, in my view, the very clear responsibility to evaluate the Auditor General's report, so that there can be a report from this committee to the Legislature. I don't know how in heaven's name the Legislature can deal with it, if we as a Public Accounts committee don't deal with it first. And while we've done it in a cursory way over the last four or five weeks and, as members of the Public Accounts committee, have gained a good deal of background, I hope, as a result of our discussions with Mr. Rogers, the fact is that we still have a responsibility to be the conduit, if you like, so the Auditor General's report can be properly presented to the legislative session in the fall. And if this committee doesn't do it, I don't know who in heaven's name will do it.

The select committee on the Auditor General and the Ombudsman -- this came up last week -- just isn't the committee to deal with it. That committee deals with the special problems of both these officials of the Legislature, but not the recommendations made by the Auditor General. With great respect to Mr. McCrae, it seems to me at this stage we're getting into the situation where we may move on a consideration of the Auditor General's report; as a result of the answers we get from the Provincial Treasurer, we may. With respect, I don't think that's good enough. It seems to me we must move on the recommendations of the Auditor General. And while the Provincial Treasurer can perhaps be helpful in focussing that debate, I don't think that's a substitute for a full evaluation of some of the issues. That's why I raised some of the specific suggestions the Auditor General has made. This committee really, in my judgment, has to say either yes or no to some of these

MR. KOWALSKI: Thank you very much, Mr. Chairman. My remarks are with no disrespect to you, sir, as Chairman of this committee, but I find it very interesting, being I guess the most identifiable rookie in this room at the moment, being assigned to this committee and coming to this committee. Over the last four or five or six weeks we've gone through the Auditor General's report in considerable detail. You, sir, have spared no effort in allowing each member to raise any question he would like to with respect to any of the multitude of recommendations and items the Auditor General has laid before us all. We've seen every member raise any question he would wish to raise with respect to it. We've reviewed it in great detail, in my view. I think it would be totally redundant, if now we simply were to write another report covering the report of the Auditor General. The gentleman and his staff spent a considerable amount of time going through, coming up with a big document, and I'd like to see us move on to the next step, to start taking a look at a number of departments and seeing what has transpired in their activities in the past.

I'd like to recommend, additional to the list already put forward to this point, that we also look at the Department of Education. I think that over the past years, significant changes have occurred in that area, and as we go through the 1980s and move to the 1990s, I think that area demands considerable attention at this point from this committee.

So I simply say that I think we're in essence spinning our wheels here, going back over items that, to me, are clear that we don't simply have to write one report after another, to cover a previous report. Certainly, I could never believe that that was my legislative function or authority. I think the gentlemen across the room from us today have compiled a detailed report; we've all gone through it in the last four or five weeks. You've given everyone the opportunity to discuss that report, in whatever detail they wished, and I would hope we would soon be in a position to move on.

MR. R. SPEAKER: Mr. Chairman, I can agree with the remarks of the hon. Member for Barrhead, but I think the point being missed here is that at this point in time, as a committee, we should recommend some formal procedure to deal with the Auditor's report in the future. Certainly, through the cooperation of the Chairman and this committee, we have reviewed the matters, have raised the questions we wanted raised, but we in this committee really haven't been given that licence from the Legislature. Our role is to study Public Accounts, not necessarily the Auditor's report, and I think it would be wise on our part at this point in time to give some direction to the House leader and to the Legislative Assembly as a whole, that this committee be empowered to study the Auditor General's report.

Mr. Chairman, I'd like to move that the Public Accounts committee recommend to the Legislative Assembly -- I guess that would be to whom we'd make the recommendation -- that the necessary rule changes be made, so that the Public Accounts committee has the power to review the Auditor General's report, in and through whatever method is necessary.

MR. CHAIRMAN: We have the resolution before the committee. Mr. McCrae.

MR. McCRAE: Mr. Chairman, I wanted to say just a couple of things in response first of all to the Member for Spirit River-Fairview. I guess he was late this morning, and didn't have an opportunity to hear what I said, and perhaps misconstrued the latter part of my remarks. Really, I don't think what I said is inconsistent with what he is perhaps thinking

and what he said. I have suggested that we get the Provincial Treasurer in to respond to the Auditor General's report. There are a number of recommendations -- the number escapes me for the moment -- but there will be a response from the Provincial Treasurer to some of the recommendations one way, and others may go in a different way. If, as a committee, we are not happy with that, we are at liberty to call in individual departments and reach our own conclusions as to whether we agree or disagree with the departments. I simply say I think it's premature at this time to relate to specific departments. If they want to, I have no objection. I suspect that by the time we're finished with the Provincial Treasurer, we may decide we don't want one or more of the departments we've put on our list. So I like the suggestion by the Member for Little Bow that we keep some flexibility, deal with the Provincial Treasurer, and then pick our other departmental areas later on.

With the last recommendation, I think it would be presumptuous on the part of any committee to make a recommendation to the government or to the Legislature that a particular thing be referred to it. We may find that several committees would aspire to different functions, and the realities of the situation are that the Legislature, or the government, has already directed the thing to this committee; otherwise, what have we been doing these last five weeks? If ever I saw a red herring, it's the carting that business out about needing direction or a resolution. We have the document here; we've spent four or five weeks on it already, and we're proposing now that we call the Provincial Treasurer in in the fall, to deal with the report further. So I don't think we need a resolution. I think the direction of the government was clear, that we expect this committee to deal with the document. So let us get on with the document.

Thank you, Mr. Chairman.

DR. REID: Mr. Chairman, some of my remarks have already been made. I guess somebody was a jump ahead of me. But I'd like to go back to the discussion about the unsuitability of the standing select committee on the Auditor General and the Ombudsman. I don't think that's the place to do the review. I think for the last month on Wednesday mornings we've been doing exactly what the hon. Member for Little Bow suggests; we've been reviewing it. I would like to know just what he means by the word "review" in his motion. If he's including the function the hon. Member for Spirit River-Fairview suggested, of writing a report on the report, first of all, I don't think we have the competence the Auditor General himself has, to write a report on the expenditure of public funds. He's the accountant who goes over it. We receive the report and review it, but to write another report -- we don't do that on any other report we receive. I think we give it a good review in going over it. If we create precedents at the moment -- I'll go back to the point I was making last week. This is the very first time we've had this report to go over. If we have the Provincial Treasurer here for the first meeting in the fall, he has a lot of the technical knowledge we may need to get answers, and we can go from there. But to try to make a decision ahead of the events, I think we're putting the cart before the horse. I think we should leave our options open, until we know where we want to go, and then we can see what we do next.

MR. CHAIRMAN: I would like the mover to correct me if I've read his resolution wrong. The way I read it, we've been dealing with the Auditor General's report, and we don't have the power to deal with it.

he's extending our authority to deal with the Auditor General's report. Is that the intent of the resolution? It's not to restrict going through any departments. At our last meeting, there was an indication that: should we have the Auditor General here at our committee meetings? Is that the intent of the resolution, to have the powers of this committee to deal with the report, just as we have dealt with it?

MR. R. SPEAKER: On that point of clarification or point of order. I'd like to refer to Section 46 in *Standing Orders of the Legislative Assembly*. Under 46(4), it says: "Public Accounts, when tabled, shall automatically stand referred to the Public Accounts Committee." Really, what I would be doing by the resolution I've moved here, is saying that "Public Accounts and the Auditor General's report, when tabled, shall automatically be referred to the Public Accounts Committee." That's the amendment I'd be making, so that formally, in our standing rules of the Legislative Assembly, we can do what we want to do. I'm not trying to complicate the thing -- no red herrings, no political deviations. Sometimes that's rather suspect, I know. But it's just to say, look, we do -- the Legislature can do what we want to do. That's all I'm really saying. It's in this section I'm amending.

Mr. Chairman, does that clarify my purpose?

MR. CHAIRMAN: Yes. Mrs. Cripps.

MRS. CRIPPS: By your motion, then, do you mean that we review the Auditor General's report, as we have done, and do you consider that review complete?

MR. R. SPEAKER: Mr. Chairman, I'm sorry. It would be up to the committee at that point in time as to how they would review the items or establish the agenda, just as we have done in the past. We can say that Mr. McCrae has said the Provincial Treasurer will be first on our agenda. Well, in our review of the Provincial Treasurer's responsibilities, we then would be empowered to question the Auditor's report, the Public Accounts, mix the two together, and have general questioning on what the Provincial Treasurer is doing.

Public Accounts and the Auditor's report are very interrelated; they're just about one. Only the Auditor General has been given the assignment to be a little pickier and more critical, where Public Accounts is a reporting of numbers. So, yes, we can set the agenda, just as we're doing, but when we are empowered by the Legislative Assembly, we'd have the latitude to discuss both at the same time.

MRS. CRIPPS: A supplementary, Mr. Chairman. My understanding at the last meeting was that the Auditor General said he brought forward recommendations relating to the various shortcomings observed, and his job was to bring these matters to the attention of the House, as required by legislation. When I asked him if that purpose had been accomplished, my understanding was that he felt it had. I think we've adequately covered the Auditor General's report, and that it's up to the Department of the Treasury to see that these recommendations are implemented. I certainly can't see any further effectiveness to be gained by re-reviewing the Auditor General's report. I really think we've done quite an adequate job of reviewing it.

MR. CHAIRMAN: Possibly I could get Mr. Rogers to respond to that question, Mrs. Cripps.

MR. ROGERS: I think it is really very much up to the committee as to where it goes, obviously. But I think the point that was made earlier was quite accurate, in that the Auditor General's report is a report on the General Revenue Fund, as an auditor, and on other statements contained in Public Accounts. Consequently, the two are very closely related, but whether the committee, in hearing evidence, looks at what the department has been doing in the traditional way, as well as any comments that might have been made in the report regarding that department, that is up to the committee. But I would suggest that to weave the two in together might be one approach.

MR. NOTLEY: Mr. Chairman, obviously we're feeling our way at this time, because we're dealing with the Auditor General's report for the first time. But it seems to me that, as I recall the discussions of the last few weeks -- for example, three weeks ago when we got into the discussion of some of the Auditor General's observations with respect to the Solicitor General's department. The suggestion was made by Mr. McCrae -- and it was a good one -- that we should in fact have the Solicitor General here to answer, because a fairly serious point was made by the Auditor General. That's the kind of thing that, as a Public Accounts committee, we should be able to consider. In other words, rather than exclusively saying that we're going to go through department by department by department, it may very well be that in this report, or in future reports, there will be glaring areas that we will want to go into in some considerable detail, as a Public Accounts committee -- not the entire department of Solicitor General, but certain aspects, or certain aspects of other departments that have come to our attention as a result of the Auditor General's report.

Now, the committee may or may not decide to write a report or a review. They may or may not decide how they will deal with it in one fashion or another. That's always been our prerogative in dealing with Public Accounts. As a matter of fact, historically, we haven't written reports, but we've always had the right to. We could always write a report of Public Accounts if we wanted to; we've never done so, but have always had that latitude. My point is that today, in Mr. Speaker's motion, we have a request to clarify the rules of order of the Legislature, so that we clearly have the obligation of having the Auditor General's report as well as Public Accounts, referred to this committee. How we then dispose of the Auditor General's report, is up to the committee. We may go into it in some detail; we may choose just to hear the Provincial Treasurer and not deal with it any further. But it surely must be clearly established -- not because the government has said we do it this way this year and there have been no objections and we've had this discussion for the last five weeks. That isn't good enough. It seems to me we have to clarify the rules of order, which would make as explicitly clear how we deal with the Auditor General's report, as it is now clear how we deal with Public Accounts. It says Public Accounts shall be referred, and I think all we're saying is that Public Accounts and the Auditor General's report shall be referred to this committee. Then how we deal with them both, whether we interweave them, deal with them separately, how we manage the reporting, if we make a report, or whether we make a report, is really up to the committee. I think it has to be clear that the reference is made to this committee.

MR. L. CLARK: Thank you, Mr. Chairman. Most of the things I was going to say have been said, but to me, the Auditor General's report has been studied here quite in detail. I think the recommendations are known to

all of the committee. As I see it, the departments that he has criticized should have some time to review their departments and make some changes. I think we have said here, and I think we should be able to go down in the fall, if we had the Department of the Treasury in and the Provincial Treasurer and found out what he had done with these recommendations and what hadn't been done, if something wasn't done, and then we would know better where we stand, and which departments we want to take a closer look at.

As far as this motion is concerned, we did study the Auditor General's report this year. What would be the difference in leaving it just as it is now? Won't it always be coming before this committee as it stands, without

MR. CHAIRMAN: If I could just clarify that. The committee was set up only to deal with Public Accounts. Really, the way our committee was set up, we're not even in the position to be dealing with -- we've spent several of our meetings with the Auditor General, and as Mr. Trynchy pointed out, we don't have that power in the resolution that was passed when the committee was set up. If we want this, if we want the Auditor General to report to this committee, that's what the motion is saying. Any recommendation made in this report -- we have to get the department in, because every recommendation deals with some department. So the resolution is saying, should we have the Auditor General here, or should the Auditor General's report come through the select committee that they have? Who's responsible for the Auditor General? Under the resolution set up by the Legislative Assembly, it's not the Public Accounts committee. Dr. Reid.

DR. REID: Mr. Chairman, we've reviewed the report, perhaps, as the Member for Spirit River-Fairview says, not in the fullest of detail, and we can do that if we want to. So far, we've obviously done it on an *ad hoc* basis. Maybe we should continue on the *ad hoc* basis until we see how things go. And then, seeing how this is the first year, perhaps we'll have established some parameters within which we should be functioning in the future, whether it's formalized or not.

MR. McCRAE: Mr. Chairman, I'd like to try to summarize, if I might. I just marvel at the capacity of human beings to complicate simple matters, or at least what I thought was a very simple matter. I thought our discussion last week was fairly clear, in that we'd agreed that the Auditor General's report has been referred, or seems to have been referred to this committee. In fact, we have been dealing with the report for several weeks. I see the hon. gentleman sitting over there, Mr. Rogers, and we've been dealing with the booklet page by page, that says "Report of the Auditor General, March 31, 1979". So in fact, we are doing what we're talking about recommending doing. I think we should just carry on. I think we have all agreed that tradition, history, the method of doing business in a Public Accounts committee is that once an assignment comes to the committee, we make our own rules, call our own witnesses as we wish, decide who, what, and when will appear before us. All that is just the way things happen.

But coming right down to the motion, it may sound like a technicality, but I just don't think it's appropriate for individual committees, who are, shall we say, delegated responsibilities by the Legislature -- I think it's presumptuous of a committee to be telling the Legislature, we want to do this, we want to do that. The Legislature tells us what they wish us to do. And at this time they appear to wish us to continue with

a study of the Auditor General's report. My suggestion is that we would start with the Provincial Treasurer and would then deal with individual departments that have been referred to in the Auditor General's report. If we're not satisfied with the responses we're getting, then we'll decide as a committee whether we want to write a report. It may be that the Provincial Treasurer will come in and say, gosh, I agree with everything in this document. In that case, we would write a very short report, wouldn't we, Mr. Chairman? It would be almost be silly considering writing a report. On the other hand, in future years or even this year, things may develop that become quite important, quite contentious, and we may well want to write a report. I think that's a bridge we cross later on.

Coming right back to the narrow point of the motion, I think we should dispatch it as quickly as possible. Generally, the rules of the Assembly -- the terminology escapes me for the moment, but right now the reference is only to Public Accounts, and the government is aware of that. Amendments to that document are generally initiated by the government. The government has that under consideration, and may well bring in an amendment in the fall. So I would simply think that this committee leave it, continue its assignment, and time will take care of what the hon. member wanted to make by way of a motion. So I would urge that we vote the motion down, get on with our business, and set an agenda.

MR. NOTLEY: Mr. Chairman, just a couple of things. I really must take exception to this proposition that a recommendation from this committee to clarify our terms of reference, is presumptuous. With the greatest respect to Mr. McCrae, that is absolute nonsense which is not founded on any precedent of the legislative committee at all. Legislative committees certainly have the right to make recommendations to the Legislature affecting their terms of reference. If we can't, who is in a better position to suggest changes in terms of reference than legislative committees, either standing or select committees?

I've been on select committees where we have in fact done just that; we have made proposals to the Legislature, not on what we were assigned, but in terms of adjusting our terms of reference or extending our tenure, or what have you. That is as much a part of our legislative system as apple pie is the American way. I just find it very difficult to accept the proposition that it would be presumptuous of this committee to say, we would like the government to consider a change in the rules of order, so that the Auditor General's report is automatically referred. I agree with many of the things that have been said. We don't necessarily have to write a report on the Auditor General's report, but the question of how we dispose of the Auditor General's report, in the same way as how we dispose of Public Accounts, is really up to the committee.

The importance of this resolution is that there would be no ambiguity in terms of who deals with it: it won't be the select committee on the Auditor General and the Ombudsman; it will be the Public Accounts committee. That should be simple and straightforward. Now the precedents of how we deal with it are another matter. Whether we interweave them, the times, and all those things, are another matter. We're simply clarifying the issue of when the Auditor General completes his report, that that report is automatically referred to this committee to be disposed of in the same way as we have the right to dispose of Public Accounts. And that's all. And I think we surely have the right to make that as a representation to the Legislature, not as the

government taking the initiative, but the committee's taking the initiative. This really isn't a government matter; it should be a legislative matter, which is not just a narrow, partisan question, but involves all the members. And what better way to deal with it than to have a motion from this committee?

MR. CHAIRMAN: I'm just going to take two more speakers, then I'm going to let the mover close the debate. Dr. Reid.

DR. REID: Mr. Chairman, I was on a select committee of the Assembly with the Member for Spirit River-Fairview. At considerable length and expense, we investigated certain items which were not within our original parameters. We did it quite successfully without going back to the Legislature and getting redirection and everything else. I think a good report came out of it, and I think we can do the same thing this time. I think we should just get on with it.

MR. COOK: Dr. Reid has made the point I wanted to make. This reminds me of a church women's group debating whether we're going to have muffins or crumpets. I think we should get on with the duty of the committee, call the question, and get on with the job.

MR. CHAIRMAN: Mr. Speaker, did you want to close the debate?

MR. R. SPEAKER: Mr. Chairman, I can't understand the discussion that's going on, and I can't understand why the government members here are saying what they are saying. All we want to do in the motion I've moved . . .

MR. NOTLEY: Can't even get a motion of motherhood by.

MR. R. SPEAKER: It's to formalize the procedure we've already gone through. We've studied the Auditor General's report. Fine. Maybe we've done it illegally, because really, in the *Standing Orders of the Legislative Assembly of Alberta*, it says the Public Accounts committee only studies Public Accounts. That's what it says. We have already violated the rules of the Legislative Assembly by studying the Auditor General's report.

interjections

MR. R. SPEAKER: Well, certainly. But what we want to do in this committee is just formalize the thing and clarify our responsibilities, so we add a little amendment to 46(4), and recommend it to the Legislative Assembly -- not the government. That's the dumbest statement I've ever heard in this House, that the government is going to come back and tell us in the fall what the rules of this committee are. How dumb. It's this . . .

MR. McCRAE: Mr. Chairman, I take strong exception to that remark.

MR. R. SPEAKER: Stand up and take it then, if you want to. I just can't believe that the government rules this Legislative Assembly. It's all the Members of the Legislative Assembly, opposition and government, that represent the constituencies of Alberta. It is not the government that tells us how to rule the *Standing Orders of the Legislative Assembly*. They may make some recommendations to the Legislative Assembly, but they

do not finalize the decision, and a minister of the Crown should know that. I think that's just unfair. Here we have a simple little thing that formalizes, legalizes what we've been doing, and gives some guidance to the Chairman, and this committee -- because the government members can't decide until they go back to caucus, or go back and get the word from somebody, we're getting all this nonsense that's going on. I just don't understand it, Mr. Chairman. It's unfortunate that such a little, minor item has become such an emotional thing.

MR. CHAIRMAN: I'm going to get Donna to read the resolution, and then we'll vote on it.

SECRETARY: That the Public Accounts committee recommend to the Legislative Assembly that the necessary rule changes be made so that the Public Accounts committee has power to review the Auditor General's report, in and through whatever method is necessary.

MR. CHAIRMAN: All in favor of the motion, raise your hands. Opposed? 2 for the motion, 15 against. Any further . . .

MR. R. SPEAKER: Since this motion has been defeated, I think it's incumbent on the Chairman, either from the Law Clerk of the Assembly or whatever authority is necessary -- and it's not the government -- but the legislative authority necessary to determine whether we can formally discuss the Auditor General's report in this committee. I think it's incumbent on the Chairman to take on that responsibility and report back to us in the fall, because if we don't have the authority, then we'd better start living up to the rules. I think the government should rethink its position a little bit, too.

MR. CHAIRMAN: Any further recommendations on areas we want to scrutinize further? We have Social Services and Community Health, Housing and Public Works, Environment, Solicitor General, and Education. Mr. Trynchy.

MR. TRYNCHY: Mr. Chairman, I'd like to ask a question. We've amended these rules before. How did we do it? Who puts the amendments forward and who do we take them to? I don't understand how it happened before. I was here, but I just don't recall what took place. How do we find out if we're doing it right? I wasn't here for the first discussion. I'm sorry I couldn't take part. I wanted to. Could we find out who it goes to?

MR. CHAIRMAN: It's not the rules here that we're discussing, Mr. Trynchy. We're discussing the resolution that was made when we first opened the session and set up the committees. When we set up this committee, it was to deal with Public Accounts, and we have nothing in the resolution to deal with the Auditor General. I don't have it before me, but you did have it at the last meeting. That was where we set up the various committees, the resolution to set up the committees that was presented to the House by the Government House Leader. That's what we're discussing, Mr. Trynchy. We're discussing the resolution that was brought before the House right as the House opened in the spring session. It was a resolution that we set up the Public Accounts committee to deal with Public Accounts.

MR. TRYNCHY: The question I was putting forward, Mr. Chairman, was the question asked by the Member for Little Bow, this amendment. That's the question I was referring to.

MR. R. SPEAKER: Mr. Chairman, as I recall, I believe the Speaker of the Legislature was the Chairman of that. We had a committee, we had a number of recommended rule changes in the Assembly, and I can't just recall offhand how the -- I believe, if I recall correctly, the new rules that were established were established on an interim basis, and then we formalized them after a period of time, by a resolution of the Legislative Assembly. I'm sure the Government House Leader and also the Speaker would have the procedure that occurred when we established those rules. But in the final analysis, the whole Legislature approved them.

MR. HIEBERT: Mr. Chairman, I thought in the discussion of the motion that I heard the Member for Little Bow indicate that the Public Accounts were so interwoven and interrelated with the Auditor General's report, that I do not understand why we're splitting such fine hair. If that is correct, the two just follow, and Public Accounts can in effect deal with both.

MRS. OSTERMAN: Well, just speaking to the point the hon. minister raised and was responded to by the hon. Member for Little Bow, it just occurred to me -- and I certainly have been in this Legislature a very brief time -- but when we're looking at an entirely new prospect, as we are with the Auditor General's report . . . And there are many other standing committees of the Legislature. I don't know how much overlapping there is or could be, but I think it's very important, first of all, to have some amount of experience in this matter, in how we would hope to handle it. With that experience in mind, whatever way the changes come about -- and the hon. Member for Little Bow has enunciated that, in light of certain experience, then some changes or rules were formalized by the Legislature. Certainly in my mind, this seems a very proper way for us to go, that after some amount of experience, there will be some formalizing of what the Public Accounts committee could or should do, and so on. And that should be done with an overview of what other committees are also doing.

MR. CHAIRMAN: Are there any further suggestions on areas we should be . . .

MR. NOTLEY: Mr. Chairman, I wonder if we could go right back to the question Mr. Speaker had put to you. It seems to me it would be wise for you, as Chairman of the Public Accounts committee, to consult both with the Law Clerk and the Speaker of the Assembly. I think probably we're basically of one mind here, that all of us want to see the question of the Auditor General's report referred to this committee. It's a question of the method we take to achieve that goal. It strikes me that it would be certainly beneficial if you get a ruling, both from the Law Clerk and from the Speaker. You're going back to change the rules -- and again, this is just from memory; I believe in 1973 -- but it was a change of rules that the entire Assembly took some time in discussing, as I recall. Of course, the Assembly is able at any time to change the rules of the Legislature, even the rules that are set out in printed form by resolution. But I think that came as a result of a committee representing both sides of the House, chaired by the Speaker. So I think that so there is no ambiguity, it would be helpful if the

Chairman took the initiative and discussed this both with Mr. Speaker and with the Law Clerk between this meeting today and the fall session.

MR. CHAIRMAN: It did give me some concern when the hon. Minister of Recreation and Parks read the resolution. I just hadn't followed it that closely. Nothing is in the resolution that was presented to and approved by the Legislature to deal with the Auditor General. It did give me some concern, and so it is my intention, as Chairman of this committee, to find out where our jurisdiction is, to find out if we should be dealing with the Auditor General's report. According to the resolution, we have no -- and I apologize for not reading the resolution. I just thought that this is our first year that we're dealing with the Auditor General, and it would tie in with Public Accounts automatically.

However, do we have any further suggestions? I can see we're not going to resolve any of the situation here, so . . .

MR. COOK: Mr. Chairman, I'd like to suggest that we look into Municipal Affairs. Also, I think Government Services would be an interesting area. Then I'd like to suggest that perhaps this committee adjourn, because we're wasting the valuable time of the Auditor General and members of the Assembly on procedural wrangling on things that, as my friend from Rocky Mountain is fond of singing, are finer than frog's hair. The points we're debating are somewhat fine and a little specious, I think.

MR. CHAIRMAN: I agree. Are there any further suggestions?

MR. NOTLEY: Yes.

I suggest a review of the Auditor General's concerns with respect to the issuing of contracts. I think that should be included.

MR. CHAIRMAN: Contracts and services? Alright, I have that down.

Do any committee members have any other areas? If you have any suggestions, we can put them on the list and then we can discuss them. We don't necessarily have to bring them before the committee.

MR. COOK: Mr. Chairman, I would move that we adjourn until the fall.

MR. CHAIRMAN: I don't think we can take an adjournment until the fall, because . . .

MR. COOK: Until the next meeting.

MR. CHAIRMAN: Is there any further business from the committee before I call for adjournment? If not, we'll accept the motion to adjourn.

CLERK ASSISTANT: Mr. Chairman, before you adjourn . . . I've been following your discussion, as it is my duty to do, and I've consulted the Law Clerk on the questions that have arisen. As Clerk of Committees I feel I could answer at least two of your questions.

Was it Mr. Trynchy who questioned how *Standing Orders* were amended? The last major amendment to *Standing Orders* was accomplished by a committee of the Assembly. And on the concurrence of the Assembly on the committee's report, *Standing Orders* was amended accordingly.

However, an amendment to *Standing Orders* may be made at any time, other than making a major amendment, by a motion adopted by the Assembly.

On your question regarding the Auditor General's report, I consulted the Law Clerk briefly, and his view was that if *Standing Orders* doesn't say that you cannot consider it, there is no reason why it can't be considered. However, I might add to that that the Law Clerk's view is that perhaps consideration should be given to widening the powers of the committee in this respect.

I trust you won't consider this an intrusion. I give you this advice as I am bound to do as Clerk of this committee and all other committees of the Assembly.

Thank you, Mr. Chairman.

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

MR. McCRAE: Could I just respond, Mr. Chairman, and thank Mr. Blain for his advice. His advice is consistent with what I believe to be the principle here, that we in fact have the report in hand, are in fact studying it, and should continue with our studies. As to the changing of the rules, the government already has it under consideration. In fairness, without the calling of names and so on, which you're free to do, of course, but generally, except for major changes in *Standing Orders*, the smaller changes have been initiated on the government side, and can be concurred with or not by the Assembly, after due notice and discussion. And as I indicated, the government already has this type of change in the rules under consideration -- or the referral of such change to the opposition. So we have the advice from Mr. Blain, and I thank him very much for it.

MR. R. SPEAKER: Mr. Chairman, I'd like to ask Mr. Blain a question in clarification of the Standing Order. The Standing Order only says, Public Accounts referred to the committee by the Legislature. There is no obligation then, in interpretation of the Legislature, to refer the Auditor General's report to this committee. There is no obligation, according to *Standing Orders*, so the Legislature does not have to refer it to this committee. There is no obligation at all. So this committee formally will not receive the report to be an item on its agenda for discussion as one they have to . . . Is that clear? Is that the way it would be interpreted? In other words, this committee . . .

CLERK ASSISTANT: No. That interpretation is correct, and it's consistent with what I've said to you. There is no obligation upon you to study the report; however, there is nothing to say that you may not study it or the committee may request it be tabled.

MR. NOTLEY: No compulsion.

MR. R. SPEAKER: For clarification of that. If I want to have the committee obligated to study it, the best result would be to amend *Standing Orders* as such.

CLERK ASSISTANT: Yes. As I've said to you, in my consultation with the Law Clerk, he felt it would be desirable that the Standing Order be elaborated.

MR. R. SPEAKER: Thank you very much.

MR. HIEBERT: Mr. Chairman, in order to get very legal here, maybe we need a motion to reconvene the meeting so effective discussion could take place.

Interjection

MR. HIEBERT: . . . splitting the hairs on the Auditor General's report the exact same way.

MR. COOK: Mr. Chairman, we had a motion on the floor to adjourn. The vote was taken. There is no motion before the committee, and I think members are out of order, in a sense.

MR. CHAIRMAN: Sorry about that. Mr. Blain said he had an obligation to watch the committee. He was watching our committee and had some information. As Chairman, I appreciate very much his bringing the information to our committee, whether we adjourned or not. It was his obligation.

I accept your motion to adjourn.

The meeting adjourned at 11:03 a.m.