

The Assembly met at 10 a.m.

Saskatchewan.

Prayers

## ROUTINE PROCEEDINGS

### INTRODUCTION OF GUESTS

**Hon. Mr. Andrew:** — Thank you, Mr. Speaker. I would like to introduce to the Assembly today a group of grade 7 students from the Elizabeth School in Kindersley. They are accompanied by their teacher, Dave Burkell; by their chaperons Jim Baker, Vivian Krogstad, and Marilyn Gray.

Dave Burkell has undertaken to bring a group of these students to the Assembly each year, and I think that's a credit to him. He is also a credit to the community of Kindersley, very involved in the sports program, particularly track and field program. I welcome them.

I hope to meet with you after question period to discuss what you see happening in question period today. Thank you.

**Hon. Members:** Hear, hear!

**Hon. Mr. Taylor:** — Mr. Speaker, I'd like to take this opportunity to introduce five grade 8 students and their teacher, Miss Shelly Vertefeuille, from Greenall School in Balgonie, on behalf of my seat mate, the member for Qu'Appelle Lumsden, who is not able to be here today.

I welcome you to the Assembly and I hope you enjoy the proceedings. And I look forward to meeting and discussing with you following question period. I'd like all members to give a welcome to these students from Balgonie.

**Hon. Members:** Hear, hear!

**Mr. Pringle:** — Thank you very much, Mr. Speaker. I would like to introduce to you and members of the Assembly, sitting in your gallery, Eileen Stone, a friend from Saskatoon Eastview, a constituent, the daughter-in-law of the late Arthur Stone, a long-time member of this Assembly. Mrs. Stone follows the proceedings in the House very closely and is just down visiting for the day. I would invite all members to join with me in welcoming her here today.

**Hon. Members:** Hear, hear!

**Mr. Neudorf:** — Thank you very much, Mr. Speaker. I would like to, at this time, introduce to you, and through you to other members of this Assembly, some 70 grade 8 students from Martensville. They are accompanied by their teachers Michelle Schaff, Ralph Epp, and a former colleague of mine, Loretta Bell, and chaperons Cindy Penner, Winnie Loewen, and Maureen Morin.

I might just add, Mr. Speaker, that the number of students, 70 in all, is indicative of what Martensville is all about — a booming metropolis just north of Saskatoon; Saskatoon just south of Martensville. I have my office located in Martensville, Mr. Speaker, and Martensville now is recognized as being the fastest-growing town in

I would just like all members to help me welcome these guests today.

**Hon. Members:** Hear, hear!

## ORAL QUESTIONS

### Allegations in Report of the Provincial Auditor

**Mr. Romanow:** — Thank you, Mr. Speaker, and thank you to the member from Maple Creek.

My question is to the Premier today, and it has to do with the very serious allegations and the very serious nature of the *Report of the Provincial Auditor* for the year ended 1988.

Mr. Premier, I would ask you whether or not you would agree that it is the duty of yourself and your cabinet to ensure, I would say even to guarantee, that the rights and privileges of the Provincial Auditor are defended; that he's allowed fullest possible access to the pertinent information to do his job, namely the watch-dog of the taxpayer's dollars; and if you so agree, assuming that you do, my question to you is: how in the world do you justify a damning, searing indictment that this report is, which accuses your government and the officials of your government of breaking the law time and time again and preventing the auditor from doing his job?

**Some Hon. Members:** Hear, hear!

**Hon. Mr. Andrew:** — Mr. Speaker, the hon. member raises a number of points, has been raised in the Provincial Auditor's report, of a denial of information by some Crown corporations to the Provincial Auditor, Mr. Speaker. One of those was that he was denied access to the agreement with regard to Saskoil, to see whether or not he would be the auditor for Saskoil or whether Saskoil had become a private company. That information was in fact provided to the Provincial Auditor.

He complained about not having the minutes of CIC (Crown investments corporation of Saskatchewan), and therefore he was denied information, Mr. Speaker. That information was provided to the Provincial Auditor.

He asked about SPMC (Saskatchewan Property Management Corporation), Mr. Speaker, about ministerial travel. Well that information, Mr. Speaker, was provided to the Provincial Auditor on a timely basis and was filed with the public accounts. Not just the statement as some people in the media have said, but also the procedure followed and the details of ministerial travel, Mr. Speaker.

So many of the points made by the Provincial Auditor in there are extreme exaggerations, I submit.

**Mr. Romanow:** — Mr. Speaker, I have a new question, and I am going to, with the greatest of respect to my friend and colleague, the Minister of Justice, I direct this to the Premier because I feel that the Minister of Justice is under

a cloud for this entire Legislative Assembly by virtue of his scurrilous attacks on the integrity of an office of this Assembly. And unless and until such time as this has been satisfactorily resolved, your, as I interpret it, breach of the rules of this House by privilege, I think, sir, you have no legitimacy to answering this question.

And therefore I come to the Premier of the province of Saskatchewan. I say to the Premier of the province of Saskatchewan, how in the world is it that you, as the leader of this government, the leader of the province of Saskatchewan, responsible for the expenditure of tax dollars, how do you explain this damning indictment that the Provincial Auditor tabled a few days ago?

**Some Hon. Members:** Hear, hear!

**Hon. Mr. Andrew:** — Mr. Speaker, the proper forum by which to call witnesses is the Public Accounts Committee. The Public Accounts Committee, which is now, I might add, open to the media, which it wasn't prior to the 1982, have the right to call witnesses to deal with this question. They can call the Provincial Auditor; they can call anyone else they wish, Mr. Speaker. And the members of this side of the House are perfectly . . . stand ready, willing to call anyone to that Public Accounts Committee to deal with this particular auditor's report.

**Mr. Romanow:** — Mr. Speaker, I must say as a new question that I am amazed, quite frankly — I hope I'm not interpreted as being too rude — but at the gall of the Minister of Justice having attacked personally the Provincial Auditor, answering the questions pertaining to the Provincial Auditor with that cloud hanging over his head. And presumably the Premier simply will not get up, and refuses to get up. I guess I am stymied on this, and I have to direct a question to somebody in the front benches. My question will be again to the Premier, and I will allow him to decide who he directs the question to. I say that Mr. Willard Lutz's report says, Mr. Speaker, as a new question, the following:

I cannot effectively carry out my role to watch over the public purse for my client . . . (I cannot effectively carry out my role because in the Legislative Assembly) there were a number of cases where I could not get information that, by law, I was entitled to receive.

My question to you, Mr. Premier, is this: *Public Accounts'* mandate is to deal on a line-by-line basis the spending practices and the accounting procedures of individual departments in governments. What we have by this quotation, however, is a problem of another magnitude and of another dimension. The institution of the Provincial Auditor no longer exists in Saskatchewan except by name. That institution, sir, belongs to this House — all of us, not to a committee.

And my question to you, sir, is that we should be dealing with the detailed, line-by-line expenditures and accounting practices of the Public Accounts Committee as the Minister of Justice has indicated, but we need to be dealing with even a more fundamental issue, and that is whether or not we have, any more, a Provincial Auditor in the province of Saskatchewan and what you people are

doing by stonewalling the information to the auditor.

**Some Hon. Members:** Hear, hear!

**Hon. Mr. Andrew:** — Mr. Speaker, in response to that question, I would hope that you will allow me some latitude to read into the record today a letter sent to the lawyer for CIC by the lawyer for the Provincial Auditor.

**An Hon. Member:** — Answer the question.

**Hon. Mr. Andrew:** — In that letter — and I will answer the question if the hon. member is prepared to listen. In this letter, which I will table in this legislature as the rules require, following question period.

The lawyer for the Provincial Auditor sets out in a letter to the lawyers for CIC, four conditions that he wishes to see action taken on. The conditions are: number one, that he be allowed to go to the Board of Internal Economy to get his budget; that he doesn't have to go to treasury board; that his estimates are not debated in this House. Point number one.

Point number two, Mr. Speaker: that he be able to audit, either jointly or by himself, all departments of government, which is allowed now, and all Crown corporations, which has not been the case since 1978.

Number three, Mr. Speaker, is, and I will read:

That he would of course expect to receive, on retirement, the same allowance and economic adjustments that are provided to deputy ministers.

Number four, Mr. Speaker: he also recommends that . . .

**The Speaker:** — Order. Order. Order.

**Hon. Mr. Andrew:** — Number four, Mr. Speaker: he also recommends that his successor be appointed internally — in other words, that he has a say in who his successor is.

Now let me read the final paragraph . . .

**The Speaker:** — Order. Order, order. Next question.

**Mr. Romanow:** — New question to the Premier. Mr. Speaker, I have a new question. I will not respond to what can only be described as a scurrilous smear on the reputation of the Provincial Auditor. My question was not directed in that context.

My question was directed to the Premier, and I will repeat it again. My question to you, sir, is that this report says that there is an attack on the institution of the Provincial Auditor, that he can no longer do the job. That is a responsibility of this Assembly. That's what this report says. I'm dealing with this report.

I'm saying to you, sir, as the chief officer of this Assembly, next to the Speaker, and the leader of the province of Saskatchewan, will you take the necessary steps to find out who is breaking the law, who is denying the Provincial Auditor the information, and restore the

integrity and the independence of this person to do the job for the taxpayers.

**Some Hon. Members:** Hear, hear!

**Hon. Mr. Andrew:** — Mr. Speaker, in response I'm going to read the final paragraph. And what it says: "I am advised . . .

**The Speaker:** — Order. Order. I remind the hon. member that the contents of what he wishes to introduce must be related to the elementary question.

**Hon. Mr. Andrew:** — What I am about to read, Mr. Speaker, is directly related to what the Leader of the Opposition has said, Mr. Speaker, and it says:

I am advised if speedy acceptance of this proposal is confirmed in writing, the Provincial Auditor will amend his report to reflect that satisfactory steps have been taken (to negotiate the deal.)

Mr. Speaker, if a Provincial Auditor says, I will change my report if you do this, if you do this, if I have a proper retirement package and if I can determine who my successor is going to be, Mr. Speaker, I suggest that is improper. My question to the Leader of the Opposition is this . . .

**Some Hon. Members:** Hear, hear!

**Mr. Romanow:** — Mr. Speaker, I have a new question to the Premier of the province of Saskatchewan. Your Minister of Justice . . .

**The Speaker:** — Order, order. Order, order, order.

**Mr. Romanow:** — Mr. Speaker, I have a new question to the Premier of the province of Saskatchewan. Your minister has in effect made a serious allegation in this legislature pertaining to the Provincial Auditor, the allegation being that the Provincial Auditor's report is conditioned upon arrangements being made for the Provincial Auditor's personal situation, in part, and that therefore this is fraudulent. That is an allegation of criminal impropriety on the part of the Provincial Auditor.

I'm going to ask the Minister of Justice to repeat those statements and allegations outside this Legislative Assembly so that the Provincial Auditor can defend himself. And I am also going to ask, in order for that allegation to be clarified, that the Provincial Auditor and all of the relevant officials be summonsed to the bar of this House to explain and defend themselves against the scurrilous attack of the Minister of Justice.

**Some Hon. Members:** Hear, hear!

**The Speaker:** — Order, order, order. Order, order. The Minister.

**Hon. Mr. Andrew:** — Mr. Speaker, I have read into the record today a statement by a solicitor acting on behalf of the Provincial Auditor. That solicitor has suggested that the Provincial Auditor will amend his report upon certain conditions being put forward. And in that letter he sets out

four things that he has concerns with. Number one is whether he reports and gets his budget from the Board of Internal Economy. That's a decision, Mr. Speaker, for this Assembly.

He makes reference to who his successor will be. That is not his function; that is the function of the government and of the Assembly and of the Public Accounts Committee.

He makes reference — and I ask why — reference to what his severance will be on his retirement. What has that got to do with his report? Why is it even contained in the letter?

And the questions I have, Mr. Speaker, the questions that have to be asked, Mr. Speaker: has the hon. member talked to the Provincial Auditor about this? Has the hon. member talked to the Provincial Auditor about his severance package? Has he talked about who the new appointment is going to be? I ask that, and I think that's a legitimate question.

**Mr. Romanow:** — Mr. Speaker, I say to the . . . New question to the Minister of Justice. I will tell the Minister of Justice in clear and certain terms that I have not spoken, written, directly or indirectly contacted or communicated with the Provincial Auditor in this regard. And I invite the Minister of Justice to make that allegation outside this Chamber.

I say your allegation, sir, which you have read and adopted, says that the Provincial Auditor has conditioned this report on the basis of some personal objectives which he seeks to attain. I say, sir, that that is an allegation of the highest gravity, because it says the person has conducted himself against the laws that he is obligated to act, and that he would be prepared to change this report if a personal condition was met.

I say that that person has a right to defend himself. And I say to you, sir, and I say to the minister who is in charge of you, the Premier of the province of Saskatchewan, I want that Provincial Auditor before this Legislative Assembly, under oath, answering questions under oath as to exactly your allegations and this report. And will you agree to do that, Mr. Premier?

**Some Hon. Members:** Hear, hear!

**Hon. Mr. Andrew:** — The hon. member has indicated that he has not talked to the Provincial Auditor. I would then request that he canvass his caucus and see whether or not other members have talked about these issues to the Provincial Auditor.

I can say to the hon. member that following question period — and I believe this is a serious letter — this letter will be tabled. And I also believe that the Provincial Auditor should be brought to account and to answer those concerns.

Mr. Speaker, where that is to be done, where it's been done historically, in this province and in other provinces, is in the Public Accounts Committee. I didn't invent that. That's what's been happening for 100 years in this

country, and that's the proper place that it should be done, Mr. Speaker.

What this letter leaves as an inference, Mr. Speaker, leaves as an inference is that he wants four conditions. He says that I want to have my estimates prepared by the Board of Internal Economy, not by treasury board. And I want my estimates, that's in effect what he's saying, and I want my estimates not in this committee.

Mr. Speaker, small wonder. If one looks at the audit of the Provincial Auditor and the costs as he put forward, and the costs of the private sector auditor — let's take an example, STC (Saskatchewan Transportation Company), the bus company — the cost to do the audit by the Provincial Auditor is over 100 per cent higher than it is to do a private sector audit. No wonder he does not want to appear before the treasury board to justify his expenditures.

**Some Hon. Members:** Hear, hear!

**The Speaker:** — I'd just like to bring this to the attention of the members. I've been rather lenient this morning, as you can tell, on the length of questions and answers. It's a serious matter, but I believe we're kind of getting into debate, and I'd like to ask the hon. members answering the question to tighten up their questions and answers.

**Mr. Romanow:** — Mr. Speaker, I have a new question. May I say parenthetically, Mr. Speaker, you will note the words of the Minister of Justice about your servant, sir, the Provincial Auditor. You will note what the allegations are about your servant.

**An Hon. Member:** — Your servant.

**Mr. Romanow:** — Yes, that's right, your servant. I want to ask the minister, the Premier of the province of Saskatchewan, how long ago did the government have the letter to which the Minister of Justice has referred; what action has been taken by the government upon receipt of the letter; and has the letter been referred to the Institute of Chartered Accountants (of Saskatchewan)?

**Hon. Mr. Andrew:** — The answer to the question, Mr. Speaker, is I received this letter late yesterday afternoon — late yesterday afternoon, Mr. Speaker. And I look at this . . . I believe it is proper. I, in fact, believe this is proper that it be taken to the Institute of Chartered Accounts, and the Institute of Chartered Accountants look at in fact what this letter said, and I am advised there are other letters that are marked without prejudice that I have not and do not have the wherewithal to make public.

**Mr. Romanow:** — Mr. Speaker, I think the government opposite's got this all wrong. The government . . . Well the members laugh opposite, but they've got it all wrong. The Provincial Auditor's report has put you on trial, not the Provincial Auditor, by virtue of that letter.

**Some Hon. Members:** Hear, hear!

**Mr. Romanow:** — Put you on trial. Mr. Premier, I'm going to ask you to take your place in this House and tell me whether or not you have undertaken to investigate who it

is in Crown investments corporation, who it is in the executive that has interfered and broken the law as the Provincial Auditor alleges in the Provincial Auditor's functioning and fulfilment of his jobs? Have you undertaken those steps to determine who has broken the law, and when will that report be available to this House?

**Some Hon. Members:** Hear, hear!

**Hon. Mr. Andrew:** — The question, Mr. Speaker, the question, Mr. Speaker, is this: does the Leader of the Opposition, does the Leader of the Opposition condone the solicitor for the Provincial Auditor in letter form suggesting that "I will amend my report to reflect that satisfactory steps have been taken," if you do this? Does the Leader of the Opposition condone the Provincial Auditor through his counsel requesting that he will amend his report if this is done? Does the hon. member condone that kind of action?

**Some Hon. Members:** Hear, hear!

### Sale of Dental Equipment

**Mr. Rolfes:** — Mr. Speaker, my question is to the minister in charge of the property management corporation. Mr. Minister, the Provincial Auditor, Mr. Lutz, points out in his report that the Department of Health transferred to your department more than \$2 million worth of dental equipment to be sold, yet he can find no evidence of what your department did with the money or the equipment. Can you explain to this House, Mr. Minister, what happened to the dental equipment, or what happened to the \$2 million?

**Some Hon. Members:** Hear, hear!

**Hon. Mr. Andrew:** — Mr. Speaker, I'll refer to the Provincial Auditor's report in which he says a number of things with regard to SPMC. One of the things he says is that the auditors would not provide information to him with regards to travel by minister's on executive air. That information was requested on January 20, and provided on March 15.

With regards to the exact details of what the hon. member has asked, we will undertake to find an answer to that and bring that back. But that would not seem to me to be the gist of his questions today.

But I will undertake to get that information . . .

**The Speaker:** — Order, order. I would like to remind the hon. member that if he is taking notice on a question . . . as he well knows the rules do not allow for him to make preliminary remarks on another matter.

**Some Hon. Members:** Hear, hear!

**Mr. Rolfes:** — Mr. Speaker, my question was to the minister of charge of the Saskatchewan Property Management Corporation, and I direct my question to you again, sir. Mr. Minister, is your department so disorganized that you can lose \$2 million worth of dental equipment, or \$2 million of revenue when you sold it? Is it so disorganized that you can't locate the money? What

are you doing in SPMC? Would you tell me, Mr. Minister, today, where is the money? Who's got it?

**Some Hon. Members:** Hear, hear!

**The Speaker:** — Order. Order. Order. Order. Order. Order, order. The hon. members are having debates amongst themselves when in fact the Minister of Justice should be answering a question.

Order. Order. Order, order. The Minister of Justice has risen to answer a question. I recognize him.

**Hon. Mr. Andrew:** — Preamble to that, to answering the question, Mr. Speaker, I say to the students in the gallery, I wonder if your conduct was like this in school or whether or not . . .

**The Speaker:** — Order, order, order, order. The member, get to the point of the question.

**Hon. Mr. Andrew:** — Mr. Speaker, as I indicated to the last response, that that information that we don't have in question period today; we will undertake to get it, if you like, and report it back to the legislature at the next sitting day of the legislature, Mr. Speaker.

**The Speaker:** — Order, order. Order. Let's get on to the next item of business.

#### MOTION UNDER RULE 39

##### *Report of the Provincial Auditor*

**Mr. Romanow:** — Thank you, Mr. Speaker. Before orders of the day, I rise to seek leave of the Assembly to move a motion on a matter of urgent and pressing necessity. I've earlier today advised the Premier of my intention to do so in writing and would now ask to take just a very brief moment to advise the House of what I have done and what I propose.

The issue is the *Report of the Provincial Auditor* and the grave and unprecedented concerns — by the way, now escalated grievously by the Minister of Justice and the Premier — concerns which the auditor has called to the attention of the legislature.

In order that these very serious matters may be fully and immediately addressed and satisfactorily resolved, it is imperative that they be examined here in this Assembly. It is also necessary that in accordance with the provisions of The Legislative Assembly and Executive Council Act, and the precedence of this House, certain witnesses be summoned to appear before the bar of the Assembly to be questioned on the issues raised by the auditor.

I would note, Mr. Speaker, that this is the procedure that was used in the Assembly in 1977 when the Progressive Conservative opposition raised serious issues, and both government and opposition agreed that a key witness be summoned for questioning by members. I would propose, sir, that this take place on Tuesday next, which would ordinarily be a private members' day, and we would forego that day.

Finally, Mr. Speaker, I have earlier this morning invited the Premier to second this motion and reiterate the invitation at this time. Accordingly, Mr. Speaker, I seek leave to move the following motion and would sincerely hope, in the light of the grave allegations made by himself and the Minister of Justice today about the Provincial Auditor, that they would agree to second it.

The proposed motion is as follows. By leave, seconded by my colleague, the House Leader on the opposition side:

That this Assembly, pursuant to Section 19 of The Legislative Assembly and Executive Council Act, command the attendance at 2:30 p.m. on Tuesday next before the Committee of Finance of the following, to answer questions regarding issues raised in the *Report of the Provincial Auditor*; and that the Committee of Finance sit at 2:30 p.m. on Tuesday next for the express purpose of these examinations:

the Provincial Auditor, Mr. Willard Lutz; the chairman of the Crown investments corporation, Mr. Wolfgang Wolff; the chairman of the Potash Corporation of Saskatchewan, Mr. Paul Schoenhals; the chairman of the Saskatchewan Power Corporation, Mr. Donald Stankov; the president of the Saskatchewan Property Management Corporation, Mr. Otto Cutts; the chairman of the Saskatchewan Telecommunications, Mr. Garth Kennedy; the chairman of WESTBRIDGE Computer Corporation, Mr. Gavin Koyle; the appointed auditor for the Crown investments corporation; the appointed auditor for the Potash Corporation of Saskatchewan; the appointed auditor for the Saskatchewan Power Corporation; the appointed auditor for the Saskatchewan Property Management Corporation; the appointed auditor for Saskatchewan Telecommunications; the appointed auditor for WESTBRIDGE Computer Corporation, and the chief executive officer of the Institute of Chartered Accountants of Saskatchewan.

Mr. Speaker, in the light of the grave developments of this morning and the government's failure to uphold the law as the Provincial Auditor has so urged and pleaded, and in the light of the fact that it is your servant and that institution which is at issue, I ask leave, beg leave of this Assembly to introduce this motion to deal with this matter urgently on Tuesday.

**Some Hon. Members:** Hear, hear!

Leave not granted.

#### STATEMENT BY THE SPEAKER

##### **Ruling on a Point of Privilege**

**The Speaker:** — Before orders of the day, I wish to make the following statement on the matter that was raised in the House yesterday.

Yesterday the member for Regina Elphinstone raised the

question of privilege concerning certain statements made by the Provincial Auditor in his 1988 annual report. The member's case of privilege reflected the auditor's charge that he had been obstructed from doing his duty to this Legislative Assembly. At that time, I waived the normal required period of notice and allowed various members to address the case presented by the member for Regina Elphinstone. I deferred my ruling in order to consider the case itself and the related comments of members.

Before ruling, I would like to point out that a long series of Speaker's rulings have established the practice of this Assembly with regard to privilege. In summary, members should realize that it is not the role of the Speaker to decide if a breach of privilege has been committed. This is a question only the House can decide. It is my role to decide whether a **prima facie** case of privilege has been established by the member for Regina Elphinstone, which would justify giving this matter precedence over all other business of the House.

The Provincial Auditor's Act defines the auditor as an officer of the Assembly. It is clear that officers of the Assembly are entitled to the protection outlined in Erskine May's *Parliamentary Practice*, Twentieth Edition, page 162, which states:

Both Houses will treat as breaches of their privileges, not only acts directly tending to obstruct their officers in the execution of their duty, but also any conduct which may tend to deter them from doing their duty in the future.

It is readily apparent from this quotation that anything that tends to impede an officer from conducting his duty can be construed as a form of obstruction.

In the arguments presented yesterday, two distinct points were raised under the same question of privilege. The first matter, raised by the member for Regina Elphinstone, concerns the obstruction claim by the Provincial Auditor as cited in his latest annual report. The second issue relates to comments made by the Provincial Auditor by the Minister of Finance . . . or rather made about the Provincial Auditor by the Minister of Justice.

Indeed, the member for Regina Lakeview claimed the minister's comments amounted to intimidation, which she said undermined the auditor's credibility. In my view, the words quoted were not in themselves sufficient to constitute an interference with the officer's ability to carry out his duties. I therefore find that that this second matter does not constitute a question of privilege.

I now want to deal with the first issue raised, which is the claim that the Provincial Auditor has been impeded in the performance of his duties. This is an extremely serious matter. In order for members to adequately fulfil their responsibilities as elected representatives of the people, they must be able to rely on the services of those officials whose duty by law is to provide members with information necessary to the functioning of the House.

The claim being made is that the Provincial Auditor has been interfered with in the performance of his function. There is a responsibility of the House to determine

whether there has been obstruction in this case. In order to clarify this important issue, and in light of the representations made yesterday, I believe that I must give the Assembly the opportunity to debate and determine whether a breach of privilege has indeed taken place.

I therefore rule that, on the face of it, a sufficient case has been made to justify the Assembly dealing with this matter at this time, and I thereby place the matter in the hands of the Assembly.

**Some Hon. Members:** Hear, hear!

**Mr. Rolfes:** — Thank you, Mr. Speaker. Mr. Speaker, we have before us today a very, very serious issue. And that issue, Mr. Speaker, as I will show in this Legislative Assembly during my remarks, is an interference by a member of the government in this Assembly on an officer of the Assembly itself. And that is the accusation that has been made, or the allegations that have been made by the Provincial Auditor that he has not been able to carry out his function as the chief watch-dog on the expenditures of the Government of Saskatchewan.

And he cites, Mr. Speaker, a number of examples; in fact, I have marked about 20 to 25 examples in the auditor's report where he clearly indicates that he has been interfered with either by the executive branch of government or members of the executive branch or high officials of agencies, departments and Crown corporations of the government.

We will show this, Mr. Speaker, in our debates today. I thank you, Mr. Speaker, for allowing this debate to come before the House because as I've said from the outset, it is a most serious matter. An officer of this Legislative Assembly, our servant, the member who works for us, makes allegations against the executive branch of government, and other officials, that they have interfered on a number of occasions in not allowing him to carry out his function as an officer of this Assembly.

Mr. Speaker, in a democratic society we must make certain that the executive branch always is subservient to the Assembly or the Legislative Assembly of that particular province or that government; otherwise, Mr. Speaker, we do not have a democratic government.

The members of the Legislative Assembly have a function to perform, and that is to represent the citizens of their constituencies. And in so doing, they must be able in this Legislative Assembly to, first of all, speak freely; secondly, to be able to exercise their duties and their functions in this Assembly with all the information that they can possibly garner in order to carry out their responsibilities.

The Provincial Auditor very clearly indicates in his annual report that the members of this Assembly are not able to carry out their functions and their duties because, Mr. Speaker, he has been interfered with in his function by the executive branch — that means the cabinet — and by other officials of the government. That's a very serious allegation; a very, very serious allegation.

But, Mr. Speaker, this is really not the first time that those

allegations have been made by an officer of the Assembly. They have been made in the past but they have not been to the same degree. This year, Mr. Speaker, is an exceptional year in that the auditor on almost every second, third, or fourth page of his report indicates that he can't function because of lack of information that has been made available to him, lack of co-operation, and lack of access to information.

Mr. Speaker, when the Provincial Auditor is appointed by the Assembly, we ascribe to him certain duties and functions and responsibilities. He answers to us, and that is why you table his report and not a minister of the Crown, because he is our servant. And when he makes allegations in his annual report, it is incumbent upon us to make sure that we safeguard and protect that officer in his abilities to carry out his function. That's what we are doing today.

(1045)

We would be irresponsible as members of the Legislative Assembly if we did not come before this Assembly to make our case for the Provincial Auditor, because we are his spokesmen. He is our servant; we must protect him. And if the executive branch, if the cabinet interferes with that function, then they are interfering with our rights and our duties and our responsibilities. And therefore, Mr. Speaker, as I have indicated, this is a very serious matter.

Mr. Speaker, members opposite — and I think we have said, and the auditor alludes to it, that this year his function has been cut down enormously. Last year he did about 90 per cent of the work of scrutinizing the books of the government. This year he's done about 50 per cent.

Let me, Mr. Speaker, show you what an enormous decrease that is in the role of the Provincial Auditor, not, Mr. Speaker, assigned to him by us, but by the executive branch of government. This government spends approximately \$6.9 billion. Ninety per cent of that would be about 5.7 billion. Last year the Provincial Auditor examined the books, the expenditures and revenues of the government, of about \$5.7 billion. This year he was able to examine less than \$3.5 billion.

And, Mr. Speaker, we can see what happens. We can see what can happen when the Provincial Auditor is not able to get the information that is required — a question, for example, that I directed to the ministers today on what happened to \$2 million. Because the Provincial Auditor does not have access to that information, or because somebody refuses to let him have access, or someone refuses to give him the information, he is not able to report to this Assembly, and to us, what has happened to \$2 million of taxpayers' money.

That is a serious allegation against the members opposite, against this government. And when it comes to question period, even the minister responsible for that department refuses to answer. He is the minister responsible. He is answerable to this Assembly. He is answerable to the people of Saskatchewan.

But what do they do? There are no answers. Is \$2 million such a small amount of money today that we can simply

scoff at the question as to what has happened? And I, Mr. Speaker, without any fear of being contradicted, will say that there are hundreds of millions, hundreds of millions of dollars that are simply unaccounted for in the auditor's report. He can't find out the information. He doesn't know whether there is massive cover-up. He doesn't know. I'm not accusing the government that there is massive cover-up. All I'm saying is we don't know, and we have a right, as members of this Legislative Assembly, to have access to that information.

Mr. Speaker, I want to, before I forget . . . The Minister of Justice today said that the proper channel for the examination of the auditor's report is in public accounts. I was simply amazed yesterday, Mr. Speaker, of the bizarre happening in public accounts. We on the opposition, who generally ask the questions in public accounts, generally are the ones who examine the various departments and agencies and Crown . . . No, well not Crown corporations departments. We are usually the ones to ask the question and decide which departments are called before the public accounts.

What happened yesterday, Mr. Speaker? I'll tell you what happened yesterday. We had the bizarre occurrence of the government members repeating verbatim to the officials of questions that we had already asked and answers that had already been tabled.

Not only that, but we were told last night by the vice-chairman of public accounts, the hon. member from Cut Knife-Lloydminster, that they now intend to call an additional five or six other departments that they want to ask questions on.

Mr. Speaker, the *Public Accounts* examinations that we are doing right now are for the year 1986-87. They are fully two and a half years old. Much of that information is irrelevant, it's untimely, and the auditor makes the exact same observation.

What we ought to be doing now is to turn to the 1988 *Public Accounts*, the auditor's report. That's what we should be doing. But we are again being interfered with in carrying out our responsibilities by the members opposite.

And I'm saying to you, Mr. Speaker, what are they hiding? Are they being interfered with in carrying out their responsibilities again by the executive branch? Who is instructing the member from Cut Knife-Lloydminster to filibuster the public accounts procedures? Who is instructing him? Is it the Premier? Is it the Minister of Justice? Is it the Minister of Finance? Because I don't think it's the members opposite, the back-benchers, who made this determination.

Why suddenly do they want to drag out the 1986-87 *Public Accounts* examination, which are outdated, let me tell you? Why aren't we on the more timely and also late already *Public Accounts* of 1987-88? I'll tell you why. Because the executive branch doesn't want us to examine the Provincial Auditor's report of 1988 at this time. They're hoping to drag out the public accounts for another two or three or four weeks and hoping that the media will forget — that the media will forget and

everybody else will forget — or Mr. Lutz may be gone by that time, if the executive branch have their way, and we will not be able to examine those *Public Accounts* and those allegations that are made by the Provincial Auditor.

Mr. Speaker, we are in a sad situation when the executive branch, when the executive branch, without any quibble or any shame, feel that they, out of necessity, have to attack an officer of this Legislative Assembly, when this officer has no opportunity — no opportunity — to defend himself of the allegations that are made against him. I think it's sad for democracy and it's sad for the province of Saskatchewan that we have come to that.

Mr. Speaker, let me continue. The members opposite say that . . . or the executive branch say that they have no quibble or that they . . . No quibble. I suppose that's the term I should use. They have no quibble with the Provincial Auditor examining the books of Crown corporations that have already been audited by private auditors.

But, Mr. Speaker, when you don't provide the Provincial Auditor with sufficient funds and you don't provide the Provincial Auditor with sufficient staff, how can he perform his function? That's what they have done. In the last two or three years they've so dramatically cut his finances, they've so dramatically cut his staff, that he is unable, he is unable to audit the books on time; he is unable to examine the books of the companies and the Crown corporations that have been examined by private auditors. He's simply not able to do it.

Now, Mr. Speaker, I want to inform the House that not only have they not given him adequate staff and adequate finances, but, Mr. Speaker, there has been absolutely no co-operation by the members opposite on the treasury benches. The Minister of Justice, time and time again, has not only said that he was opposed to this particular Provincial Auditor but has attempted from time to time to make scurrilous attacks, not on the competency of the Provincial Auditor, but personal attacks.

If he had arguments to present to this Legislative Assembly to indicate to us that the Provincial Auditor is incompetent and is not doing his job, then let him bring that before this Legislative Assembly so we can deal with it. But I don't believe that he has the right to make those scurrilous attacks on an officer of this Assembly. He is not just the servant for the Minister of Justice. The Provincial Auditor serves all the members of this Assembly.

And therefore, Mr. Speaker, I find it somewhat shameful that the Minister of Justice, who is the Minister of Justice, let me say, who should be above those kinds of things, he should lead, he should show the example, and what does he do? Instead he leads the attack on an officer of this Assembly.

Mr. Speaker, the Provincial Auditor again on a number of occasions shows in his report that he was simply refused access to information — simply refused access to information. Before I get to that, Mr. Speaker, I want to turn to page 4 of the auditor's report. On page 4 the Provincial Auditor says:

I cannot (I cannot) effectively carry out my role to watch over the public purse for my client, the Legislative Assembly.

I want to read that again. He says:

I cannot carry out my role to watch over the public purse for my client, the Legislative Assembly.

He does not say, my client, the executive branch, but my client, the Legislative Assembly — all of us, Mr. Speaker, you included.

And if there is interference, if there is non-co-operation, whether that is instigated by the executive branch or whether individuals are doing it on their own, the Provincial Auditor is simply saying that he cannot carry out his function. And I would hope that the executive branch would make the tools available to the Provincial Auditor so he can be an effective watch-dog on the expenditures of public funds.

He goes on to say, Mr. Speaker:

The *Public Accounts* are not complete, correct or timely.

The *Public Accounts* are not complete, correct, or timely. What information is the government not putting into those *Public Accounts*, which are absolutely necessary for us as members of the Legislative Assembly to carry out our functions? What pertinent information is embarrassing to the government opposite that is not included in the *Public Accounts*? We don't know and we can't find out.

But we could find out, Mr. Speaker, if we had the Provincial Auditor before the bar of the Legislative Assembly. Those questions could be directed to him and we could ask him, exactly what do you mean by that; what information is not included; what information were you denied that you asked for; what is the government hiding over there?

Mr. Speaker, I will guarantee you that if the auditor was able to get sufficient staff, sufficient moneys to do his job, there would be a revelation in this province — there would be a revelation in this province that has never happened in the history of this province.

I maintain that there is massive cover-up on the government opposite, massive cover-up, and of things that we have pointed to this morning is just the tip of the icebergs. They think that \$2 million is peanuts. Well, I suppose if there are hundreds of millions of dollars of cover-up and you are aware of them, then \$2 million is peanuts. But not to the ordinary citizen, Mr. Speaker, not to the ordinary citizen.

The Provincial Auditor, Mr. Speaker, is alluding to waste and mismanagement. He does not say that there is corruption. We don't know if there is corruption. But if the ministers of the Crown refuse to answer — refuse to answer where \$2 million has gone to or where the equipment has gone to, what must one conclude? Either they are incompetent on the opposite side, or they're in

such disarray in that particular department, or, Mr. Speaker, it's a cover-up. I believe you only have those three alternatives. And the Provincial Auditor is making some of those allegations.

(1100)

I want to say again, he is not saying that there is corruption — those are my words — but he does say that he does not have access to — he does not have access to information that he needs in order to carry out his role as an officer of this Assembly.

Mr. Speaker, the Provincial Auditor says a number of other things, and I want to refer to one. And the Minister of Justice has constantly said that this is just a turf war, a war between the private auditors and the provincial auditors — it's just a turf war.

Mr. Speaker, what the Minister of Justice doesn't realize — and he should because he's not only the Minister of Justice but he's a minister of the executive branch of the government — he should know that there is a difference in the clients that are being served. And the Provincial Auditor on page 7 makes this very clear, where he says, and I want the members opposite to know:

Appointed auditors as professionals serve their client, the Executive, with the same integrity I serve my client, the Assembly.

There is a difference. If the executive hires a private auditor to do the auditing of certain departments or Crown corporations, they write the parameters as to what they want them to audit and what they want them to bring forward. That is not the same mandate that the Provincial Auditor has received from the people of Saskatchewan through the Legislative Assembly. There are different goals. There are different objectives.

Let me return, Mr. Speaker, let me return to what the Provincial Auditor has said right from the beginning. He says:

(I) can no longer effectively serve the Assembly because (and he gives the reason):

he now sees the financial transactions for about 50 per cent of the public spending;

That means about \$3.5 billion is not audited by the Provincial Auditor. Oh, they're audited possibly by private auditors, but not by the Provincial Auditor. And the private auditors serve a different client than the Provincial Auditor does. The private auditor serves the cabinet. The Provincial Auditor serves the people of Saskatchewan and the members of the Legislative Assembly. And there is a difference — there is a difference.

The Provincial Auditor says he cannot be effective because:

when reliance on an appointed auditor is not justified, it is no longer possible to carry out the work done by the appointed auditor.

He makes it very clear, Mr. Speaker, that the tools that is required for him to do his job, simply cannot be done, because the government opposite has put the squeeze on him as far as staff is concerned and as far as finances are concerned because they want more and more of the auditing to be done by private auditors so, Mr. Speaker, the audit of those Crown corporations will be not be answerable to the Legislative Assembly. And I want to go to the Provincial Auditor's report a little later to corroborate that, to verify it.

He says, Mr. Speaker, that he cannot do his job effectively because he's denied access to information. And time and time again, Crown corporations which the government has privatized, but in which they still hold a significant amount of assets, have refused to let the Provincial Auditor either audit their books or refused him the information because they say that they have been instructed by the executive branch not to provide that information to the Provincial Auditor — a direct interference, Mr. Speaker, by the executive, by the cabinet, in not allowing the Provincial Auditor access to information that he requires in order to do his job.

Mr. Speaker, interference — and the Provincial Auditor has listed dozens of them in his book on page 10 and 11 — where he says that he is simply not able to because the information is not available to him. He says, for example, on page 12:

Saskatchewan Property Management Corporation (SPMC) has refused to give me information about ministerial travel expenses.

We, for example, have, Mr. Speaker, this morning found out that the minister refuses, the Minister of Public Participation refuses to give us the information on the \$2 million that has gone awry, that has gone awry. The Minister of Public Participation refused to answer, refused to answer this morning for his department of \$2 million that has simply disappeared — \$2 million that has disappeared. And I say to the Minister of Public Participation, if \$2 million is that small amount to you, it's no wonder that we have a deficit of \$4 billion in the current account.

If that's the way you manage the funds of the province of Saskatchewan, I can see why we're \$4 billion in debt. Two million dollars to the ordinary citizen is a lot of money. It may not be a lot of money to you the way you're spending it, but it's a lot of money to the citizenry of the province of Saskatchewan.

Mr. Speaker, he goes on to say a little bit further:

In my opinion, this action by SPMC is an interference with an officer of the Assembly in the discharge of his duties.

And what does the minister do this morning? He refuses to answer to this Assembly.

Mr. Deputy Speaker, is it the purpose of the executive branch to decrease, not only the role . . . I've been in this Assembly for a long time . . .

**An Hon. Member:** — Too long.

**Mr. Rolfes:** — Yes, and the member from Maple Creek says, too long. And I want to say to the member from Maple Creek, that's not for you to decide; that's for the people of Saskatchewan to decide.

But that's the kind of attitude that we get from the treasury benches. That's the kind of attitude we have from the treasury benches who don't believe in democratic democracy. They don't believe in democratic government. They want to rule by decree; they want to rule by decree. And that's why, Mr. Deputy Speaker, we have before us today the Provincial Auditor saying that there has been interference by members of the Executive Council, and maybe even by the member from Maple Creek.

**An Hon. Member:** — But he's wrong; he's wrong.

**Mr. Rolfes:** — Oh, she says, she says the Provincial Auditor is wrong. It's not for her to decide whether the Provincial Auditor is wrong, it's for the Assembly to decide.

Mr. Speaker, Mr. Speaker, let me continue. On page 13, the auditor says:

In addition to my inability to get information from C.I.C. . . .

I want the member from Maple Creek to listen:

In addition to my inability to get information from C.I.C., S.P.C., (Saskatchewan Power Corporation), S.P.M.C., SaskTel, and P.C.S., (Potash Corporation of Saskatchewan), I was refused access to the accounts of a crown controlled corporation, Westbridge Computer Corporation.

Mr. Speaker, why wouldn't they open up the books of WESTBRIDGE Computer Corporation? They tout it as an example of the public participation success. I heard the Deputy Premier say this is an example of success that we've had. Why wouldn't they make it available to the Provincial Auditor so he can say, yes, it has been a tremendous success.

**An Hon. Member:** — And to the public.

**Mr. Rolfes:** — And to the public. What are they hiding? What deal did they make in WESTBRIDGE with the private entrepreneurs that they do not want the public to be aware of? What? I don't know, Mr. Speaker, but I can tell you one thing, that SaskCOMP last year made a profit of \$3.4 million. I also know that WESTBRIDGE, through no tendering, got a contract from SaskPower of over \$60 million for the next five years.

Mr. Speaker, let's just have a look at that. Why is WESTBRIDGE successful? Is it because the government has thrown all the government business it can to WESTBRIDGE to make it look successful? Is it, Mr. Speaker, because SaskCOMP was so successful, had \$3.4 billion? Now they're saying that WESTBRIDGE is a very

successful example of public participation. What are they hiding if it's been so successful? Is it, Mr. Speaker, that there is a major cover-up?

We will know, Mr. Deputy Speaker, whether there is or not when the government changes in the next election. That will be brought forward to the people of Saskatchewan. We're not going to find out now. We know how this government functions and we know how the cabinet functions. We probably won't find out until the government changes, as I say, in the next election.

Mr. Speaker, I believe that there is a basic principle involved in democratic government and the scrutiny of public funds that the auditor very clearly states on page 15. And he says in 2.76 on page 15, "Freedom from public scrutiny provides the ability to work in secrecy." Let me repeat that. "Freedom from public scrutiny provides the ability to work in secrecy."

Mr. Speaker, my colleague, the member from Moose Jaw North, often has said since he has been elected to this Assembly that the government operates behind closed cabinet doors, behind closed cabinet doors, out of reach of the public, out of scrutiny of the members of the Legislative Assembly, all done in secrecy, all done in secrecy.

Why, Mr. Speaker, in a democratic province like Saskatchewan, why does not the public servant, the Provincial Auditor, have not only the grudging acceptance by the members opposite, but the willing acceptance by the members opposite and the co-operation by the ministers so that he can carry out his role as the watch-dog of the expenditures of moneys by the executive branch.

Time and time again, Mr. Speaker, in his report, the auditor says that things are not done on a timely basis, and therefore the members of the Legislative Assembly can't carry out their function in scrutinizing the *Public Accounts*.

He says by the time that the *Public Accounts* are tabled, fully a year or a year and a half later — and in some instances, I will show later, not tabled at all — that members of the Legislative Assembly simply cannot perform their function. We need that information on a timely basis.

Really, Mr. Deputy Speaker, to examine books that are two and a half years old or three years old is really irrelevant. We need them, Mr. Speaker . . . (inaudible interjection) . . . Now we get the sarcastic remark again from the member from Maple Creek. She says that I'm irrelevant, and I want to say to her again, you can't govern by decree. And when the people decide to elect me, that is not your choice, that is the choice of the people of Saskatoon South.

I want to remind the member, maybe she's been too long on the treasury benches, and that you feel that it's not important, the democratic procedure is not important. But the Provincial Auditor does; the members of this Legislative Assembly do. And I would remind the member opposite that she better start thinking about that

too.

A lot of people have fought for democratic government, and with a stroke of the pen it can be damaged. And we have already seen, Mr. Deputy Speaker, what the executive branch can do. If they can do this, Mr. Deputy Speaker, to an officer of the Legislative Assembly, if they can do that to the Provincial Auditor, why can't they do the same thing to the members of the Legislative Assembly?

Well, somebody would say, they've done that. Of course they have, in Bill 5 that was passed last year; Bill 5 that was passed last year gave tremendous powers to the Deputy Premier as a member of treasury board or of the Executive Council. He has now sweeping powers to do almost anything that he wishes without coming before the Legislative Assembly that, Mr. Deputy Speaker, they pushed through the House. They didn't give us sufficient time to debate it, and now they have those powers, and again decreased the role significantly of members of the Legislative Assembly.

Mr. Speaker, I want to also turn to page 18 where — and this is probably the most serious accusation that the Provincial Auditor makes — it's under the heading, non-compliance with the law. Non-compliance with the law.

(1115)

My officials noted instances where the tabling of annual reports and/or financial statements in the Assembly did not comply with the law. Appendix IV contains a list of these statements and/or annual reports.

And, Mr. Deputy Speaker, I want to now turn to appendix III and appendix IV. In appendix IV, Mr. Deputy Speaker, we have a list of 37, I believe . . . no, 64, I believe, a total of 64 financial statements or annual reports that have not been tabled in the Legislative Assembly in the manner required by law.

I want to remind the Deputy Premier, you are not above the law. We make the laws here. The Assembly makes the laws. They are approved by the Lieutenant Governor, and then you are expected to abide by those laws, not just by the letter of the law but also the spirit of the law. And I think that is very important, Mr. Deputy Speaker.

The Provincial Auditor indicates again that there are a number of reports that have not been tabled on time. In fact we had a very serious case of this last year, Mr. Deputy Speaker, if I can remind you of that, when the estimates of the Department of Health came up. When did the minister table his report? Just an hour or two before his estimates came up. Now that, Mr. Deputy Speaker . . . my colleague reminds me that it was not an hour or two before; it was exactly the same time that we started his estimates.

That, Mr. Deputy Speaker, may be in keeping with the letter of the law, but it certainly does nothing in keeping with the spirit of the law or enhancing the importance of the roles of the members of the Legislative Assembly or

enhancing the principles of democratic government — absolutely does nothing.

And I think it is time, Mr. Deputy Speaker, that we in this Assembly get back to the democratic principles which says that there shall be representation by population, number one. Number two, that the members of this Assembly have the right to full information, to accurate information, and to timely information, in order that we can carry out our role as members of the Legislative Assembly.

And, Mr. Deputy Speaker, very often we must do that depending on the functions and duties and roles of officers that we appoint of this Assembly. And one of the most important officers is the Provincial Auditor, and if he does not receive the co-operation of the executive branch opposite, there is no way — there is no way — that he can carry out his function, and neither can we carry out our function.

Mr. Deputy Speaker, the Provincial Auditor also refers to appendix III, page 1, audits that have not been completed on March 24, 1989 — fully a year, Mr. Deputy Speaker, after the fiscal year, less one week. One year, less one week, after the fiscal year has come to an end, we have not had 26 . . . 26 departments or agencies or Crown corporations who have not been audited. We have such important ones as Agricultural Credit Corporation of Saskatchewan. Mr. Deputy Speaker; fully \$1.2 billion was given to the agricultural credit corporation by the Department of Agriculture, and Finance, in the loan production program and the cash advance program.

And, Mr. Deputy Speaker, in the last *Public Accounts* it was clearly indicated that there were some problems with the production loan program and the cash advance program in as far as there was not sufficient inspections done and the monitoring was very loosely done. And there may be some very heavy losses in that particular area. And is that the reason, is that the reason why that particular account has not been audited? We don't know, Mr. Deputy Speaker. We don't know, and that information should be made available to us.

Crown investments corporation of Saskatchewan has not been audited. Crown investments corporation is the department where hundreds of millions of dollars of moneys are invested throughout the government and throughout the province — hundreds of millions of dollars, and we do not have the audited reports. In fact, they have not been audited. At least, they have not been completed.

Department of Finance, comptroller's division, has not completed its audit. Department of Highways, Department of Supply and Services, Law Reform Commission, market development fund, and so on, Potash Corporation of Saskatchewan — Potash Corporation of Saskatchewan, the one that they want to privatize — has not been audited, or at least it has not been completed. And, Mr. Deputy Speaker, it goes on and on and on, and as I've said, fully 26 various departments.

You know another one, Mr. Deputy Speaker, this will

interest you, too. You know the one that hasn't been completed is WESTBRIDGE Computer Corporation. And, Mr. Deputy Speaker, the auditor said that WESTBRIDGE, for example, told him that they didn't have to be audited by him, and they refused to let him have access to information or even to audit their books. Now we find that they're not even audited.

What, Mr. Deputy Speaker, is the government opposite trying to hide in some of these Crown corporations and some of these departments that they have not been audited. Mr. Deputy Speaker, in order for us to carry out our role as members of the Legislative Assembly we need that information. Is that, Mr. Deputy Speaker, why the members on public accounts are filibustering, that they do not want us to get to these? Is it, Mr. Deputy Speaker, that they hope that this session will come to an end some time in September, October, or November, or whatever, and they don't want these to come before public accounts? Is that the reason for it?

The member from Wascana should be able to tell us because he was one of the members that was filibustering yesterday. In fact, I would say probably the main one in the committee who was doing the filibustering. What does he know?

Mr. Deputy Speaker, what have the members from treasury board, what have the members from the Executive Council told him? What have they instructed him to do? And what reasons did they give him to filibuster Crown corporations? Is it because they are hiding something? Is it because they are covering up? Is it because there is a big scandal in one of these departments somewhere? We don't know, we can only assume.

And, Mr. Deputy Speaker, there are a lot of people out there who are going to assume the worst, and I don't blame them. I don't blame them. The waste and mismanagement and the irresponsibility of the members opposite can only lead you to conclude that there is something rotten in the state of Denmark, and in this particular case, in the provincial cabinet. I think there is something very surprising in the provincial cabinet.

Mr. Deputy Speaker, there are so many things that one could talk about in the Provincial Auditor's report. It is a damning statement of the government opposite; it is simply a damning statement. And for members opposite not to come to grips with the accusations and allegations made here, is totally irresponsible for members of the executive branch.

And, Mr. Deputy Speaker, I want to say this: it is a disgrace, it is a disgrace when they personally attack and make scurrilous remarks about an officer of the Assembly of this province. That, Mr. Deputy Speaker, will be unacceptable and they will be held accountable.

The people of this province will not easily forget — will not easily forget — the members opposite refusing to provide information, not only to the Provincial Auditor, but refusing to provide information to the members of this Assembly and then, as a last resort, making an attack — and I say a scurrilous attack — on a member of the Legislative Assembly, an officer of the . . .

And, Mr. Speaker, I want to conclude my remarks by simply saying that we cannot simply push aside some of the damning statements that are made. I think the statements that are made by the Provincial Auditor . . . you can examine any Provincial Auditor's report in all of Canada, I would think in the history of Canada, you would not find — you would not find — a more damning report on any government than we have before us here. I think it is unprecedented.

And, Mr. Deputy Speaker, it is incumbent upon the members here and the government, particularly the executive branch, to come to grips with those accusations and allegations that are made, and let's resolve some of those damning statements. Let's get some answers to those damning statements that are made, and let's clear the deck.

And with those words, Mr. Deputy Speaker, I want to move the following motion, seconded by the member from Riversdale, my leader, the member from Saskatoon Riversdale. And the motion is the following:

That this Assembly regrets that the Provincial Auditor has been impeded in effectively carrying out his role to watch over the public purse for the Legislative Assembly, and that this Assembly direct the Government of Saskatchewan to make available full information and the necessary co-operation in order to allow the Provincial Auditor to fulfil his legislative responsibilities as specified in the statutes of Saskatchewan.

Mr. Deputy Speaker, I so move, seconded by the member from Saskatoon Riversdale, the Leader of the Opposition.

**Some Hon. Members:** Hear, hear!

**Mr. Romanow:** — Thank you, Mr. Speaker, Mr. Deputy Speaker, for recognizing me as the seconder of this very important motion.

I want to say, Mr. Speaker, that in my judgement this debate, this discussion this morning, has all of the importance and the relevance of perhaps any issue that I've debated and attended in my some-odd-20 years in the provincial legislature.

And it's taken a bizarre turn of events as a result of question period today, Mr. Speaker, a bizarre, but I must also say sad and unfortunate turn of events which has only escalated, escalated an already grave, serious issue before the people of the province of Saskatchewan.

The Minister of Justice's verbal, selected readings of portions of a letter which he tabled after question period, and which I did not have access to until after question period, in my judgement, Mr. Speaker, amount to nothing more, nothing less than a misrepresentation. I am barred by the rules of this House of saying, a deliberate misrepresentation, so I will not. But I will allow you, sir, and the members of the public and the member of the government side, to determine whether or not it is a misrepresentation, or whether it's something more serious than that. The answers of the Minister of Justice, in

the context of what the letter really says, and tabled, as we have now read, when you judge the letter as against his answers, whether or not, if it were not for parliamentary rules, the term “deliberate misrepresentation” could have been attached.

(1130)

I can't make that accusation, Mr. Speaker, and I'm not going to. But I am going to say that what the minister has done has grievously misrepresented, has badly misrepresented the contents of the letter. And in doing so, Mr. Speaker, in his answers at question period, left the clear impression that the Provincial Auditor was involved in some form of negotiations dependent upon the nature of his report, which negotiations, in effect, would colour the ultimate end result of his findings or the essence of the report. That was the clear innuendo. That was the clear message of the Minister of Justice, make no mistake about that, on the selected readings of the letter.

Mr. Speaker, this, in my years in this legislature, is unprecedented. I have never seen either an opposition or a government attack an officer of this Assembly — and may I say, sir, a ranking senior officer such as the Provincial Auditor of this Assembly — making the clear suggestion of impropriety, if not criminal impropriety, if not criminal impropriety; namely, I want to fatten my pension or get my circumstances straightened away by way of retirement, and then you might get changes in the report. If not criminal, certainly allegations of impropriety. I don't believe the record will show that there has been anything of this nature, of this gravity, by a minister of Justice of the province of Saskatchewan, Mr. Speaker, made in the history of the province of Saskatchewan.

This, sir, is a person who is your servant. This, sir, is the servant of the Speaker and of all the members of the Legislative Assembly, who is defenceless, who does not have a seat in this House, who has his report as his words, who has served the people of the province of Saskatchewan in the capacity of Provincial Auditor since 1971, I believe — I could be wrong — loyal service for 28 years, through all kinds of governments. And before that time as Provincial Auditor, he was also serving as an official in the Department of the Provincial Auditor.

Here we have the Minister of Justice of the government, and an hon. member of this legislature, saying the words that he did on a selected interpretation of the literature which we did not receive until after question period, which I think is really a damning indictment of the government's deliberate, consistent, and unjustified pattern of interference, obstruction, and — putting it bluntly — downright attack on the individual and the institution of the Provincial Auditor.

The minister has got himself in a major dilemma, having suggested in question period, impropriety. The Minister of Justice, it is his obligation now as Minister of Justice to have that fully investigated and determined. That is a dilemma, when the accuser is also the person who does the investigation. It is a dilemma when the accuser is a partisan of such partisanship, who fails to respect the integrity of the office of the Justice minister and, I would

argue, fails to respect the integrity and the independence of this high office of the Provincial Auditor.

And then, Mr. Deputy Speaker, to compound the error, to compound the error, the Minister of Justice goes outside of this Assembly and, I'm advised, refuses to give his verbal interpretation of the letter outside the Assembly. He refuses to do so because he knows that in all likelihood the Provincial Auditor will have no other recourse but to protect and defend his honour and to have this matter heard in a court of law in order to clear his name and reputation. And the Minister of Justice refuses to back up his words in the legislature, outside the Assembly.

I say, Mr. Speaker, this is the worst of all situations — the attack on the Provincial Auditor protected by immunity within this Chamber, and presumably reported by the journalists as they'll have some obligation to do. And then the dichotomy, the black and the white, the right and the wrong, outside the Chamber when the minister flees the journalists and their questions — no other way to describe it — and does not have the evidence, does not have the conviction, does not have the courage to repeat outside what he said inside.

I say, Mr. Speaker, we have reached a grave impasse on the future of the Provincial Auditor and the role of the Minister of Justice. This government has committed political hari-kari by the intemperate words of the Minister of Justice in the government opposite.

**Some Hon. Members:** Hear, hear!

**Mr. Romanow:** — And moreover they won't allow the Provincial Auditor to come before the bar of the House. This was done in 1977 with Mr. Hewitt Helmsing, Saskatchewan Health-Care Association executive director, when there was an allegation that hospitals were dirty and filthy in the province of Saskatchewan. All the members summonsed the witness and he was examined under oath because you, sir, as you know, have the power of a court to deal with the discipline of the members and the questions and the issues pertaining to the House. It's been done.

And when we asked the Premier to accept this, this was rejected. And so how are you viewing . . . how does one view the position of Mr. Willard Lutz, the Provincial Auditor? He is condemned here. He has no recourse outside. He cannot come to the members of the legislature to explain his circumstances, because what is said here is privileged. He is absolutely boxed in by what one can only describe as a deliberate, purposeful attack, not on Mr. Willard Lutz alone — that's bad enough, yes, on him — but on the very foundation of this parliamentary system, the role of the Provincial Auditor, sir, on the very foundation of what parliamentary democracy is — accountability. No taxes until we know what it's going to go for, on the responsibility of the auditor to be the watch-dog, not only for the opposition, but for all members and for all the taxpayers of the province of Saskatchewan, Mr. Speaker. If there was any doubt that this government deserves the condemnation and will receive this condemnation by the electorate of the province of Saskatchewan, it is this scurrilous, gutless

attack that they launched on the Provincial Auditor today. Make no mistake about that.

**Some Hon. Members:** Hear, hear!

**Mr. Romanow:** — Mr. Speaker, I'm going to read into the record what this letter says. First of all, this is a letter tabled by the Hon. Minister of Justice, the one that I did not have in responding to his questions and answers, but he did have. I'm going to read the full letter, Mr. Speaker, and I'm going to invite you, sir, and invite the members of the journalistic corps and the members of the public to make their judgement on what this letter says.

First of all, it is dated April 20, 1989. It's written over the letterhead of barristers and solicitors in Regina, Merchant and Burnett, and it is written particularly by a solicitor in that firm, G.J.K. Neill, Mr. Gordon Neill, a respected, long-time member of the profession and the bar in the province of Saskatchewan.

The letter on April 20 goes as follows. It's addressed to Mr. Larry Kyle, QC, of Regina, Saskatchewan. The letter says this, Mr. Speaker — this is the letter from the lawyer of the Provincial Auditor:

Dear Larry: Re: The Provincial Auditor, your file (so and so.) Thank you for your letter of April 18, which I received late yesterday afternoon.

I'll stop there, Mr. Speaker. First sentence: it's clear that Mr. Kyle has written to Mr. Neill of April 18. Quote (I'm now reading from the letter again):

You initiated this process (referring to Mr. Kyle) to see if there was some common ground (now get this, Mr. Speaker) some common ground (to do what?) some common ground (I quote from the letter) which would result in the Provincial Auditor being able to fulfil his statutory duties with the full co-operation of the executive government without impairing accountability.

Yes, I emphasize that:

... result in the Provincial Auditor being able to fulfil his statutory duties with the full co-operation of the executive government.

That, Mr. Speaker, is exactly what the Provincial Auditor wanted straight across the piece, and this government initiated this dialogue which prompted in this letter saying, how do we get on to get the Provincial Auditor's objectives achieved.

The letter then says this:

The annual report in draft form which your clients have apparently seen (your clients, Mr. Speaker, here are the government; they apparently have had this draft form in their hands before we did), I am advised (the letter says), reflects the Provincial Auditor's concern in what he considers to be interference with him in the performance of the function of his office impairing the accountability process.

Perfectly consistent with everything that the Provincial Auditor has said. I read, quote:

My client has suggested that joint audits of the crown corporations and crown-controlled corporations would go a long way to overcoming some of the difficulties.

I stop, Mr. Speaker, to deviate from the text. We know that that's exactly consistent with what the report says of the Provincial Auditor. I read again from the letter:

This (the auditor's lawyer writes) was rejected by your side.

I underline these words, Mr. Speaker. The lawyer for the auditor writes:

My client has suggested that the executive government ensure that he has full access to whatever information he deems necessary (as his Act provides) together with a statutory amendment (a statutory amendment) to allow him for the review of his budget by the Board of Internal Economy rather than the present system.

I'm going to stop there. Why is the Provincial Auditor saying he wants a statutory amendment to have his budget determined by the Board of Internal Economy as opposed to the present system? You know why? Because the present system is that his budget is dependent upon what the Minister of Finance and the Premier give him. And what they've been giving him in the last five or six years are less and less and less funds — he says so in the report — so much so that he can't do his job.

But the Board of Internal Economy is our board, your board, Mr. Speaker. It is the board of the Legislative Assembly. He views himself to be an officer of the Legislative Assembly. He says, I want a legislative amendment so that I can get my budget determined by the Board of Internal Economy because — I read these words into it because his report says so — under the current system, under this government of PC people opposite, they are squeezing me to the point where I am not able to fulfil my statutory duties, and that's wrong. I need that amendment. That's what he says.

**Some Hon. Members:** Hear, hear!

**Mr. Romanow:** — Perfectly consistent with what he said in his report.

I continue: "If this were done . . ." "If this were done . . ." What was done, going back to the earlier sentence? Two things: guaranteeing access to whatever information is required, number one. And number two, if this were done, number two being the Board of Internal Economy setting the budget and not those people opposite . . .

If this were done he indicated that he could retire quietly upon the appointment of his successor, knowing that his successor would be able to fulfil the responsibilities of the office in a more harmonious atmosphere.

I'll stop there. Now, is this anything else but the highest motivation of a Provincial Auditor to accomplish two things from this government: guaranteed of access of information and guaranteed independence of the Provincial Auditor to the Board of Internal Economy. He says, if you'd give me that, I could retire knowing that my successor will be able to, under the circumstances, fulfil the job that I've not been able to do, in more harmonious circumstances. That's what he says, if this were done.

And then I continue:

He would, of course, expect to receive on retirement (if this should happen — this is not his words, but mine — if this should happen) the same allowances and economic adjustments that are provided Deputy Ministers in accordance with The Provincial Auditor Act.

He's not asking for anything extra. He's not asking for any powers. He simply says he wants the allowance and the economic adjustments that he is entitled to by the laws of this land. That's all he's saying.

**Some Hon. Members:** Hear, hear!

**Mr. Romanow:** — Then he goes on to say, the lawyer for the provincial accountant . . . for the Provincial Auditor. He says:

He also recommended that his successor be appointed internally (recommended that's all) in accordance with the convention that has been established in this Province (because he was appointed internally), Ontario, Manitoba, Alberta, P.E.I., Newfoundland, and Nova Scotia. These proposals have been rejected by you (the letter says). You have made no counter proposal.

That's the letter.

Then you take a look at the second page of the letter — I'm reading every word for it. I wonder what the member from Pelly thinks about this? The second page. I quote now the letter. This is the Provincial Auditor's lawyer writes:

The Provincial Auditor is prepared to continue in office so the appointment of a successor is not emergent.

(1145)

Now what he's saying is, I'm not going to abandon the people of the province of Saskatchewan. I won't walk away. I'll be there so that the vacancy is not emergent. It will be filled in due course. And he writes — the lawyer does — as follows:

All that is required to overcome . . .

Get these words, Mr. Speaker. This is an exact quote, and I say this to the Minister of Urban Affairs:

All that is required to overcome the difficulties . . .

(I repeat) All that is required to overcome the difficulties is a directive from the executive (that means the cabinet) to all concerned that they are required by law (which is the case) to furnish the information that the Provincial Auditor deems necessary to fulfil his duties and that his estimates be reviewed by the Board of Internal Economy.

Full stop; period. That's all that's required. That's what the Provincial Auditor said, and the Minister of Justice totally misrepresented what the Provincial Auditor said.

**Some Hon. Members:** Hear, hear!

**Mr. Romanow:** — And then the letter says . . .

**The Speaker:** — Order, order. Order. I'd just like to remind hon. members that I'm hearing some unparliamentary language being used from seats, and I'd once more remind hon. members to cease and desist. It adds provocation to the House, and it doesn't add anything to it. It interrupts the member unnecessarily.

**Mr. Romanow:** — Thank you very much, Mr. Speaker, for your assistance for me and to this House. I'm still with the letter from the lawyer of the Provincial Auditor. I've read — and I'll just simply repeat this — all that is required to overcome the difficulties is a directive, which is what he said in his report.

Then the letter continues, quote:

I am enclosing:

What?

1) A draft letter with respect to the former, and

Namely, a directive for your consideration, he says, to the lawyers of the Executive Council. And what?

2) A draft of the statutory provision with respect to the latter,

The statutory provision being to get his estimates considered by the Board of Internal Economy and not by the Premier and the Minister of Finance. That's all he's enclosing.

for your consideration.

I am advised that if speedy acceptance of both these proposals . . .

Both, namely the Board of Internal Economy; secondly, the question of the issue of a directive saying that the information must be tabled. He says:

. . . if speedy acceptance of both of these proposals in confirmed in writing, the Provincial Auditor will amend his report to reflect that satisfactory steps have been negotiated to answer his concerns.

Period. And, Mr. Speaker, why wouldn't he do that? If the executive said, in writing, in directive, if the Premier's response to this damning, searing report was yes, I will

undertake to do what you ask to correct the situation, then the auditor would have included that in the report. That would have been the issue, the end of the issue. But no, this government cannot give him that assurance. This government refused to give him the assurance. They will not give him full access to the facts. Why, Mr. Speaker? Because there is a mess that they are covering up and hiding, and they don't want the Provincial Auditor to know about it!

**Some Hon. Members:** Hear, hear!

**Mr. Romanow:** — I'm continuing now from the letter, Mr. Speaker:

He is also prepared to consider alternative wording . . .

To show that he is a reasonable person, he says:

He is also prepared to consider alternative wording of the enclosed drafts to accomplish the same objective.

Give me a counter proposal, he says, on these objectives.

**An Hon. Member:** — What objective?

**Mr. Romanow:** — What objective? The objective is to amend the Board of Internal Economy so that it controls its estimates. That's objective, Mr. Minister from Melville. And secondly, to have you issue a directive that you comply with the law. Those are the only two objectives.

**Some Hon. Members:** Hear, hear!

**Mr. Romanow:** — And I'll tell you something else, Mr. Minister from Melville. If you say or insinuate any other objective, I ask you to get outside that House and say it outside the House. Say it outside the House, every one of you.

**Some Hon. Members:** Hear, hear!

**Mr. Romanow:** — Every one of you, you get out there and show the guts of your convictions and make that accusation outside.

Mr. Speaker, those . . .

**The Speaker:** — Order. Order. Order.

**Mr. Romanow:** — Thank you, Mr. Speaker. Thank you for again protecting me in this debate. I must say parenthetically here, what really has agitated me, and I'm sorry to be losing my temper a bit, is in the light of this letter, this is the black and white of . . . it's all over, to the journalists — in the light of this letter, how in the world these people, the minister of the Crown, has the gall from his seated position to insinuate that there is something more; I say if that minister has got evidence of something more, I want to know about it. If this Provincial Auditor has got something else on the agenda — I'm not out to protect the Provincial Auditor — I want to know about it.

But you, by golly, are not going to have the right to malign

this person, this civil servant, who has served this province honourably and loyally and competently and legally, without this opposition coming to his defence and coming to the defence of the people of Saskatchewan — none whatsoever.

**Some Hon. Members:** Hear, hear!

**Mr. Romanow:** — Then . . . and by the way, Mr. Speaker, I want to close off the letter. It says . . . after the alternative drafts, he writes, the lawyer for the Provincial Auditor writes:

However, any changes in the Report will have to be made before the Audit Committee review on Tuesday, April 25, 1989.

I look forward to hearing from you. Yours truly, G.J.K. Neill

Now, Mr. Speaker, what other possible interpretation of any person, fair-minded person, can be made except that the Provincial Auditor was involved in discussions with the executive to accomplish two objectives, both of which the Provincial Auditor wanted in his report, which are perfectly consistent with what he's been saying: let me do my job; let me get the facts. We'll work on a joint basis with the joint auditors, the privately appointed auditors, and give me more independence, please. Put me under the Board of Internal Economy. What other rational conclusion could be made of this letter?

Now I just want to make one comment here, Mr. Speaker, which comes to my mind. We're going to examine very carefully the questions and answers given in today's question period by the Minister of Justice on this grave, grave allegation. But if my memory serves me correctly, since I didn't have the letter, I got up and I asked the Premier, who refused to take any question on this issue today, when they got this letter and what steps they had taken with respect to this letter. And I think you will recall, sir, the Minister of Justice got up, because the Premier refused to take any answers today, and he said, well we just got this letter yesterday — May 18, last night.

Mr. Speaker, the date of the letter is April 20, 1989, directed to the lawyers for the government. One month later, the Minister of Justice would have us believe, one month later, on the eve of this debate, or two days after the Provincial Auditor's report was tabled, one month later the government has been given notice of this letter. That's what he would have us believe.

I tell you, if that happened, then Mr. Larry Kyle should be fired as lawyer because he didn't advise the executive of what this letter was. And if that is to be believed, there is impossible incompetence on the side of the government. Here you have a letter where there is a negotiation, and the Minister of Justice would have us believe that for one full month he knew nothing about it. See no evil; hear no evil; speak no evil.

He raises it, however, in this House, with selected passages for the purpose of destroying the man's reputation. He is not going to get away with it, and neither is the Premier of the province of Saskatchewan. They're

not going to do it.

**Some Hon. Members:** Hear, hear!

**Mr. Romanow:** — Now, Mr. Speaker, I give fair notice to the government, pursuant to this letter, that I am going to, and my colleagues are going to demand that the letter of April 18 from Mr. Larry Kyle, not tabled today, be tabled forthwith.

This letter of the Provincial Auditor's is a letter which says that they initiated — Mr. Kyle, on behalf of the Executive Council. In order to complete this story, this letter will be tabled, I guarantee you, Mr. Speaker.

I want to know what the letter of April 18 from Mr. Kyle, on behalf of the Premier and the executive, was demanding of the Provincial Auditor. I want to know who on the front benches instructed Mr. Kyle to write that letter on April 18 to the auditor. Was it the Premier who initiated the enterprise? Was it the Minister of Finance; was it the Minister of Justice? I want to know what that letter said and I want to know what they demanded of the Provincial Auditor because, Mr. Speaker, if they were demanding his resignation in that letter of April 18, that will be yet another important piece of evidence to this sorry crisis that we have in the province of Saskatchewan.

So I say to you, Mr. Speaker, and I say to the government opposite, and I say to the Acting House Leader right now, you will have that letter tabled by today, or Tuesday, I guarantee you that, plus every other related documentation. I make that warning, that promise to you, sir, and to the people of the province of Saskatchewan. I want to know what that says. We're going to get to the bottom of this situation — whether Mr. Lutz is at fault, or the government's at fault, we're going to get to the bottom of it. That's the beginner.

Secondly, I want to know, and I'm going to be coming back on this on question period and in other avenues that I can obtain, I will want to know when the letter from Mr. Neill landed in the hands of the government. I will want to know whether they sat on their hands for four weeks and did nothing, or whether somebody kept it away from the government for four weeks.

I tell the government House Leader, you will provide that information also on Tuesday, or sooner. The press will want to know that, and the public will want to know that.

Mr. Speaker, I've made my points about the balance of the letter, comments about which would result in the Provincial Auditor being able to fulfil his statutory duties. That's the thrust of the letter. Why not? In the letter he said he would retire and that his successor would work in harmonious relationships. Why not? Working with this government clearly must have been a heartache for this auditor for a number of years. The auditor is saying, I won't go unless I know my successor can do the job, that he can clean up this waste and mismanagement — exactly the opposite of what the Minister of Justice misrepresented this letter to be.

In the letter, as well, he says that he wants independence. I've made that point on the Board of Internal Economy. In

this letter, as well, he says he'll amend the report to reflect the satisfactory steps been negotiated to achieve his objectives — nothing more, nothing wrong with that.

Mr. Speaker, if I'd had that letter in front of me, clearly the conclusion would be that Mr. Lutz was doing what he had to do — the proper and honourable thing. By the way, I wouldn't have expected anything other from this gentleman.

But this House was given answers which were far different from what this letter says. And I make one last, third notice to you, sir, and to the government opposite: on Tuesday the Premier — the Premier — will be here and he will answer for these discrepancies between the written word and the spoken answers by the Minister of Justice. He will be here; he will account to this.

And I guarantee it, Mr. Speaker, we are going to be demanding, if there is a discrepancy in the absence of any written proof, that not only this Minister of Justice resign but the entire Premier and government resign. They have lost the confidence of this House and the people of Saskatchewan to govern . . .

**Some Hon. Members:** Hear, hear!

**Mr. Romanow:** — They will be here — they will be here.

There is another avenue open. If the Minister of Justice has evidence to back up his verbal answers today, he must table them — inside or outside the House — by Tuesday's question period, Mr. Speaker, because if the allegations made there are as he says — and we'll want to ask the Provincial Auditor about those. We're not here to protect the Provincial Auditor *per se*. I think there isn't a shred of evidence implied by innuendo or otherwise, as the Minister of Justice would say — but if there is, the Minister of Justice must come forward with that on Tuesday and no later, because we'll want, the public will want that clearly aired. I give that promise too, as of Tuesday.

Now, Mr. Speaker, how did we get ourselves . . . (inaudible interjection) . . . Pardon me?

**An Hon. Member:** — Those are a lot of promises.

**Mr. Romanow:** — Yes, there are a lot of promises. And I'll tell you something, Mr. Minister from Melville, unlike you people, we keep and fulfil our promises.

**Some Hon. Members:** Hear, hear!

(1200)

**Mr. Romanow:** — And I tell you, Mr. Minister from Melville, and you from Maple Creek, on this issue with respect to . . . (inaudible interjection) . . . I tell the minister from Melville and the member from Maple Creek and all the front benches in this House, what you have done to the institution of the Provincial Auditor, what you have done to the institution of this Assembly by that kind of statements and that kind of action in the absence of proof — if there's proof to the contrary, we want to see it — I think has destroyed, if there is any shred of credibility left,

all credibility on behalf of this government.

Yes, I make a lot of promises. And I promise you, sir, this you will not, not escape. You will answer and provide the evidence, I guarantee you, Mr. Speaker.

Now I have to ask the question: why? Why have we come to this sorry state of affairs? I want to begin, Mr. Speaker, by saying that I've been on the treasury benches for 11 years, and I don't think there's been a Provincial Auditor's report in that time that hasn't been critical of the government that I was a party of — even critical of departments that I administered. It's the nature of the system that the Provincial Auditor, who is the servant of all of us, and by the way, not us but the taxpayers out there — this is a taxpayer issue; this is not an individual MLA issue only. It's the nature of the job that the Provincial Auditor will go and he will examine and he will ferret out things that an opposition can never do. And by God, it's a great thing that we have this institution that he or she can do that.

I didn't like some of the Provincial Auditor's reports that we had tabled — still don't when I look back at it. But when a government gets an auditor's report, it has one of two choices: either it has adequate explanation for what the Provincial Auditor points out — fair enough, in which case it'll be tabled — or in the alternative, it takes corrective action.

I would like to think that most governments would view the Provincial Auditor not as an adversary, not as a partisan, but as somebody who is strengthening the whole institution and, by the way, strengthening the way the government operates.

If I was Premier of the province of Saskatchewan and if I received this kind of a report, Mr. Speaker, my first directive to my ministers and officials would be: I want to know, is it true — documented truth? If the answer is no, that it is true, I have no other information, then my next step, Mr. Speaker, would be very simple: I would direct the departments to immediately comply with the provisions of the law. And I would come to the legislature and the Assembly here and I would say, well this is a damning report; we've not done enough; we've clearly got to do more, and by golly, we're going to do more. We'll sit down with the auditor and work out whatever the system is on joint auditors.

I think that's been the response of all governments. The late premier, Ross Thatcher, had the same problem the seven years he was government. This is the first time that that response has not been forthcoming from this government, from any government. And it's the first time that we've seen this kind of unprecedented attack on the person and on the individual — the first time that I can recollect.

The question therefore has to be asked and answered: why? Why are they doing this? Why are they doing this? I think it's politically stupid, to begin with, but let's leave politics out of the picture. Why in the world are they doing this to try and destroy the man and the institution? And why is it that this report, which is in essence a litany of a breach of law, interference, a litany of waste and

mismanagement and other aspects which my colleagues will address in the course of this debate — again you need to just take a look at the report and make your own judgement on this — unprecedented in the history of the province of Saskatchewan . . . Why are they doing what they're doing in the way they're doing it?

I'll answer that question in a moment. But I just want to give you an indication of how I think, to make my point about how unprecedented this report really is. Mr. Speaker, my colleague alluded to this, the member from Saskatoon South. I don't know if the journalists have gotten around — the public surely will not have yet — has gotten around to reading this lengthy report. I'm now citing from page 98, and this has to do with the Saskatchewan Property Management Corporation side of the report.

Page 98, article 29.24, the auditor writes this. And this, Mr. Speaker, is by way of background. It has to do with the privatization of dental equipment — you remember the government privatized the dental program and then put the dental equipment up for sale. Here's what the auditor writes about this:

The Department of Health sent dental equipment costing \$2.2 million to SPMC to sell.

SPMC of course is Saskatchewan Property Management Corporation.

When the dental equipment is sold the revenue should be paid into the Consolidated Fund as these assets are not owned by SPMC.

Sounds to reason, I think, Mr. Speaker. Auditor then writes, quote, and just understand these words carefully, Mr. Speaker:

I am unable to determine from the files of the appointed auditor (from the files of the appointed auditor) the amount of dental equipment sold and whether the funds were sent to the Consolidated Fund.

There also does not appear to be any revenue recorded in the Consolidated Fund for the sale of the dental equipment.

And then he goes on to say:

SPMC's financial statements were not tabled in accordance with (the law) The Tabling of Documents Act.

Now, Mr. Speaker, what do we have here? Here is a privatized Act, \$2.2 million, and the auditor of the province of Saskatchewan is saying he doesn't know what was sold; he doesn't know to whom it was sold; and, more importantly, he doesn't know where the money is — and he doesn't know where the money is.

And the Minister of Education, you see, laughs at this thing. He sort of argues that this is something that the opposition ought not to be raising. In fact he is challenging the Provincial Auditor for raising it. Mr.

Speaker, what kind of a government do we have here that has \$2.2 million lost, a government which cannot account to the satisfaction of the Provincial Auditor where the \$2.2 million has gone?

I tell you, if this came out in Ottawa or in any other jurisdiction, as I'm sure will be the case in Saskatchewan, there will be such an outrage by the people of the province of Saskatchewan for this kind of waste and mismanagement that the Minister of Justice and the Minister of Finance and the Premier will have no other option but to resign and to call an election.

**Some Hon. Members:** Hear, hear!

**Mr. Romanow:** — Mr. Speaker, here on page 99, still dealing with the Saskatchewan Property Management Corporation, I'll read you exactly the words of the auditor:

SPMC has charged the Department of Parks and Renewable Resources (get this, Mr. Speaker) \$1.4 million for the use of four Canadair CL 215 aircraft.

When the assets managed by the Department of Supply and Services were transferred to SPMC, these four aircraft were specifically excluded from the transfer (the auditor writes). Therefore (the auditor says, if his facts are right), SPMC does not own these airplanes.

There is insufficient information in the appointed auditor's files to determine the reason for the \$1.4 million charge.

Here's a situation where SPMC apparently is charging money for the use of aircraft, the aircraft it does not own.

Now, Mr. Speaker, I am not here to go into detail of all of these kinds of examples of waste and mismanagement. In every government there will be examples of waste and mismanagement, I'm sorry to say. We try to reduce it, but that will be the case. I acknowledge that. It was during the former administration and before former administrations.

But I don't think I've ever seen a report which says they got \$2.2 million and nobody knows where it is, from the privatization. And he says, I can't get the information from the appointed auditor. He says, I cannot do my job; I can't tell the legislature what happened to the \$2.2 million.

Now, Mr. Speaker, we oppose and will oppose, and we will reinstitute the dental care plan, but we opposed the privatization of it. We know that as a matter of principle. That's issue number one.

But here's a concrete, small example of how privatization has worked. They've sold off the assets of this health care plan and we . . . at least the auditor doesn't know where the money has gone. And then they say to us on privatization, they then say to us on privatization: trust us; we know where the money is going every time we privatize something; trust us; we'll still have a control over privatization on this issue.

Well, Mr. Speaker, that's not true either, because there's another damning aspect — I'm talking about a fundamental principle here, this Provincial Auditor's report. That's not true either. You know, sir, that we have a big debate in Saskatchewan on the future of this province, and it revolves around the PC-style privatization — \$2.2 million that the auditor can't account for on the dental privatization, as an example.

You know that this is a competing vision. They're trying to sell off everything: power, potash, Saskoil, they've done Weyerhaeuser. They're trying to give everything away. And somehow they try to argue, Mr. Speaker, at the same time that there will be some controls put in place by the people of the province of Saskatchewan in a privatized operation.

Well, Mr. Speaker, I invite you, sir, to take a look at chapter 34, page 112, 113, it deals with the audit on WESTBRIDGE Computer Corporation, a privatized, Crown-controlled, privatized from SaskTel — PC-style privatization.

And here's what the auditor writes. He writes:

I wrote to the appointed auditor of Westbridge and asked him to give me these standard opinions.

The standard opinions, Mr. Speaker, were the standard opinions of the accounting practice, the accounting profession. I read again from the report:

The appointed auditor wrote to me (writes Mr. Lutz) and said he was unable to provide me with the opinions that I needed. He said he could not provide the reports . . . (Mr. Speaker, I want you to hear this) He said he could not provide the reports because the Government of Saskatchewan (Executive) had a different opinion about the Provincial Auditor's responsibilities as applied to Westbridge (the privatized company).

He says:

Because the appointed auditor had not conducted a complete audit of public funds, I wrote to the President of Westbridge advising that my officials would conduct an audit.

Then he says in his report that the officials of WESTBRIDGE say no, you can't audit us. And he says:

In my opinion, Westbridge has interfered with me in the discharge of my duties.

And I'm going to read this last quote and make my point:

Also, in my opinion, the Executive is not accountable to the Legislative Assembly for the administration of this public money if a complete audit is not conducted and if financial information is not given to the Assembly.

Now I invite you, Mr. Speaker, to consider the proposed privatization of SaskEnergy. The proposed privatization

of SaskEnergy on the legislation is tabled along the models of WESTBRIDGE, virtually identical except for the different share proportions.

The government says, well there'll be a provincial government portion in the privatized aspect of SaskPower and SaskEnergy. But we find out now that, by cabinet directive, WESTBRIDGE, under that model, has no obligation and in fact, according to the Premier, the Provincial Auditor has no right to audit that portion in a privatized corporation which still belongs to the people of the province of Saskatchewan. The auditor concludes that the executive is not accountable, therefore, for this kind of a privatization. And if it's not accountable for this kind of a privatization, this legislature and the people of the province of Saskatchewan have no control over any PC-style privatization.

Mr. Speaker, this is a fundamental issue to the style of PC-style privatization. First they give away to the friends of the government, corporations and individuals, what they can by way of the privatization. What they retain, which by the way continually gets reduced, we can't audit. The Provincial Auditor can't check. We don't know what's being done with that money because they say that that is beyond the scope of the Provincial Auditor.

And if it's beyond the scope of the Provincial Auditor, every privatized corporation that this government has privatized and proposes to privatize is beyond the scrutiny of this House, beyond the scrutiny of the people of the province of Saskatchewan. I say that is undemocratic. I say the people want none of it, and we're not going to buy that for one moment. We're supporting the Provincial Auditor.

**Some Hon. Members:** Hear, hear!

(1215)

**Mr. Romanow:** — Mr. Speaker, I want to make a third point, one about dental, which is waste and mismanagement as a small example. But I want to make another point as well, which I have done, on the element of privatization and this report.

Just before I leave that second point on privatization, I also make another promise, Mr. Speaker, to you. We will be asking for that cabinet legal opinion, if there is an opinion, which says that a PC-style privatized corporation can't be audited by the Provincial Auditor. We will want to know on what basis that decision is made.

Again, the Deputy House Leader might as well make a note of it, because we will get that information.

This debate on privatization is central to the future of our province. And this debate about public accountability is central to future of this House, and central to the rights and the privileges and the expectations of the taxpayers of the province of Saskatchewan. Make no mistake about it. These issues will not go away, and they're linked now to privatization; they are linked. So we are going to be pursuing this with all the vigour that we can, Mr. Speaker.

I know that your job has been very interesting in the last little while. I'm sorry to advise that it's probably going to be even more interesting in the future, in order for us to get the full revelation of all the documents that take place here. I'm sure that you will be capable of handling the challenge.

But there's a third issue, Mr. Speaker, and that is this. In my years as a member of the Legislative Assembly, I think I can say without fear of contradiction that I have never seen, sir, a Provincial Auditor's report ever, which is so uniformly condemnatory of the breaches of law by a government and its agencies. So much so that the Provincial Auditor says in the report, Mr. Speaker, page 4, quote:

I cannot effectively carry out my role to watch over the public purse for my client, the Legislative Assembly.

That's unprecedented. This is national news. I don't think there's a provincial auditor in the legislatures of the other provinces of Canada who has said this. I'm sure that it has not happened in the Ottawa community, Mr. Speaker. I'm positive of that.

Now just contemplate what's being said. The auditor has in effect said to you, sir — and he's your servant — he has said, simply put, Mr. Speaker, and members of the Legislative Assembly, and the public: I can no longer do my job, which means, Mr. Speaker, that there is no longer in reality a Provincial Auditor. We have a Provincial Auditor in name and in title — poor individual that he is, being maligned to the personal attacks that he has been in the last few days — but we do not have an auditor in reality. We do not have an auditor who is to fulfil the job. Is there a parliament anywhere in Canada that has had a provincial auditor conclude that, sir?

This is not a back-bencher from the government opposite, or a back-bencher or a front-bencher from the opposition. It isn't some irresponsible person making an allegation from off the street. This is a servant of this province and this legislature who has been working here for 28 years — for 28 years as Provincial Auditor — and during that period of 28 years he has served faithfully and loyally and honestly and with difficulty.

And I say to the Minister of Justice, if the auditor is not an easy person to get along with, big deal. I don't think any provincial auditor will ever be easy to get along with. That's not the nature of the process, and hopefully not. We don't want some puppy-dog on a short leash. The people in Saskatchewan want an auditor who's got full freedom to do whatever he or she decides should be done in the interest of the taxpayers.

You see, Mr. Speaker, I introduced today the motion that there be set up a process whereby the auditor would come to this Chamber to answer questions and defend himself. I didn't know how serious the allegations were going to be and how important the defence would be when I started the proposal.

I did so, Mr. Speaker, as opposed to the Public Accounts Committee for this reason: because, Mr. Speaker, the

Public Accounts Committee is mandated to study the line-by-line proposals of individual departments. What this report says, it's got line-by-line proposals, like dental, but what this report says, sir, is this institution can no longer do the job.

That's not within the mandate of the Public Accounts Committee. That is within the mandate of this Legislative Assembly. We nominate, he tables a report, that's what he's concluded. That's a different issue. If they want to meet and have the Public Accounts Committee deal, in dispatch and in priority, the specific issues of this report, we will co-operate. We will send our members and we'll deal with the Public Accounts Committee specific problems here right away.

But we want something else. We want to deal with the central issue, the central thesis of this report, which is we have no longer a Provincial Auditor because he's been so impaired in his duties to act as an auditor. That, sir, can only be handled by you and by this Assembly. I don't know what it is that prompts governments to do what they do with respect to issues like provincial audit and the Provincial Auditor.

I have here in front of me, Mr. Speaker, a front page story from *The Kindersley Clarion*, Wednesday, June 15, 1988, front page story. This deals with: "New act will help farmers in financial trouble, Andrew," is the way the newspaper article says — I don't want to name the member but I'm reading from the article — and here's the part as it pertains to the debate that we have before us today:

Meanwhile the provincial government may have found itself in hot water with the Saskatchewan home program, but Andrew doesn't think the Provincial Auditor's report can even hold the wet stuff. The auditor, Willard Lutz, wasn't sure the program had proper legislative authority since it was created under The Housing Corporation Act before the last provincial election.

I'm reading from *The Kindersley Clarion*:

Lutz said there was no mandate to improve the quality of housing generally, rather the Act was meant to help the housing needs of disadvantaged people. Andrew doubts the credibility of the auditor.

Doubts the credibility of the auditor.

Auditors are people who bump against reality once a year, the minister is quoted saying. They live in that jungle zoo and call themselves bureaucrats. They wear thick glasses because they are looking at the fine print to see if every "i" is dotted.

Mr. Speaker, do these people have no shame? Do they have no self-respect? Any kind of a response could have been given: I'm sorry, I don't agree with Mr. Lutz's provisions with respect to the housing program, or; I'm sorry, the facts are not right; we have tabled the response, or; I'm sorry, we don't agree with the criteria.

No, the Minister of Justice of this province launches his response, as he did today in question period, which prompted this report in the gravity of the allegations of the auditor that he's been interfered with, on a personal attack. Now if that isn't an interference with the role of an auditor, the attack of those who fund the auditor, Mr. Speaker.

This is not a back-bencher on the opposition or the government side, this is a senior member of the treasury benches, a former minister of Finance, who attacks the credibility of the auditor, and this same person funds the Provincial Auditor's capacity to carry out the job. If that isn't intimidation, I don't know what intimidation is if it hit me in the face!

What in the world possesses a government to adopt that kind of an approach when it involves people of good intention to trying to do their job as mandated by law to do the job? What in the world, Mr. Speaker — and I'm asking myself, I'm puzzled — what it is that prompts that kind of response, not only a year ago in *The Kindersley Clarion*, but a few days ago in the *Leader-Post*, and then again today, with that kind of misinterpretation.

What is it that prompts this kind of pattern of breach of law, this pattern of interference, this pattern of refusal to table timely reports, this pattern of maligning the person on an individual basis, the refusal to allow him to defend himself — the stonewalling.

Why, I ask the member from Pelly, why is this the position of your front bench? Why? Why? You don't have to answer it now. You can when the debate assumes and resumes. I'm just asking you as a member of this Legislative Assembly and as a back-bencher of the government side, have you gone up to the Minister of Finance or the Minister of Justice and said, why are you responding this way? Why are we into . . . Why don't you ask the Minister of Justice? Why are we into an argument about the allegations that you have made on this report when it could have been, should have been, handled in another way and in an appropriate way? Why are you doing this? Have you asked them that?

Has the new member from Assiniboia-Gravelbourg, have you asked the Minister of Justice and the Minister of Finance and your Premier, what in the world is the purpose of what we're doing here, Mr. Premier? This is an institution; this is a man who served for 30 years or more, what's the objective behind this? Have you asked, sir? Where's your conscience? Where's your commitment to not only the party, but to the approach?

I know that many of the members in the front bench have lost that kind of concern. Right now they're struggling to figure out if there's some way to hang on to power. I know what happens. I was there prior to 1982. Oh yes! And you think that by bombarding the public with millions of dollars of advertising you're going to turn the Crown corporations issue around? We didn't, and you couldn't. And you think by simply riding out the storm, you know, you'll solve the situation. You keep on bringing back the bells rules motion when we offered clearly to you, with time limits, to take bells and other issues and deal with

them outside the atmosphere of this House in order to solve the problem. No, you are going to teach us who the bosses are. Well, you'll never teach any opposition who the bosses are.

Are you asking, the member from Pelly; are you asking, the member from Moosomin; have you asked the front benches . . .

**An Hon. Member:** — How about Wascana; what about the Regina Wascana member?

**Mr. Romanow:** — Who's the member for Wascana?

**An Hon. Member:** — Beattie.

**Mr. Romanow:** — No, no, he won't ask. Assiniboia-Gravelbourg . . . I think this is a . . .

**The Speaker:** — Order. Order. Why is the member on his feet?

**Hon. Mr. Schmidt:** — I raise a point of order that's been raised on many occasions with members of the opposition, that they are not speaking on the motion and are not relevant to the debate. It's unfortunate that I have to raise this point of order with respect to the Leader of the Opposition who should know the rules and should be leading his members on this point, and he is now showing no example at all nor any respect for the rules of this House. I raise the point of order that the Leader of the Opposition stick to the motion that they have moved.

**The Speaker:** — This is an issue that has been discussed before, and if in fact the member's allegation is correct, we'll bring that attention to the hon. member. If not, the debate proceeds.

**Mr. Romanow:** — Thank you, Mr. Speaker. I want to tell you, it is not my intention in this debate — I hope in any debate — but I can tell you for sure, in this debate it is not my intention to bring in irrelevant topic and off the topic. The topic is too important for me to be off the topic.

The topic of the motion is the regret that the Provincial Auditor has been impeded in his job — that's the essence — and also regret that the Assembly . . . and ask the Assembly to direct to the Government of Saskatchewan to make available full information to the Provincial Auditor. That's the topic.

And I was saying, in the point, what it is . . . I was asking what it is in the psyche of the government opposite that prevents the government to fully direct the Provincial Auditor to fulfil his legislative duties. Why is it that they cannot accept this resolution? Why is it that the Assembly cannot pass unanimously all that the auditor is asking to do both by way of legislative obligation and also by way of just personal integrity of doing his job. I don't know what it is. That's the reason that I asked the question, and that's the reason that I direct myself to the propositions which have been advocated in **The Kindersley Clarion** of June 1988.

Mr. Speaker, I was on the third point of my address, second part. The first part had to deal with the letter tabled

by the Minister of Justice and my interpretation of it. The second part has to deal with the report, and I had three parts of that second part. First, the waste and mismanagement pursuant to the dental plan; second, privatization as tied into the dental plan, and I'm on the third point dealing with the issue of the breach of law, the interference, the obstruction.

(1230)

Mr. Speaker, I don't believe the members opposite, some of them, have read this part of the report. This is on page 4. Provincial Auditor:

I cannot effectively carry out my role to watch over the public purse for my client, the Legislative Assembly. I recommend the process be repaired to require that appointed auditors and the Provincial Auditor work together on crown corporation audits as joint auditors or with some similar arrangement.

I'll stop there.

Now I need to highlight this point, Mr. Speaker, because outside of this legislature, last night on television and in the newspaper today, the government's defence on this report is that this is merely a "turf war" between accounts, the Provincial Auditor and the private appointed auditors.

I say to you, Mr. Speaker, that this statement made by the auditor shows the lack of truth to that proposition, because the auditor says he recommends a process be repaired to require that appointed auditors and provincial auditors work together. This is not a question of saying, get out, I don't want you, the way the Minister of Justice and others represent or misrepresent the position. This is a request to say, let's get together to do the job.

This is not the Provincial Auditor who says no to any appointed auditor. Governments for years have used appointed auditors. That's not the issue. It's the issue of whether or not, in working with the appointed auditor, the Provincial Auditor has access to information. He says that now he can only audit about 50 per cent of the government because that information has been denied to him. He has made a positive solution which says that we must work together to work out an arrangement "so that my statutory obligations can be fulfilled." Mr. Speaker, what more reasonable approach could be made by any one person, especially the Provincial Auditor?

Then he goes on to say on page 4, the following:

In my view, the Legislative Assembly requires more information about crown corporations, crown-controlled corporations and mixed corporations.

The public accounts are not complete, correct or timely.

There were a number of cases where the tabling of annual reports and financial statements did not comply with the law.

Now I have two points to make there, Mr. Speaker. First of all, there is a breach of law if the tabling of annual reports did not comply with the law. That's the government, the Premier and the government opposite. That, I say, Mr. Speaker, is an issue which requires the urgent attention of the taxpayers of Saskatchewan.

Secondly, the public accounts are not "complete, correct or timely." That is damaging. What that says, Mr. Speaker, is when the public accounts are not complete or correct, it says that we do not have the information before us. It says that the information is being denied by the government opposite to the Provincial Auditor; thus the information is not correct and it's not complete. And when it's not timely, to boot, nobody can deal with the provincial accounts and the public accounts and the Provincial Auditor.

Isn't that an allegation, Mr. Speaker, of a wilful, purposeful, attempt by the members of the Executive Council on the front bench to delay the timing of the report, to give them incorrect information and incomplete information. And if that is the evidence, the question that I have to ask is: why is the government motivated to doing so? Why is the government so motivated?

Mr. Speaker, the Minister of Education is again making his speech from the seated position, which is about the only place that he makes speeches these days, but I would advise him not to keep sitting too long because I also think that's where his brain-power emanates from, and it might cause the quality of the debate to slip a little bit.

**Some Hon. Members:** Hear, hear!

**Mr. Romanow:** — I honestly think that the Minister of Education has problems of his own. When they fired the deputy minister of Education because he had so alienated the entire educational community, I would say to the Minister of Education that he had better worry about whether or not the next person to be fired is going to be the Minister of Education, the member from Weyburn.

**Some Hon. Members:** Hear, hear!

**Mr. Romanow:** — And may I say, Mr. Speaker, not a day too soon for the people of Saskatchewan being concerned.

**The Speaker:** — Order, order, order. I think we'll just allow the member to get on with his remarks.

**Mr. Romanow:** — Well, Mr. Speaker, I'm going to try, Mr. Speaker, I'm going to try to ignore the persistent heckling by the Minister of Education, notwithstanding your admonition that he cease and desist, because this is an important debate and I want to continue with my points.

So I say . . . (inaudible interjection) . . . Mr. Speaker, I'm trying hard to ignore it. I shall continue to do so.

So, Mr. Speaker . . .

**The Speaker:** — Order, order, order. I think that we don't want to get off the topic by getting into a debate between

members from their seats and the Leader of the Opposition who is making his remarks. If we refrain from that, we will listen to his remarks on the topic under discussion.

**Mr. Romanow:** — Thank you, Mr. Speaker. I appreciate that, and I'm going to continue with the remarks. The third point that I'm making is the damning nature of the central allegations, thrust, made by the Provincial Auditor here. I want to refer to one other example of how serious these allegations are, not in a privatization area, although goodness knows that that has been, I think, serious enough. We're going to pursue that over the days and the weeks ahead as it comes to SaskEnergy and the Potash Corporation of Saskatchewan, but that's not the point that I'm getting at here today.

I'm now referring about the searing indictment of the Provincial Auditor on page 99. This deals with the Saskatchewan Property Management Corporation. Now, Mr. Speaker, the Saskatchewan Property Management Corporation section of this report is one which is mandatory reading for all concerned members of the House. I tell you, when estimates come up on property management corporation, we will be here for an extremely long time — it's page 96 — because of the serious allegations which are made here by the Provincial Auditor.

I direct your attention, and members' attention, to page 97. This is under Saskatchewan Property Management Corporation, and there's a heading called, difference of opinion. And I'm now going to quote the Provincial Auditor's words:

In my opinion, SPMC's (Saskatchewan Property Management Corporation) financial statements contain significant departures (I'll repeat that — significant departures) from generally accepted accounting (procedures) . . . (G.A.A.P.) which I describe later.

Just underline that, Mr. Speaker, for you — significant departures. Not minor departures, not occasional departures — significant departures from generally accepted accounting principles. I continue with the quotation:

The appointed auditor has issued an audit opinion without reservation on these financial statements. Therefore, in my opinion (the Provincial Auditor writes), the appointed auditor has issued an inappropriate report.

Accordingly (he says), I have reported this matter to the Institute of Chartered Accountants of Saskatchewan. I will report its ruling when . . . (it's received).

See what's happened here, Mr. Speaker, how serious the situation is? The Provincial Auditor says that there are significant departures from the generally accepted accounting principles. The appointed auditor presumably takes a different opinion. The Provincial Auditor says, I cannot accept that opinion. There's a difference of opinion. It's so serious I'm going to refer it to

the governing body of my profession to resolve this opinion. I don't know if that's happened in recent history, with that kind of a condemnation. He then goes on to talk about the necessity of accountability.

Then there's another section here dealing with rental of public property. Now this I'm going to explore in detail at the appropriate time in some future debate. The Provincial Auditor at page 99 sets out what the statutory obligations are of the property management corporation with respect to contracts with respect to rental arrangements. And we know, Mr. Speaker — you do too, sir — that there are many private rental arrangements which have been entered into between this government and private entrepreneurs, building and/or leasing buildings thereafter to government agencies.

We have raised, in previous sessions, some of those rental arrangements. I recall one when I was not in the legislature pertaining to a home in Saskatoon dealing with level four care . . . Parkridge, is it?

**An Hon. Member:** — Parkside.

**Mr. Romanow:** — Parkside, and the rental arrangement there.

**An Hon. Member:** — Parkridge.

**Mr. Romanow:** — Parkridge, I'm sorry. I may have the name wrong, but I'm sure that you know, Mr. Speaker, what I'm referring to.

There are others — rental contracts. Here's what the Provincial Auditor says:

Public agencies are making payments to SPMC for space rental without written agreements being in place. Payments are often in excess of the \$10,000 limit. The public agencies have not obtained an Order-in-Council to authorize these rental payments.

Mr. Speaker, there is no contract for these rental arrangements. They're over the \$10,000 limit that the law says they cannot make. They do not have an order in council validating the excess over 10,000. And the accountant says, I cannot tell whether or not this is a proper expenditure of public funds.

Now I invite you sir, and I invite all the members, to think of your home constituencies, of all the rental property which is around in the province of Saskatchewan, and how much of this rental property is under this arrangement in the province of Saskatchewan? I should tell the junior House, not the junior, the substitute House Leader . . . no, no, the substitute House Leader, the member from Melfort, please advise your minister that at the appropriate time we will be wanting to have . . . and we're not going to adjourn on estimates until we get the details. We're going to do the auditor's job here for him on these rental arrangements.

Whether they relate to Yorkton in the rental arrangements there, whether they relate to Rosetown, whether they relate to Saskatoon, whether they relate to Moose Jaw,

with power corporations or otherwise — wherever they relate, we will be wanting to know where those written agreements are, and with whom they've been made. I think that's only proper and fair for an opposition to do in the assist of the Provincial Auditor.

As another example, another example, Mr. Speaker, of what this third point that I am making about the breach of law — 10,000 and over, there's no order in council validating it. Payments of 10,000 and over are made. They require a contract according to the law — no contract for rental equipment — and he can't get the information, and they don't give him the information. And I have to ask why.

Why are they . . . Look, the simplest thing, Mr. Speaker, for any government to do is to say, here's the information right here. I table it. What is there for them to hide? What's the loss in them doing that? But they refuse to do it.

He says, breach of the law. And he says another thing, Mr. Speaker. If you take a look at this report, which I have read, by the way, twice because I cannot believe it — I simply cannot believe it, its gravity and its allegations . . . the gravity of its allegations — if you look at this report, Mr. Speaker, you will see at the back various appendices. First of all The Provincial Auditor's Act is appended. And then they have the contracted-out accountants' reports which are appended, to which the auditor says, I can't verify that public funds are being properly spent. Take a look at them. Affixed, appended, either way, there they are.

(1245)

Mr. Speaker, if you take a look at these various reports, if you take a look at these reports, I think that the private auditors should have the opportunity to explain to the legislature their side of the story on this. That's why this morning I requested the Premier to agree to the establishment of a committee of investigation in front of the bar of the House where we would invite, amongst others, the chief executive officer of the Institute of Chartered Accountants, or such other officers as they would request. Let these people come forward and explain their position. I'm sure there's a good explanation.

And it may very well be that the Provincial Auditor is wrong. If the Provincial Auditor is wrong, then that we should know too. And I think it's important that the Provincial Auditor be given the opportunity, and we be given the opportunity, to hear exactly what it is that the private, hired-out accountants have to say with respect to the allegations made here by the Provincial Auditor, and if you take a look at their reports, whether or not they satisfy the requirements of the statute here.

Mr. Speaker, I want to make this point on the question of the private auditors. I think we also must understand that, in addition to two different clients . . . The Provincial Auditor has as his client, us, the legislature, and through us the people of the province of Saskatchewan; and the auditors, privately, of course, of the clients being their boards of directors or the governments or the Premier.

There's another issue here, too. The obligation of the Provincial Auditor is to get into the expenditure of funds in a different way — I would even suggest even in a more extensive way than private auditors would do in private audit for private corporations or business corporations. I don't malign here any of the auditors, private auditors. They're professional people and they do their job. But there are two different mandates that are involved here.

The Provincial Auditor's mandate is a far broader one. It's a far more reaching one.

**An Hon. Member:** — And who's the client?

**Mr. Romanow:** — And of course as my colleague, the member from Quill Lakes, asks again: who is the client? The client is us. We have hired him. And our agent, the Provincial Auditor, is saying to us, the clients, I'm sorry, clients, I cannot do my job, I can't fulfil the mandate. So here we have the situation where the Crown corporations and the departments have audited information, some of which is tabled in these one-page attachments. The Provincial Auditor says it's insufficient information, wants more, and he comes to the client and he says, look, will you defend me in this regard?

I say, on this third point that I make about the breach of the laws and the interference, I say, Mr. Speaker, that the auditor himself is pleading with us to do something about this situation. The auditor points out, on page 10 of the report, that there are no penalties set out in The Provincial Auditor Act for failure to provide required information to the Provincial Auditor — no penalties. But he says this:

The Legislative Assembly and Executive Council Act contains provisions to ensure that required information is provided.

Then he says this, quote:

Section 24(1)(d) of The Legislative Assembly and Executive Council Act states . . .

and I read this:

*"24.(1) The Assembly is a court and has all the rights, powers and privileges of a court for the purpose of summarily inquiring into and punishing:*

*(d) assaults upon or interference with officers of the Assembly while in the execution of their duties;"*

In my opinion . . .

He says, paragraph 2.31:

. . . I have been interfered with in the execution of my duties.

I read those words to be a plea by the auditor for us, his employers, to implement section 24 of The Legislative Assembly Act to convene this Assembly as a court, with all the rights and powers and privileges of a court, to enquire into and punish, if necessary,

. . . assaults upon or interference with officers of the Assembly while in the execution of their duties.

Why else has the auditor put that section in the audit report? That's a plea. Maybe some would say, an invitation, a suggestion; I say it's a plea. It's a plea for us to do something, because he feels so strongly about the breaches and about the issues which are raised here.

I believe, Mr. Speaker — I stand to be corrected — that that plea is also unprecedented. Are we to ignore that plea? That's why this motion is here. Are we to ignore that plea, or are we to back our servant? If we don't back our servant, who will back him? If this Legislative Assembly doesn't back our servant, who will back Willard Lutz? If the member from Pelly and the member from Assiniboia-Gravelbourg can't say to his people in his own constituency, by gosh, this is a tough report and maybe our people made some mistakes, but Lutz is an honourable person; he is our citizen; he is our employee; we must back him — if they can't say that, something is terribly wrong in the democratic process. But leaving democracy out of the picture, something is terribly wrong with accountability — the waste, the mismanagement, the funds which are going without accountability — something is very rotten in the state of Saskatchewan if the members opposite can't say that.

Who, Mr. Speaker, will back Mr. Lutz if we should turn down this resolution? If we turn down this resolution, Mr. Speaker, it's tantamount to firing him. It's tantamount to saying, we know what your report says — plea for more information. We know what your letter says — two things: Board of Internal Economy for more independence, and a plea for information. We know what you want; we move this motion.

And if we turn him down, what can he do? Where does he go? That's tantamount to firing him. Are we going to abandon this person of 30 years service? Are we going to destroy the man's reputation or attempt to destroy the man's reputation in his last months, in his last days or years of service to the people of the province of Saskatchewan? Is that what we're going to do?

Do we agree that the Minister of Justice should be permitted . . . and the members opposite, in defence of the Minister of Justice, have so little independence and integrity that they will be part and parcel to a rejection of this resolution and an abandonment of this Provincial Auditor, who is not in this House to defend himself, who could not meet his accusers outside because they do not dare repeat the allegations outside. Is that where we're at? Member from Pelly, is that where you're at? Member from Canora, is that where you're at? Member from Wakaw, Kinistino, is that where you're at?

Well, I mean, it's hopeless. I didn't . . . it's hopeless. It's hopeless, Mr. Speaker, because I'm asking the members and from their seats they say . . . when I've read the letter, they say, I didn't write the letter. It's hopeless.

And you know, Mr. Speaker, it's a question of whether or not we're going to abandon this person and we're going

to abandon his family to the Minister of Justice's accusation that nobody else can deal with him, that no one else can deal with him. Mr. Speaker, we abandon him.

Members opposite are yelling, oh it's an Oscar performance, you know, putting on a show. How callous they are; how callous they are. Can I not appeal to any of you? Is there not one of you there who's got a decency of conscience and independence to stand up for this man? Is there not one of you?

**Some Hon. Members:** Hear, hear!

**The Speaker:** — The member from Melville, does he have . . .

**Hon. Mr. Schmidt:** — Sorry, Mr. Speaker, I was just standing up.

**The Speaker:** — Debate continues.

Order, order. Order. Order, order. I know it's Friday morning and it's been, perhaps, an emotional morning in some respects, but we're getting near 1 o'clock, and I just ask for your co-operation.

**Mr. Romanow:** — So, Mr. Speaker, I don't know what more I can do before I adjourn the debate on this important matter. I've tried to make a personal plea. One of the sad facts of this legislature is, as we all know, that we cannot, apparently or seemingly, be able to negotiate House business or other matters of importance.

I wish I could have made the plea on a personal basis; I can't do that any more. And I'm sorry to feel that they feel the same way about us. I'm reduced to making my plea, on behalf of this person, on behalf of this institution, publicly.

And I say, Mr. Speaker, that the response that I have of the members opposite is tragic. It's sad, it's demeaning and, unfortunately, in addition to being demeaning, it is going to be politically extremely damaging and extremely sensitive to the government opposite.

**An Hon. Member:** — We'll see.

**Mr. Romanow:** — Well, the member from Maple Creeks says, we'll see. This is the attitude — we'll see. If you feel, Madam Minister, if you feel that's the case, then I would say to you, why don't you get your Premier to call the election. You have two good issues right now to resolve. Call the election on privatization and on what you're doing with respect to your accounts and the waste and mismanagement. Call the election; we're ready to do it.

So, Mr. Speaker, I have other matters which I'm going to raise in the course of this debate. And also, I'm going to adjourn because I'm going to ask one last time for the government opposite to take the weekend to reconsider its position. I think that it's open to doing so . . . (inaudible interjection) . . . Well that's fine; you can dismiss it, but I think that when you take a look at what you've done here and what you're doing, I do think many of you will have a change of heart. And we're prepared to co-operate with

you and the Provincial Auditor in getting the objectives achieved.

For all of those reasons, Mr. Speaker, because I have more to say, and because I want the government opposite to consider carefully the comments and what they've done here, I beg leave to adjourn the debate.

**Some Hon. Members:** Hear, hear!

Debate adjourned.

**Hon. Mr. Hodgins:** — Thank you, Mr. Speaker. Before adjourning the House, I'd seek leave of the Assembly to move a motion respecting hours next week, please.

Leave granted.

## MOTIONS

### House Adjournment

**Hon. Mr. Hodgins:** — Mr. Speaker, I move, seconded by my seat mate, the member for Melville:

That by leave of the Assembly, that notwithstanding rule 3 of the *Rules and Procedures of the Legislative Assembly of Saskatchewan*, when this Assembly adjourns on Friday, May 19, 1989, it do stand adjourned until Tuesday, May 23, 1989.

Motion agreed to.

The Assembly adjourned at 1 p.m.