

Mr. Chairman: — Call the meeting to order. And first I'd like to make a statement regarding recorded division. And this is further to my statement of last Tuesday, May 29, 1990 which clearly established that it has not been the practice and procedure of the Saskatchewan Legislative Assembly to permit recorded divisions in standing and special committees.

However, I do recognize that standing and special committees enjoy some flexibility with respect to their own procedure to the extent that this is not grossly inconsistent with the practice in other standing and special committees of the Assembly and that it has no direct procedural consequences outside the committee.

If there is a disposition on the part of the committee to experiment with the practice of recorded divisions, I am prepared to accept a motion to that effect. There would of course be a requirement to establish certain guide-lines which should be approved by the committee before adopting the practice of recorded divisions.

So to sum it up, that if committee members feel strongly that they wish to have recorded divisions, then it's my feeling that this is something that the committee should agree to — debate and agree to — and do it with certain guide-lines.

We're back on the agenda — discussion of the agenda for this year. Unless people want to deal with these recorded divisions. No?

Mr. Hopfner: — As I had indicated, there's no problem with the agenda. If we want to get on with the agenda as you have handed to me a marked agenda of departments that you'd like to see here and if you so desire, wish to get into other departments that you have X'd off here at a later date, that's fine with us too. In co-operating to get into the auditor's report and to call witnesses before the committee, we definitely would like to go along with you and adopt this agenda.

Mr. Chairman: — Thank you, Mr. Hopfner. Can we just get clarification. There was some discussion last time about . . . The agenda that I put forward suggested that and I'm by no means advocating it; I'm just simply going according to last year that the matter of the tabling of documents in The Government Organization Act, if last year's approach to the agenda remained something that might be dealt with later as opposed to sooner. What's your feeling on that, that we should just deal with the agenda, chapters 1, 2, 3, 4, 5, and so on?

Mr. Hopfner: — That's fine. Let's try and get back to the traditional way of doing things and hopefully that cool heads will prevail and we can do without unnecessary motions in the committee and get into the workings of the committee.

Mr. Chairman: — Okay.

Mr. Rolfes: — If I just may, I wonder if the member from Cut Knife-Lloydminster would elucidate on his reason for why this year we should follow the agenda according the public accounts and counteract some of his arguments

from last year as to why last year we shouldn't do it and now we should go back to what traditionally has been done. I wonder if he could just . . . for my edification at least I'd like to know why suddenly the change of heart on the committee.

Mr. Muller: — There's no change of heart. We've always liked to work along with the rest of the members of the committee and get the work of the committee done.

Mr. Rolfes: — Mr. Chairman, I would like then to direct the question to the member from Shellbrook-Torch River as to why he has changed his mind that we should now follow the Provincial Auditor's report as he presents his report. And last year they refused to let us do that, which the member from Cut Knife-Lloydminster has now indicated has been the tradition of this committee that we follow it as presented by the Provincial Auditor. I wonder if you could elucidate that, sir.

Mr. Hopfner: — Mr. Chairman, instead of drawing the member from Shellbrook into it, the member from Shellbrook was not part of the committee when . . .

Mr. Rolfes: — He can speak for himself, Mike.

Mr. Hopfner: — . . . when we were drawn into a long debate. And as you well know, we had a week of debate prior to even getting into the auditor's report about procedures and everything else. And it was just running amok, the committee was not functioning, and that's why we had agreed with a motion to get into the auditor's report and move off chapter 1 and 2 and clarify a lot of the remarks, political remarks made. We clarified them through bringing in departments. And if we can keep the politics out of here, there's no problem with starting with chapter 1 and 2, not at all.

Mr. Rolfes: — Mr. Chairman, I wanted to ask one further question. Is the member from Cut Knife-Lloydminster saying then that the government members will determine and decide how this committee will scrutinize the Provincial Auditor's report? If they deem it unfit in the public interest that we discuss any particular matters of the Provincial Auditor's report, it will be their prerogative to so decide.

That's what I get from your answer this morning. Because you don't find it threatening to you this year; therefore, we can proceed with page 1 and go right through. But if you do find anything that is threatening to you, you will decide otherwise. Is that correct?

Mr. Hopfner: — Oh, I'm glad the . . .

Mr. Rolfes: — Or if the interpretation were too political.

Mr. Hopfner: — . . . member from Saskatoon agrees that this year's auditor's report's not threatening to our government. But no, that's not the purpose at all. The purpose basically is to question the auditor's report, and really as the member well knows, last year there wasn't any real questions actually being brought to this committee's attention in regards to the auditor's report. The first few days of our debates, and in order for this

committee to function, we had to cool down and we had to get rid of the politics from the room and we had to draw people in and start asking questions and stay away from the non-partisan part of, I guess, our ideologies and everything else combined and just to stay neutral and ask questions of the departments.

Mr. Lyons: — Well I want to deal with this question as it evolves in the context of what happened at the last meeting. And that is that there's a whole question of accountability here that we haven't dealt with. It starts on page 7 of the auditor's report and it goes to the heart of the protest that the opposition members of the committee lost last time in the refusal of the government members to deal with WESTBRIDGE Computer Corporation. And as I said at that time, and as I say once again today . . .

Mr. Hopfner: — What part of page 7?

Mr. Anguish: — Read the whole page.

A Member: — There's no pictures there for Mike. What do you expect?

Mr. Hopfner: — Oh come on. I asked a legitimate question.

Mr. Lyons: — That's a legitimate question. Read the whole thing, Mr. Hopfner, I would suggest. I particularly refer you to 1.02.

The Executive government is subordinate to the Assembly because it operates under and is constrained by laws passed by the Assembly.

And what that means very simply, Mr. Hopfner, is this.

Mr. Hopfner: — Are you talking to me now or are you talking to the . . .

Mr. Lyons: — Is that the role of the members of the Legislative Assembly and of the committees that have been set up are to put a check on the executive of government, and that the roles of MLAs who take part in those bodies, in particular Crown Corporations Committee and more particularly Public Accounts Committee, is not to act as defenders of the executive, but is in fact to act as the independent watch-dogs elected by the people of the province.

It is in that context that your comments about partisanship are not only ill-conceived, that they are irrelevant. Because every time that the government members jump to the defence of the executive, we see once again partisanship entering into the committee. That's the way it has been, and I presume that unless there is a radical change, that that's the way it will be in the future.

And that's where we get down to the issue of WESTBRIDGE Computer Corporation. In the last meeting we had we left the committee because the government members, the government members of the committee refused to carry out its mandate and look into the affairs of WESTBRIDGE Computer Corporation; refused to carry out their functions, not because they thought it was in the best interests of the public, but because they thought it

was in the best interests of the executive arm of government. In other words, they were acting as defenders of the cabinet as opposed to defenders of the public interest.

And until that question gets settled here in this committee, then I don't think we're going to be moving on to chapter 1 or any other chapter. Because unless we get an agreement on what constitutes accountability for this committee, then it's a sham, it's a farce, got nothing to do with anything in reality. All it is is play-acting unless that accountability function is truly and really taken to heart.

Now we've gone through, and I think we've shown very well, that your interests are not those of accountability unless of course you've changed your position between the last meeting of this committee and . . . (inaudible) . . . and you will agree to call WESTBRIDGE Computer Corporation before the committee.

I'm going to put forward the challenge on that accountability in another manner at this time, Mr. Chairman. I was going to move a motion that relates to accountability in its broad sense of the issues raised in chapter 2 by the Provincial Auditor and that is the question of corporation accountability.

Now on page 8 of the report, the Provincial Auditor names specifically . . . or names a number of corporate entities, including Saskoil, Ipsco, Cameco, WESTBRIDGE Computer, CIC Industrial Interests, SaskEnergy, each which is defined by the limit of shareholder, of interest that the province has as a shareholder in those corporations, all of which have an investment of public funds in that particular corporation, all of whom are — if one is to accept the logic of the government members outside the purview of the people of Saskatchewan, outside the accountability structures, outside the accountability to the elected representatives of the people of this province.

So we can start on page 1 and go through this and we can discuss it, but it's all in the abstract. So what I'm trying to do is going to make this debate real in the present context of Saskatchewan, Mr. Chairman.

And I would move:

Be it resolved that the Standing Committee on Public Accounts report to the Legislative Assembly the need for an expanded mandate for the Provincial Auditor, to enable the Provincial Auditor to conduct a special comprehensive audit of the process of privatization followed by the provincial government and of all privatization initiatives undertaken by the provincial government.

I think the motion is self-explanatory, given the comments of the Provincial Auditor both last year and this year. Last year the Provincial Auditor said that 50 per cent of public investment in the economic sector . . .

Mr. Hopfner: — Excuse me, Mr. Chairman. Could we get that motion before he continues to talk . . .

Mr. Lyons: — You certainly can, Mr. . . .

Mr. Chairman: — I have a copy of it here.

Mr. Hopfner: — Oh, you do.

Mr. Lyons: — And I want to make reference once again to the 1989 auditor's report. We've seen in 1988, the Provincial Auditor say that 50 per cent of the investments of the province are now outside his purview, that he's not able to do an audit on them . . . conduct an audit on them. And as we've seen from 1988, that that concern is legitimate. And once again it was raised on page 7, but also if you look on Appendix I on pages 6 and 7 of this auditor's report we find the following. Appendix I is:

An Act respecting the Provincial Auditor and the Auditing of Certain Accounts:

And at 15(1) we find:

The provincial auditor or the appointed auditor, as the case may be, shall express an opinion, in accordance with the outcome of his examinations, on the financial statements of:

- (a) any funds that he is required to audit pursuant to subsection 11(1);
- (b) Crown agencies;
- (c) Crown-controlled corporations;

And Crown-controlled corporations, as you know, certainly fits within the definition of . . . or WESTBRIDGE Computer Corporation fits within the definition of Crown-controlled corporations. And:

- (d) accounts not related to public money that are, by an Act, required to be examined by him.

I also refer you to:

16(1) Where:

- (a) the Legislative Assembly or the Standing Committee of the Legislative Assembly on Public Accounts:
 - (i) requests the provincial auditor to perform a special assignment; and
 - (ii) causes the provincial auditor to be provided with the funding that the provincial auditor considers necessary to undertake the special assignment; and
- (b) in the opinion of the provincial auditor, the . . . assignment will not unduly interfere with his . . . duties prescribed in this Act;

the provincial auditor shall perform the special assignment.

In other words we've got the legal authority to ask, Mr. Speaker, that the Provincial Auditor undertake that audit,

that we as the members of the Public Accounts Committee have to do it. And I would cite those as the legal basis for you; actions and that the motion would be in order.

The reason that I'm moving the motion is that somehow this question of accountability to the public of the corporations in which the public has had a pecuniary interest and an ongoing interest and a relationship, that that issue has to be resolved to me before we can, in my mind, before we can go any further.

We've seen it with WESTBRIDGE and the dust-up we've had here with WESTBRIDGE Computer; we're going to see it again with Cameco. I suggest that we may see it with Ipsco and other Crown corporations because this issue has got to be resolved. What right does the public . . . Does the public have the right to know how its money, how its interests are being handled in these joint, privatized, Crown-controlled corporations? That's the issue. That's the issue from the point of view of accountability, Mr. Chairperson.

And if the committee rejects that issue, if the committee says that no it doesn't, then I would submit that our role as elected representatives is greatly diminished, that the role of the Public Accounts Committee is entrenched or will be entrenched, not as a watch-dog over public spending, but as nothing more than another partisan forum where government members defend the actions of the Executive Council, of cabinet, and the opposition goes into its oppositional mode of using every method of exposing not only the fallacies or the mismanagement or misappropriation or mis-whatever of Executive Council, but also the government members who are members of this committee. And that's the choice. Quite frankly, that's the choice before us. We either act as watch-dogs and the committee becomes an agency which is seen by the public as a watch-dog of public spending which it no longer is and which it isn't, or it becomes just another forum where, to quote the poet, "Ignorant armies clash by night." So I would, Mr. Chairman, and it's in that context that I move that motion.

Finally, I want to say that there's just a quite straight logical question which arises because of the privatization, these privatization initiatives of the government. Given that, that these privatization have taken place, so that given that the structure of public funding has changed somewhat dramatically, it would appear to me that in order for the legislative structures themselves to be able to deal with those kind of issues, that there has to be some at least internal modification in the operation of this structure. And that modification I would submit relates to a notion that we must begin to take more independent initiatives on our own, and that is initiatives independent of the Legislative Assembly and the partisanship .

And I agree with Mr. Hopfner. If we can develop the kind of structures and modify the present structure that will allow for those independent initiatives, that will instil a dynamic, if you like, of independent thought, instil a concept of the members of the public accounts as fiscal watch-dogs and we can structure it in that manner. That may be a novel idea, but it would be closer to the model, I

presume, of the House of Commons. That kind of independent quasi-independent role of committee works, where in fact you see, for example, in a number of different committees, reports which are signed and presented jointly, regardless of political affiliation.

So this is, I guess, and finally that this motion is seen in that light, that this is an independent initiative of the Legislative Assembly of the special of the Standing Committee on Public Accounts, independent of the initiatives of the Legislative Assembly, and which has its standing in The Auditor's Act itself. So I would so move that.

Mr. Muller: — I would just like to make a short comment on what Mr. Lyons was saying. I don't really see that he talked about, you know there's many committees federally and in the federal House and we have other committees here and I don't see the reason for running Crown Corporations through the Public Accounts Committee and through the Crown Corporations Committee. And certainly they'd have the opportunity to take these Crown Corporations to the Crown Corporations Committee and that's the way they should go. And I don't see why we should waste the time of this committee by running them through both of them.

Mr. Van Mulligen: — Mr. Chairman, one of the questions that I'm asked most often by the public and especially as I try to explain to them why it is that Saskatchewan has a deficit which is now approaching \$5 billion.

One of the questions that people ask is where is the money going? And people say this in the context of, well the government has been selling off a number of things, they have been privatizing; how come we still have this big deficit even though we've sold off so much of what we own? And some members of the Assembly may say, well I'm never asked that question. But I tell you it's a question that people ask me from time to time.

And I can sort of go through each instance of privatization and say, well you know the government did this and the government did that, the government did this, and therefore we really don't have a very great cash flow as a result of those privatization initiatives to balance out the deficits that we've accrued and all the like.

But the question remains, where has the money gone? And there is a subsidiary question then, well did we get our money's worth?

Lately there also have been specific questions again about the WESTBRIDGE Computer Corporation. I think they've centred on the question of valuation of assets when the corporation was first established. And those questions are being raised in the Assembly by politicians, and I guess now by the public, because the government was a very significant force in the creation of WESTBRIDGE. If it wasn't for the government, through Saskatchewan computer utility corporation through certain parts of SaskTel, there wouldn't be any WESTBRIDGE Computer Corporation.

So the government's actions in the very early stages of WESTBRIDGE were vital to the creation of that

corporation, and therefore there are questions about some actions that were taken, including the valuation of certain assets. The questions have been raised and I think those are legitimate questions for people to ask. There's not a sense on our side that we've gotten the answers to any of the questions that we've raised, whether it's through the Legislative Assembly and more likely in this committee, where we don't think that we're given an adequate opportunity to ask those questions.

But the questions remain. As there were questions raised when the province divested itself of Sask Minerals, and I believe questions were raised when the province divested itself of the coal-mines — specific questions about specific privatization initiatives on the part of the government — all of them leading back to the question, did we get value for our money? Or I suppose more appropriately in this case, did we get money for what we valued?

If in a specific case such as WESTBRIDGE we're not given the opportunity to put those questions here in the committee, either about what happened in the past or if there's a mechanism for more ongoing reporting about what's happening in WESTBRIDGE, given our very significant involvement in WESTBRIDGE, then it seems to me that we need to look for other avenues such as proposed by the motion, and that is that we empower the Provincial Auditor to begin to look at these questions.

So I think that it's important not only to try to get answers on where did the money go and did we get value for our money, but I think we also have to encourage the auditor to help us to begin to define a more appropriate reporting mechanism than we've had, and that we now have, with respect to these business-controlled corporations.

Every year he raises the questions in his auditor's report; points out that this business-controlled corporation reporting mechanism back to us is inadequate. It's public money, but we're not getting any reporting back. And members say, but it's a private corporation, and therefore we shouldn't expect to get anything more than anyone else that owns a share. And if you want to find out, they go on to say, you should buy a share, but that's not appropriate.

As a member of the Legislative Assembly, I shouldn't be required to buy a share in a company to find out what's going on in that company, especially if the Crown has significant interest in that company. Those shares are controlled on our behalf by the government, and there then needs to be some accounting mechanism back to the people of Saskatchewan as to its stewardship of those shares and how it's exercising its options with those particular shares.

Nabisco — I don't know if I've got the right corporate structures here — but Nabisco, as an example, is a large conglomerate. We don't have any shares in Nabisco, but I'm sure that Nabisco would have a far different interest in shreddies wheat incorporated if it owned 60, 70, 80 per cent of shreddies wheat incorporated as opposed to just having a few shares. And I'm sure that it has some far more effective mechanisms coming from the one company back to the major company if it owned a large

portion of that. And certainly there's a great deal of interlocking that goes on in the various reporting mechanisms between the parent company and the subsidiary companies.

And I guess so there should be in the case of the Crown, that is, that there needs to be a far clearer reporting mechanism about these business-controlled . . . or these business corporations back to the members of the Legislative Assembly.

And I'm not for one instance suggesting that, as I pointed out the other day, that members of the Legislative Assembly are asking for information or have any business asking for information about Pete's plumbing and heating or Mike's mufflers where we don't own any shares. But certainly in the case of WESTBRIDGE and in the case of many of the companies that have been privatized — not all, but in the case of many that have been privatized — we still own a significant share, and there needs to be far more effective reporting mechanisms back to the people of Saskatchewan, through the Legislative Assembly, through the public accounts or through some other mechanism which simply isn't there. And that's in addition to what's put in the motion.

The motion addresses itself to two things. One is the process. I think that it's important for the people of Saskatchewan to know and understand the process the government generally utilizes in privatizing. It has a department of privatization, those people must operate by certain guide-lines, look to do certain things. I think that process, because it is so important to the public — you're divesting yourself of something — I think that process needs to be understood by the public and needs to have public scrutiny and if necessary be debated by the public as to whether it's an adequate process.

That's one thing that the Auditor General for British Columbia did was to look at the process that the government generally followed in privatizing and commented on that process. I think we need to have no less here.

Specific initiatives — again the questions have been raised about specific privatization initiatives, about whether we got value for our money and whether the government acted appropriately in the early stages of privatization. I think the questions are still there; I think the answers are still begging, and we need to find out. And one way to accomplish that then is that if members of the government don't feel the public accounts is an appropriate place for us to get answers about some of these privatization initiatives — and certainly the option of asking a minister in a Crown Corporations Committee is not an appropriate venue either — then we need to take a different approach. And the approach that we're suggesting, I think, is a good one.

Again for the government members, you've always maintained publicly, you've always maintained publicly in the legislature that these privatization initiatives have benefitted the people of Saskatchewan and were done on behalf of the people of Saskatchewan. If that's the case, then you should not have any problem with a motion such as this, which is asking the auditor, not politicians,

but asking the auditor to examine those initiatives and to determine whether or not the people of Saskatchewan did in fact get value for money.

And I realize that there are many other objectives outside of straight remuneration that you think are important, but an auditor wouldn't necessarily go to evaluate those, identify those. But there are other instances of where you go to get value for your dollar, and that was your objective. And certainly we should be asking the auditor to examine that and to let the people of Saskatchewan know that, yes or no, we did get value for our money; yes or no, the process you followed was a good one; yes or no, there are other things that might be done in the future in terms of these privatization initiatives.

And that's why we put the motion forward, Mr. Chairman, in the hopes that all members can agree to turn these questions over to a third party to have that person review them. And no doubt there are other specific things that need to be done, such as, you know, this is going to implicate the auditor's work load and the auditor will need additional resources to undertake this work. But I think that it's a direction that the committee should go from both sides, if we want to take these questions about where did the money go and did we get our money's worth out of this, you know, take it out of this committee.

It's been made clear that these things are not to be discussed here, then this is one way to deal with it.

Mr. Hopfner: — Mr. Chairman, I'm not going to belabour this at all. Other than the fact is that this is a repetitive argument from year to year to year to year, and I guess basically the repetition will probably always remain.

An audited report, whether it's done by the Provincial Auditor or whether the Provincial Auditor accepts a private auditor's report, or all these particular degrees of arguments can be handled professionally. I guess, as we well know, that if the Provincial Auditor does not accept another auditor's report, that particular auditor's . . . or the clash of the two auditors could eventually end up within their own professional body and be dealt with under their own professional body, not by politicians, not by anyone else. I think probably that auditors act very professionally in this province.

They definitely, as we have heard here earlier, we've definitely had some agreement now between the Provincial Auditor and WESTBRIDGE. I don't think that's up to us as individual politicians to decide how the Provincial Auditor and the private auditor of WESTBRIDGE should come to an agreement. I think it's up to them how they decide an agreement should be met. I think that when you look at that signal of co-operation that has been given between WESTBRIDGE and the provincial auditors that we should not interfere as politicians. If the auditor is satisfied, that will show up in the auditor's report; if he's not satisfied, that should show up in the auditor's report.

I think really when it gets down to the fundamental argument that the member has posed through this motion, it is basically that of an ideology that members of the opposition in the province of Saskatchewan do not

believe in any public participation through the Department of Public Participation. I'd like to correct the member, it's not the department of privatization, it's the Department of Public Participation.

And I think probably when you look at that, we will never cure the beliefs from party to party in the party politics. We believe that the public can play a great role in this province by not only by being 100 per cent private, but to be able to join with the government in a partnership. And I think those kinds of initiatives should be honoured and honoured so that they can compete in this province and compete without having to worry about an individual politician running amok with information or having the powers to bring them before a committee and make them . . . and scrutinize them to a point where it's totally embarrassed, embarrassment to the particular company.

I think we should give the auditors, both now from WESTBRIDGE and the Provincial Auditor, that opportunity to put the report together and bring it to this committee. I don't think that we're going to get anywhere with motions such as this. Accountability — yes, I believe that all of us want accountability. I believe that it's essential to have a Public Accounts Committee to make sure that everyone is being accountable.

And other than the ideologies, I think that there has been good questions, good questions from both sides of this committee to officials that have come into this Public Accounts Committee meetings. And we've gotten the answers. We've not necessarily had to agree as individual people that the programs were of their particular personal beliefs or their party beliefs, but they got the answers. They found out where the expenses went.

We did not have to accept any of the departments here in this committee if we so desired to dig further. We could have had departments come back to this committee. We could have asked them more and more questions. There was . . . Nobody said that they could not continue to ask questions. You, as chairman, ask any members if there are any further questions of departments, or when we pass a motion, we pass a motion that we've accepted their answers and their report to this committee, and that they are still subject to recall.

We will continue to have this annual argument, I guess if you will, about procedures, because as new members come on they will say, well why does this committee operate this way? Why does that committee operate that way, and why don't we operate this way? Well it's a learning experience for everybody. I had those same questions.

But if I can take the member from Saskatoon, he's been in government in his early years and now sits on the opposite side. He's been in Executive Council. And he's got to understand the fact that . . . and I have many quotes that I could bring to this committee of various departments and ministers, be it in Crown corporation or public accounts, that they had felt fairly well the same way, that they had to keep a certain amount of information, withhold a certain amount of information to protect the workings of various corporations and companies.

I can suggest to you, like you take a number of . . . a department of SEDCO, for instance. If we started getting into all the SEDCO loans, for instance, of corporations and really . . . (inaudible interjection) . . . Well the member from Rosemont says there's a difference between loans. It's dollars and it's dollars spent within the assets of a corporation and/or the operations of a corporation in the daily functions or the yearly functions or the monthly functions. It's very complicated and I think we have to rely on our auditors for this information.

We should not as politicians try to publicize and bring to the public's attention that, well we'd like to now scrutinize this corporation or that individual or that company and really have them put to some sort of test and to make some belief out there that there might be some dirt or something that . . . and just leave that haze hanging over the public of Saskatchewan. I don't think the public want that kind of interference in the market-place or anything else.

And so I honestly believe, sir, that let's allow our auditors to function, be it private and the Provincial Auditor. Let's allow them to meet the . . . to get along and come up with the agreements that they need to function. They're professionals. They're all obligated under the same act, professionals' act, professional auditors Act. And they have their own body of policing each other and I would suggest that the outside interference of politicians should not enter the picture at all.

And I think other than the partisanship here in this committee, if we could stay away from that kind of a debate, it's basically the question of privatization in this committee. Well public participation and privatization here in the province of Saskatchewan is the Progressive Conservative government's mandate as far as some of the corporations have been concerned, and so be it. And they've proven to be successful . . . (inaudible interjection) . . . Well the member from Rosemont says then that can be changed. Well that's fine. But I want to say to you, sir, that I'm opposed to the motion.

Mr. Chairman: — Are we ready for the question?

Mr. Rolfes: — Mr. Chairman, I think we should take a break, but I'll tell you one thing. If Mark Antony were alive, he'd have to bow to that member for oratory. Let's take a break.

The committee recessed for a short time.

Mr. Chairman: — Order.

Mr. Rolfes: — Mr. Chairman, I'd like to direct some words to the motion moved by the member from Rosemont. I want to first of all say that the motion I think very clearly indicates that we want to extend the authority of the Provincial Auditor as it relates to privatization. I don't think that many of us have any objection to the role of the auditor as it pertains to line departments or departments or agencies wherein he is allowed to do his audit without any interference or restrictions by the government or CIC (Crown Investments Corporation of Saskatchewan), which I equate with government because

the board of directors are cabinet ministers.

I think it should be clearly understood that although some of us feel — and I think there are statements that I have made in the past that I do not necessarily believe in comprehensive auditing by the Provincial Auditor in all instances. But I think we have . . . the political scene in Saskatchewan has changed very dramatically since '82. And because of the report made by the Provincial Auditor last year wherein he states that well over 50 per cent or 50 per cent of the expenditures of government he was not able to audit because of the interference by the executive branch through CIC or some other agency, that I think we as public representatives have to have a serious look at accountability.

And I want to underline the word accountability. I think the member who moved the motion, the member from Rosemont, hit it right on the head when he said that this committee is accountable to the legislature and not to the executive branch. And if that is the ideological difference between members on that side and members on this side, then I say one side believes in democratic government and the other side believes in government run by executive. And there is an argument to be made on both sides, but I always felt that we were a representative government based on the principles of the British parliamentary system and that the executive branch is subordinate to and answerable to the legislative branch.

But that argument is not made by members opposite. They are saying, no, the executive branch has the right to determine what will be accountable to the Legislative Assembly. And members on that side are saying it very clearly, and that is unfortunate. That is unfortunate. There's countless examples. For example, Bill 5 was a good example. That was introduced by the government opposite into the legislature which gave almost unlimited control to the executive branch to do whatever it wanted to do in regards to setting up different departments apart from having responsibility to the legislative branch. Bill 5 was a good example of that. We opposed it; we said the dangers that there were, and this is simply continued.

And as long as government members are taking their direction from members of the executive branch, this committee simply can't function, can't carry on its duties. We are, I think, very quickly becoming nothing but a sham committee. We go through the procedures and if there is anything at all, as the member from Lloydminster wants to refer to over and over and over again, just because there may be something that may be embarrassing to the government, he says it's politics. The members opposite are politicking just because you find . . .

But he doesn't recognize, he doesn't realize that that is the purpose of this committee — to be a watch-dog over public expenditures. That is our purpose. And if we don't dig into those and find out whether there's been inappropriate expenditures, either where there's been no legislative authority or where there's been interference with the Provincial Auditor in performing his duties, then we are not carrying out our function.

And let me say this to the committee. I know you're going

to use your majority probably again to vote this down and we are going to go through the hoops and the steps and go through this. I want to say, look I'll do my part and play my part and go through it. I am not happy, as I was not happy with last year's procedure. And some members weren't here. But time and time again, there was interference by the government members of when there was something that may be embarrassing to the government, there was objection, objection, objection over and over and over again.

This committee simply can't function unless it is given more leeway to do its work. It's got to be independent of the executive branch and I feel the hand of the executive branch in this committee day in and day out — day in and day out it's here.

I want to make a comment and I will quote from some authorities. When a member from Lloydminster says, it's a clash of auditors, there is nothing further from the truth. When he talks about clash of auditors, what the member doesn't seem to understand is that as professionals, the auditors will serve their masters. And there is nothing wrong with that. There is nothing wrong with that. They are not doing something that's unprofessional. They are serving their masters.

When we appoint the Provincial Auditor, he serves his master or her master; in this particular case, it's his master, and that is the Legislative Assembly. It is not the executive branch. When the executive hires through CIC or some other agency, auditors that do the books for them, those auditors are serving their master and that is the executive branch or CIC.

And I say CIC and executive branch are equivalent because all the board of directors, or a majority of the board of directors, not all, but the majority of the board of directors are members of the executive branch. They are serving two different masters with two different objectives. What the executive branch wants from their auditors and what the Legislative Assembly want from their auditors are two entirely different things — two entirely different things.

I want to refer you to some experts in this particular field, and I refer you to Bill Clarke who was a chartered accountant and a member of the House of Commons' Public Accounts Committee, who said in September 1982, and it was in regards to the post office at that time where co-auditors had been appointed, and the prime minister at that time said that contract would not be renewed. And the Public Accounts Committee and the members said at that particular time that it was very unfortunate. It was a very poor thing because the auditor had for 103 years, the Auditor General had done the books for 103 years, and now the government had cancelled the contract and would not renew the contract.

And it goes on to state, he says the Auditor General is the only one. I quote:

The auditor general is the only one who can report to the House of Commons. That is the important distinction — outside auditors cannot report to the House of Commons. They can report to the

minister and the minister, as he has proven, can sit on auditors' reports for weeks or months as he chooses. That circumvents the accountability process that we think is so necessary.

The point I want to make here is that the minister of the Crown — he can sit on it as long as he wants, any reports. He doesn't have to table those reports in the Legislative Assembly, and therefore there is no accountability to the public through the Legislative Assembly for expenditures of government.

And no one is insinuating that there's any corruption. No one is insinuating that there's any corruption. There may be. We don't know. But there certainly isn't public accountability, and every member of this committee should feel very frustrated that he or she can't report back to the public and to their constituents of public expenditures because the executive branch interferes and frustrates that process.

That is unacceptable, and it shouldn't be allowed. I want to quote from one other source which may be much more acceptable to the members opposite. And that is on May 18, 1983; the Hon. Mr. Andrew — we all are familiar with this individual — Minister of Finance and former chairman of the Standing Committee on Public Accounts made the following comments to the Saskatchewan Public Accounts Committee.

Now let me read to you. He said and I quote:

I think the rationale, to put it in layman's terms, would be that if the . . . because the Provincial Auditor's function is basically to report to the legislature, and therefore certain, maybe, conditions are different than an outside auditor reporting to his board of directors and through them to the shareholders.

Mr. Andrew recognized that there is a difference because they're serving different masters. And therefore what is reported to the executive branch or to CIC through private auditors is different than what would be presented if the Provincial Auditor were to do that same auditing because he is hired by the Legislative Assembly.

I want to go one other individual and that's the Hon. Mr. Blakeney. And there's a long quote but I will only take parts of it, and you can read it on page 8 if you wish. But I don't want to read the whole thing. And he makes it very clear that he's not attacking any private auditor. He says:

Now I ask again: in my power corporation analogy, who is the client? Who's appointing — who is appointing Clarkson Gordon? Not this legislature. I don't know who it's going to be, but not the representatives of the ultimate owners. And therefore, while there is no problem in having Clarkson Gordon do some auditing work . . . auditing work doesn't have to be done always for the benefit of the shareholders, it can be done for the benefit of management.

And please note that. That when management appoints the auditors, the client is management, not the

shareholders, not the people of Saskatchewan, not the members of the Legislative Assembly.

And there can't be any doubt about this, and it's nothing to do with the professionalism of the auditor or anything of that kind (states Mr. Blakeney). Anybody who operates in the profession knows — and I think of my own experience in the legal profession — an absolutely key question is: who is your client?

I think the point is well made by these three individuals that I have quoted that we are running into some serious difficulties in making this committee function properly and to carry out its mandate.

Now, gentlemen, we can go through the motions, and I hope for goodness sake that we're not going to vote this down. But if we are, let me say we'll go through the motions, we'll go through those departments, and we'll report to the legislature and . . . (inaudible interjection) . . . Well maybe, maybe there'll be an election before. But if we complete it and report to the legislature, you will report and we will oppose because we feel we haven't been able to do our job. And it's just a sham over and over again. If you want to go through those hoops and those steps, fine.

When members say that we have every opportunity to dig into government expenditures, that simply is not true. Our opportunities to do that are constantly, I say, restricted. And I would hope that because of the initiatives that have been taken by this government in privatization, and many of the people are asking questions about it. I heard a minister say the other day how successful Saskoil has been. You subtract from Saskoil the sale of natural gas by the power corporation and many people feel much below its value, and you take out of the profitability of Saskoil a huge chunk. That should be looked at.

My colleague when he left the chair referred to WESTBRIDGE. Ninety-six million dollars of WESTBRIDGE work is with Crown corporations and government. You take that away from WESTBRIDGE . . . How successful has WESTBRIDGE been as a private corporation, as you like to call it. I don't think it's a private corporation; you still own 60 per cent. Sask computer, as I indicated last year in public accounts, had profits I believe at \$3.4 million when it was taken over by WESTBRIDGE. You take that out of WESTBRIDGE and what success has WESTBRIDGE been? Not very much. Not very much at all.

So the success of privatization is not due to the fact that WESTBRIDGE has now suddenly bloomed forth as a jewel. You take away those contracts and many of those contracts . . . and I'd like to get into those because people come to me and say that WESTBRIDGE is getting contracts that they haven't even tendered for. They haven't even tendered for contracts. And if WEST BRIDGE doesn't tender for them or they are . . . some individuals of government go to WESTBRIDGE and say, we want you to tender, and WESTBRIDGE tenders and WESTBRIDGE gets the contract. Let's look at that if those allegations are true. If they aren't, fine. But if they are, let's have a look at

them.

We can't do it if we are restricted in this committee in looking at expenditures by government agencies or the government.

Mr. Chairman, I hope again that the members opposite will vote for this. Let's open up this committee. Let's be able to carry out our mandate so that the committee can function well, not only now, but also when you people are going to be sitting on this side. And there's a pretty good chance that you're going to be sitting on this side. Well, some of you may not be back, but if you are it's a pretty good chance you may be sitting on this side, and let's hope that at that time you can look at a precedent and say: hey, look, I voted for this. When I sat on that side I voted for your motion that you passed. I wanted to open up this committee so that it can carry out its mandate.

You vote against this, and what can happen again in the future, someone else is going to say, when you . . . well I remember when you were sitting over there you voted against it, now you're changing your mind again. We are not responsible and we're not part of the executive branch and what I'm urging members to do is let's use our authority as private members to carry out our job and that is a job and first and foremost our responsibility to the Legislative Assembly, not to the executive branch.

And having said that, Mr. Chairman, I encourage again the members opposite to support the motion. Thank you very kindly.

Mr. Lyons: — Thank you, Mr. Chairman. I'm not going to take up much more time. I think that the motivations and the reasons for the motion are absolutely clear in everybody's mind.

What I want to — in wrapping up the debate on this — say is this. For the last month there have been a number of motions put forward by members of the committee. Each of those motions, and including this motion, had a clear intent of developing an increased mandate for the Public Accounts Committee, to develop some independence from the kind of partisanship which takes place in the Legislative Assembly, which would open up the process of accountability to the public on a much broader basis than presently exists.

I refer specifically to the motion that was put forward four meetings ago, for example, that said, we should have in conjunction with the Provincial Auditor, ask the legislative committee to empower this committee to look at the overall functioning of the committee, in the sense of finding . . . one of the questions was the independence of the Provincial Auditor. The second issue that was raised in that motion was the accountability of this committee. And the third was of finding ways and means of developing a greater responsiveness and a greater openness and a greater method of providing information to the general public at large.

There was an opportunity at that time for the committee, regardless of its political strife or the members of the committee, to say, okay, let's use the new technologies, let's go ahead — given the statement of the Premier, given

the statement of the Premier for a more open and honest and a more accessible government, that given an opportunity at that point in time to take the Premier at his word, and to find methods of developing accountability, of enhancing our role as elected members of the legislature and of enhancing in fact the knowledge and the information of the general public at large. That motion was defeated. Again, it was defeated on partisan lines.

The last time we saw the motion, a number of motions, saying, okay, let's be specific on this. let's take the Premier at his word. If in fact it's the intention of the government to have a more open and accountable and honest government, then let's start in the public accounts by looking at WESTBRIDGE Computer Corporation, a corporation which, quite frankly given its performance in the last year, raises a whole number of questions as to, first of all, the overall the valuation of its assets; secondly, the question of the disposal of those assets; thirdly, the question as Mr. Rolfes has raised, its supposed competitiveness.

And Mr. Hopfner has raised in his argumentation the question of WESTBRIDGE competitiveness. And I might say that there does not appear to be competitiveness involved in this when in fact there are no tenders for example from SaskPower, as was admitted by the minister in charge of SaskPower that SaskPower didn't tender its computer operations — in fact turned them over to WESTBRIDGE because of, as the minister said, its long-standing relationship with WESTBRIDGE Computer.

There are questions as to the amount of money that WESTBRIDGE is making from the public treasury — \$96 million out of the public treasury. And I have to ask the question why is it that WESTBRIDGE charges the provincial government \$96 million, when in Manitoba, not that far away, the Crown computer corporation in Manitoba charges the provincial government \$30 million for all its computer operation, and that includes medical services. And WESTBRIDGE doesn't handle medical services here in the province. There's that question that arises.

But fundamentally, fundamentally the issue is one of accountability. It comes back to that time and time again and the public's right to know.

The government has made a political argument and an economic argument for privatization. We have challenged that argument on a political basis because of our differences in terms of how we see development occurring in the province. We're also challenging that argument economically, and what this motion does is then put it out to an independent body — and that is the Provincial Auditor — to develop a comprehensive audit of the privatizations so that in fact the people of this province can see whether or not there was value for money in the privatizations.

The government has said, yes there is, that the short-term and long-term benefits of privatization are for the economic benefits of the people of Saskatchewan. The opposition has said we don't agree with that. We don't believe that that's the case. So the public can be excused,

if you like, of not necessarily knowing which argument is the correct argument, in so far as the economic rationale exists. And we're challenging the government by this motion of saying, if you think privatization is such a fine economic strategy for the development of Saskatchewan, if the privatization of companies like WESTBRIDGE, if the privatization of the companies such as Cameco, if in fact, as Mr. Hopfner says, this partnership — which is, I would suggest, a form of double speak.

It's not a question of partnership at all. It's a question of using the Provincial Treasury to prop up corporations which would not be financially viable on their own, and we look at WESTBRIDGE. I think that there's a fairly strong economic argument that can be made on that.

But given all that, given that political debate, we're saying, we challenge you. We want an audit done that by an independent body, which is the Provincial Auditor, who is responsible not to any particular political party, not responsible to the government of the day, but is responsible to the legislature, and hence to the people of Saskatchewan as a whole. That we say, put it in the hands of the Provincial Auditor. let the Provincial Auditor determine whether or not the people of Saskatchewan received good value in these privatization initiatives. That's what the intent and that's what the thrust of this motion is.

The government on the one hand says: yes, we've made mistakes in the past; yes, we're going to change our course; yes, we're going to become more open; yes, we're going to become more accountable; yes, we're going to become more honest. We're saying, if that's the case, then let the Provincial Auditor, an independent body, determine whether or not your initiatives have benefitted the people of this province. We say no. You say yes. Let the Provincial Auditor decide that in strict accounting terms and the kind of terms that those audit of value for audit, as the Auditor General for British Columbia has done.

It's not something new that we're proposing in this country. The Auditor General for British Columbia has in fact undertaken a special audit of privatization initiatives in that province. And that auditor's report makes very interesting reading. I tell you, particularly government members, that I would urge you all to take a look at that particular report.

What we're asking here and what we're saying here is that you have the opportunity to prove your case through an independent body. You're voting against this motion. By voting against this motion, I take it — and I think the public of Saskatchewan will take it — that you are afraid of putting those initiatives up to the light of public scrutiny, that you don't have the courage, you don't have the courage of your political convictions.

And what you say, in the sense that these things have been good for the people of Saskatchewan, that by not voting for this motion, you're saying, well we undertook these initiatives but we can't back them up with facts. We can't back them up by having an independent body review them and an independent respected body such as the Provincial Auditor.

I think, Mr. Chairperson, that that is all I want to say at this time. I think the issues before the public and the issues before this committee are clear on this motion, as they have been for the last month before this committee. It's a question of openness and accountability versus an unwillingness to change and an unwillingness to let the actions of government be scrutinized by the public at large.

Mr. Chairman: — Is the committee ready for the question? Is it the pleasure of the committee to adopt the motion? Four and three. In my opinion, the no's have it.

Mr. Rolfes: — There's only three no's.

Mr. Chairman: — No, there's four no's.

Mr. Rolfes: — No, Herb didn't vote . . . (inaudible interjection) . . . I didn't. Are you ashamed to vote? You want to be on record, eh? I wouldn't go on record either, Herb, if I were you.

Mr. Lyons: — What's your determination, Mr. Chairperson?

A Member: — Three and three.

Mr. Chairman: — No, the motion's lost by a vote of four to three.

Mr. Lyons: — Mr. Chairperson, may I move a motion for a 15 minute adjournment? If that be the case?

Mr. Chairman: — Sure you can move that.

A Member: — It's a motion that has to be voted on.

Mr. Chairman: — Is the committee ready for the question?

Mr. Hopfner: — Mr. Chairman . . .

Mr. Chairman: — Is it the pleasure of the committee to adopt the motion?

Mr. Hopfner: — Mr. Chairman, I'd like to speak to the motion. Mr. Chairman, being . . . we get back onto the agenda here.

I guess probably I'd like to ask you if you want to deal with one and two, or should we call in now the Agricultural Credit Corporation of Saskatchewan that you wanted for the first department, and then Crown Investments Corporation on stand-by?

Mr. Chairman: — My sense is that we should get into chapter 1 and so on, and see where we go . . .

Mr. Hopfner: — Okay, I'd like to ask some questions on chapter 1. Mr. Chairman, if I could, I'd like to question the Provincial Auditor. In regards to the accountability process, Mr. Auditor, could I . . .

Mr. Lyons: — Point of order, Mr. Chairperson.

Mr. Chairman: — What is the point of order?

Mr. Lyons: — The point of order is that we haven't agreed on the agenda. We haven't agreed, and I for one — given that the government has once again shown its lack of responsiveness — I for one wish to . . . The reason, if I may, that I moved the motion for an adjournment, is because I for one want to reassess my continued participation as an MLA on this committee. And I'm not prepared at this point in time, and I speak now personally, I'm not prepared at this point in time to go forward.

Mr. Rolfes: — Mr. Chairman, on point of order, I don't know how we got so quickly to having accepted an agenda. There's just no acceptance. The agenda has to be accepted by this committee. It can't just be decided by the chairman and the vice-chairman, and . . .

Mr. Chairman: — The agenda for today is the Provincial Auditor's report for the year 1988-89, and future business of the committee, and . . .

Mr. Rolfes: — Mr. Chairman . . .

Mr. Chairman: — And I would have to say that if the member wants to proceed to chapter 1 of the auditor's report, then . . .

Mr. Rolfes: — Mr. Chairman, on a point of order, when did we agree that that would be the business for today? When did this committee agree that that would be the business for today?

Mr. Chairman: — Well I think it's . . .

Mr. Hopfner: — We're dealing with the beginning of the auditor's report.

Mr. Rolfes: — We have not accepted an agenda. This committee has not accepted an agenda yet.

Mr. Hopfner: — Don't you accept the auditor's report?

Mr. Rolfes: — We have not accepted an agenda for this committee.

Mr. Hopfner: — Don't you accept the auditor's report?

Mr. Rolfes: — We have not accepted an agenda for this committee. Period.

Mr. Hopfner: — Well the agenda was there. We got notification.

Mr. Chairman: — Is there some problem dealing with chapter 1?

Mr. Rolfes: — Yes, there certainly is. There certainly is. We are not prepared to consider the Provincial Auditor's report at this time, basically because we have not accepted an agenda.

Mr. Hopfner: — Well the agenda is the auditor's report.

Mr. Rolfes: — Because, Mr. Hypocrite, last year . . .

Mr. Swan: — Mr. Chairman, we can't allow that kind of comments in the committee.

Mr. Rolfes: — But he is that.

Mr. Chairman: — I didn't hear the comment, and I'm sorry but all I can say is that it . . .

Mr. Rolfes: — Mr. Chairman. I withdraw the comment. I withdraw the comment. I just don't like hypocritical stands.

Mr. Chairman: — Order, order.

The report of the Provincial Auditor has been referred to the committee by the Legislative Assembly. Right? Now if there is no other motions and no other discussions, it seems to me we move into chapter 1. Now if members want to bring up other things as opposed to going into chapter one, then we're prepared to do that and we have been doing that. But in the absence of anything like that, then I say we get on with chapter 1.

Mr. Rolfes: — Mr. Chairman, on a point of order. I want you to explain to me where we have agreed to the agenda. You say there's an agenda before us. Where is the motion that we accept the agenda? When did we agree to this?

Mr. Chairman: — The report is the agenda. The committee has no other business before it except to deal with the report.

Mr. Rolfes: — Mr. Chairman, this was not the procedure last year and you know well that it wasn't last year; that it doesn't become automatic that we go through the . . . I want some discussion as to what will be first considered on our agenda for the next day. That opportunity was not given to me.

Mr. Chairman: — Chapter 1. And last year the government specifically, the government members moved that we specifically exclude consideration of a particular chapter, and the committee voted on that. But it seems to me that we have the auditor's report before us, we deal with chapter 1.

Mr. Rolfes: — Pretty dictatorial. Purely decided by government members.

Mr. Chairman: — There was agreement, or at least I think there was, on the specific departments that are to be called, subject to members clarifying any of those at any time.

Mr. Rolfes: — That's what I've asked you, Mr. Chairman. Where is the motion that we accept this as our agenda? Where is the motion?

Mr. Chairman: — My sense is that there was agreement that we would call . . .

Mr. Anguish: — Can you reference the motion for us? What is the motion?

Mr. Chairman: — Well there is no motion. It's for the

chairman and the vice-chairman to agree on the agenda and we've done that.

Mr. Anguish: — That's not acceptable. Unless there is a motion there is no agenda.

Mr. Chairman: — Well then would someone make a motion, please, that we establish an agenda.

Mr. Anguish: — It's not a matter of establishing an agenda. The committee has now maintained that this is the agenda.

Mr. Chairman: — Well it is. That's the way . . .

Mr. Anguish: — There is no motion . . .

Mr. Chairman: — What other business is there before the committee except to deal with the report of the Provincial Auditor? Please tell me that. Is there any other business?

Mr. Anguish: — Yes there is other business. There is the issue of Crown-controlled corporations which the government members of the committee refuse to call before the committee.

Mr. Chairman: — Where is the motion to deal with that?

Mr. Anguish: — Well, Mr. Chairman, we want to talk about the advisability of that happening.

Mr. Chairman: — Then please put forward a motion; we'll discuss it.

Mr. Anguish: — Well you put forward a motion, someone put forward a motion that this is the agenda. The onus should not be on us, the onus should be on the committee to put forward the motion that that be the agenda.

Mr. Hopfner: — There is no motion.

Mr. Anguish: — If there's no motion, then we have no business to conduct on the committee.

Mr. Chairman: — The purpose of the committee is to consider the matters referred to it by the Legislative Assembly. Referred to the committee by the Legislative Assembly are the *Report of the Provincial Auditor* and the *Public Accounts*. In the absence of any other business that members may want to bring before the committee at any time, it would seem that we should get on with dealing with the *Report of the Provincial Auditor* and we do it in the order that the auditor has laid out. Chapter 1, 2, 3 and so on.

Mr. Anguish: — If you're looking for consensus, there's no consensus on that . . .

Mr. Chairman: — There is no other business before the committee except to deal with the *Report of the Provincial Auditor*, unless members want to, by specific motion, put other business before the committee, which can be, if it's in order, can be dealt with any time.

Mr. Anguish: — Has there been a motion to accept this proposal that's been placed before us in order as it

appears?

Mr. Chairman: — I don't know if you need, in the absence of specific change from the list before us, I don't know if there needs to be a motion. This is the business of the committee.

Mr. Hopfner: — Can I ask my questions?

Mr. Anguish: — Is there a motion paper there?

Mr. Hopfner: — Well, no, I've got the floor. You can't just intervene with a motion.

Mr. Anguish: — What do you mean you have the floor?

Mr. Hopfner: — I was recognized . . .

Mr. Anguish: — All of a sudden you have the floor again?

Mr. Chairman: — No, no, the member had the floor.

Mr. Anguish: — Well where was the debate going before?

Mr. Hopfner: — It was a point of order called; that's all.

Mr. Chairman: — The member has the floor unless, you know . . .

A Member: — With no agenda.

Mr. Anguish: — If there's no agenda, what's he got the floor on?

Mr. Chairman: — Let me just reiterate that it's a normal practice of the committee to take the items referred to it by the Legislative Assembly and that shall constitute the agenda of the committee. Now if members want to deviate from that, want to raise other matters, then it's entirely in order for them to do that.

Mr. Hopfner: — When they have the floor.

Mr. Chairman: — When they have the floor.

Mr. Anguish: — Well, I apologize, Mr. Chairman. I didn't know that he still had the floor.

Mr. Chairman: — He has the floor.

Mr. Hopfner: — Thank you.

Mr. Anguish: — Try to go as long as you can, Mikey, eh?

Mr. Hopfner: — Thank you, Mr. Chairman. In dealing with chapter 1 and some of the . . . I'd like to get into some basic auditing questions, I guess, because maybe you can explain to myself and members of the committee as well as the public. When we're dealing with auditors, are all auditors, be it appointed auditors or the provincial auditor, do you people all follow the same auditing practices, basic auditing practices? Do you come through the whole same profession with the same qualifications of auditing and everything else like this?

Mr. Wendel: — Mr. Chairman, Mr. Hopfner, all auditors

would follow generally accepted auditing standards if they were chartered accountants.

Mr. Hopfner: — Okay. So when people suggest that auditors serving various masters, I guess probably we could accept that, could we? They're hired, or is an auditor, an auditor, like are they . . . when an auditor does an independent audit of a corporation, are they bound by any particular type of individual . . .

Mr. Anguish: — A point of order. I'm having a difficult time understanding where the conversation is going. Are we now debating the auditor's report in seriatim? Have we established that this is the agenda in order, Mr. Chairman, and now he's dealing with chapter 1? Has this agenda been adopted?

Mr. Chairman: — As I understand it, Mr. Hopfner is raising some questions with respect to page 7, and it's entirely in order for him to do that. What other business should we be dealing with?

Mr. Anguish: — Have we adopted this agenda is my point of order. I'm asking that question. Are we now on to the agenda that's been proposed to us that we have not agreed to? Is that where we are at?

Mr. Hopfner: — No, we're just in the auditor's report, the general auditor's report. I'm asking questions.

Mr. Chairman: — Mr. Hopfner is asking questions with respect . . .

Mr. Anguish: — Is that the first item on the agenda, that we have a general that's before the steps that have been placed out on here? Where are we at in our stage of deliberations on the 1988-89 auditor's report, Mr. Chairman?

Mr. Chairman: — We're dealing with the auditor's report and Mr. Hopfner is asking some questions on chapter 1, and that's . . .

Mr. Anguish: — Then we are on chapter 1, having adopted this agenda. Is that what you're saying?

Mr. Chairman: — Well he's asking questions on that and it's entirely legitimate for him to do that. Why wouldn't he do that?

Mr. Anguish: — We haven't adopted the agenda.

Mr. Chairman: — There is no other business before the committee at this point.

Mr. Anguish: — The purpose of today's meeting was to discuss the agenda.

Mr. Chairman: — The agenda for today is the Provincial Auditor's report for the year 1988-89.

Mr. Anguish: — When was the agenda established then, Mr. Chairman?

A Member: — The whole report is the agenda.

Mr. Chairman: — Mr. Hopfner . . .

Mr. Anguish: — No, Mr. Chairman, Mr. Chairman . . .

Mr. Chairman: — Your point of order is not well taken.

Mr. Anguish: — How can we deal with this when the agenda has not been established?

Mr. Chairman: — Your point of order has not been well taken.

Mr. Hopfner: — I'll try and rephrase my question, I guess, to the Provincial Auditor. I want to get this clear in my mind. You, as a Provincial Auditor, would do an audit on a particular company and a private auditor would do an audit on a particular company, let's say the same company, okay? Would you follow the same audited practices . . . auditing practices?

Mr. Wendel: — Mr. Chairman, Mr. Hopfner, I guess it would depend on what the objective of the audit was as to what standards you would follow. But we would all follow generally accepted auditing standards in achieving our objectives, whatever it was you'd been hired to do.

Mr. Hopfner: — Okay, would you audit a corporation to suit the corporation or would you audit the corporation to suit all shareholders? Would you carry on . . . The audit is basically to keep everyone, I would think, on an up and up, on an honest base, and make sure that everyone is following proper procedures within a corporation when you report to the shareholders or the people, the public, the province of Saskatchewan. Would all auditors follow that same standard?

Mr. Chairman: — Mr. Hopfner, I just want to interrupt you for a sec, Mr. Wendel. Looking back through the discussion of the committee, and even though you and I had agreed what the agenda should be, I don't see any statement in the committee as to what the agenda should be. And therefore I'm suggesting that we take a moment now to say that yes, we agree — this is the agenda; no it isn't. Even though you and I had agreed and it's accepted that the chairman and the vice-chairman on the instruction of the committee set the agenda, members are now saying that they do not agree or . . .

Mr. Anguish: — We have never said we did agree.

Mr. Chairman: — Gentlemen, no, no, no! No, no. Just hold on for a sec. Normally it's left to the chairman and to the vice-chairman to agree on the agenda. Normally that's what's done. And I've been trying over time to get agreement as to the order that we should be dealing with this in, and the department we should be calling.

In the meantime if members have brought motions before the committee we've entertained those.

Mr. Anguish: — It should be obvious even to the most untrained eye of anybody the first time in public accounts that we did not agree to the agenda. Otherwise why do you think the intent of the motions would be over the past several meetings, would be our attempt to establish the

agenda of this committee to deal with topics that we thought were timely and topical and deserve public accountability. So how could anybody interpret, even members on the government side, that we had agreement on the agenda? There is no agreement on the agenda.

Mr. Chairman: — Let me ask then, is there agreement that the committee deal with chapter 1, 2, 3, 4, 5 . . .

Mr. Anguish: — No. In fact to resolve the impasse I have a motion I put forward to the committee.

Mr. Hopfner: — Mr. Chairman, I still have the floor.

Mr. Anguish: — Oh you still have the floor again?

Mr. Hopfner: — No, because the chairman just . . .

Mr. Anguish: — Now you try and stop the things that we want to do by saying you got the floor all the time.

Mr. Hopfner: — No, I accepted the agenda as is and I'm dealing with the agenda as is.

Mr. Chairman: — My review of the situation suggests that we don't have any agreement as to how we should proceed through this report and I'm asking, is there agreement on the agenda? If there's not agreement on the agenda then I suggest that the chairman and the vice-chairman meet and to discuss the agenda further, and that we come back to the subsequent meeting and do that.

Mr. Hopfner: — Well could we get a ruling from the Clerk here in fact that we're on the agenda.

Mr. Anguish: — Well there is no agenda. How do you get on the agenda when there isn't one yet?

Mr. Hopfner: — The whole report is the agenda.

Mr. Chairman: — Okay, if there can't be agreement then I suggest that there be a motion as to what the agenda should be.

Mr. Anguish: —

Be it resolved that the first chapter of the 1988-89 Provincial Auditor's report to be dealt with by the committee be chapter 2.

Mr. Chairman: — Is the committee ready for the question? Is it the pleasure of the committee to adopt the motion?

Agreed

Mr. Hopfner: — Mr. Chairman, I guess probably then, under the . . .

Mr. Chairman: — Are you getting into chapter 2?

Mr. Hopfner: — Yes. Under the corporations accountability . . .

Mr. Chairman: — Can I then ask, is chapter 2 the only

chapter that the committee wants to deal with, or is there agreement that we will go to chapter 1 after this and then go all subsequent departments? Or do you want to deal with a motion at every meeting as to what you want to deal with?

Mr. Rolfes: — I know it's almost 10:30. In the past my understanding has been that when we agree to an agenda that there will be some flexibility in that agenda. I want to know whether that is still acceptable.

Mr. Anguish: — I want to make another point as well, is that I maintain that we should not be agreeing to a complete agenda. We did that for the last year under review and then when it was time to call WESTBRIDGE you blocked the call of WESTBRIDGE. So as far as I'm concerned we want to deal one topic at a time to the agenda, Mr. Chairman.

Mr. Chairman: — So the business of the committee next time will be chapter 2 of the auditor's report.

The committee adjourned at 10:31 a.m.