

FRIENDLY PERSUASION OVER BRUTE FORCE

Auditor general's report has change in tactics

An analysis
by JIM TRAVERS
Southam News

OTTAWA — Canada's once fierce financial watchdog, the auditor general, has lost some of his bark and his bite is suspect.

Forsaking the traditions established by Maxwell Henderson and gingerly maintained by J.J. Macdonell, Auditor General Kenneth Dye, opted Tuesday to offer polite suggestions rather than howl in outrage over government waste and inefficiency.

In his first report, Dye recounted a few of the horror stories that made Henderson a feared government critic but left little doubt that times have changed in the auditor general's office.

Instead of embarrassing the government with endless tales of ships that wouldn't float and fish processing companies with no fish to process, Dye coolly lectured politicians and civil servants on how they are failing to develop cost-effective programs or to

adequately develop "human resources".

Speaking to reporters after his report was tabled in the Commons, Dye said he will not use his new post to "cry wolf" but plans to offer effective and constructive criticism.

"My job is not to embarrass the government but to give advice to Parliament," Dye said.

"I think I'm being employed to be effective rather than to fire rockets." Dye's approach is the opposite of that pioneered by Henderson who was often at odds with the government but managed to keep politicians and civil servants on their toes with his revelations.

Dye said he will not become a "captive" of the federal government but his low-key style and the examples of waste which were included — and excluded — from his report raise questions about the effectiveness of the government's most powerful financial critic.

While the report points out that Ot-

tawa spent \$50 million on photocopying and another \$2 million in 1978 for a building it hasn't used yet, it does not mention other glaring financial blunders including the government's loss of \$125 million in Consolidated Computer Inc.

It is clear that Dye has chosen friendly persuasion over brute force in his first report but there is a bit of history in the document which makes his decision suspect.

Tucked-away in the back of the report are a number of cases detailing faulty programs that the government hasn't fixed, even though they were fingered by other auditors general.

This report points out that the

The Citizen National

Canada Student Loan Program continues to sink deeper into the red (it has been forced to pay \$173 million on 93,000 defaulted loans) even though the auditor general criticised federal control over the programs as far back as 1972.

And there are other financial blunders which have not been corrected by an unrepentant government.

After being severely criticised last year for its failure to adequately control funds, Indian and Northern Affairs is castigated this year for issuing \$47 million without adequate control.

There is other evidence that the government is finding ways to limit the auditor general's clout.

Noting the difference between the private and public sector, Dye comments that he was surprised by the government's reluctance to provide some information to its auditors.

A balance, Dye said, must be struck between the Cabinet's right to secrecy and the auditor general's access to information essential to his work.

"At this stage, I will content myself with reporting my uneasiness at the reluctance my auditors encounter from time to time in departments and agencies where I would expect complete openness," the report states. "The matter clearly requires further study."

That was not the only time the auditor general was ambushed in his first year in Ottawa.

Early in the report he comments that he was impressed by the intelligence and dedication of the federal government's management.

But then he went on to detail the failure of various departments to adequately control their financing or

to determine the effectiveness of their programs.

Questioned about that contradiction, Dye admitted that his first impression might have been a bit hasty and added that some civil servants must be "sitting on their buns."

He said some government officials do not seem to attack problems with the same speed or determination as the private sector would require.

Despite those setbacks, Dye made it clear he hopes to maintain a low profile while seeking open communication with ministers and senior officials.

While not ruling out the possibility that he might "go public" if abuses are not corrected, he said "I don't plan to sound-off on every issue."

Sounding-off was one of Henderson's greatest strengths but, as Dye's first report makes clear, loud protests have not put the government's treasury in order.

It remains to be seen if friendly persuasion can succeed where force failed.

COMPLEX SASKATCHEWAN OPTIONS

'Don't pay mortgage in '82'

REGINA (CP) — A banker and a lawyer suggest homeowners take advantage of a bill introduced in the Saskatchewan legislature Tuesday and not make mortgage payments next year.

"If I were renewing my mortgage under this legislation, I would leave my mortgage where it is and not pay a nickel," said Boyd Robertson, chairman of the Saskatchewan division of the Canadian Bankers' Association.

"That's irresponsible, but that's one alternative the attorney general has outlined."

The Homeowners Protection Act also allows homeowners the option of continuing to pay their mortgages next year at the current levels or negotiating a new rate with the lending institutions.

If the homeowner decided to keep paying at the existing rate, the lending institution would have to absorb any loss.

Bob Andrew, Opposition house leader and a lawyer, said consumers would be wise to spend their money meeting their furniture or car payments instead of the mortgage in 1982.

"Clearly, a guy with a mortgage coming due, if I

was him, I simply wouldn't bother paying, not bother renewing, just run with it," Andrew said in an interview. "Speculate on the market that housing prices go up."

Attorney General Roy Romanow argued the complex bill is needed because the federal government has done nothing to protect homeowners.

He agrees interest rates are a federal responsibility. But the veteran minister believes the bill is the easiest method for a

province to deal with the problems homeowners are facing.

The legislation, which expires Dec. 31, 1982, puts a moratorium on mortgage renewals, Romanow said. He stressed the government is providing homeowners with three options and also gives the lending institutions the opportunity to fight for their money in court.

"Whatever a homeowner does, the lending institution is stopped from removing him from his house," Romanow told a 90-minute briefing for reporters before tabling the legislation.

Not making any payments during the year does not remove the homeowner's contractual obligation to the lending institution, he added.

"If someone chose not to pay for a year, at the end of the year he would still be responsible for those payments plus the interest."

Soft pot laws opposed

OTTAWA (CP) — Led by Ontario Attorney General Roy McMurtry, most provinces indicated opposition Tuesday to federal plans to soften the law against possession of marijuana and hashish.

Only Quebec and Manitoba supported the long-promised shift of marijuana from regulation under the Narcotics Control Act to the less-severe Food and Drug Act.

Quebec is boycotting the federal-provincial meeting of attorneys general to protest the constitutional package favored by Ottawa and the other nine provinces. Quebec Justice Minister Marc-Andre Bedard was absent, but Quebec was represented by an observer.

Manitoba's position was expressed by Roland Penner, attorney general in

the New Democratic Party government elected Nov. 17.

Ontario led the assault, saying that modifying the possession law would indicate it is no longer a crime.

Delegates said later that McMurtry's position appeared to be influenced by the ultra-conservative police view in Ontario.

Opposing provinces said proposals to modify the law are based on findings of the 10-year-old federal report by law professor Gerald Le Dain. They said the Le Dain report has been outdated by medical reports of harm caused by smoking cannabis drugs.

They also argued it would be inconsistent to reduce penalties for possession but to maintain those for selling, importing and cultivating.

Innovators rewarded with cash

EDMONTON (CP) — If necessity is the mother of invention, money is the father, so Canadian innovators may be spurred by the establishment of a \$75,000 prize for their work.

Named after Senator Ernest C. Manning, the awards were established to stimulate, encourage and support Canadian innovation and enterprise.

The tax-free award will be given annually to Canadians who demonstrate "outstanding innovative ability," says David Mitchell, a foundation trustee.

Mitchell, one of 11 trustees, said examples of innovation by Canadians include the work of Sir Frederick Banting and Dr. John Best in the development of insulin and the treatment of diabetes; Sir Sanford Fleming's invention of Standard Time; and the breeding of Marquis wheat for the Prairies by William and Charles Saunders.

Manning, also a trustee, succeeded William Aberhart as Alberta premier in 1943.

He has maintained that encouraging innovation and enterprise is essential to the political and economic health of a free society.

MINISTER COVETS JOB

Chretien next Grit leader?

LONDON (CP) — Between sips of red wine and amid a dozen winks and smiles, Justice Minister Jean Chretien made it clear today that he has his eye on the Liberal leadership.

Sitting aboard an Armed Forces jet escorting the proposed new constitution to London from Ottawa, Chretien told reporters that he is not "over anxious to be the boss."

But as he chatted about the expected retirement of Prime Minister Pierre Trudeau, Chretien admitted he is considering running for the Liberal leadership despite the party's tradition of alternating between French- and English-Canadian leaders.

It's a tradition Chretien says is not cast in stone.

"Should we not choose the best man?" he asked. "Do you think Trudeau was elected because he

was French?"

Chretien says he is popular among Liberals because he is not considered part of the

"Toronto-Ottawa-Montreal triangle" dominating the party.

And being the 18th child of a millhand from

Shawinigan, Que., the 47-year-old Chretien considers himself "an ordinary guy" who knows how to appeal to the voters.

The homespun Chretien sees himself as a very different man than Trudeau, the Montreal millionaire's son.

"Mr. Trudeau and I, we are so different, we complement each other."

For example, during the year-long constitutional debate, provincial politicians felt they had to be more cautious when around Trudeau than when with Chretien.

And in the end, it was Chretien and his counterparts from Ontario and Saskatchewan who fashioned the compromise that will soon result in a new constitution for Canada.

With patriation expected to occur within the next few months, speculation has increased in Ottawa that Trudeau will soon retire.

Closure invoked

EDMONTON (CP) — Peter Lougheed's Progressive Conservative government cut off debate with closure for the first time in Alberta history early today.

But the move came after NDP Leader Grant Notley challenged the government to call an election on the issue of free speech.

"I am totally convinced that on this issue we reflect the majority opinion of people in this province," said Notley. He spoke for one independent member and three Social Crediters who fought the closure motion with him all through Monday night to an adjournment at 9:30 a.m. Tuesday.

"Dissolve the house and call an election," Notley said.

"We've had elections before where we confront the rest of Canada, where it's confrontation with Ottawa. Perhaps ... it might be well to fight an election in this province where the issue is the performance of this government and the way in which they have trampled upon our legislative traditions and our parliamentary history for no apparent reason at all."

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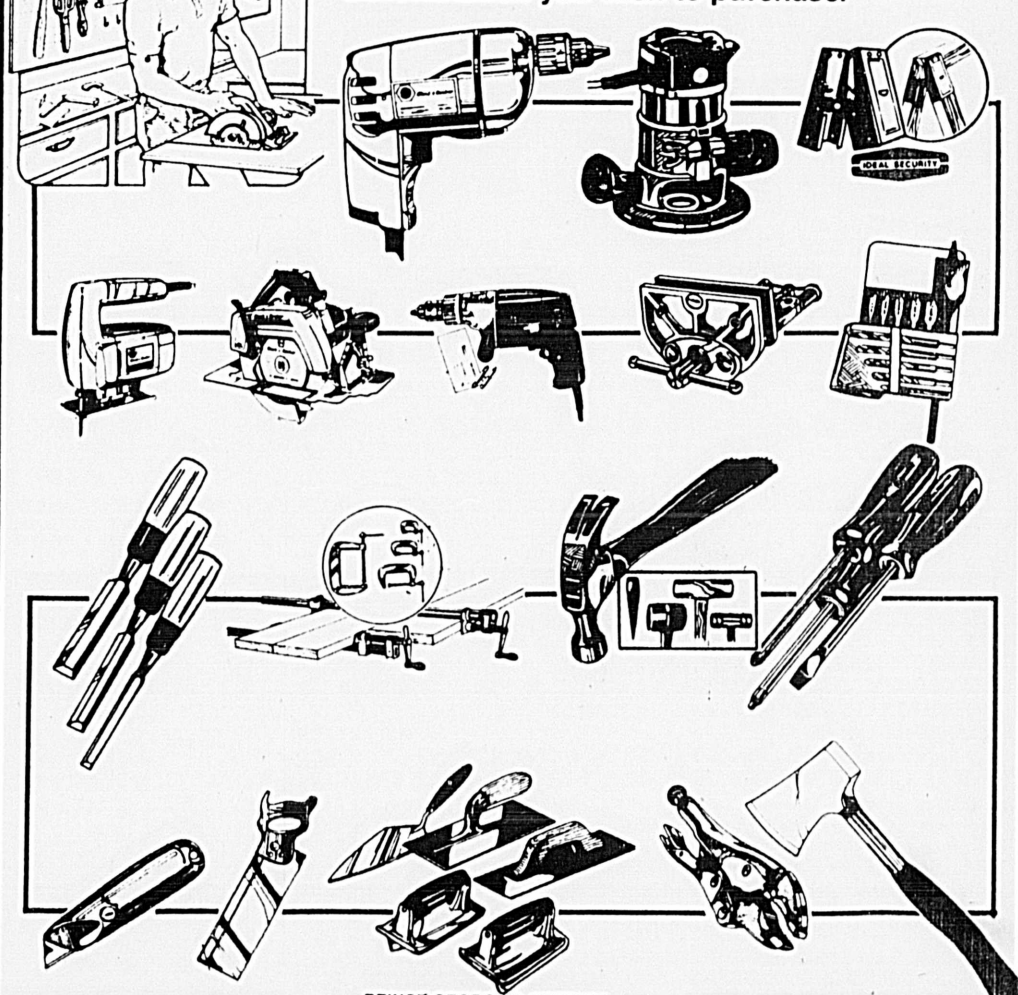
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