

## STANDING COMMITTEE ON PUBLIC ACCOUNTS

July 27, 1989

**Mr. Chairman:** — Just before we call in the officials from CIC (Crown investment corporation), I circulated a sheet, a piece of paper which basically set out some comments respecting Agdevco, and would just simply say if there are no concerns that we'll leave that with the Clerk to build a file for our next report to the Legislative Assembly, and subject to any further review at that point, I would simply say that these would then be the comments we would want to make with respect to Agdevco.

It's not necessary that we debate that at this point. I'd just simply say that if members on either side have any feelings about what's stated, to let Mr. Hopfner or myself know, and if we can't resolve that then we'll certainly bring it back to the committee, or flag it for the committee's attention. But assuming that we don't hear from members, we will then take that the comments are appropriate for inclusion in the report.

Just before we get to other business, I should say that Mr. Robert, who has been the Clerk of the committee for what probably seems to him like a long, long time, will be leaving us and will be returning to Ottawa. I just wanted to say that I've enjoyed working with Mr. Robert. He's been very helpful to me in my role as the chair. He's had many good suggestions, and I certainly appreciate the time and energy that he's put into helping the committee and helping the Legislative Assembly of Saskatchewan in its hour of need. I'm not sure that he wants to hear these words, but if he gets an opportunity to come back and work for us again, we'd certainly like to see him.

**Mr. Martin:** — It'll be dull back in Ottawa compared to what it's been here, I would think, and what it's going to be.

**Mr. Chairman:** — Certainly the sitting hours in Ottawa will be a little bit more reasonable, I think, and they do take things like summer vacations.

I think that's about all that I have on my agenda. Maybe we can call the . . .

**Mr. Hopfner:** — Mr. Chairman, before we call in the department, there was a couple of remarks I'd like to kind of make this morning, and that's regarding the '86-87 report to the legislature the other day.

I was caught by some surprise, by yourself, when you moved the report in a very quick-type manner and without my knowledge of it going into the legislature to be reported. And being I am the vice-chairman of this committee, and being you volunteered my name as seconder of the report to the legislature regarding that, it almost appeared that I was accepting your preamble to the report that you moved. And I was very dissatisfied with that. And basically that is why I'm passing a few remarks on this morning.

I thought possibly that that could have been done in a much more proficient manner as you were probably showing here as a chairman by keeping the politics out of this committee and allowing this committee to function in a very proper manner. That's the way it should have remained. However, you chose to not follow your own

guide-lines, and you brought forth your own personal impression of the report to the legislature. That personal impression was not part and should not have been part of the main report through your preamble.

As I could understand members opposite that are not in the chair position so doing as they had indicated, before they had walked out, that they were going to bring in their own personalized report away from this, well that was fine. We continued on as a committee and finished off a report that this committee had felt was justified.

But some of the statements that were made on the floor of the legislature as you were indicating in your preamble was not justified, because basically you had left the impression that members of this committee were stymied. They were not allowed the opportunity to clear up matters with the departments that were brought forth through the Provincial Auditor's report.

And as we had gone through those various departments you had left the impression that members were not allowed to ask questions of those particular departments, and then with that you went on to move the motion. The members of this committee in my impression, and I'm sure in your impression as chairman of this committee, would have to be very solid on that type of an impression is that no member of this committee is stymied by asking anyone, or by having anyone ask questions to a department.

Where members opposite are at differences in this committee is when the politics come into this committee. And members on this side have been giving you accolades in that regard. They were showing their support to the chair by you keeping the politics out of this committee. And the committee was functioning.

People said . . . you had indicated that people were not happy with the report, with the '86-87 report. And I ask you, Mr. Chairman, why did we move away from those departments? If there were questions that were relevant to the operations of a department and there were wrongdoings in the department, then members should have pointed those wrongdoings out.

When the Provincial Auditor is satisfied that the various different problems that he has brought forward to this committee have been cleared up, or are being cleared up, or there's been satisfactorily resolved, then there are no longer . . . there is no longer a role for this committee to try to make something out of something that isn't there.

What members of this committee are doing by doing so are putting the professional people, the professional bureaucrats and their counterparts, on a type of a trial and making them feel that they're a lot . . . that they're hiding things, that they . . . or could . . . are being accused of hiding things or doing wrong things that they are not doing. This is the impression you're leaving department officials.

I feel that if the report was to go into the legislature and there were some issues to be pointed out, then we should have gone by department by department, as you have

asked us today to do with Agdevco, so that the Clerks are not having to go back in the verbatim and try to bring up some sort of a final report for us to sanction after all is said and done.

I feel saddened that we are blackening this committee's reputation because of these types of innuendoes that are flung out into the public.

We all know that we have sat many hours in this committee to go through the '86-87 report. Members of the opposition side of this committee have refused to ask questions of departments, and when the government side of this committee, members of this committee, started asking the questions, then members of the NDP opposition of this committee accused the government members of filibustering.

Well you can't have it both ways, Mr. Chairman. You just can't have it both ways. If your impression is that members have been stymied in this committee, then I ask you, Mr. Chairman, to clarify to us who has stopped any member from asking any particular questions other than political questions that should be answered by the ministers on the floor of the legislature.

And I also ask that of the Provincial Auditor, for him to come forward and possibly clarify to this committee whether he feels any of these departments have not been duly dealt with in '86-87, and whether he still has those concerns. And if those concerns are still there, then those departments ought to be brought back, whether the '86-87 report has gone to the floor of the legislature.

But the politics will not enter this committee. The politics will not enter this committee. The bureaucrats are not responsible for answering for ministers, political, political questions.

You're removing a democratic right of this committee. For you, sir — you're the chairman, and you're the chairman appointed from the opposition side of the House — and you've brought politics onto the floor of the legislature through this committee by your preamble. It's taken away that fundamental right of committee members here to debate and make sure that before that report goes to the legislature that we are all satisfied.

But you chose not to do that. You chose instead, sir, to follow the will of members opposite — the member from Saskatoon South, the member from Regina Rosemont — when they walked out the other day with the threat that they were going to bring their own little report.

I feel, sir, that in order for this committee to function properly we must clarify the point. And I ask members of the opposition, the opposition part, without bringing in the politics, the political questions into this committee, to come forward now and state where they are not, where they are not satisfied with the particular departments that came before this committee — to name them.

And I ask for all business to be set aside from the '87-88 report to bring those departments back here, to bring those departments back here and let's get the points cleared up so as that we don't leave any false impression

in the people's minds, the people of Saskatchewan's minds, that there has been some wrongdoings in some departments. It's not fair to the officials, sir. It is absolutely not fair to the officials.

So I'm asking the committee to consider that. I'm sure others are going to speak on this, but I'm asking the committee to consider this while they're speaking to this.

Every committee may have some disagreements, sir, disagreements of functioning, and that's acceptable; that is totally acceptable. But the committee also runs in a democratic way as nobody was ever stymied from saying what they wanted to say to get their points across, to get their arguments out as to why we should be able to ask this particular question or that particular question.

But if it led away from the expenditures and the runnings of a department and it got into the political element, this committee debated that. This committee debated those points and this committee refused — and it's public — refused to have the officials answer politically motivated questions.

I, sir, thought you could have given me and paid me the decency of at least giving me notice that you were going to be bringing the report into the legislature so that I could have had time to prepare my preamble to yours, if that was the indication you were going to give me — that you were not satisfied with the type of report that you were tabling on the floor of the legislature.

Sir, you did yourself a wrong when you did not indicate to the committee that you would not be putting . . . would not be moving that report on the floor of the legislature without a preamble. You could have stated to this committee before you adjourned that you were of the same feeling and you would be doing so on such and such a date. But no, you did not. And, sir, I believe the reason you did not is because you thought for one thing that this would be one more way of filibustering in the legislature. And I was appalled by that.

You wanted to make a mockery of this committee on the floor of the legislature by bringing false innuendoes, by making statements on the floor of the legislature that you thought would create one major debate. And you got caught. You got caught.

A committee here, the Public Accounts Committee is open to the public. Anyone can read the verbatim, and I invite anyone in the province to read the verbatim and see if I am not correct by my statements that no one has been stymied from asking any non-political type question to the professional bureaucrats from the various departments. And the Provincial Auditor himself would probably, in all strengths, have brought forward any kind of major concern he might have had in the year under review of '86-87 if he'd have known that members of this committee had not covered the concerns of his report.

If he would not have brought that forward, then he would have been doing himself a disservice as well as this committee. But he hadn't done that. He brought his concerns forward. You have the concerns in the booklets before you, and you've asked the questions, and you're

allowed to ask the questions concerning those particular types of statements in the Provincial Auditor's report. You've chosen not to do it then by your own admission, if you have some concern, if you still have some concerns. You can't have it both ways any longer. You just can't have it both ways any longer.

This committee must function, and must, when they put that report forward to the legislature, must state in specifics where they are not satisfied, where they are not satisfied. And I feel that is one of the most important things now we can do as this committee to clarify the situation on the floor of the legislature and to the public of Saskatchewan. I ask the NDP opposition to bring back any of the departments that they were not satisfied with in 1986- 87. And for us to go through . . . and I want the NDP opposition to ask those questions they said they were stymied from asking, be it that they best not be political questions, but questions now that they've said that they did not get answers to in the year under review in '86-87. If not, then I, sir, think that the NDP ought to apologize publicly to the legislature and to the people . . . and through the legislature to the people of Saskatchewan for those types of innuendoes that were flung out.

I may have more to say, sir, but I just wanted to state my disgust, and I want to give you an opportunity to respond, and I hope you do because I think you ought to have . . . and if you did not want to yourself personally, you ought to have, through the Clerks, have advised my office that that report was going to moved on the floor of the legislature that day so I could have had ample time to have prepared some sort of a statement as well, as you had the time to do it without allowing me that courtesy of being able to do so. You could have stated that you were going to side with your colleagues on the opposition side of this committee and bring in that kind of an opposition to the preamble . . . of a preamble and you could have told me, if not the committee, at least what your points were going to be so that as I had a chance to rebut properly on the floor of the legislature.

But now you had your way and you left those false impressions with the people of Saskatchewan, the ones that might have been watching the televised proceedings that particular day. You left with them the idea that government members on this side of the committee did not allow you or your colleagues to ask those questions. I think it's enough. It's just appalling. It's a shame. It shows no respect for the democratic rights of individuals. Yes, and there's the member from Saskatoon South throwing out the various different types of name calling again. He's used to that. They're all used to that. Anyway, I'll pass.

**Mr. Chairman:** — Let me just say, Mr. Hopfner, that when the committee moves concurrence in the report, it moves that it be reported to the House, that it's tradition in this legislature that that be done forthwith that same day. You've been around this place a lot longer than I have and . . . but if that escaped your attention, then I'm sorry to hear that.

If it caught you off guard, then I must say though that you certainly spent a considerable amount of time that morning making amendments, proposing amendments and, I might say, discussing them in some length

during our committee meeting. And I thought if anyone been prepared to discuss the report, it would have been yourself, sir.

But I just want to make it clear that I'm certain that I said that I wanted to make it clear that I disagreed with all or elements of the report, and that no one could possibly construe that my remarks should be associated with any other speaker that might, you know, come on the list. But basically, as I listen to you, you were evincing a great deal of concern about keeping politics out of the committee, non-partisanship, your personal impressions.

I just want to make it clear that you nor anyone else will dictate to me or will pass any rules respecting what I have to say outside of this room. I'm quite prepared, when I step into this room as chairman of the committee, to put my partisan hat aside and to do the very best job I can to keep order in the committee and to make sure that all members, regardless of what party they represent, have an opportunity to participate in debate and to do so according to the rules of the House and the rules of the committee.

In addition to that, I have my own interest in, from time to time, questioning witnesses, and I have my own opinions and impressions. I don't necessarily share those with committee in this room, because I think that would hinder the work of the committee. But I'm under no constraints that will prevent me from saying what I want to say outside this chamber. And I think you need to understand that there's a very considerable difference between someone who's Speaker of the House and someone who is a chairman of a committee — a very significant difference in terms of that person's rights, responsibilities, and indeed, obligations.

You went on to give a long list of . . . or a list of issues that you said that you disagreed with me on in terms of my remarks in the House. And frankly, I don't care what your opinion is inside this room. I would say that inasmuch as that was a motion that's before the House, was being debated before the House, that the proper place to debate that motion is in the House.

The matter has been adjourned by the government side. They can resume debate on that motion at any time; in fact, there were a number of people that were prepared to enter into the debate when the motion was adjourned. But that motion can be called again. And you know, if you want to take exception with the comments that I've made in the House, then I certainly urge you to take the opportunity and the right you have to state your opinions in debate in the House. The motion is before the House. And if you want to respond to my remarks, then please do so in debate.

And again, I feel I had every right to make it clear that I was not supporting the recommendation of the committee, that I personally had some strong disagreements. It's my right to do that, and it's been done before and likely will be done again.

And finally, I have a great deal of concern about something that you said, and that is the suggestion that you want to put aside consideration of matters pertaining

to the '87-88 fiscal year, to get into a further discussion either on the report that has already gone to the Legislative Assembly, or matters pertaining to the '86-87 fiscal year. If that is in fact the case, and should the committee decide to do that, and especially if that's done in a partisan way, that is to say without agreement on both sides to do that, then I would have to interpret that as an attempt to prevent consideration of the Crown investments corporation.

And I must tell you, Mr. Hopfner, that that would cause me great concern, and that that will raise more than a few eyebrows, that should you carry through on that, to exclude now consideration of the Crown investments corporation in a timely and prompt fashion.

Again I'm not . . . I step outside of this room, I'm not beholden to you as to what it is that I can or should say. If you feel that there's some guilt of association by the fact that you're seconding the report as is customary, I mean, certainly there's . . . when a report like that comes from a committee, it's customary for the chairman to move it and the vice-chairman to second it. There might be instances in which any and all members of the committee might be happy to second such a report, but that certainly wasn't the case there.

The further point that I wanted to make is that a report was put before the committee. One side decided to rewrite extensively that report. There was strong, strong disagreement on those points. It should therefore not be unusual that there is debate on the House on those points.

But again the proper place for debate of the motion is in the House. It may be that to resume work on the '86-87 or to go back to the review of the previous fiscal year, the House would have to return the report to this committee in order for debate to essentially be continued here.

And again, Mr. Hopfner, I just simply outline to you that if you and other members of this committee, and unless this is done by unanimous agreement on both sides, that if you take the point of view that you want to get into a rehash of the '86-87 report and to debate things here that should be debated in the House and have been debated in the House, and therefore to exclude consideration of the Crown investments corporation by this committee, that there will be severe repercussions, and that there will be more than a few eyebrows raised. Those are my comments.

**Mr. Rolfes:** — Mr. Chairman, I'm not going to speak on this extensively right now, although I will probably some other time. I simply want to say it's rather humorous for the member from Cut Knife-Lloydminster to say that he wants to review or turn back to the '86-87 report because he is not satisfied that things have not been discussed satisfactorily.

It was the members opposite who substantially changed the report last meeting to write into the report things that did not reflect at all what took place in this report. For example, to say, Mr. Chairman, and add on each one of the clauses pretty well, or each one of the sentences, "and that your committee is satisfied that all matters have been resolved," adding that to each one and saying therefore

that everything was resolved to the satisfaction of this committee, simply did not reflect what happened in this committee.

It wasn't us, Mr. Chairman, who moved that clause to each one of the matters. And it was the member from Cut Knife-Lloydminster, for example, who moved in number six:

Your committee also considered the auditor's report on the main financial statements of the Government of Saskatchewan to the fiscal year ended March 31, 1987 contained in volume 1 of *Public Accounts* and his reservation concerning loans to Crown entities, and your committee is satisfied that all matters have been resolved.

It was their side who said that all matters had been satisfactorily resolved. We had clearly indicated on this side that we were not satisfied with the way the committee had conducted the '86-87 review, basically because members opposite were constantly interfering — constantly interfering.

Even when officials were ready to answer questions, a member on the government side would come up — well, Mr. Speaker, point of order, point of order. Even when members and officials were ready to answer questions, they were calling points of order so that officials wouldn't answer the questions.

That is not helping or assisting this committee in doing its work; that is simply making sure that the answers which may be embarrassing to the government, because of things that have happened in various departments, they did not want officials to answer.

That's not assisting this committee in a non-partisan manner, Mr. Hopfner. This is bringing politics into the committee — this is bringing politics into the committee. And for Mr. Hopfner to say that he is going to decide which are political questions, which are political questions, is being very naive, very naive to say the least.

Mr. Chairman, when the government members came in last day and when I had seen the report — not this report but the other report — I had indicated to the chairman, when he brought it to me, yes, I'm satisfied with it; it looks okay to me.

**A Member:** — Who put it together?

**Mr. Rolfes:** — The chairman and the vice-chairman put it together.

**A Member:** — No.

**Mr. Rolfes:** — Oh yes they did.

**A Member:** — No.

**Mr. Rolfes:** — It went by the chairman and vice-chairman.

**A Member:** — No . . . (inaudible) . . .

**Mr. Rolfes:** — Anyway, Mr. Chairman, I have the floor here.

And that's, you know . . . But the thing is, when it was shown to the other members of the committee on the government side, they said no, hey, this won't reflect very well on us; we've got to change this report. Even though it has nothing to do with what things happened in this committee, we will write the report the way we think it will reflect well on the government side.

Therefore they substantially deleted things and they substantially changed what actually happened. And that, Mr. Chairman, is not the function of this committee. The members opposite changed substantially this report. They said they were finished with the report, with the 1986-87 report. They said all things had been satisfactorily resolved. We did not think that they were, because we were being interfered with by the members opposite.

And consequently, Mr. Speaker, when the report was brought to the House, yes, I was going to debate it, but the member from Morse, unprecedented as far as I know in this legislature, moved adjournment. I can't ever recall that that has been done where the Public Accounts which is brought into the House is not fully debated by the members in the legislature.

But the member from Morse, again stymieing this committee, knowing full well that the members on this side of the House were going to make some accusations against the members opposite, prevented us from debating it in the legislature. And that's democratic? It's not democratic at all. It's never been done before, never, as far as I know.

So, Mr. Chairman, what I'm saying here, they changed the report to their liking; now live with it, and live with the accusations that are going to be made against you people in the House. You chose to ram this thing through this committee without any consultation with members on this side, making changes to this report which did not reflect at all what happened in this committee. You said all things had been resolved. We've moved it into the legislature. It now is property of the legislature and we have no right at all. We have no right as a committee; we gave up this report. It now belongs to the legislature and that's where it should be debated.

And, Mr. Chairman, I think it's time we get on with the 1987-88 report and bring in CIC, which we have been wanting to do for weeks now, but the members opposite again are not allowing us to do it.

They spent nine hours, I want to say, Mr. Chairman, they spent nine hours on Agdevco which should have taken a half an hour. The Provincial Auditor had no problems with Agdevco. He stated so before the committee even brought in the officials. He gave us a statement saying he had no difficulties with it, but they didn't want us to get to the heart of the 1987-88 Provincial Auditor's report because it's embarrassing to the government. That's why they don't want to go on to CIC and that's why now they want to go back to the 1986-87 report.

And so I, Mr. Chairman, would move that we should call in CIC and let's get on in questioning them on the 1987-88 report.

**Mr. Chairman:** — I suggest that we take the minutes remaining until the 9:30 break to complete our consideration of this matter. Again, I just want to reiterate my view that the report has gone to the Legislative Assembly. The proper forum for debate of the report is in the Legislative Assembly and that after the break we should move on with the Crown investments corporation.

**Mr. Martin:** — Well I want to remind the members opposite, the NDP, that they displayed the usual juvenile behaviour when they didn't get their own way and sulked and walked out of the building and were not here to express their disappointment when the committee had completed its review.

And, Mr. Chairman, I must express my disappointment that you as the chairman would not have asked the vice-chairman for his . . . at least one would expect it to be an ethical obligation, if none other, to ask his permission to use his name in your deliberations when you presented it to the House.

I would think that there's at least an ethical obligation there that you would have at least said, all right, member from Cut Knife, I'm going to put it in the House today and I want to use your name as the seconder — that it would be some ethical obligation in that. But I suspect that you didn't do that because in your haste to get it in there so you could make as much political mileage out of it as you could.

So I just want to express my disappointment in that. I would have thought more of you than that.

**Mr. Chairman:** — I just want to take exception to something, Mr. Martin, and that is your suggestion of my haste to get this matter into the House. Again, it's not my haste. This is the way these things are done. Please review the record on this before you cast aspersions which have no basis in fact. The normal procedure is that when a committee concurs the report goes to the Legislative Assembly forthwith, the same day, when that's possible. There has been no deviation from normal accepted practice here. I'm just simply doing what's normally done.

**Mr. Martin:** — You obviously had strong opposition to this report when it was done. You said nothing about that whatsoever in the committee meeting to the members that were here, and I would have thought that as a chairman — you always use the opportunity to speak every chance you get — that you would have said something then.

And my disappointment is not that you use it for political mileage, because I expect that of you. I've seen you do it every chance you can get. My disappointment is that I think you have an ethical obligation to the vice-chairman to at least discuss with him that you're going to put it in that day. That's my disappointment. But I just would have thought more of you than that, that's all.

I would expect that the members opposite would have a problem with that kind of ethical behaviour, but I would have thought more of you. That's all I have to say. If you don't like it, that's too bloody bad, quite frankly. I made my point. As far as I'm concerned it's over with. I'll never think about it again. It's over with.

**Mr. Wolfe:** — I guess what I have to say is that I want to let you know that at any time that you have strong feelings about anything, please don't restrict your ability to leave the chair and address those concerns to this committee. And I would have thought, as Mr. Martin, that since you had such strong feelings that you would have taken the opportunity during the meeting on Thursday the 20th and taken that liberty and asked to leave the chair to express those concerns.

You expressed concerns about the mandate, and you expressed concerns about not being satisfied. You had ample opportunity to leave the chair and you didn't do that, and for that reason I guess I am very disappointed.

**Mr. Chairman:** — The only other comment I want to make is that I again encourage members to review the record where it's just very clear that the chairman of the committee, when making a report to the legislature, that it's certainly not, certainly not out of keeping for that chairman to voice concerns about what's in the report; indeed, vote against the report at times.

Mr. Hopfner, I suggest that to take the four minutes between now and 9:30 to wrap up.

**Mr. Hopfner:** — Yes, I will. Mr. Chairman, with all the remarks made, and being opposition members felt slighted by this committee, I would like to move a motion, sir. And that motion I will read:

I move that we call back any department in the year 1986-87 that the NDP members of the Public Accounts Committee feel which they have not had adequate answers from so that the NDP members of the Public Accounts Committee would be satisfied the people of Saskatchewan's moneys have been properly handled.

I so move.

**Mr. Chairman:** — I would rule the motion out of order. The committee has sent a report to the Legislative Assembly detailing the committee's consideration of the '86-87 year. And it stated in part, your committee completed its deliberation on the Provincial Auditor's report. It also says a number of other things, but it does say that the committee completed its deliberations.

If the committee wants to get into a consideration of the '86-87 year again, then my sense is that that should be done with some direction from the Legislative Assembly in the form of a referral of that report back to the committee, or in some other way, but that this committee . . . the job is to examine the public accounts and the report of the auditor, and having completed one year should get on to the next year. And for this committee to make a decision that it can put aside consideration of the current year's report and to start digging into past history

for no reason other than its own whims, to me would not be in keeping with the mandate that we've received from the Legislative Assembly. So therefore I would rule the motion out of order.

**Mr. Hopfner:** — Mr. Chairman, being you're ruling the motion out of order, I'd like to see where you have some back-up in regards to being able to rule this motion out of order. Like is there some sort of rule or procedural . . . (inaudible) . . . that where members of this committee are not satisfied and they . . .

**Mr. Chairman:** — I don't have any Beauchesne's or any books of that nature with me, but again the committee has discharged its responsibilities. It has forwarded a report to the Assembly and it's not dissimilar to a committee of the Legislative Assembly, Committee of the Whole, consideration of a Bill. Once it has reported its Bill to the House, that committee can't sit and say, well we want to look at that Bill again without the House saying, well here is the Bill; we want you to take another look at that. So that's my interpretation here and that's why I rule that way.

**Mr. Hopfner:** — . . . (inaudible) . . . why you're interpreting it that way. The point that I've been trying to make is that when the committee resolved itself the other day your preamble wasn't along with that particular part of the report, and you decided to include that into your report.

I took exception of that and I'm saying to you, sir, I would like you to show me in the procedures manual where you are ruling my motion out of order because I want this committee to be totally satisfied, sir, that they have had adequate answers from the department, or we should call those departments back here and to deal with those particular issues.

**Mr. Chairman:** — Mr. Hopfner, I've made my ruling and that's it.

I just want to make a few comments with respect to this morning's discussions. If the committee is desirous of wanting to deal again with the '86-87 report, it's perfectly in order for the committee to pass a motion and to submit a special report to the Legislative Assembly requesting that the Legislative Assembly return the '86-87 or the third report of the committee back to this committee for further consideration. That is certainly an option that's open to the committee to do that.

I would just simply say that we're not in a position to call back, and I've ruled that. Without further direction from the Assembly we're not in a position to call back here departments and the like. But it's certainly an option for you if you want to send a motion from here to the House, and feel free to do that.

**Mr. Hopfner:** — Thank you, Mr. Chairman. Well, Mr. Chairman, then to basically shorten up maybe the morning and the discussion on this particular issue, then I would like to suggest to the committee that we accept a motion then that members of the NDP . . . members of the Public Accounts Committee bring to this committee a list of departments that they are not satisfied with so that we

can submit that particular motion to the Assembly, consider a particular type of motion to the Assembly then, and so that we can bring back these departments.

But I feel it is important that the NDP members of this committee that have spoken against the report, and I suggest that they clear it up with the people of the province without further debate on the issue, the issues in which they have all this grave concern about, the issues from these particular departments that they so tell the people of Saskatchewan that they have not had the opportunity to ask the questions of.

I say that the NDP opposition members of this committee cannot make those kinds of statements, saying that they've been stymied in this committee, and get away with it. I am a member of this committee and I have not stopped them from asking those particular questions. Now if they're afraid of bringing these questions back to this committee of these departments, well then I think that it was very hypocritical of themselves to even make those statements.

**Mr. Chairman:** — I would rule your motion out of order. First of all, the motion suggests to me that again somehow the committee should amend the report, and we have no mandate to do that.

Secondly, the motion would purport to instruct certain members of the committee to undertake to do certain things, and nowhere in our mandate do we have any such power for the committee to instruct certain members of the committee to undertake to do certain things. So therefore I would rule the motion out of order, and I would suggest that we get on with calling in the Crown investments corporation.

**Mr. Hopfner:** — Can I ask you, sir, as chairman of this committee, to allow the Provincial Auditor to make a statement in this committee and indicate . . .

**Mr. Chairman:** — Out of order.

**Mr. Hopfner:** — . . . to this committee what he may feel is not satisfactorily dealt with as far as the questions and answers have been to this committee — does the Provincial Auditor have any concerns in that regard.

**Mr. Chairman:** — Mr. Hopfner, you're asking the same thing, and that is to reopen discussion on that report. Again, that report is before the Assembly. I would suggest now that we get on to calling in the officials from the Crown investments corporation, and I'm going to ask for a speaking list. Who wants to question CIC?

**Mr. Hopfner:** — I am not satisfied with that, Mr. Chairman. Mr. Chairman, I challenge you in regards to the fact of not wanting to bring the truth to this committee. I feel . . .

**Mr. Chairman:** — What particular ruling of the chair are you challenging, Mr. Hopfner?

**Mr. Hopfner:** — I want you to show me in the procedural booklet that you're reading from, that you're calling me out of order on, I want to know why I am out of order by

asking for the truth to come forward to this committee.

**Mr. Chairman:** — Mr. Hopfner, I've made my rulings.

I just want to quote from Beauchesne's, section 889(1):

- (1) When a motion is made for concurrence in a committee report, it is competent for the House to adopt it, reject it, or refer it back to the committee.

Furthermore, 896(1):

- (1) When the motion to concur is moved, the House may refer the report back to the committee for further consideration or with instructions to amend it in any respect.
- (2) The procedure for referring a report back to a committee has been to do so by proposing an amendment to the motion for concurrence.

Section 900:

The report of a standing committee should be considered final only when it is adopted by the House; because, until then, the House can refer it back to the committee with instruction to amend it in any particular.

Furthermore, you know, the traditions in the way that the House operates would suggest that all matters are property of the House unless specifically referred to committees outside the House. And in this case, the matter has been sent back to the House and we've told them we've completed our deliberations. And again, if the committee wants to move a motion and send a special report to the House saying we want the report to come back, the committee can do that.

**Mr. Hopfner:** — I'm going to accept your ruling on that, Mr. Chairman, with this finish. It's going to be that I thought that you as chairman, and your NDP colleagues, members of this committee would have wanted to voluntarily bring forward to this committee those particular departments that you have not been satisfied with, and that you would have voluntarily satisfied this committee and brought satisfaction to the people of Saskatchewan instead of leaving them hanging on a limb listening to false innuendoes that you people have flung towards and left a cloud hang over this committee. I am very appalled by that.

**Mr. Chairman:** — I think we should get on with the '87-88. Call in the Crown investments corporation.

#### Public Hearing: Crown Investments Corporation

**Mr. Chairman:** — Welcome to the officials from the Crown investments corporation. Mr. Gibson, Bill Gibson is the president and maybe, Mr. Gibson, you might introduce for us the other people with you here today.

**Mr. Gibson:** — On my immediate left over here is Les Wright, who is the manager of accounting services with CMB (Crown Management Board of Saskatchewan); and on my immediate right is Bob Watt, who is the

engagement partner from Clarkson Gordon on our audit; and to his right at the end is Mr. Gord Wicijowski, who's the managing partner for Clarkson Gordon, Regina.

**Mr. Chairman:** — Thank you very much. Again I want to welcome you all here this morning. I want to make you aware that when you are appearing as a witness before a legislative committee your testimony is privileged in the sense that it cannot be the subject of a libel action or any criminal proceedings against you. However, what you do say is published in the minutes and verbatim report of this committee and therefore is freely available as a public document.

And you are required to answer questions put to you by the committee. And where a member or the committee requests written information of your department, I ask that 20 copies be submitted to the committee Clerk who will distribute the document and record it as a tabled document.

And I thank you for addressing all your comments to the chair, which is also a gratitude that I would express to all members of the committee. Having said that, I want to turn it over to Mr. Rolfes at this point to see if he might have any questions.

**Mr. Rolfes:** — Thank you, Mr. Chairman. Yes, Mr. Chairman, I have a few questions. First of all I do want to welcome the officials here and the private auditors.

But we have before us a statement made by . . . just put before us by the Provincial Auditor, and I would like to ask one question on that. I note, Mr. Lutz, that you say:

I want to say that I received full co-operation from Clarkson Gordon on this audit, (and that your problem was not with the private auditors).

I gather from that, however, that since you did not include that you received full co-operation from Crown investments corporation, am I to conclude from that that your problem with this audit occurred with CIC, and could you explain if that is so?

**Mr. Lutz:** — Mr. Chairman, the purpose of this very brief statement I just put on the table was to describe to the committee my relationship with this appointed auditor since I do not address that subject in this report. As far as CIC is concerned, I was not the auditor of CIC, so I'm not sure just what your question means. I dealt with the auditor where I had to, and that was about the end of that.

**Mr. Rolfes:** — Could I be more specific then? In your last paragraph you say:

However, I was unable to rely on Clarkson Gordon's work and reports as described in paragraph 5.00 of my 1988 Annual Report for the purpose of forming my opinions for the Legislative Assembly.

Would you please explain that in a little more detail to the committee. I know it relates to a number of items and I want to get into those, but I'd like to get an explanation from you first, sir. Why were you not able to rely on that

report?

**Mr. Lutz:** — Mr. Chairman, I am the legislature's auditor of all public money. I am required to form these opinions, and in the case of CIC there was a difference of opinion, but one should not construe this to mean there was not also co-operation. You can have co-operation and still a difference of opinion. Clarkson Gordon and I, as it happens, have disagreed on the opinions issued.

**Mr. Rolfes:** — Would you mind telling me, were there more than one opinion that you disagreed on and was it a . . . or was it one major item that you disagreed on?

**Mr. Lutz:** — Mr. Chairman, on page 24 of my report I outline three matters. I disagreed with the appointed auditor in the matter of compliance with authorities. I disagreed with the appointed auditor on the matter of the report on the consolidated financial statements. And there is one other matter, the third item on 5.00 that is pending.

**Mr. Rolfes:** — 5.00 is what, sir?

**Mr. Lutz:** — The third matter mentioned in 5.00 on page 24 has not yet been resolved.

**Mr. Rolfes:** — All right. And that relates to . . . my understanding is, Mr. Lutz, that relates to the \$2.7 million that was expended by CIC. Is that correct?

**Mr. Lutz:** — That is the compliance matter I first referred to, yes.

**Mr. Rolfes:** — Okay. I'd like to direct my question to the private auditor right now. On the \$2.7 million that was expended, what seemed, from your perspective, what was the difference of opinion with the Provincial Auditor on that?

**Mr. Watt:** — Mr. Chairman, my understanding from the Provincial Auditor's report is that . . . I'm just going back to the pages here. He has, on page 25 of his report, indicated that he had sought legal counsel relative to that particular payment, and the results of that opinion were that it was inappropriate.

At the time that we did our work, we had also sought some counsel through CIC's external counsel. At the time it was oral — subsequently an opinion received in writing that in fact that the payments were appropriate.

We were further, at the time of our work, looked at the whole question of what was going to be done with the \$2.7 million, and it was indicated to us that it would be recovered from the various government departments, so that's why it was not reported in our report to the legislature.

**Mr. Rolfes:** — Just a follow-up on that. What legislative authority did you use that made you come to that conclusion?

**Mr. Watt:** — Perhaps you could help in . . .

**Mr. Rolfes:** — Well you obviously used some legislative



authority, some legislative base that said to you, all right, the \$2.7 million was expended according to legislation that exists in the province.

**Mr. Watt:** — It was in accordance with The Crown Corporations Act, I believe is the legislative authority for it.

**Mr. Rolfes:** — Obviously since you've pursued it and perused it, could you tell me exactly in the Crown investments Act the specific thing that says that they had the legislative authority to do so, to expend that money?

**Mr. Watt:** — I don't have that one with me. The legislative authority, we relied on the opinion, as has been pointed out by Mr. Lutz, of CIC's legal counsel that in fact it was appropriate at the time under the . . .

**Mr. Rolfes:** — All right that's fine, sir. I want to turn to Mr. Gibson then. Mr. Gibson, since you had received legal advice on this, could you tell me: what legislative authority did you use to say that you had the legal right to expend the \$2.7 million?

**Mr. Gibson:** — I don't have the exact clause available here. It might help . . . would you like me to sort of explain the sequence of events on this 2.7? Would that . . .

**Mr. Rolfes:** — A little bit louder. Those mikes don't amplify.

**Mr. Gibson:** — Oh, okay. I don't have the specific clause here; there was some clause. If you would like I could sort of go over and summarize what happened on the 2.7 and sort of give you a chronology.

**Mr. Rolfes:** — Mr. Gibson, I would like to for next day — we're certainly not going to finish with Crown investments corporation today — but I would appreciate it if you could make it available to the committee the exact legislative authority that you used to say that you had the right to expend the \$2.7 million.

**Mr. Gibson:** — It's referred to in our legal opinion. We just haven't got that here so . . .

**Mr. Rolfes:** — That's fair enough. That's fair enough. All right, could you tell me on the \$2.7 million, Mr. Gibson, what was that money expended for?

**Mr. Gibson:** — It was for a study that was conducted by the firm of Coopers & Lybrand on various government operations as was approved by the Crown Management Board board of directors.

**Mr. Rolfes:** — What was that study to do? What were the objectives of that study?

**Mr. Gibson:** — Well very briefly, it was to review the operations on various Crown corporations and government departments on how they would organize the types of things that they . . . the work that they were engaged in doing in those departments, determine whether there were better ways to do it. It was just a . . . I suppose you could attach the term "efficiency" to it, just how the various departments and Crowns worked

together and separately and accomplished what they were supposed to accomplish.

**Mr. Rolfes:** — You said to observe or to find out, analyse as to whether or not there were better ways to do it. Can you explain that further? What other ways were you looking at?

**Mr. Gibson:** — Well, you know, the government consists of a large number of various departments and Crown corporations. A different combination of departments may be options that would be available. You know, I think there were some looks at the efficiencies within various departments; maybe a department or a Crown with 500 employees, maybe these people might have come back and said that they should only have 400 people. Or maybe they could say that another department has 500 people and they're very understaffed and they should have 700 people. I think it was a pretty wide-ranging scope that Coopers & Lybrand had to basically go in and take a look at how the government departments and Crowns are run.

**Mr. Rolfes:** — Mr. Gibson, could you tell me, who commissioned this report?

**Mr. Gibson:** — Well, it was approved by our board of directors.

**Mr. Rolfes:** — Crown Management Board.

**Mr. Gibson:** — That's right.

**Mr. Rolfes:** — And who are the directors of the Crown Management Board?

**Mr. Gibson:** — There are — I'll just get the exact list out here — as of the end of 1987, our board consisted of the Premier, Mr. Grant Devine; the Deputy Premier, Eric Berntson; Bob Andrew, Gary Lane, Graham Taylor, Wolfgang Wolff, Harold Lane, Frank Proto, Garnet Wells.

**Mr. Rolfes:** — Okay. And can you tell me exactly the date that it was commissioned?

**Mr. Gibson:** — I don't have the . . . no.

**Mr. Rolfes:** — But you can provide that for us?

**Mr. Gibson:** — We can provide that, sure.

**Mr. Rolfes:** — And the consulting firm you said was Coopers & Lybrand?

**Mr. Gibson:** — That's right.

**Mr. Rolfes:** — Could you tell me, was that study tendered?

**Mr. Gibson:** — No, not that I'm aware of anyway.

**Mr. Rolfes:** — Okay. And how did you decide that Coopers & Lybrand should do that study?

**Mr. Gibson:** — I wasn't involved in that, so I have no firsthand knowledge of that.

**Mr. Rolfes:** — So CIC did not make that decision?

**Mr. Gibson:** — No.

**Mr. Rolfes:** — Do you know who made that decision?

**Mr. Gibson:** — Well, I guess our board of directors. They were the ones that . . .

**Mr. Rolfes:** — Have you got available for . . . first of all, is that study available to the public?

**Mr. Gibson:** — I don't believe it is, no.

**Mr. Rolfes:** — So it's an internal study.

**Mr. Gibson:** — That's right.

**Mr. Rolfes:** — Are any of the objectives and questions that were asked, are they available to the public, rather than . . . I'm not asking for the results, the final results, but the questions that you wanted Coopers & Lybrand to pursue, are those available to the public?

**Mr. Gibson:** — I don't believe they are. As I said, I haven't got a great deal of firsthand knowledge on that. I could verify that for you.

**Mr. Rolfes:** — If you could for next meeting, I would appreciate that. So what you're saying to us is that as far as you know, none of the study that was done for \$2.7 million on the study of the structures and operations of the government and Crown corporations, none of that is available to the public?

**Mr. Gibson:** — That's right.

**Mr. Rolfes:** — If it's not available to the public then, who . . . well maybe I can ask you: are you, sir, familiar with the detailed questions of the study that were asked and the objectives of the study?

**Mr. Gibson:** — No, I'm not.

**Mr. Rolfes:** — Did you read the final report?

**Mr. Gibson:** — I've read portions of it.

**Mr. Rolfes:** — So you know what the conclusions were.

**Mr. Gibson:** — No, I don't know all the conclusions, no.

**Mr. Rolfes:** — Okay, in the part that you did read, were there any questions asked or recommendations made as far as privatizing certain agencies, Crown corporations, or departments of government?

**Mr. Gibson:** — I'm not aware of any. I can't recollect any right now.

**Mr. Rolfes:** — So as far as you are aware and what you have read, there have been no recommendations made whatsoever on privatizing any of the Crowns or departments or agencies, sir?

**Mr. Gibson:** — I'm not aware of any.

**Mr. Rolfes:** — All right. Mr. Gibson, can you tell me, do you agree with the Provincial Auditor that the \$2.7 million that was expended had proper authority?

**Mr. Wolfe:** — Point of order, Mr. Chairman. I don't believe that's an appropriate question.

**Mr. Chairman:** — What was the question, Mr. Rolfes, sorry?

**Mr. Rolfes:** — Well the question simply is: does Mr. Gibson agree that the expenditure of \$2.7 million was based on proper authority?

**Mr. Wolfe:** — I would think that that's a board decision or an opinion that could be expressed by private auditors or by the Provincial Auditor.

**Mr. Chairman:** — My ruling would be is that for Mr. Rolfes to ask if a certain payment that's made, that Mr. Gibson has some response, you know, if that's done with proper authority, I think that's an appropriate question. Mr. Gibson may certainly indicate whatever he wants to. So the question's fine, go ahead.

**Mr. Gibson:** — I believed at the time that with our board of directors passing a formal resolution authorizing it, that was proper authority. During the year we received a legal opinion when the whole issue came up on whether or not it was proper which confirmed that it did have proper statutory authority for that payment to be made. It's only been subsequent to 1988 that some doubt has been cast on whether or not The Crown Corporations Act specifically allowed something like that.

But I satisfied myself that the work was actually done. It's not a case of spending money for something that was not done, and I believed at the time that with our board approval of it that it was properly authorized. So the issue right now is where . . . The appropriateness of spending the money, I think, is valid because the work was done. I think the only outstanding issue now is what department or Crown should be paying for it.

**Mr. Rolfes:** — Okay, thank you, Mr. Gibson. Mr. Gibson, can you tell me in the study that was done, was there any study done of the Department of Health?

**Mr. Gibson:** — I'm not aware of that.

**Mr. Rolfes:** — You're not aware or . . .

**Mr. Gibson:** — I don't know the answer to that.

**Mr. Rolfes:** — You don't know.

**Mr. Gibson:** — Right.

**Mr. Rolfes:** — Was there any . . . So you . . . Okay, let me ask you: were there any studies done on the dental or the drug plan?

**Mr. Gibson:** — I don't know.

**Mr. Rolfes:** — Mr. Gibson, can I ask you one further question? Can I ask you one further question? The \$2.7 million was expended by whom?

**Mr. Gibson:** — Crown Management Board wrote the cheques, so we expended it.

**Mr. Rolfes:** — You expended it?

**Mr. Gibson:** — Yes.

**Mr. Rolfes:** — You expended \$2.7 million and you don't know, sir, whether a study was done of the Department of Health or the dental plan or the drug plan? You expended 2.7 million?

**Mr. Gibson:** — That's correct, yes.

**Mr. Rolfes:** — Mr. Gibson, would you tell me what portions of the report you did read.

**Mr. Gibson:** — Mr. Rolfes, that was a number of months ago. I really cannot recall right now which parts I have seen or haven't seen on it. The . . .

**Mr. Rolfes:** — Mr. Gibson, do you have anybody here who are in Crown investments corporation that is more familiar with the details of that report?

**Mr. Gibson:** — Yes, I believe some of our members of our board are.

**Mr. Rolfes:** — Not necessarily speaking about members of the board. They may be elected officials. I'm talking about department or Crown investment corporation officials. Is there anybody there that knows the details of that report, the Coopers & Lybrand report?

**Mr. Gibson:** — No, there isn't.

**Mr. Rolfes:** — Have you . . . Crown investments corporation has not studied the Coopers & Lybrand report in any detail?

**Mr. Gibson:** — I have not studied it in any detail.

**Mr. Rolfes:** — I didn't ask that . . .

**Mr. Gibson:** — None of the people subordinate to me have studied it in detail, but some of the members of our board of directors, I believe, are quite familiar with it.

**Mr. Rolfes:** — Mr. Gibson, you're avoiding my question. The question I'm asking is that CIC authorized the expenditures of \$2.7 million. The report was commissioned, has been handed in, I assume, to CIC. At least CIC was part of it since they expended the money. And you mean to tell me that there's nobody in CIC officials who have studied the results of that report.

**Mr. Gibson:** — It's a definition of how you define officials. You know, I think our board of directors are part of CIC, and I'm saying that some of our board members are very familiar with the report. I am not, nor do any of the people that are subordinate to me have any familiarity with it.

**Mr. Rolfes:** — Well I find that rather difficult to believe that you would commission a report of 2.7 million and then not be interested in finding out what the results were of that . . .

**Mr. Gibson:** — Well the board of directors is familiar with it. CIC is a big organization. Their balance sheet shows \$7 billion worth of assets. There's a dozen or 15 companies. I am not intimately familiar with every day-to-day detail.

**Mr. Rolfes:** — Mr. Gibson, I didn't ask you whether you were personally . . . I don't expect that you would know the details of every report, but I would have thought that someone at CIC, some official in CIC . . .

**Mr. Gibson:** — Our board is . . .

**Mr. Rolfes:** — No, some official of CIC. We can't call the board of directors before this committee.

**Mr. Wolfe:** — Yes you can.

**Mr. Rolfes:** — Oh we can? Oh that would be great. Well if we can, then maybe we should ask, and I thank the members opposite for reminding me that we can, because this is a fairly huge expenditure. Then maybe for next day we should have somebody here from the board of directors who can explain and give us some of the answers in more detail before this committee. Since the members opposite agree that we can have somebody here, they won't object that next day maybe you bring somebody who is familiar in more detail with the CIC commission of the Coopers & Lybrand report.

Mr. Gibson, could you tell me, how widely circulated is the Coopers & Lybrand report?

**Mr. Gibson:** — I don't think it's widely circulated at all.

**Mr. Rolfes:** — Who would you say had access to it?

**Mr. Gibson:** — Well certainly our board of directors did, or certain members of them did.

**Mr. Rolfes:** — Okay, and who else that you know of? Who else has had access to that report?

**Mr. Gibson:** — That I know of, I'm not aware of anybody else. I'm certain . . . I would suspect that for the various departments and Crowns involved, probably somebody within those organizations were probably aware of the portions of the report that affected them.

**Mr. Rolfes:** — Could you tell me who was responsible for the distribution of that report?

**Mr. Gibson:** — Well I don't believe . . . I'm not aware that it was distributed.

**Mr. Rolfes:** — There were some requests for copies of that report. Who would they make the request to?

**Mr. Gibson:** — Well I guess to our board of directors, I guess.

**Mr. Rolfes:** — Not to you, yourself?

**Mr. Gibson:** — Well if it came to me, I would refer it back to the board of directors.

**Mr. Rolfes:** — Well who makes the final decision? If I wrote to you and said, I'd like to have a copy of Coopers & Lybrand, who would make the final decision as to whether I get a copy of that report?

**Mr. Gibson:** — I would take that up at a board meeting, and the board of directors would decide.

**Mr. Rolfes:** — When was that report submitted to you, sir?

**Mr. Gibson:** — I think, I don't have a specific . . .

**Mr. Rolfes:** — Okay, how long did the study take? I won't hold you to a few days, but was it five months, six months, a year?

**Mr. Gibson:** — I believe it would probably be in the summer of 1988.

**Mr. Rolfes:** — Summer of 1988.

**Mr. Gibson:** — That would be my estimate.

**Mr. Rolfes:** — Mr. Gibson, when that report was finished and completed, did it come to you first or did it go to the board of directors?

**Mr. Gibson:** — It would go to our board of directors, or representatives of it.

**Mr. Rolfes:** — All right, can you tell me when the report came to the board of directors? Was it studied in any detail and decisions made on that report?

**Mr. Gibson:** — Not formally as part of our board of directors meetings, no.

**Mr. Rolfes:** — It was never an agenda item; Coopers & Lybrand report was never an agenda item where they studied the report?

**Mr. Gibson:** — No.

**A Member:** — It just appeared out of the blue.

**Mr. Rolfes:** — Yes, here we have a \$2.7 million report to study the structures of the government, and the report is commissioned, it is studied. It is brought to the board of directors and is never studied, never discussed in any detail as to whether action should be taken on that report. Is that what you're telling the committee?

**Mr. Gibson:** — I have no personal knowledge on that, Mr. Rolfes. It was, you know . . . the function of a board of directors is to provide policy for an organization. I would anticipate that a lot of the stuff that Coopers & Lybrand did would eventually at some point in time be reflected in the policy that they would set for the various organizations affected.

You know, the board of directors of CMB have, I don't

know, 10, 12 formal meetings a year. There are many, many other informal meetings with various members of our board where information like that could be discussed specifically which would not be a formal board of directors meeting. All I can confirm is that as a result of that report there was no formal change in policy and direction for CMB, because it was never put on as a separate item in our agenda. You know, I think it may influence the various board members' opinions on various things which may have that end effect, but there was no agenda item that said, because of the Coopers & Lybrand study this is now what CMB is going to do.

**Mr. Rolfes:** — All right, I think I will leave any detailed questions on that until we have the person here next day that knows more of the details of the Coopers & Lybrand report. It's unfair, if you haven't studied it in detail, for me to ask you any of those detailed questions.

Mr. Gibson, could you tell me, in the year under review, did CIC itself undertake or commission, other than the Coopers & Lybrand studies on privatization?

**Mr. Gibson:** — I don't believe that we did, no.

Mr. Rolfes. — You did no study at all . . .

**Mr. Gibson:** — You're talking like privatizations generally, or . . .

**Mr. Rolfes:** — No, I mean, for example, did you do a study of the privatization of SaskPower utility?

**Mr. Gibson:** — No.

**Mr. Rolfes:** — Did you do any study on Sask Minerals, on privatization of Sask Minerals?

**Mr. Gibson:** — Well could I ask you to define . . . how are you defining study?

**Mr. Rolfes:** — Well any . . .

**Mr. Gibson:** — You know, we obviously . . . we sold Sask Minerals. We are working on it in the year under review, so we studied it internally. And I guess I can go back on the SaskEnergy one, you know, like, we have no . . .

**Mr. Rolfes:** — Did you commission someone from outside . . .

**Mr. Gibson:** — Pardon me?

**Mr. Rolfes:** — Did you commission someone from outside of the Crown to do a study of SaskPower utility?

**Mr. Gibson:** — We did not, no. Sask Minerals, we had an appraisal done of Sask Minerals. I can't recall the exact date of what the appraisal was, but that's been talked about in Crown corps or in the House various times in the last few months. So we did have an appraisal done on that which contemplated privatization. I can't remember the exact date, whether it was in this year or . . .

**Mr. Rolfes:** — All right. What about SaskCOMP?

**Mr. Gibson:** — I can't recall anything on SaskCOMP. SaskCOMP was, again, it was . . . as far as getting an outside consultant to come in that we paid fees for, in relation to that, I can't recall anything. SaskCOMP was certainly, you know, and the WESTBRIDGE transaction was certainly under discussion under that year under review, so it was internal study, and I can't recall anything specific where we paid any outside people.

You know, in all of these things . . . on all of them where we feel that we are lacking some expertise within our own office, we will call on outsiders to give us some help. Sometimes that's extensive help and sometimes it's nothing more than a couple of phone calls.

**Mr. Rolfes:** — Mr. Gibson, could you make available to this committee the moneys . . . or the companies that were commissioned to do studies by CIC under the year under review and the moneys expended for those studies.

**Mr. Gibson:** — On consulting engagements?

**Mr. Rolfes:** — Yes, consulting fees, that's correct. And thirdly, the reasons for the consulting: what did you expect them to do for you; was it an appraisal; was it another way of dealing with the Crown or the agency or whatever.

**Mr. Gibson:** — Certainly.

**Mr. Rolfes:** — Okay?

**Mr. Gibson:** — Yes.

**Mr. Rolfes:** — I want to ask one further question. On SaskCOMP, how did you . . . you probably would know this offhand, was there an appraisal done on SaskCOMP before the merger took place to form WESTBRIDGE?

**Mr. Gibson:** — Yes, I believe there was.

**Mr. Rolfes:** — Could you tell us what the appraised value of SaskCOMP was?

**Mr. Gibson:** — I don't have that with me here.

**Mr. Rolfes:** — Can you make that available to the committee?

**Mr. Gibson:** — I will see if we can.

**Mr. Rolfes:** — I'd like to know also who did the appraisal, and . . .

**Mr. Gibson:** — Yes. I'll check. I believe SaskCOMP did. It's coming up in Crown Corps Committee as well. I'm not sure.

**Mr. Rolfes:** — It may, but it may not be the year under review, I'm not certain. Sometimes there's some information that they can get there that we can't get here and vice versa, so it . . .

**Mr. Gibson:** — Well I will check to see if that's something we can provide you.

**Mr. Rolfes:** — Okay. Justify the cover, make sure that we cover both sides.

Under SaskCOMP, year under review, was that the year that WESTBRIDGE was formed, 1987, or was it the initial stages in which WESTBRIDGE was formed?

**Mr. Gibson:** — 1988 was when it was formed.

**Mr. Rolfes:** — Okay, in the year under review, 1987, what . . . but this report goes to March 31, 1988. Was WESTBRIDGE formed by then?

**Mr. Gibson:** — Yes. I understand it was February, '88.

**Mr. Rolfes:** — February, '88. All right. Now I believe later on we will get to more detail. WESTBRIDGE's success, a great success story, apparently, so I'm told. Can you tell me, are you responsible for WESTBRIDGE?

**Mr. Gibson:** — No, I'm not.

**Mr. Rolfes:** — So CIC has not . . .

**Mr. Gibson:** — We have no shareholdings in it.

**Mr. Rolfes:** — So WESTBRIDGE has not . . . okay, well you wouldn't know.

**Mr. Gibson:** — SaskTel. SaskTel owns . . .

**Mr. Rolfes:** — And SaskTel does not come under CIC. Okay. So I can't ask any further questions on that.

Can you tell me, does any portion of SaskTel come under your jurisdiction?

**Mr. Gibson:** — SaskTel is covered . . . it's included in our financial statements, yes.

**Mr. Rolfes:** — Oh, then indirectly WESTBRIDGE . . . you are indirectly responsible then for WESTBRIDGE?

**Mr. Gibson:** — Well, yes, indirectly is the right word.

**Mr. Rolfes:** — Okay, can you tell me in the year of 1988, WESTBRIDGE, what was it's . . . I mean, it obviously had a pretty good success story so I'm told, 5.4 million in profits, I believe, or whatever it was. I can't quite remember but I think that's what it was.

**Mr. Gibson:** — That's the most recent year, I think.

**Mr. Rolfes:** — Yes. What was that largely due to?

**Mr. Gibson:** — Well this could be a complicated answer.

**Mr. Rolfes:** — Well what's the biggest item that . . .

**Mr. Gibson:** — Well I just don't have an intimate knowledge on WESTBRIDGE. It's a combination of a number of things. There's . . . a number of different entities are operating there now. WESTBRIDGE today is not SaskCOMP of yesterday. It's been changed radically. There's different management, different operations involved.

**Mr. Rolfes:** — If you pulled SaskCOMP out of WESTBRIDGE in the year that we're talking about, by how much would its profits have been reduced?

**Mr. Gibson:** — I have no idea.

**Mr. Rolfes:** — Is it about . . .

**Mr. Gibson:** — That's an apples and oranges comparison I would suspect, because . . .

**Mr. Rolfes:** — SaskCOMP's profits, the last year before it was taken in with WESTBRIDGE was about what? — 3.4 million?

**Mr. Gibson:** — I don't know.

**Mr. Rolfes:** — That's what it was.

**Mr. Gibson:** — Well okay, but remember also there's various accounting things that you just can't take an absolute number and subtract it.

**Mr. Rolfes:** — I recognize that, sir. The point that I want to make was that simply if you took SaskCOMP out of WESTBRIDGE in the year that was been such a great success, in large part, that was due to the success of SaskCOMP. They took within themselves a very, very good Crown corp.

**Mr. Gibson:** — Well I would suggest the more appropriate thing to do there would be to talk to the WESTBRIDGE management and take their '89 results and subtract out the SaskCOMP operations and see. Just because it was 3 million in one year doesn't mean to say it will be three the next year, because it wasn't three the year before. They've always had a fair amount of volatility in their earnings.

**Mr. Chairman:** — Being 10:30 . . . just before the officials leave, I've been . . . the auditors for Crown investments corporation have indicated to me some concerns about scheduling and their ability to be here in terms of vacation plans and so on. It's a problem that may come up from time to time. As I understand it, you will have a problem next week in terms of being here, you'll be gone for three weeks.

**Mr. Watt:** — We've been deferring that.

**Mr. Wicijowski:** — Actually the whole office has been deferring its vacation, because of a number of matters and this being one of them. The two of us have sort of been on hold. And with children, particularly in his case, plans have been made now.

**Mr. Chairman:** — So what is the committee's wish?

**Mr. Rolfes:** — Mr. Chairman, if I could just make a comment on that, I'm not overly concerned as to whether the private auditors are here for a week or two, because this thing's probably going to last considerably longer than that anyway. If we spent nine hours on Agdevco, which had no problems, I assume we're going to spend a fair amount more time on CIC which had some problems,

according to the Provincial Auditor. So I don't know what . . .

**Mr. Gibson:** — I'll confess now that management in CIC has a problem for the next two weeks as well.

**Mr. Lyons:** — Forget it, so do we.

**Mr. Rolfes:** — Did you say you have problems?

**Mr. Gibson:** — I'm on vacation the next two weeks.

**Mr. Chairman:** — What is the committee's wish? Do you want to move to the Department of Agriculture, and then the next one on the list?

**Mr. Martens:** — Mr. Chairman, if you want to move to the Department of Agriculture for next week Tuesday, the Minister of Agriculture's conference is in P.A. beginning of next week, and it would not be applicable there because most of the deputy ministers and things will be with the Premier and the . . .

**Mr. Chairman:** — Let me see what . . . I'll ask the Clerk to start contacting officials. The next department is Agriculture, then Consumer Affairs, then Education. I'll ask the Clerk to contact the first department that's available and to bring them . . .

**Mr. Wolfe:** — Ed McEwen, the vice-chairman, should sit down and set that agenda up, Mr. Chairman. I think that's the proper way for this committee to work; you know that.

**A Member:** — Meanwhile, can we let these officials go?

**Mr. Rolfes:** — Mr. Chairman, before we do, I'd like to know when they're going to be back. When will they be back so that we can call CIC in?

**Mr. Gibson:** — Well I'm back on August 12 or something, I believe it is, so any time after that I'm okay.

**Mr. Watt:** — Yes, the first day I could be available is August 17. In fact, I'll be back on the . . . (inaudible) . . .

**A Member:** — August 17?

**Mr. Watt:** — August 17, which is a Thursday.

**Mr. Chairman:** — Okay. We'll expect to see, unless otherwise indicated, we'll have CIC back here on August 16 . . .

**A Member:** — That's a Wednesday. The 17th . . . (inaudible) . . .

**Mr. Chairman:** — Sorry, August 15 . . .

**A Member:** — Seventeenth.

**Mr. Chairman:** — Seventeenth? August 17 — Thursday, August 17. And we shall see what we can do in the interim in terms of departments.

**Mr. Martin:** — He's just back the day before that. In order

to get caught up, maybe we could bring them in the following Tuesday.

**A Member:** — Well, no. He's a private auditor; he knows . . . (inaudible) . . .

**Mr. Martin:** — Well what if he has a flat tire or something on the way home from . . . trailer breaks down or something. Maybe we should just give him an extra couple of days.

**Mr. Chairman:** —We're adjourned until next Tuesday at 8:30 a.m., and the agenda yet to be determined.

The committee adjourned at 10:35 a.m.