

**Mr. Chairman:** — We left off on Tuesday. We were discussing the motion of Mr. Rolfes that the Public Accounts request a copy of the Coopers & Lybrand study. Next on the speaking order was Mr. Hopfner. But I wonder, before we get to that, I'd just like to deal with a slight procedural thing and that's the question as to sitting times. As you know, the legislature will be sitting from 10 till 1 next week Thursday. And the following Tuesday, I wonder if you want it for a travel day. I'll need some kind of a motion as to whether or not then you want to sit next week Tuesday, which is the . . . Thursday, which is the 12th of April and the ensuing Tuesday . . .

**Mr. Baker:** — Friday's the 13th, so it'll be Thursday the 17th or so.

**Mr. Chairman:** — Thursday the 12th.

**Mr. Baker:** — The day before Good Friday.

**Mr. Muller:** — We can't sit that day because the legislature sits at 10 in the morning.

**Mr. Baker:** — We won't be able to sit till the following Thursday, which will be the 17th or 18th.

**Mr. Chairman:** — The Thursday will be difficult to sit on. Now it's up to the members whether or not they wish to convene the following Tuesday morning. As it stands now, we would be.

**Mr. Sauder:** — I can't make it in by 8:30.

**Mr. Anguish:** — I agree.

**Mr. Chairman:** — Can we have a motion then?

**Mr. Anguish:** — I move we do not sit on the Tuesday that you don't want us to sit on.

**Mr. Chairman:** — I believe that to be Thursday the 12th and Tuesday the 17th. Is there agreement on that?

Agreed

#### **Public Hearing: Crown Investment Corporation (continued)**

**Mr. Chairman:** — Now we're back to the motion.

**Mr. Hopfner:** — Thank you, Mr. Chairman. Mr. Chairman, the motion, in asking for the study to be brought back to the committee and for public viewing, I guess probably what I will do is indicate to you previous to my remarks is that my final comment would be is that the board enacted that study thinking they had the authority. And this authority was challenged by the auditor, the Provincial Auditor, and with the lawyers involved. And through their discussion, they had just typically agreed that the study was not of the authority of the CIC (Crown investments corporation of Saskatchewan) but that the auditor probably was right in his assessment. So through that agreement there was no further carry-on in arguments or disruptions. Management had just agreed, but the study had already

been completed.

So what I say to you, Mr. Chairman, is that even on the private side of things, it's not uncommon for a board of directors to direct management to start action on a particular program which involves expenditures before the board has an opportunity to formally deal with the issue at a formal meeting. And even at that next formal meeting, it still might not get onto the agenda, but it still has to be dealt with because it was a directive from the board of directors. So it could be at the next meeting or until it's formally passed that it would eventually come to that board's attention and go through those minutes.

So the auditor's concerns, Mr. Chairman, I believe were addressed, and there was an agreement between the CIC's lawyer and the auditor. The study is done and the information is still there and it's appropriate that the board of directors have this package that they've paid for because they still can use it. It's still valuable, the information being valuable, and it can be used on and on now for internal or competitive operations.

And if all of a sudden we want to bring this to a public view, well then it is no longer there for just internal and competitive situations, and the whole world sees what they're doing to streamline their various operation and will . . . or the value of this will become valueless. And therefore, Mr. Chairman, I can't see this committee wanting to take a document that is worth a great deal to the CIC and just make it valueless. So I couldn't agree with the motion at all.

I understand maybe where the member opposite may think that there is some sort of, I guess, political nature to the study or something like this. I tend to think that that's probably the only reason he cares to see this study come forth to this committee. And I don't believe that that would be proper just because of political reasons to make a report such that a valueless document and give the opportunity for others to know what internal workings and competitive natures of that document actually are. So I won't be supporting that motion. Thank you.

**Mr. Rolfes:** — Mr. Chairman, just a couple of words, a couple of points on it. First of all, it I think came as a shock to this committee that, not so much that the legislative authority wasn't there, because we felt it wasn't there last July and we made that point last July that we felt the legislative authority was not there, but I think the shock came when Mr. Gibson last meeting admitted that 95 per cent of the study that was done was not under CIC's authority. So when they say it's for internal use for CIC, that simply is not true. If 95 per cent of the study was not done under CIC . . . or was not done for CIC, then there can be no argument that CIC should not make it public, because it had nothing to do with CIC — 5 per cent of it had to do with CIC; 95 per cent of it was done for other purposes, for agencies and departments other than CIC.

I think when the study is done on government departments, that it is incumbent upon this committee to see whether or not public funds have been adequately spent, whether they were spent in the public interest. That's what this committee is all about, is to check on . . .

to be a check on government, to see whether or not the public moneys are spent properly.

How can we possibly make a judgement on this committee if we can't see that report? I mean, your Premier made a statement just a few weeks ago, he wanted to be an open government, he wanted to have consensus, he wanted to have co-operation, he wanted to be open to the people, input from the people. Well how can there be input if you're not going to let the information out?

You're a closed government. That's what you are. What are you afraid of? The member opposite says, competitiveness. What is there that is competitive within the departments of government? I can see there may be some competitiveness in Crown corporations that you don't want to let out, but there's only 5 per cent of it pertains to Crown corporations. The rest of it pertains to departments of government, and we have a right to know how that money was expended. Was that \$2.7 million, even though there was not legislative authority to spend it, was it at least properly spent? And we can't judge that unless we see that report.

So I'm simply asking the members opposite, if you do want to run an open government, if you are sincere about openness and co-operativeness, then show it by your actions, saying, yes, we've got nothing to hide. We'll give you that report. You look at it and let the committee make a judgement whether or not \$2.7 million — even though there was not legislative authority to authorize that, even though the study was done before the minute of the Crown Management Board was passed, even though a lot of the money was spent before that — taking and putting all of that aside, surely you can't deny that we have a right to that report so that we can then make a judgement as to whether or not money was properly spent.

So, Mr. Speaker, I just beg the members opposite in the spirit of co-operation, in your own words of an open government, let's pass this motion and have that report submitted to this committee. Thank you, Mr. Chairman.

**Mr. Chairman:** — Mr. Rolfes, it's the kind of question . . . Mr. Hopfner, I heard you use the words valueless, and I was tied up with looking at something. Are you saying that even though the Government of Saskatchewan paid \$2.7 million for something, we now have a document that's valueless?

**Mr. Hopfner:** — No I didn't say that.

**Mr. Chairman:** — Okay, I wasn't sure . . . (inaudible) . . .

**Mr. Hopfner:** — No.

**Mr. Chairman:** — I just want to make a brief point to the committee is that committee members have been saying that they're concerned that aspects of the report might be sensitive. I want to point out that the committee in its mandate has taken the position, and the Legislative Assembly agrees, that all Public Accounts Committee meetings for hearing testimony be open to the press and public, except when evidence of a particularly sensitive nature is to be given.

So therefore if you felt that this material was so sensitive that it should not be released in a public way, there's certainly an opportunity to have this material shared with the committee, although not in any public way. Now I just wanted to remind you that that's part of our mandate, the ability to do that.

Is there any further discussion on the motion? All those in favour of the motion? All those opposed? The motion is lost.

Negatived.

**Mr. Anguish:** — I don't know whether this is the appropriate time to do it but I would like to hear from you, Mr. Chairman, in the case where someone would lie to this committee, what the conditions are that they can either be reprimanded or there can be a correction made of the record, or how do you proceed when a witness . . . in the case of a witness not coming forth with information to this committee.

**Mr. Chairman:** — If you'll just bear with me for minute.

**Mr. Anguish:** — Yes I will.

**Mr. Chairman:** — I want to thank Mr. Anguish for his question. I'd simply say the chair has no authority in a matter such as this. The committee also does not have the power or authority to censure anyone. I'll put this . . . The committee does have the right to bring to the attention of the Legislative Assembly any and all matters which they feel might be contempt of the proceedings of the committee and of the House. So if you feel that there has been a matter of contempt, if the committee feels that, that's then something that can and should be reported to the Legislative Assembly.

**Mr. Anguish:** — Mr. Chairman, before you go on, I recall, usually when we have a witness appear before the committee, maybe because these witnesses were a continuation of the previous time . . . (inaudible) . . . you state the powers of the committee and the rights. And I don't recall him doing that yesterday. If he did, I don't recall that happening. I don't recall him doing that.

**Mr. Muller:** — Yes, he did.

**Mr. Chairman:** — I can just review that, Mr. Anguish. But I did say that I just want to tell you, and this is to Mr. Gibson and Mr. Wright, that we're simply continuing on where we left off. It would have been last spring, July, last summer, July 27. And therefore all the things that I said about our testimony being privileged and so on still stands.

That was something that . . . And I would have told them last July that the officials should be 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.

Now if the committee feels that witnesses are not answering questions, then the committee has the right and the responsibility to bring this to the attention of the Legislative Assembly. But then that is a matter for the committee to decide.

**Mr. Anguish:** — If you continue with the reference that the Clerk of the committee showed me, maybe you could shed more light on my original question as to what the recourse is, if there's any other recourse for this committee.

**Mr. Chairman:** — Well I can refer you to *Beauchesne's*, section 861, Conduct of Witnesses:

(3) The conduct of a witness before a committee can be considered by the House only after receiving a report thereon from the committee.

**Mr. Anguish:** — Well I would like to deal with the issue as it pertains to Mr. Gibson's testimony on Tuesday before we proceed with any other questions about Crown investments corporation.

**Mr. Hopfner:** — On a point of order then, Mr. Chairman.

**Mr. Chairman:** — Point of order.

**Mr. Hopfner:** — Yes. If there is going to be a discussion and it is going to pertain to some testimony given by a witness, I don't believe it should be upon this committee to have that kind of stuff discussed for public scrutiny. And therefore then I would request you to check and put this all *in camera* so that we're not slandering somebody that is unnecessary or anything like this and bring a shadow on this committee.

Therefore I'd ask everyone to leave so that we can hear what Mr. Anguish has to say and then we make our assessment of that and decide whether that should go back to the House or not.

**Mr. Chairman:** — I think, Mr. Hopfner . . . let me just . . . give me a moment to consider your request.

At this point, there is nothing to say that the . . . let me just . . . Mr. Anguish has stated an intention to want to deal with the issue of contempt? Is that what I heard you say?

**Mr. Anguish:** — Yes.

**Mr. Chairman:** — You're saying that if we do any such thing that it should go *in camera*?

**Mr. Hopfner:** — What I'm just saying is that I do not believe that there should be any slandering of any sort or any kind of charges of any sort being brought against a witness unless it's discussed *in camera* and we can decide that there has been something like this or if there . . . And I'd like to get more of an idea of what the rulings are before it goes for public scrutiny. And then as far as the reading or media or anything is concerned . . . because

the witness here is sitting here helpless.

**Mr. Anguish:** — He's got you to defend him, Mike.

**Mr. Hopfner:** — No, I want to know . . .

**Mr. Chairman:** — Before we get to the . . . At this point, all we have is an intention by Mr. Anguish. Now if he wants to move a motion, then I think that it's entirely in order for the committee to take the position that on a procedural matter we want to move *in camera* and consider that motion, and then to take it from there.

**Mr. Hopfner:** — All right. It's up to him.

**Mr. Chairman:** — That would be my ruling at this point, that we proceed in that fashion. So if there's then a motion, move it as a motion.

**Mr. Hopfner:** — Well he's got to move the motion. He's the one that's . . .

**Mr. Rolfes:** — You don't have to move a motion.

**A Member:** — Well he just heard your challenge.

**A Member:** — To deal with the issue you're saying we have to have motion on the floor?

**A Member:** — Yeah, you have to move a motion.

**Mr. Rolfes:** — No you don't.

**Mr. Anguish:** — I was first, Mr. Chairman, asking for guidance as to how to deal with this. Now you're saying, in order for us to be able to deal with it, we have to have a motion on the floor?

**A Member:** — No, you do not.

**Mr. Chairman:** — If you want to deal with the issue of contempt, then that has to be a matter for the committee to make a decision on. Okay? If the committee wants to make a decision on something, then it should be done by way of motion.

**Mr. Rolfes:** — Yes, we don't say we're going to make a decision; we want to discuss it.

**Mr. Chairman:** — Well . . .

**Mr. Hopfner:** — If you don't want . . . if you want to discuss it, make your motion.

**Mr. Rolfes:** — Mr. Chairman, I don't know . . . I think I'm misunderstanding your ruling here because, you know, we very seldom make motions. When we want to discuss something in public accounts, we simply go over it.

All that Mr. Anguish is saying, he wants to go and discuss a particular matter that was discussed last day. Do you mean to tell me in order to discuss it he has to make a motion?

**Mr. Hopfner:** — No, he brought in the word "contempt."

**Mr. Rolfes:** — Never done that, never done that unless the committee wants to make a particular decision, come to a decision on something, then yes, we make a motion.

**Mr. Chairman:** — There's nothing to preclude the committee from going over a testimony that was gone before if it wants to do that. And you know, just put up your hands and we'll proceed in that fashion.

**Mr. Rolfes:** — That's exactly what I was saying.

**Mr. Chairman:** — So what I heard is that you want to discuss whether there is an issue of contempt here.

If you want to discuss testimony, if you want to ask questions, just put up your hands and you'll be recognized and we'll move to that.

**Mr. Rolfes:** — Exactly. You don't need a motion. You don't need a motion. If you want to discuss it, go ahead and discuss it.

**Mr. Chairman:** — No, no. If members want to discuss questions of contempt, then there should be a motion. You cannot go on a fishing expedition. If you want to discuss testimony and you want to put questions to the witness, please put up your hand, you'll be recognized, and we'll proceed to do that.

**Mr. Chairman:** — Would the members want to take a five-minute break while they're . . .

**Mr. Rolfes:** — Yes, while I show John some kindergarten pictures. Mike will join them.

**Mr. Chairman:** — Do you want to take a five-minute break while we're doing that? Yes. We take a break for five minutes. The committee recessed for five minutes.

**Mr. Chairman:** — I call the meeting back to order.

**Mr. Anguish:** — Mr. Chairman, I'd like to move, seconded by the member from Regina Rosemont:

That this committee consider in its testimony of Mr. W.B. Gibson before the Public Accounts Committee on Tuesday, April 3, 1990, was in contempt of the Public Accounts Committee.

**Mr. Hopfner:** — Could I get a copy of that motion, Mr. Chairman? The motion's out of order.

**Mr. Chairman:** — It's going to take a few minutes to get a copy, but the motion by Mr. Anguish was essentially that the committee go back now and look at the testimony of the witnesses to determine if there was any contempt. Basically what the motion says is that we should re-order our agenda then to do that. Subsequent to that the committee may or may not decide to put forward another motion that would then go to the Legislative Assembly, saying that they found contempt. That's a different matter again. But that's the motion. The motion is in order, and we can give Mr. Anguish the opportunity to address it if so wishes, and we'll pick it up from there.

**Mr. Anguish:** — Well in regards to the motion that deals with the testimony on April 3, 1990 last Tuesday, this committee was discussing Crown investment corporations and we had the witness, Mr. Gibson, representing Crown investments before the committee. And at one point, Mr. Chairman. I asked:

Who actually signed the contract with Coopers & Lybrand, Mr. Gibson, to allow these funds to be disbursed?

Mr. Gibson's response:

Oh gee, I can't recall now.

Following that, Mr. Chairman, I asked the Provincial Auditor who signed the Coopers & Lybrand contract to have the \$2.7 million study done. Mr. Wendel asked if it was the wish of the committee to release that information, and it was agreed by the committee that the auditor would release the information. Mr. Wendel stated that, and I quote:

. . . one name is W.B. Gibson and the other (signature) . . . I'm not certain if I can read the signature.

It was further discovered that the other signatory to the contract was Henry Matthies. Mr. Chairman, it seemed to me, and I think to some other members of the committee at least, that all of a sudden Mr. Gibson's memory recall improved a whole lot when he found that there was information that he couldn't remember coming from the Provincial Auditor.

The point that I would bring the motion to, that cannot I think be denied, is when Mr. Rolfes asked whether or not he could remember who had told him to sign the contract. And without any prompting whatsoever, Mr. Chairman, on page 13 of the April 3 transcript, Mr. Gibson can then recall, and I quote:

That would have been the minister responsible, which would be the Hon. Eric Berntson.

Now it seems to me, Mr. Chairman, that there's a possibility that this is showing contempt for the committee. There's no prompting from anyone on the committee as to have Mr. Gibson recall who had ordered him to sign the contract without any apparent authority. There's no minute to back up what he's saying; there's no correspondence to back up what he's saying. He could remember a verbal detail like that given to him a period of time ago but yet could not recall that it was he himself who actually signed the contract for \$2.7 million.

It doesn't seem to me, Mr. Chairman, unless it can be presented in his defence that there were a number of studies signed in that particular period of time in that magnitude of money, that Mr. Gibson has any defence at all. If Mr. Gibson can show us that there were more studies done under the name of Crown investments corporation in the magnitude of \$2.7 million, if there were a number of those — and I tried to establish that yesterday — that he couldn't remember how many

contracts there would be signed to do this type of a study. If he could present evidence that there were a number of contracts signed for \$2.7 million, I would be more than willing to withdraw the motion that we placed before you here today.

But to me, there is no evidence that it was not in contempt of this committee when within about half an hour you have a witness who could not remember signing a \$2.7 million contract, to the point where within half an hour that same witness could remember a verbal detail of one specific cabinet minister ordering him to sign that particular contract. And I would reserve my privilege to get on the speaking list again, Mr. Chairman. That basically outlines the reason why we have put forth the motion to consider whether or not contempt was shown by a witness towards the Public Accounts Committee.

**Mr. Chairman:** — Thank you, Mr. Anguish.

**Mr. Gibson:** — Mr. Chairman, I don't know . . . I'm a witness here and I suspect I'm not officially allowed to speak to a motion. But since I'm the accused here, I would appreciate the opportunity of speaking to that as well, please, if it's allowed.

**Mr. Chairman:** — I appreciate your question, but you have no right, as I understand it, to enter into the debate. You're here only to answer questions put to you by the committee.

**Mr. Gibson:** — I just thought since I'm the one that's being personally accused here that I ought to be given an opportunity to defend. But if that's not the case, fine.

**Mr. Chairman:** — Well, as I say, you're here to answer questions, Mr. Gibson.

**Mr. Anguish:** — Well I have a question for Mr. Gibson.

**Mr. Hopfner:** — We're dealing with the motion.

**Mr. Chairman:** — Well in the context of the motion, a question can be put.

**A Member:** — Well if we're dealing with the motion, that's fine.

**Mr. Chairman:** — I have Mr. Hopfner next, but again before we get to Mr. Hopfner, I just want to say that, Mr. Gibson, you don't have the right to interject into the debate, but committee members certainly have a right to ask you questions in any discussion that is taking place during the committee. So if Mr. Anguish wanted to ask you questions, he could do that; if Mr. Hopfner wanted to ask you questions, even in the context of this motion, then that's allowable.

So I'll step back and say to Mr. Anguish that if you want to ask questions, please feel free to do so, and that goes for any other member that wants to get into the debate on the motion.

**Mr. Anguish:** — Well at best, Mr. Chairman, there's also other contradictions in the testimony that we would want to deal with as well as some . . . (inaudible) . . . I suppose

my question to Mr. Gibson is if you had an opportunity to retract or to change anything that you had said before the committee on April 3, would you have done that?

**Mr. Gibson:** — No, I wouldn't.

**Mr. Anguish:** — Okay. That's it, that's my question.

**Mr. Hopfner:** — I guess, Mr. Chairman, if Mr. Anguish's motion is asking this committee to consider the testimony of Mr. W. B. Gibson, we've been considering that testimony as Mr. Gibson's been in here. It's been some time since we've met to carry on with this public accounts, and I can see that if Mr. Gibson is being accused by Mr. Anguish of having a lapse of memory in time and everything else like this, then I suggest then that Mr. Anguish has had a lapse of memory — it wasn't yesterday that he was dealing with it, it was the day before.

So you know, I mean, it's in verbatim that he said he was establishing this yesterday with Mr. Gibson and that yesterday with Mr. Gibson and it was the day before. It was on Tuesday not Wednesday. And if he's going to accuse Mr. Gibson of not quite just exactly having the same wording and everything else, well then I think it's totally ridiculous the type of motion that he put forth.

Mr. Gibson is, in my estimation, answering the questions to the best of his ability. If Mr. Wendel has refreshed his memory on some names and if the auditor . . . between the auditor and Mr. Gibson, we can get to the expenditures of the CIC and its particular situation that the members of the opposition of this committee are asking, well let's get it out, you know. But Mr. Anguish is somewhere in a gutter and trying to look for some sort of something that just is not there.

And I'll say this to you, sir: I am quite satisfied at this point that Mr. Gibson is doing everything humanly possible to remember exactly what has taken place in the past, quite some time ago. And I'm not expecting Mr. Gibson to be any type of a walking computer that he can just have everything right at the fingertips. If he's being asked a question and he just can't quite comprehend the whole situation and he's trying to draw from the past, I mean there's a lot of people out here in the real world that would have some considerable difficulty as well, trying to remember every transaction and every piece of paper and item that has crossed his desk.

Mr. Gibson has indicated to this committee that he has signed many documents worth hundreds of millions of dollars. And if Mr. Anguish has a problem with him not quite remembering this particular item, then I would suggest that Mr. Anguish might make a motion and ask Mr. Gibson in a nice sort of way that he bring this information, the type of information he feels he's not getting, back to this committee.

But I think Mr. Anguish is on some sort of a witch-hunt here and not an information hunt. And I will be no part of a committee to be on a witch-hunt. I want information, like every other member of this committee wants information, to make sure that there has been an upright expenditure of his department or any other department.

And I do not believe that we should entertain such motions at all. I may ask Mr. Anguish to come back into the debate later on.

**Mr. Baker:** — Well I'm not quite sure what the member's looking for here unless it is a witch-hunt. I mean, if you were asked who instructed you and you were the president of a corporation, what would be a logical answer? The man clearly says here when Mr. Rolfes asked him the question, that would have been the minister. It would have been the minister responsible, which would be the Hon. Eric Berntson. I mean he didn't say that . . . It wouldn't have mattered who the minister was at that time. That's the person that he would take directions from.

And if in fact, would he take the directions from Doug Anguish or Herman Rolfes or me? No. Of course it would be the minister. And he clearly states that: that would be the minister. I mean, it's quite clear that that's who he would take instructions from. He wouldn't take it from anybody else.

And the way he answers it is very, very proper. I mean, you get back into the other side. I don't know who has signing authority for the corporation over there, whether it takes the president in all cases or whether there's more than one can sign. But clearly there's nothing in the front end of this that would demonstrate that he's answered anything improperly.

To me this is an absolute waste of the committee's time to be picking on something like this.

**Mr. Lyons:** — You'll see; you'll eat those words.

**Mr. Baker:** — Well maybe I'll eat those words, but I doubt it. I mean clearly the witness, the way he answered that question, I mean, who else would he have taken orders from? That's the question that I have.

**Mr. Anguish:** — We'll address that. Are you asking the question right now?

**Mr. Baker:** — Well would you . . . if you were the president of a corporation, who would you take orders from?

**Mr. Anguish:** — I would take the orders from the chairman of the board who at that time was Wolfgang Wolff.

**Mr. Chairman:** — Mr. Baker, you should put your questions to the chair. Mr. Anguish, we'll certainly put you on the motion again. I appreciate you wanting to answer Mr. Baker's questions, but put your questions or your comments to the chair.

**Mr. Rolfes:** — Mr. Chairman, I must admit I was somewhat surprised the other day that when Mr. Gibson did answer the question, that he . . . I wasn't surprised when he said he didn't remember, didn't remember who had signed it, but I must admit I was surprised and somewhat shocked when Mr. Wendel did read out that it was Gibson who had signed it. If it had been a contract of not that magnitude, I could have accepted that. But

Coopers & Lybrand has been a study that has had some controversy supported around it ever since it was started. We've asked a number of questions in the House on it and have got nowhere on it.

And I mean it's not . . . it's just not an ordinary contract or study. It was a major study that was done, and the opposition feels that it was a study that was done on privatization, and a lot of the recommendations made on privatization. So we've asked a lot of questions on it.

So it is not just an obscure kind of study that would have just been put on the shelf. It was a study that had significance to it, a whole new direction to the government. That is why I was surprised when it came out that you were the one that had signed it. Up until then I'd have thought nothing of it.

But I do want to answer to the member from Biggar. The line of authority is not that well established, Mr. Member. I mean, as my colleague here has pointed out, the chairman of the board could have given the instructions. Wolfgang Wolff. Vice-chairman. The Premier could have given that instruction.

But he didn't hesitate at all. His memory came back to him very quickly on that. And I believe it came back because that study has had such significance. It is not a study that was put on the shelf; it was a study that had been very active. And I say, Mr. Gibson was well-informed and knew well that study.

No, he didn't know the details of it, that's true. But . . . Well he says he didn't know the details and I'll take his word for that — that he has had a look at it and that's it and he hadn't studied it. And that it was, you know, that the board of directors have done . . . some of the board of directors had done studies on it.

But I must admit, immediately I felt that there was something there that if you could remember who gave you the verbal instructions three years ago, but couldn't remember putting your signature to that study, I thought there was something not quite right there.

And I must admit that . . . And then when you did say you knew immediately who the minister was and you also knew who the co-signer was, if you go back into the minutes, then I had some doubts about whether you had been forthright with the committee . . . (inaudible interjection) . . . Yes.

**Mr. Chairman:** — Please direct your comments to the chair.

**Mr. Lyons:** — The issue here I believe, Mr. Chairman, is the question of the reliability of testimony given to the committee by witnesses, and the responsibility and onus of witnesses to be forthright in their answers to the committee.

When we look back at the testimony of Mr. Gibson in regards to a number of questions put to him at the last meeting of the Public Accounts Committee and we examine that testimony, you will see that it's riddled with contradictions, contradictions which arise not from

interjections or comments by members of the committee, but in fact contradictions of Mr. Gibson's own mouth.

**Mr. Hopfner:** — What are you talking about? What contradictions?

**Mr. Chairman:** — Mr. Hopfner, do you want to go back on the speaking order?

**Mr. Lyons:** — Mr. Chairman, this is a serious matter. The reputation of Mr. Gibson is at stake and I think we all realize that. Nobody's here to engage in a witch-hunt. Nobody is here to engage in a character assassination, but what we are here . . . Well, Mr. Hopfner, you may not think that this is very serious, but if Mr. Gibson's reputation is on the line, I think it is. So I ask you to have the respect for the issue which it deserves.

Mr. Gibson, we look at your testimony that you gave before the committee last day. As I said, I find it riddled with contradictions. Mr. Anguish has referred to . . .

**Mr. Hopfner:** — Why is he not speaking through the chair?

**Mr. Lyons:** — I believe, Mr. Chairman, I'm speaking through the chair, but it's perfectly within my right to look at Mr. Gibson as to what I have to say because it relates to Mr. Gibson. And if you keep interrupting, Hopfner, I'm going to ask you to be expelled from this committee, you know.

**Mr. Chairman:** — Mr. Lyons, I appreciate your comment, but if at all times we could direct your comments to the chair, that way at least we give the impression of being a legislative committee.

**Mr. Lyons:** — We certainly wouldn't want to give any other impression, Mr. Chairman.

Let's look at the contradiction Mr. Anguish raised. On the one hand Mr. Gibson can't recall signing a \$2.7 million contract, a major contract which determines the future of hundreds and hundreds of civil servants and Crown employees throughout the province of Saskatchewan — commissioned, by Mr. Gibson's own words, a situation which at the very best can be characterized as dubious. Commissioned, by what Mr. Gibson in his later testimony, as his memory improved, commissioned by an informal — he used the word informal — or a not formal meeting of the board of directors of Crown Management Board.

Given instructions — and Mr. Gibson is very specific on who gave him the instruction although he will admit he couldn't remember the date, or says he can't remember the date at which he was given the instruction to go ahead and sign the contract. Given instructions by Mr. Berntson, not by the chairman of the Crown Management Board, Crown investments corporation.

If we look at page 11 for example, in this, you will find that despite one page earlier, when Mr. Gibson couldn't remember who it was that told him what . . . not only who it was that told him, but couldn't remember whether in fact he had signed that document. On page 11 we find his

testimony in answer to a question by Mr. Anguish:

Mr. Anguish: — If you sign with the same diligence, I would like your explanation as to why you would sign a \$2.7 million contract with Coopers & Lybrand, and yet there be no apparent advantage, where you as chief executive officer don't even get to see, is what you're telling us, you don't even get to see the report that was commissioned.

Then Mr. Gibson suddenly remembers he was told to sign that contract by the board of directors. On the one hand, he couldn't remember whether or not he was told to sign . . . whether he signed the contract. On the next instance, he then remembers that he was commissioned to . . . or told to do so by the board of directors. And on further questioning we find out that not only does he remember that it was the board of directors, we find out that it was the Hon. Eric Berntson who told him.

**A Member:** — There's no evidence that he had board approval.

**Mr. Lyons:** — Without . . . but that's whether . . . the question he had board approval or not, I would set aside as a separate matter.

And upon further questioning, despite the fact that Mr. Gibson says, well I don't know whether I signed it or not, yet upon his memory improving he finds out that indeed, not only was it directed by the board of directors and the Hon. Eric Berntson, that it was some time prior to — I believe the testimony says December 2 that he was instructed to do so.

And is it any wonder just on that one contradiction alone in this testimony, and there are others, and I'll get to the others . . .

**Mr. Gibson:** — Mr. Chairman, I am totally frustrated here to listen to all this discussion when I am not allowed to respond to it. This is totally unfair to me. These are totally unfounded accusations that were made at me personally.

**Mr. Chairman:** — Mr. Gibson, as I indicated, you're here to answer questions. Any other member of the committee or any member of the committee can ask you questions, and I'm sure that committee members are listening to comments being put to members and, if they see a need to ask you questions, will in fact do so.

But I must ask you to refrain . . .

**Mr. Gibson:** — But you were talking about . . . Gibson; you are not talking about Crown Management Board.

**Mr. Chairman:** — No, I'm asking you to refrain from entering into a discussion in the committee unless you're asked questions by members of the committee.

**Mr. Muller:** — Thank you. Is my name on the list?

**Mr. Chairman:** — No, but I can put it on there.

**Mr. Lyons:** — That's one set of contradictions. I think it's

fairly clear, Mr. Speaker, that in fact that the members of the committee should take concern as to the question which was raised — not just today but in fact was raised at the last meeting — and that was the question of Mr. Gibson's selective memory. And the testimony has that.

We look at another contradiction . . .

**Mr. Sauder:** — Point of order, Mr. Speaker.

**Mr. Chairman:** — Point of order, Mr. Sauder.

**Mr. Sauder:** — Mr. Chairman, I'm a relatively new member to this committee. It's my second sitting to be involved with. Already I've come to the situation, particularly this morning, where the committee has digressed from what I've been interpreted as the purpose of it, to review the expenditures and scrutinize the operations of government departments.

We've got into a situation where we're on to nothing more than character assassination of the witness before our committee. I would ask you, Mr. Chairman, to have that reviewed or to set it . . . have it set aside until such time as we would have either a legal opinion or determination of the appropriateness of this committee dealing with that type of procedure or motion, without an opportunity of the witness being able to defend themselves.

I think that in any court of law in this land, the person who accusations or charges are brought against has that opportunity to have representation, and I don't believe that it's right or proper or legal for us to enter into those types of procedures within this committee. And I'd ask for a ruling on that, sir.

**Mr. Chairman:** — I'm not quite sure what it is that you're asking me to rule on, Mr. Sauder. One, we have a motion before us that I've said is certainly in order. That's point number one.

Secondly, Mr. Lyons is speaking to the motion. Are you asking me to review the comments of Mr. Lyons to see if they were, in fact, in order? As I've been listening to them, they seem to have been in order, but I'm certainly prepared to review the transcripts of *Hansard* and rule subsequently to see if they were in order. I need some direction from you, just what the point of order is.

**Mr. Sauder:** — As I said before, I believe that this committee is digressed from what its purpose is, to off on a tangent of dealing with the character and the principles of the witness and the credibility of the witnesses as opposed to . . .

**Mr. Chairman:** — No, I think you're getting into argument. I think you're getting into argument and into debate, and I can certainly put your name down on the list.

**A Member:** — No, he's got a point of order.

**Mr. Chairman:** — But the point of order, I'm not clear as to exactly what the point of order is in this instance.

**Mr. Sauder:** — The point of order was that this witness . . . or that this committee is on a witch-hunt as opposed to dealing with the order that should be before it, and I believe that we need a ruling as to whether we are in order to proceed on that without — without the person who the accusations are being brought against having the opportunity to respond to them.

I don't believe that anybody, civil servant or anyone else, should be put in the position of having those types of accusations brought against them without opportunity to respond here or anywhere else. That's my point of order.

**Mr. Chairman:** — Okay. The point of order is not well taken, Mr. Sauder. We're a group of committee members trying to determine what needs to be done in terms of . . . the motion before us is to consider some testimony, testimony or witness, and as to whether or not the committee wants to take any further action after that point.

**A Member:** — I agree.

**Mr. Chairman:** — We're not dissimilar to a group of policemen deciding among themselves whether or not some charges should be laid, and in a context like that the witness doesn't necessarily have any rights. If you feel that the comments that are being made here, you know, are a detriment to someone, again the matter was raised earlier that the committee can move *in camera*, and always has the option, I think, to move that motion and to consider that first and to proceed in that fashion.

But there is no point of order here. The motion is in order. You've not asked me to review the comments of Mr. Lyons to see if his comments were in order. You've said that the committee . . . or that the witness should have somehow some powers within the context of the committee which are not provided for anywhere in the rules of the House.

If you want to question the rules of the committee and the mandate of the committee, then I think there's always an opportunity to do that. But at this point the discussion, the motion is taking place in the context of the rules that we have, and it should be allowed to continue, I think, without further interruption.

**Mr. Baker:** — Point of order, Mr. Chairman.

**Mr. Chairman:** — Mr. Baker, on a point of order.

**Mr. Baker:** — Do you mean to tell me that this committee can sit here and, in front of the whole world and God and the media, and bring his character into question . . . (inaudible interjection) . . . Just a minute. Bring his character into question in this country of Canada, in Saskatchewan, in Regina today, without him having an opportunity to defend himself?

When those policemen are sitting around discussing a matter, they're not sitting where it's on verbatim. They're not sitting in front of the media. And I believe that this is an unjust situation that we've put this man into now, and I think if you stop and think about it, you will think the same thing.



**Mr. Anguish:** — Mr. Hopfner said he's going to ... (inaudible) ...

**Mr. Chairman:** — Can I just ask for your indulgence here. You want to make a couple of points, a couple of points. One, it's been raised by, I think by Mr. Hopfner earlier, the question of the committee going *in camera*.

**Mr. Hopfner:** — We haven't even discussed that.

**Mr. Chairman:** — The committee always has the right to move *in camera*, and any testimony is not entered into the record. And the media or other persons who have no business before the committee are not here present to the discussion.

So point number one is that the chair will entertain at any time a motion to move *in camera* and moved up to the forefront, and we will consider that. Point number one.

Point number two. If you have concerns about the witness not being able to put forward his point of view, I would simply remind you that you and all other members of the committee have the right to ask the witness any question that you want so that, if you like, his point of view can then also be put on the table in the context of this discussion. So I simply want to reiterate that the discussion that we are having is in order, but furthermore, that you have the right to ask the witness any questions.

Thirdly, to say that a motion to move *in camera* will be in order at any time.

**Mr. Baker:** — But you're going to continue on and let the speaking order take its place, and you're going to let him be brought forward to ridicule and subject to character. You're going to let that continue on without him having any rights. Is that what you're telling me, Mr. Chairman?

**Mr. Chairman:** — Now, Mr. Baker, are you asking me that I should review the comments of Mr. Lyons to see if Mr. Lyons is using unparliamentary language or otherwise is saying things that is not appropriate language or in the context of parliamentary conduct? If that's the point of order, then I'll be pleased to do that, to reserve my judgement until I've had an opportunity to review the record and to come back to you with a ruling as to whether or not his comments thus far are in fact appropriate.

**Mr. Baker:** — I would ask you to review it in the light that the man's human rights and civil rights are protected. Yes, I would like to have you review the comments based on our charter of rights and the civil rights of an individual.

**Mr. Chairman:** — Mr. Baker, first of all, if you want to raise a point of order that Mr. Lyons has used unparliamentary language and that therefore I should review that and make a ruling, I'm quite prepared to do that. Point number one.

If you're asking me to review his comments in light of a witness's rights, civil rights, human rights, I can only relate to you the rights that a witness has before the committee, and that is the committee is here to answer

questions put to it by the committee.

**Mr. Hopfner:** — On the department.

**Mr. Chairman:** — Is here to answer questions put to it by the committee.

**Mr. Hopfner:** — On the department, not by an individual.

**Mr. Chairman:** — On matters of ...

**Mr. Hopfner:** — On the department.

**Mr. Chairman:** — Within the mandate of the committee. Now ... so I can't sort of ... you know, I can't make any other ruling but to say that the witness is here to answer questions, the motion is appropriate, the comments so far that I've heard from Mr. Lyons are appropriate, and that the discussion should continue.

Now is there another point of order?

**Mr. Britton:** — Yes, there is a point of order. You are misreading the motion, Mr. Chairman. The motion reads: to consider the testimony of Mr. Gibson before the Public Accounts. There is nothing in this motion says that there's any other information should come forth. We are here to decide, to consider, if anything in this was out of order. And you are allowing more testimony into ... and this motion should be looked after before any other questions are put ... (inaudible) ... and you're misreading the motion.

**Mr. Chairman:** — Well, I'm not misreading the motion. If you want to debate the motion, you're certainly ... you can do that.

**Mr. Britton:** — You're allowing, you're allowing further testimony.

**Mr. Chairman:** — No. Mr. Britton, Mr. Britton ...

**Mr. Britton:** — You are allowing more testimony.

**Mr. Chairman:** — Mr. Britton, Mr. Britton, I ask you not to interrupt the chair. Mr. Britton, the chair has that right, Mr. Britton.

**A Member:** — No they don't.

**Mr. Chairman:** — Mr. Britton, I would simply say that if you feel that the motion is out of order, that you can raise that point. But the motion ... debate has taken place on the motion. We've had Mr. Anguish, Mr. Hopfner, Mr. Baker, Mr. Rolfes, and now Mr. Lyons address the motion.

But if you now determine that the motion is out of order, you can certainly raise that point, but at this point it's in order.

**Mr. Lyons:** — Thank you, Mr. Chairman, the issue before the committee ...

**A Member:** — Point of order, Mr. Chairman.

**Mr. Chairman:** — Point of order, Mr. Hopfner.

**Mr. Lyons:** — This is Tory stonewalling again. Here they go, they don't want to let the public hear what's going on.

**Mr. Hopfner:** — Listen, Mr. Chairman, you said you would entertain a motion going *in camera*.

**Mr. Chairman:** — Yes. I think a motion . . .

**Mr. Hopfner:** — I so move then, sir, that this committee moves to camera to discuss this motion.

**Mr. Chairman:** — Mr. Hopfner, you raised a point of order, right? You raised a point of order, but a motion to move *in camera* is not a point of order. Mr. Lyons has the floor. If Mr. Lyons wants to give you the floor so that you can move such a motion, then he has the right to do that.

Otherwise, I note that you're next on the speaking order and you can certainly move that motion.

**A Member:** — Point of order, Mr. Chairman.

**Mr. Chairman:** — Point of order.

**Mr. Muller:** — If I was to ask in my proper line of questioning, if I was to ask Mr. Gibson a question, do you feel your testimony on page 11 was correct. Can I leave that question open so that he's able to respond at any time?

**Mr. Chairman:** — Yes. We've done that before where a committee puts a question to a witness and . . .

**Mr. Muller:** — So if any member of the committee asks an open question, then that would open it up so Mr. Gibson would be allowed to respond to any remark that was made from any member of the committee.

**Mr. Chairman:** — We've always taken the point of view . . .

**Mr. Muller:** — That would give him the right to testify.

**Mr. Chairman:** — Yes. If you're asking me, if you're asking me . . .

**Mr. Muller:** — I would ask Mr. Lyons then to do that now so that Mr. Gibson would then have the right to reply.

**Mr. Chairman:** — The chair has the floor. What you're raising is a question that does the witness . . . if the witness cannot answer a question today, does he have the right, or can he come back to us at a subsequent time to answer the question.

Well it's normal procedure in this committee that if the witness does not have an answer to a question today, that we allow the witness an appropriate time to answer the question.

**Mr. Muller:** — Excuse me, Mr. Chairman, I asked if I was to leave a question open to Mr. Gibson as an ongoing open question, would he have the right to respond at any time? That's the point of order I raised.

**Mr. Chairman:** — No, then that's tantamount to saying that the witness should be able to enter into the debate.

**Mr. Muller:** — But I'm leaving an open question.

**Mr. Chairman:** — No, I think that you should put a direct question to a witness and the witness should answer and then, once you're finished with your questioning, then it should go on to someone else to answer questions. If you wanted to come back to the question, you have the opportunity to get back on the order again and put the question again.

**Mr. Lyons:** — Mr. Chairman, the issue here before the committee is very simply this. Our privilege as members, and the public's right to know, depends upon our ability to access information. And the information, and the only information, other than which comes through the auditor, or which comes through government publications, is a testimony of witnesses before the committee.

We, as members of the committee and representatives of the people of this province, in order to determine whether or not the tax dollars of this province are spent in an appropriate manner and in a manner which is proper, we must rely on the testimony of witnesses and must be able to rely on the veracity of that testimony. Because that's the issue, that's the issue.

I've sat on this committee for a number of years now, and we've had dozens and dozens of civil servants come before this committee. The reason this issue has raised and has risen at this time is because in terms of the testimony, and I pointed out one contradiction, Mr. Anguish has pointed out another contradiction, and there are others in . . . and if members review the testimony of Mr. Gibson at the last public accounts meeting in relationship to some of his testimony prior to the last public accounts meeting, you'll find other contradictions in his testimony.

In order to be able to rely on any kind of . . . have confidence that the information that we're receiving from people who are paid (or, and paid well for, by the people of the province, that we must have confidence that the information that we're getting is correct. In the dozens of civil servants which have come before this committee, I must say in all truthness, Mr. Gibson, that your testimony is the only.

**Mr. Hopfner:** — Point of order. Mr. Chairman.

**Mr. Chairman:** — Point of order.

**Mr. Hopfner:** — Mr. Chairman, over and over and over again, he is discussing the situation and referring to Mr. Gibson, Mr. Gibson, Mr. Gibson. Now I say that this motion is . . . that this committee consider the testimony. He's already into the testimony and he's already suggesting to Mr. Gibson that . . .

**Mr. Chairman:** — I'm not sure what the point of order is.

**Mr. Hopfner:** — I will get to the conclusion.

**Mr. Chairman:** — State your point of order.

**Mr. Hopfner:** — I will get to the conclusion . . . that the testimony he's already in, discussing the testimony with Mr. Gibson and accusing Mr. Gibson of improper testimony to this committee. We are discussing here a motion amongst the committee here as to whether we even consider the testimony.

Now I either ask you to get back on to the motion and keep the member on the motion or I'm going to ask you to call the question, or if you call . . . or if you rule this point of order out of order, I will challenge the chair and I will bring this question to the committee then, and we will rule on the chairman and his consideration of this testimony.

**Mr. Chairman:** — So far that's exactly what's happened.

**Mr. Hopfner:** — And I'll tell you. It better doggone well start happening right now that you bring this committee to an order. You have media in here that can go out of this room and print any innuendoes or anything that the members are suggesting in this room, and this member has no right to any recourse. And these members here are cowards. They won't say anything outside this room or outside the legislative room because they know Mr. Gibson could probably sue them, and I would suggest to you, sir, to get your NDP members back in order.

**Mr. Anguish:** — Why didn't you move the committee *in camera*, Mikey, like you said you were going to at the beginning.

**Mr. Chairman:** — Mr. Anguish, Mr. Anguish.

**Mr. Hopfner:** — Because I was ruled out of order.

**Mr. Chairman:** — Mr. Anguish, Mr. Anguish. On the point of order, on the point of order . . . on the point . . . The motion is that we consider if the testimony of Mr. Gibson was in contempt. Now that does not necessarily suggest to me that we need to review all of the testimony at this point in time. I think that we only need to have enough of an indication that the testimony was in fact . . . (inaudible) . . . without reviewing all of the testimony before we should be dealing with this motion.

What you're doing is saying, well, we should consider it, but I want to go through all of it at this point in time.

**Mr. Lyons:** — Mr. Chairman, I first of all address my remarks to Mr. Gibson through you, and I apologize to the chair for directing the remark . . .

**Mr. Chairman:** — No, no, no. You listen to me, Mr. Lyons, okay?

**Mr. Lyons:** — I'm listening.

**Mr. Chairman:** — I think that you should try and make your remarks to the committee because it's an item for the committee, okay? We're not sort of really entering into the testimony at this point, simply whether or not the committee wants to move in that direction.

**Mr. Lyons:** — Let me briefly say this and I'll finish it. Because of what I've seen in terms, Mr. Chairman, and other members of the committee, because of the contradictions that I've seen in the testimony put forward to the committee, that I will be supporting the motion.

**Mr. Chairman:** — Mr. Hopfner. Mr. Muller. Anyone else wishing to speak to the motion? All those in favour of the motion? All those opposed to the motion? The motion is lost.

Negatived

**Mr. Chairman:** — I suggest we take a five-minute break and . . . No.

**Mr. Anguish:** — Mr. Chairman, we have no confidence in the answers of the witness, and therefore we will not have any further questions of this particular witness.

**Mr. Hopfner:** — Mr. Gibson, if we can go back on to some of the questions that were asked of you, could I please get you to clarify some of these questions to the committee?

Do you have the verbatim in front of you, Mr. Gibson?

**Mr. Gibson:** — I do now.

**Mr. Hopfner:** — Mr. Gibson, if I could then, I will revert back to the start of this verbatim as of April 3, and I would like you to clear up to this committee basically all the questions that were asked of you from start to the point we are today. I believe it started with Mr. Rolfes. It says here:

Mr. Chairman, if I remember correctly, on July 27 I had a number of questions of Mr. Gibson and at that time Mr. Gibson had indicated to me, on Crown investments corporation as it pertains to Coopers & Lybrand, that a number of questions that I'd asked on that day he did not have the answers readily available to him (at) that time, but he indicated — and the transcript will verify that — that he would look into the matter and provide us with the information.

My first question, I guess, Mr. Gibson is, on the questions that I had asked on page . . . number of pages, have you got the information as it pertains to Coopers & Lybrand, the report?

Mr. Gibson, is that answer of yours correct?

**Mr. Gibson:** — Yes.

**Mr. Hopfner:** — Mr. Rolfes went on, Mr. Gibson, and he said:

Mr. Gibson, if I may, on the first one that I have . . . I don't know how we identify those because it says section 24, the authority, legislative authority that you have in hiring consultants. In reading the legislative authority that you have cited, section 24(1)(k) of The Crown Corporations Act, it seems to me that you have (the) authority to do any investigation and consulting or commissioning as

it pertains to Crowns under your jurisdiction. Is that not correct?

Is your answer the same, Mr. Gibson?

**Mr. Gibson:** — Yes it is.

**Mr. Hopfner:** — And he went on to say . . . Mr. Rolfes went on to say:

Would you agree with me that if consulting is done for Crowns or departments not under your jurisdiction, that you do not have the legislative authority therefor.

Would you like to review what your answer was and indicate or repeat what your answer was and stick with that Mr. Gibson?

**Mr. Gibson:** — I agree with that. If I can just make one comment, I don't know how far you plan on going down here, but I think it deals with part of the allegations that are made today.

I guess when you're giving testimony to a committee something like this, I believe a lawyer would tell you that you only speak to statements of fact and things that you have firsthand knowledge of. And while I've always approached our appearances before this committee as trying to be helpful for the various members, and I guess if I were following that strict legal advice, we'd back up that one question where you're talking about, do we have the authority under 24(l)(k) to do these studies for Crowns under CMB (Crown Management Board of Saskatchewan), probably the best legal answer to that question would be: I have no expertise with which to answer that because I am not a lawyer. I am not qualified to interpret section 24(1)(k).

When I say yes, I'm saying that is my belief and my understanding, and I have no reason to believe that my answer is incorrect. But if this committee would encourage the witnesses to go back to a strict legal way to answer questions, it would be a whole bunch of "I don't know" and a "yes" and a "no" with no explanations.

I have deviated from that whenever I've appeared here trying to be helpful. And when I'm saying I confirm these answers, I'm confirming it under that basis under my understanding and belief. And, you know, these ones pertaining to statutory authority, it's my understanding and belief, it's not from my training as a lawyer, because I'm not a lawyer. So I'm giving what I hope to be helpful answers, not legally precise answers.

**Mr. Hopfner:** — Well I appreciate that Mr. Gibson. I'll continue, and then if there's anything that you probably feel that has to be clarified, and I suggest you maybe clarify a little bit more if that's the case or whatever.

Mr. Rolfes went on and said:

Would you agree with me that if consulting is done for Crowns or departments not under your jurisdiction, that you do not have the legislative authority therefor?

Your answer . . .

**Mr. Gibson:** — I got lost where you are.

**Mr. Hopfner:** — I'm on page 6, the right-hand column.

**Mr. Gibson:** — Yes we did the work with the belief that we did have the statutory authority. When our auditors questioned that, we went out and got a legal opinion that confirmed that we had the statutory authority. It was not until February of '89, I think the date was, that after all the work was done, that we found out that there was some doubt that it wasn't a . . . (inaudible) . . . that we had doubt. It was acknowledgement by the lawyer who provided the legal opinion that there was an arguing point on whether or not we did have the statutory authority.

**Mr. Hopfner:** — Would you like to enter the name of the lawyer that gave you this legal opinion at this time?

**Mr. Gibson:** — The specific lawyer, or the firm?

**Mr. Hopfner:** — Yes the firm.

**Mr. Gibson:** — It was the firm of Balfour Moss Milliken Laschuk & Kyle.

**Mr. Hopfner:** — Then Mr. Rolfes also went on to ask you:

So when I stated on July 27 that you did not have the legislative authority to do the consulting for Crowns and departments outside of your jurisdiction, then I was correct in that assessment?

And you answered?

**Mr. Gibson:** — I read my answer.

**Mr. Hopfner:** — That that was right . . . (inaudible) . . . It was under . . . but you had gone on previous now and said that that was because, basically, of the lawyer's advice to you.

**Mr. Gibson:** — That's right. In February of '89.

**Mr. Hopfner:** — Then Mr. Rolfes went on to say: "When was that legal opinion . . . when was the challenge to the legal opinion verified?"

**Mr. Gibson:** — Well I think I said I didn't have that date with me, but we subsequently found out that we did have it with us. And we concluded at that session or at that point in time that it was April or May. And I think it's later confirmed that it was February 6, 1989.

**Mr. Hopfner:** — February 6. Mr. Rolfes went on to say, "No, but approximately. Was it April or May or June?"

And now you answered that it's February 6, 1989. Then Mr. Wendel had indicated that it he thought it was March 1989, so I guess probably even the auditor has a lapse in memory . . . (inaudible) . . . So we have indicated now that it was February. Okay?

You had indicated, though, that that was a reasonable

type time frame.

So Mr. Rolfes went on: "Why was that information not available to you, sir, on July 27 when I had asked that question?"

**Mr. Gibson:** — Well I haven't gone back to check the July verbatim, but I indicated in my answer that I thought the question in July ... on July 27 was for the specific ... (inaudible) ... of the Crown corporations that gave us the ... that we thought gave us the authority. And that was in fact one of the questions that we brought back with us on Tuesday. I didn't interpret the question on July 27 that ... I interpreted it as being under what section did you think we have the authority.

Actually, I can ... Mr. Rolfes' question ... I'm just reading from the July 27 verbatim. It was:

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 have the right to expend the \$2.7 million.

And I responded that: "It's referred to in our legal opinion."

And we didn't have it with us at that time.

**Mr. Hopfner:** — Then, Mr. Rolfes went on to ask you:

Well I may stand to be corrected, but I thought that the impression was given to us, yes, we did have the legal authority to proceed with Coopers & Lybrand to the extent that they did the study which included departments which were not under your jurisdiction.

**Mr. Gibson:** — On Tuesday, I responded that ... I'll just read it out I guess, for the record:

What happened with this thing was we approved the Coopers & Lybrand study. We obtained a legal opinion indicating that we did have the authority to do it. I think we went through the year end, our year end audit, with that legal opinion in hand, and it was only when provincial auditor people came in and reviewed that legal opinion and challenged it that we went back.

So, I stand by that answer.

**Mr. Hopfner:** — You stand by that. And then Mr. Rolfes went on to say:

I want to come back to that. I want to now ask you when was the Coopers & Lybrand commissioned? When was the date of the commission? I have asked that. Is that ...

And you went back and indicated that answer.

**Mr. Gibson:** — Well the formal approval of CMB's board

of directors was on March 12. And I guess it's a question of interpretation then how you define commission, whether it was when we documented the board of directors' approval on March 12, or when the contract was signed, or when the verbal go ahead was given to them.

**Mr. Hopfner:** — Okay. And then he says, "March 12th. Correct." Then you said "1987." Mr. Rolfes went on to say, "So it was commissioned, and did it at that time start its work?" And you said, "I believe so, yes." Do you stand by all that?

**Mr. Gibson:** — Yes I do.

**Mr. Hopfner:** — Okay. Mr. Rolfes went on to say, "And when was the work completed?"

**Mr. Gibson:** — Well, sorry, let me back up. I confirm that I answered, "I believe so, yes." I think we subsequently got into looking at the actual copy of the contract, which was December 2, and talked about a bill coming in January '88. So, I guess in so far as that is if all my ... are modified to that extent.

**Mr. Hopfner:** — Okay. So let me get this straight. And it was completed ... and the work was completed while ...

**Mr. Gibson:** — Well the last bill was May 1988, so ...

**Mr. Hopfner:** — So that's ...

**Mr. Gibson:** — So we didn't do any work that they didn't bill us for.

**Mr. Hopfner:** — Right. Okay. So that answer stands as is, right?

**Mr. Gibson:** — Right.

**Mr. Hopfner:** — Okay, then May '88 ... then Mr. Rolfes went on: "May '88. And it started on March 12, '88, is that ... '87?" Your answer was: "Yes, that's when it received CMB board approval." Is that correct?

**Mr. Gibson:** — That's correct.

**Mr. Hopfner:** — Okay, and then Mr. Rolfes ...

**Mr. Gibson:** — Well except for my earlier comment that it would appear to have started in December, I guess, because that's when the ... in February of '87, so they had done some work before March.

**Mr. Hopfner:** — Right. Okay. And then Mr. Rolfes went on to say: "Is that when it started its work, or is that when it got approved?" And your answer is?

**Mr. Gibson:** — Well I acknowledged then that:

I suspect they may have started a little before then. It wouldn't be unusual for the board approval to come ...

And then I didn't get to finish the sentence.

**Mr. Hopfner:** — Is there anything you wanted to add there then?

**Mr. Gibson:** — Well just what I've already said, that it wouldn't be unusual for board approval to come after they had started the formal paper work. Quite often it's after.

**Mr. Hopfner:** — And then there was some exchange about 14 months. And then, "Pardon me?" you said. And then: "Fourteen months is what you're saying." And you said, "No, no."

**Mr. Gibson:** — What I thought I was hearing there was that Mr. Rolfes I thought was interpreting, or concluding that the actual work had commenced 14 months before we had the board approval. I think we're talking more in terms of three or four months before we documented it.

**Mr. Hopfner:** — Mr. Rolfes also went on to say:

Okay, now how much of that work pertained to Crown corporations and departments that were not under your authority?

And your answer was?

**Mr. Gibson:** — I have never done that calculation myself. I just indicated that I recalled the Provincial Auditor having done some calculations and come up with something like 5 per cent.

**Mr. Hopfner:** — So you accepted the Provincial Auditor's . . .

**Mr. Gibson:** — But again, I guess if I was giving a precise answer I would say, I don't know, because I have never . . . I have no firsthand knowledge of that. I'm recollecting that I think I saw something somewhere that said 5 per cent, so I was volunteering that.

**Mr. Hopfner:** — Okay. Then a question to the Provincial Auditor, I guess. Mr. Wendel, how did you come to that particular percentage in regards to whether it was 5 per cent, 10 per cent? How did you people assume that percentage?

**Mr. Wendel:** — I think I answered yesterday, Mr. Chairman, that that would be the subject of the 1989 annual report.

**Mr. Hopfner:** — Okay. All right. So that's in the 1989 report?

**Mr. Wendel:** — Yes.

**Mr. Hopfner:** — Okay, we'll get back to that when we get to it then. Okay Mr. Rolfes went on: "Five percent related to Crowns?" And then you said, Mr. Gibson: "Crowns under CMB, that's right."

And Mr. Rolfes went on to say: "Ninety-five per cent you did not have authority for?" And you had indicated: "It would appear that way, yes."

**Mr. Gibson:** — Well I guess the 95 per cent has never

been confirmed by the people I'm attributing it to. So I guess that's the best, to my recollection. Again, I have not done the calculation myself, so I'm relying totally on my memory and what I have read somewhere. I don't even know where I've read it or heard it.

**Mr. Chairman:** — It's 10:30. The meeting stands adjourned unless the committee wants to extend the time of the meeting, but . . .

**Mr. Hopfner:** — Not necessary, Mr. Chairman. I'll continue my remarks on . . .

**Mr. Chairman:** — Next Tuesday.

**Mr. Hopfner:** — Thursday, I guess.

**Mr. Chairman:** — No, next Tuesday.

**Mr. Hopfner:** — Tuesday?

**A Member:** — The Easter weekend is . . .

**Mr. Hopfner:** — Oh right, yes.

The committee adjourned at 10:30 a.m.