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# Standing Committee on Government Operations and Estimates

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Chair

Mr. Leon Benoit

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## Standing Committee on Government Operations and Estimates

Wednesday, October 19, 2005

• (1530)

[English]

**The Chair (Mr. Leon Benoit (Vegreville—Wainwright, CPC)):**  
Good afternoon, everyone.

I call this meeting to order. We're here today to discuss the activities of the office of the President of the Royal Canadian Mint and relevant expenditures.

As members are aware, it is the responsibility of the Standing Committee on Government Operations and Estimates to review the effectiveness of government operations as well as the expenditure plans of central departments and agencies, commissions, foundations, and selected crown corporations. Of course, the Royal Canadian Mint is one of those crown corporations.

We have before us today the former president of the Mint, Mr. David Dingwall. Mr. Dingwall is accompanied by legal counsel. I remind members that counsel is restricted to an advisory role and may not ask questions or reply on Mr. Dingwall's behalf. I just say this so that you are aware of it.

Mr. Dingwall, I would like to once again welcome you here this afternoon. I'd like to respectfully remind you—and you are aware of this, of course, being a former Liberal cabinet minister—that a failure to reply truthfully or the refusal to answer questions may give rise to a charge of contempt of the House.

Mr. Dingwall, you have five minutes to make your opening statement. I understand it may go to seven minutes, which is fine. I look forward to your statement, and we'll get directly into questions following the statement.

**Hon. David Dingwall (As an Individual):** Thank you, Mr. Chairman.

Members of the committee, I welcome the opportunity to be here today. For the past two weeks I have waited quietly and patiently for the results of the independent audit report, which I expect will fully answer all questions regarding the expenses of the office of the president of the Mint.

Mr. Chairman, as the president, I am accountable to the board of directors and to the shareholder for complete financial performance of the Mint. I take full responsibility for all of the expenses of the office of the president.

I will begin by outlining briefly the nature of the expenses that were incurred by the office of the president. The vast majority of those expenses were administrative costs allocated to the cost centre

of the office of the president and unrelated to business travel or hospitality expenses. That is an important distinction to make.

The expenses of the Mint were allocated to key cost centres. As you can see in your handout, the overall costs of the office of the president for 2004 were \$747,597. These can be broken down into several categories.

Salaries and benefits for myself and my staff of three accounted for 72%; business travel, meals, and hospitality, foreign, 12.7%. The primary purpose of those trips was to open and build new markets for the Mint—to forge the relationship necessary to create and maintain sustainable partnerships with our customers.

Business travel, domestic, was 5.3% of the cost centre. The primary purpose of these trips was to meet with customers, suppliers, master club members, potential customers, financial institutions, and our partners in promotional and marketing efforts to build the brand and to increase the revenues of the Mint. As well, you will recall that the Mint has two operating facilities, and I had to be available in both operations.

Office expenses were 3.8% of the cost structure. Essentially this encompassed the overhead of the entire office, from courier to telephone to extensive mail-outs.

Training seminars, workshops, rewards, and recognitions of the Mint were 1.7% of the cost centre.

Hospitality, domestic, was 1.5% of the cost centre. This consisted primarily of hosting current and prospective customers for working dinners or lunches.

Membership and vehicle were 1.5% of the cost centre. As the CEO of a large commercial corporation, I am at times called to play host to customers and suppliers of the Mint. As a result of my appointment, the board approved, as part of my benefits package, the cost of two memberships as well as the cost of several professional memberships.

It has been falsely reported that I have a leased car, Mr. Chairman. I paid for my car myself; the maintenance and expenses were part of my employment contract with the Mint.

Meals, domestic, were 1.5%. Working breakfasts, lunches, and dinners for employees are included in this category. On a number of occasions I have asked employees to give up family time and personal time to discuss Mint business. The most practical way was to do this over a meal, either during lunch hour or in the evening over a dinner. Also included were administrative meetings four times a week, executive meetings once a week, executive retreats twice a year, and an annual leadership conference of Mint employees that for the first time included union representatives and their members.

Mr. Chairman, the expense of \$5,300 has been erroneously reported as one meal for myself and my staff. In fact, this expense was the cost for a two-day business seminar involving 28 people from the Royal Canadian Mint. This event provided valuable discussion and direction for our organization, and indeed this cost should come under the responsibility of the office of the president.

The travel approval process at the Mint is well established and must be followed for every single expense that is submitted.

Before travel arrangements can be made, a pre-approval form for travel must be submitted and signed by the immediate supervisor. In my case, the policy was for the chief financial officer to pre-approve my travel.

During the trip, the travel policy determines the specific items that can be claimed, and any deviation will be disallowed from the claim. In my case, all expenses were backed by receipts.

After the trip is completed, an expense claim is prepared. My expenses are put under the scrutiny of the chief financial officer, who goes through each and every item claimed and has the opportunity and authority to approve and to disapprove them. Subsequently, the accounts payable section of the finance division carries out a review of the claim to determine compliance with the travel policy.

● (1535)

The audits. The expenses of all members of the board of directors, including myself, are reviewed on an annual basis by the internal auditor and a report is prepared for the chair of the audit committee, who then reports the results to the audit committee and the board. In addition, all operational and capital expenditures are audited on an annual basis by the Office of the Auditor General to determine whether all policies were adhered to.

Mr. Chairman, in June 2005, the Office of the Auditor General's five-year special examination of the Royal Canadian Mint was released. Under the Financial Administration Act, crown corporations must undergo a special examination of their financial and management control and information systems as well as management practices at least once every five years. In the opinion of the Auditor General of Canada, and I quote:

...based on the criteria established for the examination, there is reasonable assurance that there were no significant deficiencies in the systems and practices we examined.

In addition, I have already mentioned that I have asked for an independent audit of all the expenses of the president of the Mint during the relevant period. That audit is ongoing, and I understand it will report on October 26.

The Royal Canadian Mint, Mr. Chairman, is a \$324 million commercial corporation, which is listed under part II, schedule III, of the Financial Administration Act. This means the Mint operates in a competitive environment without appropriations and with the expectation that it will create a profit. The fact is, and the numbers show, that in my two and a half years with the Mint and within eight months of my appointment, it grew into a profitable corporation and has posted 22 consecutive months of profit.

Expenses do have to be seen in the context of the Mint's turnaround, and those facts are all there for all to see. The result was that we were able to earn a profit of \$16 million pre-tax in 2004, marking one of the largest single fiscal swings in the Mint's history. Our corporate revenues, Mr. Chairman, in 2004 increased by 27%—almost \$70 million over 2003. Our foreign circulation revenues went from \$7.1 million in 2003 to \$25.1 million in 2004, and our bullion revenues increased by \$35 million in 2004.

For the first time in a decade, Mr. Chairman, the Mint has issued a dividend of \$1 million to our shareholder. In addition, \$64 million of seigniorage payments was made to the shareholder, the Government of Canada. These results cannot be achieved solely over the telephone, as one or two of my critics have now claimed. I had to go on the road and spend my time with prospective customers to build up our business.

Mr. Chairman, let me state again that although all of my expenses were thoroughly scrutinized during my tenure, should the independent audit discover any error, I will repay the corporation fully. However, I make this promise lightly, because knowing the rigour at the Mint, I have full confidence that no errors were made. I await the audit report with confidence that the auditors will find the expenses of my office were appropriate. Furthermore, Mr. Chairman, I am also confident that the auditors will find that the corporation did not pay for this package of gum.

Thank you, Mr. Chairman.

● (1540)

**The Chair:** Thank you, Mr. Dingwall, for your opening comment.

We'll go directly to questioning, and first up for questioning is the Conservative member, Mr. Pallister.

**Mr. Brian Pallister (Portage—Lisgar, CPC):** Thank you, Mr. Chairman, colleagues.

I'll leave the myth of your self-proclaimed management capabilities for another day, sir. My questions concern simply facts that I'd like you to give me yes or no answers to today, if you would do me that honour.

On September 27, we released information regarding your expenses while you were president and CEO of the Royal Canadian Mint. On September 28, the Prime Minister announced in the House of Commons that he had spoken to you and you were resigning. Is that correct?

**Hon. David Dingwall:** Yes.

**Mr. Brian Pallister:** Did you or any representative of yours speak with Treasury Board Minister Reg Alcock before you resigned?

I understand you did speak to Minister Alcock and he asked you to stay on. I understand that representatives from the Empire Grill were interested in your staying on as well. I wonder if you or any representative of yours spoke to Mr. Alcock after you resigned.

**Hon. David Dingwall:** Mr. Chairman, I—

**Mr. Brian Pallister:** Did you or any representative of yours speak to Mr. Alcock after you resigned, sir, yes or no?

**Hon. David Dingwall:** Mr. Chairman, in response to the honourable member's question, I did have the opportunity to speak with the minister of the Treasury Board prior to my public pronouncement. We had a brief discussion with respect to what was taking place.

**Mr. Brian Pallister:** This isn't the nature of my question, Mr. Dingwall, as you well know. I asked you a simple question. I expect a simple answer.

Did you speak to Minister Alcock after you resigned, you or any representative of yours?

**Hon. David Dingwall:** Not to my knowledge, Mr. Chairman.

**Mr. Brian Pallister:** Thank you, sir.

So you didn't raise the issue of severance with Minister Alcock at any point in time?

**Hon. David Dingwall:** No, Mr. Chairman.

**Mr. Brian Pallister:** Thank you, sir.

Did you or any representative of yours speak with Minister McCallum regarding severance before or after you resigned?

**Hon. David Dingwall:** Mr. Chairman, I did speak with the minister responsible for the Royal Canadian Mint, yes.

**Mr. Brian Pallister:** And did you raise the question of severance when you discussed your resignation with him, sir?

**Hon. David Dingwall:** I believe I raised the issue of entitlements, yes.

**Mr. Brian Pallister:** Did the minister raise it or did you raise it, sir?

**Hon. David Dingwall:** I raised it.

**Mr. Brian Pallister:** Thank you.

Have you spoken to the Prime Minister personally, apart from your conversation when you announced your intention to resign, sir?

**Hon. David Dingwall:** Not since then, no.

**Mr. Brian Pallister:** And neither you nor a representative of yours has spoken to anyone in the Prime Minister's office at any point in time prior to or since your resignation announcement?

**Hon. David Dingwall:** Oh, I've spoken with officials at the Privy Council Office.

**Mr. Brian Pallister:** I see. Could you tell us who those officials are, by name?

**Hon. David Dingwall:** I believe it was the Clerk of the Privy Council I spoke with.

**Mr. Brian Pallister:** Okay. And that was concerning your entitlements?

**Hon. David Dingwall:** Yes.

**Mr. Brian Pallister:** I see. Thank you.

Apart from the conversations you've alluded to with the Privy Council Office, have you or any representative of yours spoken to anyone in the Liberal government concerning severance, anyone other than—

**Hon. David Dingwall:** I'm sorry?

**Mr. Brian Pallister:** Have you spoken to any officials within the Liberal government about severance, with the exception of the conversation you've already alluded to?

**Hon. David Dingwall:** No, I have not spoken with any member of the cabinet, any member of the government, nor any member of the opposition, nor any member of other parties of this House.

**Mr. Brian Pallister:** Okay. That would be understandable, sir.

Now, on the issue of speaking to Minister McCallum concerning severance, can you tell us, since you raise the issue of severance, did you state specifically what your expectations were as to the amount of severance you expected to receive?

**Hon. David Dingwall:** Mr. Chairman, in my discussions with Mr. McCallum we talked about the Mint, the successes of the Mint, and the difficulties the Mint would likely incur in the months flowing. I raised the issue of entitlements. He indicated to me I should talk to officials in PCO, and that was it.

• (1545)

**Mr. Brian Pallister:** So in your conversations subsequent to that time with officials at the PCO, have you stated in those discussions what your expectations are for severance?

**Hon. David Dingwall:** No, I have left that to lawyers.

**Mr. Brian Pallister:** So representatives on your behalf are in negotiations with the PCO at this point on the nature of the severance you might negotiate with the government?

**Hon. David Dingwall:** Well, I'm not an expert in terms of entitlements, as far as my—

**Mr. Brian Pallister:** Au contraire, monsieur.

**Hon. David Dingwall:** Am I allowed to complete my answer, Mr. Chairman?

**Mr. Brian Pallister:** Certainly.

**Hon. David Dingwall:** I am not an expert in terms of entitlements, and I've retained legal counsel. Legal counsel is providing me information and recommendations, and legal counsel in due course will have the appropriate discussions with officials of the government.

**Mr. Brian Pallister:** So you're not an expert on entitlements, but you raised the issue of entitlements with Minister McCallum before you announced your intention to resign. Is that correct?

**Hon. David Dingwall:** Well, during the conversation I raised it, yes.

**Mr. Brian Pallister:** You did. All right.

So when you made the decision to resign, you had received assurances from a minister in the Liberal government that you would be receiving severance. Is that correct?

**Hon. David Dingwall:** No, that is not correct.

**Mr. Brian Pallister:** You received assurances that it might be negotiated subsequent to your resignation. Is that correct?

**Hon. David Dingwall:** No, I did not receive those assurances. All that was referred to in our discussions was to direct them to officials in PCO. That's what we adhered to and that's what we followed.

**Mr. Brian Pallister:** And, sir, do you believe you're entitled to receive severance?

**Hon. David Dingwall:** I believe I have entitlements as a result of the performance I provided at the Royal Canadian Mint.

**Mr. Brian Pallister:** You believe you have entitlements, sir. In terms of your remuneration contract, you negotiated a number of entitlements, which we don't need to go into here—of course there are many—but none of them related to severance. Do you believe you're entitled to negotiate severance after the fact?

**Hon. David Dingwall:** I am going to leave that to the lawyers. I'm not going to prejudge what might be hypothetical in terms of what you may think or what I may think. That's why I retain legal counsel, to provide me with that kind of advice.

**Mr. Brian Pallister:** Would you admit, though, sir, that it's clearly not a legal obligation on the part of the government to pay you severance?

**Hon. David Dingwall:** That is an issue that my lawyers will determine and provide me with the appropriate advice so that we can begin the appropriate actions if necessary.

**Mr. Brian Pallister:** You are aware, of course, that virtually every other Canadian who quits a job, under any circumstances, least of all the circumstances under which you announced your resignation, is not entitled to severance. Would you agree that the offering of severance to you would create the impression of a double standard or a separate set of rules that would apply to Liberal patronage appointees as opposed to working Canadians?

**Hon. David Dingwall:** I'm not going to take your counsel on this.

**Mr. Brian Pallister:** I'm not offering counsel; I'm asking a simple question, sir. Yes or no?

**Hon. David Dingwall:** If I may, Mr. Chairman, I think I'm allowed and entitled to provide some sort of response. I'm not going to take counsel or advice from the honourable member. I'm going to leave that to professionals, and they will provide me with the professional advice as it relates to my entitlements, and thereafter we'll take the appropriate actions.

**Mr. Brian Pallister:** That's interesting, sir. I thank you for that observation.

While you're up in the ivory tower, I'd suggest that you perhaps speak to the Prime Minister who's up there with you, looking down on the average working Canadian with such disdain that you would allow Canadians to be used as a personal ATM for your party and your patronage appointees. That's exactly what the Prime Minister will do if he pays you a penny in severance. Don't you agree?

**Hon. David Dingwall:** I certainly don't agree with the preamble of the honourable member.

**Mr. Brian Pallister:** You know, sir, your claim to severance is very frail. The government has tried to support it virtually every day since your resignation was announced, which gives me the impression that they were of the opinion that they would have to pay you severance, even though you've not openly said that today. They've made several arguments, and I don't have time to go into them now, but virtually every day they have made an argument to the media, to the Canadian public, that they had to pay you severance. Yet none of those stand up to scrutiny, sir, which leads me to ask you, I guess, because the possibility is very real that there are no precedents or legal grounds for severance to be paid to you, and it creates the impression that you have something on the Prime Minister: do you think it's possible that unlike your relationship with Chuck Guité, the Prime Minister isn't entirely certain that unless he pays you severance you won't rat on him? Is that a fair observation, sir?

**Hon. David Dingwall:** Mr. Chairman, the preamble of the honourable member is just ludicrous, just ludicrous.

**The Chair:** Mr. Pallister, your time is up.

• (1550)

**Mr. Brian Pallister:** Thank you, sir.

**The Chair:** For the second round, we'll go to Madame Thibault for seven minutes.

[*Translation*]

**Ms. Louise Thibault (Rimouski-Neigette—Témiscouata—Les Basques, BQ):** Thank you, Mr. Chairman. I will be sharing my time with my colleague.

Mr. Dingwall, in your statement, which I am paraphrasing, you say that all of the expenses were covered by the corporation's operating revenues and not by taxpayers. You will agree with me in saying that we would all hope that the person in charge of a Crown corporation would contribute to making it profitable.

But you seem to be saying that such a situation is quite rare and that because you earned a profit, the expenses that you claim should be very generous. As a matter of fact, your policies provide ample proof of this. I might come back to this issue later. I do have many reservations with regard to your statement. I would therefore invite you to share with us, in one minute, any comments you may have in this regard.

[English]

**Hon. David Dingwall:** Mr. Chairman, through you to the honourable member, part II of schedule III of the Financial Administration Act outlines those crown corporations that are designated as commercial entities. We receive no appropriations from the Government of Canada. We make our revenue by selling a variety of different products, whether it be numismatics or whether it be our gold bullion.

As I alluded to in my statement, we had a very good year in 2004 in terms of our foreign circulation, selling Canadian coin to various other countries. That is the revenue that we generate for the corporation, and the operational expenses are taken out of that. But we have not received appropriations from the Government of Canada during my tenure. I believe only three or four commercial corporations are in that category. The Mint is one of those in that category, and as a result, no appropriations are forthcoming.

[Translation]

**Ms. Louise Thibault:** You have not answered my question, sir. I will put a second one to you.

If I understood correctly, on the basis of the interventions made by my colleague from the Conservative Party, your contract contained no clause providing for a severance of any kind. Is that the case?

[English]

**Hon. David Dingwall:** I believe, and my lawyers believe, there are entitlements. I've asked them to provide me with good counsel, and they are doing so. When I get their recommendations, and after their discussions with government representatives, we'll then be in a better position to move in a prudent way.

[Translation]

**Ms. Louise Thibault:** You believe that it is included in your contract, but that it is not sufficiently clear for the average citizen to easily determine it. This is in fact what you are telling me.

My final question relates to your situation as a lobbyist. As a Minister, you were responsible for several portfolios. I am convinced that you are very familiar with the post-employment rules that apply in departments and organizations. You even were called upon to enforce these rules. Normally, there is a two-year limitation period.

Why then, barely nine months after having ceased your ministerial duties, did you undertake lobbying activities? How can you explain that you did this without having in any way been registered as a lobbyist?

[English]

**The Chair:** Mr. Dingwall.

**Hon. David Dingwall:** Mr. Chairman, if I understand the question correctly, yes, I did go into the private sector after the electors in my constituency decided to give me another job.

I was in the private sector. I was registered accordingly. I followed the rules of the Lobbyists Registration Act and registered accordingly, as well as the post-employment guidelines; I adhered to those as well.

**The Chair:** Mr. Dingwall, before we go to Mr. Desrochers, I would just like to get clarification.

We'll just stop the clock; you have your time still.

You've been asked twice today about the issue of severance and you haven't responded to it directly. Both members have asked you whether in fact you have discussed specifically severance, not entitlement. Would you please answer that question, Mr. Dingwall?

● (1555)

**Hon. David Dingwall:** I have discussed entitlements with officials. I have discussed entitlements with my legal counsel, and I'm waiting on recommendations from legal counsel in terms of how I might proceed.

**The Chair:** Is severance part of the entitlements, or one of the entitlements, as you see it, that you've discussed?

**Hon. David Dingwall:** It may or may not be. I'm waiting for recommendations from my counsel.

**The Chair:** Does that mean then that you have not specifically discussed severance?

**Hon. David Dingwall:** I told you in response to previous questions, Mr. Chairman, that I raised the issue of entitlements and I was told to discuss it with the officials, and that's what we're doing.

**The Chair:** You know, Mr. Dingwall, you've come here today...

Is there a point of order?

**Mr. Paul Szabo (Mississauga South, Lib.):** Mr. Chairman, you're asking some very good questions, and I think the members around the table are going to ask those. I think the chair should maybe let us get on with our questioning.

**The Chair:** With all due respect, Mr. Szabo, when someone comes before this committee, we all expect that witness to answer questions. He is not answering this question about severance.

Mr. Dingwall, I would remind you that you are expected to answer questions, not to avoid answers, and respectfully—

**Hon. David Dingwall:** With due respect, Mr. Chairman, you're asking a very specific question, and I'm giving you an answer you don't like. You don't like the answer I'm giving, but that is the answer, Mr. Chairman: I raised the issue of entitlements. I was told, speak to the officials. I spoke to the officials. My lawyers are now in discussions with the officials, and I'm waiting for advice from my lawyers. How long that will take.... Well, you know what lawyers are like.

**The Chair:** Is one of those entitlements severance?

**Hon. David Dingwall:** I don't know, Mr. Chairman, at this point in time. I don't have a recommendation before me at this point, and I will wait until I get good legal advice before I make any statement of that nature.

**The Chair:** Okay. From your answer I'm taking it that you have not specifically discussed the issue of severance.

**Hon. David Dingwall:** I discussed the specific issue of entitlements.

**The Chair:** Mr. Dingwall, the committee will deal with the issue of, quite frankly, not getting an answer to a very specific question. We'll discuss that later. We'll go on with the questioning now.

Mr. Desrochers, you still have a little over three minutes; we stopped the clock...unless Madame Thibault was not finished.

Go ahead, Madame Thibault. I'm sorry, I thought you were finished and wanted to go to Mr. Desrochers.

[Translation]

**Ms. Louise Thibault:** We will come back later to the severance issue.

If I understood correctly, Mr. Dingwall, you stated that you were registered as a lobbyist. Were you registered as a lobbyist nine months after ceasing your official duties as Minister? Is that what you are saying? Is that normal? Is that the policy, to start lobbying nine months later, with the benefit of contacts and acquaintances that others do not have? Is it normal to lobby a department one was Minister of, in this instance Public Works?

[English]

**Hon. David Dingwall:** I don't have the provisions of the act in front of me, but as I understand it, subject to review, you are allowed to register as a lobbyist—for activities with the Government of Canada—in terms of your post-employment guidelines, but you are not allowed to lobby the department you had immediately left, which in my particular case was as the Minister of Health. I had been the minister for almost two full years. I registered for a number of companies that had nothing to do with the health portfolio. That's what I recall.

**The Chair:** Madame Thibault, you still have two minutes.

[Translation]

**Ms. Louise Thibault:** Thank you very much.

I come back to my question. It is a very simple one. There is a contract between two parties. Does it contain provisions for severance?

[English]

**Hon. David Dingwall:** The contract speaks for itself. You've read it. You can make your own assessment as to whether or not you believe it does or not. I've given it to my lawyers, and I expect them to give me their advice.

[Translation]

**Ms. Louise Thibault:** Do you believe it is specifically set out in your contract that you must receive a severance? Is that what you are saying?

• (1600)

[English]

**Hon. David Dingwall:** I think what are included are entitlements, and I would hope, pending counsel advice, that I would have the opportunity to get those entitlements.

**The Chair:** Very good, Madame Thibault. Thank you.

Next is Mr. Scarpaleggia, for seven minutes.

**Mr. Francis Scarpaleggia (Lac-Saint-Louis, Lib.):** Thank you, Mr. Chair.

Thank you for coming, Mr. Dingwall.

On the issue of contingency fees—one of the main headlines in this case—you took contingency fees for some lobbying activity. Were you unaware that the TPC guidelines or rules prevented lobbyists from taking contingency fees?

**Hon. David Dingwall:** Mr. Chairman, I believe the honourable member raises an important issue. The case he refers to is—

**Mr. Francis Scarpaleggia:** Excuse me, Mr. Dingwall. If you could keep your answer brief, I'd appreciate it, because I have some follow-up questions.

**Hon. David Dingwall:** Okay.

I declared upon my registration of that particular company that I would receive a success fee. As you know, that is not contrary to the legislation whatsoever; however, subsequently we were advised that, as a matter of policy, the TPC did not allow for a success fee. Therefore, the client and I amended the contract and no success fee was paid.

**Mr. Francis Scarpaleggia:** Thank you.

Mr. Dingwall, you have a reputation—and I don't say this facetiously at all—of being a pretty tough guy in the political realm, as somebody who stands his ground, a tough negotiator. Given that you were aware of the figures you presented today about your \$747,000 of expenses and given that you were aware that 72% was for salaries and benefits and so on—in other words, given that you were aware of information the opposition did not seem to be aware of, so that in your mind there were no irregularities with expenses—why would you offer to resign?

**Hon. David Dingwall:** First of all, some members of the opposition—not all—falsified by taking my cost centre and saying it was my personal expenses.

**Mr. Francis Scarpaleggia:** I agree, and in fact you would know that their allegations are false with the cost of the expenses.

**Hon. David Dingwall:** They are false.

**Mr. Francis Scarpaleggia:** However, given that you're someone who stands your ground, that you've been in the political realm for many years, being a strong player, why would you, based on a false allegation by an opposition member seeking headlines, all of a sudden decide that's it, I'm resigning? It seems to me that is out of character, that's all.

**Hon. David Dingwall:** No, it's not out of character. In the role of a CEO you have a fiduciary obligation to your corporation, and what was created was a firestorm that went across this country. People were outraged that I would spend \$750,000 as personal expenses, which was false information, but the firestorm started and I had a decision to make: either I take that firestorm and make it a crisis at the Royal Canadian Mint...and I did not want to make that a crisis at the Royal Canadian Mint. Therefore, we made that decision.



**Mr. Francis Scarpaleggia:** I would submit, Mr. Dingwall, that you decided to resign over the allegations about TPC, so if there was a controversy surrounding the Mint, it was because of the allegations over TPC. I'm not judging on these allegations.

My next point, Mr. Dingwall—

• (1605)

**Hon. David Dingwall:** I disagree with your conclusion.

**Mr. Francis Scarpaleggia:** Fine. That's no problem. It just seems to me and to many to be like that, but I accept your disagreement.

Canada has been good to you, Mr. Dingwall. You've spent 20 years as an elected member. It's a great privilege. You have acquired the title "Honourable". It's a great privilege. You were a cabinet minister for seven years, or maybe a bit less. You have a minister's pension, which you've earned. You worked hard as a member of Parliament and as a minister. There's no doubt about that. After a great career in politics in terms of longevity, you were appointed to a crown corporation. You did a good job in managing that corporation. I have no issue with that. You turned it into a profitable enterprise.

Out of a sense of honour, out of a sense of responsibility—and you don't need to speak to your lawyer about this—would you not forgo any right you may think you may have to a severance?

**Hon. David Dingwall:** I will wait for the advice of counsel before I make that decision, Mr. Chairman.

**The Chair:** Thank you very much, Mr. Scarpaleggia.

Is there any Liberal member who would like to take the last two minutes of Mr. Scarpaleggia's questioning?

Mr. Godbout, go right ahead, please.

**Mr. Marc Godbout (Ottawa—Orléans, Lib.):** I want to go back to the severance aspect because this is very important for Canadians, and I'll try to ask my question as clearly as possible. Given everything that's happened in the present context—and you have alluded to that—are you expecting a severance package from either the Government of Canada or the Royal Canadian Mint?

**Hon. David Dingwall:** When I spoke with officials with regard to entitlements, their response was, "Look, we have a legal department. Do you have a lawyer?" I said yes. They said, "They should talk with regard to your entitlements." That's where I left it. It wasn't a three-hour conversation or a two-hour conversation. It was a couple of minutes, bang, and that was it.

**Mr. Marc Godbout:** Following on the same line, I understand—and you'll correct me if I'm wrong—that you did offer your resignation, and that resignation was not subject to getting a severance package. Am I wrong in assuming that?

**Hon. David Dingwall:** No, I don't think you're wrong.

**The Chair:** Thank you, Mr. Godbout.

Now we go to Mr. Martin.

Mr. Martin, if you choose, you can share your time with Mr. Broadbent. You have given an indication that you may want to do that. Go ahead, please.

**Mr. Pat Martin (Winnipeg Centre, NDP):** Yes, I would. Thank you, Chair.

Mr. Dingwall, I'm not going to nickel and dime you about the price of a package of gum, but I will tell you this. I'm a former union representative, and on the planet that I live on, when you quit your job you don't get severance. It's as simple as that. Severance is for when you are wrongfully let go or have to be let go for unforeseen circumstances. That's when you get a severance compensation package.

My question is pretty clear. If all your costs and expenses were within the Treasury Board guidelines, did you quit or were you fired? There are a lot of people here who think you were let go by the Martin government because you were just about to get fingered in the Gomery commission as one of the key architects of the sponsorship scandal. That's what a lot of people think.

My question simply is, did you quit or were you fired?

**Hon. David Dingwall:** Mr. Chairman, through you to the honourable member, I'm disappointed that he would make such an allegation as he is making here today. I used to have some measure of respect for the honourable member. But to leap to that conclusion and to portray as a conclusion that somehow I would step down because of what may or may not be coming in a judicial review is not only unfair, it's totally wrong.

**Mr. Pat Martin:** We're about two weeks away from the bombshell going off in the Gomery commission. You were fingered all throughout, or certainly mentioned throughout, as a key architect of the sponsorship scandal.

**Hon. David Dingwall:** Ah, Mr. Martin—

**Mr. Pat Martin:** Surely this has crossed your mind, that the optics of this—the timing is so obvious to a lot of us—are that where there's smoke, there's fire. Was this more hush money than it was severance pay, I suppose?

**Hon. David Dingwall:** Mr. Chairman, again I'm disappointed by the honourable member, who represents a great constituency in Manitoba. But I want to tell him, Mr. Chairman, that I am absolutely confident that Justice Gomery will make no negative recommendation in terms of what I may or may not have done with respect to the sponsorship program, and I resent quite emphatically the comments in the preamble of the honourable member.

• (1610)

**Mr. Pat Martin:** Well, you don't get severance when you quit; you get severance when they're trying to buy you off and get rid of you.

I'm going to share the rest of my time with my colleague, Mr. Broadbent.

**The Chair:** Mr. Broadbent, welcome. Just go right ahead.

**Hon. Ed Broadbent (Ottawa Centre, NDP):** Thank you, Mr. Chairman.

I want to go back to the question of being entitled to severance, ethically or legally. Like you, I had many years in politics. In addition to my pension as an MP, I had a pension that came to me because I was leader of a party for a number of years.

To put it directly, I'm astonished or troubled with the very notion that one could accept, in addition—and I have no problem with this, for I think, as has already been said, you're entitled to these pension benefits...that you would even consider, from an ethical point of view, accepting severance pay from a job that you quit. I find it equally bizarre and not entirely ethically acceptable that you seem to be refusing to answer the question directly and are indulging in some kind of euphemism or another term to avoid using the word "severance" pay.

This is all a preamble, if you like, but I would like some frankness on the severance pay issue. Did you ever use the word in the conversation with Mr. McCallum, or any of the officials in the PCO? Did the word "severance" pay come up? That's one I'd really like to know.

Ethically, I want to know your view about whether you think, in addition to your appropriate pensions, for a job you quit.... And by the way, from the record, you've done a good job. I want to be clear, the performance in other respects seems to be quite commendable. But do you think you're ethically entitled to severance pay?

**Hon. David Dingwall:** Mr. Chairman, I think I'm ethically entitled to the entitlements that I believe are owed to me. I do not have a full exhaustive report from counsel. I know counsel has had some brief discussions with government representatives. But I want the honourable member to....

Well, you twitch your eyes, but just let me give you one little example. If you're the president and CEO of the Royal Canadian Mint and you wait 23 months to get your cost of living index.... That's an entitlement. It may be small potatoes to some, but as it relates to a whole host of things, it's an entitlement. It has never been paid; it's been owed to me for quite some time—23 months since I went to the Mint. So there are a variety of entitlements. Does it include severance? Maybe it does, maybe it doesn't. I don't know.

**Hon. Ed Broadbent:** Okay.

My point is, whether in some narrowly defined legal sense you're entitled to a severance—that isn't my question. I'm asking you the ethical question: having voluntarily resigned from a job, in addition to the very substantial pension you're getting as a former cabinet minister and MP, do you think you're ethically entitled to severance pay? That's the question. It's not a legal question.

**Hon. David Dingwall:** It is a legal question.

**Hon. Ed Broadbent:** No, it is not.

**Hon. David Dingwall:** It is. You can twist it any way you want.

**Hon. Ed Broadbent:** I'm not twisting it.

**Hon. David Dingwall:** Yes, you are.

**Hon. Ed Broadbent:** How am I twisting it?

**Hon. David Dingwall:** You're trying to say that I'm not entitled to my entitlements. I am entitled to my entitlements, and if that includes severance, so be it—

**The Chair:** Mr. Dingwall—

**Hon. David Dingwall:** —and I will wait for legal counsel and the experts and the professionals to provide me with that advice. They have not done that.

**The Chair:** Thank you, Mr. Dingwall.

Could you please wait for Mr. Broadbent to finish asking his questions?

Mr. Broadbent, do you have more questions?

**Hon. Ed Broadbent:** No, I want to get clear on this one.

You may be legally entitled to severance pay from some kind of interpretation of the law. Mr. McCallum once said, for reasons I don't understand, it's a common law benefit and so on. I'm separating the ethical from the legal. I'm saying, notwithstanding what your legal entitlement might be, ethically do you think, having resigned, in addition to all the other pensions you're getting, you should accept severance pay?

**Hon. David Dingwall:** Well, I don't think the honourable member should talk about "all the other pensions".

**Hon. Ed Broadbent:** Well, there are two, as a cabinet minister and as an MP, and I'm not questioning those.

**Hon. David Dingwall:** It's an MP's pension.

I resigned as president of the Royal Canadian Mint because I believed it was in the best interests of the Royal Canadian Mint for me to step down. I believe the minister agreed with that. I believe the Prime Minister agreed with that. Why? Because we didn't want to throw the Mint into a crisis. The Mint is at a very important stage in its journey. As a result of that, those were the reasons why I stepped down.

The proof is in the pudding. Two days ago—

● (1615)

**The Chair:** Thank you, Mr. Dingwall. The time is up.

We go now to Mr. Pallister for seven minutes and then to Mr. Szabo for seven minutes.

Go ahead, Mr. Pallister.

**Mr. Brian Pallister:** Thank you, Mr. Chairman.

It's rather Lewis Carrollish here: you're entitled to your entitlements, but your entitlements are to be defined by legal counsel and the government later. You don't even know what you're entitled to because you don't know what you're going to get in entitlements. I mean, we're getting a dance from you, sir.

Will you admit that there is nothing in your remuneration contract that entitles you to severance? At some point today will you admit that there is nothing in your remuneration contract that entitles you to severance?

**Hon. David Dingwall:** I think that calls for a legal opinion, and I'm not prepared to give you what my opinion is. I am waiting for counsel to provide that to me.

**Mr. Brian Pallister:** Sir, we've obtained a copy of your remuneration agreement. It's black-dotted like *101 Dalmatians*, of course, but it has no category whatsoever for severance, which tells us severance is at the discretion of the government.

Now, will you admit—because we could produce it and give it to the media again if you want—that there is no reference to severance in your remuneration agreement?

**Hon. David Dingwall:** I will wait for legal counsel to provide me

**Mr. Brian Pallister:** Why would you possibly wait for that, sir?

**Hon. David Dingwall:** Because I'm not an expert on what entitlements are.

**Mr. Brian Pallister:** You're not an expert on reading a two-page document?

**Hon. David Dingwall:** I'm not an expert, and I will wait for the experts to provide that advice.

**Mr. Brian Pallister:** It almost defies logic that we even bother to ask you questions, sir.

The fact of the matter is it is purely at the discretion of the government, and you know that. The fact of the matter is you quit less than three years into a five-year contract in disgrace and now you're trying to soft-shoe around the issue that you're entitled somehow to something for that—that massive sacrifice of time you put in.

I'll dispel the myth of your management capability another day, but what disturbs me—and you are not my adversary here. My concern is, sir, a Prime Minister who would praise you in the House of Commons. I would like to know if that was part of the deal you cut with Paul Martin.

**Hon. David Dingwall:** Mr. Chairman, there was no deal with the Prime Minister. I spoke to the Prime Minister. It was a cordial discussion. He agreed and I agreed that it was in the best interests of the Mint for me to move on—

**Mr. Brian Pallister:** Sir, I can understand that. What I'm puzzled by—

**Hon. David Dingwall:** —because he understands the fiduciary obligation that a CEO has with regard to a corporation. With this firestorm that was taking place, how would that be—

**Mr. Brian Pallister:** No, I've heard this song and dance before, sir. I didn't ask you—

**Hon. David Dingwall:** —helpful to the Mint. It would not be helpful to the Mint.

**Mr. Brian Pallister:** —about this and I didn't ask for a repeat of this.

The fiduciary obligation that concerns me most is the one the Prime Minister has to the people of Canada. The fact of the matter is for the last three weeks we've been treated to six different excuses by the Prime Minister and his cronies about why they should pay you severance, and we've dispelled every one of them.

First they said it was private and it was your remuneration agreement. We know that's not true. Then they said it was the Financial Administration Act. It is not. Then they said it was the

Canada Corporations Act. It is not. Then they said it was the Royal Canadian Mint Act. It is not. Then they said it was just common sense. There's nothing common sense about paying you a red penny more than you've been paid. Then they said it was common law, but they won't produce a legal opinion. For crying out loud.

And finally, there is one last excuse, one pathetic excuse, that Paul Martin offers the Canadian people on why he has to pay you more, and that excuse is this. I'll ask you one question and I'd love a straight answer from you, sir. They tell us that if you aren't paid severance you're going to go after the Canadian people and you're going to sue them. So I want to ask you, do you have plans to sue the Canadian people if you don't get your severance, sir?

**Hon. David Dingwall:** Listening to the honourable member, I think you've now made it quite clear why one needs good legal advice, and that's what I'm hoping to have. When I have that legal advice, I'll make my decision at that time in terms of the actions I will take.

**Mr. Brian Pallister:** So you'll keep hiding behind your lawyer even in the face of obvious straight questions that require honest answers. Is that correct?

**Hon. David Dingwall:** Why don't you be straight about your question?

**Mr. Brian Pallister:** Okay. You held up a pack of gum and did a little theatrical presentation, but we have receipts that you billed the people of Canada for: \$1.98 for candy; \$1.43 for a *Globe and Mail*; a chocolate bar; a bag of chips; \$6 for a hot dog; \$12.86 for a mini-bar; \$4 another time for a mini-bar; when you were in Japan it was 615 yen, and we'd need a currency expert to tell us that's probably \$6; \$1.82 for a bagel; \$1.74 for two newspapers and some water; \$1.50 for coffee.

Sir, I'll tell you, you waved that pack of gum around like you're proud of it. You ain't going to “Wrigley” out of this one. These kinds of bills given to the Canadian people may look trivial to some—they may try to apologize this away—but I'll tell you there's a good chunk of the Liberal caucus that understands that paying you severance is nothing but an insult to the Canadian people. That's all it is.

• (1620)

**Hon. David Dingwall:** Mr. Chairman, I want to thank the honourable member for his non-partisan, constructive comment.

**Mr. Brian Pallister:** There's nothing partisan about it. If you were in my party, I'd be despising you as well. This is wrong, and you should admit to it.

**Hon. David Dingwall:** Everything was adhered to in terms of the policies of the Royal Canadian Mint.

**The Chair:** Order.

Mr. Pallister, please be judicious in your—

**Mr. Brian Pallister:** That's fine.

You were in Ottawa less than 80 days last year and you billed for almost 100 meals at over \$10,000. Do you want to just run through again how that makes sense?

**Hon. David Dingwall:** I'm sorry?

**Mr. Brian Pallister:** You billed over \$10,000 for meals in Ottawa last year. You were in Ottawa less than 80 days. Would you like to explain to the Canadian people how that makes sense, how it's a great investment of their tax dollars?

**Hon. David Dingwall:** Mr. Chairman, in 2004 I travelled extensively to various foreign posts. Upon returning to Ottawa, as most CEOs would have to, you would call upon your staff to be briefed on the various initiatives they were taking in your absence. As you can imagine, growing a business by \$70 million in 2004 requires a lot of effort by a lot of different people: senior management, the board, unionized employees, and a host of others. I have asked individuals, whether it be for breakfast, lunch, or for dinner, to join with me to explain, to update, and to assist me as it relates to the activities of the Mint. I thought it was appropriate that the president's office should pay for those expenditures; I was taking them away in many instances from family and private time and I thought it only appropriate.

**The Chair:** Thank you, Mr. Dingwall.

Mr. Pallister, you have about 20 seconds.

**Mr. Brian Pallister:** I had the chance to go over to the Rivermead club, sir. It's quite a nice club, I have to admit. I'm curious. How many rounds did you get in at the expense of the Canadian taxpayers in that particular private club? I understand it's \$15,000 per share. Is that correct?

**Hon. David Dingwall:** No, I think it's probably a bit more.

**Mr. Brian Pallister:** Oh, it is, eh? Good.

**Hon. David Dingwall:** But if I may, Mr. Chairman, my membership at the Rivermead was paid for by myself. I was a member of the Rivermead Golf Club long before I became the CEO. The only thing that is paid for, which is part of my employment contract with the Mint, approved by the board of directors, is that they pay the annual corporate membership for me, so that I entertain customers, suppliers, and employees.

**Mr. Brian Pallister:** My question, again, sir, is how many rounds you got in at the Rivermead in 2004.

**Hon. David Dingwall:** I don't know.

**Mr. Brian Pallister:** You don't know?

**The Chair:** Mr. Pallister, your time is up.

Mr. Szabo, you have seven minutes. Then we'll get into the five-minute round with Mr. Lunn.

**Mr. Paul Szabo:** Thank you, Mr. Chairman.

Mr. Dingwall, thank you for providing the summary of the financials. I've had a careful look at it. It concurs with the research done by our staff. I suspect, having looked at it, that we will get the rest of the answers we need from the PricewaterhouseCoopers work, once it's completed—I understand next week. I have no questions with regard to your expenses and no conclusions, other than that they appear to be reasonable given the level of activity the Mint

undertook during the period in which you were the president and CEO.

This then leaves us with what the members obviously have been asking about, Mr. Dingwall, which is the severance issue. I think you've laid out fairly clearly that your rationalization was the firestorm about the allegation that your spending was way out of line, and also that it would be in the best interest of the Mint. Would that be a fair characterization?

**Hon. David Dingwall:** Yes, Mr. Chairman, I think that is a fair characterization of the firestorm, which was—

**Mr. Paul Szabo:** And as a consequence—I'm sorry.

**Hon. David Dingwall:** On the firestorm, I think we all have to acknowledge, and I'm sure members from all political parties will acknowledge, this is a pretty poisonous atmosphere in this city. This was just going to continue. I mean, the access to information...the amount of time that people at the Royal Canadian Mint had to spend on these kinds of things was way, way out of proportion to what it should have been. Whether it's my CFO, my legal counsel, the people who work for legal counsel, sales and marketing, everyone was totally consumed by what was taking place in the avalanche of requests, but that's the environment that you and others are precipitating here in Ottawa.

• (1625)

**Mr. Paul Szabo:** Thank you. I understand. We had heard that.

Your term of appointment was for five years as the president and CEO of the Mint.

**Hon. David Dingwall:** Yes.

**Mr. Paul Szabo:** So you were two and a half years in. You were certainly personally aware that to suggest that \$747,000 in expenses being characterized as your "travel and hospitality" was in fact not the case. You were confident that this was not the case.

**Hon. David Dingwall:** Oh, I was confident that this was not the case, and I felt pretty upset that members would run off at the mouth telling the Canadian people that a cost centre was the personal expenses of the president of the Royal Canadian Mint, which was a flagrant falsehood that they perpetrated in the House and outside the House continuously, consistently, and repeatedly.

**Mr. Paul Szabo:** Okay. I think I can understand the predicament you were in, and you had to make a decision. Theoretically, you probably would have anticipated that if the Auditor General or some external auditors were to look at this, all of the matters that you brought out today would clearly have come out and the firestorm would have been found to have been premature and maybe a little excessive.

**Hon. David Dingwall:** I don't think so, Mr. Chairman, if I may...

**Mr. Paul Szabo:** No, you were confident that the expenses would be explained.

**Hon. David Dingwall:** Yes, I was confident about that, but I certainly was not confident that the firestorm would stop. The firestorm was on a track and it didn't appear to me that it was going to stop at all.

**Mr. Paul Szabo:** I have two last aspects.

Language is always important. Everybody seems to be saying you resigned. I always thought that when this resignation issue came up... there is an adjective in front of the word “resign”; people can “offer” their resignation, they can “tender” it, they can “volunteer” it. I want to be sure that I understand what yours was. Did you say, “I resign” in your communication to the board, for instance, or did you say, “I offer my resignation, if you want to take it”?

**Hon. David Dingwall:** I don't remember the exact words.

**Mr. Paul Szabo:** Maybe your lawyer does.

**Hon. David Dingwall:** I think I was compelled to resign because of the situation. I think that's the word—

**Mr. Paul Szabo:** Sorry? I didn't—

**Hon. David Dingwall:** I think it was that I was compelled to resign because of the situation. I don't know if that was contained in the—

**Mr. Paul Szabo:** You were compelled to resign, okay.

So let me summarize.

On September 28, you wrote a letter to the Prime Minister and the chair of the board of the Mint, in which you announced you were tendering your resignation. “Tendering” doesn't mean, “I resign”; it means, “I'm offering it”. Okay? Then you go on to explain that during the summer months you had some opportunity to reflect on your career with your wife and your family and some close friends, and you told them at that time, last summer, that you were likely leaving your position as the CEO some time over the next number of months to pursue a number of projects, and that you were fortunate to have your health, that you have quite a number of years left in your career, and that your central decision—and this is the key. You say in the letter that central to your decision was the achievement of the goals you set out in consultation with the board of directors and the Government of Canada. Mr. Dingwall, in this letter to the chair of the board and to the Prime Minister, you identify that you were leaving because you had achieved everything you needed to do at the Mint, and it had nothing whatsoever, apparently, to do with a firestorm or unease.

So I'd like to ask you the question, Mr. Dingwall, was it your intention, after two and a half years, after consulting with family and friends, to resign, or is the story that you resigned because there was a firestorm? It cannot be both. Which one is the truth?

• (1630)

**Hon. David Dingwall:** Well, Mr. Chairman, through you to the honourable member, I think it was pretty clear after my discussions with my family that I would not live in the five-year term I had at the Royal Canadian Mint. I believe I was somewhat compelled, because of the firestorm that was burning around us, to come into the Mint... that it would result in a crisis at the Mint that was not needed, not necessary, and not appropriate. For those reasons I tendered my resignation to the chairman of the board and to the Prime Minister.

**Mr. Paul Szabo:** My understanding, from checking with legal advice, is that to tender one's resignation is not to resign; it is to offer your resignation, if the board should accept it. And this is the sticky point. But it would appear from the correspondence, which I'm sure is available to all, including your own legal counsel, that you announced that your decision had been taken to leave the post before

your five years were up because you had completed all of your tasks that you wanted...and you had other projects to work on, and you've even mentioned today family issues, etc.

Under those circumstances, I would think there is some discussion, as you have said, but that the balance of evidence is, in your own writing—in your so-called letter of resignation—that you had no intention of staying in any event and that you in fact are not entitled to a severance.

**Hon. David Dingwall:** Mr. Chairman, through you to the honourable member, I did have a number of projects that I wanted to complete, very significant not only for the Mint but I believe for the country as a whole. One was in relation to a new coin we would want to release in 2006, and there is a very special program that we were working on and didn't make as much progress on as I had hoped we would make; it was with regard to a significant Olympic program that would provide some profile for Olympic athletes as well as some financial remuneration for the kinds of things Olympic athletes need in order to perform in international competitions.

**The Chair:** Mr. Szabo's time is up.

We're into the five-minute round now. We'll start with Mr. Lunn, followed by Mr. Desrochers.

Mr. Lunn.

**Mr. Gary Lunn (Saanich—Gulf Islands, CPC):** Thank you, Mr. Chair. If you could, give me a three-minute warning; I want to try to share some time with my other colleagues.

Mr. Dingwall, just a straight answer: did you voluntarily resign from the Mint?

**Hon. David Dingwall:** I tendered my resignation as a result of the firestorm that had been created.

**Mr. Gary Lunn:** I listened to your opening statement. You almost portray yourself as a victim or as a man who has done nothing wrong. You're a veteran politician. You're used to being questioned; you're used to being grilled. You've been through this many times before as a minister. Yet you resigned before the ink was dry in the papers, when the stories came out.

Why did you resign so quickly? Did somebody in the government suggest you might want to tender your resignation?

**Hon. David Dingwall:** No, I don't recall that being said.

**Mr. Gary Lunn:** So no one in the government suggested you tender your resignation?

**Hon. David Dingwall:** But I do recall people understanding the situation in terms of the crisis this was going to create for the Mint.

**Mr. Gary Lunn:** I want to come back to some of your earlier testimony, because you're sort of fixed on entitlements. You actually stated earlier that in your discussions with.... I don't want to misquote you, but you did actually state at the very beginning of this meeting that in a discussion with Mr. McCallum you discussed the issue of severance with Mr. McCallum.

**Hon. David Dingwall:** I don't think I used the word "severance". I think I—

**Mr. Gary Lunn:** I believe you did, but the record can clarify that. I have it written down; you did use the word "severance" in your discussions with Mr. McCallum. Did Mr. McCallum give you a positive response with respect to that discussion?

**Hon. David Dingwall:** No, I don't believe I used the word "severance". The record will show that. We talked about entitlements. His response was, "You'll have to talk to Privy Council officials", and that was it.

**Mr. Gary Lunn:** Okay. I'm going to go on another track here and I'll tie it all back together.

Briefly on the Technology Partnership Canada success fees, did you bill those in U.S. dollars, yes or no? When you billed for the success fees with respect to the Technology Partnership Canada contracts—they're all a matter of public record—did you bill those in Canadian dollars or U.S. dollars?

**Hon. David Dingwall:** Well, there's a preamble to your question that I don't necessarily agree with. If you're asking me if the moneys I received for the work I had done were in Canadian funds, the answer is yes.

•(1635)

**Mr. Gary Lunn:** But concerning the success fee, or the fee for \$350,000—in that range—was it in U.S. dollars? It's a simple yes or no.

**Hon. David Dingwall:** There was no success fee.

**Mr. Gary Lunn:** Was that fee I'm speaking about in U.S. or Canadian dollars?

**Hon. David Dingwall:** There was no success fee.

**Mr. Gary Lunn:** Okay. Whatever you would like to call it, was it in Canadian or U.S. dollars? Just answer that, please. It's a pretty simple—

**Hon. David Dingwall:** I was paid in Canadian dollars.

**Mr. Gary Lunn:** Thank you.

**Hon. David Dingwall:** But there was no success fee.

**Mr. Gary Lunn:** Are you, or are you aware that you're under investigation by the RCMP right now with respect to Technology Partnerships Canada?

**Hon. David Dingwall:** Not at all, Mr. Chairman.

**Mr. Gary Lunn:** Okay.

I have one final question. I think it's a fair question.

You stated that you had discussions with Mr. McCallum. Again, I want to confirm, with respect to severance, that Mr. McCallum... Did he give any indication to you, with respect to the severance that you refer to as "entitlements", using your language...? Did he give you any suggestion whether you would be receiving any type of severance or that it would be a matter that would be pursued?

**Hon. David Dingwall:** Mr. Chairman, my discussion with the minister was cordial, it was short, and it was clearly suggested that I contact Privy Council, and that was the end of it.

**Mr. Gary Lunn:** I think in fairness to my colleagues, I'd like to defer the rest of my time.

**The Chair:** Mr. Preston, go ahead. You have about a minute left.

**Mr. Joe Preston (Elgin—Middlesex—London, CPC):** Thank you.

On the same subject of severance, you said you were compelled to resign. Who compelled you? Were you asked by the government to resign?

**Hon. David Dingwall:** No, I was compelled I think by the situation. The situation is that the heroin, if you will, of politics these days is expenses. They were falsely—

**Mr. Joe Preston:** Okay. I have a question about—

**Hon. David Dingwall:** Just a moment, Mr. Chairman.

The honourable member should know that they were falsely—my cost centre was falsely—identified as personal expenses to the tune of \$755,000.

**Mr. Joe Preston:** Let's talk a little bit about those expenses. It's reported today in the media that, somehow by the myth of your management, the Mint showed great financial achievements, and therefore the taxpayers didn't really have to cover these expenses; they were covered by the profits of the Mint.

The shareholder of the Mint is...? Who is the shareholder of the mint, sir? The Canadian taxpayer.

**Hon. David Dingwall:** The Government of Canada, yes.

**Mr. Joe Preston:** Right. So you're saying that because of the profit now made by the Mint, the taxpayer wasn't paying this large amount of expenses. I submit to you, sir, that the expenses that had to be paid came out of the Canadian taxpayers' pockets.

**Hon. David Dingwall:** I disagree. The Royal Canadian Mint, along with three or four other crown corporations, is a commercial entity. They don't—

**Mr. Joe Preston:** But the shareholder of those commercial entities—

**Hon. David Dingwall:** One moment, please, if I may.

These corporations do not get appropriations—

**The Chair:** Thank you, Mr. Dingwall.

Your time is up.

**Hon. David Dingwall:** —from the Government of Canada. We have to live on the income we generate as a crown corporation.

**The Chair:** Thank you, Mr. Dingwall.

Now on the five-minute round is Mr. Desrochers, followed by Mr. Boshcoff, and possibly Mr. Godbout, if there's time left.

[Translation]

**Mr. Odina Desrochers (Lotbinière—Chutes-de-la-Chaudière):** Thank you, Mr. Chairman.

Mr. Dingwall, you are well known in the House of Commons. Every time you appear, there is talk of waste. We know that you are very closely linked to the Sponsorship Program. And here you are again today involved in a wastage problem.

I read your statement carefully, and in it you say that you have done absolutely nothing wrong. I know of no CEO who steps down without being guilty of something.

Why did you resign?

[English]

**Hon. David Dingwall:** No, I don't believe I have done anything wrong. I resigned because of the best interest of the Royal Canadian Mint. And I think I have been proven to have done it in the best interest of the Mint.

If the firestorm with me had to continue, it would impact directly on the Royal Canadian Mint to throw it into a crisis. The Royal Canadian Mint does not deserve that and does not need it; it is not in its short-term or long-term interest. And that's a call; it's a fiduciary obligation of a CEO, that he or she has to make in the best interest of the corporation. And I made that decision.

Was it an easy decision? No, it was not an easy decision.

• (1640)

[Translation]

**Mr. Odina Desrochers:** Mr. Dingwall, it is you yourself who brought about this firestorm. You are alone in having spent so much. Are we in agreement on that fact?

[English]

**Hon. David Dingwall:** I'm sorry, I didn't get the question.

[Translation]

**Mr. Odina Desrochers:** Mr. Dingwall, you tell us that you resigned because there was a firestorm at the Royal Canadian Mint. However, it seems to me that you are the one responsible for this firestorm. You are the one who spent all that money. I believe you are responsible for this firestorm.

[English]

**Hon. David Dingwall:** There is no question that I've gotten more ink in the last two weeks than most of the people around this table would get in a lifetime, with the exception of the honourable member opposite.

[Translation]

**Mr. Odina Desrochers:** Mr. Dingwall, in a Crown corporation, there always exists a so-called delegation of signing authority. What was your authority? We can look at the process and say that everyone had verification rights, but as president of a Crown corporation, what were your powers in terms of signing authority? What was the total amount you were entitled to spend?

[English]

**Hon. David Dingwall:** If I understand the question correctly, we had policies at the Royal Canadian Mint, but for the president and CEO there were exceptions to the policy as it relates to the president, which was part and parcel of his or her employment contract. There were special processes that were in place to make sure that these expenses were approved, and approved properly, that they were receipted, etc. You had checks and balances. In terms of the amount, I had to bring various capital expenditures—and contracts, of course, and things of that nature—to the board, where they would approve

them. Other than that, as the president and CEO I had signing authority for quite a bit of the activities at the Royal Canadian Mint.

I hope that answers your question.

[Translation]

**Mr. Odina Desrochers:** I would like to ask a final question, Mr. Chairman.

Mr. Dingwall, you did not answer my question. Any signing authority comes with a maximal amount. I want to know what was the maximum amount you were entitled to spend as president of the Royal Canadian Mint. It is a simple question.

[English]

**Hon. David Dingwall:** I would have to come back to the honourable member to give him the precise...because there were delegations to different VPs for different things. I may be off on the numbers, but I could provide that to him in terms of the delegation of authority each of the VPs had. Then, over and above that, I would have a signing authority over and above it. My signing authority was contingent upon what the board approval would be, as well as the terms of some Treasury Board guidelines related to capital expenditures going forward.

[Translation]

**Mr. Odina Desrochers:** Mr. Dingwall, you said you could provide us with a document that would clarify the level of signing authority in your organization. I would like you to show in this document also what were your powers. I would like to know the amount of money that was tied to this delegation in order for us to see clearly what authority you had within the organization and which allowed so much money to be spent.

[English]

**The Chair:** The time is up.

Mr. Dingwall.

**Hon. David Dingwall:** Mr. Chairman, let me say very briefly, I'm a private citizen now, but I'll undertake to make the representation to the Mint to provide that information to you so that you can see, in terms of the delegation of authority and thereafter, what room I had as a CEO—of course, that was buffered, if you will, by the board of directors—so that we can be certain on the various figures.

**The Chair:** Mr. Dingwall, would you send that information to the committee?

**Hon. David Dingwall:** Yes, of course.

**The Chair:** The next round of questioning is Mr. Boshcoff's.

If you wish to share the time, that's up to you.

**Mr. Ken Boshcoff (Thunder Bay—Rainy River, Lib.):** Mr. Dingwall, with the great fanfare and the number of editorials that pilloried you for the fact that \$747,000 of your own personal pocket money became \$538,000 worth of salaries for four people, you can imagine why the public was taking such exception to this. Now, through this type of investigation here today, we find the vicious nature of the allegations. I have to agree, as a former member of the Mint board, that I was thinking some very bad thoughts about you, and you can imagine why the public was taking that tack. Now that we know you have been condemned before being questioned, I have to ask why the Mint would not have tried to do some explanation for some of these things beforehand.

• (1645)

**Hon. David Dingwall:** We attempted, Mr. Chairman, to do the best we could to try to explain, but people didn't want to listen. They wanted to believe that it was \$747,000 of my personal expenses. Members in this committee falsified the information by calling it my personal expenses, and that went across the country the way water would go down over a hill. And there was an appetite—there's an appetite in this city—to pick it up and run with it, for every expense.

Of my cost centre, 72% went for salaries and benefits; 1.5% out of the entire cost centre went for meals with staff and others; and 12.5% of the cost centre—where did it go?—went for foreign travel. And look at the results for foreign travel. We went from \$7.5 million to \$25.1 million in new revenue in 2004. But nobody wanted to report that.

We attempted time and time again to try to get that message out. And I say to the honourable member, yes, it was tough.

**Mr. Ken Boshcoff:** A few minutes ago, one of the questions was about golf at \$15,000, when the total for membership and vehicle was \$11,000. I can see now the nature of the falsehoods that are being perpetrated. But in fairness—

**Hon. David Dingwall:** In fairness, the honourable member who asked the question knew that. He also knew that the Mint did not pay the \$15,000 membership at Rivermead. He knew that I paid out of my own pocket, well before going to the Mint, that membership fee. He also knew, Mr. Chairman, that what was paid at the Mint was the corporate annual membership of a few thousand dollars to entertain, as my board affirmed, customers, suppliers, and employees. He knew that.

**Mr. Ken Boshcoff:** Would you say an annual membership is a normal presidential or CEO expense for corporations around the country?

**Hon. David Dingwall:** To answer that question, I sat on several publicly traded boards and privately held companies as a board director, and that is the norm in terms of what companies do.

**Mr. Ken Boshcoff:** When it was falsely—you used the statement “falsely”—reported that you have a leased car... Do you have a leased car or not?

**Hon. David Dingwall:** I do not have a leased car. I bought my car in 2001 and paid for it myself. I saved up, bought the car, have the car, and like the car. It is not a leased car.

**Mr. Ken Boshcoff:** Why would someone erroneously report that you have had a meal of \$5,300 if it wasn't just for yourself? It seems very strange that a member of government would accuse you of that.

**Hon. David Dingwall:** What is very disconcerting about that is that it was said they knew—but the falsehood was perpetrated, was shown, was displayed, was buffered, that it was for the president and a staff person. It was for 28 employees of the Royal Canadian Mint who were in a two-day seminar that I led as the chief executive officer, examining the goals on a quarterly basis so that we can generate the kinds of profits and increase the employment in Winnipeg for the Royal Canadian Mint. And we did that, Mr. Chairman.

**Mr. Ken Boshcoff:** Do you not find it strange that there have been very few questions, outside of the question of severance, about expenses today? It seems that your report here has addressed them all. There have also been very few questions regarding your performance or your competence, but a lot of the malice that was expended upon you seemed to be in inverse proportion to that. You took a real whupping for expenses, and now people are very quiet about it. Do you have an explanation for that?

**Hon. David Dingwall:** That's the poisonous atmosphere that has befallen this particular Parliament. You have a minority Parliament. I think the cupboard is bare—I can say that now as a private citizen—with the Conservative Party. That's all they can do—throw dishes. I was in the storm when the dishes were flying. But you know what? I'm throwing a few dishes back today.

• (1650)

**The Chair:** Your time is up, Mr. Boshcoff.

We go to Mr. Preston for five minutes, followed by Madame Marleau.

**Mr. Joe Preston:** Well, prepare for the dishes.

It was great to see you on your soapbox and to see how well you have done at the Mint.

I do have a few expenses. If Mr. Boshcoff would like to hear of some of them, we could certainly go through them. We thought we'd start with some of the higher-ticket items before; we'll get down to the bottom if we need to.

Besides car washes for the BMW and bottled water, there's one that really stuck out here for \$1.24 at Simply Smoothie.

The Mint went up in profit by how much for the \$1.24 smoothie?

**Hon. David Dingwall:** Oh, about \$15.9 million.

**Mr. Joe Preston:** The questions we're asking here—that is, that a CEO of a corporation the size of the Mint...certainly should be making a profit in a corporation like the Mint. Let's not get sidetracked here and celebrate the fact that the Mint made money while you were the CEO. It's supposed to make money. That's what corporations do.

**Hon. David Dingwall:** The fact is that three years before, it didn't make money, sir.

**Mr. Joe Preston:** Well, I wish we'd been here to talk to the president then.

But let's talk about yours.

I'm going to share my time with Mr. Poilievre. We've talked about some of those expenses. I guess there are others I could cover here, but I think I will just leave it for Mr. Poilievre and let him take it.



**The Chair:** Mr. Poilievre.

[Translation]

**Mr. Pierre Poilievre (Nepean—Carleton, CPC):** I can assure you that every time you attack us, the popularity of the Conservative Party increases. So I beg you to continue.

Mr. Dingwall, I believe you know all about Liberal corruption. You, yourself, were in the midst of the sponsorship scandal. Furthermore, you were involved in another scandal, that of Technological Partnerships Canada which has already lost at least two billion dollars. So you know all the dirty secrets of the Liberal Party of Canada and its leader, Paul Martin.

You stated today that there was no legitimate reason for you to resign. Therefore, members of this Committee and myself can imagine the real reason. When you spoke with the Prime Minister before resigning, what assurance did you give him in exchange for his promise of severance?

[English]

**The Chair:** Mr. Dingwall, go ahead.

**Hon. David Dingwall:** Nothing, Mr. Chairman.

**Mr. Pierre Poilievre:** Nothing at all? So you are telling me there is no legitimate reason whatsoever that you should have needed to resign and that you're perfectly prepared to defend all of your actions during your tenure at the Mint, but for some reason you were compelled to do so and nothing was promised to you in return?

**Hon. David Dingwall:** Mr. Chairman, I was compelled to make a decision. The decision I had to make was what was in the best interests of the Royal Canadian Mint. You and your colleagues have falsified my cost centre by telling the Canadian people that it was my personal expenses. You sir, have the responsibility to own up on the facts now that you have been caught.

**Mr. Pierre Poilievre:** We are owning up on the facts. And now that you have been caught accepting a \$350,000 lobbying fee for intervention in the Technology Partnerships Canada program, which by the way has loaned out \$2 billion more than it has returned, I want you to explain to us whether or not you intend to repay that portion, the \$350,000.

**Hon. David Dingwall:** Mr. Chairman, I got no such thing from Technology Partnerships Canada.

**Mr. Pierre Poilievre:** No, you got it from a company you were lobbying on behalf of.

**Hon. David Dingwall:** The honourable member once again falsifies, misleads, characterizes the facts in a way that is not true, Mr. Chairman.

**Mr. Pierre Poilievre:** I asked a direct question.

Mr. Chair, I have a point of order.

**Hon. David Dingwall:** I suggest, Mr. Chairman—

**The Chair:** On a point of order, Mr. Poilievre.

**Mr. Pierre Poilievre:** He's not answering the question. I'd like him to return to my specific question, which is whether he intends to repay the \$350,000 contingency he received.

• (1655)

**The Chair:** Mr. Poilievre, it's not a point of order.

Mr. Dingwall, would you answer the question?

**Hon. David Dingwall:** It's a false.... The premise of his question is false.

**Mr. Pierre Poilievre:** You never received a \$350,000 payment from any company you were working on—

**Hon. David Dingwall:** No success fee was paid, Mr. Chairman.

**Mr. Pierre Poilievre:** Nothing? Zero?

**Hon. David Dingwall:** I answered the question—I don't know if you were in the room—with regard to the specific issue. I indicated to you, and I will repeat it again, that upon my registration with the company, I registered for a success fee. This is not contrary to the legislation. When we were advised that with the Technology Partnerships program the policy had changed, we changed our agreement. There was no success fee paid.

**Mr. Pierre Poilievre:** So you did not receive \$350,000?

**Hon. David Dingwall:** No success fee was paid. I worked for the company for an extended period of time.

**Mr. Pierre Poilievre:** Okay. What did you receive in salary?

**Hon. David Dingwall:** In terms of...? At the Royal Canadian Mint?

**Mr. Pierre Poilievre:** In compensation from this company. Was it nothing at all?

**Hon. David Dingwall:** Oh, I'd have to go back and check my files. I'm not at liberty to share confidential information that I don't have access to at this point in time.

**Mr. Pierre Poilievre:** Was it more than \$350,000?

**Hon. David Dingwall:** I don't know, to be truthful.

**Mr. Pierre Poilievre:** You don't know.

**Hon. David Dingwall:** I don't.

**Mr. Pierre Poilievre:** You have not even a rough idea?

**Hon. David Dingwall:** No, I'm not going to speculate, because if I speculate in this way, you're going to come back and say, "Well, you didn't do it this way."

**Mr. Pierre Poilievre:** Okay. You have to ask your lawyer about that too.

**Hon. David Dingwall:** No.

**The Chair:** Mr. Poilievre, your time is up.

Madame Marleau, you have five minutes, please.

**Hon. Diane Marleau (Sudbury, Lib.):** Mr. Dingwall, I'd like to know why the price of a package of gum became such a flashpoint. I know you've said you did not get paid for the package of gum. It just seems to me that somehow everyone's gotten hung up on that. I want to know whether you had any means of getting a straight amount, when you travelled, for incidentals. I know for a fact that all MPs who travel on government business—all of us, when we travel—get an amount of money for incidentals for which we don't have to supply receipts. We all do. I'm not sure what the amount is. It depends what country—

**Hon. David Dingwall:** I think it's \$74 a day, isn't it?

**Hon. Diane Marleau:** Is it \$74 a day?

**Hon. David Dingwall:** Yes.

**Hon. Diane Marleau:** Okay.

It means that wherever you travel, whatever you purchase with it—whether you use it or not—you get that money and you don't have to explain.

Does the Mint have that kind of policy?

**Hon. David Dingwall:** The Mint used to have a policy whereby per diems were paid to employees. I terminated that policy and asked employees that, instead of getting their per diem, they submit reasonable expenses in lieu of it. As a result, considerable savings were made to the Royal Canadian Mint, and that policy remains intact today.

**Hon. Diane Marleau:** Is that why something like a package of gum would show up on an expense report? That's why I'm asking this—because it seems so out of character to see that on an expense report.

**Hon. David Dingwall:** Well, let me say to the honourable member, I don't know how the honourable member or members opposite do their expenses, but when I'm travelling internationally, with all the receipts you get—you have them in your pocket—I come back from my trips, put them in an envelope, give them to a person, and then it goes from there. Sometimes there are taxi chits; there may be receipts for a lunch or for a dinner; there could be any number of things—a sandwich you get in an airport where you're waiting for three or four hours, or a meal that you're getting. You provide that to the person.

Now, I have to take responsibility, and I'm not ducking that responsibility. It wasn't an assistant who did this; it was me. But that's the process you follow: you submit in an envelope, they add them up, and you sign off. Some are approved; some are disapproved. And that's where it was.

**Hon. Diane Marleau:** And you're saying in this case the gum was disapproved?

**Hon. David Dingwall:** I'm confident that the independent auditor will show unequivocally that there was no payment by the Royal Canadian Mint for gum—Dentyne.

**Mr. Paul Szabo:** They just pay for mints, is that it?

**Some hon. members:** Oh, oh!

**Hon. Diane Marleau:** One of the opposition members made a statement about the Mint: it is a crown corporation and it's supposed to make money. But Mr. Dingwall, could you perhaps give the committee an overview of the state of the finances of the mint at the time you took over? I understand they weren't very good.

• (1700)

**Hon. David Dingwall:** I came in in March of 2003. The fiscal year of the Mint ends with the calendar year. On December 31, 2002, there was a deficit of \$7.5 million. In eight months we began our first profitable month, and we've had 22 consecutive profitable months since that time. Revenues increased by \$70 million in 2004, and year to date in 2005 by another \$35 million, for a \$105 million increase. I spoke previously with respect to foreign circulation in bullion and the increases there.

We restructured the corporation into four different business lines. As a result of the new revenue and our new wealth, we were able to

hire about 150 new employees, most of whom are in Winnipeg and performing very well for those of us at that corporation.

**Hon. Diane Marleau:** Thank you. These were the questions I had in mind, because I don't believe the committee was fully aware of how much difficulty you faced when you first came to the Mint and the tremendous task you undertook. You not only increased revenues but you also increased employment. That's a very good thing, and I think the people of Winnipeg, where the bulk of the employment is, should be thankful for that.

**The Chair:** Ms. Marleau, your time is up.

For five minutes, Madame Thibault.

[*Translation*]

**Ms. Louise Thibault:** Thank you, Mr. Chairman.

The Royal Canadian Mint sent us a number of documents. They spell out its policies and I refer specifically to its business travel policy which was adopted while you were at the helm. We also have policies that go back further and which deal mainly with travel.

I was struck by one statement that is to be found mainly in the introduction and the main provisions. Two words occur regularly, Mr. Dingwall. Travel expenses in view of the mandate of the Royal Canadian Mint should be as cost effective and as productive as possible.

I am looking at the documents which relate to the provisions voted by the Human Resources Committee of the Board. They mention memberships in business associations, golf clubs and such. Were these benefits offered to you? Did you request them to be included in your entitlements? Instead of simply paying you a given amount of salary, were you offered a greater range of benefits? Did you request them or were they offered to you?

[*English*]

**Hon. David Dingwall:** No, they were provided by the board, which is pretty well the norm in terms of the private sector and certainly with crown corporations in terms of memberships in various professional organizations, the golf, certain other clubs.

In terms of the business travel, I flew economy. I also flew business class. But the terms of my employment contract said I was to fly business class and many times I flew economy class.

[*Translation*]

**Ms. Louise Thibault:** You never flew first class, although the policy allowed you to do it?

[*English*]

**Hon. David Dingwall:** Oh no, I did travel business class, yes.

[*Translation*]

**Ms. Louise Thibault:** I was talking about travelling first class.

[*English*]

**Hon. David Dingwall:** Maybe once or twice in terms of an international flight. I think I had a flight from Bangkok to New York where we had won a major contract.

[*Translation*]

**Ms. Louise Thibault:** Nevertheless, there is one thing that strikes me, sir. You keep saying that your situation was different, that in your case it was justified because you compare the business you managed, the Crown corporation that you headed, to the private sector. I asked about this earlier. Since this corporation is similar to a private company, and is a profit-making business, it becomes normal, for example, to get reimbursed to the tune of \$1,000 per month for one's car expenses. I do not want to provide free advertisement by mentioning the make of your car, but I do not believe it was an economy model.

I get the feeling that you thought it normal, because you were supposed to be profitable and in order to make profits, one must spend, no matter the cost!

Rectify if I am mistaken. Do you not think that from an ethical standpoint, when we are dealing with the money of Canadians, of Quebecers, the cost should be as low as possible?

• (1705)

[*English*]

**Hon. David Dingwall:** Mr. Chairman, as a CEO of a corporation, there's no question you're going to have to incur expenses. We adopted across the corporation a major focus on the customer. The precondition of implementing a customer focus is that executives, employees, and others at the Mint have to get out from behind the desk to meet with the customers to ascertain not only their needs but also their aspirations about where they want to go. We did that, and as a result we've had great success.

Yes, there were occasions when business travel was incurred; there were occasions when meals were incurred; there were occasions when receptions had to be held. In fact, we hosted receptions at the Royal Canadian Mint for members of Parliament and senators. Why? Because we wanted them, wherever they went in the world, to tell the story of the Royal Canadian Mint so that we could really move our foreign circulation business, which is housed in Winnipeg. That was the purpose of many of those things as we developed our corporate plans.

To conclude, Mr. Chairman, I made it a precondition with all of my executives that I wanted them to visit on site with customers and on site with suppliers to find out their needs and their aspirations. And do you know what? It worked, because we know more about our business than we ever have before. The customer will tell you how you're running your business.

**The Chair:** Thank you, Mr. Dingwall.

Madame Thibault, your time is up.

Five minutes go to Mr. Broadbent, who will be followed by Mr. Boshcoff.

**Hon. Ed Broadbent:** Thank you, Mr. Chairman.

I want to get at the question of the kind of language you used in your letter. It was brought out that you "tendered" your resignation. You chose that word as opposed, for example, to simply sending a letter saying "I resign". Did you use the word "tender" either because you knew or had legal advice that doing this could have entitled you to some kind of severance pay?

**Hon. David Dingwall:** No, Mr. Chairman.

**Hon. Ed Broadbent:** So you had no reason to expect severance pay?

**Hon. David Dingwall:** I have reason to expect entitlements, and if that includes severance, fine, but I don't know yet.

**Hon. Ed Broadbent:** I found the line of questioning we had interesting, because ministers in the House have made a point of saying you may be legally entitled to severance, and it would appear this could be directly related to the kind of language you used in your own letter, as opposed to simply saying "I resign". Again I want to make the distinction between what is legal and what is ethical here.

I found it a little bizarre, if I could put it this way, that as an original member of the rat pack in the House of Commons, and best known for totally unseemly political behaviour, you should be lecturing members of this committee on their behaviour in the House of Commons. I just say that in passing.

I want to get back again to the use of language that may have very good and positive legal implications for you on the question of contingency fees. You said you didn't get \$350,000 as a contingency fee after it was discovered that your contract in the TPC program did not permit the company—it was illegal for the company—to give you a "contingency fee". When you altered this arrangement, did you get the equivalent of the \$350,000 in any other way?

**Hon. David Dingwall:** I'll make two points, if I may, Mr. Chairman.

I know the honourable member would like to keep the record clear. Just for his own benefit and the benefit of others, I was not a member of the rat pack. So don't join with your friends to your right in spreading falsehoods.

• (1710)

**Hon. Ed Broadbent:** I withdraw the comment. I accept his word, if that's the case.

**Hon. David Dingwall:** Thank you.

Secondly, with regard to the compensation I received from the company in question, it was over an extended period of time. I think it was in addition to what the honourable member has referred to as the quantum, because I think I was with the company for close to four years.

**Hon. Ed Broadbent:** When the discussion took place that you weren't entitled to the \$350,000 contingency fee, was it discussed in any way that this could be paid to you in some other form?

**Hon. David Dingwall:** Well, yes, we had a contract that was accorded with the company to comply with the provisions of the Lobbyists Registration Act, and there was no success fee of \$350,000 paid.

**Hon. Ed Broadbent:** I'm not clear on the answers. If I understood what you said earlier, and the fact the contingency fee was stopped after it was discovered it was illegal for the company to pay you the fee...I'm still not clear. Are you saying this amount of money got to you in any case, but in some other form—yes or no?

**Hon. David Dingwall:** We amended the contract, which reflects the success fee and reflects the time in which I worked for the company. It was for an extended period of time.

**Hon. Ed Broadbent:** Well, I would interpret that as to say you got around the legal problem of calling it a contingency fee by getting the \$350,000 anyway, but by some other method. That's my conclusion.

Now I want to get back to the ethical question. It seems to me quite reasonable that as a former parliamentarian responding to parliamentarians, you answer as a matter of public policy. When you're getting a good pension, a deserved pension—and I'm not challenging, by the way, your performance at the Mint. Any evidence so far has been that the performance has had a net public benefit and was a successful business operation. We're not asking questions about that, I say to my colleagues on the other side; I have no question about that.

I am questioning about an ethical matter, which is to say that most workers in Canada who quit get no severance pay. One of the things that has bothered a lot of Canadians and has bothered me is if I submit a resignation for something, I would not have the ethical right to say I'm entitled to some kind of severance pay. So I want to ask you that ethical question. Do you think, being in that position—given that I heard your reasons for resigning—you should be entitled to severance pay?

**Hon. David Dingwall:** I should be entitled to my entitlements that my lawyers will so advise. What they are, I'm still not clear on.

**Hon. Ed Broadbent:** But if the entitlement includes severance pay, I think you said earlier, "So be it".

**Hon. David Dingwall:** So be it.

**Hon. Ed Broadbent:** So you think it's all right?

**Hon. David Dingwall:** Yes.

**Hon. Ed Broadbent:** Okay. That's all I have to say.

**The Chair:** Thank you, Mr. Broadbent. Your time is up.

Mr. Boshcoff, you have five minutes, followed by Mr. MacKay for five minutes.

**Mr. Ken Boshcoff:** Thank you, Mr. Chair. I'll be sharing my time with Monsieur Godbout.

In terms of your management style as CEO, would you have described yourself as a beer or champagne...or hands-on, or do you send memos—that type of thing—as opposed to talking to staff? What I'm looking at is that over the past two and a half years, while you were the CEO of the Mint, there were the issues of accountability and transparency, integrity in government, and the procedural systems. It seems that by going from a per diem system to a direct expense system, you actually ended up saving the Mint some money. Could you answer that question directly?

**Hon. David Dingwall:** We attempted, through a variety of different means, to instill accountability at every phase of the Royal Canadian Mint. When we started off the administrative meetings, the executive meetings every Wednesday, the town hall meetings with employees, the annual employee meetings with our Winnipeg workers as well as our Ottawa workers, we shared all the financial information with them; it was always hidden from the employees at

the Royal Canadian Mint until well after the fact, until an annual report would come out.

We changed a number of the policies, one of which was the per diem that was offered to employees in the past. We did away with that and asked employees to submit receipts for the various expenditures. So there's not one thing—there were a whole host of things, little things that, collectively, when they add up, helped to instill that kind of accountability throughout the organization.

● (1715)

**Mr. Ken Boshcoff:** I have a quick supplemental.

If you, as the head of a crown corporation or as a deputy minister in charge of a public service or as a minister of the government, eliminated alcohol as an expendable item, do you think there would be significant savings in all those three realms to the Canadian taxpayers?

**Hon. David Dingwall:** Probably not.

**Mr. Ken Boshcoff:** Probably not?

**Hon. David Dingwall:** Yes.

**Mr. Marc Godbout:** Mr. Chair, I will not go further into the expenses.

I think you've given us some interesting information. We were going to have the audit anyway; we'll look at that.

But I'd like to go at the process. Could you go through...when you did submit your expenses, what was the approval process in place? Just go through very rapidly the...

**Hon. David Dingwall:** I think I referenced it in my remarks, but briefly, if you were travelling, you had to have a form signed off—in my case, it was the CFO—where practical. I mean, if I'm in Winnipeg and I have to fly down to Michigan because of one of the suppliers, it's going to be hard to get back to get the signature.

So you have a pre-form that is signed. You would do your travel. When you came back, you would submit your expenses. They would be written up and passed to the CFO. He would approve or disapprove. From there, it would go to the finance division. They would want to make sure it complied with all of the policy. As the CEO, I am on the board; therefore, my expenses had to be audited by the internal auditor. That was done. All other board members had the same. It would be a report filed to the audit committee; thereafter, a report would be made to the board. The Auditor General of Canada is the auditor of the Royal Canadian Mint. I don't think they look at individual expenses of various individuals, but they would look at the operational expenses as well as the capital expenditures and approve or disapprove. That was the process.

**Mr. Marc Godbout:** I have two quick questions. Was the chair of the board involved in the process at all?

**Hon. David Dingwall:** The chair of the board oversees the operations at that level, but he—

**Mr. Marc Godbout:** Not directly.

**Hon. David Dingwall:** No, not directly. However, the chairman of the board and the board gave direction to me in terms of travel. It was expected, as written in the minutes by the board, that I would travel both domestically and internationally to try to grow the business of the Mint.

**Mr. Marc Godbout:** Were any of these expenses refused? What would we say would be a percentage of these expenses that would be disallowed or refused or disapproved?

**Hon. David Dingwall:** I don't recall the internal auditor or the audit committee....

**Mr. Marc Godbout:** But it did happen.

**Hon. David Dingwall:** Well, it certainly didn't happen with me. If they didn't approve my expenses, I would want to know why, because everything was done to cricket. We had the receipts and the agendas for your various international travels as well as your domestic travels.

**Mr. Marc Godbout:** Thank you.

**The Chair:** Thank you, Mr. Godbout.

You have five minutes now, Mr. MacKay.

**Mr. Peter MacKay (Central Nova, CPC):** Thank you, Mr. Chair.

*Ciamar a tha thu.*

Mr. Dingwall, as someone who learned the craft of graft from one of the great ones, at the knee of one of the great ones, another Cape Breton Islander, Allan J. MacEachen—somebody who, as my colleague friend Mr. Broadbent pointed out, was an original member of the rat pack—one finds it a little bit hard to stomach when you start characterizing these questions as vicious attacks or that there is a poisonous atmosphere here in Parliament. You recognize, if you will, that you took part in some of the most acrimonious days, and your participation during your parliamentary career as an opposition member certainly did very little to enhance the image of decorum in the House. So when you take exception to my colleague Mr. Pallister's question about your golf membership and a few thousand dollars, I tell you, that's a lot of money to a Donkin miner, as you know. I don't think, quite frankly, that we're here to take any lessons from you, sir, on decorum in questioning.

I have a few questions. You spoke of record profits, increased employment, a miracle turnaround at the Mint during your tenure there—\$70 million in profit—and you referenced in response to a question the Winnipeg agreement. I would like, if you would, sir, to have that Winnipeg agreement tabled, and I want to ask you about that. Was there ever an agreement, written or verbal, between the Department of Finance and the Royal Canadian Mint that was to offset operating costs at the Mint, essentially subsidizing your overseas sales? Is that in fact the case?

• (1720)

**Hon. David Dingwall:** No, it's not the case.

**Mr. Peter MacKay:** There was no agreement?

**Hon. David Dingwall:** No. We have a contractual agreement with the Department of Finance to provide product to them, just as FedEx would have an agreement with the Government of Canada to provide

services, just as Air Canada would have an agreement with the Government of Canada to provide services.

Now, I have a couple of points. First of all, I was not a member of the rat pack, which I'm sure you'll want to retract.

Second, none of us—certainly not I nor any member of the Mint team—has ever used the words “miracle turnaround”.

Third, our profit was not \$70 million. Our profit, in 2004, was \$15.9 million, pre-tax. We did increase the revenues in 2004 by \$70 million. If you take into consideration 2005, year to date, it's an additional \$35 million over 2004, for \$105 million of new revenue.

The facility in Winnipeg does two things—and I think this is important, and I'm glad the honourable member has asked it. In Winnipeg we produce our domestic coins for Canadian circulation and we produce coins for foreign markets. Over the years, Canada, at that facility, has produced coin for 65 different countries.

**Mr. Peter MacKay:** So you're telling us that agreement between the Department of Finance and the Royal Canadian Mint would be available? It's in writing somewhere?

**Hon. David Dingwall:** Oh, I'm sure it would be. I think it's commercially sensitive. We wouldn't want to give that to some of our competitors, but—

**Mr. Peter MacKay:** And you're saying that it in no way—in no way—impacted on the bottom line of the profitability of the Mint? There wasn't anything that would—

**Hon. David Dingwall:** Oh, no, no, no—

**Mr. Peter MacKay:** —be perceived as a subsidy coming from the Department of Finance to help make what you are so proud of, that being a successful turnaround of the Mint?

**Hon. David Dingwall:** No, that agreement would be one of the key factors in terms of our success at the Royal Canadian Mint, but I thought your question was with regard to the foreign coin circulation and the new revenues we were able to generate there. The agreement doesn't have an impact on that.

**Mr. Peter MacKay:** Well, my question—and I'll restate it—is this. Did the agreement between the Department of Finance and the Royal Canadian Mint impact—positively, I would suggest—

**Hon. David Dingwall:** Oh, of course.

**Mr. Peter MacKay:** —on the bottom line of the Mint's profitability?

**Hon. David Dingwall:** Of course.

**Mr. Peter MacKay:** Therefore there was money coming from the Department of Finance—

**Hon. David Dingwall:** As a contract.

**Mr. Peter MacKay:** As a contract—

**Hon. David Dingwall:** Just as money would go from the Government of Canada to FedEx, just as government—

**Mr. Peter MacKay:** And the Prime Minister was the Minister of Finance at that time, correct?

**Hon. David Dingwall:** I'm sorry?

**Mr. Peter MacKay:** Paul Martin would have been the Minister of Finance at that time, correct, when the agreement was signed?

**Hon. David Dingwall:** Yes, he probably was.

**Mr. Peter MacKay:** I have another question. If you could, sir, would you explain this alloy recovery program? How did that impact on the bottom-line profitability of the Mint?

**Hon. David Dingwall:** It contributed quite successfully to the profit of the Royal Canadian Mint. This was one of the ideas we had received through a number of discussions with our employees, particularly in Winnipeg. We would take existing coin out of circulation, melt it down for its nickel component, and then sell the nickel on the open market. As I'm sure the honourable member is well aware, in view of where he comes from, nickel today is at a pretty good price. It's dropped somewhat in the last number of months, but it is at a good price, and with our Multi-Ply technology we can replace the coin cheaper; therefore, the surplus is a positive thing to the Royal Canadian Mint.

**Mr. Peter MacKay:** It's a pretty good deal, though. You bring in all of those coins at no cost, essentially, and then turn a profit because you're reusing the material. It's a very good scheme, but I'm suggesting to you that it very positively impacted on the bottom line.

**Hon. David Dingwall:** Oh, it did, and I don't think anyone—certainly not me—would deny that it has impacted quite positively.

There are some associated costs, and as the Mint moves forward in 2006 and 2007, they'll have to incur some capital expenditures, as well as HR expenditures, in order to reap the same kinds of returns that we believe to be important for the future.

• (1725)

**Mr. Peter MacKay:** One last question, Mr. Dingwall. You stated you never received a success fee or anything improper, in terms of a fee for lobbying, with respect to a TPC partnership program. It's correct that you said you never received anything. Is that right?

**Hon. David Dingwall:** Oh, I received compensation for the work I provided.

**Mr. Peter MacKay:** Well, why did the company that was involved, this Bioniche, issue a press release that stated they had to repay your fee to the government, plus interest on the cost of what the government audit...? You know, this was in the government audit. Why would they repay for a fee that you never received? Can you explain this? Why would that happen?

**Hon. David Dingwall:** Well, you'll have to ask the company. The company has not contacted me with regard to this. Presumably it's their business decision.

**Mr. Peter MacKay:** Well, if they're as good at saving their receipts as you were, I hope they'll have something.

**The Chair:** Mr. MacKay, your time is up.

Next is Mr. Szabo, for the final questioning.

**Mr. Paul Szabo:** Thank you, Mr. Chairman.

Mr. Dingwall, I want to reiterate what Mr. Broadbent said earlier. It appears that the committee has not raised the issue of your performance at the Mint. I think the facts speak for themselves in terms of the work that's been done, and the progress. For that you should be commended.

We do have these other problems. I do understand the concept that...people will react. They'll react to a pack of gum. They'll react

to an allegation. I found it interesting that on October 4, 2005, just about a week after you tendered your resignation, the interim president, Ms. Nadeau, filed with the board of directors a complete explanation of the \$747,000. It took less than a week for them to come up with a complete analysis that ties in perfectly with what you provided to us today and with what the researchers have provided to us. We have three corroborating documents here.

If it only took a week to come up with authoritative third-party evidence as to the explanation, why was it necessary to resign so quickly, even though there was some concern that it may have some impact on the Mint?

That leads to my second question. If you were concerned that there would be some impairment to the activities of the Mint, do you still feel that way today? Has the Mint been impaired in any way as a consequence of your resignation, and are you comfortable today that the Mint is in good shape to carry on with the good work you've done so far?

**Hon. David Dingwall:** I am quite confident the Mint is in good shape to carry on all of the good work it has done over the last number of years. I am confident they will be successful.

I don't think we should have any illusions. If I had remained as the CEO of the Royal Canadian Mint, the firestorm, which was quite great, would be even greater. I'm sure the falsehoods, the misrepresentations, the mischaracterization that had gone on with regard to my cost centre versus that of my expenses would continue, would be exaggerated, and it would be very difficult for the Mint not to move out of a crisis mode. I think it's very important that we make the right decision, which was on behalf of the Mint.

**Mr. Paul Szabo:** All I can say, Mr. Dingwall, is that on the basis of what we've been provided and having the audit coming next week, I have a comfort level that the issue with regard to the propriety of your spending is not going to be the issue. We thank you for clarifying it, and hopefully these other matters will come to a fair and equitable resolution. After all, it's important that we carry on with the business of governing, and the Mint, in terms of its profitability.

Thank you.

**The Chair:** Thank you, Mr. Szabo.

We are out of time, Mr. Dingwall, but I wanted to give you an opportunity to answer a question asked by members from all the parties, I believe, at different times throughout the day and for which they received no answer. That was the question about severance, and whether in fact you had spoken about that issue to any member of the government, to any member of the Liberal cabinet, or to someone from the PCO. It was asked in every way imaginable. You did not answer the question. I would like to give you a final chance to do that.

•(1730)

**Hon. David Dingwall:** Mr. Chairman, I thought I had answered it. I did not specifically have any discussions with regard to severance. I did have specific discussions—short, albeit—with regard to entitlements. There is an understanding that my legal counsel and their legal counsel will have the appropriate discussions. I'll get a recommendation at some point in time in terms of what my rights are, and at that point in time I'll make a decision.

**The Chair:** Thank you.

We have a point of order.

**Mr. Gary Lunn:** Thank you, Mr. Chair.

Because this Winnipeg agreement was referenced and Mr. Dingwall said it could be made available, I would ask that it be tabled with the committee or be sent to the committee for the committee's perusal.

**The Chair:** We will ask the Mint for that information.

Thank you, Mr. Lunn.

Thank you, Mr. Dingwall, for coming today.

The meeting is adjourned.

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