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—
Chair

The Honourable Shawn Murphy

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•(1535)

[English]

The Vice-Chair (Mr. Brian Fitzpatrick (Prince Albert, CPC)): I'm going to call this meeting to order.

Pursuant to Standing Order 108(3)(g), we are considering chapter 7, "Acquisition of Leased Office Space", of the May 2006 report of the Auditor General of Canada, which was referred to the committee on May 16, 2006.

We have here as a witness today Mr. Claude Drouin, who was a member of the House of Commons for a good number of years, and a minister of the crown.

It's good to see you back today, Mr. Drouin. You look as though you're in good health, and the world is treating you well. Welcome to our committee.

Without much further ado, do you have an opening statement, Mr. Drouin?

[Translation]

Mr. Claude Drouin (As an Individual): Thank you, Mr. Chairman.

I would briefly like to thank you for your warm welcome. It is a pleasure to be here, to see the faces of former colleagues and to see new ones. I will do my best to answer your questions as clearly as possible.

[English]

The Vice-Chair (Mr. Brian Fitzpatrick): Thank you very much, Mr. Drouin.

The Liberals are first on the list.

Madam Sgro, are you going to lead off?

Hon. Judy Sgro (York West, Lib.): I'll start until my colleague....

The Vice-Chair (Mr. Brian Fitzpatrick): Okay.

It's usually Borys who is anxious to get going on these things, but I don't know, he's letting us down a bit.

Hon. Judy Sgro: I know, but he's tired. He's had a very busy couple of days, evidently.

Mr. Drouin, it's good to see you back with us, and it's nice to see you again.

Mr. Claude Drouin: Thank you.

Hon. Judy Sgro: You're well aware of the issue that's under discussion here today, and what your involvement was in that whole

decision-making process. I assume that you followed what the committee has discussed and talked about. Do you have some comments that you want to add to explain further your involvement in the process?

[Translation]

Mr. Claude Drouin: Thank you for giving me the opportunity, at the outset, to answer that question.

It should not be forgotten that when I was appointed Minister of State for the Economic Development Agency of Canada at the beginning of 2002, the Deputy Minister at the time, Mr. Gladu, in the course of a weekly meeting with my chief of staff, revealed to us that we were suppose to move. I asked him why. He explained that there had been a competitive tendering process and that the lowest bidder was Place Bonaventure. So I said that we would move, that we would respect the process and go to Place Bonaventure.

He also mentioned then that Place Bonaventure, which was located across from Place Victoria, was a concrete building through which trains passed, whereas Place Victoria had windows and was a better work environment for employees who had been there for about 30 years already. There were also other problems. The cost of the move was about \$1 million, and so on. I told him I did not understand. Since there had been a tendering process, we had to move. I asked him whether he was suggesting that we look at other locations.

That's when I decided to do something. I did so in a very transparent manner by sending a letter to the Minister of Public Works of the time asking him to see whether it was possible to reduce the costs—I was told that the move would cost \$1 million—and, in the interest of the well-being of employees, whether it was possible to move elsewhere while respecting the rules. So that's what I did. That was it. I wrote that letter in good faith.

At the time, the mission of the Economic Development Agency of Canada was to help companies increase their productivity and find new markets. As it turned out, there was less money available because of the commitments made by my predecessor. I did not see why we should spend \$1 million on the move rather than using the money to help Quebecers develop economic opportunities. But I was told that we would need the space in Place Bonaventure for public servants and that it would probably be all right for us to stay where we were. What happened afterwards was completely in the hands of the Department of Public Works. I did not intervene in any way.

That, Ms. Sgro, is more or less what happened.

[English]

Hon. Judy Sgro: Were the employees anxious to make the move?

[Translation]

Mr. Claude Drouin: Based on the information I had at the time, no one wanted to move and the work environment was very different in the other place. I was also told about the moving costs. I repeat: the move would have cost \$1 million. I was told that there would also be a loss of productivity, because no work could be done during the move. I was told that employees would be on stand-by for at least one week. I was also told that some files could be lost, and other such things. That's why I looked into the matter.

[English]

Hon. Judy Sgro: And that was the extent of your involvement in the decision to remain there?

[Translation]

Mr. Claude Drouin: Absolutely, and that's why I was very surprised at being called before your committee today.

[English]

Hon. Judy Sgro: Okay. That's fine. Thank you very much.

Mr. Claude Drouin: You're welcome.

The Vice-Chair (Mr. Brian Fitzpatrick): Mr. Laforest.

[Translation]

Mr. Jean-Yves Laforest (Saint-Maurice—Champlain, BQ): Thank you, Mr. Chairman.

Good afternoon, Mr. Drouin. You justify writing the letter to the Minister of Public Works and Government Services because of potential savings of a million dollars in moving costs.

Were you aware that the lease had been signed so that the Economic Development Agency of Canada could move into Place Bonaventure?

Therefore, when you made your written request, you ended up with two buildings for the same department. That obviously ended up costing a lot of money, which the Auditor General assessed at \$4.6 million. If you subtract the million dollars saved by not moving, as you claim, the fact remains that your intervention ended up costing an additional \$3.6 million. This is significant, despite the reasons you have given, such as moving costs, and so on. I think you would also agree that the fact that there had been a tendering process meant that the needs had been evaluated first.

I'll put the question to you. Don't you find that... You cannot justify the decision on the sole basis that a million dollars were saved in moving costs when it generated an additional \$4.6 million in expenses.

• (1540)

Mr. Claude Drouin: Mr. Laforest, it is important that you understand that the Economic Development Agency of Canada did not initiate the tendering process; it was the Department of Public Works and Government Services.

Second, the government needed additional office space for its employees. What I was told at the time is that even if we did not move into Place Bonaventure, the rented space would be filled by

other federal public servants. So no money would have been wasted. All I asked for was that the situation be studied. I originally wanted the agency to move in order to comply with the tendering process. I was told that the Department of Public Works and Government Services would need additional office space and that it might not cause any problems if we stayed where we were. The minister of the day asked the bureaucrats and departmental officials to assess the situation and to see whether everyone could live with it.

I don't know, I did not see the numbers. I do not want to engage in a war of numbers. All I can tell you is that the original asking price of the Tour de la Bourse, at Place Victoria, was \$430 per square meter, I believe. We ultimately agreed on \$308 per square metre. If you talk about \$4.6 million — and I don't want to get into this — it is not at all the same thing especially if, in the end, a million dollars was saved and office space was used by federal public servants.

I repeat, Mr. Laforest: my goal was to make sure that the Economic Development Agency of Canada, which did not have a lot of money at the time and whose mission was to promote economic development throughout Quebec—and your colleagues regularly questioned me...

Mr. Jean-Yves Laforest: Sure, Mr. Drouin. A little earlier you said...

Mr. Claude Drouin: I did not want to invest a million dollars in a move. I wanted to use the money to help companies create jobs and generate economic growth.

Mr. Jean-Yves Laforest: You said a few moments ago that it was not the Economic Development Agency of Canada which ultimately decided to remain at Place Victoria. Nevertheless, you made that request. Surely it was the Economic Development Agency of Canada which asked the Department of Public Works and Government Services Canada to move. The department would not have made the unilateral decision to move the agency without its consent. It was the agency which asked the Department of Public Works and Government Services Canada to move elsewhere because it needed more space.

However, after you intervened, the lowest bidder was shunted aside. Place Bonaventure was cheaper than Place Victoria. So cheaper office space was found, but the agency nevertheless stayed at Place Victoria, and this ended up costing up to \$4.6 million. It was not an insignificant amount, even though it was not only the Economic Development Agency of Canada which was saving money. That seems fairly significant to me.

Did you know who the landlord of Place Victoria was?

Mr. Claude Drouin: No, I did not know, but if I may, Mr. Chairman...

Mr. Jean-Yves Laforest: Did you know that members of the Saputo family were aware of the situation and that they were generous donors to the Liberal Party of Canada?

Mr. Claude Drouin: No, that's news to me. I really did not know.

Nobody came to see me. I learned about it from my deputy minister. You must realize that when a lease ends, Public Works and Government Services Canada must automatically initiate a tendering process. That's what I understood. The lease was up, and Public Works and Government Services Canada initiated a tendering process. That happened before I was appointed. After I was appointed, my deputy minister, Mr. Gladu, told me that we were moving. I had no objection to the move and to respecting the process. He explained to me that the move would probably cost a million dollars, perhaps more, and that there would be a loss of productivity and that the employees would be unhappy. I asked him whether he wanted me to do something about it. I did not understand why he was telling me this. I also pointed out to him that he was simultaneously telling me that there had been a tendering process, which had to be respected, but that it did not make sense.

I therefore decided to make a written request. It was transparent. It was above board. We wanted to make sure that it could happen, if possible, in accordance with the rules, without spending a penny of taxpayers' money. If it was not possible, we would have moved into Place Bonaventure, which is located just across the street.

• (1545)

Mr. Jean-Yves Laforest: Don't you think that this was much more of an administrative matter and that your intervention was political?

Normally a minister is not responsible for the office accommodation of his department's employees. It's a matter of administrative organization. How can you justify sending that letter, and why was it necessary?

Mr. Claude Drouin: Unfortunately, you will never experience this type of situation, because the Bloc Québécois will always remain in the opposition.

Mr. Jean-Yves Laforest: We do, however, have the opportunity to ask you pointed questions which you must answer.

Mr. Claude Drouin: I would ask you to please let me finish, Mr. Laforest.

You would have the opportunity to meet terrific public servants who are working very hard on behalf of the population...

Mr. Jean-Yves Laforest: I never doubted that, Mr. Drouin.

Mr. Claude Drouin: As the minister responsible for the Economic Development Agency of Canada, I wanted to make sure that the agency's employees, who are very hard working... I did what I had to do, which was to look at all options, while respecting the rules, without intervening directly and without it costing taxpayers a single penny.

I therefore repeat that I made a transparent request in writing. I don't think I can be any clearer.

Mr. Jean-Yves Laforest: But can anyone be clearer than the Auditor General?

[English]

The Vice-Chair (Mr. Brian Fitzpatrick): I would like to make an interjection.

Could the members keep their questions as short as possible and the witness keep his answers as short as possible as well? It's kind of

hard with a conversation going on between the two members, though.

Thank you.

[Translation]

Mr. Jean-Yves Laforest: In conclusion, I think you would agree that nothing is clearer than the way the Auditor General put it: there were additional costs of \$4.6 million; these costs were very difficult to justify, even though you say you were concerned about the well-being of employees, and so on. This was an administrative matter, and your intervention was political and highly questionable.

I would therefore ask you to answer the question.

Mr. Claude Drouin: As I was saying, when the deputy minister told me about the situation, and when he mentioned that the move would be hard on employees, and so on, I understood that I had to, without interfering, see whether it was possible or not to find a solution in accordance with the rules. I wanted everything to be transparent, so I wrote a letter to find out whether staying in the building was possible. Otherwise, we had to comply with what had been decided.

Sir, you said that a potential amount of \$4.6 million was involved, but I would like to see the numbers because based on the information I received, after having calculated everything, and after taking into account the money saved and the reduced rent, it was more advantageous to stay put. However, I will not say any more on the subject, since I am not an expert, and this was the responsibility of Public Works and Government Services Canada, and it made the decision.

Mr. Jean-Yves Laforest: Thank you, Mr. Drouin.

Mr. Chairman, I have a point of order—

[English]

The Vice-Chair (Mr. Brian Fitzpatrick): A point of order? Okay.

[Translation]

Mr. Jean-Yves Laforest: A little earlier you said that it was difficult for you to follow the question and answer exchange between Mr. Drouin and myself. I would simply like to point out that there is always a delay when simultaneous interpretation is being provided. I don't see how it would be more difficult to follow questions and answers in French than questions and answers in English, which is what we have to deal with. The situation is the same for everyone. So it was not more difficult for you to follow my questions and answers than any others.

[English]

The Vice-Chair (Mr. Brian Fitzpatrick): All right, okay.

Mr. Poilievre.

[Translation]

Mr. Pierre Poilievre (Nepean—Carleton, CPC): Thank you.

Mr. Drouin, the deputy minister supported the decision to move to Place Bonaventure. There was a tendering process in which Place Bonaventure came out on top and Place Victoria ranked fourth. However, you suddenly intervened on behalf of one of the bidders, and the Auditor General revealed that your letter cost taxpayers \$4.6 million.

How can you say that you managed your department appropriately, when your officials, the independent process and the Auditor General, in short, everything and everyone indicated that your intervention was a bad decision?

● (1550)

Mr. Claude Drouin: Thank you for your question.

As I said from the outset, I was not sure that Place Bonaventure was the best choice, but you are right, it was the cheapest one. That's a significant difference. The deputy minister of the day, Mr. Gladu, had said that it was a concrete building and that trains ran underneath it, whereas the Tour de la Bourse, at Place Victoria, had a glass facade. I simply asked people to look into the matter to see whether it was possible to save a million dollars while respecting the rules.

You are making me out to be much more powerful than I actually was, Mr. Poilievre, if you believe that the simple fact of my writing a letter asking to look into the situation amounted to interference and lead to the reversal of the original decision. That was up to the Department of Public Works and Government Services Canada, and the minister of the day asked officials to look into the matter. At the time, he was told that additional space would be needed for federal public servants.

So, if you take officials—

Mr. Pierre Poilievre: But I'm not the one who is saying this. I'm not accusing you of having reversed the decision. The evidence is before us.

[*English*]

Until the Secretary of State...Claude Drouin, forwarded a letter, I was perfectly in agreement with the idea of moving to Place Bonaventure. Indeed, I had confirmed that in writing to my colleague from the Department of Public Works and Government Services... Mr. Normand Couture.

The April 15 letter from...Claude Drouin came as a complete surprise. I did not know he had intended to send this kind of letter to his counterpart at Public Works and Government Services. I was only made aware that this letter had been sent a few days later. To be perfectly honest, I don't recall who told me. But, if memory serves me, it was someone from...Public Works...

Anyway, the point is that the bureaucrats were perfectly in agreement with following the competition and giving the contract to the winner until your letter was sent. That's what your own former deputy minister indicated before this committee. It's not me who's suggesting that you single-handedly threw the contract to your favourite; it is the preponderance of evidence and the testimony of your own deputy minister.

Now we have a report by the Auditor General in which you are named, and in which she says that your intervention and the changes that it precipitated caused a total of \$4.6 million in additional costs to taxpayers that would not have been incurred.

The lease had already been signed with Place Bonaventure. So even if you, for some reason, believed that was the wrong location,

even if you disagreed with all of the bureaucrats, and even if you disagreed with the independent competition, how could you justify having broken a lease on which you then you had to pay penalties? You were forced to rent an empty building in order to stay with Place Victoria. Explain how that could possibly be a good decision.

[*Translation*]

Mr. Claude Drouin: I would like to respond in English, but unfortunately that is too difficult for me. I do not want to make you suffer, and I want to recognize our very competent interpreters. I appreciated their work for nearly nine years. But perhaps I speak too quickly.

I was surprised—

[*English*]

Mr. Pierre Poilievre: Point of order, Mr. Chair.

I just think that, before these committees—I hope the clock has stopped—there's this waste of time that witnesses tend to play out, and we're all the victims of that.

● (1555)

The Vice-Chair (Mr. Brian Fitzpatrick): I would remind the witness of that. It's an ongoing problem in the committee. Witnesses are asked questions, and they seem to get off on tangents. Try to answer the questions that are asked directly and stay on topic, sir.

[*Translation*]

Mr. Claude Drouin: I'm sorry, Mr. Chairman. Can I use the time Mr. Poilievre took from me?

I am astounded that Mr. Gladu was surprised, because when he told me about it, I was with my chief of staff—at the following meeting or at the one where it was announced—and I told him that I would be looking into the matter. However, perhaps I did not mention that I would do so in writing, since I wanted to act in a transparent manner, but he knew that I was going to be transparent about it.

[*English*]

Mr. Pierre Poilievre: That's not my question. This is my question. PWGSC had to pay \$2.1 million in unproductive rent to the winning bidder in order to pay for an empty building because you and Mr. Goodale had overturned the independent competition to favour the fourth-place contestant. How do you justify paying \$2.1 million to rent an empty building?

[*Translation*]

Mr. Claude Drouin: I was going to tell you that I did not reverse the decision, I asked for a verification. That's very different, Mr. Poilievre. I asked whether it would be possible to save the million dollars the move would have cost.

[*English*]

Mr. Pierre Poilievre: Yes, I know it was Mr. Goodale who actually made the decision, and his decision cost us money. But why would you advise Mr. Goodale...? Was it not a disservice on your part to Mr. Goodale to put him in this kind of situation where he would sign off on renting an empty building for \$2.1 million in order to favour a fourth-place finisher? Were you not giving him bad advice?

[Translation]

Mr. Claude Drouin: Mr. Poilievre, I was told that the government would need additional office space and that it would be filled by other people. So there was no double payment. Public Works and Government Services Canada leases the space it needs for all departments and the public service. Additional office space was needed and it was leased at Place Bonaventure.

[English]

Mr. Pierre Poilievre: I don't think it's fair of you to put all the blame on Mr. Goodale. The reality is that you wrote Mr. Goodale a letter. You're right, he did sign off on it. And ultimately, his name is on the dotted line for the extra \$4.6 million wasted. But you were the one who advised Mr. Goodale. So we can't blame him entirely for all of that. That's not fair, and I won't allow it.

[Translation]

Mr. Claude Drouin: Mr. Chairman, if Mr. Poilievre wants to accuse anyone, he may do so, but he should not ask me to make accusations. I'm not accusing anyone. Public Works and Government Services Canada, that is, the government and the department, who made the decision. I simply asked for a verification.

[English]

Mr. Pierre Poilievre: By implication, you really are—

The Vice-Chair (Mr. Brian Fitzpatrick): Point of order?

Hon. Judy Sgro: Point of order.

I'll just use Mr. Williams' words from last week or whenever, Tuesday, when he said that we are here to seek information, not to accuse people, and so on. So I'll ask Mr. Poilievre to just use your nice polite manners and not be quite so aggressive.

The Vice-Chair (Mr. Brian Fitzpatrick): Let's get back on to that mode of seeking information from the witnesses. And the witness is giving his information. Thank you.

Mr. Pierre Poilievre: I just don't think it's fair for him to try, by implication, to put all the blame on Mr. Goodale for the \$4.6 million that was wasted. Yes, Mr. Goodale might have signed off on it. He might have signed off to pay \$2.1 million for an empty building and to pay an additional \$2.5 million to give the contract to the fourth-place finisher. But I don't think it's fair to put all that blame on Mr. Goodale, even though he signed on the dotted line, because you were the one who wrote him a letter asking him to do that. Do you wish to apologize to Mr. Goodale at this point for advising him that way?

[Translation]

Mr. Claude Drouin: Mr. Chairman, I find Mr. Poilievre's approach curious. All I did was to ask for a verification. I have never accused Mr. Goodale. If Mr. Poilievre wants to do so, let him do it here, and I hope he would also do so outside this room, because that would show courage, and that is something I would appreciate. I have done nothing wrong. I acted within the rules to see if it was possible to lease two buildings for the federal government, and to save a million dollars which would be invested in economic development, to help the regions. That was my mission within the department.

[English]

The Vice-Chair (Mr. Brian Fitzpatrick): Thank you, Mr. Drouin.

We have Mr. Christopherson up now.

Mr. David Christopherson (Hamilton Centre, NDP): Thank you, Chair.

Thank you very much for your attendance today, sir. I appreciate it.

I have to tell you, though, I'm having some trouble understanding how all this hangs together. We know, for instance, that on May 8, 2001, Jean-Marc Bard, who was the executive assistant to Minister Alfonso Gagliano, sent word that the project was to be halted.

I perused Hansard, and I don't see where we actually chase down why a bureaucracy would take it upon itself to continue something after the minister said to halt. At some point, somebody of great authority has to say start again. We did not find out anything about that particular juncture. That remains an unanswered question. What happened was that they went ahead anyway.

Here's the part that's difficult. The deal, as has already been pointed out, was signed when you stepped in. Now, most people if they come across something.... "Oh, I'm not so sure that's the greatest idea. Where is it at?" "Well, we've already signed the agreement. It's a done deal." "Damn!" You're a little upset, but that's about the end of it.

You say, sir, that you had questions about this million dollars and that some people didn't want to know. Earlier, you talked about the competency of the wonderful staff we have, and I agree with that. But don't you think those very competent people would have also taken the time to ask around? Would they not have discovered the million dollars that would have been spent?

I don't understand what was so unique about your analysis that nobody else in the entire government had thought that warranted a review of a signed contract that would cost money to get out of right from the get-go. What made you think you knew so much about this, that you had an insight they didn't, that justified reviewing a process that already had a signed contract?

• (1600)

[Translation]

Mr. Claude Drouin: Mr. Chairman, I thank the member for his question. It will give me the opportunity to repeat what I said at the beginning.

When the Deputy Minister, Mr. Gladu, announced that we were to move, I asked him why. He explained that there had been a tendering process, that Place Bonaventure was the lowest bidder and that we would be moving there. I replied that we would respect the process, that it was clear, legal, and that we would go. But at that point he added that Place Bonaventure was built out of concrete and that trains ran underneath it. He also added that the move would cost over a million dollars, that there would probably be losses in productivity and the risk that some files might get lost. I asked him what he meant. I asked him whether he wanted me to look into the matter. I did not understand why he was telling me these things. There had been a tendering process, it was public, and we were to move. However, given what he told me and what I have been telling you since the start of this meeting, I sent a letter, in a very transparent manner—

[English]

Mr. David Christopherson: But he didn't know about it.

•(1605)

[Translation]

Mr. Claude Drouin: I beg you pardon?

[English]

Mr. David Christopherson: I'm sorry, but you're making a case because of this new information you got from the deputy, yet the deputy has testified that he didn't know anything about your sending a letter. If he felt that strongly that this was a bad deal, he would have been recommending to you that we review this and use your authority as a minister to counteract the fact that the government bureaucracy had already signed the contract. It doesn't hang together, sir.

Let me continue. Let me ask you this. This is from Mario Arès. He's the regional director. He had an e-mail on May 3, 2002—a couple of weeks after your letter. It was to Suzanne Cloutier. This is the e-mail:

Suzanne,

It is not my intention to write a memorandum to the minister on this matter. Ever since we approved the lease

—that would be after the reversal—

at Place Victoria on April 2, 2002, for 5,790 square metres, the decisions on this file have been taken at the corporate level and are in opposition to our regional recommendations.

These are the people who know what space requirements are necessary. He says “The following points support my position”, and then he has a couple of paragraphs. They're available to be seen, but they're not relevant to my question.

Another paragraph says:

Place Victoria never complied with our accessibility requirements for disabled persons and never showed any interest in doing so; and this won't change, which goes against our internal compliance policies.

But here's the kicker. Here's what he said in his e-mail:

It seems clear enough that the insistence on staying at Place Victoria in this case serves interests other than the sound management of public funds.

Sir, this process of reviewing a signed contract stands accused of not being in the public interest. So we add all that together, and I'm

telling you, your answers are not sufficient to explain how this staff person feels that there are interests being served.

Help me. What I'm coming to is that there was political interference. I don't know what Gagliano was doing, but initially he sent down word and maybe got nervous or something, but for some reason he sent down word but then backed away.

The bureaucracy starts it all up again; we go through the whole process; we get a signed document. You arrive on the scene, and suddenly we have a whole new view of things. Yet we have senior staff people accusing the politicians in this case of serving interests other than the sound management of public funds.

Sir, this looks like a political fix was involved. Help me understand what was so unique about you and your sense of this that caused you to trigger all that. Give me more than just what the deputy told you, because the deputy supported the signed agreement.

[Translation]

Mr. Claude Drouin: Mr. Christopherson, I don't know how to explain it to you. The deputy minister explained his fears regarding the move, and I told him that I wanted to intervene. He did not mention that. He may have forgotten. My chief of staff was with me, and I told him that I planned to intervene, not to alter the decision but to see whether there was a way of proceeding in full compliance with the rules that would not cost taxpayers a penny.

In the memo you are reading—

[English]

Mr. David Christopherson: But we lost money, sir.

[Translation]

Mr. Claude Drouin: Please allow me to finish.

Mr. Chairman, could I finally answer that question?

[English]

Mr. David Christopherson: Yes.

[Translation]

Mr. Claude Drouin: The person says—

[English]

Mr. David Christopherson: Don't take up all my time, that's all.

[Translation]

Mr. Claude Drouin: Sorry.

The person says that there was no way to make improvements while the existing owner was there, at that time. I should point out that the deputy minister said before this committee that access for the disabled had been improved. However, the report states the opposite. It was done.

[English]

Mr. David Christopherson: Yes, but at the end of the day your intervention cost the Canadian taxpayers somewhere between \$2.1 million and \$4.6 million.

Mr. Claude Drouin: That's not true.

Mr. David Christopherson: Thanks a lot for your excellent analysis.

Mr. Claude Drouin: It's not true.

Mr. David Christopherson: Like we really needed you to arrive on the scene and fix things. Everything was fine until you got there. Now we're out up to \$4 million and there are questions about whether or not there was political interference in this decision-making.

And you want to sit there and tell me that you are totally innocent of anything other than being a genius at understanding spatial needs?
[*Translation*]

Mr. Claude Drouin: Mr. Christopherson, let say you buy a house from my next-door neighbour but one, for \$200,000. I'll try to explain this so that you understand what I'm getting at. You think the house is a good deal, and I suggest you go look at it because I think it's a good price. You buy the house, and then you realize paid \$50,000 too much. Is that my fault, or is that your fault? You were the one who signed the contract.

I asked for verification. I signed nothing, and I forced no one to do anything. I hope that is clear. I have said it eight times since I've been here—I asked for verification, and Public Works and Government Services Canada made a decision because it had additional needs for public service employees. It was not supposed to cost a penny, and we were supposed to save a million dollars. That's what I asked for, Mr. Christopherson.

If I had been told it wasn't possible, and that it would cost money —

[*English*]

Mr. David Christopherson: You may have saved a million dollars—

[*Translation*]

Mr. Claude Drouin: If I had been told it was impossible, and that it would cost money—

[*English*]

The Vice-Chair (Mr. Brian Fitzpatrick): Gentlemen, gentlemen.

Mr. David Christopherson: You may have saved a million dollars somewhere on paper, but the Canadian taxpayers are out \$4 million because of you, and I don't see why.

The Vice-Chair (Mr. Brian Fitzpatrick): Mr. Christopherson, order.

Mr. Claude Drouin: It's not true.

Mr. David Christopherson: Well, I don't buy it, sir. I'm sorry, I don't buy it. I do not buy it.

Mr. Claude Drouin: It's your right.

Mr. David Christopherson: That's right.

The Vice-Chair (Mr. Brian Fitzpatrick): We're moving over to Mr. Wrzesnewskyj.

Mr. Borys Wrzesnewskyj (Etobicoke Centre, Lib.): Thank you, Chair.

Mr. Drouin, I'm looking at a table that shows the four companies who tendered and the cost per square metre. Have you seen this table?

•(1610)

Mr. Claude Drouin: No.

Mr. Borys Wrzesnewskyj: Perhaps we could give you a copy.

I'm looking at two columns. One is the gross rental rate and the other is the basic unit operating rate or the per metre operating costs.

I understand from previous testimony that Place Victoria decreased their costs to \$308, even though the schedule here shows they started off at \$430. But when I also look at the operating costs per metre, Place Bonaventure is at \$100—or \$99.57—and Place Victoria is at \$48.33. So if I factor that in, the difference per metre is that one is at \$256 per square metre, as opposed to \$237 per square metre; it's not quite a \$20 per square metre difference in cost. And, just to use round figures, it's for approximately 6,000 square metres. A lot of numbers have been thrown around, but we're looking at an actual cost difference of \$120,000—a real cost difference, as opposed to a fictitious extrapolation.

We've heard in previous testimony that there were employee concerns about disruption. People had worked there for decades in that particular location. Was that ever quantified?

I guess there would have been renovation costs and costs associated with the moving, the first being for preparing a new space. I'm just wondering what those costs may have been for preparing a new space; then the moving costs; and then about the various potential disruptions of employees, and how that did or did not figure into some of the decision-making.

[*Translation*]

Mr. Claude Drouin: Thank you, Mr. Chairman.

I appreciate the note that has been handed to me, because I did not have the details of this. I had not seen the final figures. I had simply asked for a verification.

I see there is a difference of \$120,000 per year over five years, which makes \$600,000; we were talking about over \$1 million for the move alone, plus the inconvenience, the loss of productivity, the improvements to the building, etc.

Once again, at the time I wanted to see if we could do something the right way, transparently, and I sent a letter. My work ended there. If I had been turned down, it would have ended there, we would have gone to Place Bonaventure, and I agreed with that entirely. I only wanted to check because people from the public service, from the department... According to what Mr. Gladu told me, the deputy minister did not want to move. He was happy where he was at the time. I only requested a verification, because the Department of Public Works needed extra space.

This confirms to me that they managed to get the cost, down from \$430 to \$308. Therefore, when you do the calculations, less the move, there was no expense. My goal was not to do that, I only wanted to check. I never asked for anything else, Mr. Chairman.

[*English*]

Mr. Borys Wrzesnewskyj: Thank you, Chair.

I'll just pass on to Mr. McCallum.

Hon. John McCallum (Markham—Unionville, Lib.): Thank you, Mr. Chair.

I'm very pleased to be here. I'm normally at the finance committee. The exchange there is a bit less lively, except maybe when we get to income trusts or other examples of mean-spirited, incompetent behaviour by the government.

[*Translation*]

It is a pleasure to see you, Mr. Drouin. I have only one question to ask you.

Mr. Poilievre said something that I did not really understand about you trying to blame Mr. Goodale. From what I have heard, you did not try to blame Mr. Goodale nor anyone else. I believe you even said that no one is to blame.

Could you give us some explanation on this issue?

[*English*]

The Vice-Chair (Mr. Brian Fitzpatrick): You have a point of order, Mr. Poilievre?

Mr. Pierre Poilievre: Yes. Mr. McCallum was out of order in making false reference to my remarks. He suggests I made comments that I didn't.

What I was pointing out was that by suggesting that he did not make the change himself, he is, by inference, suggesting that it was Mr. Goodale who actually signed on the dotted line for that decision.

The Vice-Chair (Mr. Brian Fitzpatrick): These are matters of debate, and I think we should—

Mr. Pierre Poilievre: So now Mr. McCallum is accusing Mr. Goodale, and I think that's inappropriate.

The Vice-Chair (Mr. Brian Fitzpatrick): Mr. McCallum.

[*Translation*]

Hon. John McCallum: It seems to me that Mr. Poilievre did not understand my question, even though it was quite simple.

[*English*]

The Vice-Chair (Mr. Brian Fitzpatrick): Order.

Mr. McCallum, ask your witness questions.

Hon. John McCallum: Do you want me to ask it again, or do you want him to answer?

The Vice-Chair (Mr. Brian Fitzpatrick): We're not on to income trusts or matters of that nature, we're dealing with the lease of a property. You have the witness here, so ask him questions that are pertinent.

Hon. John McCallum: I just did ask the question, Mr. Chair, about... Do you want me to ask it in English? I'll say the same thing in English.

Mr. Poilievre seemed to imply that Monsieur Drouin was indirectly or directly trying to blame Mr. Goodale. My question is how could that be, because I heard nothing of that nature in his comments and I did not even hear that he was trying to blame anybody for anything. So I would just ask Monsieur Drouin to clarify his position on that matter.

•(1615)

[*Translation*]

Mr. Claude Drouin: Thank you, Mr. Chairman. I appreciate Mr. McCallum's question.

I cannot accuse anyone, because I did not carry out an investigation. I simply made a request and I have no idea what happened in the process. I asked for information, for a verification. It was carried out and what I asked for turned out to be possible. I did not accuse anyone, because I did not carry out an inquiry. I am neither a policeman nor a judge, so I cannot decide if anyone did any thing wrong, because I did not take the time to check.

I was told that we could stay in the same place without breaking any rules or wasting any public funds. That would allow us to save \$1 million and to respect the work environment of the employees. Clearly if there is a tender, if we have to move, we have move. But if we could stay and still follow the rules, we would do so and that is all.

I am not accusing anyone and I appreciate the question.

Thank you, Mr. Chairman.

[*English*]

The Vice-Chair (Mr. Brian Fitzpatrick): Are there any more questions from Liberal members? If not, we can move to Mr. Sweet.

Mr. David Sweet (Ancaster—Dundas—Flamborough—Westdale, CPC): Thank you, Mr. Chairman.

Mr. Drouin, I have some concerns about some of the testimony that you've been giving here. You said you saved money on rental space, \$1 million, but the Auditor General, who we have found on this committee has been pretty reliable in her analysis, said that it cost the taxpayers \$4.6 million.

I don't understand how.... You're saying that by not moving you're mitigating the cost, but you don't even talk about the legion of people who were out there looking for the property, the initiation of which started in 2000. They went through the entire process of trying to find property because your deputy minister had stated that you needed more room. RFPs, tenders, contracts were done, leasing agents.... In fact, they had to put more time in it to try to mitigate the loss to the crown because they had to take on this extra lease.

So I don't understand how you could possibly say that you saved any money. In fact, the costs were probably substantially higher than \$4.6 million.

[*Translation*]

Mr. Claude Drouin: Mr. Sweet, I cannot understand how you cannot grasp that I was told more office space was needed and that the offices would be used. I told you that I made a request to check and assess if it was possible, without this costing any more. The move would have cost Canada Economic Development \$1 million. It would have cost money.

That was the situation, Mr. Sweet.

[English]

Mr. David Sweet: You've made that comment a couple of times as well about looking into the matter, but let me read your letter here; this is what you call looking into the matter:

You will understand that a building with suitable office space showcasing the Agency and the Government of Canada in the centre of Montreal is crucial. In my opinion, Place Victoria fully meets this criteria.

Is that asking them to check into something, "fully meets this criteria"?

And then you said: "I assure you that the administrative needs of the agency are met and that additional space will not be needed in the immediate future." This is totally contradictory to your deputy minister, and the only people who are involved here are three ministers of the crown, Claude Drouin, Ralph Goodale, and of course Don Boudria, who left the portfolio and passed it on to Ralph Goodale.

Everybody who investigated it, a whole team of people from Public Works and Government Services, were totally set aside and this decision was made at a totally political level as per the e-mail that my colleague read into the record from Mr. Arès, who wanted to distance himself so far from this, he said that he'd have no part of it:

It seems clear enough that the insistence on staying at Place Victoria in this case serves interests other than the sound management of public funds. I cannot agree to cover, in an administrative manner, a decision that is difficult to justify financially, because it is costly (the client, CED, had agreed to move to Place Bonaventure, or as a last resort, we could have signed a lease with the second-lowest bidder [CED agreed], which would have been more beneficial to the Crown).

How do you justify all of this stuff of overriding all of this work, and even a senior public official, a regional director, said that he didn't want to have anything to do with it?

[Translation]

Mr. Claude Drouin: Mr. Chairman, I will have to repeat myself. I asked for a verification, but I took no decision. I was not in favour of maintaining this decision and seeing the taxpayers foot the bill. However, I was told that extra office space was needed and that the space in Place Bonaventure would be used by public servants, that the government needed more space. I simply requested that this be looked into. The verification was carried out, and Public Works and Government Services Canada took a decision. I know that the public servants were satisfied.

• (1620)

[English]

Mr. David Sweet: Mr. Chairman, that was a very brief question.

Now, your deputy minister, who, by the way, works with the staff all the time.... I find it actually a little interesting that, as a minister of the crown, the political minister, you would think that you knew more about your staff than your deputy did. He said, and I'm reading from the blues here:

As administrator and Deputy Minister of the Economic Development Agency of Canada, I was quite comfortable with the idea of moving to Place Bonaventure.... However, at the time, we believed that Place Bonaventure could fully meet our requirements, because we were beginning to need more space.

Those were his words.

After being made aware of Mr. Drouin's letter, I met him at a regular meeting. I told him that, in my opinion, it was a mistake to have sent that letter, because this was an administrative matter and he simply should not have got involved.

The evidence is very clear, Mr. Drouin, that the principles of good management, of transparency and accountability and ethical behaviour, were breached here in every way, shape, and form from the get-go of this, once you had started the way in on this lease, when everyone else had determined that the move was the best action that should be taken for the department.

[Translation]

Mr. Claude Drouin: Mr. Chairman, I am going to have to repeat myself and I must apologize to all members in this room.

[English]

The Vice-Chair (Mr. Brian Fitzpatrick): We're used to that in this committee, witnesses repeating themselves.

[Translation]

Mr. Claude Drouin: I have great respect for the deputy minister. I am not questioning Mr. Gladu's abilities, far from it. He explained the drawbacks of a move to me. I asked him if he was wanting me to do any verification. He never said no. My chief of staff was present at that meeting and it was at that time that I took transparent action. I wrote a letter to see what could be done within the rules.

[English]

Mr. David Sweet: But Mr. Drouin, you can't have it both ways. These are Mr. Gladu's words. So who is not forthcoming here? Is it Mr. Gladu or yourself? This is testimony that was given here, transcribed here, and I'm reading it back to you and you're saying that he said something entirely different. So are you saying that he lied to the committee?

[Translation]

Mr. Claude Drouin: To my knowledge, I am also testifying here, and what I am saying is the truth as far as I know concerning what happened at that time.

I had a witness...

[English]

Mr. David Sweet: So Mr. Gladu lied to the committee, that's what you're saying?

[Translation]

Mr. Claude Drouin: That is not what I am saying. Perhaps he left something out. I am telling you what I remember. I cannot speak for Mr. Gladu, but I have a great deal of respect for him. He worked very hard and he had a very good reputation within the public service. We reviewed this together and he mentioned that the employees were unhappy, that they did not want to move. Mr. Gladu told me why they did not want to move. It was because the building was made of concrete and that ours had windows, etc. I told him I was going to look into it, and that is what I did.

[English]

Mr. David Sweet: Well, Mr. Chairman, the discrepancy in the testimony here could only be alleviated if we had both participants at the committee at the same time, because it is entirely different. In every case, while questioning Mr. Drouin, I was simply reading from records from the entire process. I was not creating anything partisan or drawing up any conclusions. All of this was either staff's words from Public Works and Government Services, staff's words from the Economic Development Committee, the letters of the ministers of the crown themselves, or the word of the Auditor General of Canada. That's it.

The Vice-Chair (Mr. Brian Fitzpatrick): Thank you, Mr. Sweet.

I'm at the discretion of the committee at this stage. We're about six minutes early, as far as being at 3:30. We started about four minutes late, so I would suggest that we can probably go another round of three minutes for everyone and—

Mr. David Sweet: Mr. Chairman, just to maybe complete that, I'd like to make a motion and seek unanimous consent that, because of the depth of disagreement in testimony, we have both witnesses back in front of the committee simultaneously together.

The Vice-Chair (Mr. Brian Fitzpatrick): Does Mr. Sweet have the support of the committee on that? No.

It would have to go by a motion, Mr. Sweet, if you want to proceed with the matter.

An hon. member: No one has objected.

The Vice-Chair (Mr. Brian Fitzpatrick): There was an objection over here.

Hon. Judy Sgro: I have another point of order on this issue.

The Vice-Chair (Mr. Brian Fitzpatrick): Okay, another point of order.

Hon. Judy Sgro: When we're asking somebody about someone else's testimony, I think it's very difficult. If we go back to what we've been dealing with in other testimony, it all depends on the question that was asked. We have the facts that we got, but I think we can depend more on our Auditor General, frankly, than anything else. The issue we ended up in...more than \$4 million, a lot of that was tied to the fact that it was the rent that would have been accumulated had they had somebody in there that whole period of time.

I'm not talking about just this one. We tend to do this a lot. Who's telling us the truth? We're doing all this with the RCMP and we're not getting too far. Everybody is saying that somebody else says something different. The idea to invest more hours into it is not a—

• (1625)

The Vice-Chair (Mr. Brian Fitzpatrick): Ms. Sgro, we're getting into a point of debate here. A motion has been made, and it's not going to carry. We didn't have the required consent.

Hon. Judy Sgro: No, but we can change it.

The Vice-Chair (Mr. Brian Fitzpatrick): I'd just as soon get back to a round of questions.

We have a point of order.

Mr. David Sweet: Can I speak to Ms. Sgro's point?

The Vice-Chair (Mr. Brian Fitzpatrick): I'm not sure it's really a point of order.

Mr. David Sweet: No, I'd just like to speak to the point.

The Vice-Chair (Mr. Brian Fitzpatrick): You can table a motion. We're not going to deal with that in—

Mr. David Sweet: Oh, yes, if we can't get unanimous consent, then it's simply a notice.

The Vice-Chair (Mr. Brian Fitzpatrick): We're not going to deal with it in June anyway, even if we had unanimous consent.

Mr. David Christopherson: We can do a motion at the end of the meeting, and do the next steps, can't we?

A voice: Yes, we can do that.

Mr. David Christopherson: So the motion would be in order at the end of our rounds of discussions?

A voice: Yes.

The Vice-Chair (Mr. Brian Fitzpatrick): I'm open to having another round here. I have Mr. Laforest, Mr. Lake... Mr. Christopherson, did you want to have another go with the witness?

Mr. David Christopherson: No, I need my questions put when both of them are here. Thanks.

The Vice-Chair (Mr. Brian Fitzpatrick): Maybe they can split their time.

Do any of the Liberal members want another...?

We'll start with Ms. Sgro, then.

I think three minutes is what we're looking at with each witness for each questioner.

Hon. Judy Sgro: Mr. Drouin, have you read the Auditor General's report?

[Translation]

Mr. Claude Drouin: No, unfortunately, I have not read it.

[English]

Hon. Judy Sgro: Okay.

A lot of the issues in and around this whole issue of whether you interfered or not with this leasing process were tied to your letter. You had indicated to me in an earlier question that was the extent of your involvement in this, that you responded to a concern from your employees.

Did you follow through and check the dollars and cents factor afterwards, as far as what it ended up costing? Are you aware of any of those numbers?

[Translation]

Mr. Claude Drouin: I appreciate the question.

No. I in no way wanted to interfere with the process. I simply asked whether or not it was possible. In light of what they told me, which is that they could study that because they also had other needs, I never had anything further to do with it. My involvement was limited to that letter. Knowing that it was a possibility, I did not...

[English]

Hon. Judy Sgro: Prior to coming in today to see us, you hadn't had a chance to see the auditor's report on this whole issue?

[Translation]

Mr. Claude Drouin: No. All I received was the documents from the clerk concerning what Mr. Gladu said in his testimony before the committee.

[English]

Hon. Judy Sgro: How do you account for the difference in the testimony Mr. Sweet referred to, which is in our document, and your recollection of the events and how they unfolded?

[Translation]

Mr. Claude Drouin: I want to be sure I understand the question, Ms. Sgro.

[English]

Hon. Judy Sgro: How can you reconcile the difference between the comments Mr. Sweet gave you, as far as actual quotes from testimony of the deputy minister, and your knowledge of how things progressed? Can you explain the difference?

[Translation]

Mr. Claude Drouin: The difference is that Mr. Sweet has stated that he was in favour of it, whereas I had decided that we should not move. What I said was that the deputy minister spoke to me at the time about the drawbacks of the move after he told me that we were moving and I had agreed to the move.

[English]

Hon. Judy Sgro: Mr. Chair, can you quiet this place down?

The Vice-Chair (Mr. Brian Fitzpatrick): Can we have some order here? To the folks on the outside, please take your conversations outside; they're a major distraction. We can't hear Madam Sgro or the witness.

•(1630)

[Translation]

Mr. Claude Drouin: Thank you, Mr. Chairman.

I told Mr. Sweet that when the deputy minister informed me that we had to move, I told him that was fine, that we would do so. Afterwards, he shared his concerns with me about drawbacks of the move, and that is when I decided to check with Public Works Canada.

I did not challenge the figures, but I have a sheet here that was given to me earlier. It apparently shows that the cost difference would have been \$120,000 a year and that we would have saved a million dollars on the move, and we would have avoided all the drawbacks. It is written down on this paper. I do not know if that answers your question.

[English]

The Vice-Chair (Mr. Brian Fitzpatrick): Mr. Laforest.

[Translation]

Mr. Jean-Yves Laforest: Thank you, Mr. Chairman.

Mr. Drouin, you said earlier, partly to somewhat justify your decision, that it was not a waste of public funds, because, in any

case, the federal government was planning on using the other office space it had rented. But you will agree with me that the tendering process that was begun in 2000 was for office space for the Economic Development Agency of Canada and not other departments, potentially. Do you accept that?

Mr. Claude Drouin: First of all, I learned today that the process had started in 2000. I was not aware of that. Secondly, I do not know how the people at Public Works Canada function. If it was specifically for them, because they have a number of buildings... That was probably the case. If you say so, I am inclined to believe you. I do not know.

Mr. Jean-Yves Laforest: When a new minister is appointed to head up a department, do you not have to accept requests? Surely there were specifications that were set out by the ministers that preceded you, at the time of the call for tenders. When the people at Public Works Canada called for tenders, they must certainly have consulted the Economic Development Agency in order to establish the specifications.

In your opinion, why did they not specify, for example, that they did not want offices in an area where there was train traffic, or that they did want offices with windows? You got involved after the closing date, even after the bidder was chosen and the contract signed. Why did you wait so long to take action?

Mr. Claude Drouin: Mr. Laforest, I'm going to repeat myself. First of all, I found out about it at that time. I could not have acted earlier: I had just taken up my duties as minister. Secondly, I asked for a review. Remember what I said at the outset. When the deputy minister informed me that there had been a tendering process and that the price for Place Bonaventure was the lowest, I said that was fine, that we would move. I asked him where we were going and where Place Bonaventure was, and he told me that it was across the street. I therefore said we would move. That was the reaction I had, Mr. Laforest.

Afterwards, our deputy minister told us about the drawbacks, the costs, and it was at that point that I asked him if I was telling me that perhaps something could be done. I said I wanted to make sure that the department was working well, that we were not wasting money, given the million-dollar cost of the move, and I asked that there be a verification. That is how I came to intervene, Mr. Laforest.

I have said this from the beginning: I accepted the tendering process, I agreed with the move, and it was following what my deputy minister said to me, in the presence of my chief of staff, that I decided to take transparent action, in writing.

Mr. Jean-Yves Laforest: But even the deputy minister later criticized you for political interference. He told us the following:

After being made aware of Mr. Drouin's letter, I met him at a regular meeting. I told him that in my opinion, it was a mistake to have sent that letter, because this was an administrative matter and he simply should not have got involved.

It is rather odd.

[English]

The Vice-Chair (Mr. Brian Fitzpatrick): We're running short of time here.

[Translation]

Mr. Claude Drouin: Mr. Laforest, what I understood was that he did not want any written comments. That is very different.

[English]

The Vice-Chair (Mr. Brian Fitzpatrick): Mr. Lake.

Mr. Mike Lake (Edmonton—Mill Woods—Beaumont, CPC): It was interesting to hear Mr. Wrzesnewskyj refer to the work of the Auditor General as “fictitious extrapolation” earlier. I'll leave it at that.

The Auditor General's report clearly says this decision cost taxpayers \$4.6 million. You said you saved \$1 million in moving costs, so that makes a net waste to taxpayers of \$3.6 million.

In your mind, is the threshold for accountability, when it comes to wasting taxpayers' dollars, somewhere between \$3.6 million and \$4.6 million? You're saying it's okay to waste \$3.6 million. You're making the argument, “Hey, it didn't cost \$4.6 million. We actually saved \$1 million in moving costs, so it only cost \$3.6 million to the taxpayers.” Is that okay?

• (1635)

[Translation]

Mr. Claude Drouin: Mr. Lake does not seem to understand how the process works. Public Works Canada makes the decisions. What I asked for was a verification. This is the eighth time that I have said this, Mr. Chairman.

[English]

Mr. Mike Lake: You've said over and over again the same thing. Obviously we're not going to get answers. You don't fritter away \$3.6 million for better windows. You don't do that. You were very adamant that you absolutely had to be at 800 Place Victoria. We're left asking the question—because we're not getting answers—what else was there?

There's no question there has to be more to the story here, because it's \$3.6 million. In 2001 Alfonso Gagliano asked that the project be put on hold—in 2001, before you were ever even in the picture. No reasons were given for that. The department, thankfully, decided to overrule that and determined that they needed to proceed with the tender.

A year later, when you came into the picture, you decided to get involved. You wrote your letter to Don Boudria. Eventually Ralph Goodale responded to you, and actually agreed with what you had to say, miraculously, despite the fact that your deputy minister didn't agree with you, despite the fact that the department overruled Gagliano in the first place.

What was so urgent? What was so pressing that you absolutely had to stay at 800 Place Victoria? What was the motivation? What was it that prompted Gagliano to want to stay there? What was it that prompted you to write the letter that Goodale responded to, agreeing to your request?

We don't understand, because we're not getting any answers. You don't do it. You don't waste \$3.6 million in taxpayers' dollars for better windows.

[Translation]

Mr. Claude Drouin: Mr. Chairman, I find it curious that I'm being criticized for always repeating the same thing. If I was not always asked the same questions, I would not have to repeat the same answers. I'm not going to change my answers because...

[English]

Mr. Mike Lake: No. We're asking you to actually answer the question, not repeat the same thing. We don't want you to repeat the same thing. I don't believe.... I think what you're saying is absolute garbage. I want you to answer the questions.

Mr. Anthony Rota (Nipissing—Timiskaming, Lib.): Is that appropriate language?

The Vice-Chair (Mr. Brian Fitzpatrick): Let's have some order here.

Mr. Mike Lake: The fact is the Auditor General said that \$4.6 million in taxpayers' money was gone. You justify it, saying you saved \$1 million in moving costs.

The Vice-Chair (Mr. Brian Fitzpatrick): Finish your question, Mr. Lake.

Mr. Mike Lake: So how do you justify wasting, even in your own words, \$3.6 million in taxpayers' dollars?

The Vice-Chair (Mr. Brian Fitzpatrick): Let the witness answer the question.

[Translation]

Mr. Claude Drouin: Mr. Chairman, I will repeat what I said once again.

When I was told that we were moving, I said I agreed. There had been a tendering process. That is the process, and we have to respect it. I agreed entirely with the decision. However, my deputy minister talked to me about the drawbacks, and it was at that point that I asked for a verification in order to see if there were any other options that would comply with the process. In fact, extra office space was needed. That is exactly what I did. I am sorry that Mr. Lake does not understand, but that is the only way I can explain it to him.

[English]

The Vice-Chair (Mr. Brian Fitzpatrick): Thank you very much, Mr. Lake.

Thank you very much, Mr. Drouin.

This concludes this part of the process today.

Mr. Borys Wrzesnewskyj: Mr. Chair, a point of clarification.

Numbers are being thrown around. I'd just like to clarify for people, if you look at the Auditor General's report, what she said was “Renewing the lease at Place Victoria cost \$2.5 million more than the winning bid in the tendering process”, based on \$431 per square foot.

The Vice-Chair (Mr. Brian Fitzpatrick): This is not a point of order, and I think we have to get on to our agenda. It's a matter of debate on the numbers that are being used here. I don't think it's appropriate to get into this with the witness. He's not even familiar with the numbers. I don't know where this is going to get us.

We've used up the allotted time for this. We have other business to deal with, and we're going to get on with it.

Thank you very much, witness Drouin.

We have two motions that carry over from yesterday, and I want to deal with those before we go in camera

Mr. David Sweet: Can we also deal with my motion?

The Vice-Chair (Mr. Brian Fitzpatrick): We can deal with that one as well. We have Mr. Poilievre's motion already on the board. His is third on the list. We'll keep it in chronological order.

Mr. Poilievre's motion from yesterday was that the chair of the public accounts committee write a letter to the current Clerk of the Privy Council to inquire about the information given by Mr. Pelletier at his last appearance before this committee when he spoke of a Privy Council request that he look into a donation to the Liberal Party of Canada, and that the letter ask what records there are of this information and also what explanation the bureaucrats at the department can provide explaining why it was involved in such partisan activity. That's essentially the motion.

Mr. Poilievre, it's your motion. I'll let you speak first.

• (1640)

Mr. Pierre Poilievre: The purpose of my motion is that... I don't know if others caught it, but there is this explanation by Mr. Pelletier that he looked into a \$5,000 donation by Claude Boulay's firm because Privy Council asked him to, and that was a donation to the Liberal Party. That does seem to be a very strange role for the Privy Council. The Privy Council is a non-partisan organization. Effectively, it's the department that underlies the Prime Minister of Canada. It should not be aware of who is donating what to any political party. I think the very least we can ask is an explanation of the officials at Privy Council as to what record they have of this advice that they gave to the then chief of staff and what explanation they have for giving it.

I'll leave it at that. I think it's fairly self-evident. I don't expect that there will be any opposition, so I put that forward and I appreciate very much the chance to speak to it.

The Vice-Chair (Mr. Brian Fitzpatrick): Ms. Sgro.

Hon. Judy Sgro: I have just a comment. I want to ask the clerk... When we had Mr. Pelletier and Mr. Guité here, there were various questions that Mr. Pelletier's lawyer was going to send in a letter adding further information about. My recollection was that this was one of them.

He had two weeks to send in a letter answering this and a couple of other points that he wanted to clarify. It has only been a week, I guess, now. Have you received it yet?

The Clerk of the Committee (Mr. Georges Etoka): No. I received an e-mail from Mr. Pratte yesterday, and today I confirmed that he had ten days to reply, and he told me he would do that by next Friday.

Hon. Judy Sgro: By next Friday. My suggestion is that we get this letter from Mr. Pelletier and see if he answers to the satisfaction of the committee the questions that were raised, and then we deal with Mr. Poilievre's request to ask the Privy Council.

I'm not sure that I understand the point behind it. There could be a couple of points, but I understand the sincerity of your point behind this. We're dealing with the discrepancies in the Gomery commission, and I'm not sure that this actually is in order. But I'm more than prepared. I think we should wait for Mr. Pelletier's letter, and then, if we still have some concerns, we deal with it at that time.

The Vice-Chair (Mr. Brian Fitzpatrick): I think we understand your concern.

Mr. Williams.

Mr. John Williams (Edmonton—St. Albert, CPC): The other point I was going to make—and it's not reflected in the motion, Mr. Chairman—is that Mr. Pelletier also said that he was checking out the bank account because he thought it was primarily full of government money. Those are my words; they're not exactly his words. I'm paraphrasing here.

I was wondering why the chief of staff of the Prime Minister and the Privy Council Office would be aware of a bank account and what moneys were being deposited to that bank account, and then to be alarmed because a cheque for \$5,000 had been drawn on that bank account, which they thought was primarily government funds, to be donated to the Liberal Party. It seems to be that they were in command of a huge amount of information that would get me quite alarmed in a democratic country.

• (1645)

The Vice-Chair (Mr. Brian Fitzpatrick): Are you making an amendment to this motion, Mr. Williams, to add this aspect to it?

Mr. John Williams: Yes. I think if we're going to get some answers from the Privy Council as to documentation, we should find out that kind of documentation too, as to why they are aware of the contents of a bank account and who is depositing what to it.

The Vice-Chair (Mr. Brian Fitzpatrick): Have you suggested wording for your amendment?

Mr. John Williams: Well, I thought it was fairly good, Mr. Chairman. I'm sure the clerk understood what I was saying.

The Vice-Chair (Mr. Brian Fitzpatrick): The clerk nodded yes that he could handle that.

I have Mr. Laforest on the list.

[*Translation*]

Mr. Jean-Yves Laforest: Mr. Chairman, this is somewhat in reaction to what Ms. Sgro said, but I would like to specify that this motion is in order. I do not believe it is necessary to wait for Mr. Pelletier's response. The two things can happen in tandem. The fact that the Chair of the Standing Committee on Public Accounts wrote a letter to the Privy Council requesting some information regarding this situation is not necessarily in contradiction with the fact that Mr. Pelletier has given us his version of events. I support the motion as amended.

[*English*]

The Vice-Chair (Mr. Brian Fitzpatrick): All the members who are in agreement—

Mr. Pierre Poilievre: I'll just close by saying on the motion that I think there's no reason why we can't wait for this letter that's supposedly coming from Pelletier and ask for the Privy Council explanation at the same time.

The Vice-Chair (Mr. Brian Fitzpatrick): I was just going to go ahead with a vote on that matter.

Go ahead, Mr. Wrzesnewskyj.

Mr. Borys Wrzesnewskyj: Mr. Chair, just for clarification, was Mr. Williams making a friendly amendment to this motion?

The Vice-Chair (Mr. Brian Fitzpatrick): Yes, it's a friendly amendment.

Mr. Borys Wrzesnewskyj: Could we hear the text of that?

Mr. John Williams: The text of the amendment I proposed, Mr. Wrzesnewskyj, is that in addition to the information Mr. Poilievre has requested in his motion, we also ask the Privy Council to advise this committee of the basis on which they were aware of the bank account, the contents of the bank account, what was being deposited to that bank account, and other information they had pertaining to that bank account, which seems rather strange to me.

(Amendment agreed to) [See *Minutes of Proceedings*]

(Motion agreed to) [See *Minutes of Proceedings*]

The Vice-Chair (Mr. Brian Fitzpatrick): Now we have to get to Mr. Laforest's motion:

That, pursuant to Standing 108(2), the committee address the report by the Auditor General of Canada presented on June 12, 2007, and undertake a study of the issues it raises by inviting the following to appear: the Auditor General of Quebec, Renaud Lachance; Sheila Fraser, Auditor General of Canada; Lise Thibault, the former Lieutenant-Governor of Québec.

Mr. Borys Wrzesnewskyj: A point of order, Mr. Chair. I just note that it says "public broadcast", and I think we're supposed to be in camera.

The Vice-Chair (Mr. Brian Fitzpatrick): I said at the start that these motions didn't need to be in camera. They're regular motions. We'll go in camera when we get to the issues that need to be in camera.

Mr. Laforest, it's your motion.

[*Translation*]

Mr. Jean-Yves Laforest: Thank you, Mr. Chairman.

I believe everyone is aware of the fact that the Auditor General's last report shed light on the clearly exorbitant expenses of the former Lieutenant-Governor of Quebec. As this is a report by the Auditor General concerning Canada's finances, this issue is a direct concern to the Public Accounts Committee. I think we should deal with it within the framework of this committee.

It is important to understand that we represent Parliament and if we want to play our role fully, we must hear from these people, so that the committee can report to Parliament and make recommendations. There are still Lieutenants-Governors, whether they are in Quebec or in the other provinces, and this kind of situation should never happen again from this date forward. However, we must not forget that the Auditor General also pointed a finger at the federal department, that is Canadian Heritage. She talked about profligacy, and certain measures that were set aside.

Furthermore, I think this raises serious questions about the role that the Public Accounts Committee should play in such situations. How is it possible that it was a journalist from the *Journal de Montréal* who raised the issue of the exaggerated expenses of the former Lieutenant-Governor of Quebec for the first time? That is what led the Auditor General of Canada and the Auditor General of Quebec to audit her expenses. It was journalists who therefore raised the issue, whereas the Public Accounts Committee did not do so. I feel that we have to take back the control of certain aspects, particularly this one. That is why I am tabling this motion.

In conclusion, I would say to you that the population is asking itself a great many questions on expenses of this nature, which are exaggerated and unjustified, as the Auditor General said. People have the right to hear the questions we ask these people and the answers that they must give us, whether it is the two Auditors General or Ms. Lise Thibault.

• (1650)

[*English*]

The Vice-Chair (Mr. Brian Fitzpatrick): Thank you very much, Mr. Laforest.

Mr. David Christopherson: I have a point of order, Mr. Chair.

Help me to understand something. I don't recall us receiving this report. I thought all reports were tabled to this committee and were kept confidential until such.... I don't believe I have this report, so how is it that we're dealing with something that hasn't actually been tabled in front of us?

The Vice-Chair (Mr. Brian Fitzpatrick): Go ahead, Alex.

Mr. Alex Smith (Committee Researcher): This was a special report that was asked for by the Governor in Council. So it was not part of the Auditor General's normal reports that were tabled with the Speaker, and so forth. This report was made public yesterday. The Government of Quebec asked its auditor general to also do a study, which was also tabled yesterday. Both of these reports are now available on their respective websites.

Mr. David Christopherson: The Auditor General is accountable to this committee for her work, so it seems to me that for any work she generates, even if it's for another place or entity, the process would begin here; this would still be the official starting point. I'm not arguing whether that's right, but that's my understanding. I'd like to be educated as to where I'm getting it wrong.

Mr. Alex Smith: The Auditor General, through section 7 of her act, tables several reports in Parliament during the year. She also has, through section 11 of the act, the opportunity to be asked by the Governor in Council to do a special report. So this is out of that ordinary tabling method. She was asked by the Governor in Council to do a special report; that's why it wasn't tabled with the committee.

Mr. David Christopherson: Okay, this is my last question. I won't pursue it, but at the end of the day we are responsible for the work she does. We are the civilian oversight, and we would be accountable for her work on that report, as we would for anything else. So again, why wouldn't anything she generates have to go through this committee to enter the public arena?

The Vice-Chair (Mr. Brian Fitzpatrick): I think Mr. Smith has answered the question. She can be seconded by other departments.

Mr. David Christopherson: But Alex talks about the reporting mechanism of actual reports she tables. I wasn't even seeking that we be given some priority, even simultaneously. I'm having some trouble understanding how we were out of the loop.

There's an AG report. People who know I'm on the public accounts committee might come to me and say something about it when they see a report. I would expect to be able to reasonably respond. I've never even seen the damn thing. Yet now we're into our normal work to maybe bring people in, or maybe not, but we don't even have a report.

First, how can we act on something we don't have? Second, I'm still not sure I got a clear answer as to why there isn't a requirement for any report by the AG to at least be simultaneously tabled with this committee to be deemed to be in the public domain.

Mr. Borys Wrzesnewskyj: I have a point of order. Perhaps we can ask the legal staff here—

The Vice-Chair (Mr. Brian Fitzpatrick): Maybe Mr. Williams can help clarify this.

Mr. John Williams: As far as I understand, if I can answer Mr. Christopherson's question, the report was requested by an order in council. She reports to the government, not in her normal course to the Speaker and Parliament and by the Standing Orders, where it's deemed automatically referred to the public accounts committee.

As you know, when she tables a normal report you don't walk in here and have one sitting in front of you. You can pick it up at the briefing, and so on, because it's deemed automatically referred.

I expect that the special report would also be tabled in the House and be automatically referred here. Therefore you have the opportunity to bring the issue before us, as Monsieur Laforest would like. We were not denied the opportunity to deal with the issue; it just came to us via a different format.

The last time this was used was on the first three contracts on sponsorship. That caused the Auditor General to want to do a full sponsorship-wide investigation, which she tabled in the normal course. That became the sponsorship investigation.

The first three contracts were tabled and given to the government because the government requested them under section 11 of the act.

• (1655)

Mr. David Christopherson: But the request for one is not necessarily a guarantee of the process for it becoming public. It may be, but that alone doesn't—

Mr. John Williams: It's the government that makes it public. It's not tabled in the House and made public that way. It's a different process.

Mr. David Christopherson: Okay.

The Vice-Chair (Mr. Brian Fitzpatrick): Mr. Sweet.

Mr. David Sweet: Through you to Mr. Williams, Chair, this section 11 of the act, actually.... She is an independent officer of Parliament is my understanding, and this portion of the act actually circumvents that, and she can report directly to the Governor in Council, for all intents and purposes bypassing Parliament.

Mr. John Williams: No, she doesn't bypass Parliament, Mr. Chairman. The government may through order in council ask her to do a special investigation into a special issue, and in response to that request by the order in council, by the government, she therefore has to respond back to the people who commissioned the report in the first place, being the government. Normally, as an officer of Parliament, she is given statutory powers to conduct her investigations and report to the House, but there is also specific legislative authority to respond to requests by the government.

The Vice-Chair (Mr. Brian Fitzpatrick): Is this on the point of order? Okay, go ahead, Borys.

Mr. Borys Wrzesnewskyj: I have a question. Is she obligated to report it to Parliament? She's reporting it to the government, but is she obligated by this section 11 to at the same time report to Parliament? In fact, is she obligated to make that report public, or through an order in council can a request be made for reports that do not end up being made public and without coming to Parliament?

The Vice-Chair (Mr. Brian Fitzpatrick): We'll let Mr. Williams respond. He's quite knowledgeable on this.

Mr. John Williams: I believe that the Standing Orders say all reports of the Auditor General are tabled in Parliament and deemed to be automatically referred to the public accounts committee. I think that is the wording, and anyone can check that out if they want. Therefore, if that is the wording, special investigations, while delivered to the government, would therefore be tabled in the House as well.

Mr. Borys Wrzesnewskyj: Then the question becomes.... Under that wording, it's not precise, but one would assume it should get tabled with the government and with us at the same time.

Mr. John Williams: Well, it's given to the Speaker. I think if I quote the words correctly it says "deemed automatically referred to".

The Vice-Chair (Mr. Brian Fitzpatrick): We have the law clerk here, so maybe we could have Mr. Walsh take a chair at the table.

Mr. Laforest.

[Translation]

Mr. Jean-Yves Laforest: I think we are just going around in a circle. People are trying to postpone the discussion, but we have not yet discussed the substance of the motion. In my opinion, whether or not the report is tabled in Parliament and at the committee or just at the committee, the question remains—and we are all aware of this—that this is a public report. From the moment this concerns the Public Accounts Committee, it is up to the committee to make sure that people appear, if there are questions to be asked.

Regardless of the debate that we are having on procedure, for example whether or not it was truly tabled here, I believe that we have to discuss the substance of the question. I call on the Chair to move the debate to the substance of the motion. In fact, I would like the motion to be unanimously passed.

• (1700)

[English]

The Vice-Chair (Mr. Brian Fitzpatrick): I'm inclined to agree with Mr. Laforest. This is a good debate—the point of order about how the Auditor General reports to Parliament and our committee and so on—but when I look at the motion itself, the motion looks to me to be a valid motion before this committee. I don't think the point of order should derail that motion, unless I'm missing something.

An hon. member: It's not a matter of derailing—

The Vice-Chair (Mr. Brian Fitzpatrick): But isn't that the point of order, that we shouldn't proceed with this because...? Okay. Well, it's a point of clarification, I guess.

Mr. Lake.

Mr. Mike Lake: Are we off the point of order now and on to the regular motion?

The Vice-Chair (Mr. Brian Fitzpatrick): I'd like to see us get off it.

Mr. Mike Lake: I probably would like to call on Mr. Walsh, if possible, to answer a question on the constitutionality. Do we have the authority as the public accounts committee, under the Constitution, to call a representative of the Queen to appear before the committee? Perhaps Mr. Walsh could help us answer that.

The Vice-Chair (Mr. Brian Fitzpatrick): Mr. Walsh, are you able to take the table? We have constitutional questions now.

An hon. member: Point of order.

The Vice-Chair (Mr. Brian Fitzpatrick): Well, we have this point of order. He was raising the constitutionality of calling a witness before this, and—

Mr. Mike Lake: Well, I guess mine would be a point of order, right?

The Vice-Chair (Mr. Brian Fitzpatrick): I interpret that as a point of order.

An hon. member: Well, you're wrong.

The Vice-Chair (Mr. Brian Fitzpatrick): Whether a witness can be called before this committee on a matter of the Constitution isn't a point of order?

Mr. David Christopherson: I don't think it's a point of order. He was just asking if he would come forward.

The Vice-Chair (Mr. Brian Fitzpatrick): Okay, what's your point of order, Mr. Christopherson? You had one; let's have another one.

Mr. David Christopherson: I almost forgot.

You're not going to believe it. All I wanted to ask was that given that we're about to receive legal advice, and based on that advice, sometimes we go in one direction, sometimes we go in another, should we be taking the legal advice in camera, or is this matter perfectly legitimate in public?

That's all.

The Vice-Chair (Mr. Brian Fitzpatrick): Mr. Williams.

Mr. David Christopherson: Just on that question of getting legal advice.

Mr. John Williams: No, we're not into something.... We're not suing anybody here. I've always taken the position that it has to be serious for the public accounts committee to do its business in public. Things like its own administration, the steering committee, and how it's going to deal with issues we can deal with in camera, but when we are dealing with the business of the public accounts committee, I will fight as much as I can to have it all in public unless there is a very serious reason why it should be in camera. To get legal advice on the Auditor General's reports and the former Lieutenant Governor of Quebec and so on—to me, that's public business.

Mr. David Christopherson: That's fine. I accept that. Implied would be the suggestion that maybe somebody else doesn't care quite as much about that.

I would say to the honourable member with great respect that that holds until the day comes when there is a constitutional interpretation or advice given by the law clerk of Parliament, and we go down one road, maybe based on that advice or maybe not, and then possibly that same advice, because it's in the public domain, is used against Parliament in front of the courts.

That was my only reason for raising it—to protect the ability of this committee and Parliament to defend its actions when it takes a course. But if nobody else is concerned about that, then I'm perfectly fine with our doing this in public.

The Vice-Chair (Mr. Brian Fitzpatrick): Folks, you know we have a lot of stuff on the plate here, and we have a lot of questions being asked. We have people here who can answer the questions, and we can debate these points for a long time here and not get to the root of the issues that are before us. So it's up to committee members how far you want to go on this thing.

Mr. Williams, one last point, and then let's decide what we're going to do here.

Mr. John Williams: I just want to make one last point in response to Mr. Christopherson. The Parliament of Canada will never be in front of the courts.

Number two, the testimony that's given here by the law clerk or anybody else will never be in front of a court unless we allow it to be there.

• (1705)

The Vice-Chair (Mr. Brian Fitzpatrick): So with that, maybe we could have the law clerk enlighten us on the very important questions, which we're all anxious to find answers to.

Mr. Rob Walsh (Law Clerk and Parliamentary Counsel, House of Commons): Mr. Chairman, just before I answer the question that I think is the question, my colleague Steve Chaplin has gone to the Library of Parliament to check the Auditor General Act to see what it may or may not provide. I don't walk around with that statute in mind. It needs to be checked to see whether some of the questions that are being asked here could be answered with some assurance.

The Vice-Chair (Mr. Brian Fitzpatrick): We know you know 95% of the law, and there's the 5% that's a little bit grey from time to time, so we accept that.

Mr. Rob Walsh: On the other question, which I think is a question relating to Mr. Laforest's motion to call the former Lieutenant Governor of Quebec before the committee, it's a matter of what you might call constitutional comity, as it were, that viceregal appointees—indeed, that means the Governor General or Lieutenant Governor—are not subject to being called before parliamentary committees in respect of their function. It would just be, in my view, a constitutionally rude thing to do and disrespectful of the constitutional hierarchy we live with. This is not that I suggest for a moment any committee members wish to be constitutionally rude. What they might do, however, is call upon the administrator of that office, it being a public office, to come to the committee and explain how moneys were expended and why that official would appear to have allowed these expenses to happen without the appropriate oversight. There must be some administrator in that office. I appreciate it may not be a large office, but there must be some functionary whose job it is to administer the expenditures and the budgetary decisions taken by that office. I would have thought that would be the appropriate person who might be called here.

I seem to recall, Mr. Chairman—my memory may fail me—that we had a controversy with the Governor General several years ago regarding travel, and the trip taken by the Governor General met with some public comment. If I'm not mistaken, the secretary to the Governor General appeared before this committee, I suppose, or maybe it was the foreign affairs committee—I'm not sure—and answered questions of a House committee relative to that matter. I think that's accepted as being appropriate, but not the person of the Governor General.

Now, admittedly here the person being sought is a former Lieutenant Governor, so you might be able to summon her as a person, but as soon as she got here, you'd be into trouble as to whether it would be right for you to ask questions pertaining to her functions as Lieutenant Governor.

The Vice-Chair (Mr. Brian Fitzpatrick): Very good.

Mr. Wrzesnewskyj.

Mr. Borys Wrzesnewskyj: Actually, right at the tail end I'd made a note to myself that she no longer embodies the Crown, so she's just a regular person like the rest of us. I would assume she could be summoned without being rude to the Crown and she could be considered a witness with relevant information on what transpired in the same capacity that an official from that office would be. You seem to have made that point at the end, but....

Mr. Rob Walsh: What I meant to say about my opening remarks about constitutional apology was that primarily it applies where the person is in office. However, I allowed, toward the end, that if they're no longer in office, you might be able to summon the person before the committee, but then, once you get into questions about what the person did when in office, you are then into the same problem of challenging the viceregal representative about his or her official functions. Again, we're not talking about some statutory rule here; we're talking about tradition and the constitutional niceties of better practice. You don't hold a viceregal person to account for their official functioning.

Mr. Borys Wrzesnewskyj: Perhaps I didn't make myself clear. We're asking an official, who no longer represents the Crown, for information that a person has of whatever transpired in the set of circumstances. Just because that person, at a different point in time, happened to have represented the Crown, that's totally separate. Should it not be considered separate from that individual? The Crown is not an individual; an individual is embraced during that timeframe. So even if you ask questions, you're asking questions of information that a person has of a person who, at a point in time, encompassed the Crown. So it's....

● (1710)

Mr. Rob Walsh: Let me suggest this scenario. You understand the Lieutenant Governor or the Governor General went to the horse races, and it was tradition that the Governor General or Lieutenant Governor would go to these horse races every year. You also understand that the Governor General or the Lieutenant Governor spent money on the horses, betting, and then you understand that in fact public funds were used for betting on the horses.

Now, the person's no longer Governor General. Your interest is in the betting on the horses, not her attendance at the function, because she was doing her official function. Your interest is the use of public funds for betting on the horses in this example.

Arguably, as your scenario puts it, after she's no longer in the office but had personally used public funds for her own amusement in a manner that ostensibly was wrong, you should be able to talk to this private citizen about how she used public funds wrongly on this earlier occasion.

On the other hand, you can't talk to her about why she went to the races, period, because that was part of her official duties as Lieutenant Governor. Do you know what I mean? Now, somewhere in there I'm trying to articulate the idea that there is a distinction, but it's very hard in a particular situation to find that distinction, and you get yourself into a scenario in which you appear to be offending the rule, if you like, of respecting the office when you put questions of a kind that aren't clearly outside the domain of official function.

If you are so clearly outside the domain of official function and in fact what you're inquiring about is corruption, then arguably that's a criminal matter that presumably the authorities would pursue in due course.

I don't know if I make myself very clear, Mr. Chairman, but it's very hard to discern a legitimate area of questioning that won't in fact trespass upon the official functions of the Lieutenant Governor while in office. It's just very difficult.

The Vice-Chair (Mr. Brian Fitzpatrick): Yes, okay.

Go ahead, Mr. Laforest.

[Translation]

Mr. Jean-Yves Laforest: I agree that we are walking on very thin ice in terms of respect for the position. However, since we are talking about a former lieutenant-governor, I think that the ice is thicker. We are talking about an individual who has been called into question by the Auditor General.

Were she to come here, we would, as the representatives of the people, have an opportunity to ask her some questions. We are not accusing her in advance, but that would enable her to justify what she has done and explain her conduct to the general public. Our objective is not to go on a witch hunt, but to obtain answers to questions in order to inform the people well.

[*English*]

The Vice-Chair (Mr. Brian Fitzpatrick): Please go ahead, Mr. Williams.

Mr. John Williams: Thank you, Mr. Chairman.

My memory's a little vague back then, but I think it was either 1642 or 1644 that King Charles I went into the House of Commons and arrested the Speaker, and the monarchy has been denied the right to get back into this place ever since. That is why that protocol has been observed; the Queen and her representative have never yet set foot in the House of Commons—in England, here, or elsewhere—since 1642, because of the fact that we are beyond the reach of the Crown.

We went through this with the sponsorship investigation and the Bill of Rights of 1689, and how we are beyond the reach of the courts and beyond the reach of everybody in this land, provided we are doing our parliamentary business.

There's a separation between us and the Crown. I would say it's a serious affront, if not a breach of the unwritten constitution, to think that we could bring the Queen's representative—albeit former—in here and ask her to account for her function while she was the Queen's representative. Therefore, I'm very strongly opposed to bringing in the former Lieutenant Governor.

Just to finish up, Mr. Chairman, I believe the government has announced that it is very concerned and committed to accountability, and that is why the government has asked the Auditor General to do this audit. It will be asking the RCMP to follow up on the report and determine if any illegal acts have been committed. They're working with the Government of Quebec to see how the question of reimbursement could be addressed.

I think the matter's being addressed in another forum, Mr. Chairman. Therefore, that is why I think we should leave it at this point in time—because of the constitutional aspects of the Queen's representative and the House of Commons that go back 350 years.

• (1715)

The Vice-Chair (Mr. Brian Fitzpatrick): Thank you very much for that background information, Mr. Williams.

Borys.

Mr. Borys Wrzesnewskyj: Thanks, Chair.

Perhaps Mr. Laforest would consider a friendly amendment to add to the potential list of witnesses the individual or office manager—as suggested by the law clerk—who was in charge of expenses in the Lieutenant Governor's office. I'm not quite sure what that person's exact title would have been, but I'm sure there was someone within that office. So I move that we add that individual to the list—not subtract anyone, but just add one more individual to the list. Leave all those people there, but add whoever the office manager in charge

of expenses was, or whatever their actual correct title was. Chief of staff or...?

[*Translation*]

Mr. Jean-Yves Laforest: Mr. Chairman, I have not been convinced that an individual who has been appointed to represent the Queen, namely the Lieutenant-Governor of Quebec, is above the rules of ethics and transparency which usually guide us. No one in Canada is above these rules. I understand full well that this constitutes a breach of ethics, but it is essential that we obtain answers, because when we talk about respect for the position, we must also think about respect for the people.

In the final analysis, if the committee members were to give their unanimous consent to summon Ms. Thibault's administrative secretary to appear, I think that we would be in agreement with this subamendment.

Some hon. members: This is an addition.

Mr. Jean-Yves Laforest: It is an addition. We could add the name of an individual who would be able to answer questions.

[*English*]

The Vice-Chair (Mr. Brian Fitzpatrick): It looks like there's an agreement on that point and that we can move to—

Mr. David Christopherson: Is that list, then, with the former Lieutenant Governor, in or out? It's just unclear.

The Vice-Chair (Mr. Brian Fitzpatrick): Well, my understanding is that she would still be on the list; we're just adding the person who was in charge of approving the accounts...the paymaster.

Mr. David Christopherson: Instead of her, or in addition to her? I understood Mr. Laforest to say "instead of".

The Vice-Chair (Mr. Brian Fitzpatrick): I think a lot of us would feel a lot more comfortable if one were deleted and the other were added.

Mr. David Christopherson: Well, given the advice that we heard.... Certainly Mr. Williams' position is that it shouldn't happen at all. The law clerk, if I understood, said that we could, but we had to be careful, as there's a narrow range there. So prudence, to me, would be to call in everybody except her, and to bring in that staff person. Then, if we believe that we still need to get at the truth, we can spend the time necessary to talk that through and set the parameters of the meeting. I would be more comfortable with that, rather than roaring ahead and inviting in the Lieutenant Governor and possibly getting ourselves into side issues and constitutional questions. All it takes is one member to cross the line and ask the wrong question, and there's offence given.

I'd rather optimize our chance that we're going to get to the truth in the cleanest, quickest way, as our first step, recognizing that we can always add people later, and bring her in and anyone else in we deem necessary. So at this time I would be more comfortable with exchanging the former Lieutenant Governor with her administrative assistant, with the right still to call her back, if we so deem.

The Vice-Chair (Mr. Brian Fitzpatrick): Would you be agreeable to that suggestion or amendment, Mr. Laforest?

[*Translation*]

Mr. Jean-Yves Laforest: What is it?

[English]

The Vice-Chair (Mr. Brian Fitzpatrick): Dropping the Lieutenant Governor off the list and bringing in the person Borys—

• (1720)

[Translation]

Mr. Jean-Yves Laforest: No.

Mr. Wrzesnewskyj's amendment—

[English]

The Vice-Chair (Mr. Brian Fitzpatrick): You're in agreement with Borys's amendment, but you're not in agreement with Mr. Christopherson's.

[Translation]

Mr. Jean-Yves Laforest: I agree with the amendment that states that this is an addition.

[English]

The Vice-Chair (Mr. Brian Fitzpatrick): It's also been brought to my attention that this report zeroes in on the heritage department's involvement in this file, and it seems to me that if we want full scrutiny of this issue, the appropriate official from the heritage department should be here as well.

Mr. Williams.

Mr. John Williams: Again, Mr. Chairman, I have to object to bringing in the Lieutenant Governor. I have no problem with bringing in her chief of staff or whoever else can answer the questions about the management of the funds.

First of all, Mr. Chairman, we must remember we were dealing in those days with the Constitution of the U.K. A lot of it is unwritten. But I'm a great believer in and firmly committed to upholding the rule of law.

I'll turn the tables for a second, Mr. Chairman. In this investigation we've had this last number of weeks we've had some slanderous accusations at this table that cannot be used in a court of law because we are protected by parliamentary privilege. In some cases these remarks have gone unchecked by the chair. They have been made with absolutely no repercussions by virtue of the fact that we are protected.

The Constitution of Canada, as we have heard from Ned Franks, who has been here, also reaches back to the United Kingdom. Our Constitution says we will have a constitution similar in nature to that of the United Kingdom. As I said, these long-unwritten rules must be adhered to, Mr. Chairman.

If we are to respect the rule of law, parliamentary process, and democracy, we cannot throw it all away on a whim because someone appears to have abused the privilege. There are rules we abide by.

Therefore, I have no problem bringing in the staff, but I seriously object to bringing in the Lieutenant Governor.

The Vice-Chair (Mr. Brian Fitzpatrick): The law clerk has a comment on that, Mr. Williams. We would all want to hear that.

Mr. Rob Walsh: Maybe I could flesh out the situation here.

When you want a citizen to appear before the committee and they refuse to attend, you have the optioning of summoning the witness. If they don't attend, you can go to the House and seek a contempt.

In my view, the House of Commons can't hold the Governor General in contempt any more than it can hold the Queen in contempt. Constitutionally, the Governor General is not accountable to the House. The Queen is not accountable to the House. Notwithstanding that by tradition since the times of King Charles the Queen can't walk into the House of Commons, she can't be called in, in the sense that she is the monarch and the rest of us exist under that. That's the theory.

So if you can't summon the official in their official capacity or hold them in contempt, it follows that they have an obligation to attend in their official capacity. The tricky part comes in terms of the former office holder. While that person can be summoned, even held in contempt, once you get into questions about their official duties, you're in effect making them accountable to the House. That could be a problem.

The Vice-Chair (Mr. Brian Fitzpatrick): Thank you very much, Mr. Walsh.

I have two more people who want to speak on this.

I interpret that we have two motions on the floor, one from Borys, and then we had one from Mr. Christopherson.

Mr. Borys Wrzesnewskyj: Mine is a friendly amendment.

The Vice-Chair (Mr. Brian Fitzpatrick): Well, it's a friendly amendment, but it still amends the motion.

And then we had Mr. Christopherson's suggestion, which was quite a bit different.

Mr. David Christopherson: I'd like to look at it as a proper amendment and have a vote, if you don't mind.

The Vice-Chair (Mr. Brian Fitzpatrick): I think we'll take the next two people.

If we accept the friendly amendment procedure, maybe we'll deal directly with Mr. Christopherson's amendment. His motion would have the effect of deleting the Lieutenant Governor from the list of witnesses.

Mr. David Christopherson: On a point of order, Chair, if I understand correctly, Borys's suggestion, accepted by Jean-Yves, was that the staff person would be added. And then my motion, that the motion be amended by withdrawing the Lieutenant Governor, would be in order. Part of my motion would be recognizing that we have the right to call her back at a later date, if we so choose. That would be my amendment.

The Vice-Chair (Mr. Brian Fitzpatrick): Yes, well....

Ms. Sgro.

Hon. Judy Sgro: Mr. Chair, when I first came here, we talked about how much work this committee had. The question is how you deal with the work we have to do. Before we got into the RCMP stuff, the committee was working on three or four things at the same time and we didn't want to get into this RCMP... Since the RCMP took over, it basically has pushed a lot of other things back.

If we adopt this motion, are we planning to work in the summer? That's my first question. Second, where does this fit in the priority of all the other things? And third, I think we have to be careful about our own reputation, as a committee. We're not on a witch hunt here. I mean, you're talking about the Lieutenant Governor of Quebec.

I thought what I read in the paper was appalling, but I don't believe what I read in the newspaper. I would be anxious to hear from our auditor Sheila Fraser first, and figure out where we go from there. But let's be cautious as to what we're getting ourselves into and where we're going.

• (1725)

The Vice-Chair (Mr. Brian Fitzpatrick): Thank you.

Mr. Laforest, and then Mr. Sweet.

Mr. Sweet has been trying to get in here for a long time. Pierre is just trying to get in while we're trying to wind down this discussion, but we'll put him on the list.

[Translation]

Mr. Jean-Yves Laforest: Mr. Chairman, first of all, I do not think this is about when the people cited in the motion will appear. This is about adopting the motion. Then, the steering committee could make a suggestion to committee members as to when this will occur. If this is to occur in the fall, it will happen in the fall. But I do not think that we should be talking about it occurring right now or over the summer.

Secondly, in terms of the procedure, I will accept Mr. Wrzesnewskyj's friendly amendment to the one I presented earlier. So I would like us to vote on this motion before voting on Mr. Christopherson's amendment, which doesn't necessarily add anything, but rather completely amends the content.

[English]

The Vice-Chair (Mr. Brian Fitzpatrick): We'll debate this amendment when we get to the amendment, if we get to it.

Mr. Sweet.

Mr. David Sweet: I would just like to echo the words of my colleague. We enjoy the rule of law, freedom, and democracy that we have right now because of centuries of development of the Westminster tradition and the constitutional framework that we have right now in Parliament. I would be absolutely 100% against having the Lieutenant Governor come before this committee.

I would have no problem—and I think it's a very good suggestion that Ms. Sgro has mentioned—with bringing the Auditor General first. We have done that in every other case. Let's hear her evidence, and then we can move after that.

But I just have a real problem with even considering going there, with the years of tradition that we have and the mechanisms that are

in place that make our nation, frankly, one that's envied by everyone in the world.

The Vice-Chair (Mr. Brian Fitzpatrick): Pierre.

Mr. Pierre Poilievre: I have no political reason not to want her here. This is someone who was appointed by a previous government of a different stripe. It's not in my home province. So for me, from a political standpoint, it doesn't cause any headaches.

I agree with Ms. Sgro: Why not listen to what the Auditor General has to say, first? Normally we put together a witness list after we hear from the Auditor General in the first place. She comes down with a report, we listen to her, she deposits it here, she sits at the table, and we listen to her contribution. After that's done, we all as a group, through the subcommittee, plan who our witnesses are going to be.

My sense is that there is an attempt here to put forward a big uppercot. We're going to bring in the Lieutenant Governor. We put it before the committee, we're dragging her in, and we're going to teach her a lesson. I don't think that is necessary or appropriate.

I think what we've heard from our legal advisers and from the contributions that Mr. Williams and others have made is that if we were to call a former head of state into this parliamentary committee, it would be a big step. I think even those who are supporting this motion would agree that it is a fairly drastic thing to do. It would seem to violate certain conventions on dividing the executive from the legislative branches, a convention that we weren't willing to breach when it was Adrienne Clarkson, you'll recall. I don't think we need to take a drastic step like that before we've even heard from the Auditor General.

I'm going to support the motion from Mr. Christopherson to have her removed from the list for now. If, for whatever reason, at some point later on, we are convinced that her testimony here is essential, I'll be open to it, but until I've heard from the Auditor General I'm not convinced of the necessity to take such a drastic step as to fuddy the line between executive and legislative.

• (1730)

The Vice-Chair (Mr. Brian Fitzpatrick): Okay.

I think everyone has expressed his or her points quite clearly on this matter. I think the best thing to do...

Mr. Williams.

Mr. John Williams: I'd just like to read Standing Order 18 of the House of Commons:

No Member shall speak disrespectfully of the Sovereign, nor of any of the Royal Family, nor of the Governor General or the person administering the Government of Canada; nor use offensive words against either House, or against any Member thereof. No Member may reflect upon any vote of the House, except for the purpose of moving that such vote be rescinded.

So that's quite clear. To bring a former Lieutenant Governor before this public accounts committee is most disrespectful, Mr. Chairman; therefore, it has to be ruled out of order.

The Vice-Chair (Mr. Brian Fitzpatrick): Go ahead, Mr. Laforest.

[*Translation*]

Mr. Jean-Yves Laforest: We are not talking about the Queen: we are talking about an individual who is appointed to perform the duties of the Queen's representative, but is no longer doing so. I'm sorry to have to say this, but Mr. John Williams' comments do not make sense. By refusing to have this individual appear at the same time as the Auditor General, he is accepting the idea that some individuals are above this country's rules of ethics and transparency.

[*English*]

Mr. John Williams: Let me emphasize one thing, Mr. Chairman: "nor of the Governor General or the person administering the Government of Canada".

Quebec is part of the Government of Canada, and it seems quite clear to me that it would cover the Lieutenant Governor of the Province of Quebec. Therefore, it has to be ruled out of order.

The Vice-Chair (Mr. Brian Fitzpatrick): I'm not going to accept that. I understand what you're saying, Mr. Williams, but the point of the issue is that she's no longer in that position.

Mr. John Williams: I suggest, Mr. Chairman, that you consult with the Speaker and the Clerk of the House and the law clerk and reserve your judgment and rule at a later time.

The Vice-Chair (Mr. Brian Fitzpatrick): I can accept that. There's no rush here. This thing won't be dealt with until next fall, either way. We're not some totalitarian firing squad that shoots first and aims second. We have time on our side, and I think we should go on the side of caution.

So I see absolutely no compelling reason why I shouldn't take Mr. Williams' comments under advisement, and the steering committee, in due course, can sort this out. Then it will probably be in Mr. Murphy's hands, and we're all quite confident that he will make the correct decision.

Mr. Borys Wrzesnewskyj: On a point of order—

The Vice-Chair (Mr. Brian Fitzpatrick): We adjourn this meeting, even though—

Mr. Borys Wrzesnewskyj: On a point of order, just before you adjourn.

The Vice-Chair (Mr. Brian Fitzpatrick): On a point of order.

Mr. Borys Wrzesnewskyj: Yes, this is not on this particular motion, but it is related.

We have not had an answer as yet in terms of the timing. We understood that the Auditor General is compelled to table her report with us, even though Governor in Council had requested this report. She's required to table it with us. And she has not? Oh, that's different then.

The Vice-Chair (Mr. Brian Fitzpatrick): But it gets filed in Parliament.

Mr. John Williams: That also raises the question, Mr. Chairman, of whether that report is before the committee.

● (1735)

The Vice-Chair (Mr. Brian Fitzpatrick): Right. Well, we have some other matters here we could quickly deal with. Do we have consent to continue with the bells ringing?

No? Okay, the meeting is adjourned—

[*Translation*]

Mr. Jean-Yves Laforest: Mr. Chairman, on a point of order.

Why are we not voting on this?

[*English*]

The Vice-Chair (Mr. Brian Fitzpatrick): I need unanimous consent to proceed after the bells have started ringing. I didn't get it. Two members said no.

The meeting is adjourned to the call of the chair.

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