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—
Chair

The Honourable Diane Marleau

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•(1110)

[English]

The Chair (Hon. Diane Marleau (Sudbury, Lib.)): Welcome to our guest, the President of the Treasury Board, the Honourable John Baird. We're happy you could make it on such short notice.

I'm going to ask the indulgence of the committee to move any discussion on motions until after the minister's presentation. If you're in favour, we'll do that.

As you know, we allow you to make a short presentation, and then we open it up for questions.

Mr. Baird, if you want to introduce the people with you, the floor is yours.

[Translation]

Hon. John Baird (President of the Treasury Board): Thank you, Madam Chair. It is always a great pleasure for me to come before you to talk about my work as president of the Treasury Board.

I am accompanied by David Moloney and Wayne Wouters. We are here to answer all your questions about government operations.

[English]

Thank you, Madam Chair.

I welcome the opportunity to discuss the tighter approach to expenditure management and responsible spending adopted by the government since we took office and the savings measures we announced on September 25.

In my opening statement, I'd like to provide a high-level overview of three issues: first, why we're taking these measures; second, how they're being implemented; and finally, third, what this means for the future. After that, my colleagues and I will be happy to answer your questions on the specific details of our expenditure management initiatives.

Let me begin first with the principles, the reasons for these measures. Nearly a year ago, Canadians elected a new government on the promise of greater openness and greater accountability. Nowhere is this promise more important than on the issue of how government spends. Canadians have told us that they expect their hard-earned tax dollars to be invested responsibly in effective programs that meet their priorities. They're concerned about waste in government programs.

Unfortunately, the expenditure management system we inherited is not up to meeting the challenge of those concerns and of those expectations. Over the past decade or so, an incremental approach to

funding decisions has become entrenched as a way of doing business. Many would be surprised to hear that the government is spending about \$5,000 a year more for each Canadian family of four in programs and services than it did just five years ago, in 2001.

Over the past five years, total program spending has grown, on average, by 8.2% annually. In 2004-2005, growth in spending reached 14.4%. It's clear that a new approach is required, and we've already taken steps in the right direction. The Federal Accountability Act, our first piece of legislation, will establish important new checks and balances and enable Parliament and Canadians to see more clearly where tax dollars go and how they are applied against measurable results.

The vital next step is to renew the government's expenditure management system to position us to spend better on behalf of the people of Canada to ensure that we get maximum value. This will involve making important improvements in four key areas: enhancing the quality of information that departments provide to support cabinet and government decisions; reviewing existing programs on an ongoing basis so that ministers have the performance information they need to make sound decisions; ensuring that departments focus their management effort very explicitly on the need to achieve and demonstrate value for money; and finally, better reporting to Parliament and Canadians where we spend taxpayers' money, what we achieve with it, and whether they're getting good value for money, so the government can be held to account.

Madam Chair, this brings me to my second issue: how we deliver on the first step to do more responsible spending; that is, delivering our budget 2006 commitment to secure \$1 billion in savings. As I announced on September 25, 2006, achieving the \$1 billion in savings will be accomplished through tighter and more disciplined management of spending, which actually started on the first day we took office, and through the results of the review of programs we conducted and announced in September.

Let me tell you how we conducted the review. Building on the directions and the criteria set out in the budget, we adopted a rigorous approach and took responsible decisions to ensure that federal spending achieves results, provides good value for money, and most importantly, meets the priorities of Canadians. I worked with my officials to review spending plans from past budgets and consulted ministers to identify programs and spending in departments that do not meet the criteria we had set out in the budget.

In July and August, a committee of ministers established by the Prime Minister met three times to review savings proposals in detail and ensure that they met the budget criteria. The savings proposals were then considered and agreed to by cabinet. We have made some tough but responsible choices on behalf of Canadians. The list of savings totals \$1 billion and it reflects the savings we identified in those programs that had unused funding because of lower take-up or because the objectives were being achieved through other programs, those that did not provide good value for money, those that could be delivered more effectively by streamlining or consolidating, and those that were not meeting the priorities of Canadians.

Let me give you a few examples of cuts made within my own Treasury Board portfolio. The previous government had decided to spend an additional \$20 million to support regional ministers. We believe that the existing funding of \$3.8 million is sufficient for that purpose and decided not to proceed with additional spending, saving \$20 million for Canadians.

By eliminating uncommitted funding for government-wide initiatives, we will achieve savings of \$18.5 million. This is funding that is no longer required, from past government-wide initiatives.

•(1115)

A reduction in program funding for the Public Service Human Resources Management Agency of Canada should generate more than \$83 million in savings, and this includes eliminating funds set aside for the previous government. There was more than is required to proceed with necessary classification work.

Savings of over \$9 million will be achieved by reducing low-priority training for federal employees at the Canada School of Public Service. The school has a budget this year of \$89 million to deliver its programs. We will save \$9 million over two years, while ensuring the school's resources are focused on core federal learning priorities.

I can provide many more examples of the significant economies, but in the interests of time I'll move on.

I'd like to conclude my opening remarks by focusing on the future and how the government will continue to ensure it is generating the best possible value for taxpayers' dollars. Responsible spending is the cornerstone of accountable government. Furthermore, responsible spending is not a one-time exercise; it's the way this government intends to manage tax dollars year in and year out. These reforms signal a fundamental change in the management culture in the federal government, a change that is essential for ensuring ongoing fiscal discipline and measurable results on the issues that matter most to Canadians.

All Canadians have a direct stake in the success of the exercise. Canadians are solidly in favour of a plan for managing spending and

the need for the government to make decisions based on clear criteria and on measurable results. Our expenditure management system will lay the groundwork for disciplined and well-informed decision-making and transparent reporting. The government intends to be open and straightforward with Canadians regarding the public finances. Making this vision of accountable, transparent government a reality will require a better way of managing overall spending throughout the Government of Canada, with a much stronger focus on results.

Going forward, the government will make responsible spending the norm by requiring that all new and existing programs go through a systematic and rigorous examination. This will ensure that this government only approves funds that are actually needed to achieve measurable results, in a way that is effective and that provides value for money. Our new expenditure management system will be built on the principles of fiscal discipline, managing the results, and maximizing value for money. This government's new direction in spending management is a clear departure from the wasteful ways of the past.

Through these initiatives, Canada's new government will ensure significantly greater transparency, accountability, and value for money in all federal spending. We will settle for nothing less. That's why this undertaking is at the centre of this government's management agenda.

•(1120)

[*Translation*]

Thank you, Madam Chair.

The Chair: Thank you, sur.

Mr. Bains from the Liberal Party, you have the floor.

[*English*]

Hon. Navdeep Bains (Mississauga—Brampton South, Lib.): Thank you very much, Madame Chair.

Thank you very much, Minister, for coming today.

I've listened to your opening remarks and you've clearly indicated a set of savings. You gave examples, which I appreciate, but somehow there were some examples that were missed. I just wanted to highlight those that you have not brought to the attention of the committee in your opening remarks: the \$5 million cut from Status of Women Canada; the \$10 million elimination of the youth international internship program; the \$11 million elimination of the first nations and Inuit tobacco control strategy; \$18 million for the literacy skills program, which I will come to later on; \$55 million for the youth employment initiative; and \$6 million for the court challenges program, to just name a few of the cuts that you didn't indicate.

You indicated that the decision to make these cuts was based on the premise that you wanted to eliminate waste and that you wanted good value for money. In your opinion, concerning these cuts for women, for aboriginal people, for youth, and specifically for minorities, for literacy skill programs, are they considered a waste and not a good value for money?

Hon. John Baird: We have only eight minutes for this round, so let me respond to the first two examples you listed.

The cuts, for example, at Status of Women Canada are on the administration side, not on the grants and contributions side. I think if you look at the ratio of administration to the grants and contributions side, it would probably be among the highest in the public sector. We want to focus on results, so rather than making the easy decision of cutting the grant budget, we wanted to ensure that we have a more streamlined administration. There are very few departments of that size, if any, that have the type of regional operation that it does, for such a small budget.

I'm not sure if all of the cuts that were made by the member for LaSalle—Émard in 1995 have been reinstated. I'm not sure if it has been brought up to the level that he inherited. But with respect to aboriginal people, yes, we eliminated the aboriginal effort to combat smoking. Smoking cessation efforts were not successful in that regard, and that's what we were spending public dollars on. We measure our commitment not on how much money we spend, but on the results that we get, and the Minister of Health will be coming forward with a program that will hopefully actually lead to smoking cessations for the market they're targeting.

Hon. Navdeep Bains: I appreciate the feedback on this.

The question I had was on the literacy costs to the program, the \$17 million or \$18 million that was cut. Since we tend to quote from the newspapers, I'll quote you with respect to the cuts to literacy needs. You said that "we've got to fix the ground-level problem"—kids who don't learn to read properly in school—"and not be trying to do repair work after the fact."

Do you still believe that the literacy cuts should have been made, specifically with respect to adults? Do you still believe they don't need these things?

Hon. John Baird: It is a gross distortion to read that into any comments I've made.

I was forced earlier this month, two weeks ago, after the member for Wascana had quoted me falsely, to challenge him to table tapes of the quotes he'd attributed to me. In fact, when he did table them, they

didn't quote me as he said they would. I got up on a point of privilege. The member for Wascana has refused to retract his comments, while the tape he provided did not have me saying what he had repeatedly told the House.

Hon. Navdeep Bains: Did you say what I just quoted?

Hon. John Baird: I don't know about the exact quote that you read from the newspaper. I would encourage the member opposite not to believe everything he reads in the newspaper.

Hon. Navdeep Bains: I'm just following your lead from question period.

Hon. John Baird: I took my own experience as someone from our province of Ontario. In Ontario, federally and provincially, we spend more than \$20 billion on education, training, and learning. We provide supports to pre-school programs, primary and secondary levels, the post-secondary level, and colleges and universities. We provide funds for immigrant settlement and adult education. In my community, this happens within four school boards. We provide substantial funds to EI, through social assistance. We provide substantial funds through the labour training agreement.

All these things have infrastructures in place. We have to ensure that each one, whether it be for children, youth, or adults, achieves success in teaching people how to read. Rather than develop a federal program for something that is clearly provincial jurisdiction, rather than try to clean up the failures of previous systems, we should work to ensure that for all Canadians—children, youth, or adults—there is a good system in place. We have increased support in many of these areas, particularly immigrant settlement. In the Department of Human Resources and Social Development, they spend \$28 million on enhanced language training. We're spending an additional \$900,000 on essential skills and workplace literacy, \$73 million on the workplace skills strategy, \$2.6 billion for aboriginal education programs, \$4.4 million for computers in schools, over \$1 million for adult education skills in the Maritimes, \$63 million for the sector council. I could go on and on.

• (1125)

Hon. Navdeep Bains: I appreciate that.

Hon. John Baird: Rather than have duplication, we should try to get it right the first time—or at least the first ten programs that we provide literacy training to.

Hon. Navdeep Bains: That is a fair comment. You're saying that the federal government should focus on national productivity, a more skilled workforce, a more competitive economy. But I hope you are aware of this: if Canada could boost its literacy rate by even 1% relative to the international average, its productivity would increase by 2.5%. I want to bring that to your attention when you talk about the federal government having to be careful—

Hon. John Baird: Should we set up a 16th system to try to encourage people to—

Hon. Navdeep Bains: Please allow me to finish, Minister. I want to bring this to your attention, because you question why adults should be receiving literacy program skills. I want you to understand that there are some 9 million Canadian adults whose inability to read is holding them back. Approximately 5.8 million can't cope with the demands of a typical workplace, and the remaining 3.2 million can't even read medicine bottles, job applications, or election ballots. These are important issues that you need to address and talk about.

I'm not going to go back to the earlier comment and refute what you said. It's "he said, she said". The cuts speak for themselves. You clearly indicated that the federal government has no role to play when it comes to literacy. So when you talk about national productivity and a more skilled workforce, it seems like rhetoric. The C.D. Howe Institute last fall came out with a report indicating that if there were an increase in literacy of even 1% it would improve our productivity.

It bothers me a great deal when you talk about productivity, waste, and mismanagement, while cutting literacy, which is very important to our productivity and to adults as well.

Hon. John Baird: But, Mr. Bains, we deal with facts.

Hon. Navdeep Bains: I was stating the facts to you right now. These are all facts of the C.D. Howe Institute.

Hon. John Baird: We have Hansard. We spend tens of millions of dollars recording what we say so that we have an accurate record of what was said.

You just said two things: that I questioned the need for adult literacy—I never did that, never said that, never suggested that—and that I said the federal government had no role. I never said that, never suggested that, never felt that, never believed that. You have to deal with facts, sir.

And when the facts are misrepresented, you bet your boots I'm going to call them to task. The member for Wascana has done a huge disservice to his personal reputation when he tabled proof of allegations that he had made and his own proof was zero. They were not true. I think that at some point if people have to misrepresent quotes and basically invent ammunition, perhaps their case isn't strong enough, and that does a real disservice.

Hon. Navdeep Bains: No, no, I'm not inventing anything here.

Hon. John Baird: I never said—

Hon. Navdeep Bains: I'm just saying the facts right now. I'm telling you right now that there are nine million Canadian adults whose inability to read is holding them back.

Hon. John Baird: But the fact that you're not addressing my point now, sir, suggests your argument is morally bankrupt.

Hon. Navdeep Bains: I'm saying there are approximately 5.8 million who can't cope with the demands of a typical workplace. These are facts.

Hon. John Baird: Your allegations are without moral authority, sir, because you have quoted me—

Hon. Navdeep Bains: I'm saying there are 3.2 million people who can't read a medicine bottle, a job application, even, as I said, an election ballot.

I'm just stating the facts here when it comes to program cuts, and I was just focusing on the program cuts.

The Chair: Mr. Bains—

Hon. John Baird: You've said two things that I didn't say.

The Chair: —I think the time is up and you'll have a chance to review it later on.

We're going to go to Madame Thibault.

[*Translation*]

Ms. Louise Thibault (Rimouski-Neigette—Témiscouata—Les Basques, BQ): Thank you, Madam Chair.

Distinguished guests, as you know, we are here because of a Bloc québécois' motion that was adopted by the committee. I am pleased that all of my colleagues around this table agree that it is important for us to consider the approximately \$1 billion in budget cuts that will be taking effect over the next two years.

Mr. Baird, I am surprised, to put it mildly, by some of the things you said in your remarks. As can be seen in a number of documents issued by your government, you talk about openness, transparency and responding to Canadians needs.

Looking at the cuts that have been made, I would say that you have actually affected—in the sense of deeply impacting—the most disadvantaged people and reduced service to the public. That is obvious, since three quarters of the cuts are made to those areas, with only one quarter resulting from reductions in operating expenditures.

So the government could have reduced its operating expenditures, but you chose to cut services to the public. I will give you a few examples: eliminating advisory groups, as well as eliminating funding for groups that assert people's rights and act as a counter weight to government. Those include the Law Commission of Canada, other groups such as the ones mentioned by my colleague just now, and groups involved in women's issues.

As an aside, I want to mention the comments made by your colleague, the Minister of Canadian Heritage and the Status of Women. Her department indicated that the eligibility criteria for one of its major programs, the Women's Program, had been changed. From now on, research and pooling activities, along with advocacy and efforts to influence the federal, provincial and municipal governments are no longer eligible. So we are not talking about cosmetic changes.

Coming back to some other aspects, you have eliminated so-called unused funding. One example is the whole crisis in the forestry sector caused by the mountain pine beetle. The government decided to eliminate \$11 million that had not been used. Millions of dollars have also been removed from food inspection activities. The same thing was done in the textile area and the Department of Fisheries and Oceans. One wonders why this funding was not used. Perhaps the conservative government was not interested in having initiatives take up that funding?

The uncommitted money included \$40 million for social economy programs. Quebec will be especially hard hit by those cuts, since it will lose \$5 million of the \$28.5 million set aside for that purpose.

I will conclude with three other examples. The first concerns the cuts to the Museum Assistance Program. I will take a very local example from my region. We have a travelling museum exhibition because not everyone in the Gaspé region and the Lower St. Lawrence can get to Rimouski. So the exhibition is taken from place to place so that people in the region can see it. In Rimouski, we were able to see it, but the others will not. This is terrible, because when people cannot get to culture, culture needs to be brought to them. It is an essential aspect of people's quality of life.

The second example is the Visitor Rebate Program, which was cut in order to save \$78 million. That will certainly affect tourists to some extent.

The third is the elimination of \$17 million for youth employment programs.

In my view, minister, the government could have reduced its spending. I want to know why, other than some meagre efficiency gains, you did not make your cuts within the government apparatus in order to streamline government instead of directly affecting the public in this way. I believe that you chose to have a serious impact on people. I would like to know why.

Moreover, I would like to know whether the departments received instructions outlining requirements to make «ideological cuts» or whether they were able to determine what approach they wanted to take. You laid out your requirements in those instructions, basically. I would like to know how that was done.

• (1130)

My first question, which is why you did not cut more from government operating expenditures, is for Mr. Baird.

My second question is for Mr. Moloney.

Hon. John Baird: Thank you very much for your presentation.

I agree that we had a choice. The first decision that the prime minister made was to reduce the size of cabinet.

After that, the first decision that our committee made was to cut the \$23 million or \$24 million that we saved by reducing the size of cabinet. That was the first place, of course, where we cut spending. That was the prime minister's first decision.

We also decided not to spend the approximately \$20 million to increase the budget for regional ministers, such as my budget as minister responsible for Ontario. That decision is another good example.

In terms of the percentage of its budget, my department underwent the second largest cuts. That is how we were affected.

You also mentioned a number of other cuts. I know that if your budget were cut, there would be an impact. It would not be a good day for you.

I will continue in English.

• (1135)

[English]

To put the reductions in context, if I were to put 400 quarters on the floor here, these budget reductions would be take one single quarter off. When we were increasing spending by more than 5%, we took these savings and put them into health care and a cancer control strategy, and we increased supports to families with children with disabilities—to try to respond to other pressures.

So we may have valid differences of opinion, which I think is fair, but we had choices and our choice was to put more into health care, a cancer control strategy, and more to support families with children with disabilities.

[Translation]

Ms. Louise Thibault: Mr. Baird, you are telling us that you needed to make some cuts. I did not say otherwise. And I did not say that you had cut everything. But why did only 25% involve government operations?

You talked about Treasury Board. Over a 5-year period, from 2000 to around 2005, the Treasury Board's budget increased by 26%. I understand that you are going to say that you were not there, but you are there now. Given your responsibility as a minister, why did you not reduce your budget in a significant way and ask all the other departments to do the same thing, in order to trim the fat in government operations and leave the public with the services that are needed in the areas of culture or advocacy?

I said earlier that you had made ideological cuts. You cannot tell me that this is not true, since we know that you have eliminated all funding for advocacy groups. That is an objective you set out in certain departments. They did not just imagine it. Why have you affected the public directly in this way, instead of trimming the fat?

[English]

Hon. John Baird: I reject the premise of the question, because I think we did lead by example in the directions I mentioned earlier. I think the internal savings are important.

The previous government led an expenditure reduction exercise that identified some \$12 billion in internal operations. In many respects, they might have overreached and booked what I would call phantom savings—a “don't worry, be happy” type of expenditure reduction exercise. We have to constantly ensure that the reductions are doable. We wanted to ensure that we met reductions—

The Chair: Thank you, Mr. Baird.

Briefly to Mr. Moore, and then followed by Mr. Kramp.

Mr. James Moore (Port Moody—Westwood—Port Coquitlam, CPC): When I first ran for office back in 2000, one of the dominant issues in that election campaign was the issue of the brain drain. I ran for office and was elected at the age of 24. One of the reasons I continue to run for office and continue to want to serve as a member of Parliament is to frankly work very strongly on competitiveness and to pay down our debt.

We cut less than one half of 1% of the federal government's annual spending; that's it, less than one half of 1%.

Navdeep Bains asked where the cuts are coming from. For example, we cut \$20 million that was going to aquaculture, I believe, in the province of Nova Scotia. There was \$20 million allocated and never spent. It was just sitting there.

We've decided in an ideological way, as Madam Thibault would say, to say that's frankly stupid. If the money is allocated but not spent, let's take the money and give it back to Canadian taxpayers in the form of tax relief. Better yet, in my judgment, tell my generation that you're not going to bankrupt the future by saddling them with debt from broken promises, which were never fulfilled, by politicians they've never met.

I think paying down the debt is critically important to this country and critically important to our future. I think the "boy who cried wolf" routine of the federal government in cutting less than one half of 1% of the federal budget to pay down the debt, so that young Canadians have opportunities and are not saddled by massive taxation with one-third of tax dollars going to pay down the debt, is responsible fiscal management. I think people who say that cutting less than one half of 1% of the federal budget is fiscally irresponsible are utterly out of touch with Canadians.

• (1140)

Hon. John Baird: Thank you very much, Mr. Moore.

I would only clarify a remark I made earlier. When I talked about the \$12 billion in savings by the previous government, 85% of those were internal, not 100%.

I agree. I think there are two ways to raise taxes: one, you do it directly; and two, you borrow money. You then give a tax increase to the generations that follow.

I think one thing we want to do is have a balanced approach, with real tax cuts to put more money into hard-working families that are struggling to make ends meet, debt repayment so that we can leave this country in better shape than we inherited it, and investments, such as the ones I mentioned in health care, which is of particular concern to folks in my constituency. We have to take a balanced approach on all three.

We didn't have the temptation to go on an end-of-year spending spree. In March in previous years they have spent upwards of \$5 billion of unplanned money. The previous government set up billion-dollar foundations, often with little accountability and no access to information for the public. We avoided doing that and wanted to present a clearer picture of the finances. When there was a surplus,

we didn't go on a spending binge. We paid down debt, which will mean a brighter future for the children of today.

To put that into context, when you think of \$13.2 billion, what that equivalent would save, if it was all cash debt, would be about \$650 million for this year, next year, the year after, and the year after that.

I think it was a prudent decision and one that I think Canadians welcome.

The Chair: Mr. Kramp, you have five minutes.

Mr. Daryl Kramp (Prince Edward—Hastings, CPC): Thank you.

I would certainly like to thank the Treasury Board and our other guests for coming here, particularly on such short notice.

Hon. John Baird: I heard you were going to be here, Mr. Kramp.

Mr. Daryl Kramp: Well, I can assure you that I don't quite agree with some of the comments I'm hearing from some of the other members today. Quite honestly, I suppose I'm not only surprised, but I'm a little disappointed.

As you said, we have an aging society. The demands on the future are going to be literally heavier and heavier if we don't eliminate the debt and reduce the debt. As the Treasury Board president said, \$650 million each year thereafter requires prudent management.

My opposition colleagues seem to have an attitude of "have money, will spend". Well, we have a surplus and the surplus doesn't just happen; all parties have contributed to the surplus through the House. I would suggest that we have an obligation, as the Treasury Board president said, to ensure we finally have a level of accountability for our spending.

Could the Treasury Board president elaborate a little on this? People have asked, if we have this surplus, why do we need more savings? Why do we need savings? Why don't we spend it? Could you give me an answer on that?

• (1145)

Hon. John Baird: It's "don't worry, be happy" fiscal management. One of the important things is that we align the government's priorities with the people's priorities. Canadians expect us to manage their hard-earned tax dollars wisely and well, and to respond to their concerns, and the fact that something was a concern last year or ten years or twenty years ago when a program was announced doesn't mean it's a priority now.

Another real concern I have is that one of our colleagues in the House of Commons made the following statement: nothing starts a feeding frenzy more than the smell of cash around Liberal backbenchers. That's not a Conservative MP saying that. That's the member for Kings—Hants, who's a member of the Liberal caucus and a leadership candidate. I think he wisely identified a real concern, when we have big surpluses, about what his caucus colleagues might want to do with them.

Mr. Daryl Kramp: Thank you.

Obviously, for you and your committees to come up with these savings, they just don't come from one area. It isn't, either, one program that wasn't effective or wasn't delivering results or money left over; there are several areas of interest in which obviously you were able to come up with savings. Could you maybe identify some of those for us?

Hon. John Baird: I'll tell you one area we didn't cut. My premier in Ontario was very strong in his condemnation of the Liberal government for cutting transfers for health care, which were cut by about \$25 billion. My premier in Ontario fought hard against those Liberal cuts to the social fabric of Canada. That premier, of course, was Bob Rae, who was a very effective critic of the Liberal decision to cut \$25 billion in transfers to the province. And we didn't do that. I'm particularly proud of that.

Mr. Daryl Kramp: We went through this exercise, and there's obviously condemnation, criticism, and praise. Where do we go from here? Is this the end of it now? Is this a one-shot deal? Where do you see us going in the future?

Hon. John Baird: I think we should constantly be looking at where we are spending tax dollars wisely and well. And Mr. Kramp, you can pick up the paper any day and find examples where Canadians are expressing dissatisfaction. We heard just today, for example, that there are various Liberal ministerial aides who won free rides into the public service—and taxpayers are going to have to pay for it—where there was a scheme set up with phantom jobs. There's a potential for savings right there, if we can get to the bottom of yet another Liberal scandal.

We'll be looking into this. This report that exposed this came from an arm's length officer, Maria Barrados, the head of the Public Service Commission. Again it involved my friend the member for Kings—Hants and the member for Vancouver South, who you may want to get before this committee, Madam Chair, to ask them about it.

The Chair: Thank you very much.

I must tell you, though, that we do know one thing: the cuts you've made in some areas are definitely not phantom cuts—the court challenges program, the women's bureau, the literacy programs. Let's face it, those aren't phantom cuts, and they hurt people who need help.

I'm going to go on now to Mrs. Nash.

Ms. Peggy Nash (Parkdale—High Park, NDP): Thank you, Madam Chair, and good morning, Mr. Minister.

I recently met in Toronto with a number of community agencies—dozens of them in fact—unanimously very, very concerned and distressed about the cuts announced by your government. They're

concerned because there was very poor communication. People were not consulted before the cuts were made. Some of them found out about cuts to their organization by looking on a government website. There seemed little concern about the impacts of these cuts.

And the cuts seemed to be particularly targeted to the not-for-profit sector in our society and some of the most vulnerable groups—the volunteer sector, literacy. Four in ten Canadians struggle with literacy. These programs are going to be affected. Women's programs are targeted. Now we see the word “equality” disappearing from the website of the Status of Women along with a 40% cut in their budget. We now see that for-profit organizations are going to be allowed to seek money from the Status of Women, so I wonder if the Royal Bank is now going to be eligible for grants from the Status of Women, as long as they don't seek equality. Immigrants are targeted and youth.

I'm very concerned about the cuts and the impact on our communities right across the country. And I have to say, for a party that campaigned on the issue of a democratic deficit and the need for a new democracy, squelching or reducing democracy by cutting advocacy programs and the ability of community organizations—some of the most marginal voices—to be able to speak up and challenge the government on issues of concern is very, very troubling. I think it's troubling to silence some of the most marginal voices in our society.

It's easy to always hear from the very powerful but less easy to hear from some of the people who are most marginal. And I include the court challenges program because without those resources some of the most marginal people would not have access to their full charter rights.

I've heard arguments today about economic efficiency, which of course we all support, and about the need to pay down the debt, which of course we all support, but a \$13.2 billion surplus, the entirety of which goes to pay down the debt, doesn't make sense. This is at the same time as we continue to subsidize the oil and gas industry to the tune of \$1.4 billion. It seems bizarre to target the most vulnerable sectors.

Mr. Minister, why is your government trying to silence some of the most marginalized groups in our society by denying the funding they need to survive?

● (1150)

Hon. John Baird: I guess it won't surprise you that I don't agree with the premise of the question.

There are quieter voices who want the government to spend more on health care delivery. There are quiet voices who want us to spend more money on immigration settlement.

You're a member from Toronto. I'm a member from Ottawa. They're both big cities in Canada. One of the things I'm proud of in our budget is that we took some of these savings to help pay for things like immigration settlement where the province of Ontario was getting a raw deal for many, many years.

Again, my premier fought hard to get the Liberal government to finally back down and treat Ontario fairly. I can remember he met well into the evening with the former prime minister, and I was the only member of Parliament on the Hill to fight for Ontario, to be there to support him that night.

So we're putting more into immigration settlement. And those are people with a quiet voice who have been disadvantaged, particularly in the province of Ontario for years. We had half the immigrants and we were getting 25% of the money and now we're going to get our fair share. I think that's important.

There's one example of a reinvestment to a group—talk about marginalized—a voice that hasn't been heard that's now being heard. I could give you more examples.

Ms. Peggy Nash: But Minister Baird, if that's the case, then why aren't we investing more of this money into programs like literacy? And why are we cutting money from the youth employment program? This is a government, your government, that wants to get tough on crime, and yet programs that help marginalized young people take a first step into the workplace are being cut. There is no logic to it except that there is.... Or I ask you: is there an ideological basis for these cuts that they all seem so targeted on the most marginal people in our society?

Hon. John Baird: Let me speak to you about the example that you raised about the youth employment program. There was a part of that specifically designated to youth at risk that we're not reducing funding towards. But it just didn't make sense to provide wage subsidies in parts of the country that are very close to full employment. There are summer jobs in many parts of the country at \$10, \$15, \$20 an hour that went unfilled this past summer, so it just seemed odd for the federal government to be providing wage subsidies in these communities. There are other areas of the country where prosperity has not reached, where there's still an important role to play and the program will be there to do that.

Ms. Peggy Nash: So you're saying that in a city like Toronto, where we still have a problem with many marginalized youth, and it's been very high profile when we've had difficulties with marginalized youth, these programs will still be there for them?

Hon. John Baird: The component for youth at risk is one we're not touching. We'll respond in many ways. I know I have met with Frances Lankin, the head of the United Way of Greater Toronto, to talk about what we can do to better coordinate and work with officials in Toronto. But the component for youth at risk is an important one, and one that we specifically exempted.

• (1155)

Ms. Peggy Nash: Can you explain why the word “equality” has disappeared from the Status of Women website?

Hon. John Baird: I haven't been on the Status of Women website. I think you could direct that to the minister. I think we all support equality.

Ms. Peggy Nash: The word has changed to “participation” as opposed to “equality”, and the real concern is that with 40% of the Status of Women budget being chopped, women's organizations across the country will suffer from this, women's voices will be silenced. And there's real concern that your government does not share a commitment to women's equality.

So I ask you, does your government share a commitment to women's equality?

Hon. John Baird: Yes.

Ms. Peggy Nash: Then why are you cutting the Status of Women budget by 40%?

Hon. John Baird: I think if you look at a department with a budget in the order of \$20-odd million, the amount spent on administration versus the support to communities was so incredibly high—I think it was the highest of any department that was in the government—and to have such a small department with such a huge regional presence.... With the increases we're giving for a cancer control strategy or for health care, how many women who are on the waiting list for breast cancer surgery, for cervical cancer surgery, for hip and knee replacements.... Their ability to participate in society is being impinged on because we didn't have enough resources for health care. We made a choice to say that rather than having more administration in that department we would put more money into the front-line system for our hospitals, for our doctors, for our nurses, for our long-term-care beds.

Ms. Peggy Nash: For the oil and gas industry.

Hon. John Baird: I don't think there are any changes in our budget with respect to the oil and gas industries.

Ms. Peggy Nash: You're right, the subsidies continue. I think pitting women with cancer against women who are advocating against violence against women is a false dichotomy.

Hon. John Baird: I always found it very interesting that the Status of Women would provide money for advocacy but not money for front-line services. I know I found that very frustrating. When I was in Ontario we opened a good number of shelters around the province; we opened two new shelters for battered women right here in Ottawa. And the federal government and the Status of Women were great to give a grant to if you wanted to have a conference. But if you wanted to actually help to prevent violence against women and to give women a refuge from violence, there was no money. So I think it's a question of priorities, and hopefully the fact that we didn't cut health care and we gave a 6% increase to Ontario for the budget for health care will give them some additional flexibility. Instead of cutting them by \$25 billion, the provinces will have a bit more flexibility to meet some of these demands, which I think are really important.

The Chair: Your time is up, sir.

We're now going to Mr. Alghabra.

Mr. Omar Alghabra (Mississauga—Erindale, Lib.): Thank you, Madam Chair.

Minister, thank you for coming.

I just have to say something. The credibility of a Conservative talking about fiscal management and financial prudence is as credible as Mike Harris's promise to open up more hospitals in Ontario. Canadians have not forgotten about the highest level of deficits and debt that the previous Conservative federal government accumulated. And we in Ontario are still trying to recover from the previous fiscal shambles in Ontario.

So my question to you is, why did you shut down the court challenges program?

Hon. John Baird: Other than the slander that preceded the question, I don't recall Mike Harris ever campaigning to open more hospitals.

Mr. Omar Alghabra: That's credibility. It would be the same level of credibility if he were to say that. Don't miss the point.

Some hon. members: Oh, oh.

Mr. Omar Alghabra: Why did you—

Hon. John Baird: Forget the drive-by smear. Let's move on to my question.

Mr. Omar Alghabra: This is not a drive-by smear. Imagine if Mike Harris promised to open up more hospitals, what kind of credibility would he have?

Hon. John Baird: Well, if you go down Carling Avenue, you'll see a brand-new Royal Ottawa Hospital that I was very pleased to announce with the Minister of Finance at the time, Jim Flaherty, and with the Minister of Health at the time, Tony Clement. The opening is going to be happening on November 1, and I hope you can make it. It's a great new hospital. It's state of the art. It's lovely. It's a P3, too.

I know McGuinty promised to get rid of the P3s, but it's a great new hospital. You should come to my riding and see the Queensway-Carleton Hospital and see the great expansion at the hospital.

Mr. Omar Alghabra: I have to tell you, I occasionally enjoy your theatrics, but now I'm still looking for your answer. Why did you shut down the court challenges program?

• (1200)

Hon. John Baird: We made a decision that we would rather put those funds to work for people in line for medical treatment. We made a decision to put those funds in line for a cancer control strategy. We made the decision that we would rather increase the tax credit support for families with disabled children. We would rather spend the money on those three areas than on the area you mentioned.

Mr. Omar Alghabra: Minister, I mentioned the court challenges program, \$2.3 million a year. You know that's one trip that the Prime Minister makes overseas, so to tell me that this cut has any financial impact on the budget is hollow. Tell me, really, why did you shut down the court challenges program?

Hon. John Baird: Maybe in your world \$2.5 million isn't a lot of money, but for the hardworking people I represent in Ottawa West—Nepean, you bet your boots it is. What about the equality of a young disabled child whose parents need a bit of support? What about the equality of someone on a waiting list for heart surgery who has a heart attack because they've been waiting for a year and a half? What about the equality of someone waiting for cancer care? We made a legitimate decision to put more money into health care and less money into that area, and some will agree and some will disagree. We didn't do what the Liberal government did, which was to cut health care by \$25 billion.

Mr. Omar Alghabra: The Liberal government didn't cut the health care program. They raised it by \$40 billion last year, but let me—

Hon. John Baird: You take \$25 billion out over five years and put \$40 billion in over ten years. That's not exactly an increase. If you don't believe me, ask Bob Rae.

Mr. Omar Alghabra: Didn't you say it was ridiculous that the federal government is funding programs that challenge government legislation?

Hon. John Baird: I never used the word "ridiculous". You're making it up.

Mr. Omar Alghabra: I didn't say "ridiculous".

Hon. John Baird: You did. You just said "ridiculous". What do you mean, "I didn't say 'ridiculous' "? Get Hansard. It will show you. You just said that, and I'm not going to let any more drive-by smears—

The Chair: Minister—

Mr. Omar Alghabra: Is he going to answer my questions, or what? This is ridiculous.

The Chair: Okay, straight questions, no games.

Mr. Omar Alghabra: This is ridiculous. You need to answer my questions.

Hon. John Baird: I did. You just didn't like them.

Mr. Omar Alghabra: Did you not say that...whatever word you used to describe—

Hon. John Baird: Didn't I say "whatever"? You have to be more precise than that, sir.

Mr. Omar Alghabra: This is not theatre here. We're taking this job seriously, and I hope you are taking it seriously, Minister.

Hon. John Baird: This is not fiction either. It's not make-believe.

Mr. Omar Alghabra: Didn't you say that the federal government should not be funding programs that challenge government legislation? Did you say that or not?

Hon. John Baird: I said that the federal government had a responsibility to make sure that its laws, both the ones they present and those in the statute book, were constitutional and respected the charter, and we shouldn't negate our responsibilities as a government or as elected officials.

Mr. Omar Alghabra: You tell that to immigrant women in the eighties who were not eligible for English as a second language, because if it wasn't for the court challenges program, they were not eligible to receive English language training. You tell that to Sikh Canadians who are now able to take their religious traditions into schools. You tell that to Jewish families who are able now to put religious ornaments on their balconies. Those were all outcomes of the court challenges program.

Hon. John Baird: It was the Mulroney government that came forward with allowing the first Sikh in the RCMP. It was a Conservative government that gave aboriginals the right to vote. It was the Conservative government that gave women the right to vote. It was the Conservative government that did many of these things. I don't think I need a lecture on equality from a member of the Liberal Party.

Mr. Omar Alghabra: You know what, Minister, Canadians have a lot more confidence in our system than you do. Canadians know that we have a judicial branch that balances out the legislative and the executive branch. By cancelling the court challenges program, it reflects your lack of confidence in your legislation and how you conduct business, and you just want to silence the court. That is reprehensible.

Thank you, Madam Chair.

The Chair: Thank you.

We will go to Mr. Wallace.

Mr. Mike Wallace (Burlington, CPC): Thank you, Madam Chair.

Thank you, Minister, for coming today with your counterparts.

I'm looking forward to my eight minutes of sticking to the facts, and not the rhetoric that has been going on for the last few minutes.

I was a city councillor for the City of Burlington and Region of Halton for 13 years. Every single year I brought budget cuts to the table. Some got passed and some didn't. Can you remind us, because I like to deal with the facts, how much the government is spending in an annual year and what the actual cut is that you've proposed and that we're working on?

Hon. John Baird: It's about \$200 billion, and less than half of 1%. We're increasing spending by some 5%.

We're making a choice to spend money differently. The fact that a thing was decided five, ten, or twenty years ago doesn't mean it's best for 2006.

Yes, I concede that we will do the very best job we can to meet the priorities of Canadians. Some Canadians would have us put all the money into tax cuts and make no new investments. Some Canadians would have us put all the money into new investments. And some Canadians would have us put it all to pay down the debt. We've taken a balanced approach: we're paying down debt, we're increasing investments, and we're cutting taxes. I think that's a balanced approach, which Canadians welcome.

• (1205)

Mr. Mike Wallace: I appreciate that. I've made a couple of calls and I've had a few calls. I had the opportunity to be on the finance

committee last week for a tour out west, and of course, there were questions on those particular issues. Would you be surprised, Minister, that when I ask people if they've actually read about the cuts and why they were made and where they were made, I got very little or no response, in terms of their having actually heard it; that they'd really been relying on either press releases or press that their organizations have done?

What are you doing to communicate where those cuts are actually coming from?

Hon. John Baird: We certainly did an announcement. I'm hesitant to spend millions of dollars to promote a few million dollars' worth of spending reductions. It's obviously a concern. It's a challenge in any environment to get your message out in the 500-channel universe.

Mr. Mike Wallace: Okay.

Here are two things from my area in particular.

One of the areas you cut was museums' money not spent, basically—not applied for, not spent. I called my museum's organizer, who used to be on the board. They never got any money from that program.

Could you tell me, is there, in your discussions with other departments, a program review that happens, that maybe even happened before we took over government, to let you know where these cuts could be made? What was the process to get to where we are today?

Hon. John Baird: There was an exercise by the previous government, where they identified cuts of \$12.5 billion. This exercise is a far more modest \$1 billion.

Mr. Mike Wallace: So you asked other ministers to give you suggestions, and then you made—

Hon. John Baird: We looked far and wide to identify areas to the criteria, keeping an eye on the priorities of Canadians. Canadians elected a new government. There have been quieter voices that have not been heard—voices for health care and voices for more police officers, as two prime examples.

Mr. Mike Wallace: Okay.

You had some decisions to make. Could you have made more cuts? Is there opportunity for us to be making more cuts?

Hon. John Baird: I think when you run a \$200 billion corporation, as all of us in Parliament are charged to do, you should always be looking to ensure that you're spending taxpayers' dollars wisely and well and on the priorities of Canadians.

Mr. Mike Wallace: One issue I heard a fair amount about on the trip out west was literacy. I like to deal with the facts. My understanding—if it's not correct, you can correct me today, or the staff can—is that not a single organization with an existing agreement had their funding cut. Is that an accurate statement?

Hon. John Baird: I guess there's a big difference between advocacy and actual front-line learning. We'll probably spend more, with the immigration settlement dollars, on the training component of literacy, and that's important. Again, it's a front-line service. Some people would rather fund conferences or advocacy organizations rather than front-line delivery, which is certainly a higher priority for our government.

I mentioned the Status of Women. They will fund if you want to have a conference or do a study on domestic violence, but if you actually want to provide front-line services, they don't provide any financial support, so the provinces are left to do it. Hopefully, the increase in the transfers to the provinces will give them greater flexibility to meet some of these demands, which perhaps aren't always highest in mind.

Mr. Mike Wallace: Mr. Minister, I think you did an excellent job of getting us to where we are. I think it is only small, at 0.5%. I know we used to get budgets presented to us with 8% and 9% increases, and we'd get them down to 3%. So we were a lot more ruthless at the municipal level than we are here. As a new member, I'm still learning how to make those changes.

What do you foresee in your department's role in terms of the future and the overspending and waste that does happen here at the federal level?

Hon. John Baird: All we want to do is ensure that there are better accountability mechanisms in place. There will always be mistakes when you have an organization with hundreds of thousands of people working in it; we're all human, both on the political and the public service side. What we want to do is put in a better process to identify problems and shortcomings earlier. We don't want to stifle innovation within government, politically or within the public service. We want to recognize that on any given program you're never going to get 100% results. But we want to have processes in place to ensure that we do the very best job we can. Those are the types of accountability mechanisms we're trying to put in place, particularly through the Federal Accountability Act and the federal accountability action plan, which are two big initiatives.

• (1210)

Mr. Mike Wallace: Right.

Madame Thibeault indicated where the split is in terms of programming and funding. What's your plan for any employees who are displaced due to the cuts?

Hon. John Baird: This is something that's of big concern to me and one of the real priorities I've brought to Treasury Board. We're not going to have perfect relationships with the public service unions, but we're working hard. There will be some 300 to 340 job losses as a result of this, but I'm very comfortable that we'll be able to work with each and every one of those individuals to find them other employment. More than 5,000 people leave the public service every year for retirement or to pursue other opportunities, and the reductions we made are in fact less than 5% of our annual turnover. It's an important message that I brought to our bargaining agents, that if there are concerns raised, we want to work with them. We've been able to establish, I think, five or six collective agreements, negotiated settlements, including one that had gone on for more than four years.

So we're working hard for a constructive relationship with the public service at all levels, and it's based on respect.

Mr. Mike Wallace: Okay.

I have about one minute left, so this is likely my final question.

We're working hard. As a government, we've recognized that there's a fiscal balance that needs to be done, and we have you and a number of other cabinet ministers working on that issue, including the Prime Minister. Do these cuts have any effect on our relationship with the provinces or the territories?

Hon. John Baird: That was a decision we made right from the get-go. We didn't want to establish the approach that Bob Rae was so critical of, where they balanced the budget on the backs of the provinces and on the backs of our hospitals and our doctors and nurses. That's why we didn't reduce transfers to the provinces, or infrastructure, which is generally a partnership. That was an important priority that we brought to the table.

Mr. Mike Wallace: Thank you, Mr. Minister.

Thank you, Madam Chair.

The Chair: Mr. Bains.

Hon. Navdeep Bains: Thank you very much, Madam Chair.

I guess there's a certain theme that's developed in today's discussion. Obviously the theme is that there are cuts to social programs, and more to come. Based on your remarks, that's the impression I get.

I would like to echo the comments of my colleague with respect to fiscal management. It needs to be noted that you take great pride in the surplus that was generated, but that was due to hard work and diligence of the Liberal government, alongside many other Canadians, working in a collaborative fashion to fix up the books and the mess that was left by the previous Conservative government, which almost bankrupted this country. So I just want to make that point as well.

But I think there's also a new theme that you developed, aside from the social cuts and aside from the cuts that are yet to come: withholding funds. I think this is something that might be a new practice for you, so I just want clarification on this as well.

You withheld the federal government's \$200 million commitment to the City of Ottawa for light rail transit. There are three components of this particular issue that come to light.

First is the legal consequence of your action. When you talk about Canadian taxpayers, you take great pride in it, yet now you put them in jeopardy and they might be liable for your actions for intervening in this particular file.

Second, there's obviously the breach of the confidentiality agreement that has occurred with respect to particular items that you released to the media. There seems to be an implication that you possibly might want to get involved in the municipal elections through these actions. I don't know if that's the case. I trust you don't. I think you're a very honourable member and you work hard. So I hope that's not the intention.

Third is this unprecedented action, why you would get involved in that particular matter like this. This is the first time, I believe, in the Canada Strategic Infrastructure Fund, in Ontario, where a minister has gotten involved so late in the game.

The ironic part is that you got involved thinking there was an issue, yet you made it very clear that the new council, if they come in, can okay the deal. If there's no problem with the deal, then why are you involved?

So all these issues really are mind-boggling. It's difficult to understand why you would get involved. Most importantly, you're putting at risk Canadian taxpayers. So I would like you to talk about this new theme now, aside from the social cuts, the new theme of withholding funds from projects, especially infrastructure, as you discussed previously.

Hon. John Baird: The case didn't arrive on my desk until September 28, so late in the process. It was the first time that it came to my desk.

I do note that Réjean Chartrand, the director of economic development and strategic projects for the city, the city's top official on the light rail project, responded to questions at the city council and said yes, the prices would remain fixed, and that should the contract be awarded in December, there would be very little exposure.

•(1215)

Hon. Navdeep Bains: So you don't think there's any liability to the government through your actions?

Hon. John Baird: That's what Mr. Chartrand said.

Hon. Navdeep Bains: I'm asking you.

Hon. John Baird: No.

Hon. Navdeep Bains: Okay.

And you think that your actions have no implications on local implications of what you tried to do? There's no perception of that? Or you had no intentions of that?

I give you the benefit of the doubt. I want to hear you out.

Hon. John Baird: This arrived on my desk on the 28th, and I had to make the very best decision I could for taxpayers. I'll concede that this government's efforts to bring accountability are unprecedented. They certainly haven't been seen in a generation in this town.

Hon. Navdeep Bains: Yes, okay. I'm talking about—

Hon. John Baird: In the new strategic infrastructure fund, many of the projects that have been awarded by the previous government are coming in over budget. We have virtually every water and sewer treatment project and the big six cultural projects in Toronto, all over budget. And we have—

Hon. Navdeep Bains: I'm talking about this specific project. In this specific project there could be cost overrun implications?

Hon. John Baird: We have the Olympics in Vancouver, overrun. We're just trying to make sure that—

Hon. Navdeep Bains: I appreciate your concern, but can we just stick to the topic that we're discussing, Minister?

With respect to this particular project, on your actions, first of all, you indicate this file was received by you very late in this particular matter. But are you also comfortable that there was no breach of confidentiality when your staff leaked out components of the contract to the media?

Hon. John Baird: I don't believe there was any breach of confidentiality.

Hon. Navdeep Bains: Why was that leaked? Why did you feel it was necessary when the procurement process is strictly between the municipal government and the company that was responsible for that project? Why did you feel you had to intervene and provide information to the media when it was not in your jurisdiction?

Hon. John Baird: They were asking for \$200 million of federal money. I think \$200 million—

Hon. Navdeep Bains: They weren't asking you. This was committed to already by the Treasury Board. And this was contingent—

Hon. John Baird: No, you're wrong there. This issue had never been before the Treasury Board.

Hon. Navdeep Bains: The amount had not been committed by it? There was no commitment made by the government?

Hon. John Baird: There was a political promise made a month before the election in 2004. This issue had never—

Hon. Navdeep Bains: It's a joint agreement of the federal, provincial, and municipal levels of government.

Hon. John Baird: This issue had never come before the Treasury Board until the 28th of September.

Hon. Navdeep Bains: It had never come before the Treasury Board? There was no commitment made for this?

Hon. John Baird: This issue had never come before the Treasury Board.

Hon. Navdeep Bains: Okay, and you felt it necessary to intervene, and you realized that there would be local implications by your actions?

Hon. John Baird: I'm not supporting any candidate municipally. I do know there is one candidate who is running for mayor who is a prominent Liberal; another candidate for mayor worked for Mr. Martin in the Liberal campaign in the last election; and the third major candidate was head of the Laurier Club for the Liberal Party. I don't have a horse in this race, sir.

[Translation]

Ms. Louise Thibault: Madam Chair, I have a point of order.

[English]

The Chair: Five minutes is up.

[Translation]

Ms. Louise Thibault: I hope that this discussion is at an end.

I tried to be patient, but this has nothing to do with the item on our agenda. I am happy to be accommodating, but we have two meetings on this issue and not four.

The Chair: Mr. Nadeau.

Mr. Richard Nadeau (Gatineau, BQ): Than you, Madam Chair.

Minister, I would like to welcome you and your officials from Treasury Board.

Certain information has come out following the \$1 billion worth of cuts, but beyond those cuts is the fiscal imbalance. Under the Canadian Constitution, Quebec and the other provinces are responsible for health care services, education, income support, social services and municipalities.

I find it tragic that the attitude of the current Canadian government is similar to that of the previous government, whose ties were a different colour. For the past 24 years, our deficit and debt have been decreasing. I would like the Treasury Board and the Department of Finance in this current government to shift their focus so that much of the surplus, whether we are talking about one-third or two-thirds, would be used to deal with certain problems in Quebec and Canadian society.

The textile industry, for example, is a major issue in some regions. There is also the soft wood lumber industry, but that is another story. Some segments of the population are having difficulties. One example is the need for an assistance program for older workers. The federal government has some flexibility to help vulnerable sectors of society.

There is a total surplus of \$13 billion, and some of the cuts affect very sensitive areas.

I understood your message, when you have made comments in question period or elsewhere, about the court challenges program. You said that the federal government will always respect the Canadian Constitution and there is no point in having a program that allows people to take the federal government to court.

You know very well, minister, that in certain cases, such as the administration of French schools in Ontario or Saskatchewan, which I know better, the problem was not the federal government but rather the provinces that were not complying with the Canadian Constitution.

How will parents' groups be able to challenge political decisions made by the provinces and made by an education department, in order to require the provinces to comply with the Constitution? If I remember correctly, when Mr. Mulroney was prime minister, he abolished the court challenge's program and then reinstated it because he realized that he had made a mistake.

How are you going to resolve the problem of the fiscal imbalance, taking into account the current and future surplus? On the question of court challenges, why not allow francophones in Canada, in

special cases like school administrations, to use that support to make sure that the provinces honour the Constitution?

● (1220)

Hon. John Baird: I appreciate your comment, but it was former Prime Minister Jean Chrétien who restored the program, and not the former conservative government.

Your comments are interesting. I agree with you when you say that you want the Canadian government to give money to lawyers to challenge provincial laws. That is interesting. I did not think that the Bloc would hold that view.

Mr. Richard Nadeau: I would just like to clarify a few things, minister.

If any people, group or minority suffers injustice, the Canadian state must show that it is willing to help people rattle provincial governments, which are also part of the machinery of government, and tell them that they are not complying with section 23 of the Canadian Charter of Rights and Freedoms. Under that provision, school administration comes under the authority of groups like the Fransaskois, Franco-Ontarians and Acadians.

That kind of exercise made it possible to start fighting assimilation once again. For example, one illustration of that is the Montfort Hospital. You know that file better than I do, since you were in the provincial cabinet at that time. The province had not acted fairly. In that kind of situation, a court challenge is needed so that people who do not have enough financial resources, unless they work with the government, can rein in provinces that do not respect the law of the land.

Hon. John Baird: That is interesting. You are talking about issues that are close to my heart. It is very important indeed that government representatives, ministers, assume their responsibility for protecting minorities.

When I was a member of the Ontario Government, we established, for the first time in Canadian history, a system of funding equity and education for both young francophones and young anglophones. We created 12 French school boards, catholic and even public school boards, in every region of the province. That was the greatest victory for the Franco-Ontarian community in Canada's entire history.

I was not the minister responsible for francophone affairs when an independent commission handed down its decision on the Montfort Hospital, and when I was the minister, the issue was closed. I was the one who called Gisèle Lalonde to tell her that the government was planning to appeal the decision because it took its responsibilities seriously.

● (1225)

The Chair: Thank you, Minister.

We will now go to Mr. Albrecht.

[English]

Mr. Harold Albrecht (Kitchener—Conestoga, CPC): Thank you, Madam Chair.

Thank you, Minister Baird, for being here today.

I can tell you without question that people in my riding are very grateful that our government has taken some steps to restrain spending and put some measures in place that will not only restrain new spending, but re-evaluate programs that have been in place for some time.

All of us here have at some level a responsibility for a budget, whether it's a family budget or that of a community board we serve on. For many years I served on a school board in my area. It's always easy to start a new program, but it's very difficult twenty years after the fact to come back and re-evaluate whether that program is still doing what we set out to do. I applaud the efforts that have been taken here.

I also noticed in the material we were given that you're committed, Mr. Baird, to having all new and existing programs undergo a systematic and rigorous examination. I'm wondering if you could outline for me in a very brief way what that process will be. Will it be annual? Will it be more frequent? What kind of process do you envision for that?

Hon. John Baird: One of the things I was tasked to do in the budget, beyond this, was to bring in a new expenditure management system for the government. Our expenditure management system is weak at best. We went through the big period of high deficits, and the focus was so much on spending reductions, there became a lack of focus on how we deal with increases in spending, or how we deal with the competing pressures for increases in spending.

I think it's important to constantly evaluate programs to find out if they're meeting with success. I'm working on bringing a proposal to my colleagues on that issue. We're doing a lot of work, and the officials have been incredibly busy. But at this stage, we don't have anything to report, and I haven't been back to my colleagues.

A tenet I believe is that we should look periodically at every dollar that's being spent and ask if we're getting results. Are we getting value for our money, and is the program doing what it was intended to do?

I don't know many people who send their money back to the government as a grant saying we don't need this any more, or we haven't met with success, so you can have the money back.

Sometimes you have to ask difficult questions in government. We're going to ask the tough questions to make sure that the taxpayers' money is spent wisely and well.

Mr. Harold Albrecht: Do I have any time left?

The Chair: Yes, you do.

Mr. Harold Albrecht: I also wanted to comment that in terms of paying down our debt, the billions of dollars that were committed to paying it down are very crucial.

Members opposite are taking great credit for the fact that our deficit has been reduced. But I'd like to remind them that when they came to power, the accumulated deficit was actually \$11 billion less than it was when we took power. In spite of a booming economy and all the efforts put into paying down the debt, we have a higher debt at this point than we did in 1993.

The Chair: Is there any answer to that?

Hon. John Baird: I guess one of the real challenges is that deficits are a tax on future generations. As to debt, think of what we could do with all the money we're spending on interest every year. I visited your constituency, and the number of people talking about community safety and the need for tougher criminal laws is incredible—and more resources for our police.

I think we have a responsibility to leave the country in better shape than we found it. Certainly my generation is going to have to work awfully hard to do that, because previous governments have left it in bad shape.

To be honest with you on the fiscal situation, I don't think anyone can wear lily white. Governments of all three parties have borrowed too much and taxed too much. We have to keep our eye on the ball of that simple goal: how do we leave the country in better shape than we found it?

The Chair: Thank you.

Mr. Baird, you will admit, though, that getting a \$13 billion gift from the previous administration is kind of nice. I don't think you knew that before.

Hon. John Baird: That's not the previous government's money. That was the problem with the previous government: it's not the public treasury, but their own.

The Chair: Believe me, we had a \$40 billion deficit left over as a gift from the previous administration. It's not the same thing.

Hon. John Baird: That surplus is not the government's money; it's the people's money.

• (1230)

The Chair: But it's kind of nice to have that to be able to put down against the debt. So say thank you.

Mr. Alhabra.

Mr. Omar Alhabra: Thank you, Madam Chair.

Minister, you've put a lot of emphasis today on health care needs and the fact that you'd rather spend government money on health care. You acknowledge that there are a lot of challenges and needs in the health care sector and in other sectors that are important to Canadians. Is that true?

I didn't hear the answer.

Hon. John Baird: Sure.

Mr. Omar Alhabra: Okay.

Can you tell me why, and tell this committee and tell Canadians why, you didn't choose to dedicate part of that surplus towards the needs that are really urgent, especially the ones you keep talking about? Health care—why didn't you do that?

Hon. John Baird: We did. We put more money for our cancer care strategy.

Mr. Omar Alhabra: No, no, the \$13.5 billion surplus—why didn't you dedicate part of that? That's my question. Why didn't you dedicate part of that surplus to health care?

Hon. John Baird: I think the equivalent savings would amount to about \$650 million, and by paying down debt we had more money for a public transit credit, so that people can breath cleaner air when we have fewer cars on the road. We have our cancer care strategy in this budget, which we're able to pay for based on paying down debt. There are two examples, right there, where the health of Canadians will be better as a result of this budget.

As well, by paying down debt, we had better flexibility, and we were able to increase health care spending as opposed to cutting it by \$25 billion.

Mr. Omar Alghabra: That's airtight logic. I'm impressed.

Hon. John Baird: I appreciate that.

Mr. Omar Alghabra: You know, \$13.5 billion.... An average Canadian family every year faces a similar choice. They have a choice: whether they want to pay down additional payments towards their mortgage or send their children to university. What do you think they choose?

Hon. John Baird: I'm not going to tell families how to live their lives.

Mr. Omar Alghabra: No, what do you think? That's not my question. I'll tell you, if you don't want to.... To avoid—

Hon. John Baird: I'll tell you what. I think what families can't do is increase spending by an average of 8%. If they get a pay raise of 3% or 4% and they increase spending by 8%, what happens is that the house gets foreclosed, because families can't print money.

I am proud of the fact that we paid down \$13.2 billion, and I'm very happy to defend that anywhere, any time, any place to Canadians directly. If you want to fight against that argument, God bless.

Mr. Omar Alghabra: No, no, Minister. Let me remind you why you are here today. You're here today to answer our questions, not for us to witness comedy or theatre. I expect you to answer our questions.

Hon. John Baird: I did. You just didn't like the answer.

Mr. Omar Alghabra: No, you didn't answer my question. Canadian families face those similar choices on a daily basis and make choices to invest in their future and the future of their children. This government has chosen to use its own ideology by cutting expenditure on programs they don't agree with, and then claiming they are increasing spending on health care or immigration while they're doing exactly the opposite.

We had—this is a fact, and I know how much you like dealing with facts—a \$13.5 billion surplus, and I'm not going to get into who's responsible for that surplus. This is taxpayers' money. They expect it to be spent wisely. It should have gone, part of it, to invest in health care, education, and future programs. This government has chosen to do exactly the opposite. It's really regrettable, and most Canadians are upset about that.

Thank you, Madam Chair.

The Chair: Thank you very much.

Mr. Warkentin.

Mr. Chris Warkentin (Peace River, CPC): Thank you.

I appreciate you being here this morning, Mr. Minister.

Certainly I have to follow up on my colleague from across the table. Of course he rants and he raves about particular household expenditures, and how a household might manage its expenditures.

I'll tell you a little story, Minister, and it goes like this. I'm married and we have a baby daughter, and there's a number one priority we have in our household, and that's to pay down our mortgage so that once our child reaches the age of getting her education we'll be able to pay for it because we won't be servicing the debt on our home. Certainly that has been the commitment that's been shown by this government, so we appreciate that you've been paying down the debt to ensure that future generations will be able to have the opportunities that all of us have had. So we do appreciate the investment that you've made by paying down the debt, because it will ensure that \$650 million will come back into the government coffers ongoing from now into perpetuity.

But that isn't my major concern. I have to tell you a little story. I met with one of the literacy groups in our community, the Grande Prairie Council for Lifelong Learning, in Grande Prairie, which is the larger centre in my constituency. And the story goes a little bit like this. The group has been applying for money for several years and has been trying to get money. They're an organization that invests in communities by trying to teach people, through partnerships, through mentorships, to teach other people to read. These are older people, these are adults.

What this agency has told me, what this group of people has told me, is that in the past they have found it impossible to access federal dollars because all the federal dollars have been allocated for studies and studies and studies and studies. They said "We don't want one more study; we know that people have difficulty reading. We know who those people are. All we want is the money to be allocated into particular investments and just cut out the studies for now."

• (1235)

Hon. John Baird: You're wrong, though. All the money didn't go into studies. Some of it went for conferences, some of it went for symposiums, some of it went for advocacy.

Mr. Chris Warkentin: The story is these people are frustrated because they know the people on the ground who desperately need the services haven't been able to.

I think Mr. Bains pointed out, particularly, with eloquence, the problems that the last 13 years of Liberal programs have resulted in. People have not been able to access the dollars to be able to increase literacy in the country. We've seen a decline in the number of adults who have been able to reach the level of literacy that we'd like to expect in this country. Certainly this group was saying they're very pleased that we have withdrawn the money from these studies, and what they want to see into the future....

The government has made a number of different investments into literacy programs that will actually get to the ground and onto the ground, so certainly we do appreciate that and we do want you to continue to move forward. I speak for people who are happy with the direction you're headed in. I guess the message is that prudence and responsibility will win the day, and certainly we appreciate it.

Hon. John Baird: Language training is particularly important for new Canadians, and that's why we're increasing significantly immigration settlement dollars—an issue that had been pushed very hard in my province by Premiers Rae, Harris, and McGuinty—for Ontario to get fair treatment. This is the first budget where we're moving towards that, and I'm very proud of this because there are a lot of new Canadians in my own constituency in Ottawa where I serve, a big city, and there and in the Toronto and greater Toronto area there are significant needs that can now be met.

I spoke to an individual the other day who works in the immigration settlement agency in my own constituency, and they're seeing a lot of action on the ground now in that area, which I'm very proud of. It's something we advocated very strongly about. I know long before the election I had the then-leader of the opposition talk to my premier, meet with my premier, put aside politics, to try to push this issue. It was only when Stephen Harper got involved and began to push this issue that finally the Liberal government federally began to cave under all that collective pressure, and now the Conservative government is delivering on that, and I'm very proud of it.

Mr. Chris Warkentin: Absolutely.

Thank you, on behalf of my constituents.

The Chair: Thank you very much.

Madame Thibault.

[*Translation*]

Ms. Louise Thibault: Thank you, Madam Chair.

Since my colleagues and I have not had the opportunity to hear from Mr. Moloney, I will repeat my question for him.

I would first like to know whether the Treasury Board Secretariat held discussions with Finance Department officials. When this exercise got under way, who decided what: did the government have to come up with a certain level of cuts? Were people asked to focus on certain areas? Was there also talk about direct efficiency, reductions, etc.? I used to do that kind of work in another life. Did the departments have instructions, or could they choose how to proceed?

I would also like to know whether the departments were offered any incentives to encourage them or force them, as the case may be, to review their own operating expenditures. Over the past ten years, government's spending has increased very significantly. I am not saying that your government is responsible for that; I am giving you the facts.

• (1240)

Mr. David Moloney (Senior Assistant Secretary, Expenditure Management Sector, Treasury Board of Canada Secretariat): Thank you.

The secretary of the Treasury Board Secretariat was with us, but I did participate in the process. As the minister mentioned, the budget set out an objective of several billion dollars a year in cuts. Existing and potential reductions were studied by senior officials in the departments and agencies, the Treasury Board Secretariat, the Department of Finance and the Privy Council. They focussed on all of the government and based their decisions on the criteria.

Ms. Louise Thibault: May I please interrupt you, I want to come back to the issue of criteria.

Did the senior officials and deputy ministers of the various departments have any questions? With regard to the "unused funds" criterion, I gather that the deputy ministers, for whose intelligence I have great esteem, must have thought that unused funds were perfectly usable as such. There are unused funds, but there are many other things that come afterward.

With regard to criteria, we find the expression "programs that were not providing good value for money". We could get together and study government documents and come up with very different opinions about programs that do not provide good value for money. For instance, some colleagues found certain pseudo-legal programs very useful, whereas the government said that they had not been very useful. People do not make claims that are contrary to what their own government wants. There are philosophical reasons for this.

Did these people have a detailed book of specifications? You said that criteria were followed during this exercise. Mr. Moloney, I do presume that public servants respected the criteria: the decisions are up to the government. I would like to know whether the criteria were so strict that they did not leave any choice, or whether they allowed the government to make savings in other ways. Can senior officials find other ways and means, or must they strictly follow the plans provided by the Treasury Board Secretariat or by the Department of Finance?

Mr. David Moloney: We, the senior officials of the central agencies, reviewed the government expenses as well as the planned expenses that had not yet been committed. We based this review on available information and evaluations carried out by the departments, in order to evaluate the efficiency and effectiveness of expenses following set criteria.

As a central agency, we suggested that the minister as well as a committee of ministers should discuss the matter and then hold consultations. This was done under the direction of the secretary. I will give him the floor so that he can tell you about the discussions that went on among deputy ministers. Through this process, we, the senior officials, reviewed the impacts and the consequences. The deputy ministers followed by the ministers also discussed these aspects.

The Chair: Thank you.

Ms. Nash now has the floor.

Ms. Peggy Nash: Thank you, Madam Chair.

[English]

Mr. Baird, I'd like to ask you about the court challenges program. The Charter of Rights and Freedoms is a law that Canadians support and are very proud of; it protects equality in Canada. Without the court challenges program, many people, in fact the very people whose rights may be at risk, won't have the means or the resources to be able to challenge unjust laws and discrimination. So to cut completely the court challenges program erodes the power of the Charter of Rights and Freedoms to protect the rights of those very groups it seeks to protect.

Certainly many concerned people have contacted me on this. They're very concerned that this is a major step backwards for equality rights in Canada. There are lots of examples of groups that have used the court challenges program, including those who are seeking redress for the Chinese head tax and those who are concerned about the lack of linguistic freedom for francophone rights. There are many other examples.

There's a real concern about the elimination of the court challenges program as an erosion of our democracy and human rights in the country, in that the very people who this is designed to protect will no longer have access to the mechanisms and resources to help them get their rights enforced.

Can you tell us what the thinking is behind the elimination of this important and successful program?

• (1245)

Hon. John Baird: I think of the senior citizen in Bayshore in my constituency who's afraid to leave her apartment at night to walk three blocks to go to Swiss Chalet. As a woman, she feels vulnerable, feels that she can't walk her own streets at night. Our budget is hiring more police officers, putting greater resources in law enforcement.

I think of the parent who's struggling to raise their own child, and the inequality of the previous government's child care program, where 85% of the children were left behind; the rights of the disabled and the medically fragile to health care, where there wasn't enough money budgeted; and the rights of disabled children and their families, and the increased support for them through the tax system.

We made the decision that we'd rather put that money into those rights.

Ms. Peggy Nash: But Minister Baird, the ability of these very people to get their rights enforced is what has been put at risk here with the cutting of the court challenges program. To pit needs, like this of the most vulnerable—you're talking about seniors, single mothers—against each other is somewhat offensive. Of course we want the senior to be protected. Of course we want all parents and all kids to do well. But it's pretty fundamental to have access to legal rights, and for equality before the law to be not just a nice thought but to actually get equality, through equal enforcement of the law, for those without the wealth and resources to get their rights enforced—to actually get the resources to challenge inequality and discrimination.

It baffles the mind that we would want to cut a program to help people fight discrimination that has been, in a very practical way—whether we're talking about women's equality, language rights, seniors' rights, the rights of immigrants—so successful. It is perplexing.

Hon. John Baird: What about the right of that senior citizen to walk her own street at night—who feels afraid, in a culture of fear; who wants more resources spent on law enforcement? And I've spoken about health care. In my constituency, the two highest priorities for government funding are health care and law enforcement, so that people can be healthy and feel safe in their community, and feel safe in their homes.

I guess there's just an honest difference of opinion. I respect that you have different views and I don't profess to say I'm right and you're wrong. I just profess to say that's my opinion.

Ms. Peggy Nash: There was also the choice to take the \$13.2 billion surplus and put it, in its entirety, to paying down the debt. Compared with other G-8 countries, Canada already has a fairly aggressive debt repayment program. Canadians generally want to pay down their debts. That's sound economics.

On the other hand, Canadians don't want to do that in exclusivity, in a way that undermines their fundamental rights and freedoms, and I believe that is what this choice is doing.

• (1250)

Hon. John Baird: We've adopted a balanced approach. We're taking some money to pay down debt. We're taking other money to invest. We're spending about \$35 billion a year, every year, on paying down our debt. We could double the budget of every hospital in Canada—double it—with that money. That's massive, \$35 billion—double the budget of every single hospital.

So we have paid down debt, we have investments, we increased spending this year by 5.5%—plus cutting taxes. I think we are adopting a fairly balanced approach. Others may disagree, and that's fair.

The Chair: Thank you very much.

You may have one last question, Mr. Alhabra.

Mr. Omar Alhabra: Thank you, Madam Chair.

Minister, I'm curious about a comment you just made. How many police officers have you or the government helped to hire in your riding?

Hon. John Baird: We've come forward with a plan for about 1,000 new RCMP officers. I don't know how many will be stationed at the new RCMP headquarters in Nepean.

Mr. Omar Alhabra: Then it has nothing to do with the municipal police forces.

Hon. John Baird: We have a two-pronged approach. One is the RCMP, and the other in our platform spoke of non-RCMP. The RCMP has been underfunded for many years. It does a huge amount of work in my community.

Mr. Omar Alhabra: I understand, and I'm glad that we're hiring more RCMP officers. But you spoke about the senior citizen in your riding who is afraid to walk at night and about your helping hire more officers to make her feel more secure.

So how many municipal police officers have you helped—?

Hon. John Baird: Municipal? We have three brands of police officers in Ottawa: we have the RCMP; we have the OPP; we have the municipal police force. They're hiring a significant number of new officers this year. Our first support will be to the RCMP, to deal with things like the drug problem, like organized crime. It will have a huge effect on the safety of my community.

Mr. Omar Alhabra: Just to clarify, you really still have no direct impact on the municipal force that will help that senior citizen you're referring to.

Hon. John Baird: We're putting \$20 million into youth crime prevention. We're putting \$26 million for victims of crime, more money to support the RCMP. That is a pretty good start in nine months. It's not enough. That's why we have six important pieces of legislation before the House, to crack down on guns that are used in the commission of an offence, to say that people who abuse children shouldn't get house arrest. These things will cost more money to do, and I think paying down debt gives us greater flexibility to meet those costs.

When those laws are enforced, we'll have a greater capacity to meet the challenges there, and I support that.

There may be an honest difference of opinion.

Mr. Omar Alhabra: And there are.

I have to tell you, I'm really surprised at how you're pitting one right or one priority against the other. I know you're only accustomed to counting up to five priorities, but you can't say one right or one priority is a negative zero sum game against another priority. Minority rights are as important as health care, as education, as combating crime. And the court challenges program, the \$2.5 million, the mere \$2.5 million a year that received 12,000 applications over the last 12 years, is an important program that helped enhance minority rights in this country and gave groups the opportunity to access the Supreme Court.

It's really disappointing that you're trying to again, as usual, pit one segment of the community against another. It's only a polarizing political gimmick and it's unfortunate and it's regrettable.

Hon. John Baird: What I want to tell you is that being in government is about making choices. The previous government tried to be all things to all people. When you're in government you have to make choices to put money here as opposed to there. We made a decision to hire more police officers. We made a decision to increase funding for health care. We made a decision to expand the tax credit for disabled children. We made a decision to deal with many of these issues, and it is in government about making choices.

You can't do everything. I suppose it would be a little easier if you brought in three budgets in one year as opposed to bringing in one budget. I don't think that approach has a lot of support.

I agree that there certainly was a lot to challenge. In 12 years of Liberal government, there was a lot of Liberal legislation that was

worthy of challenging. If the Liberals had cared so much about equality maybe they wouldn't have cut the Status of Women budget so dramatically when they were in government. Maybe they wouldn't have cut health care by \$25 billion. Maybe they wouldn't have cut minority language funding by 25%. So before you get on the high pedestal, I'd just look at the Liberal record. The Liberals fired 40,000 public servants and cut health care by \$25 billion. I think our choices were far more responsible.

• (1255)

Mr. Omar Alhabra: Minister, I'll agree with you, government is all about making choices, and your choices have reflected your ideological bent.

Thank you.

The Chair: Thank you very much for being here. Perhaps we'll have you back before too long.

Hon. John Baird: Madam Chair, I always look forward to meeting with you.

The Chair: Thank you very much.

We have one motion to deal with here. Mr. Kramp.

Mr. Daryl Kramp: Thank you, Madam Chair.

I have a motion, of course presented in due course to committee in both official languages, and it reads as follows:

That the Standing Committee on Government Operations and Estimates hold hearings into the matter of "phantom positions" within the public service, as raised by the Public Service Commission in its 2005-2006 annual report; that the Committee call witnesses to testify on the matter; and that the Committee issue and table a report in the House of Commons, based on its findings.

I table this motion, Madam Chair, with mixed feelings. On the one hand, I don't want to get away from what we want to do. In this committee we're committed to following through with accrual accounting; we're committed to trying to stay the course and present a report that I think is probably the most important area of study before Parliament, which is of course the spending estimates. That can't be done accurately unless we finish accrual accounting.

But what prompted this motion the other day was when Madam Barrados from the Public Service Commission came forward. In her statement and report she said the cases she talked about raise troubling questions about political meddling in the staffing of the public service that would warrant—and this is the wording that goes directly to the heart of this committee—that would warrant tougher rules or legislation to stop the wide-open and unmonitored movement of bureaucrats between ministers' offices and the public service.

I took that as a plea to say we have a problem, and let's address that problem, when it came directly from the head of the Public Service Commission to this committee. We are mandated and I think have an obligation to deal with it. I don't think it's something we can just slough off.

I don't want to delay the regular workings of this committee. Perhaps we could do it at extra or special meetings, but I believe we definitely have to look at it. The motion before us is quite simple. It essentially calls on this committee to hold the hearings into the matter as described, and then, of course, make a report back to Parliament.

The very simple reason is “phantom positions”. It's unbelievable. Is there one? Are there two? Are there more? It's an open-ended book, and we just can't accept that. We need to know exactly who requested these appointments; we need to know who signed off on them; we need to know whether any disciplinary action should be taken. We should also determine whether there are more cases. This has to be done. I really feel we have to move on this.

What I'm suggesting and asking is that we hold a few more hearings, obtain some answers, and then issue a report to Parliament so that we can ensure this type of offence never happens again. We are an oversight committee. That's our job, and it's our duty. I don't want to get sidetracked, but I think this is so important that we can't overlook it and can't just pass it by.

When Madam Barrados makes this kind of statement to this committee, I really think that is a plea. She states unequivocally that there is a problem. We need it fixed. Does it require legislation? Does it require action? Does it require study?

I believe this committee should seriously look into this matter. I would ask the committee to unanimously endorse our moving forward and taking this to the steering committee to see whether at some particular point in our schedule we could bring it forward so as not to interfere with our regular duties.

• (1300)

The Chair: Thank you.

Madame Thibault, followed by Madam Nash.

[*Translation*]

Ms. Louise Thibault: Two weeks ago, I told Mr. Kramp that the Bloc supported this, but this morning, I read the following passage in the *Ottawa Citizen*:

[*English*]

“Harper to probe phantom jobs”.

[*Translation*]

I told Mr. Kramp that since the government had decided—I do not know by what method, but I am sure that it will find a good one—to consider this issue significant enough to be included in Ms. Barrados' report, we should let the government do its work. Otherwise, it would not be good, because we have little time.

Once the work has been done, we will be able to table a motion in order to establish the committee, group or body in charge of this study, in collaboration with us. However, we must first let the government finish its work, as it said it would, because as far as we are concerned, we are clearly not working for any government of any kind.

The Chair: Mr. Kramp.

[*English*]

Mr. Daryl Kramp: Thank you, Madam Chair.

I brought this point up as a non-partisan issue, feeling that this is a matter that should come before all members of all parties. If the government is going to undertake a study or evaluation, so be it, but I would have thought that the other members from all parties would have wanted to have some input and would want to set their standard and to give some personal attention to this matter so that they can verify and satisfy their own concerns.

We are dealing with a very serious matter here that could have implications not only for past governments but for future governments, regardless of who they are. We cannot carry on.... If we have a broken record, we just don't keep on with that broken record. We have a duty and an obligation in this committee to solve it. That's our job. We are an oversight committee.

The Chair: Thank you.

I am going to call the vote on this.

Oh, Madam Nash. Yes.

Ms. Peggy Nash: I support the intent of the motion and had intended to vote in favour of it.

I am concerned about conducting two simultaneous inquiries, as it were. I firmly believe there should be an inquiry. I firmly believe that the issue of the phantom jobs, which has already come before this committee, is the business of this committee and should be dealt with. But my concern is that we should not take two processes up simultaneously. I'm not sure that's productive.

If someone can help us with why we should do that.... It seems that if one process is going to investigate and uncover certain truths and report, then I'm not sure it makes sense for us to duplicate it. Perhaps we should act after the fact and build on their findings.

Mr. Mike Wallace: Madam Chair, I am going to encourage the members opposite to actually vote for this. I think the message—for us, if we support here at this committee that we are going to actually do the work—is that we can send the message off to the government, as you like to call it, that we are going to take the lead on it.

If we do not support this motion, it doesn't happen; nothing happens. The government may take the lead on it.

I think this is an opportunity. In a future meeting, if the government says they are going to continue their process to look at these phantom jobs, well then, fine; then as a committee we make a decision that we don't want a dual-stream process and we back off, or we wait for their report, or whatever.

I think the logical thing to do would be to support this today, saying that we are going to take the lead as a committee on this issue. We will be the ones calling the witnesses and we will be doing the investigation. If we get “pushed back”—as I've learned as a word here—if they say to us no, they're going to do their own, then the committee can make a decision.

But I'm encouraging people to vote for this today, so that we can send a message that we heard it here first at this committee and we are going to deal with it at this committee.

● (1305)

The Chair: Thank you.

I'd like to call the vote on the motion.

(Motion negatived)

The Chair: We will be adjourning this committee at this time.

The meeting is adjourned.

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