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## **Standing Committee on Public Accounts**

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**EVIDENCE**

**Tuesday, January 29, 2008**

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**Chair**

**The Honourable Shawn Murphy**

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Tuesday, January 29, 2008

• (1240)

[English]

**The Chair (Hon. Shawn Murphy (Charlottetown, Lib.)):** I call the meeting to order.

I don't think I have to read the motion again. It has been circulated and it will be part of the record.

I'm going to ask Mr. Poilievre to speak to the motion.

**Mr. Pierre Poilievre (Nepean—Carleton, CPC):** Chair, the reason I have put forward this motion is that I believe we have not done our work on the Place Victoria file and we are not in a position to prepare or complete a report on it.

That is not meant to denigrate the efforts that all of us, as committee members, have put forward, but to acknowledge the fact that the people who were involved in the decision have not been questioned. We've not heard from any of them.

Just to recap the chronology, we had a government agency asking for new office space. A public tender was issued. A winner was awarded and a contract was signed with that winner. Suddenly and inexplicably, the minister's office intervened to stop that process and ordered the bureaucracy not to proceed with a move to the location of the winning bidder. This intervention is not only highly unusual, given that it overturned an open competition, but it's further inexplicable given that the contract with the winner was already signed and needed to be honoured.

It would be the domestic equivalent of agreeing with one's spouse to move to another apartment. The couple find a better location at a lower price. They begin packing their things and prepare to leave. They sign a lease with the superior apartment, and then they decide they're going to unpack their things and stay in the same location at a higher price with a lower quality, even though they're going to have to pay for the empty apartment at the same time. This is totally inexplicable behaviour.

All of those things could be explained and put into a report if we had heard from the people who made that decision. The only people we've heard from are those who resisted and opposed that decision.

Almost all of the bureaucrats who were hauled before this committee have documentary proof that they were against this peculiar behaviour. We questioned them at length and found really no answers as to what motivated the decision.

Once again, it is understandable why we found no answers because the people we were asking were not the ones who made the decision.

The closest we came to any sort of accountability in our study to this moment was when we invited Mr. Drouin. It should be made clear, though, that Mr. Drouin did not make the decision to stay in Place Victoria. He influenced that decision, rightly or wrongly, but the decision itself was made by the ministers who had the executive authority to make it.

My motion calls on us to invite those ministers to explain what motivated their decision. And it is motivation that we need clarified.

We have an inexplicable transaction, a very peculiar chronology that the Auditor General says wasted at least \$4.6 million worth of taxpayers' money.

What motivated this very peculiar behaviour? The only way to find out is if we invite those who made the decision and those who profited from the decision.

As of this moment, we know that Mr. Polachek had some ownership in Place Victoria and stood to profit from this peculiar transaction. There may be others who also had ownership at that time.

We know that Mr. Saputo and his family now have an interest in Place Victoria. It is not clear whether or not they had interest at the time of this peculiar transaction, nor is it clear, even if they did not have an interest, whether they were beginning to take steps towards acquiring an interest.

In conclusion, Mr. Chair, we cannot file a report on a decision without asking the deciders to explain that decision. We have not done that. We cannot file a report on a peculiar transaction that wasted large amounts of money unless we have evidence of the motivation behind that transaction.

I propose that we call the deciders and the profiteers and ask them to explain themselves. In the interest of their own reputations, I suspect they would not only accept such an invitation, but they would be delighted to receive it.

Thank you very much.

**The Chair:** Mr. Hubbard.

**Hon. Charles Hubbard (Miramichi, Lib.):** Being new to the committee and not having heard the previous evidence, it certainly sounds like a very interesting topic. I assume it is business that you might call "unfinished business".

I would move, Mr. Chair, that we send this matter to the steering committee to decide on the direction we should take and the priorities of work. I think it is part of the unfinished business of the committee. There is a steering committee, and I think it should look at this and try to conclude this part of your operation.

•(1245)

**The Chair:** Mr. Hubbard, to accomplish what you want you would have to move a motion to adjourn debate so that the matter could be considered by the steering committee. Do you want to speak any further on that?

**Hon. Charles Hubbard:** No, it seems like unfinished business. The steering committee is the master of what goes on within this, so I would assume the steering committee could bring that back with the topic.

**The Chair:** There is a point of order.

**Mr. Mike Lake (Edmonton—Mill Woods—Beaumont, CPC):** Is this a debatable motion?

**The Chair:** I've asked the clerk that, and perhaps I'll ask him to speak to that point.

**The Clerk of the Committee (Mr. Justin Vaive):** Generally, it would be something for which a decision would be called for immediately, so that if the decision is negatived you go right back to, in this case, Mr. Poilievre's main motion, which is the one that's currently before the committee. In this instance, my advice would be that it is non-debatable.

**Mr. Mike Lake:** Could we have a recorded vote, please?

**Mr. Pierre Poilievre:** Chair, I have a point of order.

**The Chair:** The advice I'm getting from the clerk is that the motion to adjourn debate and refer to the steering committee is non-debatable.

**Mr. Pierre Poilievre:** I do have a point of order, though.

I'm not sure how this could be sent to the steering committee given that it has not yet been adopted. The steering committee acts on the agenda of the committee. This motion has not been passed; therefore it's not yet on the agenda.

I can understand the motivation to get this discussion out of the public eye and into a more private setting, and the motivations that might lead some members of the committee to favour that option. However, if it were to be passed by the steering committee, it would come back here anyway. From a procedural point of view, there would be no justification for sending it to a secret committee and then having its decisions later reconfirmed at this committee. It would make procedural sense to deal with it here, would it not?

**The Chair:** Mr. Poilievre, to answer your question, it's not necessarily to go to the steering committee. The motion is to adjourn the debate. The steering committee would refer to it, you're quite right. The committee, as a whole, can adopt the decisions made by the steering committee. They can amend them or overrule them. They make their own decisions. The committee is the master of its own destiny.

But having said that, I think it's better to have these matters discussed at the steering committee in the first instance, to get what these people might say. There are five of them, and every one would

be different. They might be relevant; they might not be relevant. And of course the steering committee would then get back to the full committee with its recommendations to be amended, accepted, or changed as the committee—

**Mr. Pierre Poilievre:** This is a motion. Do we not deal with motions here at the committee any more? We deal with motions here all the time. Why would we want to push those motions into a secret setting? I don't understand.

**The Chair:** Mr. Poilievre, a lot of the members feel that the scheduling of witnesses should originate at the steering committee.

**Mr. Pierre Poilievre:** This isn't scheduling, though.

**The Chair:** No, but the listing of it should be done at the...I meant to say listing of witnesses.

Mr. Poilievre, is this...?

A point of order, Mr. Laforest.

•(1250)

[*Translation*]

**Mr. Jean-Yves Laforest (Saint-Maurice—Champlain, BQ):** On a point of order.

We have two motions, one moved by Mr. Poilievre and a second one by Mr. Hubbard. The later motion was tabled today without prior notice. I believe committee members must give their unanimous consent in order for the motion to be deemed votable. I do not think there is unanimous consent. At the very least, we would need to check and see if all members agree to allow the motion to be put to a vote. We have one motion that was properly moved. In my opinion, it must be voted on by the committee before being referred to the steering committee.

[*English*]

**The Chair:** No, I've been instructed by the clerk, Mr. Laforest, that this is not a matter that goes to the substance of the motion, and it does not require the 48 hours' notice. It's a motion to adjourn.

I would like to put the question on Mr. Hubbard's motion, and somebody did ask for a recorded vote, I believe, so I'll turn it over to the clerk.

Mr. Hubbard's motion is to adjourn debate.

(Motion negatived: nays 8; yeas 3)

**The Chair:** Now, colleagues, we're going to go back to Mr. Poilievre's motion as presented. Now we're into debate. Any further debate?

Mr. Laforest.

[*Translation*]

**Mr. Jean-Yves Laforest:** That is the motion I wish to discuss. I was waiting to hear Mr. Poilievre's arguments in defence of his motion. He mentioned the fact that, of all the witnesses that appeared before us, Mr. Drouin was likely the only one who could have shed light on the whys and wherefores of the decisions that were made.

Having attended these meetings and listened to the witnesses who testified before Mr. Drouin, I am still convinced that we did not get the answers we in fact wanted to hear. The witnesses avoided certain questions and did not provide, in particular Mr. Drouin, very clear answers to our questions.

Some witnesses told us that losses will undoubtedly not amount to about \$4 million, as Ms. Fraser estimated they eventually would. However, I feel that it is a matter of principle. How is it that such a decision was made despite the fact that a lease had already been signed? These questions went unanswered. In light of that fact, I agree with Mr. Poilievre's motion.

[*English*]

**The Chair:** Mr. Wrzesnewskij, then Mr. Christopherson.

**Mr. Borys Wrzesnewskij (Etobicoke Centre, Lib.):** This is unfinished business, as has been mentioned.

Mr. Poilievre made some valid points in saying that people who made decisions and benefited from the decisions made should appear as witnesses before this committee. Whether or not these are those individuals, I'm not sure if that has been established. Some of that work could probably be done in the steering committee—perhaps part of what Mr. Hubbard was trying to achieve.

He may consider it as a potentially friendly amendment that we word it so that additional witnesses, those who were the decision-makers or who benefited, are called to appear. Then we could let the steering committee try to establish who those people are. We may inadvertently call people who are not necessarily directly in the decision-making process or benefiting. The way these names have been presented seems to have a political partisan colouring to it, and I'm sure that's not what Mr. Poilievre intended in presenting this motion. He truly intends to strictly clean up some unfinished business.

So if he would consider that as a friendly amendment, perhaps that would be beneficial to this vote.

• (1255)

**The Chair:** Do you understand the amendment, Mr. Poilievre?

**Mr. Pierre Poilievre:** Yes, and I understand it to be unfriendly.

**The Chair:** So I take it that you do not agree.

Mr. Christopherson.

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

I have a great deal of sympathy for the motion. What we found out so far doesn't pass the smell test—something in here stinks. There's a decision that can't be explained away by any kind of rational argument I've heard or seen, and I consider it to be unfinished business.

I felt a lot of frustration when we last dealt with this. We were moving toward concluding, but there was still this sense that something happened here; we didn't find out what it was, and we need to. I'm supportive of the motion, but I also have some sympathy for sending it to the steering committee.

In looking back, I remember that when Borys would bring us a whole list of names, we didn't do as much work at the steering

committee as we should have. We got caught in some politics, etc. So I think there is room for that, but it shouldn't slow this down—the decision that we will have hearings. At least these people—to give respect to the mover of the motion—will be called. Leave room for the committee to add others or make recommendations back if they wish. I think that is an orderly process, and it doesn't need to slow things down a lot.

We don't want to have what we got into with the RCMP thing, where every three to four weeks we had another five people...and how do they fit. We sort of lost control of that. Then we had to work at getting back out in front. From the get-go we ought to make sure the steering committee maintains control over recommending what our agenda looks like. They have the time to suss things out, they are not under the camera's eye, and they can do all of that.

I agree with the motion. We ought to go forward fairly quickly.

**The Chair:** Mr. Lake.

**Mr. Mike Lake:** I concur with what I've heard from Mr. Laforest, Mr. Poilievre, and Mr. Christopherson. We haven't finished. There is a general feeling that the situation was never properly explained. We had an extraordinary step taken to overrule an original decision that seemed to be common sense. We've never really heard about these extraordinary circumstances that were required to justify overruling this decision.

I think we need to hear from these people. This is a great starting point and is exactly what this committee is supposed to be looking into.

**The Chair:** Okay.

I'm going to put the question to the members.

**Mr. Mike Lake:** Can we have a recorded vote, please?

(Motion agreed to: yeas 8; nays 3)

• (1300)

**The Chair:** Thank you very much.

Mr. Wrzesnewskij.

**Mr. Borys Wrzesnewskij:** There was the matter of a letter that was sent to Superintendent Denis Constant and Chief Superintendent Wayne Watson in regard to Mr. Zaccardelli's testimony that he had not instructed Ron Lewis to begin a criminal investigation. It had been mentioned by witnesses that they had heard that some of Mr. Zaccardelli's staff had in fact stated that Mr. Zaccardelli had initially said for a criminal investigation to begin. So it's in reference to that and whether or not we've received correspondence from those two individuals.

**The Chair:** The clerk is not here right now. We have the letter from Chief Superintendent Denis Constant. That's been circulated.

Mr. Clerk, on the other letter, the other individual...?

**The Clerk:** So far, in response to this letter, we've only had a reply from Denis Constant, so we're still waiting for a reply from Mr. Watson.

**The Chair:** Mr. Wrzesnewskij, I'll put that as a matter for the steering committee. We will be following up with Mr. Watson, demanding that he respond immediately to our request.

If there's nothing further to come before the meeting, we will adjourn. We have a hearing on the military health issue on Thursday morning, starting at 11 o'clock.

The meeting is adjourned.

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