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—
Chair

The Honourable Shawn Murphy

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•(1105)

[English]

The Chair (Hon. Shawn Murphy (Charlottetown, Lib.)): I'd like to call the meeting to order at this time. *Bienvenue à tous.*

Colleagues, this meeting is a continuation of the meetings that we're having pursuant to Standing Order 108(3)(g) on chapter 7, "Acquisition of Leased Office Space", of the May 2006 Report of the Auditor General of Canada, referred to the committee back on May 16, 2006. Specifically this involves the renewal of the lease of the Place Victoria premises in the city of Montreal.

We have with us this morning from eleven to twelve via telephone conference Mr. Jean-Marc Bard. Then from twelve to one we have the Honourable Don Boudria, former Minister of Public Works and Government Services, and the Honourable Claude Drouin, the former Minister of Quebec Regional Development.

First of all I want to welcome you, Monsieur Bard. *Bienvenue.*

Before we start, there is a bit of a problem. Can you hear me okay?

Mr. Jean-Marc Bard (As an Individual): Yes, definitely.

The Chair: We have a bit of a problem with the actual video. You're not centred right, and you have to move.

Thank you very much.

You can hear me, and hopefully the translation will work. Mr. Bard, do you need translation?

Mr. Jean-Marc Bard: Not really, but I don't think I have the mechanism to receive the translation. I don't have an earphone, but it's okay.

The Chair: It will go in whatever language you want. You can tell us.

Thank you very much for joining us. How is the weather in Florida?

Mr. Jean-Marc Bard: Nice as usual.

The Chair: That's good.

Mr. Bard, do you have any opening remarks or comments for the committee?

Mr. Jean-Marc Bard: No, sir.

The Chair: Thank you very much.

Having said that, colleagues, we're going to go one round of eight minutes each. For the Liberals and Conservatives, if you want to

share your eight minutes, please do so, because there are only going to be two Conservatives and two Liberals on this round, and of course that will end it insofar as Mr. Bard is concerned. We don't necessarily have to use all the time, but that is the maximum time that we have.

Mr. David Christopherson (Hamilton Centre, NDP): I'm sorry, did you say two Conservatives, two Liberals, one NDP and one Bloc?

The Chair: Yes, for eight minutes, Mr. Christopherson. There's no second round vis-à-vis Mr. Bard.

We're going to start the first round of eight minutes.

Mr. Hubbard, the floor is yours.

Hon. Charles Hubbard (Miramichi, Lib.): I think it will be Borys.

The Chair: Mr. Wrzesnewskyj, the floor is yours.

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

Mr. Bard, I assume you've had a chance to read through the Auditor General's report. This series of meetings stems from a single exhibit, exhibit 7.2, from that Auditor General report. I assume you've looked at exhibit 7.2 and the conclusions that the Auditor General had made.

Mr. Jean-Marc Bard: No, I didn't, because I didn't get the Auditor General's report. I got a big pile of documents, I would say about three or four inches thick, but the Auditor General's report wasn't in it. I have read most of the important testimony, and I've read the internal correspondence that was forwarded to me, and that is it.

Mr. Borys Wrzesnewskyj: That's a little surprising, that you wouldn't have seen the actual exhibit that has triggered a series of meetings and you're appearing before the committee today.

Let me tell you what the Auditor General's exhibit 7.2 states. It says that

The Agency's request not to move, combined with the lack of adherence to established guidelines, has cost taxpayers an additional \$4.6 million.

Unfortunately, it's almost like a throw-in exhibit. It didn't provide any of the documentation to explain how the Auditor General arrived at that number of \$4.6 million. We've since found those numbers unfortunately misleading because they're based on a fictitious gross rental rate of \$430, which was the number initially in the tender, but the actual number was \$308.

In your two or three inches of documents, do you have the table of the original tender?

Mr. Jean-Marc Bard: I have the table of the chronological events, but this is all I have. It's the first few pages, and it's called "Process/Chronology of Events Place Victoria".

Mr. Borys Wrzesnewskyj: I see. In that case, I guess I'll have to go through some of the facts and numbers we've established in past meetings.

The basic operating cost per metre at Place Victoria compared to Bonaventure was about half the amount. So it made a \$50 difference to the advantage of using Place Victoria. When that gets factored in, along with the actual—not the fictitious but the actual—amount of the rent, we established the cost was in fact \$120,000, to a total of \$600,000 over the five-year period.

Then we heard from Mr. Gladu and Mr. Drouin in their testimony before us that it would cost approximately \$1 million just for the actual move. Do you concur with that particular number, that it could have cost up to \$1 million to move?

Mr. Jean-Marc Bard: Sir, it's very hard for me to say. If I can recap very shortly, Minister Gagliano left his post as minister on January 15, 2002, so up to that date I can answer your questions.

As far as the figures are concerned, in the minister's office we were far from being experts at analyzing what the civil service did, particularly the real property service within the department. When we left the department, I don't think they were that far up. Nothing was concluded with either Place Bonaventure or Place Victoria, so it's very hard for me to pronounce myself and state that I agree or disagree with the numbers referred to by you and also by the Auditor General.

• (1110)

Mr. Borys Wrzesnewskyj: Thank you.

There are two components to the concerns that have been raised in the committee. One was that taxpayers' dollars were not properly used and there was an additional cost to taxpayers. The Auditor General used a figure of \$4.6 million. We've now realized that the numbers that that was based on were not the actual numbers of the cost; they were based on a previous tender and in fact were—

Mr. David Sweet (Ancaster—Dundas—Flamborough—Westdale, CPC): Point of order, Mr. Chairman.

One of the agents of Parliament who we rely on a lot is the Auditor General, and this is a repeated inference by Mr. Wrzesnewskyj that the figures were wrong. I know that the Auditor General's office is not far from here. I wonder if the clerk could summon someone from the Auditor General's office who is familiar with this file, because they have already reconfirmed that they stand behind their figures.

The Chair: No, I'm not going to do that. That's a question of debate, Mr. Sweet. The issue has been going on for some time now, and it's difficult to say who's right and who's wrong.

It's a dispute between the Department of Public Works and Government Services and the Office of the Auditor General. There's no question, my own view was the Office of the Auditor General was right when it wrote the report. Public Works is stating that

subsequent to that there's new and additional information, mainly renting of the premises at Place Bonaventure that lessened the amount referred to in the Auditor General's report. I'm not exactly sure. I'm going to ask the analyst to comment. He's following it much closer than I am.

Do you have any comment on that particular issue? There's no point in bringing in the Auditor General.

Mr. Alex Smith (Committee Researcher): All I would add is that the committee hasn't received any documentation to support the analysis from Public Works.

The Chair: Mr. Fitzpatrick.

Mr. Brian Fitzpatrick (Prince Albert, CPC): I am concerned that an Auditor General representative is not here and there has been terminology like "misleading" and "fictitious". A whole area that hasn't been explored here is all the costs of relocating other agencies to get them into Bonaventure. It's \$1 million to get across the street from Place Victoria to Bonaventure, so the facts are that to bring bureaucrats into the Bonaventure, which is an empty building, from other offices would cost millions too.

This is a lot of speculation going on regarding people. For people to allege that this is misleading or fictitious, I really take offence to that. That's a reason why the Auditor General should be here, I think, when we have these hearings.

The Chair: That's really not a point of order, Mr. Fitzpatrick.

Mr. Brian Fitzpatrick: I think it is. When you're referring to the Auditor General's information to be misleading, I think it's a point of order, Mr. Chair.

The Chair: I'm going to ask Mr. Wrzesnewskyj to continue. You have two minutes and fifteen seconds.

Mr. Borys Wrzesnewskyj: Thank you.

Prior to my being interrupted by points of order that were not points of order, there were two questions. One was on the veracity of the claim that there was a cost to taxpayers. Obviously we're having difficulty in establishing whether it's correct or not. The second was on the process that took place. You said you were there for a limited period of time. At any point in time, were there unusual processes or unusual discussions that took place around this particular file?

Mr. Jean-Marc Bard: I believe, as Mr. Gagliano told you, that we had meetings with the real property people from the public works department. I don't particularly remember this file, because it was five or six or seven years ago, but fundamentally we always asked the same questions. Normally the intent of these meetings with real property was to ascertain that the client was willing to.... The clients were obviously the officers of the department, but they were also the minister's office; since we were working in a minister's office, our priority was to make sure that the minister client of the department—that being the public works department—was aware of the orientation given by his officers of his department.

Fundamentally we limited ourselves to that. We didn't get involved with the figures. We would probably ask other questions, such as whether it would be profitable for the government, why we were moving, why you weren't renewing the lease, and so on and so forth, but these were political reasons so that we could brief the minister on what was going on—particularly, as Mr. Gagliano mentioned in his testimony, for the Province of Quebec, because Mr. Gagliano was minister responsible for the organization of the political party in Quebec. Fundamentally that's where our role got involved. That's how we got involved in asking questions.

The rest of it was follow-up. If you look at all the correspondence that was given to me, the follow-ups were done, because at one point Mr. Arès, who wrote a lot of memoranda on the subject, said yes, the department of economic development is aware of what we're doing and they're willing to go ahead with the move. Apart from that, I don't see how we could have gotten involved in this kind of situation, except to ask political questions.

These meetings were always pre-approved, regardless of what other people said in their testimony. These meetings were always approved by the associate deputy minister, Mr. Mike Nurse, is deceased since these events. When Mr. Nurse became associate deputy minister, his replacement was Mrs. Beal, and all these things were always cleared with Mrs. Beal. We never dealt with subordinates below Mrs. Beal unless we were told to, and that was very seldom. That's fundamentally our involvement there, and there's nothing else to it.

•(1115)

The Chair: Thank you very much, Mr. Bard. Merci.

Thank you very much, Mr. Wrzesnewskyj.

Monsieur Laforest.

[*Translation*]

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

Good morning, Mr. Bard.

What exactly were your duties when you worked for Minister Gagliano?

Mr. Jean-Marc Bard: I started working for Mr. Gagliano as a senior policy advisor; at around the end of 1999 or the beginning of 2000, when the minister's chief of staff applied for a job with the public service, I became Mr. Gagliano's chief of staff. I served as chief of staff for approximately two years and three to four months.

Mr. Jean-Yves Laforest: In December 2001, the minister's office requested information on all existing leases between the Government of Canada and various companies located throughout the National Capital Region and Montreal.

Were you aware of this request for information?

Mr. Jean-Marc Bard: Yes, as I stated, these subjects were previously discussed with the then deputy minister and the assistant deputy minister. As Mr. Gagliano, who was the minister responsible for the region of Quebec at the time told you, the main objective was political because we had to understand what was going on. When the House was in session, Mr. Gagliano paid monthly visits, alongside

other Quebec ministers, to inform the public or interest groups such as chambers of commerce or the MRC. That was essentially the purpose of the process. From time to time, if announcements were to be made, we could check with the department's Communications branch to see if any announcements should or could be made. It was a political approach, in the most literal sense of the word.

•(1120)

Mr. Jean-Yves Laforest: Were there any officials or people working in the department, such as the deputy minister, who complained that there was something amiss with regard to the management of the leases? You are telling me that the review of all the different leases in the region was for political reasons. But, were problems identified also?

Mr. Jean-Marc Bard: There was never any review, to my knowledge at least, on any particular lease. We made a request for information, and based on the information we received, we were able to determine which region was affected, and if there would be an impact on members or the minister responsible. On many occasions, members would speak to the minister or call the office to ask a question pertaining to passport offices. When the time came to either renew the leases or not, to change their locations, it could sometimes cause a political stir.

Mr. Jean-Yves Laforest: Mr. Bard, as our time is rather limited, I will ask my next question. During the time that you served as chief of staff, did you attend meetings where decisions were made regarding Place Victoria?

Mr. Jean-Marc Bard: Meetings where decisions were made, no. We did not attend meetings where—

Mr. Jean-Yves Laforest: Discussions then.

Mr. Jean-Marc Bard: We attended meetings with people from the real estate branch, which in the beginning came Mr. Nurse and then Ms. Beal. As I said earlier, we were not part of the decision-making process. We asked questions to obtain information with a view of doing follow-ups, and to determine whether or not the minister was in favour of a move. You will recall that when we started working on this file, Mr. Drouin was not the minister responsible for Economic Development Canada.

Mr. Jean-Yves Laforest: When you left the office, did you pass on this information to your successor? There was a new minister, and a new chief of staff. Did you provide information on this particular file to new staff members?

Mr. Jean-Marc Bard: No, nor did we provide information on any other file because if I recall correctly, there was no meeting scheduled with my successor when we left.

Mr. Jean-Yves Laforest: I hand the floor over to Mr. Lussier.

Mr. Marcel Lussier (Brossard—La Prairie, BQ): Mr. Bard, I'm looking at this organizational chart. You spoke to Ms. Beal, who works in the head office in Ottawa. Is this correct?

Mr. Jean-Marc Bard: Yes.

Mr. Marcel Lussier: Were you in contact with the Montreal office of the Department of Public Works and the Director General? Did you ever meet the regional director general?

Mr. Jean-Marc Bard: Based on my recollection, I perhaps met with the regional director once or twice, and always in the presence of Mr. Nurse or Ms. Beal. As I said earlier, there is a hierarchy, and we respected it. We consistently, and without exception acted through Mr. Nurse, the Assistant Deputy Minister, or Ms. Beal in order to obtain the information in question. Never directly—

Mr. Marcel Lussier: Do you recall—

Mr. Jean-Marc Bard: I simply want to add that several of Mr. Arès's e-mails can be found in the internal correspondence. These e-mails seem to suggest that either I, or the minister's office gave him instructions. To my recollection, I do not know Mr. Arès and I have never met him. Our meetings were always held in our offices in Hull, in the presence of Ms. Beal, who was accompanied by assistants whom we did not always know. We did not give any instructions to the Montreal office, nor to any other office. We always acted through the head office, which was run by Mr. Nurse or Ms. Beal.

Mr. Marcel Lussier: Do you recall the name of the regional director general from Montreal?

Mr. Jean-Marc Bard: You identified him, it was Mr. Couture.

• (1125)

Mr. Marcel Lussier: Which one?

Mr. Jean-Marc Bard: I do not know.

Mr. Marcel Lussier: Your name appears often in correspondence dated between May and June 2001, which I have before me. According to the correspondence, the project was put on hold. In English it says that the file was put on hold. According to all of the correspondence involving Ms. Lefort and Mr. Arès, one is led to believe that it was you who halted the call for tenders, even though it had been suggested to you to transfer activities to Place Bonaventure.

Did you look at these documents?

Mr. Jean-Marc Bard: Yes, I did look at them and I referred to them at the very beginning of my testimony. As I have already stated, I have no recollection of the details of this specific file.

I became familiar with this file in going through the correspondence and the content of the binder which was sent to me. As far as I'm concerned, it is abundantly clear that under tab 10, somebody replied to Mr. Arès asking him to follow up on a subsequent meeting with Jean-Marc Bard.

In his follow-up, he said that he was in total agreement with our approach, and referring to Economic Development Canada, he writes: "Yes, Economic Development Canada has been informed of our strategy and is in total agreement with our approach." This proves exactly what our concern was when we held the first meeting, on June 8th, I believe.

At one point, Mr. Arès says that deadlines are being established. However, no one has ever answered the question that we had probably ask. Often, answers were given at the subsequent meeting. In referring to the correspondence you cited, the subsequent meeting appears to have been held on or around July 12th. That is my answer.

The Chair: Thank you very much, Mr. Bard and Mr. Lussier.

[English]

Mr. Sweet, eight minutes.

Mr. David Sweet: Thank you, Mr. Chairman.

Thank you for being here, Mr. Bard, via video.

I wanted to place on record once more, from January 31, 2007, Bruce Sloan, from the Auditor General's office, who said: "We made inquiries in both the regional office and headquarters for financial analysis, and that is the analysis we had. The \$4.6 million we stand by."

So we have a situation here, Mr. Bard, where not only is there a cost of \$4.6 million to taxpayers but there are also two contractors who were outed in this whole process, who weren't treated fairly because they had no consideration after the fact, and they were actually two places ahead of the person who ended up getting the lease at Place Victoria. I'm hoping that you'll see just how important this is to stimulate your memory to go back to this time, because there are very serious allegations.

Mr. Lussier mentioned a couple of names. I'll also add Suzanne Cloutier, who said that you were the one who stopped the whole process, and I'll just read from Mr. Arès' e-mail—

Hon. Charles Hubbard: Point of order, Mr. Chair.

Does the committee have any evidence that two other contractors were dissatisfied with this process? Mr. Sweet made that—

The Chair: There were two contractors who bid on the initial proposal and didn't get it. We can assume they were dissatisfied. I think that's a fair assumption.

Mr. Sweet, go on.

Mr. David Sweet: Thank you.

Mr. Arès, who you've quoted a number of times, said this—and by the way, these are words after he states in his e-mail that he met with you:

This unwarranted delay could threaten our schedule for this project and work to the government's disadvantage, in that we could be forced to negotiate directly and at a disadvantage with Place Victoria.

Could you tell us exactly why you would have told the staff of Public Works and Government Services to put a hold on this project?

Mr. Jean-Marc Bard: Well, as I said previously in my testimony in French, first of all I don't believe I know Mr. Arès. I don't believe I've ever met Mr. Arès. All the meetings we had were information meetings, and all the meetings we had with the officers of the department were held in the headquarters in Hull. We never met with anyone, particularly on matters like real estate and this particular project—for which, as I say, I haven't got much recollection—other than Mrs. Beal, who was assistant deputy minister responsible for real property, and Mr. Mike Nurse. He was associate deputy minister, but prior to being associate, he was responsible for real property.

As far as I'm concerned, I never met Mr. Arès. Mr. Arès seems to imply—I'm not sure he confirms it, but he seems to imply—that he got instructions from me. Intermediate managers in any department produce the documentation for their superiors; maybe his superior told him to prepare something for the minister's office, but I certainly never told him to prepare anything for the minister's office.

• (1130)

Mr. David Sweet: That's interesting, Mr. Bard, because we actually have two different people. One is Mario Arès, who states:

More than a month ago, we informed the Minister's office of our accommodation strategy for CED, our client. On June 8th, after a meeting with Jean-Marc Bard, we were told to put the CED file on hold.

Now there is this e-mail from July 5, 2001. On June 8, 2001, Suzanne Cloutier, in an e-mail, said exactly the same thing—that she met with you personally.

Mr. Jean-Marc Bard: The only conclusion I can come to, based on what I've read and what you're stating also, is maybe Mr. Arès was instructed by Mrs. Beal or her assistants about this information. As far as I'm concerned, I never met with Mr. Arès and I never had any meetings with Mr. Arès, unless Mr. Arès accompanied Mrs. Beal to one of those meetings. Mrs. Beal always came to those meeting with two or three assistants. Occasionally we didn't really know them, but that's as far as it goes.

The other lady—

Mr. David Sweet: Just to give you an idea of the sophistication of the process that has to happen in order for a process of accountability and transparency to take place in a leasing situation, this is what they are claiming: it is that you invaded, that you actually stopped. Then, of course, there was a 180-degree turn, and negotiations happened directly with Place Victoria. We're trying to find out exactly why that happened.

In fact, it's so unusual that your former boss, Minister Gagliano, who was here at the last meeting, said that he had never seen anything like this before in his career in politics—a situation in which this kind of tendering process would be disrupted in a direct political fashion like this—so I find it very hard to believe that you can't remember anything about this file.

Mr. Jean-Marc Bard: I don't believe we disrupted anything. I don't believe we told anyone to stop the process. As a matter of fact, if you read some of the prior testimony—and you've been sitting on this committee for a while—you can see that nothing was disturbed. The civil servants kept on going. They kept on doing their analysis; they kept on doing what they were doing on the file.

At one point, also, Mr. Arès writes to the gentleman who was deputy minister for the Economic Development Agency of Canada. He even outlines in his letter what his schedule is, and never in that particular letter does he say that there have been delays referred to or done by the officers. He mentions at one time in other documentation the officers of the department. I have never been an officer of the department, because as a chief of staff, you don't have any delegation of authority as far as signatures or directions are concerned, so I can't

Mr. David Sweet: Mr. Bard, it seems a little bit peculiar that in one sense you actually use Mr. Arès' words to justify some of your

position, and then in another sentence you totally dismiss what he says.

Let me give you another e-mail that Mr. Arès sent. It says:

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

Mr. Jean-Marc Bard: What's the date of that memorandum?

Mr. David Sweet: This e-mail was May 3, 2002. This was an accumulation of facts that had been going on since I read the other e-mails of 2001 to you, subsequent to you interrupting the process.

You even stated here—

• (1135)

Mr. Jean-Marc Bard: I disagree with you. I never interrupted the process.

Mr. David Sweet: You said here earlier, “How could we have gotten involved in these events except to ask political questions?” I'm suggesting to you that this is how we got into this mess, that there was political interference and it came directly from your office.

Mr. Jean-Marc Bard: You have other testimony from people who appeared in front of the committee whereby they say that the process continued and everything was completed on schedule, so I can't agree with you on that.

Mr. David Sweet: Mr. Bard, the Office of the Auditor General is the one who stated that this was over a \$4-million boondoggle. That's why we're here today.

Mr. Jean-Marc Bard: I agree with you.

Mr. David Sweet: I don't think the Auditor General has a reputation of doing things that are unsound. I would really ask you to refresh your memory on this so we could come to some specific conclusion about what exactly happened here.

Mr. Jean-Marc Bard: As I told you, I have no direct recollection of this file except based on the correspondence or other testimonies that I have read. We have never stopped this file. We probably asked for what you call in French *un moment d'attente*, answer our question: Is the minister's office in agreement with the move or not?

As far as the memo you're referring to, we weren't there, because Mr. Gagliano stopped being a minister on January 15, 2002. Why didn't you ask for Mr. Goodale's chief of staff to come in front of the committee and explain what Mr. Arès was saying?

The Chair: Thank you, Mr. Sweet.

Merci, Monsieur Bard.

Mr. Christopherson, eight minutes.

Mr. David Christopherson: Thank you, Chair.

Thank you, Mr. Bard, for attending today.

I want to follow up on some of the same areas Mr. Sweet was in. I'm having some trouble understanding too.

You can appreciate that we have two different times when political people or their staff seem to have interjected themselves into this and stopped the project. We don't know whether the two are related. We can't seem to get to that. But at this point, all the roads on the first stoppage lead back to you.

I want to again come back to tab 7 in our book and refer to that memorandum. This is from a regional director to an ADM. These are not people who lightly fly around memos. They're very careful in things they write. I quote: "A few hours after the Board met"—this is where they gave the first go-ahead on the project—"we were informed that the Minister's office had an interest in this project. It asked the region to put the project on hold."

In Mr. Gagliano's testimony, when we last had him here and he was asked—in fact it was me who asked—what the rationale was for that hold, the response was:

I don't know. This is the first time I've found that when I read these documents. I have no clue. The only information I had on this file was the memo from the deputy minister on July 31, I believe, informing me that the decision of the department was to go and tender publicly, and the tender was started.

I read all the documents. The only comment I can make on this is that my staff was asking questions. Therefore, they were waiting for answers from the bureaucrats and the file did not proceed as expediently.

Mr. Jean-Marc Bard: I already made my comment to that, but I'll make it again.

Mr. David Christopherson: And I'll keep asking the questions.

Mr. Jean-Marc Bard: When the deputy minister sent the memorandum to Mr. Gagliano informing him that the file was going ahead, this is an additional support that we didn't stop the thing. The file kept going. We didn't stop it, except we were waiting for answers. And as I said previously, probably the questions we asked were, "Is the minister's office aware of this? Is the minister and his staff agreeing with the move? Yes or no." That's what we wanted to know. That's my guess based on what I read.

The answer is in one of the memoranda, whereby Mr. Arès answers, "Yes, Economic Development Canada is totally aware and in acceptance with what we're doing." Fundamentally this was our involvement, as far as I'm concerned. I can't see any other kind of involvement. As I said, Mr. Gagliano stopped being a minister on January 15, 2002, and we never heard of the file again.

I heard of this particular file when Mr. Gagliano phoned me and I phoned him back and he asked if I had any remembrance of this particular file. I didn't, and I still don't today. For me this was just a regular file going through the department.

• (1140)

Mr. David Christopherson: I appreciate that, but you can also understand that had it been a normal file, we wouldn't be here; we wouldn't have spent all this time and money. We still don't have an answer as to why somebody out of the minister's office... The minister asks us to refer to his staff, because he can't remember. We ask you. You don't seem to remember, and yet we have a formal memorandum that talks about the minister's office having put the project on hold.

Now, we can quibble with whether "hold" means stop everything or be advised that the minister's office wants to be apprised before any next big steps. You can play with what this all you want. I'm more concerned about the fact that there was an intervention from the minister's office. The minister said it's likely his staff. You're the chief of staff, and we're not getting answers from you, sir.

Mr. Jean-Marc Bard: I can give you part of the answer. Mr. Arès even said in one of his memoranda that they were never told to stop the project. He says that very clearly in one of his memoranda.

Mr. David Christopherson: We're quibbling over whether it was stop or hold. I'm concerned about the intervention. I just want an answer as to why the minister's office contacted the bureaucrats to the extent that they felt it necessary to put it in a memorandum.

The reason we're asking—to remind you, sir—is that this happened twice. The second time the project was killed. So we're trying to find out what the heck went on here.

Mr. Jean-Marc Bard: What surprises me in all this is that when Mrs. Beal appeared in front of the committee, all of the civil servants took notes. They normally have a big book and they take handwritten notes of everything important that goes on in the meetings. So if you had asked Mrs. Beal, "Why did we ask for a *moment d'attente*, for a hold, a temporary hold to get answers to that question, probably she would have told you why. My answer is, probably we wanted to check if the minister's office was in agreement with the move.

Mr. David Christopherson: Well, there are different kinds of requests that come from ministers' offices. From past experience, I can tell you that there are times when bureaucrats don't ask why; they just do what the minister asks, and then make their notes.

Mr. Jean-Marc Bard: I'm sorry, but we didn't have that kind of relationship with the bureaucrats. Our relationship with the bureaucrats was always polite and very conventional, and we never told the bureaucrats what to do.

Mr. David Christopherson: The bureaucrats would argue differently.

I'm not getting anywhere with this fellow. You know, you get into this business of "I don't remember", and it's back to the minister, and back to the chief of staff, and round and round we go.

Thank you, sir. I'm done.

The Chair: Thank you, Mr. Christopherson.

Mr. Hubbard, you have eight minutes.

Hon. Charles Hubbard: Thanks.

The more I hear, the more confused I seem to get. We get this word "hold," and when the letter came indicating that the group didn't want to move from Place Victoria, it became evident there would be a problem. You were negotiating—somebody was—with one group of realtors, and then Place Victoria continued to be the place of residence of the Economic Development Agency.

I might ask the witness, then, what kind of problem he perceived. He had a place rented. He had a place where they wanted to be. There was another place that was in the process of being rented. How do we describe “hold”, “stop”? What could have been done?

Mr. Jean-Marc Bard: There again, the hold came much earlier in the process than what you seem to be referring to. The hold came sometime in 2000, and we wanted to have some questions answered. But as I say, there seems to be some kind of...I wouldn't say confusion, but reality problem.

The minister who was responsible for Canada Economic Development when the moving project started wasn't the same minister as the one who asked Public Works to see if they could revise or review their decision. It wasn't the same minister, and it wasn't the same political environment, because Mr. Gagliano wasn't minister any more. Mr. Drouin became the minister, and I believe—but I'm not sure—he was replacing Martin Cauchon. So I can't give you any answer as far as Mr. Drouin's implication, asking the Minister of Public Works whether he could reconsider, or whether there was anything that could be done to remain in Place Victoria. We weren't there any more. We hadn't been there for a long time at that time. The minister we probably checked with originally to see if he was interested or not in moving must have been Mr. Cauchon.

• (1145)

Hon. Charles Hubbard: So the officials, the bureaucrats, as we call them, were involved in a process of acquiring another property for the group. Now, as it became evident that the letter from the minister asked if it was possible it could be reconsidered, would not someone be alerted that there's a problem? If you only need one house to live in, you certainly don't need to buy a second one. Now, somebody in the bureaucracy should have notified the minister's office, I would think. I see a problem coming. We're renting one property. We have the group that doesn't want to move. Were you aware of any...?

Mr. Jean-Marc Bard: Based on what you're saying, it must have been the deputy minister's—Mrs. Cochrane—and Mr. Goodale's preoccupation, because they were the officers, or they were the responsible people politically and officially for the Minister of Public Works. So once Drouin put in his request it went back to Public Works, and Mr. Goodale was the minister and Mrs. Cochrane was the deputy minister. So based on what I read of their testimony, they must have talked. The same civil servants who at one time didn't want to draft the memorandum for the signature of the minister drafted the memorandum for the signature of the minister to keep Mr. Drouin or Canada Economic Development in Place Victoria.

So these are the same people.

Hon. Charles Hubbard: In terms of your involvement in this whole process, you were aware of a problem that might be going to occur. The bureaucrats were notified, but nothing came back to you to point out to them that this can't be done—it shouldn't be done, because we're in a process and the process should not be stopped.

Mr. Jean-Marc Bard: It wasn't the formal processes as such, because if you look at the long spreadsheet that we have at the beginning of our file, it says in the first box on the left that there's a period for discussion. That's when we intervened. We never intervened in any of the action as far as the bid request or the letter of interest were concerned. We never intervened in that.

Hon. Charles Hubbard: So really what you're saying is that some bureaucrat really didn't do his job. Is that what you're telling the committee today?

Mr. Jean-Marc Bard: I'm telling you what we did. I read this file being totally neutral, because I didn't remember anything, and I still don't about this file. When I read this file, it's obvious that one of the civil servants had some kind of trouble answering questions that were being asked. I guess he got emotional about the file. That's my perception. In sitting at his desk, maybe he was right, because it implied more work. He had to do more checking to give the answers to his assistant deputy minister Mrs. Beal, who then came back to us with answers when she had them.

Normally, as I said in the first part of my testimony, every time we intervened Mrs. Beal would come back to us with an answer at the next meeting. The answers weren't by e-mail or anything like that. I don't think you'll find many e-mails. I don't believe I wrote any e-mails on files being managed by the civil servants or the officers of the Department of Public Works. That's not the way it works. We ask questions and we get the answers. Fine. But we never stopped any process. We never told anyone to stop anything. We just wanted to know probably if the minister's office wanted to move or not.

Hon. Charles Hubbard: In terms of the relationship between the two departments, Secretary of State for Economic Development in Quebec and in Public Works, you were not aware of any conflict between those two departments as to what should be done, what could be done, and what must be done.

• (1150)

Mr. Jean-Marc Bard: No, none whatsoever.

Hon. Charles Hubbard: And you don't agree with the Auditor General—that happened after you—on the \$4 million that somebody says it cost the federal treasury.

As a person no longer working for a minister and out in public life, do you consider this a major faux pas, that there's a major problem that occurred? What was your impression when you read or heard about...? One member here, Mr. Poilievre—he's not here this morning—has been on this file for a long time. I think he has some vested interest in it.

The Chair: You want to be careful.

Hon. Charles Hubbard: I will be careful. I'm sorry, maybe it isn't vested, but it seems that he has such a personal interest I thought for sure he'd be here today.

The Chair: No.

Hon. Charles Hubbard: Thanks, Mr. Chair. I guess the bell has rung. But it seems peculiar.

The Chair: You probably exhausted your questions about a minute ago.

Mr. Fitzpatrick, I understand you're sharing with Mr. Sweet.

Mr. Brian Fitzpatrick: Yes, I'll split with Mr. Sweet.

Thank you very much, Mr. Bard, for your insightful testimony today.

On the process for leases, when the leases come up it's my understanding that the practice—as you understand it, when you were working for Mr. Gagliano as public works minister—is at the front end of the process. You would consult with the client to make sure that the client really desired a move or there was a need for a move, and that's at the beginning of the process. Is that correct, sir?

Mr. Jean-Marc Bard: That's correct. And we believe it was part of our responsibility, working for the Minister of Public Works, to make sure that the concerned minister wanted to move—or not.

Mr. Brian Fitzpatrick: That's fine, I understand that. To me it makes perfectly good sense.

In your practice, once you're finished the initial procedure and the process is in work, it would be very unusual for Mr. Gagliano's office—in your experience—to then intervene in the process toward the end of the whole process or maybe even after the process had run its course. That would be highly unusual, wouldn't it, sir?

Mr. Jean-Marc Bard: I gather it would, and if anything, for some reason—

Mr. Brian Fitzpatrick: Okay, thank you very much. That's my question. You gave my answer. Thank you very much. I'll let Mr. Sweet carry on from here.

The Chair: Mr. Sweet, you have six and a half minutes.

Mr. David Sweet: Thank you very much, Mr. Chairman.

I certainly understand the feelings of Mr. Christopherson, of the frustration on this, and I certainly don't agree with Mr. Hubbard that this was some insignificant issue. So I'll try to see if I can motivate your memory again.

You testified that you dealt with Janice Cochrane. Is that correct?

Mr. Jean-Marc Bard: I testified that I dealt with Mrs. Beal, and Mrs. Beal's superior was Mrs. Cochrane. As Mrs. Cochrane said in her own testimony, she never attended any of these meetings because she would only attend meetings where the minister was present, not the political staff.

Mr. David Sweet: Okay. Now, maybe you could explain something to me. Ms. Cochrane, on July 31, 2001, clearly stated in a memo: "In this context, we had nothing to justify submitting to you a request for approval to negotiate directly with the owner of 800 Place Victoria." And then later she states that in fact they were seeking authorization to award the lease to this very same place. And all of a sudden, in the next e-mail she feels that it's very much a good practice to negotiate directly.

Could you tell me how that change of mind came about?

Mr. Jean-Marc Bard: I have no idea.

Mr. David Sweet: Did the speaker—

Mr. Jean-Marc Bard: I don't know how Mrs. Cochrane got her information. She got her information probably through the people who were subordinate to her own *organigramme*, in French. I'm sorry, I can't think of the English word.

Mr. David Sweet: Correct, and you testified that you met with Carole Beal and that was where she would get her information from. Is that not correct?

Mr. Jean-Marc Bard: That's correct.

Mr. David Sweet: So that's why I'm asking you, when the process started, before any intervention, it was not good for the crown to negotiate directly with 800 Place Victoria, but then after the intervention from your office, all of a sudden it was okay.

Mr. Jean-Marc Bard: No. The intervention, as you say, from the minister's office was strictly to ascertain that the client minister was willing to move. For the rest, we didn't get involved in anything else than that.

• (1155)

Mr. David Sweet: Well, lastly, Mr. Bard, because your memory is not working for you here on this one, maybe—

Mr. Jean-Marc Bard: Sir, I take offence. You've been mentioning that four or five times so far, that my memory doesn't serve me or doesn't serve your answers.

Sir, I'm doing my best here to give you all of the information. I'm trying to say what happened when Mr. Cauchon was minister, what happened when Mr. Drouin was minister, what happened when Mr. Gagliano was minister, and what happened when Mr. Goodale was minister.

I haven't been sitting with you, gentlemen, but in front of you you have all of the information. There's a lack of willingness to be able to accept the truth.

So don't put my words into doubt. I'm testifying, as I did in any prior committees, under oath. So I disagree with your approach.

Mr. David Sweet: Well, Mr. Bard, I find it difficult to understand why you would be offended when I'm simply repeating what you said. You said you didn't remember.

Mr. Jean-Marc Bard: No, no. You're not repeating; you're inferring. That's different.

Mr. David Sweet: Okay, then maybe you could just explain your words from today, when you said "...how we could have gotten involved in these events except to ask political questions". What did you mean by that?

Mr. Jean-Marc Bard: Political questions.... As I said, we wanted to make sure that the minister was willing or not willing to move.

Mr. David Sweet: Thank you, Mr. Chair.

The Chair: Thank you very much, Mr. Sweet.

There's a couple of minutes left for Mr. Sweet, so if you want to use them, Mr. Fitzpatrick, you're welcome. Two and a half minutes.

Mr. Brian Fitzpatrick: Mr. Bard, using that flow chart again, where you say it's very important at the front end to consult with the client and the minister to make sure they really want a change, and that's a good practice.... And I think it probably is a good practice: you want to get the facts straight at the beginning so there's no misunderstanding later. It's my understanding that it's very unusual in your practice at the tail end of the process to get involved and to intervene in the process. I think your answer to that was yes as well.

Mr. Jean-Marc Bard: That's right.

Mr. Brian Fitzpatrick: Would you therefore be suggesting that for Mr. Goodale's office and Mr. Drouin's office to get involved at the tail end of the whole operation after the tenders were in, after they had been awarded, and to start directly intervening, that would, from your practice, be a very unusual practice?

Mr. Jean-Marc Bard: Possibly.

Mr. Brian Fitzpatrick: But you wouldn't have done that when you were working for Mr. Gagliano?

Mr. Jean-Marc Bard: As Mr. Gagliano already answered you on a similar approach, it's hard to say, because we weren't there.

Mr. Brian Fitzpatrick: I think he's already suggested it was unusual too.

Mr. Jean-Marc Bard: Yes, well I believe I read that too, but it's hard to say if we would have done—

Mr. Brian Fitzpatrick: So you would support your former boss on that interpretation, that this would be an unusual thing, at the tail end, to directly intervene and start rewriting leases.

Mr. Jean-Marc Bard: Unusual being not a regular thing as programmed within the procedures of the department.

Mr. Brian Fitzpatrick: Thank you very much.

The Chair: Thank you very much, Mr. Fitzpatrick.

That concludes the round involving Mr. Bard.

Mr. Bard, on behalf on the committee, I want to take this opportunity to thank you very much for taking time to appear before us via teleconference.

Ladies and gentlemen, we're going to adjourn for two minutes, so that the technology can be changed, and welcome two additional witnesses for the final hour of the committee meeting. So we will suspend for two minutes.

- _____ (Pause) _____
-
- (1200)

The Chair: Colleagues, at this point in time I'd like to call the meeting back to order for the final hour.

For this hour we have the Honourable Don Boudria, a former government House leader and a number of other titles, but he also served in the capacity as minister of the Department of Public Works and Government Services. We also have reappearing before the committee the Honourable Claude Drouin, minister responsible for Quebec regional development.

Thank you very much, Mr. Drouin and Mr. Boudria, for appearing here today.

We're going to get right into the committee business. I'll invite either Mr. Boudria or Mr. Drouin to make any opening comments.

Mr. Boudria, do you want to go first?

[*Translation*]

Hon. Don Boudria (As an Individual): Thank you, Mr. Chairman, for inviting me to appear before you today.

As the members all know, I was one of you, so to speak, for many years. I sat in the cabinet for seven and a half years, including a period of approximately four and a half months as Minister of Public Works, specifically between January 15, 2002, and the end of May. In all probability it is because I was there during this short period of time that you want me to testify today. I am pleased to be here and answer your questions, to the extent that I am able, about an event that took place more than six years ago. In my case, this did not take place, because nothing happened during the period when I was in this position.

[*English*]

The Chair: Merci, Mr. Boudria.

Mr. Drouin.

[*Translation*]

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

I know that you are working very hard. I sat on committees for seven of the nine years that I was here, and I know that you are given a ton of information and that it is sometimes difficult to remember everything.

I would like to tell you at the outset that when I arrived, in 2002, Deputy Minister Gladu, for whom I have a great deal of respect, told me that we had to move. You will recall that I did mention this here, if my memory serves me correctly. I asked him where we were going and he told me Place Bonaventure. At that time I did not know Montreal very well so I asked him if this was very far away. He told me that it was just across the street. I then said that we could do the office move ourselves.

It was then that he told me that as far as the employees, quality of life, etc., were concerned, that represented anywhere from \$500,000 to a million dollars, and he found that a bit difficult. I told him that the process was in line with the rules and that we could not do much about it. From what I understood, he implied that we should do some checking. The mistake I made at that time was to react as a member of Parliament, namely I wanted to find a solution, to help. The people from the public service, at Canada Economic Development and as is the case elsewhere in the country in the various departments that I dealt with, were very dedicated. I wanted to ascertain and I requested, in writing and in a transparent fashion, that we verify whether or not there was a possibility. That is what triggered the process.

The Auditor General's report indicated that the lease was negotiated directly, with no benefits, except that the price was \$438 per square metre instead of \$308. I did not intervene in any way in the process. I simply requested a letter. If we had been told that nothing could be done, we would have respected that.

If you recall, Canada Economic Development was lacking money. The purpose of this agency is to grant loans to companies to assist growth and maintain economic development. That was my responsibility. We were going to put between \$500,000 to \$1 million into a move. That is why I intervened, and I wanted to mention that.

[English]

The Chair: Merci, Monsieur Drouin.

Okay, colleagues, what we're going to do for this one hour is follow the same procedure we did in the previous hour. We are going to have one round of six sessions—two Liberals, two Conservatives, one New Democrat, and one Bloc Québécois. If you want to share your time, you may, but there are going to be only two rounds for the hour. I remind the Liberals and the Conservatives of that.

On the first round, we start with the Liberal Party, and I understand it will be Mr. Holland. The floor is yours.

•(1205)

Mr. Mark Holland (Ajax—Pickering, Lib.): Thank you, Mr. Chair.

Thank you, Mr. Boudria and Mr. Drouin, for appearing today.

We will start with Mr. Drouin. It is his second time back before the committee on this issue. I am not sure of the value of your coming back for a second time, but we'll try to see that. I suppose some people in this room—and maybe Mr. Poilievre—are interested in hearing this again.

I want to go over the facts again just to confirm. You were the minister of state for the Economic Development Agency for the regions of Quebec from January 15, 2002, until December 11, 2003. Is that correct?

[Translation]

Hon. Claude Drouin: Yes.

[English]

Mr. Mark Holland: You sort of addressed this in your opening comments and when you appeared before the committee before, but I just want to underscore it so that it is clear.

Would you say that your incentive to get involved in this particular file and the actions you took when you first heard about your department's proposal to move from Place Victoria to Place Bonaventure was the concern around employee productivity and the hefty cost of moving? Was that your principal motivation in taking the action at the time?

[Translation]

Hon. Claude Drouin: Mr. Chairman, indeed, that is clearly the reason why I intervened and requested that we respect the rules, if possible. I realize today that that created quite an incident. My intention was not really to go against the rules. I was thinking about the employees, productivity and the money that could be invested in our companies.

[English]

Mr. Mark Holland: Would you say that the letter that you wrote to the Minister of Public Works was pretty much the extent of your involvement in this case?

[Translation]

Hon. Claude Drouin: Exactly. That's all I did, a letter.

[English]

Mr. Mark Holland: I cannot see any other reason to ask you additional questions.

Mr. Boudria, you were the Minister of Public Works during the time when Mr. Drouin wrote the letter regarding Place Victoria. Could you just maybe go over again for the committee what your response was at that time?

Hon. Don Boudria: First of all, as I indicated initially, I was the Minister of Public Works for only a brief period of time. I believe that Mr. Drouin and I were appointed to our respective positions on the same day in the same cabinet shuffle.

I didn't recall this, but I believe that we may have had one oral conversation about this, and it seems that I may have asked Mr. Drouin to put his request in writing and send me a letter about his concern about moving. I got the letter, forwarded it to my department, and within a few weeks I wasn't there any more.

Mr. Mark Holland: But there were no additional actions that you took or additional involvements?

Hon. Don Boudria: No. Frankly, there wouldn't have been any time. The letter he sent to me is dated April 15. Assuming that I took a few days to look at it and then gave it to the staff, it would have been some time in late April, and by the end of May I wasn't there. So that letter wouldn't have been responded to. I left almost immediately afterwards, in other words.

Mr. Mark Holland: Well, Mr. Chair, it will be interesting to see how this meeting gets stretched out into an hour. I've finished my questions.

The Chair: Mr. Wrzesnewskij.

Mr. Borys Wrzesnewskij: Thank you, gentlemen, for appearing again.

Department of Public Works guidelines require an economic advantage to justify a direct non-competitive negotiation. We've heard a number of times that after direct negotiations the rental rate went down from \$430 to \$308. That's correct, is it not?

[Translation]

Hon. Claude Drouin: Is the question for me, Mr. Chairman?

The Chair: Yes.

Hon. Claude Drouin: That's what I read. I never followed up on the matter to find out what happened afterwards. I did not concern myself with the matter after my letter. At one point, I learned that Public Works and Government Services had managed to find a solution, it was able to abide by the conditions of the Place Bonaventure lease and renegotiate the Place Victoria lease, where we were at the time. This solution enabled us to lower costs because there was no request for retrofitting. We only made the changes required that would give access to individuals with reduced mobility. That's what I was told, and that's also what I read in the committee reports.

• (1210)

[English]

Mr. Borys Wrzesnewskyj: And there are other costs that were referenced. A \$1 million cost of moving was avoided. It was also mentioned in previous testimony that it would have taken about a week. There were 300 employees—or how many employees—and you would have lost a week's worth of productivity. Are you familiar with how many employees were in that location?

[Translation]

Hon. Claude Drouin: According to my figures and those I have seen, I must confess, there were approximately 300 employees spread-over three floors: the 39th, 40th and 41st if my memory serves me correctly; maybe it was the 38th, 39th and 40th floors. At the time, Deputy Minister Gladu mentioned that the cost varied between \$500,000 and \$1 million, plus the cost of non-productivity and the possibility that files might get mixed up. We took these factors into account when we requested verification.

[English]

Mr. Borys Wrzesnewskyj: Okay, so there was between \$500,000 and perhaps as much as \$1 million in lost productivity, and \$1 million in moving costs. I also understand from testimony by Mr. Gladu that “Improvements that should have been made were not made”, and he certainly got into the nitty-gritty. He said:

For example, the carpeting was very dirty but was not able to be changed. However, people at the Agency did what they had to do and were able to perform their work effectively

I guess they were willing to put up with dirty carpets and not having to move after 10 to 20 years in the same location—25 or 30 years for some of the people. Were there a lot of complaints from that staff of 300 about having to move, after having worked in that location for such a long time?

[Translation]

Hon. Claude Drouin: I never heard about such complaints. However, the deputy minister did tell me that the employees would be very disappointed if they had to move. As you mentioned, some had been there for many years. The work environment was very good, there were many windows, whereas on the other side, there was cement, the train went in front of the building and the restaurant was lacking. Those were the words used at the time to tell me that the move could have a negative impact on employee motivation. Given these factors, I asked that a letter be prepared to ascertain whether or not there were possibilities.

[English]

Mr. Borys Wrzesnewskyj: Chair, I have a comment, not a question.

I think it would be quite helpful, as we prepare to write the report, to request from the Auditor General how she arrived at her numbers. From our understanding, she used an amount of \$430 per square foot. We've now had testimony and documentation that the real amount, the actual cost, was \$308 per square foot. We don't know whether or not she took into account various other costs: moving costs, lost productivity costs, less square footage.

Before we're able to draw any conclusions, I think we should request that the Auditor General and the department provide backup

for the various numbers. It's certainly not clear at this time whether or not there was a real cost to the taxpayer.

Mr. Mike Lake (Edmonton—Mill Woods—Beaumont, CPC): Point of order, Mr. Chair.

The Chair: Let me respond to that, Mr. Lake. We're not going to get into debate here, but we are waiting.... I don't think the fault lies with the Auditor General as much as with the Department of Public Works. We asked for some of that information, and as of yet they haven't given it to us—although we were told that we would get it before today's meeting. So I'm going to be following up on that issue. It is a relevant point, but it is a dispute between the figures used by the Auditor General and.... Her evidence was based on the information she has. My personal view is that she's correct, based on the information she has. We'll sort that out.

We do have two witnesses here today, Mr. Wrzesnewskyj, so I want to keep it going. I don't want to waste their time. It's really not a point of order, so I want to move on to Mr. Laforest.

Mr. Borys Wrzesnewskyj: Point of order, and I believe there's another.

Mr. Mike Lake: I just wanted to express my agreement with Mr. Wrzesnewskyj that, based on everything we've heard, we should have the Auditor General look into this again.

[Translation]

The Chair: Mr. Laforest, you have eight minutes.

Mr. Jean-Yves Laforest: Good afternoon, Mr. Boudria and Mr. Drouin.

In the background information pertaining to the locations leased for the same department, at more or less the same time, there is an e-mail sent on April 2, 2002, by the Montreal office of the Department of Public Works. This e-mail informed Deputy Minister Beal that the agency Deputy Minister, André Gladu, had confirmed, on March 28, that he was in agreement with the agency moving to Place Bonaventure. In this e-mail, officials noted that Mr. Gladu had told them that the move had been approved by Mr. Drouin, who was the Secretary of State responsible for the agency. The e-mail also indicated that Minister Boudria had not yet given the go ahead and had sought advice as to when to proceed.

Mr. Boudria, to whom did you seek counsel about this matter? Why did you do this, given that certain individuals from the department, deputy ministers, told you that they wanted to proceed? Why did you say that you were going to seek counsel before approving the matter? The e-mail came from Mr. Normand Couture.

• (1215)

Hon. Don Boudria: I don't know, this individual certainly did not work for me. I'm going to have to speculate somewhat in answering your question. If that is the case, you will have to forgive me.

I received the formal letter from Mr. Drouin on April 15. It appears that he had telephoned me or had discussed the matter with me in person. At any rate, there had been a verbal conversation followed by a letter. So at an earlier time, I had been asked for this information.

To answer the question put by the member more specifically, I had received a recommendation or authorization to award a lease. This recommendation, dated March 22, must be in the members' file. I did not sign it. I was supposed to write "I agree" or "I do not agree". According to this document, I did not sign it. In all likelihood—and this is what I'm speculating—I was waiting for Mr. Drouin's letter in order to find out, in writing, what his problem was exactly.

Mr. Jean-Yves Laforest: In the e-mail I referred to, he said that he agreed with a move to Place Bonaventure.

Hon. Don Boudria: Obviously I would not have had a copy of an e-mail between the minister and his officials, but I do have, nonetheless, a copy of a letter from the minister dated April 15, 2002, asking whether or not it would be possible to award a lease with Place Victoria. I gave this letter to the officials, and a few days later, I was no longer there.

Mr. Jean-Yves Laforest: In this e-mail, it says that you did not give the go ahead and that you had asked for some advice at the time when things were to proceed. If all of the people, including the minister responsible for the agency, is telling you that they are prepared to move, why did you not sign? You stated that you would seek advice. Do you not remember whose advice you were seeking?

Hon. Don Boudria: I didn't seek advice before—

Mr. Jean-Yves Laforest: On April 2, you found out—an assistant deputy minister was informed—that Mr. Drouin, who was the minister, agreed that the move should take place. Nevertheless, on April 15, Mr. Drouin changed his mind. He sent you a letter indicating that he preferred to remain at Place Victoria, whereas on April 2, 13 days beforehand, an e-mail confirmed that Mr. Drouin agreed to move. Something happened during this 13-day period.

Hon. Don Boudria: I do acknowledge that Mr. Drouin sent me a letter on April 15 because I have a copy of it. However, I do not know with any certainty whether the memo dated April 2 reflected what the minister thought on April 2. How could I know that? This is pure speculation on my part. I do not know how many days previously the minister could have been informed of the matter. Was it on April 2? I don't know. It is not up to me to answer questions about what occurred between one minister and one of his officials and about an e-mail which allegedly followed such a conversation.

All I know is that I received a letter on April 15 and that, prior to this date, Minister Drouin and I had a conversation. I do not recall whether this conversation took place over the telephone or in person, at the House of Commons or in the cabinet room, because we spent many hours a day together. We therefore discussed the matter before April 15, the day on which I received a letter. The time period would be even shorter than the one indicated by the member.

• (1220)

Mr. Jean-Yves Laforest: At the very least, Mr. Boudria, it is clear that the Director General in Montreal, Mr. Normand Couture, indicates in his e-mail that you asked him to wait because you preferred to seek advice. This e-mail is dated April 2. However, in the same e-mail, it says that Mr. Drouin agreed that the move should take place.

Mr. Drouin, how is it that, on April 2, you were prepared to move and that on April 15, you no longer were? You sent a letter to the minister indicating that although you had agreed to move to Place

Bonaventure, you had changed your mind and wanted to remain at Place Victoria.

Hon. Claude Drouin: Mr. Chairman, I do appreciate the questions. At the outset, I told you that when Deputy Minister Gladu told me that we were going to move, I asked where. I was in full agreement, because the process had been respected.

However, he told me about the negative aspects, and that's when I made a decision, but I never said to proceed with the move. After he told me about the drawbacks, I would have asked him to do some checking and try to find a solution, if he found that this was not a good idea. I told him that I was going to look into the matter.

I talked to Mr. Boudria on the telephone and I asked him whether or not it was possible, taking the rules into account, to find a solution which would eliminate the need to spend between \$500,000 and \$1 million for a move which apparently would be very unpleasant for the employees who were very happy where they were. He asked me to do this in writing, in a transparent fashion, which I quickly did.

I did agree with the move, except that I said—

Mr. Jean-Yves Laforest: Mr. Drouin, you did this on April 15th, whereas on April 2nd, the officials from Public Works had already approved the lease with Place Bonaventure.

When you wrote to the minister, you indicated that you were going to avoid moving fees. However, did you tell him that there was space at Place Bonaventure that would remain unoccupied and that this could bring about additional expenses, that the Auditor General estimated at \$4.5 million? Did you provide him with that information?

Hon. Claude Drouin: The amount of \$4.6 million is based on a leasing cost of \$438 per square meter, whereas the price was \$308. So you have to be careful with figures.

Moreover, I had asked that all the agreements be respected, including the lease with Place Bonaventure. We hoped to say in the same place by negotiating a price. However, if that had been impossible, we would have gone to Place Bonaventure. We were ready. We wanted to see if it was possible to avoid costs and provide better service while respecting our employees.

Mr. Jean-Yves Laforest: Mr. Boudria, did you ask Mr. Drouin, what would happen with the lease you'd signed at Place Bonaventure if you were to remain at Place Victoria? Did you ask what would happen?

Hon. Don Boudria: We didn't get that far. As I said, I received the letter on April 15th.

Mr. Jean-Yves Laforest: It was already agreed upon that the lease with Place Bonaventure was signed.

Hon. Don Boudria: Let me finish. The letter I received from my colleague at the time on April 15 stated that we were going to move March 31st of the following year. He was asking me whether I could check if it was necessary to move. I transmitted the letter to the department and I left. There was a year left before the move. I didn't have time to ask myself those kinds of questions. The department didn't even answer as to what it would cost or not if we were to move or not. I no longer held that position.

•(1225)

The Chair: Thank you very much, Mr. Laforest and Mr. Boudria.

Mr. Fitzpatrick.

[English]

Mr. Brian Fitzpatrick: Mr. Drouin, in your discussions with the client, the Economic Development Agency, your source of information was primarily the deputy minister, Mr. Gladu. Is that correct?

[Translation]

Hon. Claude Drouin: Yes.

[English]

Mr. Brian Fitzpatrick: Is that a yes?

[Translation]

Hon. Claude Drouin: Yes.

[English]

Mr. Brian Fitzpatrick: Thank you, sir.

In committee, when we're writing reports, the difficulty we encounter is conflicting testimony. Mr. Gladu is a retired public servant, and I think he probably has a well-respected record in this town. He's retired. He appeared before this committee. He said he disagreed with the decision you made. He said under oath that he went to see you and expressed his disappointment.

Do you not understand the difficult position that puts everybody in on this committee when trying to write a report and get the facts sorted out? Do you appreciate that, sir?

[Translation]

Hon. Claude Drouin: I understand that.

[English]

Mr. Brian Fitzpatrick: There is a conflict here in testimony. Do you agree with that?

[Translation]

Hon. Claude Drouin: I understand what you are pointing out. Remember what I stated at the outset. When the Deputy Minister at the time, Mr. Gladu, mentioned that we were moving, I asked him where we were going. We were going to move, there was a process, we respected the process set in place by the government. It's at that time that the then deputy minister, and I don't know what he said in his testimony—

[English]

Mr. Brian Fitzpatrick: Okay, I've heard that. That's fine.

[Translation]

Hon. Claude Drouin: I'd like to answer. The deputy minister told us what the costs would be. That's when I decided to explore a possibility. Never before, if the deputy minister hadn't told me that—

[English]

Mr. Brian Fitzpatrick: We've heard that. That's fine. But you do agree with us that it causes a bit of difficulty writing up reports when we have conflicting—

Hon. Claude Drouin: Yes, I understand.

Mr. Brian Fitzpatrick: Now, this gets into another area that becomes really difficult in this whole process, and it's Mr. Arès. Mr. Arès, at the time, had written documentation. We're missing that in a lot of things. It's one person's word against other people's word. But we've got e-mails from Mr. Arès, going over in detail how this intervention violated the rules in place—in detail—and saying this had been taken to the corporate level. His hands are washed clean of it. And if I understand his e-mails, he said the deputy minister of economic development did not agree with this decision.

So we've got somebody from the Department of Public Works—another good public servant—who's writing at the time.... I know he had a conversion later on, but at that time he was very upset, so upset that he wrote e-mails, and I imagine his supervisors weren't happy about it. But he was very critical of that decision. He was saying that his communications with Mr. Gladu indicated they were not in favour of this move.

Do you not agree that when you put the evidence of Mr. Gladu together with Mr. Arès', it puts a real cloud over your testimony, sir?

[Translation]

Hon. Claude Drouin: Not all, Mr. Chairman. At the outset, I said so and I will repeat it for the fourth or fifth time: I also agreed with the move. It was after what Deputy Minister Gladu had to say that I asked for a written verification, in a transparent manner, for the well-being of Economic Development Canada and its employees. I fully agreed with the move; I was even prepared to participate and help the employees. But when I was told about the cost and the inconvenience for the employees, taking all this into consideration, I asked for a simple verification.

[English]

Mr. Brian Fitzpatrick: I understand that answer, sir. The question speaks for itself.

I have another question for you. There's been a whole lot of talk about the millions of dollars it would cost to move people from Place Victoria to Bonaventure. There would be relocation costs and so on. Here we have a building, Bonaventure, that has room for 300 public servants, and that got backfilled somewhere. I presume it was with public servants.

As the minister in charge of this decision, before you agree to something like that, you'd want to make sure we didn't have a whole bunch of unproductive rent in that Bonaventure place.

Do you recall who the tenants were who moved into that facility, what departments they came from?

[Translation]

Hon. Claude Drouin: Mr. Chairman, you will appreciate that I don't have an answer to that. I was the minister of State responsible for the Economic Development Agency of Canada and I did not know all the details of—

•(1230)

[English]

Mr. Brian Fitzpatrick: So you don't have any actual information on who they were, but you must have believed there were some tenants to be moved in.

Maybe I can ask Mr. Boudria this question. Is it not a safe assumption that there would be relocation costs to move public servants from one office, presumably in the Montreal area, to Bonaventure? There was going to be a cost to move them from Place Victoria to Bonaventure. You're not moving there, and you have to move some people from some other departments into Bonaventure. There must be a cost involved in making that move.

Hon. Don Boudria: I don't know where the people who were moved there came from, but generally moving does cost money. But I wasn't the minister at the time; I was gone. When the lease finished, as a matter of fact, I hadn't been a minister for a year.

Mr. Brian Fitzpatrick: Would you have had any knowledge about whether this decision to move tenants from one department into the Bonaventure facility left unproductive rent somewhere else?

Hon. Don Boudria: I would have had no knowledge of transactions that took place in a city a hundred miles from where I lived one year after I had ceased to have responsibility.

Mr. Brian Fitzpatrick: But wouldn't you assume that the minister and the deputy minister at the time, in making that sort of decision, would have made that analysis and looked into those matters?

If you had been the minister, you would have no doubt made sure that those matters were addressed, in the interest of protecting taxpayers' dollars, and so on.

Hon. Don Boudria: I believe all ministers do that.

Mr. Brian Fitzpatrick: Mr. Chair, when we're asking people for information from Public Works and trying to find the total cost of matters, and so on, I think we should find out what the cost of relocating the other officials into the Bonaventure facility was, and whether any unproductive rents resulted from that change. That's just as relevant to taxpayers' dollars—it works on both sides of the fence.

In conclusion, Mr. Drouin, I have a lot of difficulty with what's been said before the committee. I have two public servants, one in writing.... Mr. Arès, at the time, said the deputy minister did not want to move. We had that official before our committee under oath, and he made it clear he did not agree with that decision. In fact, my interpretation is that he was so angry that he actually went and talked to you and told you it was a mistake.

Now what you're saying flies totally in the face of not only what Mr. Gladu has said; it flies in the face of documents at the time that were written by Mr. Arès. I think it almost closes the door on this issue, quite honestly. It's not very convincing testimony. That's my conclusion. You can respond to it, but I think it's pretty open and shut.

[*Translation*]

Hon. Claude Drouin: Mr. Chairman, may I answer? I'm not coming here to convince you, I'm here to tell you the truth about what I experienced at the time when I was Minister of State responsible for the Economic Development Agency of Canada.

It was clear to me that we had to move. However, the Deputy Minister, Ms. Cochrane, told us that we had made a request in writing, that she'd verified it, and that everything had been done according to the rules as far as she was concerned. For my part, I made a written request once, without any other intervention except the discussion I had with Mr. Boudria to find out whether a

verification had been made. He told me to put my request in writing. That's what I did. That's the only time I intervened and I asked whether it was possible, because I didn't want to contravene regulations or government rules. It was clear in my mind and it was never my intention to do anything other than that, while respecting the employees and with a budget available to help Quebeckers who are creating jobs here in Canada.

[*English*]

The Chair: Before we go to Mr. Christopherson, I have one question for Mr. Drouin, if I may. As Mr. Fitzpatrick has indicated, there is a conflict between what Mr. Gladu has told the committee and what you're telling the committee.

I'll just quote a paragraph from Mr. Gladu's testimony on March 21 last year:

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

I sense your evidence is that you did get involved because of Mr. Gladu coming to you with the concerns of the employees. After this came to light and you realized this, did you ever get on the phone and call Mr. Gladu and ask him, "What's going on here? Do you recall speaking to me about the concerns of the employees, concerns about the morale, concerns about lost productivity?"

• (1235)

[*Translation*]

Hon. Claude Drouin: Mr. Chairman, what you just said seems to me to be very important. It was a mistake to make such a request at the administrative level. I would have really liked to have Mr. Gladu write to the deputy minister, or at least the deputy minister at Public Works Canada at the time himself rather than having me do it with Mr. Boudria. I would have liked to have Mr. Gladu write to the deputy minister and explain the concerns that he had discussed with me when we had a meeting between me, my chief of staff and him, and where he told us that it was very un motivating for the employees, that there were significant costs involved in moving and that we were in difficulty—perhaps not in difficulty—because we had financial needs to help business. This is true, that was my mistake. I mentioned it at the outset. I wanted to do the right thing, but the deputy minister should have been the one to write the letter, because this was taking place at the administrative level. However, I did it in a transparent manner, by writing a letter because I had nothing to hide and I wanted this to be done in accordance with the rules. I thank you for having pointed that out.

[*English*]

The Chair: I don't think I really got an answer to my question. I'll ask it again, if I may. My question was that after this dispute, there was obviously a discrepancy. Did you ever get on the phone, after this became available—let's say in the last three months or the last six months—and call Mr. Gladu and ask him why he said this, which really doesn't totally jive with what you're saying?

[Translation]

Hon. Claude Drouin: No, I did not contact him. I'm sorry I didn't understand your question properly. I didn't discuss this with Mr. Gladu.

[English]

The Chair: That was my communication, because there is a discrepancy. I would have thought somebody would have gotten on the phone and said "Look, what the hell is going on here? What are you saying?"

[Translation]

Hon. Claude Drouin: I should like to mention something, please Mr. Chairman. I only learned about it the night before last.

[English]

The Chair: Point of order, Mr. Hubbard.

Hon. Charles Hubbard: In fairness to the witnesses, are those appearing before the committee kept up to date on a weekly basis of what evidence comes to this committee? In fairness to the witnesses, to say he should have known something that was said here two months ago, how would he find that out?

The Chair: To answer that, Mr. Hubbard, the witnesses would be provided with a copy of the transcript of evidence in the packages.

Hon. Charles Hubbard: When would he have received the package?

The Chair: It would have been when he was called as a witness.

Mr. Mike Lake: Mr. Gladu was here before he was here the first time. Mr. Gladu's testimony was even before he was here the first time.

The Chair: That could be too.

Mr. Mike Lake: So he should have had it before he came the first time even.

The Chair: It was March 21, 2007. I have it right here.

Mr. Mike Lake: And Mr. Drouin was here in June, so he should have had that.

The Chair: He probably should have.

The clerk is not aware, because he wasn't the clerk at that time, but I think you can make the assumption that probably he would have had it.

Mr. Christopherson, you have eight minutes.

Mr. David Christopherson: Thank you very much, Chair.

Thank you both for coming back.

Mr. Boudria, the question was already asked by Mr. Sweet, but it's understood, first, that many people don't like change. They don't necessarily want to move, especially if they've been somewhere for a long time.

Hon. Don Boudria: Most of us are that way.

Mr. David Christopherson: Exactly. It's human nature. Regarding inefficiencies, any time you move, you're going to disrupt work for some period of time while you symbolically unplug and then replug in—

Hon. Don Boudria: Presumably.

Mr. David Christopherson: Yes, presumably that is the case. In terms of costs, there are going to be costs. We've already acknowledged that's the case.

I would assume that only by exception would you, as a minister, believe that anyone or any entity within your ministry would not be up to the gold standard that we all expect and get from public servants, meaning that for the most part you're very proud of the people for whom you were the minister and the department for which you were responsible. It's not a trick question. I'm just trying to lay the groundwork here.

In other words, you have faith in the department that they do the job that's asked of them.

Hon. Don Boudria: Oh, yes. My deputy minister at the time, Madame Cochrane, was absolutely fantastic. There's no doubt about that. And that's why when I received a letter from a colleague I sent it to her for processing, and then, as I indicated, I left.

• (1240)

Mr. David Christopherson: I agree with you: there's no doubt. Thanks, Mr. Boudria.

So if they do the job, they would assume and I would assume that when the staff tell us and the Auditor General that they've reviewed the current situation in which the lease is expiring, when they come back and say there's not a deal that can be done here based on future needs for the department, based on costs, and that they can't stay here and they're recommending they go somewhere else... Would you assume also that they've considered how much it costs to move, what the inefficiencies are, and how much it might upset people? Do you not think that would have been part of the initial review as to whether or not just staying where they were would have been the right thing to do, right from the get-go to save us all this money and time and effort? Would you not say that's a fair assumption—this is not a big one—that they would look at those things?

Hon. Don Boudria: It should be a fair assumption. Was it done in this case? Given that I wasn't there by the time the letter was answered, I cannot say whether it was in this particular transaction.

Mr. David Christopherson: To the best of my knowledge, the material here says it did happen.

Hon. Don Boudria: I don't know. I wasn't there.

Mr. David Christopherson: I'm saying that the material here says it did happen, that there was sign-off and that the minister at the time said we'll move it to the next step.

This is the problem I had before. Because it cost \$1 million to move and there was going to be a week of disruption and staff didn't want to move don't seem to be good enough reasons at the end of a process. I expect the professionals we pay on the Hill would have already done that, given that they already told us they looked at whether staying in situ was the right way to go.

It comes back to the motivation for all of this. You can appreciate that when we've had ministers' offices intervene—or stop or hold or review, whatever you want to call it—and it starts up again, and then we get another minister who comes along with this letter that upsets the whole thing, we start looking for why.

I am going to be very frank. For the longest time I was thinking that somebody with Place Victoria had a vested interest in this and that somebody got involved and turned it all around. That is what I thought at first—I really did. And that's why I was looking for pieces. But I have to admit, I haven't seen the evidence of that.

I'm beginning to be concerned that this was done because somebody—maybe this minister, maybe somebody else—didn't like moving and didn't want to make the move, period. They just didn't like it. Here's my evidence for that. There's no rationale for you, or anyone in your position, to agree with this minister, or anybody in that position, when the process has already been completed, done, finished.

I take a look, and what do we see all through here? First of all, Mr. Drouin's letter says “it is essential to find a building offering adequate space and a prestige address”. I didn't think too much about that at first, but then we go on.

I am reading from the June 13, 2007, Hansard. Mr. Drouin stated, “According to what Mr. Gladu told me, the deputy minister did not want to move. He was happy where he was at the time.” Also the same day, from Mr. Drouin, “The deputy minister explained his fears regarding the move...”.

This is Mr. Drouin again:

The deputy minister of the day, Mr. Gladu, had said that it was a concrete building and that trains ran underneath it, whereas the Tour de la Bourse, at Place Victoria, had a glass facade.

I have one more. Mr. Drouin, this is you and your deputy:

We reviewed this together, and he mentioned that the employees were unhappy and that they did not want to move. Mr. Gladu told me why they didn't want to move. It was because the building was made of concrete and that ours had windows.

It is the only motivation I can find that has any evidence to support it.

My question to you, Mr. Boudria, and you can assume that you're under oath—

• (1245)

Hon. Don Boudria: I am a privy councillor, sir.

Mr. David Christopherson: Yes, and you're an honest man. I believe that.

I'm asking whether you had any discussions with Mr. Drouin, his staff, your political staff, or any other staff about whether this building was good enough, nice enough, prestige enough, or were all the discussions only about matters that quite frankly your ministry had already looked into and said it doesn't warrant staying?

Hon. Don Boudria: To the best of my knowledge, Mr. Chair, there were no discussions. I received an initial phone call from the minister expressing an interest in reviewing this thing. I've asked for a letter.

There's something missing, by the way, in the English translation of the documentation that's before you. The letter was sent to me on April 22, and the date that the department received it is missing. If you go to the French text, you will see that the department only received it on the 23rd.

Where there is a bar code, if there is one on the letter... The one I have has a bar code, “PWGSC”, and a date beside the bar code. That bar code indicates that my department only received it on the 23rd. The month after, I was no longer there. So even if the minister had wanted to make further representation—I am not saying whether that was good or bad—he wouldn't have had time to do it anyway, because I wasn't there.

Mr. David Christopherson: But you had a discussion with him and you said to him, send me a letter. So you knew what it was the minister was concerned about. You've testified to that today. You didn't know whether it was by person or by phone, but you had a discussion with him and you said to him, send me a letter.

Hon. Don Boudria: That's correct.

By the way, I didn't recall that until I came here today. Mr. Drouin and I discussed this just here in the room, and I didn't remember the genesis of why I had received a letter from him. I was reminded—

Mr. David Christopherson: I don't have a lot of time, but I don't want to be rude, sir—

Hon. Don Boudria: I'm sorry, but to answer the question directly, I was reminded that we had discussed it orally first and then I asked him for the letter. I didn't recall that I had asked for the letter.

Mr. David Christopherson: So you're saying that you don't recall anything to do with the prestige of the buildings, the trains, the windows. You recall nothing at all of that discussion.

Hon. Don Boudria: No. There wouldn't—

Mr. David Christopherson: Let me ask you this, Minister, and I asked this of Mr. Goodale. You've been around a long time; you're a seasoned veteran. You have a brand-new minister who just came in and the process has already gone through. You've already said that you have great respect and appreciate the work the ministry does. They've taken this whole process all the way through, up to and including signing a lease. Mr. Boudria, in this discussion prior to the letter—forget the letter—why would you not say to Mr. Drouin something to the effect of “Are you nuts? We've already gone through this whole process. The ink is barely dry on the new contract and you want my ministry to review it for...” and then fill in the blanks with whatever the reasons are. We're not sure what that is yet. But you didn't. I'm curious, Mr. Boudria, why not? It would be my reaction, and knowing most of the people around this room and the work we've done, that's what they would ask.

Why didn't you ask that, sir? If you did, what was the answer?

Hon. Don Boudria: There's a correction needed in what's just been said, Mr. Chairman. I believe the questioner referred to the lease that had just been signed. In fact, when I received the letter from Mr. Drouin, no lease had been signed, and by the time I left as Minister of Public Works, no lease had been signed either. There was no time for those events to happen. Whatever happened in terms of signing the lease occurred after I had left, to the best of my knowledge.

Mr. David Christopherson: My understanding is that it was signed before this letter was sent. It doesn't matter when the letter was received; you met with him beforehand. Whether it's signed or not is a detail. Say it was about to be signed. I'll give you the point, even though you're wrong. Say it's about to be signed but it hasn't been. Why didn't you say "Wait a minute. Why on earth would I do that?"

Hon. Don Boudria: In fact, Mr. Chairman, it's the opposite. The information that I have here is that I was asked in a letter that I received—a copy of which is in the file—if they could be authorized to sign this lease. So no lease had been signed.

Mr. David Christopherson: But my point is that all the work had been done and it was ready to go. It was at the end of this process, sir. It wasn't like a five-minute investment. At the end of this, a new minister comes in and says "Wait a minute, I want to change all that." And you just went along with it?

Hon. Don Boudria: No minister asked me to change all this. I believe he asked me to review it, if possible. But in any case, the department hadn't answered those questions in order for me to respond favourably or negatively.

Mr. David Christopherson: Yes, they did their homework for you. You're saying your ministry didn't do their job.

The Chair: We're going to move on, please.

Hon. Don Boudria: Mr. Chairman, that is factually inaccurate. The ministry did not respond to me because—

• (1250)

Mr. David Christopherson: You can't have it both ways. You can't say they did a proper job and then say you want to question whether they did the job.

The Chair: Mr. Hubbard, you have eight minutes.

Hon. Charles Hubbard: Thanks, Mr. Chair.

I would like to get back to Mr. Fitzpatrick's questions here. It appears Mr. Drouin was a new minister. At that point, when you become a minister, one of the first things that happens is you get a detailed briefing. In fact you might go and visit the department you are responsible for. So the question Mr. Fitzpatrick asked—in terms of that original briefing by your deputy and others in the department that you would have met—was that somehow you must have gleaned the fact that a move was not wanted by the employees of the department. Was that correct? Where did you get the impression that the move wasn't the best for your new department?

[*Translation*]

Hon. Claude Drouin: Mr. Chairman, this did not take place at the beginning. During the briefing sessions, everything was going very fast. It was mainly about the operation of the department and the programs we had to know about as quickly as possible. As I mentioned at the outset, I found out that we had to move when the deputy minister told me so during a weekly meeting with my chief of staff. That's when I said fine, that we were moving. However, he mentioned the irritants that Mr. Christopherson referred to. At that point, I started to intervene.

[*English*]

Hon. Charles Hubbard: Did you tell him that maybe you could do something, maybe you could intervene? Or did you simply go

home and write a letter that was presented here, the letter that Madam Cochrane received?

[*Translation*]

Hon. Claude Drouin: No, I asked the deputy minister what he meant when he said this was going to inconvenience the employees, that they would be unhappy, that there were costs involved, etc. I asked him what he was trying to tell me, that he was asking me to intervene. I don't remember clearly, but I don't think he gave me a concrete answer; his response was rather vague. So I decided to write a letter. At the time, I should have asked him to write the letter. As Ms. Cochrane said during the reports, they apparently did everything according to the rules. I think that was verified later on.

[*English*]

Hon. Charles Hubbard: So when he gave evidence that you made a mistake, was the mistake because of what you did or because of why you did it?

Perhaps it was he who should have written the letter rather than you. Is that the mistake that was made?

[*Translation*]

Hon. Claude Drouin: That is my understanding. I should never have written the letter. The deputy minister should have written the letter to the Deputy Minister of Public Works and Government Services Canada. That's the error I made. He had mentioned the problems raised by Mr. Christopherson, namely that there was this or that negative aspect. I should never have written the letter, the deputy minister should have done so because it was of an administrative nature. I was concerned about the wellbeing of the employees and about having cash flow to help businesses in Quebec.

[*English*]

Hon. Charles Hubbard: So from your impression, the mistake was who did it and not what was in the letter. Is that correct? The mistake he talks about in his testimony is that you did it, not the content of the letter.

Going back to whether there was much joy in Mudville, we had all these employees there who thought they were going to move, and you were minister, and suddenly somebody says "Great, fellows, now we don't have to get up and move across the street to this other building that we don't appreciate."

Was there great joy in the department? Did they appreciate what you did as a minister in keeping them where they were, which was where they wanted to be? What was your impression of the decision that was made?

[*Translation*]

Hon. Claude Drouin: I'm having some difficulty recalling what happened in 2002, but it seems to me that people were happy. I would not want to mislead members of this committee. I do not clearly recall, but I had understood that people seemed happy to be able to stay in the same place.

[English]

Hon. Charles Hubbard: Thanks, Chair. I just wanted to bring up that point: was the mistake in the letter, or was the mistake who sent the letter? I think the committee really has to review that in terms of what the previous witness has said.

Thank you.

The Chair: Mr. Wrzesnewskyj, you have three minutes and twenty seconds.

Mr. Borys Wrzesnewskyj: Thank you, Chair.

We're a committee of public accounts, and we're absolutely dependent on the reports of the Auditor General. We've now had several locations, most recently with the Department of National Defence appearing before the committee, where the department and the Auditor General disagree on very important issues. What I find unnerving is that when we receive our reports, very serious allegations are made. We then have a series of meetings. People's reputations potentially can be tarnished. Yet we have an unclear picture of where these allegations come from. Where did these numbers come from? How were they arrived at?

I think it's incumbent upon this committee to request of the Auditor General, not only in this case but in future cases of serious allegations of this sort of improper process or potentially of malfeasance, that we be provided with the working papers or the numbers to substantiate where allegations come from. We've now had a series of meetings, and we still don't know whether there was a cost to the taxpayer or what the dollar amount is. We brought a series of witnesses before the committee and we don't have the numbers to know whether this is actually correct.

We've heard that in this case, we've heard it with DND, we heard it when we were talking about EI, and I think it's incumbent for a committee of accountability to be able to actually drill down and see the numbers on which those allegations are based. It's not a question for the witnesses, but I'm extremely concerned about this issue.

• (1255)

The Chair: I don't imagine the witnesses have any response to that statement.

For the final question, Mr. Lake, you have eight minutes.

Mr. Mike Lake: Mr. Drouin, you said that you'd never read Mr. Gladu's testimony before the committee until yesterday, is that right?

[Translation]

Hon. Claude Drouin: I'm pleased to hear you get back to that point. Last year, when I came to testify, I had also received documents, that I hadn't had the time to read. I was Chief of Staff to the Department of Transportation in Quebec and I worked 70 to 90 hours per week. It's my fault, I was unable to peruse the documents before this week.

I'd like to thank the clerk and officials for having sent the documents to us.

[English]

Mr. Mike Lake: I find that interesting, because back on June 13, 2007, when you were being questioned by Pierre Poilievre, he quoted a couple of times from Mr. Gladu's testimony, without

actually even crediting Mr. Gladu with the quotes, and you responded by saying, "I am astounded that Mr. Gladu was surprised, because when he told me about it, I was with my chief of staff", and it went on.

You actually referenced the fact that Mr. Gladu had said the things that Pierre had quoted him as saying, without Pierre even having credited him with the statement. I find that kind of interesting. At some point you must have seen that testimony. Of course, he had testified two months earlier. It seems that there's a whole bunch of conflicting testimony. But I think what's more troubling than two people having conflicting testimony is one person conflicting in his own testimony.

Previously you said that your DM, Mr. Gladu, who had previously testified that he approved of the move, told you the move would cost \$1 million and upset some employees, and you said, "I asked him whether he wanted me to do something about it. I did not understand why he was telling me this."

If you didn't understand why he was telling you that, why didn't you just ask him to clarify what he was recommending instead of writing a letter to the public works minister to stay at Place Victoria?

[Translation]

Hon. Claude Drouin: I admitted it, it was my mistake. I'd like to respond to the point raised by the member, Mr. Chairman.

As Mr. Poilievre mentioned what the deputy minister had said, of course I was aware of it. I told him I was surprised to hear that Mr. Gladu had been surprised to hear that, and we had discussed the matter together. That is why I had mentioned it.

[English]

Mr. Mike Lake: But Mr. Poilievre never actually even referred to Mr. Gladu's name when he read the testimony into the record, yet you knew it was Mr. Gladu who had said it.

In previous testimony you said that you asked Public Works for a "verification" based on your deputy minister stating that the move would cost \$1 million and that Place Bonaventure was a concrete building with a train running below it. Your letter to Minister Boudria does not mention any of those reasons, only that you wished to remain in a "prestige" address.

Why the discrepancy?

• (1300)

[Translation]

Hon. Claude Drouin: Because I'd had a phone conversation with him. I shared my concerns with him and he told me to send him a written request, in a transparent way, and that he would look into it. That is what was done and what I had understood from Deputy Minister Cochrane when she testified before the committee.

[English]

Mr. Mike Lake: So you said that you only wrote to get a verification—that was what you said in your testimony, only a verification—but the letter clearly states, at the end of its two paragraphs, “Consequently, I would ask you to sign a new lease with Place Victoria, if possible.”

Is that what you consider a verification?

[Translation]

Hon. Claude Drouin: Yes, the words “if possible” indicate that.

[English]

Mr. Mike Lake: You do consider that a verification? You actually asked him, “...I would ask you to sign a new lease with Place Victoria, if possible”.

[Translation]

Hon. Claude Drouin: And given the telephone conversation we had had before hand.

[English]

Mr. Mike Lake: Okay.

I'm interested in the cost of the move. It's more of a comment than a question. You keep referring to this \$1 million that you saved. Do you think, if someone else were to move into Place Bonaventure and take up that space, they would have incurred zero costs for moving? Would the costs of moving not have been the same regardless of who had to move?

[Translation]

Hon. Claude Drouin: No. It is the deputy minister who told me about the costs. It was mentioned in the testimony. For over 30 years we had been in the same place and there had only been one call for tenders. On all other occasions, it had been done by mutual agreement. If a move could be avoided, there would be cost savings, and if officials from other departments were to move to Place Bonaventure, it would not have involved additional costs.

[English]

Mr. Mike Lake: The taxpayer would still have paid \$1 million or more for someone to move into that space. That's the point I'm trying to make. The taxpayer did not save a million dollars because of your decision not to move.

Mr. Boudria, in a bidding process, is it regular practice for you to go through the whole process, finish the process, have one winner, sign a contract with that winner, and then go back and offer the fourth-place bidder, or any bidder down the line, the opportunity to rebid based on all the information having been made public? Is that a normal process? Is that fair?

Hon. Don Boudria: I don't believe that a contract was signed with the winner before I received the letter in question. That occurred long afterwards.

Mr. Mike Lake: The contract at Place Bonaventure was signed after the contract with Place Victoria was renewed. Is that what you're saying?

Hon. Don Boudria: No. I'm referring to the time when I was the minister. Beyond that, it's not for me to say.

Mr. Mike Lake: I'm just asking based on your experience as a minister.

Hon. Don Boudria: Sir, with respect, I was in elected office for 30 years and was Minister of Public Works for four months. If one wants to call that vast experience at Public Works, well, fine, but I don't think it is. During the brief period I was there, I received a letter from a colleague asking me to look into something. I passed it on to my department, and a few weeks later I wasn't the minister any more, and I never saw the answer.

Mr. Mike Lake: When you were the minister, would you have considered it normal practice to allow a rebid by a fourth-place bidder based on all the information from the previous bid, which had been made public?

Hon. Don Boudria: It didn't happen to me, as far as I know of, while I was there, but then again, I was there only briefly.

Mr. Mike Lake: Your experience is definitely showing right now in answering this question.

Based on your experience, would you have considered that to be acceptable practice, yes or no?

Hon. Don Boudria: It depends on the circumstances.

Mr. Mike Lake: In this circumstance, would you...?

Hon. Don Boudria: I didn't receive the answer in reference to this circumstance. I'm unable to arrive at a conclusion on information I did not see.

Mr. Mike Lake: Fair enough.

Mr. Drouin, I want to give you another opportunity to explain some of these contradictions we've seen. It's interesting, when we compare your letter to your testimony several years later and then compare that to your testimony today, how much the story has changed. I think we've seen examples of that. I want to give you another opportunity to state the reason why you suggested that this decision be overruled.

[Translation]

Hon. Claude Drouin: Mr. Chairman, I have not changed anything. I've always said the same thing. I would have you note that when Public Works decided to negotiate the lease for Place Victoria, it believed other officials who needed to move would go there and that it would cost nothing more. Unfortunately, and I don't know why this is, there were some delays and that is what involved costs. Otherwise, it would have cost nothing. That is what I understood of the testimony. I have not changed anything to my statements.

•(1305)

[English]

The Chair: Thank you, Mr. Lake.

Merci, Monsieur Drouin.

That, colleagues, concludes the round. On behalf of the committee, I'd like to thank you, Mr. Boudria, for your attendance here today, and you, Monsieur Drouin, for coming here today from your home province of Quebec. Thank you very much.

Mr. Fitzpatrick has a point of inquiry, but if the witnesses want to leave, you're welcome to. Again, thank you very much.

Mr. Brian Fitzpatrick: Chair, it's my understanding that we are seeking clarification from Public Works. I think everybody said that they really want to find out the total costs and quantify this whole area. The thing I think we've missed on this point, and it's come up today and I think it's quite relevant, is the name of the tenants who moved into Bonaventure, the date of the moves, the cost of the relevant relocation and moving, and the amount of any unproductive rents that resulted from those relocations. They're part of the picture too. You can't look at a glass half-empty. We need those figures, as well. I would ask that the committee, through you, Chair, seek that information from Public Works. They should have it.

The Chair: Yes, Mr. Fitzpatrick.

If I may summarize that point, this issue arose as a sidebar in the Auditor General's report. It wasn't an audit. The Auditor General stands by that \$4.6 million figure. That figure's been challenged by Public Works and Government Services. If we had the Auditor General here today, I am certain that she would say that based on the information she has, she stands by the \$4.6 million.

Public Works and Government Services has challenged that figure. They were supposed to get us up-to-date information. They were supposed to get it by today's date. They haven't. We expect it very soon. We will push them and get it. Once we get it, we will certainly circulate it to the committee. We'll also give it to the

Auditor General for analysis and ask if there's any change in their testimony.

Mr. Fitzpatrick, we will bring your point to them. However, I want to point out to you that I'm not as convinced as you are that it's relevant. If the Business Development Bank established an office in the city of Montreal and upped the cost in going there, I don't think it would have been included. But I'll let the Auditor General deal with that issue.

Mr. Borys Wrzesnewskyj: On a point of order, Chair...

The Chair: A point of order.

Mr. Borys Wrzesnewskyj: As you reviewed the information to be brought forward.... What I had requested—and I thought I had made myself clear several times—was the numbers based upon which the Auditor General arrived at that number of \$4.6 million. It's not just Public Works; we want to see how the Auditor General arrived at her numbers.

The Chair: Plus, whether she is getting them changed.

Mr. Brian Fitzpatrick: And also Public Works.

The Chair: Okay, thank you very much.

We'll see you next Tuesday at eleven o'clock.

The meeting is adjourned.

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