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# **Standing Committee on Government Operations and Estimates**

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**EVIDENCE**

**Wednesday, March 17, 2010**

—  
**Chair**

**Ms. Yasmin Ratansi**



## Standing Committee on Government Operations and Estimates

Wednesday, March 17, 2010

• (1655)

[English]

**The Vice-Chair (Mr. Chris Warkentin (Peace River, CPC)):** We're moving out of in camera and into a discussion about motions. I believe there are a couple of motions to be brought forward by committee members. I'd now allow committee members to do that.

Are there any committee members who would like to move motions?

**Ms. Martha Hall Findlay (Willowdale, Lib.):** Yes, Mr. Chair, as a matter of fact. Thank you very much.

[Translation]

I have two motions to move. Do the committee members want me to read them? One of the motions is almost identical to one that was already brought forward, except for a few changes. Both motions were handed out. Do the committee members want me to read them before I move them?

[English]

**The Vice-Chair (Mr. Chris Warkentin):** Maybe you can just specify which one you're moving.

**Ms. Martha Hall Findlay:** One at a time? Okay.

I will propose my motion that starts with, "That the Committee recommend to the Auditor General to undertake an audit of the \$1.4 billion disposition of seven commercial real estate properties...".

Again, this one has not changed. It's the same as distributed in the notice quite a long time ago.

Do the members wish me to read it out loud?

**The Vice-Chair (Mr. Chris Warkentin):** No. It seems to me that everybody has read it.

Is there any conversation or are there comments with regard to this motion before we go to a vote?

Mr. Holder.

**Mr. Ed Holder (London West, CPC):** Thanks very much.

I'd like to table the motion. Here's why. For members of the committee who don't know, just about two and a half years ago, Deutsche Bank did an extensive assessment of the sale of these properties. The reason I'd like to defer this vote, to table it, is that I'd like to ask that the Deutsche Bank report be tabled for our review before we ask the Auditor General—which we can still do, by the way—to undertake a review.

I don't know how and where this might fit into her calendar of things. I'm sure she's not looking for things to do. But it would seem to me that if we could have the Deutsche Bank report tabled for the committee's review, and I mean immediately, so that can we look at it.... If it satisfies us as a committee, terrific, and if it doesn't, then I would invite Madam Hall Findlay to bring it right back and work from there. But I would appreciate it and I would ask that the report be tabled to this committee.

**The Vice-Chair (Mr. Chris Warkentin):** Madam Bourgeois.

[Translation]

**Ms. Diane Bourgeois (Terrebonne—Blainville, BQ):** I am very much in favour of this motion for the simple reason that the committee studied the sale of those seven properties two years ago. One of our researchers was here then. It was indeed Deutsche Bank and, I believe, the Bank of Montreal that had recommended to the government to go ahead with the sale of the seven properties. What I really like about the motion is where it talks about looking especially into the efficacy of the business case. I am happy about that. We want to know whether there was a business case for the government to sell these properties. That is what they told us at the time, and I remember the NDP, the Bloc Québécois and the Liberals asking for a moratorium on the sale of the seven properties because we did not know where the government was going.

I would be very happy if we could move forward with this motion because it confirms what we have always asked for here, that is, whether there are business cases justifying the government's actions.

• (1700)

[English]

**The Vice-Chair (Mr. Chris Warkentin):** Mr. Bruinooge.

**Mr. Rod Bruinooge (Winnipeg South, CPC):** Thank you, Mr. Chair.

Perhaps to just follow up on what Madam Bourgeois was talking about, I think it really gets down to the heart of this particular motion. I think it's in part just due to a philosophical approach to property management.

If you look at the private sector, you'll see that there are many companies that have embraced actuarial accounting, which views properties as a long-term liability and relinquishes themselves of that asset for the purposes of having a company that's strictly in the business of doing property management.

In order to actually improve buildings for environmental standards...they tend to change over time. So by having a property manager, most actuarial accountants argue that it's a proven fact—and I'm not a mathematician—that, over time, putting property management into the hands of businesses that deliver that service actually saves money.

That's the viewpoint of Deutsche Bank. It's the philosophical viewpoint that I have, having spent a little bit of time in that sector. I think that's probably where we're seeing a divide here. It's the philosophical approach that's being taken, so I think we're very likely going to have the same result on this vote.

**The Vice-Chair (Mr. Chris Warkentin):** We have Patrick Brown, Martha Hall Findlay, and then Madam Bourgeois who all want to get on the speaking list.

Mr. Holder, I'm told we do have a copy of that report from Deutsche Bank, but it is quite thick and it came in just English. We don't have the French translation. We probably won't, at least immediately, be able to circulate that to committee members; however, I suspect there are probably other ways people could get hold of the English version.

Mr. Brown.

**Mr. Patrick Brown (Barrie, CPC):** Just to agree with what Mr. Bruinooge said, I do think it would be valuable for those who are interested to see that bank report.

We should recognize that we don't need a motion for the Auditor General to look into something. If she wanted to look into it, she could certainly look into it. It's not a necessity for our committee to do that.

I'm sure a year ago, if she felt it necessary to do so, it would have been done. Obviously, she has her time constraints, given her busy schedule and numerous reports. I just hope we don't try to tie her hands on work she does have to do, given this hasn't sparked interest, and given the report of the bank that clearly suggests that it made sense.

In terms of the philosophical angle that Mr. Bruinooge mentioned, it's interesting to note that the provincial Liberal government has recently said they are looking at the same approach of selling assets and getting out of that business. So it appears that more governments around the country are using that approach and recognizing that if it's working nationally, it can certainly be adopted in provincial capitals. I'm sure that's one of the reasons why Mr. McGuinty has taken that approach as well.

**The Vice-Chair (Mr. Chris Warkentin):** Having sat through all of the hearings surrounding this, and of course our committee moved forward believing it was a good idea at the time, I don't want to reconstruct the committee divisions on this particular issue. I just put that out there: we don't want to reconstruct the hearings that this committee heard in the past. If members want to continue this dialogue, I'm happy to do that.

I believe we have Madam Hall Findlay first, and then Madam Bourgeois.

**Ms. Martha Hall Findlay:** I hate to break it to my colleagues, but I will be the first one in line to say a sale leaseback makes sense if

the numbers make sense. This has absolutely nothing to do with philosophy or ideology. I will repeat, if the numbers make sense, I will be the first one to recommend that the government dispose of assets—if it makes sense financially on a long-term basis.

I understand the committee looked at it before it was actually done. With all due respect to my colleague, there is interest. There has been significant concern about whether, in fact, the results of those dispositions and the sale leasebacks have, in fact, fulfilled the promise that they appeared to show, which is why they went ahead in the first place.

This is not philosophical, it's not ideological. As a former business person, I can tell you it is entirely to determine whether, in fact, the government got, and is getting, the best return for taxpayers.

With all respect, this has nothing to do with philosophy. You're looking at somebody who would be the first one to say, "Do it, as long as the numbers make sense." So disabuse yourselves of that particular line of thinking.

• (1705)

**The Vice-Chair (Mr. Chris Warkentin):** Madam Bourgeois.

[*Translation*]

**Ms. Diane Bourgeois:** I would just like to request a vote, Mr. Chair.

**An hon. member:** Yes.

[*English*]

**The Vice-Chair (Mr. Chris Warkentin):** We sure can.

Nobody else has comments or concerns?

Mr. Holder.

**Mr. Ed Holder:** Just one final comment.

I appreciate Madam Hall Findlay's comment on this, because I'm a business person first too, which is why, again, before I would engage or ask the Auditor General... I suppose it's her choice to either take this on as a project or not. But I've not seen that report. I know there are people around this table who have not seen the Deutsche Bank report. I do have some confidence in them as an organization, but I want to see that report before I would undertake to use government resources, including those of the Auditor General, to do that.

I don't think it's unreasonable for us to ask that, and defer that. So that is my wish.

**The Vice-Chair (Mr. Chris Warkentin):** I think we could put everyone's mind at rest. The Auditor General is not compelled to do anything that is not in her bailiwick or believed to be an issue.

Let's call the question.

All those in favour?

All those opposed?

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

**The Vice-Chair (Mr. Chris Warkentin):** The motion is carried.

Are there any other motions? I believe there's possibly one more at the table.

**Ms. Martha Hall Findlay:** There is, in fact, Mr. Chair, thank you.

I would like to thank my colleagues for supporting my earlier motion.

Once again I will ask my colleagues if they would like me to read—

**Mr. Ed Holder:** I apologize, Madam Hall Findlay.

I have a point of order, please. I don't know how this will be translated back to the Auditor General. How will that be communicated to the Auditor General? How does that work, please—on the prior motion? I don't understand it.

**The Vice-Chair (Mr. Chris Warkentin):** On the point of order, I believe what would happen is the chair would write a letter on behalf of the committee stating that there had been a vote and this was the motion. The chair would write to the Auditor General. I suspect that she may write us a letter back.

**Mr. Ed Holder:** Just as an extension of that, when that goes through, is it that the committee has done this, or that there was a split vote?

How does that get communicated?

**The Vice-Chair (Mr. Chris Warkentin):** I believe it will be that the motion was carried at the committee. We didn't specify—

**Ms. Martha Hall Findlay:** It's in camera; a recorded vote is not actually made public.

**The Vice-Chair (Mr. Chris Warkentin):** No, we have moved out of camera.

**Ms. Martha Hall Findlay:** Oh, that's right. Sorry.

**The Vice-Chair (Mr. Chris Warkentin):** It is on the public record concerning the way that people did vote. I think there is clear indication that people were not all in favour of that.

On a point of order, Mr. Bruinooge.

**Mr. Rod Bruinooge:** Mr. Chair, on another point of order, if you could indicate in your letter that there was some disagreement or that the government side didn't support the motion, it would be appreciated.

**The Vice-Chair (Mr. Chris Warkentin):** I think now it's part of the public record that the government side did not support that motion. That will be duly noted by those who look into it.

I'm on the point of order. Are you commenting on the point of order?

**Mrs. Alexandra Mendes (Brossard—La Prairie, Lib.):** The motion is a recommendation, not an order.

**The Vice-Chair (Mr. Chris Warkentin):** Absolutely. We have no authority in this committee—

**Mrs. Alexandra Mendes:** Exactly. It's a recommendation, that's all.

**The Vice-Chair (Mr. Chris Warkentin):** —to make any orders to the Auditor General.

Mr. Martin.

**Mr. Pat Martin (Winnipeg Centre, NDP):** On the same point of order, just for future reference, no recorded vote was asked for. Therefore, I don't think it is in order to say that the committee recommends this but some members didn't agree with it. That's not how it works. If you want a recorded vote, you have to ask for it before the vote takes place, or else the permanent record should only show that the committee agreed on something.

**The Vice-Chair (Mr. Chris Warkentin):** In terms of the minutes of proceedings, it will indicate there were a certain number who were opposed and a certain number who were in favour. If anybody is interested in who they were, I think by reading the transcripts of these meetings it will be no secret as to who voted for and who voted against.

If there is no further discussion on that, we can proceed.

• (1710)

**Ms. Martha Hall Findlay:** Thank you, Mr. Chair.

The second motion that I'd like to propose is a modified version of one that I had originally proposed. Due notice has been given. This has to do with the economic stimulus package and the report.

At a prior meeting there seemed to be some confusion or lack of understanding about the fact that the economic stimulus is, in fact, a two-year plan, that we're just finishing the first of two years, and I wanted to clarify that in the discussions of the report, the one we're referring to now is an interim one. We're not capable of doing a final one of course until a year hence.

Because it was changed, I will reread it in English:

That the Committee resume its study of the implementation of the Economic Stimulus Package from the Second Session of the 40th Parliament, that the evidence and documentation received by the Committee in relation to the said study be taken into consideration in this session, that the draft report prepared by its analyst in respect to this study be considered for presentation to the House as an interim report as soon as possible, and that the committee continue to hold hearings on this issue in order to present a final report to the House.

Mr. Chair, I will also add that this would simply not be necessary had we not prorogued Parliament. This is, in fact, what we actually have to do to continue the study that this committee had agreed to do in the last session.

**The Vice-Chair (Mr. Chris Warkentin):** Ms. Hall Findlay, just on a technical aspect, there was an agreement at least to proceed with the report itself. Are you suggesting that we make any changes to what was conceived in terms of proceeding with that report, or are you saying let's proceed with that and let's do additional meetings down the road on the stimulus package?

**Ms. Martha Hall Findlay:** That's a very good question, Mr. Chair.

I note we had already agreed, as a committee, that we would set aside some time to deal with the draft report. The economic stimulus package is a two-year package—and so, absolutely, an interim report, with the continuing ability to investigate it. We have not asked for a specific time. We've already allocated much of the next two months to sessions, so I'm happy if we do it later on. It is a two-year program, but absolutely, because it's a continuing study.

**The Vice-Chair (Mr. Chris Warkentin):** Perfect. That gives clarification, I think, to the clerk in terms of what was conceived.

**Ms. Martha Hall Findlay:** Yes. There seemed to be a bit of confusion at the beginning, so thank you for that clarification.

**The Vice-Chair (Mr. Chris Warkentin):** Is there any dialogue or discussion with regard to this?

Mr. Martin.

**Mr. Pat Martin:** I simply wanted to say that I think it is fitting that we as the oversight committee, the government operations committee, should continue our scrutiny of this stimulus package. Billions and billions of dollars flew out the door with unprecedented, breakneck speed. We've been asked to accept it on more or less blind faith that it's achieving what it's set out to achieve, whereas as Madam Hall Findlay has pointed out many times, there have been no hard, concrete numbers as to the benefit of this spending. It's up to us to provide the oversight and scrutiny that we're charged with. This is our very mandate.

I couldn't agree with her more. I would go further and say that if and when this motion passes, a study of the stimulus spending should take precedence over other items we've already agreed to study. As information comes forward we should drop what we're doing and go back to what I think is the most important thing this committee does, and that is providing proper oversight of the stimulus spending.

That brings me to a point we passed at the last meeting, the motion that the government must release all its paperwork, all the numbers it's received from the Province of Ontario. If it doesn't have them, give us a legal opinion.

In the context of debating this motion, I'd like to know what happened to that motion, because that's the first order of business, I believe. When those numbers come in we should drop everything else and give a good, hard look at the concrete numbers we received from the Province of Ontario.

**The Vice-Chair (Mr. Chris Warkentin):** I'm just going to jump in here for a minute.

The motion from the last meeting regarding the Ontario numbers—do we know anything on that? It's schedule H.

**The Clerk of the Committee (Mr. Marc-Olivier Girard):** Do you mean did we receive the information, or...?

**The Vice-Chair (Mr. Chris Warkentin):** Yes. Did we request the information?

**The Clerk:** I requested it on either Monday or Tuesday of this week. I had some contact with Infrastructure Canada. They are already working on providing the committee with the information.

• (1715)

**The Vice-Chair (Mr. Chris Warkentin):** Very good.

On this, Mr. Martin, you asked about allocations of time. We have March 24 and 31 allocated for the consideration of the draft report. You talked about the necessity to update the information as it's available.

Actually, having spoken with the analysts, we do have additional information, which has already come forward, that would be pertinent to this report including the fourth and fifth report cards that could be incorporated. There may be some consideration of that,

and we may want to give instructions to the analysts at this point to consider what they could compile before we do the draft report consideration.

Is that something the committee wants to do?

**An hon. member:** Mr. Chair—

**The Vice-Chair (Mr. Chris Warkentin):** Ms. Hall Findlay.

**Ms. Martha Hall Findlay:** Mr. Chair, I would wholly endorse that as an approach.

**The Vice-Chair (Mr. Chris Warkentin):** Okay.

I believe Mr. Holder has the floor.

**Mr. Ed Holder:** You cut me off, Martha; oh, God.

Thank you, Mr. Chair. I agree with Martha: table report cards four and five. I think it's appropriate that they be incorporated into this. However, it will not surprise members opposite that some of the language used in this report may not be satisfactory to members from the government side.

**The Vice-Chair (Mr. Chris Warkentin):** Just because we want to get moving, and just so that issue's dealt with, we're not discussing the contents of the report right now. We're going to proceed as was planned in terms of the timeframe.

**Mr. Ed Holder:** All right. Thank you.

**The Vice-Chair (Mr. Chris Warkentin):** Is there general consensus to move forward in the matter that we've discussed?

We're voting on the motion.

(Motion agreed to)

**The Vice-Chair (Mr. Chris Warkentin):** I just want to make members aware that Minister Day is going to be available for the first hour of the next meeting. The officials have suggested that he come on supplementary estimates (C) but also on the main estimates.

So if the committee is generally happy with that...

Ms. Coady.

**Ms. Siobhan Coady (St. John's South—Mount Pearl, Lib.):** Thank you very much.

I'll go along with that, as long as we... I reserve the right to be able to call him back. You're talking about the supplementary estimates (C) and the main estimates. It's quite a substantive amount of material, and we may not be able to get through it one hour. As a matter of fact, I would suggest we won't be able to get through it.

**Mr. Ed Holder:** On a point of order, Mr. Chair, when the bells ring, it all stops.

No disrespect to my colleague, but we're done.

**The Vice-Chair (Mr. Chris Warkentin):** Well, you'll give me some leniency today.

I think we have general consensus; there's a point of information...

The meeting is adjourned.

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