



House of Commons  
CANADA

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

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OGGO • NUMBER 038 • 3rd SESSION • 40th PARLIAMENT

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**EVIDENCE**

**Tuesday, November 23, 2010**

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**Chair**

**The Honourable John McKay**



## Standing Committee on Government Operations and Estimates

Tuesday, November 23, 2010

•(0845)

[English]

**The Chair (Hon. John McKay (Scarborough—Guildwood, Lib.)):** I'd like to bring this meeting to order.

Good morning, members and witnesses.

We have with us Mr. Paul Sauvé and Mr. Michel Dorval. They have 10 minutes for a presentation.

I'll call upon Mr. Sauvé to commence with his presentation.

**Mr. Paul Sauvé (President, LM Sauvé):** Good morning, ladies and gentlemen. My name is Paul Sauvé.

I would immediately beckon this committee to stop my time, for we have learned about 20 minutes ago of the passing of Michel Dorval's father, Jean Dorval. Michel, who is with me today, had asked for continuance of this committee on Friday, at my request, and was denied. So I would appreciate a moment of silence before we begin, to honour the death of his 85-year-old father, who passed away 20-some minutes ago.

**The Chair:** Colleagues, if we could respect that minute of silence, please.

[A moment of silence observed]

**The Chair:** Thank you, colleagues.

Mr. Sauvé, before you make your presentation, Mr. Coderre has a point of order.

[Translation]

**Hon. Denis Coderre (Bourassa, Lib.):** Mr. Chairman, I would like the witness to be sworn in this morning.

[English]

**The Chair:** It's a committee discretion thing.

Do colleagues want the witness to be sworn in? Yes, please.

Thank you.

[Translation]

**Mr. Paul Sauvé:** I, Paul Sauvé, swear to tell the truth, the whole truth and nothing but the truth, so help me God.

[English]

**The Chair:** Thank you, Mr. Sauvé.

Thank you, Mr. Dorval.

We look forward to your presentation.

**Mr. Paul Sauvé:** I would like to have permission to present my PowerPoint presentation, which is available on the screen.

**The Chair:** I don't see anything out of order with that. That's fine.

**Mr. Paul Sauvé:** LM Sauvé Canadian Construction and Masonry Corporation is a family business that is 54 years old and has been practising the art of masonry across this great country. It was founded by my grandfather, Albert, and pursued by my father, Maurice. It has had many involvements in construction across Canada. A brief history would show that in 2004 we were awarded the restoration of the CSIS building in Montreal. We were cleared by security and all forces at Public Works to be awarded a \$5.2 million contract.

Next is the St. James tower restoration project in Montreal, which was under way from 2001 to 2006. It is one of the most prestigious and historically relevant churches in Canada, and it was restored by our firm, with much involvement through public-private partnerships with the Quebec government and the City of Montreal.

The next slide shows the Hudson's Bay Company, Canada's largest retailer and second-largest in the world. We were awarded a \$29 million campaign to restore all of their flagship stores and historical properties across Canada.

Our operations to this day—regardless of the difficulties that have been brought upon us from the loss of this great contract here, and the one for City Hall in Montreal—span across the country, with offices from Montreal to Victoria. Regardless of the difficulties we've suffered—just to dispel some of the queries that we had to file for bankruptcy and had disappeared from the map, which is not correct—we are in full operation. We would like to remind you of what we did last summer. I will show you some activities in Toronto, Winnipeg, Montreal, Vancouver, and Victoria.

I would like to break the ice on the St. James church project and discuss the great injustice that rests upon my family's company to bear the complete costs of the \$4.7 million cost overruns, normally shared by all parties involved, which include the Quebec government and the City of Montreal.

This picture is from 2004, at the grand opening of the project. You can see Jacques Chagnon, from the Ministry of Public Security, and a slew of ministers from the Quebec government, as well as the mayor of Montreal, Line Beauchamp, Jean-Marc Fournier, and a few others.

I would like to attract your attention to why we hired a lobbyist when it came time to do the tower project. In 1994, Reverend Arlen Bonnar was involved as a partner in the project of the restoration of St. James and did not share in the burden of the costs of \$4.7 million. I am told he has lately received from the Quebec government close to \$1 million, which has not been redispensed to the coffers of my family's corporation.

As you can well imagine, a \$4.7 million cost overrun during the St. James project led us to ask for some help from financial partners.

I would like to dispel the issues that surround myself and others in my family regarding the involvement of the FTQ, and more precisely their "partners", the Hells Angels.

We asked for help after the complete failure and loss of \$4.7 million from one of the most trusted sources of union pension fund moneys in the country, and we were invaded by this particular gentleman, who was recently arrested.

I'll then talk to you about the *projet de l'hôtel de ville de Montréal*. The mayor of Montreal believed, as I've been told, that the restoration of City Hall could be a project to get us working again. So we bid competitively, and other than the fact that we had to go through a great number of loopholes to win this bid, we qualified in a cross-country competition.

● (0850)

Once we were awarded this bid, we discovered that one of the companies that was involved—to do the roof—had been disqualified in the tender package but had to be reintegrated into the team. Well, this member, Three Stars Roofing, lo and behold, was partners or in cahoots with the Rizzuto clan, as you saw in the pictures in the press last week. So there is a direct link between organized crime, large union contractors, and politicians.

I state for the record today, having heard from members of this clan, that I believe three councilmen who are presently serving for the City of Montreal, as well as the mayor himself, to be part and parcel of this controversy.

I will switch to the Peace Tower project in 1994 and explain to you why we've hired a lobbyist, which I believe is one of the reasons I'm here today.

In 1994, as a much younger man, I came to the Hill with my father to bid for one of the first projects that was to take place, the great restoration of our great Peace Tower. Upon depositing our bid in April 1994 at 10:30 a.m. in Hull, at Place du Portage, we were told by the clerk that the bid had to come in about 10 days later because of Fuller Construction's golf tournament. About 10 days later, when the bid came in, Fuller Construction was awarded the results. Fuller was involved with Carleton steel. Bobby Watt was the subject of quite some controversy here, and Richard Moore, who serves for MHPM, which is a partner with Public Works in the campaign to restore all of the buildings here, was then the president of Fuller Construction.

You can just imagine that as a boy from Quebec, coming on the Hill.... We decided this time around, 15 years down the road, to hire some help, and here are the Conservative connections we were told to use: Le Mas des Oliviers, the Conservative headquarters in

Quebec; François Pilote, best friend of our Premier of Quebec, Jean Charest; Senator Claude Nolin; Gilles Varin; and Hubert Pichet. We got the contract, obviously because we paid and because we qualified; we had the qualifications.

Here's what we found out when we got here. You have an organigram with many players: Public Works; MHPM; Richard Moore, then president of Fuller Contracting, now acting for MHPM inside the Public Works office, leaking our bid sheet to a competitor and buoying himself to try to get our market, trying to get our job; Arcop architects, no collaboration; Revay, same engineers. There was no way in hell that we could make it through this unscathed, regardless of all the other difficulties that I just explained to you a minute ago.

I'll give you some of the explanations for which Public Works seems to think we were not up to par. It took us eight weeks—two months—to get electricity to our latrines and our construction shacks when we got to the Hill; seven months of quibbling over our schedule; one month for having been given erroneous civil engineering plans for a tunnel that we dug out that didn't exist, but that was there; two months of delay because of misplaced files and no plans coming to remediate; obviously slow payment, greatly affecting our cashflow, which led to our most recent financial difficulties; and a slew of road closures that didn't help us in the matter.

Then came the mediator to try to help, hired by Public Works, best friend of Norm Glouberman, president of Arcop architecture, Mr. Howie Clavier, who visited city hall and made it very clear that the crown would invoke our bonding company, La Capitale, to come finish the job. Since there was cross-collateralization between both projects, obviously the city hall project would get hit and hurt by that same token. So a cyclical effect of having taken our project away here also led to our bonded project in Montreal being taken away, two of the greatest projects we had, other than the Hudson's Bay Corporation project, at that time under way.

● (0855)

Ladies and gentlemen, the real tragedy here is not hiring a lobbyist. The real tragedy is that this work, which has been overly complicated by a slew of folks who work for Public Works, either through consultants or direct offices...it led this work to cost about \$6 billion, where it could have cost just under \$1 billion.

We have the competency to prove this, and yet we've been led astray in being able to prove that point. We never had a chance.

I sit here today humbled by this whole affair, and I'm ready to answer your questions.

Thank you.

**The Chair:** Thank you, Mr. Sauvé.

Colleagues, before I turn to Mr. Coderre, I note that the presentation is in English only. There are copies available, but I would need permission of the committee to distribute them.

Do I have that permission?

**Some hon. members:** No.

**The Chair:** It's no.

**Mr. Chris Warkentin (Peace River, CPC):** I don't know if it's a point of order, but for the benefit of committee members, there were a number of allegations brought forward in his presentation, and I'm wondering if Mr. Sauvé would have backup documentation for any of the statements he's made in his brief.

**The Chair:** Before Mr. Sauvé answers this particular point, these bullet points are bilingual, so they are distributable. That does speak to your issue.

**Mr. Chris Warkentin:** Is that the backup documentation?

**The Chair:** Yes, these can be circulated.

While the clerk is circulating this, Mr. Coderre, you have eight minutes, please.

● (0900)

[*Translation*]

**Hon. Denis Coderre:** Good morning, Mr. Sauvé.

I would remind committee members that it is precisely for that reason that I wanted the witness to swear on the bible. His own honour is at stake.

I would like to address three issues. In any case, we have two hours available to us, so we will have plenty of time. Of course, there is the matter of the money, the contract and the cocktail party.

Just before we begin, I would like to ask you this: did you receive any threats that were intended to discourage you from appearing here today?

**Mr. Paul Sauvé:** No.

**Hon. Denis Coderre:** No one threatened you?

**Mr. Paul Sauvé:** No.

**Hon. Denis Coderre:** At the time of the city hall affair, you had received threats. You had bodyguards. Have you not been threatened since?

**Mr. Paul Sauvé:** Not since I made that information public, and I believe that was the best thing I could have done—

**Hon. Denis Coderre:** Please just give me a simple yes or no answer.

**Mr. Paul Sauvé:** The answer is that I received no threats.

**Hon. Denis Coderre:** Perfect.

I would like to come back to the matter of the \$140,000, because you mentioned some names earlier. You referred to Mr. Pilote, and to Mr. Pichet, a former Conservative candidate in La Pointe-de-l'Île who is now assistant to Senator Nolin. You also referred to Senator Nolin and Mr. Varin. I note that you made your first payment to Gilles Varin the day after the tender call came out. In your opinion, is there a cause-and-effect relationship between the \$140,000 and winning the contract?

**Mr. Paul Sauvé:** Yes.

**Hon. Denis Coderre:** Did you distribute certain amounts out of that \$140,000? For example, did you decide that 25% of that money

would go to Gilles Varin and another percentage to the people you mentioned in your PowerPoint presentation? How was the \$140,000 divided up? Were there specific shares?

**Mr. Paul Sauvé:** I heard Mr. Varin say on a number of occasions that he would walk through the halls of city hall and Parliament with felt boots, so I presume that he was distributing that money. On the other hand, Mr. Varin was paid on the basis of a retainer fee. So, without being able to track that money, I can't tell you exactly where it went.

**Hon. Denis Coderre:** Did Mr. Varin tell you that the \$140,000 would be divided up among certain individuals in Ottawa?

**Mr. Paul Sauvé:** That's what he claimed, yes.

**Hon. Denis Coderre:** Did he say to whom he gave the money? Did he give any to Senator Nolin, Mr. Pichet or Mr. Pilote, for example? How did that work?

**Mr. Paul Sauvé:** What he said was that he had very close ties to Hubert Pichet and Senator Nolin.

**Hon. Denis Coderre:** But you didn't actually see it yourself; you have no evidence that he gave them that money?

**Mr. Paul Sauvé:** What he said was that people were working for him in Ottawa, inside the House of Commons.

**Hon. Denis Coderre:** When we heard from Mr. Varin, he said that, ultimately, he was only your strategic advisor and that all he did was provide some literature for the job. So, you're saying that's not true?

**Mr. Paul Sauvé:** It is not true at all.

**Hon. Denis Coderre:** How did your meeting go at the Mas des Oliviers, which you respectfully call the Quebec Conservatives' headquarters?

**Mr. Paul Sauvé:** Well, it was quite something. At the back of the restaurant, Hubert Pichet appeared with a parliamentary pass, and Mr. Varin asked me to change tables. I felt a little uncomfortable. When I sat down, Mr. Pichet immediately started talking about the issue affecting construction companies in Quebec, and the problems they were having winning contracts on Parliament Hill. He said that things were going to change, and that it was thanks to his efforts and those of some other people that things would change.

**Hon. Denis Coderre:** What do you mean when you say it was an "issue"?

**Mr. Paul Sauvé:** I mean it was a closed circle, that it was very difficult to win contracts as a Quebec contractor and that it was practically impossible to win contracts on Parliament Hill.

**Hon. Denis Coderre:** When you were asked to change tables, I imagine you were taken to a quieter corner?

**Mr. Paul Sauvé:** Yes.

**Hon. Denis Coderre:** So, he didn't just come and say hello, and the meeting did not last only five or ten minutes.

**Mr. Paul Sauvé:** There was nothing accidental about that meeting.

**Hon. Denis Coderre:** In other words, a meeting between Gilles Varin, Hubert Pichet and yourself was planned.

**Mr. Paul Sauvé:** Yes, absolutely. Mr. Varin expressly stated that he would be there.

**Hon. Denis Coderre:** Did anyone talk to you about Bernard Côté?

**Mr. Paul Sauvé:** Yes, they talked to me about Bernard Côté.

**Hon. Denis Coderre:** Did you meet Bernard Côté?

**Mr. Paul Sauvé:** Yes, I met Bernard Côté.

**Hon. Denis Coderre:** And Bernard Côté was employed by Minister Michael Fortier at the time?

• (0905)

**Mr. Paul Sauvé:** Yes, that's correct.

**Hon. Denis Coderre:** Did he tell you he was going to help you?

**Mr. Paul Sauvé:** That occurred at another meeting at the same restaurant, where he clearly indicated there was a problem, namely the barrier in the legislation governing unions which prevents trade between Quebec and Ontario. He also said that steps would be taken to ensure that Quebec companies would be invited more often to carry out work on Parliament Hill.

**Hon. Denis Coderre:** In other words, he told you that if you helped him, you would be given contracts.

**Mr. Paul Sauvé:** He said that things were going to change on Parliament Hill and with the arrival of the Conservative government, it would be possible to secure contracts, yes.

**Hon. Denis Coderre:** So he told you that under the Conservatives, Quebec would have its fair share and you would have your contract.

**Mr. Paul Sauvé:** That's correct.

**Hon. Denis Coderre:** Was money discussed at that time?

**Mr. Paul Sauvé:** No.

**Hon. Denis Coderre:** You weren't talking philosophy. It was really—

**Mr. Paul Sauvé:** No, we weren't talking philosophy. Mr. Varin was clearly at the centre of that fund raising.

**Hon. Denis Coderre:** When you paid the \$140,000, was that a kickback, as far as you were concerned?

**Mr. Paul Sauvé:** Mr. Varin kept repeating that he walked through the halls of Parliament and Montreal City Hall with felt boots. It seems to me you would have to be a complete fool not to think that there could be money being passed around here and there. So, yes, I assumed there was probably money being distributed.

**Hon. Denis Coderre:** In Marie-Maude Denis' story on Radio-Canada, you talked about \$140,000, but you also said you had given a \$70,000 bonus. In other words, because you got the contract, there was an additional amount paid.

**Mr. Paul Sauvé:** In actual fact, the agreement that Mr. Varin proposed included a \$25,000 bonus for making the shortlist, and \$275,000 for securing the contract, throughout that contract.

**Hon. Denis Coderre:** That's a new number. It was \$140,000 for the work as a whole, plus \$275,000.

**Mr. Paul Sauvé:** It was \$300,000 altogether.

**Hon. Denis Coderre:** If he says he only received \$118,000, I guess that's because you were not satisfied with his services?

**Mr. Paul Sauvé:** The fact is that, despite his huge networks, Mr. Varin doesn't deliver. We had major problems at Montreal City

Hall. His contacts are not just enough. The same thing applies to Parliament Hill. If you ask me, it's a phony organization.

**Hon. Denis Coderre:** So, it was through Mr. Varin that you expected to secure the contract for the Montreal City Hall and here.

**Mr. Paul Sauvé:** Mr. Varin was under contract, and was making an effort to secure both.

**Hon. Denis Coderre:** Did you meet with officials?

**Mr. Paul Sauvé:** During the contract period, or before the contract period?

**Hon. Denis Coderre:** Before.

**Mr. Paul Sauvé:** Not to my knowledge.

**Hon. Denis Coderre:** So your lobbyists were Conservatives.

**Mr. Paul Sauvé:** That's correct.

**Hon. Denis Coderre:** At no time, then, did you meet with officials prior to winning the contract.

**Mr. Paul Sauvé:** Calls were made to the office of Robert Wright, to find out when the call for tenders would be launched, and to position ourselves to receive the specifications so that we wouldn't miss the date.

**Hon. Denis Coderre:** Who called Robert Wright?

**Mr. Paul Sauvé:** I believe it was someone from our office. It may have been Éric Beaumier; I don't recall.

**Hon. Denis Coderre:** Fine.

Now let's talk about when you won the contract. It was noted that there were changes made three times before the contract was awarded. Do you see a cause-and-effect relationship between the interventions made by Mr. Varin and others, and the fact that you were able to secure the contract?

**Mr. Paul Sauvé:** I don't know. I think one of the changes was related to the fact that we have been doing our own masonry work for almost 60 years now. It's in our blood.

One of the changes requested was that we be able to do that work. We knew there was a trend toward monopolies on Parliament Hill. Indeed, there was one company that was very well known. We asked for that change because, after all, we are a masonry company. In my opinion, that change had the potential to give our bid an edge by allowing us to develop a better budget approach and offer a better price for taxpayers. As for the other two changes, I don't have an answer to that.

• (0910)

**The Chair:** Thank you, Mr. Sauvé.

Ms. Bourgeois, you have eight minutes.

**Ms. Diane Bourgeois (Terrebonne—Blainville, BQ):** Thank you, Mr. Chairman.

Good morning, Mr. Sauvé. Thank you for being here today. I want to say that I am very grateful to you for your courage in agreeing to come here to Parliament Hill to tell us exactly what is going on between our walls. Thank you very much.

I would like to begin by asking you this: after securing the contract on Parliament Hill, you organized a cocktail party. Are you in the habit of organizing that kind of event to thank the people who help you win contracts?

**Mr. Paul Sauvé:** I have organized a few of them. For example, I organized one for a person I consider to be a friend, Mr. André Boisclair. When I was still quite young, I attended several cocktail parties, because my father was very active in the Liberal Party of Canada and the Quebec Liberal Party. So, from an early age, I saw how the machine worked, but it was not something I was in the habit of doing.

**Ms. Diane Bourgeois:** With respect to the cocktail party that Mr. Paradis attended, who told you you should organize a cocktail party to thank these people?

**Mr. Paul Sauvé:** It was a man by the name of Gilles Prud'Homme, who was an organizer in the riding of Bourassa. He made it very clear that this would be helpful as a way of boosting the Conservative Party, because in Quebec, it was difficult for his members to collect money.

**Ms. Diane Bourgeois:** Did Mr. Prud'Homme suggest names of people who should be invited?

**Mr. Paul Sauvé:** Mr. Prud'Homme had a small network. He suggested the names of a few people who came. I would say that most of them, with the exception of the ones who arrived unexpectedly in the course of the evening, attended as a result of calls that I and others had made, to ensure they would be there.

**Ms. Diane Bourgeois:** You say that some people arrived unexpectedly. Were they invited by Mr. Prud'Homme or by Conservative Party people?

**Mr. Paul Sauvé:** I don't know. I know that the Broccolini brothers, who have a very large construction company, were in attendance and monopolized the Minister practically the whole time he was there.

**Ms. Diane Bourgeois:** Were you able to discuss the contract you had been awarded with the Minister?

**Mr. Paul Sauvé:** I talked to him for about 180 seconds, because that was all the time I was allowed. I had few opportunities to speak to him.

**Ms. Diane Bourgeois:** I see.

And that infamous cocktail party took place at the Da Enrico restaurant. Do you know Mr. Da Enrico?

**Mr. Paul Sauvé:** No, it was a pitiful place. It was in very bad taste. I did not choose it.

**Ms. Diane Bourgeois:** Who did?

**Mr. Paul Sauvé:** I believe it was Mr. Prud'Homme or his wife.

**Ms. Diane Bourgeois:** This was someone he knew well. Was Mr. Prud'Homme a close friend of the owner?

**Mr. Paul Sauvé:** He said he was a well-known Conservative organizer and that he was a little isolated. He said that if an event was to be organized, it would be helpful to hold it there.

**Ms. Diane Bourgeois:** Did you win any other federal government contracts?

**Mr. Paul Sauvé:** No, not since that one. We were shunted aside and replaced by a bonding company by the name of La Capitale which has its head office in Quebec City. However, before this sad episode, we had secured several Crown contracts, including for the CSIS building, the extensive customs facilities in Montreal, Guy-Favreau Complex, and so on.

**Ms. Diane Bourgeois:** Since this whole affair, have you had any further meetings or discussions with contractors who have had dealings with Gilles Varin, Mr. Pichet, Senator Nolin or the Conservatives in general?

**Mr. Paul Sauvé:** No. You know, when this kind of episode occurs, you tend to be somewhat ostracized by the industry and a political party as well, since I sort of grew up in that environment. So I haven't had any discussions with anyone.

**Ms. Diane Bourgeois:** I would like to come back to the money Mr. Varin received from you. After you won the contract, in late May, there were payments made, including one of close to \$28,200, and several others of \$11,287. Are those payments you made to Mr. Varin?

● (0915)

**Mr. Paul Sauvé:** I don't have the list in front of me, but if that is taken from our companies' financial statements, then that is in fact the case.

**Ms. Diane Bourgeois:** Those amounts, between June 15—

**Mr. Michel Dorval:** If I can just interrupt you, Ms. Bourgeois, we have copies of the endorsed cheques and the accounting sheet listing all the cheques that were issued, with the request for payment on the back. We have the request for payment from Mr. Varin, the cheque issued by LM Sauvé and the returned, endorsed cheque. There are only two missing: the first two. We can't seem to find them, because the file has been given to the trustee in bankruptcy.

If we could table them, I'm not sure you would agree to that—

**Ms. Diane Bourgeois:** Yes, I would very much appreciate that, but in the meantime, I would like to know—

**Mr. Michel Dorval:** It's only in French, though.

**Ms. Diane Bourgeois:** What I want to know is—

**The Chair:** It's always the same problem.

**Ms. Diane Bourgeois:** At one point, Mr. Varin was telling us that he had only received \$118,000, I believe, from your company. However, when—

**The Chair:** Excuse me, Ms. Bourgeois, but Mr. Coderre has a point of order.

**Hon. Denis Coderre:** It is just a comment that will not cut into my colleague's time.

A cheque is not bilingual. Can the cheques be tabled so that we can identify the income source? I would really like to see them, Mr. Chairman.

[English]

**The Chair:** So money is any—

[Translation]

**Hon. Denis Coderre:** It probably depends on the name of the bank that appears on the cheque. Sometimes the name is bilingual. In terms of the amounts, they are usually bilingual. They are in Arabic numerals.

So I'm asking that these documents be tabled.

[English]

**The Chair:** I'm fine with that. Are colleagues fine with that?

Okay.

[Translation]

**Ms. Diane Bourgeois:** May I continue?

**The Chair:** You have two minutes.

**Ms. Diane Bourgeois:** I simply want to verify something. Mr. Varin told us that he had received approximately \$118,000 from you. You won the contract in late May, I believe. Between June 15, 2008 and January 15, 2009, about \$70,000 was paid to Mr. Varin. Are you the one who paid him that money?

**Mr. Paul Sauvé:** If those amounts appear in our spreadsheets, the answer is yes.

**Ms. Diane Bourgeois:** All right. That means that you paid Mr. Varin approximately \$140,000?

**Mr. Paul Sauvé:** Approximately that, yes, if memory serves me.

**Ms. Diane Bourgeois:** Fine, thank you.

In your presentation earlier, you alluded to architects who apparently lobbied you. Does the name Gersovitz ring a bell?

**Mr. Paul Sauvé:** I'm familiar with Fournier Gersovitz Moss and Associates architectural firm. They were equal partners in the ARCOP Group carrying out work on both towers of the West Block.

**Ms. Diane Bourgeois:** Did they ask for the initial contract to be changed? Did they make that request or did you?

**Mr. Paul Sauvé:** I don't think they asked for any changes. I studied in Strasbourg and worked on castles as well as the cathedral in Reims, which is unique in the world, and as a result, I think it's pretty sad to see the method used here, which involves encasing buildings in a steel structure and using a footing against frost, insulating material, heating and humidification, as if the stones in Ottawa were more valuable than stones anywhere else in the world. This is the only place on the planet where buildings are restored in that way—and I'm thinking here of the Louvre, as well as the great cathedrals of France and elsewhere in Europe, which are probably the most valuable in the world.

We talked about the possibility of doing things differently, given that this is the way it's done everywhere else in the world. However, because of the tradition established by Thomas Fuller Construction, Richard Moore and company, the Gersovitz firm and ARCOP were vehemently opposed. They never wanted to try to innovate or let us take any initiative whatsoever to have the work done properly, but at a much more modest cost.

● (0920)

**The Chair:** Thank you, Mr. Sauvé and Ms. Bourgeois.

Welcome to the committee, Mr. Petit. You have eight minutes.

**Mr. Daniel Petit (Charlesbourg—Haute-Saint-Charles, CPC):** Thank you very much.

Good morning, Mr. Sauvé.

Earlier you gave us a Power Point presentation on your company. You talked about companies that are not bankrupt, but I would like to know which one is.

**Mr. Paul Sauvé:** LM Sauvé has been in business for 56 years. The entity that had the contract for Parliament also had one for City Hall. Unfortunately, once that contract and one for City Hall were withdrawn, we had to place that company, which belonged to the LM Sauvé group, under the protection of the Bankruptcy and Insolvency Act. We also sought protection under the Companies' Creditors Arrangement Act.

**Mr. Daniel Petit:** Mr. Sauvé, when did you begin to do business with the tattooed individual you introduced to us, namely Mr. Normand Ouimet?

**Mr. Paul Sauvé:** First of all, Mr. Petit, I did not do business with Normand Ouimet. I went to the National Bank of Canada to clarify the issues relating to the St. James United Church project. The National Bank of Canada, along with the Royal Bank of Canada, were involved in funding the St. James United Church project. Because our company had been well established for a long time and had a solid base in both Montreal and across Quebec, these people recommended that we deal with an institution which is one of the only ones that provides loans to the construction industry. That institution was the Fonds de solidarité which is a chapter of the FTQ. When we—

**Mr. Daniel Petit:** Not too fast, please. You say the Fonds de solidarité was the only institution giving loans to the construction industry? Is that what you're saying?

**Mr. Paul Sauvé:** I said “one of the only ones”.

**Mr. Daniel Petit:** It's a well-known fact that the Fonds de solidarité in Quebec is the FTQ. Is that what we're talking about?

**Mr. Paul Sauvé:** Yes.

**Mr. Daniel Petit:** The public are listening to us today and it's important that people clearly understand everything. I would like to know when you began to do business with Mr. Ouimet and at what point he was forced on you. What was the date and in what year?

**Mr. Paul Sauvé:** Let me just repeat, Mr. Petit, that I did not do business with Normand Ouimet. We applied to the Fonds de solidarité, the section of the FTQ that deals with funding. It was towards the end of the St. James United Church project—in 2004, I believe.

**Mr. Daniel Petit:** You use masons in your work. Does a placement office, which is actually managed by the FTQ, send you masons so that you can work on certain projects in Quebec?



**Mr. Paul Sauvé:** Of course, Quebec is the only place in the country where the entire labour force is subject to legal provisions. Almost 50 years ago, at the time of Mr. Bourassa and Mr. Cournoyer, the Quebec Construction Commission was set up, the result of which was that unionization and competency cards became mandatory. Of course, we do occasionally call on central union bodies and their placement offices to secure workers, but I can tell you that at the time, the FTQ had very little involvement in the masonry industry. The International, a very large globally-based union, had more members. We rarely called on the FTQ; more often than not we used the International.

**Mr. Daniel Petit:** Mr. Sauvé, you made certain statements to Radio-Canada. In an interview that you gave on June 16, 2009, you mentioned that the construction industry—I imagine you were still in business at the time—had been infiltrated by the Hells Angels. Where did you get that information from? Did you see any at FTQ? What are you saying? It was you talking at the time.

**Mr. Paul Sauvé:** Mr. Petit, I repeat that we are still in business. I referred a little earlier to several projects that we carried out last summer and others that have yet to begin.

I do not have the transcript of the interview with Radio-Canada in front of me, but I did see some of the people who run FTQ-Construction—I'm thinking in particular of Jocelyn Dupuis—become very closely associated with the Grues Guay Company and Mr. Ouimet. They are one and the same, in my opinion; they are family.

• (0925)

**Mr. Daniel Petit:** Is that what you mean when you say it has been infiltrated not only by the Hells Angels but by organized crime? Is that what you are talking about when you give an interview to Radio-Canada and say that the FTQ has been infiltrated by organized crime and the Hells Angels? Did you have knowledge of that, or is it only what you heard on Radio-Canada that prompts you to say that today?

**Mr. Paul Sauvé:** Do you have children, Mr. Petit?

**Mr. Daniel Petit:** Yes, I have four. Not bad, eh?

**Mr. Paul Sauvé:** When one of your four children and your parents have received phone threats, when your cranes have been set on fire, when you yourself have received death threats, and when your vehicles have been vandalized while you were in them, I think you will be more qualified to determine that Quebec has a serious problem, that the industry which was previously a little better regulated than today is probably overregulated now. The fact is that this has created tariff barriers and organized crime, whose tentacles extend into the major unions, including the FTQ, is proliferating throughout the industry.

**Mr. Daniel Petit:** Mr. Sauvé, I'm a little surprised. You are attacking the largest central union body in Quebec, the FTQ, and telling us that it has been infiltrated by the Hells Angels and organized crime. That is what you are telling us today. You are under oath.

**Mr. Paul Sauvé:** I know that I'm under oath, and I am referring to stories that came out last week or the week before.

**Mr. Daniel Petit:** I'm talking about you; forget about the stories. Are you sure that the FTQ has been infiltrated by the Hells Angels and organized crime?

**Mr. Paul Sauvé:** I am convinced that the FTQ is cooperating with the Hells Angels and organized crime. The answer is yes.

**Mr. Daniel Petit:** During the period when you were bidding on various contracts, particularly the ones you have alluded to, did you know then or did you learn subsequently whether some of your employees or people in the company were connected to the Hells Angels? Have there ever been any such individuals in your company?

**Mr. Paul Sauvé:** To my knowledge, we have never had any employees connected to criminal groups. When I discovered that criminal groups were attacking us, I asked for help from a member of my family who is in the Royal Canadian Mounted Police. He gave me advice on how to get rid of those people.

**The Chair:** Thank you, Mr. Petit. Your time is up.  
[English]

Mr. Martin, for eight minutes.

**Mr. Pat Martin (Winnipeg Centre, NDP):** Thank you, Chair.

Mr. Sauvé, thank you for your frank testimony. It's very helpful to us that you've come here voluntarily to share this with us.

I also apologize to you, Mr. Dorval, that perhaps our committee didn't accommodate your personal loss. You have my condolences.

Mr. Sauvé, the picture you paint for us is actually our worst fears realized. You're painting a picture of influence peddling, corruption, kickbacks, and infiltration by the mob, not only into the industry generally, but also right under our noses here in West Block. Perhaps even more worrisome, if you can overlook all of those things, are the cost overruns. Our committee is primarily concerned with getting the best value for the tax dollars invested in the renovations of our historical treasure, these Parliament buildings.

I hope we do get time to deal with the last slides of your presentation, indicating that in your professional opinion everything on Parliament Hill costs ten times as much to build. I can tell you that was my observation when I first came to Ottawa as a journeyman carpenter, having spent a lifetime in the industry. It seems everything in Ottawa costs ten times what it costs to build in Winnipeg. We build whole hospitals in Winnipeg for \$200 million, with operating rooms and 347 wiring and all of these difficult technical details, yet it was going to cost us \$320 million to build a little committee building over here. It had to be cancelled because the costs exploded so much, and I'm starting to understand why.

But what concerns me most and what concerns our committee is that at the same time, at this very moment, Public Works is presumably letting out more contracts for this \$6 billion project.

I say to you, Mr. Chairman, that we have a motion passed by this committee calling for a moratorium on all renovation work on the Parliament buildings. I'm going to ask you, as chair, to report, as you were directed to do, to Parliament that this committee recommends a complete moratorium on all of this work until we can be assured it's not being let out due to corruption and kickbacks and illegal lobbying and influence peddling.

I say this because we had this guy Varin here. We shouldn't have let him leave the room. We should have put him in handcuffs right then and there, because this guy sat there and lied his face off to us about what he did for you, Mr. Sauvé, whereas in actual fact, somebody in Public Works is getting paid off to rig these contracts by custom writing them so that your bid wins.

I wrote down a quote in which you said, "We got the contract... because we paid". Is it your firm belief that because you paid Varin that money, you got this award?

• (0930)

**Mr. Paul Sauvé:** Having witnessed the rigmarole for the Peace Tower in 1994 and having gone back home to Montreal with our tail between our legs, we had no choice this time around but to try something different. I would like to think today that it is because of the qualifications and the work of my grandfather, my father, and my own, but I tend to believe that it is a combination of that and, more importantly, because of the fact that we hired a lobbyist.

So yes, because we paid, we received.

**Mr. Pat Martin:** Nobody's doubting the quality of your work, but it makes me sick to my stomach that the way you have to get jobs in Ottawa is to buy them, to grease the right palms, in this case of a well-connected Conservative lobbyist.

Did you hire Varin because he had connections to the Conservative Party? It wouldn't have done you much good to hire a lobbyist with connections to the NDP, I presume, or the Bloc. Well, no offence....

**A voice:** Oh, oh!

**Mr. Pat Martin:** Is it because Varin told you he had connections with the Conservatives that you chose that particular lobbyist?

**Mr. Paul Sauvé:** Varin was suggested to us strongly as a man who had strong connections with the Conservative government, and that he was the go-to guy for this type of small cap infrastructure spending contract.

**Mr. Pat Martin:** Did you know that he'd been convicted five times for fraud and corruption?

**Mr. Paul Sauvé:** We had no idea. He was presented as a member of the Régiment de Maisonneuve, and I had no idea at that time that he had those charges looming in his past.

**Mr. Pat Martin:** Most taxpayers would be horrified if they thought that's what you had to do to get a job on a Public Works project in this regime. I think it's a sick, sick commercial environment, and to say that I am disappointed is an understatement. It really does make me nauseous, coming from the construction industry. We thought fair competition would get the best value for the construction dollar invested, but you're saying you have to pony up if you want to play the game. If you want to be a player, you have to grease the right palms. Is that what you're saying?

**Mr. Paul Sauvé:** What I'm saying is that the cost of doing business has been propelled at such a high rate that there is no incentive to compete. Labour laws being what they are, cost of wages per hour, cost of goods being what they are, this industry of ours—and it is not just in Quebec. It is also in other areas, in the more populated areas of the country.

**Mr. Pat Martin:** I know. We're investigating in B.C. at the same time. The Hells Angels are the labour brokers in B.C.; we know that.

**Mr. Paul Sauvé:** So there is no incentive to compete. There is a culture that not only propels kickbacks.... There is a 5% factor in tender calls in Quebec and a 3% factor that was propelled here by Varin.

**Mr. Pat Martin:** Three per cent—that was the arrangement?

• (0935)

**Mr. Paul Sauvé:** Yes.

**Mr. Pat Martin:** A 3% kickback—

**Mr. Paul Sauvé:** Yes, a 3% kickback was the expectation.

**Mr. Pat Martin:** That's illegal. That's hell. That's like Criminal Code offences here we're talking about. And I know, I'm not blaming you. For a business to stay—but there are contractors dropping out of the industry in B.C. who I've been meeting with lately for that same reason. The level of corruption is so extreme, you either play the game corruptly or you never win another job. I had one guy tell me he bid on 130 jobs last year and he won two, and he was a second- or third-generation major contractor, too. Because he won't use the Hells Angels labour brokers. But that's another story.

My concern—

**The Chair:** You have thirty seconds, Mr. Martin.

**Mr. Pat Martin:** Well, I'm going to use that time, then, to ask you a question, Mr. Chairman. Why have you not reported to Parliament that this committee is calling for a moratorium on all construction projects until we can clear up this rat's nest that we're hearing about?

**The Chair:** [*Inaudible—Editor*]...committee, I know about the motion. Possibly you should raise that under other business at the end of the committee.

Thank you, Mr. Martin.

Mr. Regan, for five minutes, please.

**Hon. Geoff Regan (Halifax West, Lib.):** Thank you very much, Mr. Chairman.

And Mr. Sauvé, thank you for coming.

I also want to add my apologies to Mr. Dorval.

Mr. Sauvé, you've indicated previously that several weeks before Christian Paradis became Minister of Public Works, Mr. Varin indicated to you that was going to happen. Is that correct? He was aware of it ahead of time?

**Mr. Paul Sauvé:** I'm sorry, sir, I did not hear you.

**Hon. Geoff Regan:** You've indicated in the past that Mr. Varin told you several weeks before our cabinet shuffle that Mr. Fortier was leaving and that Mr. Paradis would be the new Minister of Public Works. Is that right?

**Mr. Paul Sauvé:** Varin did indicate at that point that there was a shuffle and that there was a change of Minister of Public Works, yes.

**Hon. Geoff Regan:** And did he indicate that Paradis would be the new minister?

**Mr. Paul Sauvé:** I'm not sure if he did. He seemed very privy to the fact that there was a shuffle and that Mr. Fortier was leaving his function. He did indicate that it would most likely be a minister from Quebec.

**Hon. Geoff Regan:** Okay. Would you please provide us with a copy of all your e-mails with Public Works?

**Mr. Paul Sauvé:** Sir?

**Hon. Geoff Regan:** Can you provide the committee with copies of your e-mails back and forth to Public Works?

**Mr. Paul Sauvé:** I'm sure we could.

**Hon. Geoff Regan:** Thank you very much.

Now, in terms of what Mr. Varin did, does that sort of fall within your definition of the word "lobbying"?

**Mr. Paul Sauvé:** Yes.

**Hon. Geoff Regan:** Thank you.

Who told you that you should go to see Mr. Varin because he was the guy to see?

**Mr. Paul Sauvé:** We had a board member called Claude Sarrazin, who was a Conservative, I believe, at least in spirit, who requested us to contact Gilles Varin, and brought him to my attention, to my office.

**Hon. Geoff Regan:** Now, in terms of where the money went, would Mr. Sarrazin have gotten any of the money you paid?

**Mr. Paul Sauvé:** No. Board members at that time were paid an honorarium for their attendance at our different board functions over the year, but I do not believe it was part and parcel of those payments.

**Hon. Geoff Regan:** Okay, thank you.

After you got the contract, Mr. Varin indicated to you that you ought to organize a fundraising cocktail event for the Conservative Party to thank the government for this contract. Is that correct?

**Mr. Paul Sauvé:** Prud'Homme is the one who suggested there would perhaps be one or more activities that had to do with fundraising, that the first one should be in Bourassa, and that the honourable Minister of Public Works should attend.

**Hon. Geoff Regan:** And this was essentially to thank the Conservative Party for this contract.

**Mr. Paul Sauvé:** Yes.

[Translation]

**Hon. Geoff Regan:** At the time, what role did Gilles Prud'homme play in the Conservative riding association in Bourassa?

**Mr. Paul Sauvé:** That's a very good question. He presented himself to me as a party organizer, authorized to collect money for the Conservative Party of Canada. I didn't really ask any questions. He seemed to be involved in the election campaign in the riding of Bourassa, with a lady whose name I've forgotten and who was defeated. He was the spokesperson on funding in Quebec.

• (0940)

**Hon. Geoff Regan:** So Gilles Prud'Homme was one of Gilles Varin's contacts in the Conservative Party. Is that correct?

[English]

**Mr. Paul Sauvé:** Mr. Regan, I apologize, but....

**The Chair:** [Inaudible—Editor]

**Hon. Geoff Regan:** Oh, that's right, yes. Perhaps I'm not talking loud enough, but it does help a lot to have the earpiece.

[Translation]

Gilles Prud'Homme was one of Gilles Varin's contacts in the Conservative Party. Is that correct?

**Mr. Paul Sauvé:** Gilles Prud'Homme knew Gilles Varin, but I don't believe he was an official contact. The two men certainly knew each other.

[English]

**Hon. Geoff Regan:** So Mr. Varin, obviously, had responsibility to collect money for his party, and he asked you to organize this fundraiser. Where did you get the names from? Someone must have said to you, "Here's who you should call, contact, to come to this fundraiser." Who did that?

**Mr. Paul Sauvé:** Varin had a list that he brought to the table. Prud'Homme had a short list as well, but this was very.... It happened the way it happened. I made a few calls, and I automatically, perhaps foolishly, called upon the people who were involved with the project and had perhaps a vested interest to meet the minister, and they all said yes.

**The Chair:** Thank you, Mr. Regan.

Thank you, Mr. Sauvé.

[Translation]

Mr. Lemay, you have five minutes.

**Mr. Marc Lemay (Abitibi—Témiscamingue, BQ):** First of all, I would like to extend my condolences to Mr. Dorval.

Mr. Sauvé, are you a regular at the Mas des Oliviers restaurant?

**Mr. Paul Sauvé:** No.

**Mr. Marc Lemay:** How many times did you go there?

**Mr. Paul Sauvé:** I met Gilles Varin at the Mas des Oliviers maybe three or four times at most, because he has lunch there practically every day.

**Mr. Marc Lemay:** And that's why you say that the Mas des Oliviers, where you were invited, is the Conservative Party headquarters.

**Mr. Paul Sauvé:** It's kind of a joke in Montreal, because it's a place where people go to network. The fact is that several members of the Conservative Party frequent that establishment.

**Mr. Marc Lemay:** In your opinion, is Mr. Varin a lobbyist?

**Mr. Paul Sauvé:** Yes.

**Mr. Marc Lemay:** According to you, then, it was clear that you would be meeting with a lobbyist.

**Mr. Paul Sauvé:** That's correct.

**Mr. Marc Lemay:** Did Mr. Varin ask for \$25,000 to get you on the shortlist for a possible contract on the tower?

**Mr. Paul Sauvé:** Mr. Varin suggested that it would cost approximately \$300,000 for the job as a whole, and that in order to get us on the shortlist, he wanted to receive a payment of \$25,000—a retainer.

**Mr. Marc Lemay:** And his job was to get the shortlist changed so that your name would be on it, provided that you gave him \$25,000.

**Mr. Paul Sauvé:** I can't say that.

I don't know what kind of magic was being worked behind the scenes, and to this day, I'm not certain that it helped in terms of changes made to the specifications or the addenda.

**Mr. Marc Lemay:** I see.

However, you did make the shortlist, and you did pay the \$25,000.

**Mr. Paul Sauvé:** Exactly.

**Mr. Marc Lemay:** Perfect.

As regards the cocktail party with Mr. Paradis in 2009, did you know that he would be in attendance?

**Mr. Paul Sauvé:** Yes, absolutely.

**Mr. Marc Lemay:** I would like to draw your attention to an excerpt from your notes, of which we were very kindly given a copy. It's interesting; it says: "Cocktail party fundraiser in the riding of Bourassa organized by LM Sauvé with Minister Paradis in attendance." And this is where it gets really interesting: "Mr. Paradis expected reimbursement for his cashmere Holt Renfrew coat lost during the event."

You wrote that. What is this all about?

**Mr. Paul Sauvé:** It's really quite funny. This was a restaurant that wasn't very posh or in very good taste. The Minister, who had hung up his coat on the coat rack, realized at the end of the evening that his cashmere coat had been stolen.

Ordinarily, I would not have paid any attention to that. I should say that, at the time, the Crown owed us \$1,972,000 and was late with the payments. In spite of that, I continued to believe, against all odds, that this contract would come through. However, the following day, much to my dismay, his assistant called me to remind me that he had lost his coat and that it had been stolen.

• (0945)

**Mr. Marc Lemay:** Sorry for interrupting you, but who called you?

**Mr. Paul Sauvé:** I don't know his name. It was a young aide who was accompanying him, along with the chauffeur and bodyguard.

That person called to ask me to reimburse the coat and tell me that a certain size was available at Holt Renfrew. I lost my patience and repeated my hope that they had enjoyed the previous evening, other than this particular event. I basically hung up the phone on him. I was really insulted. I was quite indignant.

**Mr. Marc Lemay:** You said that you didn't have much time to talk to Mr. Paradis, because he was quite busy with the Broccolini family. I take your word for that, and what's of interest to me are the 180 seconds you spent with the Minister, according to what you said. What did you use that time for? What did you want to talk to the Minister about?

**Mr. Paul Sauvé:** Well, I would actually have liked to talk to him about what I believed to be, not an injustice, but a serious error in terms of spending all this money for no reason. In my opinion, the Conservative government, which should be taking a simple and direct approach, could have been part of a new wave by adopting a new way of doing things, getting rid of all the red tape on the Hill, and having the construction industry perform work on the Hill that was honourable and in good taste.

I didn't have time to talk about the legislation. I only had 180 seconds.

**The Chair:** Unfortunately, your time is up.

**Mr. Marc Lemay:** Will I be able to come back?

**The Chair:** Yes.

Mr. Petit, you have eight minutes.

**Mr. Daniel Petit:** I will be sharing my speaking time with my colleague, Mr. Gourde.

I would like to come back to what I was talking about earlier when I was interrupted.

Mr. Sauvé, I am particularly interested in what you said. In 2009, you had problems with certain individuals linked to organized crime. According to what you said on television subsequently—several months later—there was a connection to a large central union body, the FTQ, which apparently had been infiltrated by the Hells Angels or organized crime.

Are you making the same claim today?

**Mr. Paul Sauvé:** What claim, exactly, Mr. Petit?

**Mr. Daniel Petit:** Do you claim that the FTQ is linked to organized crime and has been infiltrated by the Hells Angels?

**Mr. Paul Sauvé:** I saw Jocelyn Dupuis, who was the president of that central labour organization at the time, and Normand Ouimet having dinner together discussing the construction industry. Prior to that meeting, Jocelyn Dupuis had clearly told me that without the protection and assistance of people like Ouimet, it would be very difficult to have as much support on the ground from emerging construction industry members with ties to the FTQ.

So, yes, I maintain that the FTQ and Hells Angels have had close ties throughout the lengthy history of the construction industry in Quebec.

**Mr. Daniel Petit:** Mr. Sauvé, are you familiar with an FTQ press release dated September 24, 2008, at the time when you were starting to have problems with Mr. Ouimet and the FTQ? Are you familiar with this September 24, 2008 press release?

**Mr. Paul Sauvé:** No, I don't have it in front of me.

**Mr. Daniel Petit:** Can I read you something?

On September 24, 2008, the President, Mr. Michel Arseneault, his general secretary, René Roy and union vice-presidents put out a press release. I am quoting from *La Presse* on September 25, 2008: "The Fédération des travailleurs du Québec urged its members yesterday, not only to vote for Gilles Duceppe's party, but also to work for Bloc candidates on the ground".

Do you really think I'm going to believe you? They're honest people. Where is the truth in what you have been saying? Are you still telling us today that the FTQ has within its ranks members of the mob and organized criminals? I know these people, and they would never have accepted that. Are you still making that claim today in front of the committee?

• (0950)

**Mr. Paul Sauvé:** Mr. Petit, I am a little disappointed to see you bring politics back into the debate in this forum. First of all, the dates would have to be checked as to when we were experiencing serious financial problems. The Quebec government and the City of Montreal both decided not to pay the cost overrun, which was a very heavy burden for our company. That was between 2004 and 2006. And that is the reason why we applied for assistance from the FTQ Fonds de solidarité and that people like Dupuis and Ouimet came into the picture.

If your question is intended to determine whether a political structure is being established in order to push me in a certain direction or get me to rail against a union, the answer is no.

I have had certain experiences. My family has been subject to unbelievable pressures. Despite all this turmoil, I am here today to answer your questions and those of your colleagues. It is clear to me—and this didn't just begin yesterday—that there are direct links in Quebec between the FTQ and the Hells Angels. If the FTQ has no desire to shed light on this, that is its problem, not mine.

I've seen it and experienced it. Following our application for assistance and the arrival of people like Ouimet, productivity on my work sites increased fivefold; it was like day and night. I saw my problems with the CSST disappear overnight, and Quebec Construction Commission officers no longer appeared to hold up our construction work. That was no coincidence.

In my opinion, it's part of a circle—a watertight circle. The people who are in that circle are engaged in collusionary practices and that has an extremely negative impact, not only on Quebec, but on the country as a whole. I can tell you that it has had an extremely negative impact on myself, personally, and on members of my family.

**The Chair:** Thank you, your time is up.

Mr. Coderre, please. You have five minutes.

**Hon. Denis Coderre:** Thank you, Mr. Chairman.

Mr. Sauvé, I want to come back to Mr. Paradis' \$5,400 coat from Holt Renfrew. If he had wanted to encourage companies in his riding, he could have found something cheaper which would still have been very good quality.

Was it Marc Carrière who called you?

**Mr. Paul Sauvé:** I believe so.

**Hon. Denis Coderre:** He was Mr. Paradis' aide.

There is a lot of money in your business. Was money circulating during the cocktail party?

**Mr. Paul Sauvé:** The contributions that resulted from calls I made to Glouberman, Gersovitz, Clavier and others were all made by

cheque. I didn't see any envelopes or cash circulating during the evening.

**Hon. Denis Coderre:** Gilles Prud'Homme is the one who is going after Jacques Duchesneau right now. He is the president of the Conservative Association in Bourassa. Who are his friends? You saw a list. Who made the calls? He seems to be very closely connected to certain construction companies.

**Mr. Paul Sauvé:** I believe he called a lot of people who didn't pay. The Broccolini brothers, among others, did not, as far as I know.

Listen, I really can't say. It was a small room. The Minister came in late, and he was immediately cornered by Glouberman for five or seven minutes, or possibly ten. After that he went around the room, and I had barely three minutes to speak with him.

Who are Mr. Prud'Homme's friends? It's not clear to me who they are.

**Hon. Denis Coderre:** Mr. Broccolini told us that Mr. Padulo had sold him the ticket. He owns the Da Enrico restaurant.

So, you do not know who Gilles Prud'Homme's friends were?

**Mr. Paul Sauvé:** I have no idea.

**Hon. Denis Coderre:** Okay. We can come back to that later.

There is one question I've been dying to ask right from the beginning. When you were having financial problems, you were infiltrated by the Hells Angels, and you came through all right. In order to get things back on track, you decided to deal with Gilles Varin with a view to securing a contract here, in particular. That is what I understood. You needed to be bonded, and L'Unique General Insurance Company provided you with a bond.

Given all your problems, how were you able to secure a bond from L'Unique General Insurance? That company must have done some background checks to find out whether you were having problems in terms of your financial and personal security. Please explain that. That's a neophyte question.

• (0955)

**Mr. Paul Sauvé:** Within the structure of our wonderful construction industry, both in Quebec and elsewhere, there are very close ties between the financial players—the bankers, lenders and insurance companies. The St. James United Church project, which caused a lot of ink to flow and, as I was saying earlier, cost my family and the creditors involved in the project almost \$5 million, ultimately tarnished the company's financial reputation.

But in life, you have to get back on your feet, work hard and keep going, and that's what we did. In order to secure bonding and be able to move forward, we had to offer surety bonds in cash to the National Capital Commission. It is a fairly rare occurrence. Ordinarily we are able to obtain bonding on the basis of our word and our record. However, because our reputation had been tainted by the St. James United Church affair, there was an enormous loss—

**Hon. Denis Coderre:** You had problems. Where did that money come from? Did people from the outside help you secure bonding?

**Mr. Paul Sauvé:** No, not at all. The family came together to discuss the situation. We were on the verge of a recession. We knew that there would be major construction projects coming on stream in Montreal, in particular. So, we had to get involved in public projects. We therefore decided to dip into our own reserves in order to put a surety bond on the table and satisfy the National Capital Commission.

**Hon. Denis Coderre:** There have been lots of references to the Hells Angels and their hold on the construction and masonry industries. But they have to secure competency cards to do masonry work. Do they learn the trade in prison? They must be really good! Is that thanks to Leclerc Institution?

**The Chair:** Please be very brief.

**Mr. Paul Sauvé:** I know that an individual by the name of Guy Dufour, who was an FTQ union rep, tried in vain to come into our company so that FTQ members would get preferential treatment. As I was saying earlier, at the time, we tended to deal more with the large American union, the International. I believe Guy Dufour was arrested by the Sûreté du Québec as part of operation Diligence.

Bikers and their representatives in the FTQ have been working in the trenches to bypass the Quebec Construction Commission and secure competency cards using a shortcut. I think that is one of the results of the inquiry. Time alone will tell what else is involved. However, it is clear that, on construction sites, a number of people are bypassing the system in order to qualify as skilled workers.

**The Chair:** Thank you, Mr. Sauvé.

Mr. Gourde, you have five minutes.

**Mr. Jacques Gourde (Lotbinière—Chutes-de-la-Chaudière, CPC):** Thank you, Mr. Chairman.

Good morning, Mr. Sauvé.

On August 28, 2008, the newspaper *Le Devoir* published an article entitled “Profile: LM Sauvé or the ups and downs of a small family business in transition”. You made a specific comment to the reporter with respect to the Ottawa contract. This is what the article said:

The most recent contract is for \$8.9 million for rehabilitation work at the West Block on Parliament Hill, a contract which was “secured following a call for tenders and with no political involvement”, he added.

Those are your own words that were reported in the article. Today you seem to be contradicting what you said to the reporter. Which version should we be relying on?

**Mr. Paul Sauvé:** What is your question, Mr. Gourde?

**Mr. Jacques Gourde:** On August 28, 2008, *Le Devoir* published a company profile. The company was yours. I would just like to quote your comments as reported by the journalist.

The most recent contract is for \$8.9 million for rehabilitation work at the West Block on Parliament Hill, a contract which was “secured following a call for tenders and with no political involvement”, he added.

That is what you said to the reporter. You alluded to a contract for the West Block. Today you seem to be contradicting what you said to the reporter from *Le Devoir* on August 28, 2008. Which version should the committee be relying on?

**Mr. Paul Sauvé:** Mr. Gourde, you can't always believe the interpretation presented by a reporter in an article. I don't have that article in front of me. So I can't comment on it.

• (1000)

**Mr. Jacques Gourde:** As regards your assertions, all the other witnesses seem to be saying that the content of that article reflects reality. However, you are asserting the opposite in your testimony today. Your comments seem to be at odds with what we have been told by other witnesses who appeared before the committee to discuss this very issue.

**Mr. Paul Sauvé:** Mr. Gourde, I'm seated quite comfortably on my chair. I don't feel though I'm at odds with anyone. Without wanting to contradict you, I'm afraid I don't understand the point of your questioning.

**Mr. Jacques Gourde:** I simply wanted to ascertain whether you agree with the content of the article. Your answer was that you don't recall. That's fine then.

At the beginning of your opening statement, you said that your father was active in the Liberal Party. Was that the provincial Liberal Party or the federal Liberal Party, or both?

**Mr. Paul Sauvé:** For many years, my father, along with my grandfather, Albert, who was chief mason at St. Joseph's Oratory at the time of Brother André—Brother Besette... he began as an activist with the Union nationale. That was a long time ago. After that, when Mr. Lesage took office, there was a need for assistance, in particular in drafting laws to govern the construction industry. That goes back more than fifty years. The circumstances at the time were such that the Liberals were in power in Quebec.

**Mr. Jacques Gourde:** In that same article in *Le Devoir*, you were saying that you had set up a board of directors in your company to help you make the right decisions. You appointed Mr. Alexandre Trudeau to that board. Is that Mr. Justin Trudeau's brother—in other words, Pierre Elliott Trudeau's son?

**Mr. Paul Sauvé:** Yes, he is the son of Mr. Pierre Elliott Trudeau, the former Prime Minister of Canada.

**Mr. Jacques Gourde:** If he was a member of your board, you obviously knew him well. Did he have connections in the construction industry? Was he able to provide good advice? Why was he a director of your company?

**Mr. Paul Sauvé:** Certainly not because he was a Liberal. I believe he was completely apolitical. He is a very intelligent man, who had a lot to offer, particularly because of his travels, what he had experienced in Africa and his reports on major injustices. He had been down a rocky road and he was well-qualified to provide guidance.

**Mr. Jacques Gourde:** To help you secure contracts abroad or in Canada? To provide advice?

**Mr. Paul Sauvé:** Well, we were in fact considering turning our attention to contracts outside Canada, particularly Europe. He had a large network of contacts and considerable influence.

**Mr. Jacques Gourde:** In another article, Mr. Sauvé, you said that through your work on Parliament Hill, you had developed a desire to come to Ottawa every week. You even thought about running for the Liberal Party of Canada. You met with Mr. Coderre to explain that you were interested. How did that go? Was it productive?

[English]

**The Chair:** I'm sorry, Mr. Sauvé, but Mr. Gourde has not left you any time to answer that question.

Madame Bourgeois.

[Translation]

**Ms. Diane Bourgeois:** Thank you, Mr. Chairman.

Mr. Sauvé, I would like to come back to the cocktail party. According to you, did Minister Paradis know he was going to be attending a cocktail party with contractors who had won government contracts?

**Mr. Paul Sauvé:** I would like to say, in response to Mr. Gourde's question, that there is an excellent Liberal candidate in the riding of Outremont, where I live. So, that has been settled. When Mr. Mulroney was in office, I was asked to take the place of Mr. Hogue, on your side of the fence. I did not accept.

In answer to your question, Ms. Bourgeois, I would say that he did know.

**Ms. Diane Bourgeois:** Why do you say that?

**Mr. Paul Sauvé:** It was clear. The room was filled with people from the construction industry, including architects and engineers.

**Ms. Diane Bourgeois:** People who dealt with his department.

**Mr. Paul Sauvé:** Yes. In my opinion, he knew perfectly well where he was going.

**Ms. Diane Bourgeois:** For him, it was clear that this cocktail party was a favour returned. What do you think?

**Mr. Paul Sauvé:** It was clear that it was for fund raising purposes; to bring in money for his party.

**Ms. Diane Bourgeois:** And all the contractors who were in attendance had had access to contracts from his department, particularly for the renovation of government buildings.

•(1005)

**Mr. Paul Sauvé:** Yes, exactly.

**Ms. Diane Bourgeois:** He was giving them a chance to return the favour.

**Mr. Paul Sauvé:** Yes, in a way.

**Ms. Diane Bourgeois:** Mr. Sauvé, your bid was lower by about \$2 million than what your competitors were asking. How is it that you were able to bid \$2 million less?

**Mr. Paul Sauvé:** Our company is able to use its own labour. Almost 90% of the work that is being done here should involve masonry. However, that is not the case, because there are extremely complex issues relating to structure and mechanics, and so forth. And that gives us, LMS-Canadian Masonry Corp., a competitive advantage—our ability to charge much lower rates, because we have our own labour force and can carry out our own work. For more than half a century, we have had a group of well-equipped and trained workers able to specifically do masonry work.

**Ms. Diane Bourgeois:** So, it is not because of financing packages.

**Mr. Paul Sauvé:** No, not at all.

**Ms. Diane Bourgeois:** When you alluded to Fournier Gersovitz Moss and Associates architects earlier, you said, unless I misunder-

stood, that they were used to making things more complicated. Did I get that right?

**Mr. Paul Sauvé:** Yes, absolutely.

**Ms. Diane Bourgeois:** Could you be more specific? Do these people have close connections to the current Conservative government?

**Mr. Paul Sauvé:** I don't know. However, I know that on Parliament Hill, there is a tendency to complicate the simplest tasks. Let's not kid ourselves here. Repairing stones is repairing stones. Whether they are on the cathedral in Reims or on Parliament Hill, they are stones. We're talking about geology and mortar; it's simple.

There is a tendency here to make every task five times more complicated than it is, whether we're talking about procurement, the work or the Conservatives. And I'm not talking politics here; I'm talking about people who are supposed to make decisions on the future of buildings and influence the way things are done on-site using the existing inventory of building data. Everything is complicated.

**Ms. Diane Bourgeois:** So you're telling us that, the more complicated things are, the more contractors are needed, and the more it costs taxpayers. Is that what you mean?

**Mr. Paul Sauvé:** The more complicated things are, the more it costs.

**Ms. Diane Bourgeois:** And the more contracts are awarded.

**Mr. Paul Sauvé:** That's right.

**Ms. Diane Bourgeois:** My colleague may have a question, Mr. Chairman.

**The Chair:** You have less than one minute left.

**Mr. Marc Lemay:** I will have an opportunity to come back to this, Mr. Chairman, obviously. We still have a little time left.

At the cocktail party attended by Mr. Paradis, and where his cashmere coat unfortunately disappeared, did you meet any other individuals or other contractors like you who had contracts on Parliament Hill?

**Mr. Paul Sauvé:** I heard the Broccolini brothers, because there were sort of picnic tables set up in this posh establishment—

**Mr. Marc Lemay:** You don't seem to have appreciated that.

**Mr. Paul Sauvé:** No.

I heard the Broccolini brothers talking to the Minister for more than 40 minutes about their qualifications. I heard that they were talking exclusively about construction and their firm's qualifications.

**The Chair:** Unfortunately, your time is up. Sorry.

[English]

Mr. Martin, five minutes, please.

**Mr. Pat Martin:** Thank you.

Along the same vein, at a different meeting, Monsieur Varin took you to a lunch meeting where you met Hubert Pichet, You said you changed tables and that clearly it wasn't an accident that you met Mr. Pichet at that luncheon. Is that correct?

**Mr. Paul Sauvé:** It was not an accident.

**Mr. Pat Martin:** Did you read this as being part of the service you were paying Mr. Varin for, to introduce you to these people who could help you?

**Mr. Paul Sauvé:** That's certainly what it felt like.

**Mr. Pat Martin:** What was Mr. Pichet's role at the time, do you know? Who did he work for?

**Mr. Paul Sauvé:** I didn't know. He appeared literally out of the boys' room and came through the small hallway, and I was beckoned to change tables. He had a crown pass with a maple leaf, with his name on it.

**Mr. Pat Martin:** A crown pass? What do you mean by that, sir?

**Mr. Paul Sauvé:** Well, he seemed to have a parliamentary pass. I couldn't really read it, but he had a red string around his neck with a parliamentary pass of some type.

● (1010)

**Mr. Pat Martin:** I see. You don't remember if it was red or not?

**Mr. Paul Sauvé:** It was red, yes.

**Mr. Pat Martin:** I see. Senators use red.

Did you pay Varin his \$275,000 kickback?

**Mr. Paul Sauvé:** No, we did not.

**Mr. Pat Martin:** What did you sense Mr. Varin meant when he said he walks the halls of Parliament in felt shoes? I think you said he walks the halls softly. His testimony to us was that he wore felt boots when he tiptoed or skulked around the halls of Parliament.

**Mr. Paul Sauvé:** Well, I hoped he wasn't in his pyjamas, but—

**Mr. Pat Martin:** I think that's a trick other mobsters use when they go to court: they wear their pyjamas.

**Mr. Paul Sauvé:** I can only imagine what he did. I knew Varin for having helped in several other contracts many moons ago, the army base at Longue-Pointe and the museum of humour in Montreal on Saint Laurent Boulevard. He was Marcel Masse's chief of staff.

**Mr. Pat Martin:** He was Marcel Masse's chief of staff?

**Mr. Paul Sauvé:** I believe so. So his reputation preceded him as somebody who could deliver the goods.

**Mr. Pat Martin:** I understand.

You mentioned in your testimony that Bernard Côté indicated he might be able to help you. Did you know at the time that he was Mr. Fortier's assistant, the minister's assistant?

**Mr. Paul Sauvé:** He did introduce himself as Michael Fortier's assistant. He was more interested in the trade war between Quebec and Ontario, in terms of labour mobility and the possibility of our having the rightful right to come and bid on Public Works contracts.

**Mr. Pat Martin:** Yes, that's been an ongoing problem, hasn't it, getting the free movement of labour across the bridge?

**Mr. Paul Sauvé:** Yes, it has.

**Mr. Pat Martin:** I understand.

Thank you for the honesty of your testimony. I can see that you're trying your best to tell us what really happened there, Mr. Sauvé. I find it very credible, as much as I find it disappointing, even worrisome, that this is the state of the construction industry as we know it. It's very useful for us to hear this.

As for the idea that the cocktail party was an expectation afterwards, I would say that hosting a cocktail party is one thing if you are celebrating winning a contract, but this was a fundraiser for the Conservative Party, not just a cocktail party where you raise a glass and maybe buy somebody some canapés to celebrate winning a contract.

You understood that people were to pay a donation to the Conservative Party in gratitude for receiving a contract from the Conservative government. Is that correct?

**Mr. Paul Sauvé:** I would have hoped to have the minister's ear for more than three minutes to be able to talk about trade between Ontario and Quebec, the construction industry, and even more so what I felt to be a great exaggeration of how taxpayer dollars were ill spent and could be better spent to promote more restoration on the Hill. I would have hoped to have a passive talk, and I was not permitted that.

**Mr. Pat Martin:** As for the business about the coat that Mr. Lemay raised, did you see that as a further shakedown by the minister's office, that "Yes, you put on the party for us last night, but now we want another \$5,400" for some phantom coat?

**Mr. Paul Sauvé:** I was insulted. I took a risk in doing this event and it took my time, and I would have hoped to have more than three minutes to discuss intelligent things. For circumstances I couldn't control or that were privy to another agenda, I was not allowed that time. I was just insulted, downright insulted, to be asked to pay for a coat. I couldn't believe it. I couldn't believe it.

**Mr. Pat Martin:** I'd be offended.

**The Chair:** Mr. Warkentin, for five minutes.

**Mr. Chris Warkentin:** Thank you, Mr. Chair.

Mr. Sauvé, you tell us that you hired Mr. Varin to lobby the federal government to receive a government contract. But you were also the lowest bidder in this process. You also claimed to be qualified for the job. Mr. Varin has, I believe, taken advantage of your presuppositions about the process, taken your \$120,000 or whatever, and taken off. He wore such slight shoes that he never even showed up on Parliament Hill. As a matter of fact, the public works department has absolutely no record of anybody, not even the assistant to the receptionist, having met with this gentleman. This gentleman did nothing here in Ottawa for that \$120,000. So I can understand your embarrassment at being shaken down.

You received this contract because you were the lowest bidder and because you were able to demonstrate that you were qualified. I believe your work in the past demonstrated that you were qualified. Whereas my colleagues across the table, Mr. Martin, and the members from the Bloc have consistently called into question whether you were qualified to do the work, I believe you demonstrated that you were qualified. When you come in with the lowest bid and you're qualified, wouldn't that give you some confidence that you got the job based on your qualifications and the bidding process?

● (1015)

**Mr. Paul Sauvé:** Thank you.



**Mr. Chris Warkentin:** Do you actually believe you wouldn't have received it if you'd come in with the lowest bid and that you demonstrated you were qualified?

**Mr. Paul Sauvé:** I'm sorry, Mr. Warkentin, but you had a long introduction there.

**Mr. Chris Warkentin:** Let's answer the question I asked. Do you believe you were qualified to do the job?

**Mr. Paul Sauvé:** Yes, sir.

**Mr. Chris Warkentin:** Do you believe you were the lowest bidder?

**Mr. Paul Sauvé:** I do.

**Mr. Chris Warkentin:** Wouldn't that demonstrate that you received this because you were qualified and because you came in with the lowest bid?

**The Chair:** Give him a moment to answer each question.

**Mr. Chris Warkentin:** I only have five minutes.

**Mr. Paul Sauvé:** Would you let me answer now?

**Mr. Chris Warkentin:** Absolutely.

**Mr. Paul Sauvé:** You're from Peace River. Is that correct?

**Mr. Chris Warkentin:** Close enough.

**Mr. Paul Sauvé:** Okay.

I think we were more than qualified, and I think we are qualified still.

**Mr. Chris Warkentin:** Do you know that you were the lowest bidder?

**Mr. Paul Sauvé:** "Lowest bidder" is the criterion upon which Public Works bases its final procurement analysis.

**Mr. Chris Warkentin:** So you were the lowest bidder. You were also qualified to do the job. You received the work to do the job. Now I understand you're disappointed that the job was taken away from you. In the lead-up to your submission to this committee, you talked about Public Works leaking documents about your bid to your competitors. Could you give us, first, some evidence of that, and second, some evidence of how that would have had any impact on your success in receiving this contract, seeing as you were still the lowest bidder? Nobody undercut you.

**Mr. Paul Sauvé:** That's a fair question.

**Mr. Chris Warkentin:** Do you have evidence of it?

**Mr. Paul Sauvé:** What you need to understand—

**Mr. Chris Warkentin:** Do you have evidence of the—?

**The Chair:** Mr. Warkentin, we're not playing "junior lawyer" here. Let him answer the questions.

**Mr. Chris Warkentin:** I only have five minutes.

**Mr. Paul Sauvé:** Yes, I do have evidence. I have evidence because—

**Mr. Chris Warkentin:** Could you table that evidence here?

**Mr. Paul Sauvé:** Sir, if you let me answer, I will answer.

I have evidence. When I found out, we were hounded by Bobby Watt from RJW Stonemasons, who had done all the work from the

onset of this tender, after we got the contract, to do the work amongst our own forces.

**Mr. Chris Warkentin:** How does that demonstrate—?

**Mr. Paul Sauvé:** Could I finish?

**Mr. Chris Warkentin:** Absolutely.

**Mr. Paul Sauvé:** During one of those meetings, Robert Watt brought our bid sheet with him, which is absolutely confidential information that cannot be leaked to anyone. When we asked him where he got that information, he said that he has a boat on the Outaouais River next to Richard Moore, the project manager from MHPN, who has his offices in the Crowne. His office is on Sparks Street.

I was outraged, to the point of calling the mediator, Howie Clavier. I asked him, "What is this"? Then I called Public Works, where I spoke with Mr. Ezio Dimillo and Robert Wright and confronted them with this information. They denied it. Soon thereafter, Robert Wright left the project and another gentleman took his place.

So there's the proof.

**Mr. Chris Warkentin:** That isn't proof. It's a whole lot of presuppositions and a lot of people denying what you claim. You came in with the lowest bid. Nobody undercut you. I don't understand how your claim that there was a leaking of documents affected the bidding process.

**The Chair:** Thank you, Mr. Warkentin.

Unfortunately, you don't have time to respond to Mr. Warkentin.

Mr. Coderre, five minutes.

[*Translation*]

**Hon. Denis Coderre:** I understand why my colleague, Mr. Warkentin, is embarrassed. He has a problem, because he is on a fishing expedition but isn't catching any more fish.

First we had Vautrin's pants, and now we have Paradis' coat. That will make for an interesting item on the evening news.

I have a few questions. Mr. Sauvé, I would like to proceed the same way they do on *Les Francs-tireurs*: I will ask all my questions at once.

As far as you are concerned, was the \$140,000 a kickback?

● (1020)

**Mr. Paul Sauvé:** No.

**Hon. Denis Coderre:** You paid someone in order to secure a contract, but it's not a kickback.

**Mr. Paul Sauvé:** I paid a lobbyist who wasn't a lobbyist.

**Hon. Denis Coderre:** At the same time, you knew that this money would be paid to different people.

**Mr. Paul Sauvé:** I assumed that the money might be distributed, because he himself told me so.

**Hon. Denis Coderre:** Did Mr. Côté tell you he had discussed this issue with his Minister?

**Mr. Paul Sauvé:** Mr. Côté mentioned there were major disagreements and that there was a mountain separating us from a real free trade agreement between Quebec and Ontario, because of current legislative measures affecting the construction industry. He said he would try to address the issue, but I can't say that he didn't mention his Minister's name.

**Hon. Denis Coderre:** Did you specifically discuss your contract with Mr. Côté?

**Mr. Paul Sauvé:** Yes.

**Hon. Denis Coderre:** Did he tell you he would discuss it with his Minister?

**Mr. Paul Sauvé:** I do not recall that he said that.

**Hon. Denis Coderre:** Let's talk about the attempt to secure a refund for the coat. You only had 180 seconds. Others had 3,600 seconds of ecstasy, but you only got 180. Did you discuss your contact with Mr. Carrière? Is there someone in Mr. Paradis' office who is aware of your—

**Mr. Paul Sauvé:** Since I had not had Mr. Paradis' ear, given that he was monopolized by the Broccolini brothers and was busy eating a plate of pasta at the back of the room, on a picnic table, I spoke to his aide—the person who called me back the following day to talk about the coat. I told him about the major problems we were having exercising our rights, as Quebeckers and contractors, on Parliament Hill. Our methods, which originate in Europe and elsewhere, were not at all welcome.

**Hon. Denis Coderre:** In your opinion, had Minister Paradis been told about your contract by Marc Carrière?

**Mr. Paul Sauvé:** I hope so.

**Hon. Denis Coderre:** Do you think that Gilles Prud'Homme, who asked you to organize the cocktail party as a way of expressing your gratitude, has close ties to the construction industry?

**Mr. Paul Sauvé:** I had the feeling he was a peddler of sorts. I believe he had some contacts in the industry.

**Hon. Denis Coderre:** So, you think he has contacts in the construction industry.

**Mr. Paul Sauvé:** Yes, absolutely.

**Hon. Denis Coderre:** In your PowerPoint presentation, you alluded to a 3% kickback. As a means of showing their gratitude, contractors are expected to organize and participate in fundraising activities. So you had to pay 3% of the \$8.9 million contract.

**Mr. Paul Sauvé:** That was Mr. Varin's calculation, yes.

**Hon. Denis Coderre:** That is what the \$300,000 was for, correct?

**Mr. Paul Sauvé:** Yes, that's correct.

**Hon. Denis Coderre:** You paid \$140,000.

**Mr. Paul Sauvé:** That's correct.

**Hon. Denis Coderre:** You talked about the ARCOP company. As you see it, does the Conservative government have a system in place for awarding PWGSC contracts, particularly on Parliament Hill?

**Mr. Paul Sauvé:** The system is a complete aberration.

**Hon. Denis Coderre:** I don't want to know whether it's an aberration; I just want to know if you think there is a system.

**Mr. Paul Sauvé:** Yes, I believe so.

**Hon. Denis Coderre:** The ARCOP people are from Ontario—specifically, Toronto.

**Mr. Paul Sauvé:** The ARCOP company is based in Montreal, but it has offices all across the country.

**Hon. Denis Coderre:** Were you told that the Conservative thank-you club was organizing other fundraiser cocktail parties?

**Mr. Paul Sauvé:** Mr. Prud'Homme seemed to say there would be other events and that it would be helpful if there were other ones.

**Hon. Denis Coderre:** Did he tell you where?

**Mr. Paul Sauvé:** After the coat fiasco—

**Hon. Denis Coderre:** There was no longer any service at that number.

**Mr. Paul Sauvé:** I wasn't in the mood for spaghetti anymore.

**Hon. Denis Coderre:** Cashmere either.

**Mr. Paul Sauvé:** Right.

**Hon. Denis Coderre:** Were you asked to organize a fundraising campaign for Mr. Paradis in the riding of Mégantic—L'Érable?

**Mr. Paul Sauvé:** No.

**Hon. Denis Coderre:** You gave Mr. Piché \$1,000. Was that to thank him?

**Mr. Paul Sauvé:** It was a contribution. I can't say whether it was to thank him.

**Hon. Denis Coderre:** When you gave him that money, was it to thank him or to encourage him?

**Mr. Paul Sauvé:** It was one of the things we were expected to do at the event that evening. We had to write a cheque and I made my contribution.

**Hon. Denis Coderre:** You organized a dinner with André Boisclair. Did you also fundraise for the Parti québécois or the Bloc Québécois?

**Mr. Paul Sauvé:** I did not fundraise for the Parti québécois. Many moons ago, André Boisclair asked me to give him a hand. I invited about 30 guests to my residence.

**Hon. Denis Coderre:** People we know?

**The Chair:** Thank you, Mr. Coderre.

Thank you, Mr. Sauvé.

[English]

Mr. Calandra is next for five minutes, please.

**Mr. Paul Calandra (Oak Ridges—Markham, CPC):** Thank you, Mr. Chair.

Listen, there have been so many inconsistencies in what you've said. Earlier today in your testimony you said you didn't know him. You apparently didn't have a computer to Google Mr. Varin, but his reputation preceded him later on in the testimony.

You're trying to make us believe you're just a poor, ethically challenged businessperson who really didn't care about greasing and doing things until you got caught. Now that you've been caught, you come to this committee, throw yourself in front of it, and say, "Everybody else did me wrong, but it's only because I got caught doing something stupid."

The only evidence you're providing here today is the fact that you got scammed by somebody and gave \$120,000 to a person who, in your own words, is a lobbyist who's not a lobbyist.

Who in Public Works did Mr. Varin give money to here?

● (1025)

**Mr. Paul Sauvé:** I didn't get caught doing anything.

**Mr. Paul Calandra:** My question is who...?

Mr. Chair, can you make sure he answers the question?

**Mr. Paul Sauvé:** Please rephrase your comment.

**The Chair:** Mr. Calandra, it is reasonable to give witnesses some opportunity to respond to your first inquiry. Your first inquiry was about a minute and 15 seconds. Let Mr. Sauvé respond to your first inquiry and then you can respond thereafter.

**Mr. Paul Calandra:** My first inquiry is, who did Mr. Varin give money to here in Public Works to give you the contract?

**Mr. Paul Sauvé:** I can't say.

**Mr. Paul Calandra:** Do you have any proof that he gave money to anybody in Public Works?

**Mr. Paul Sauvé:** I do not.

**Mr. Paul Calandra:** What was the name of the assistant who called you back from Minister Paradis' office and asked you for the \$5,400 for the coat?

**Mr. Paul Sauvé:** It was a young gentleman who was—

**Mr. Paul Calandra:** What was his name?

**Mr. Paul Sauvé:** Sir, I've answered—

**Mr. Paul Calandra:** I just want his name.

**Mr. Paul Sauvé:** I answered previously that I did not remember his name, but it was his aide. He entered the restaurant with him and exited with him.

**Mr. Paul Calandra:** But you didn't get his name, his card, or anything.

**Mr. Paul Sauvé:** He did give me his card, but—

**Mr. Paul Calandra:** You lost it.

**Mr. Paul Sauvé:** No, I believe I still have it on record. But he was somewhat insignificant, so I did not deem it necessary to remember his name.

**Mr. Paul Calandra:** But somehow you were insulted by this insignificant staffer apparently asking you for \$5,400. An insignificant staffer asked you for something and you got all upset about it. You had a cocktail reception. You were upset that you didn't get a chance to speak with the minister, but you invited all kinds of people who seemed to take advantage of your generosity. You got taken advantage of by a guy who's never been a member of the party, who in your own testimony was a lobbyist but not a lobbyist.

So truly what happened here is that, as opposed to relying on the great reputation your father and your grandfather obviously built up in the business, you decided to panic and sink into.... Because you were outbid or disappointed by how the Liberals treated you in 1994, you decided that maybe there was a different way of doing things. The reality is you found that because of the Accountability Act and changes this government made, you got nowhere.

I read an article that said you want to be the candidate in Outremont. Is that true?

**Mr. Paul Sauvé:** Mr. Calandra, what's the question?

**Mr. Paul Calandra:** I read an article that said you wanted to be the Liberal candidate in Outremont. Is that true?

**Mr. Paul Sauvé:** My family has been involved in several causes over many years. As I said earlier, I've been approached and members of my family have been approached by all parties over the years, because we are upstanding business citizens of Montreal.

**Mr. Paul Calandra:** Who approached you to be the Liberal candidate in Outremont?

**Mr. Paul Sauvé:** It was the local organization.

**Mr. Paul Calandra:** What was that person's name?

**Mr. Paul Sauvé:** I don't recall—Madame Dufresne maybe.

**Mr. Paul Calandra:** Did you ever speak to Mr. Coderre, as the Liberal lieutenant at the time?

**Mr. Paul Sauvé:** Of course I did.

**Mr. Paul Calandra:** Did he encourage you to sell memberships?

**Mr. Paul Sauvé:** He never did.

**Mr. Paul Calandra:** I know the Liberal tradition is to appoint candidates. Were they going to appoint you as the Liberal candidate?

**Mr. Paul Sauvé:** Monsieur Cauchon, who has a great reputation, was at that point contemplating not coming back to the scene of politics, so it was a looming career possibility. But having seen everything that went on up here, I'm not sure it would have been a wise move. So I'm happy that things unfolded the way they did and I made the decision to stick to bricks and mortar.

Does that answer your question?

**Mr. Paul Calandra:** Did you meet with Mr. Gameau?

**Mr. Paul Sauvé:** No, I did not, sir.

**Mr. Paul Calandra:** Who else in the Liberal Party did you meet with? Have you made donations to the Liberal Party?

**Mr. Paul Sauvé:** I might have made donations to the Liberal Party over the years, but Monsieur Coderre is the only MP that I have met in the last many years.

**The Chair:** Monsieur Martin has a point of order.

**Mr. Pat Martin:** In this country you don't have to tell anybody who you made political donations to or what political party. I think it's offensive to put somebody on the spot.

You don't browbeat them for their political affiliations. I think it's a wrong line of questioning.

● (1030)

**The Chair:** That is probably not a point of order, Mr. Martin.

Mr. Calandra has 20 seconds left.

**Mr. Paul Calandra:** Let me sum it up this way, Mr. Sauvé. From everything that you presented today and all these inconsistencies in your testimony, I can say this. I'm glad you're not coming here as a member of Parliament because I expect, Mr. Sauvé, a higher level—

**Hon. Denis Coderre:** A point of order.

**Mr. Paul Calandra:** —from the people who come here. I don't expect people to sink to trying to grease wheels to make their way—

**The Chair:** Mr. Calandra, Mr. Calandra.

[*Translation*]

**Hon. Denis Coderre:** I find it totally unacceptable that Mr. Calandra and the Conservatives are trying to tarnish the reputation of a witness who, from what I know, has taken an oath. He is here in good faith and is answering questions. People may not agree—and I know that the truth hurts because you are up to your neck in this—but sully other people's reputation serves no purpose.

[*English*]

**The Chair:** Thank you, Mr. Calandra.

Thank you, Mr. Coderre.

Mr. Calandra, it's my responsibility to maintain order in this committee. This is the second meeting in a row where you've made commentary that is out of order. I'm so ruling. I will not recognize you further.

**Mr. Paul Calandra:** A point of order.

**The Chair:** I will not recognize the point of order.

I have Mr. Regan.

**Hon. Geoff Regan:** Thank you very much, Mr. Chairman—

**Mr. Paul Calandra:** A point of order. A point of order.

**The Chair:** I am not recognizing the point of order.

Mr. Regan.

**Hon. Geoff Regan:** Thank you very much, Mr. Chairman.

Mr. Sauv , you mentioned Mr. Claude Sarrazin, who is on the board of directors of LM Sauv . Is that the same Claude Sarrazin who is the president of SIRCO Investigation and Protection?

**Mr. Paul Sauv :** Yes, it is, sir.

**Hon. Geoff Regan:** Is he also associated with a company called Formica?

**Mr. Paul Sauv :** I wouldn't know.

**Hon. Geoff Regan:** No?

**Mr. Paul Sauv :** No.

**Hon. Geoff Regan:** It's a different person.

**Mr. Paul Sauv :** I wouldn't know.

**Hon. Geoff Regan:** You don't know that. Okay, thank you.

I asked you earlier and you agreed to provide e-mails that you had with the Department of Public Works concerning the West Block renovation. Could you also provide to the committee e-mails you had with consultants in relation to that project, please?

**Mr. Paul Sauv :** I'm sure we could, sir.

**Hon. Geoff Regan:** Thank you very much.

Mr. Prud'Homme, I understand, is or was the president of the Bourassa riding for the Conservative Party. Basically, after you got a

\$10 million contract...he was the person who was responsible to do fundraising in that riding, and he approached you and asked you to do a fundraiser, essentially, in return for getting the \$10 million contract with Public Works. Is that your understanding of what happened?

**Mr. Paul Sauv :** Could you repeat that, please?

**Hon. Geoff Regan:** Okay. Let's just go through this. After you got the \$10 million contract to do work on the West Block, you were approached by Mr. Prud'Homme, president of the riding association, who was obviously responsible to do fundraising there. He asked you to do fundraising for that riding, to arrange a fundraiser, and this was in return for the \$10 million contract with Public Works.

**Mr. Paul Sauv :** It was to help Minister Paradis and the riding of Bourassa increase their funding capacity.

**Hon. Geoff Regan:** It was a thank you, essentially, for the contract.

**Mr. Paul Sauv :** One could view it as such, yes.

**Hon. Geoff Regan:** Did you indicate that Mr. Paradis was there and knew the people who were there were contractors working on government projects?

**Mr. Paul Sauv :** Well, the room was packed with contractors, architects, civil engineers. It was pretty obvious what you were walking into.

**Hon. Geoff Regan:** So when you were thinking about who to invite to this meeting, how did that work?

**Mr. Paul Sauv :** I basically scrolled through my Rolodex of who would have a vested interest in going there and who would be the most susceptible to want to contribute.

[*Translation*]

**Hon. Geoff Regan:** I would like to turn it over to my colleague.

[*English*]

**The Chair:** Monsieur Coderre.

[*Translation*]

**Hon. Denis Coderre:** Mr. Sauv , I have in front of me the list of contributors to the Conservative Riding Association in Bourassa for 2009. Of course, all of this is connected to the event. I will list the names and I would like you to tell me if they are associates of yours.

Patrick Bellemare?

**Mr. Paul Sauv :** He is a construction contractor.

**Hon. Denis Coderre:** Did you call him?

**Mr. Paul Sauv :** Mr. Varin called him.

**Hon. Denis Coderre:** Jean-Fran ois Bri re?

**Mr. Paul Sauv :** He is a lawyer.

**Hon. Denis Coderre:** Did you call him?

**Mr. Paul Sauv :** Yes, I did.

**Hon. Denis Coderre:** Mr. Alfred Cere?

**Mr. Paul Sauv :** He is a property manager.

**Hon. Denis Coderre:** Did you call him?

**Mr. Paul Sauv :** Yes.

**Hon. Denis Coderre:**  ric Champagne?

**Mr. Paul Sauvé:** He is an architect.

**Hon. Denis Coderre:** Did you call him?

**Mr. Paul Sauvé:** Yes.

**Hon. Denis Coderre:** You had a pretty good thing going.

Howie Clavier?

**Mr. Paul Sauvé:** He is an architect and a lawyer. He was a mediator in the project. I called him.

**Hon. Denis Coderre:** Was he pleased to accept?

**Mr. Paul Sauvé:** Yes.

**Hon. Denis Coderre:** Mr. Richard Courchesne?

• (1035)

**Mr. Paul Sauvé:** At the time, he was accounting controller and chief financial officer for our company.

**Hon. Denis Coderre:** Cameron Forbes?

**Mr. Paul Sauvé:** He was the roofer who handled the roof on the West Block tower.

**Hon. Denis Coderre:** Salvatore Gagliardi?

**Mr. Paul Sauvé:** That name doesn't ring a bell.

**Hon. Denis Coderre:** So he wasn't someone you know?

**Mr. Paul Sauvé:** I don't think so.

**Hon. Denis Coderre:** Okay.

Roland Gendron?

**Mr. Paul Sauvé:** That name doesn't ring a bell.

**Hon. Denis Coderre:** Alexandra Généreux?

**Mr. Paul Sauvé:** She was an employee at the time.

**Hon. Denis Coderre:** Julia Gersovitz?

**Mr. Paul Sauvé:** She was the architect on the project.

**Hon. Denis Coderre:** All right.

Glouberman is from ARCOP. Right?

**Mr. Paul Sauvé:** That's correct.

**Hon. Denis Coderre:** Ghislain Houde?

**Mr. Paul Sauvé:** That name doesn't ring a bell.

**Hon. Denis Coderre:** Jacques Marquis?

**Mr. Paul Sauvé:** He was the portfolio manager for La Capitale Insurance Company L'Unique.

**Hon. Denis Coderre:** All right. And is it common practice for someone to provide a bond so that someone else can also come in on a project?

**Mr. Paul Sauvé:** Yes.

**Hon. Denis Coderre:** Laurent Maurize?

**Mr. Paul Sauvé:** That name doesn't ring a bell.

**Hon. Denis Coderre:** All right.

André Plourde?

**Mr. Paul Sauvé:** He is a property manager.

**Hon. Denis Coderre:** Judith Renaud?

**Mr. Paul Sauvé:** That name doesn't ring a bell.

**Hon. Denis Coderre:** Nathalie Robitaille?

**Mr. Paul Sauvé:** That name doesn't ring a bell either.

**Hon. Denis Coderre:** Franco Servello?

**Mr. Paul Sauvé:** That name doesn't ring a bell.

**Hon. Denis Coderre:** Arthur Steckler?

**Mr. Paul Sauvé:** I believe he is a professional of some sort working in the construction industry, but I cannot be absolutely certain about that.

**Hon. Denis Coderre:** All right.

[English]

**Hon. Geoff Regan:** I have one more question.

**The Chair:** You have 15 seconds.

**Hon. Geoff Regan:** Thank you, Mr. Chair.

What made you think you needed to hire Mr. Varin?

**Mr. Paul Sauvé:** What made me think...?

**Hon. Geoff Regan:** What made you think that you needed to hire Mr. Varin to get a contract on Parliament Hill?

**Mr. Paul Sauvé:** Because I knew that nothing could shake here if we didn't have representation. It's impossible.

**Hon. Geoff Regan:** Based on?

**The Chair:** Thank you, Mr. Sauvé and Mr. Regan.

Mr. Warkentin, five minutes.

**Mr. Chris Warkentin:** Thank you, Mr. Chair. I'm going to continue down that line of questioning.

Mr. Sauvé, your story has changed. I know that Monsieur Gourde has asked you with regard to the article in 2008.... It was in *Le Devoir* and it was written by Claude Turcotte. You are quoted explicitly as saying that you received the contract on the Hill without any political interference. That is consistent with all of the testimony we've heard that can be believed at this table.

Your story has changed. It's changed now maybe as a result of the circumstances you find yourself in. You're looking for an enemy. Things have clearly turned sour in the last number of years for your company. Things have changed.

Now maybe you're looking for an enemy as to why you lost your contracts and why you're losing your company, a company that's been built up over generations by your grandfather and your father. You have undertaken a lot of different things, which I'm sure your father and grandfather would have never conceived of doing. You've now turned to all kinds of different methods to keep your company afloat. Today it looks like you're trying to look for a reason that can explain why you're in the state you are in today.

Why has your story changed since 2008 with regard to the contract on Parliament Hill?

**Mr. Paul Sauvé:** Mr. Warkentin, I'm quite comfortable and quite at peace. Quite frankly, the best thing I've ever done for myself, for my daughter, my wife, my family, was to come out clean with all of this rigmarole in the industry.

**Mr. Chris Warkentin:** Okay—

**Mr. Paul Sauvé:** Let me finish. You have asked a long-winded question—

**Mr. Chris Warkentin:** I've asked you to specifically address—

**Mr. Paul Sauvé:** —and it needs to be addressed very specifically.

I will get to that.

**Mr. Chris Warkentin:** Okay. Could you get to that quickly, because I only have five minutes.

**Mr. Paul Sauvé:** If I had not done what I have done, which was to denounce the violence and the outright unbelievable behaviour and truancy of some of these people who proliferate in the construction industry in Quebec today, I would not be here. I have done what I—

**Mr. Chris Warkentin:** Okay, and I appreciate that.

**Mr. Paul Sauvé:** No, let me finish.

**Mr. Chris Warkentin:** That's not the purpose of our hearing today, though.

**Mr. Paul Sauvé:** The purpose is to answer your question, sir.

**Mr. Chris Warkentin:** That's right. I'm wondering if you are now contradicting what you said to *Le Devoir* in 2008?

I can give you a copy of the article.

**Mr. Paul Sauvé:** Sir, if you were to believe everything you read that's been interpreted by a third party.... I am not even sure what is written there.

**Mr. Chris Warkentin:** It's a direct quote from you and it says there was not political interference in this contract.

**Mr. Paul Sauvé:** I don't know what the journalist is referring to. All I do know is that we hired Varin. We paid, we made the list, and we got the contract. That's what I know.

**Mr. Chris Warkentin:** And you were the lowest bidder. You claimed to be qualified and Public Works found you to be qualified.

**Mr. Paul Sauvé:** Sir, to this day, we are qualified. The crown has chosen to replace us by an insurance industry carrier who can't even finish the job.

**Mr. Chris Warkentin:** Okay.

The work on the St. James church went over by \$4.5 million. What was the original contract let for?

• (1040)

**Mr. Paul Sauvé:** The actual number is \$4.7 million.

**Mr. Chris Warkentin:** Okay. What was the original contract supposed to be?

**Mr. Paul Sauvé:** In the neighbourhood of \$5 million.

**Mr. Chris Warkentin:** Okay. So that building contract doubled, the price from what you bid on it—

**Mr. Paul Sauvé:** Circumstances around the building contract.... There were hidden issues, oil reservoirs hidden by the church, tunnels that used to carry steel from the city to the buildings—

**Mr. Chris Warkentin:** So another example of where.... You know, you've thrown a lot of numbers out here. You've claimed that Public Works is not doing its due diligence. And then it says it discloses all this information to you and you say that's called red tape, so then the price escalates. But then in the contract where

everything wasn't disclosed to you, the cost of your contract doubled.

So I'm not sure.... You know, there are so many different places that we need to have a chat with you about. You come here as an authority on construction but then a demonstration of the project that you just recently undertook doubled in price from the time you bid on it to the time that you were complete.

**Mr. Paul Sauvé:** Sir, the St. James church project has nothing to do with the Parliament buildings—

**Mr. Chris Warkentin:** Well, then, why was that part of...? That was part of your—

**Mr. Paul Sauvé:** Can you let me answer the question? You have been very arrogant. Let me answer the question, okay?

The crown has gone to extraordinarily lengths to study and decipher each and every element of Parliament and knows each and every square footage of this process. Okay? And even with that, even with those circumstances of study and many, many years of architecture and engineering, we've been thrown a monkey wrench with wrong plans to be able to do our project here.

St. James has nothing to do with that. At St. James, the church, or their body, deliberately hid information relating to contaminated soils, to tunnels, to issues that far, far exceeded what our original mandate was supposed to do. We carried and we finished honourably, and the project is a Canadian success and it is a marvel. I'm very proud, regardless of the bad ink, to have been associated with it, because it is a success—

**Mr. Chris Warkentin:** Well, we're going to have Public Works officials here—

**The Chair:** Thank you, Mr. Warkentin. Unfortunately, the five minutes is up.

I want to thank both Mr. Sauvé and Mr. Dorval, on behalf of the committee, for coming here. I appreciate that at times it's a little rough, but I appreciate you coming.

On behalf of the committee, may I express our sympathy for the loss of your father.

Yes, Mr. Warkentin.

**Mr. Chris Warkentin:** I notice that on our committee business we have it that we'll move in camera. I make a motion or suggest that we keep it in public.

**The Chair:** I'm fine with that. Is everybody else fine with that?

Thank you again for coming. As the witnesses leave, I'm going to immediately move to committee business.

Colleagues, if you could.... I'll suspend for 30 seconds.

• \_\_\_\_\_ (Pause) \_\_\_\_\_  
•

**The Chair:** Okay. We have three items, colleagues. The first is the report of the subcommittee. Hopefully this is reasonably uncontroversial.

Can I have a motion to accept the report of the subcommittee? It is moved.

Is there any debate on the report of the subcommittee? Agreed?

**Some hon. members:** Agreed.

**The Chair:** Second is Mr. Regan's motion. It's in order and it was received in a timely fashion. Mr. Regan wishes to speak to it.

**Hon. Geoff Regan:** Mr. Chair, I want you to move the motion.

**The Chair:** Any debate?

•(1045)

**Hon. Denis Coderre:** Amendment.

**The Chair:** An amendment to the motion?

**Hon. Denis Coderre:** I would propose a friendly amendment, Mr. Chair, that after "November 24, 2010", we get rid of the rest.

So the motion would be everything except, "that the Committee also empowers the Chair to take whatever actions are necessary, including the issuance of a summons, to ensure that—"

**The Chair:** You want that deleted?

**Hon. Denis Coderre:** Deleted, yes.

**The Chair:** So the committee....

**Hon. Denis Coderre:** I will propose a friendly amendment if you want.

**Mr. Chris Warkentin:** What is the next piece?

**The Chair:** It says "That the Committee orders the Ontario Provincial Police to provide it with the details of all their costs associated with the G8 and G20...." It goes down the next line, the next line, the next line. The final line says "that the Committee orders that this information be provided in both electronic and paper form by 2:00pm on Wednesday November 24, 2010".

That's where it ends. That's your motion.

**Hon. Denis Coderre:** Yes.

**The Chair:** Yes, Mr. Warkentin.

**Mr. Chris Warkentin:** I have a couple of things.

I think it's now apparent to all of us, having understood that this information is not available immediately, that the date of November 24 is probably an unreasonable date. It's clear from what we've heard from the OPP that in fact this information hasn't yet been compiled and therefore would be impossible to provide in that timeframe. So I think we need to change either the date or our expectation of what is going to be brought forward by them.

The other thing that we absolutely must include in this, if we're going to have a full airing of this issue, is that the representative from the Ontario provincial cabinet, Rick Bartolucci, the minister who actually signed this contract—of course, the OPP officials, the police force, never signed the contract—should give some light as to why the dates were as stated in the contract. I think it would be imperative that we have a representative from the provincial government—Rick Bartolucci is the minister who signed the contract—to get some clarity as to whether or not these dates were prescribed by him or appropriate for them. I think it's important that we call on them.

**The Chair:** I'm working on the assumption that the calling of Mr. Rick Bartolucci is not received as a friendly amendment, or is it?

**Hon. Denis Coderre:** Can we settle that part first? Do we agree, as a friendly amendment, that we're deleting the rest after November 24?

**The Chair:** The mover has already accepted that, so that part's done.

**Hon. Geoff Regan:** Mr. Chairman, we can certainly discuss future witnesses whenever, at steering committee or committee later, but let's deal with this—

**The Chair:** Are you prepared to accept this?

**Mr. Chris Warkentin:** No.

**Hon. Geoff Regan:** Mr. Chairman, what I want to say is that the OPP has indicated it would have this information by December 1. Now, we've had two previous motions of this committee—one in September, once since then—asking for this information. All the other departments have provided it to us. We got it from the RCMP, we got it from the Toronto police, from CSIS, etc., and it's hard for me to believe that they're going to have it on December 1 but they can't have it on November 24, seven days earlier. It's particularly hard to believe that there's no information they can make available to us.

**The Chair:** You have seen the letter from the OPP. They do say it will be available December 1. They don't say it can be available before that date. It may be an issue of credibility in your mind, it may be an issue of credibility in other people's minds, but that is the response from the OPP to date.

Simply for clarification for the chair, what is it that this motion adds to or takes away from the previous motion, other than the date?

**Hon. Geoff Regan:** This requires the OPP to provide us the information, Mr. Chairman.

**The Chair:** Okay. Thank you.

Mr. Warkentin.

**Mr. Chris Warkentin:** That is my question, too, Mr. Chair. As a matter of fact, this motion is basically redundant. A motion that basically prescribes this was previously passed by this committee. Obviously, we didn't support it because we knew it wasn't reasonable.

The Ontario Provincial Police have acknowledged that they will be forthcoming with that information, but since that information is not available to them right now, it would be impossible for them to pass it on to us.

That having been said, it's absolutely redundant. It seems to be simply an issue of playing politics with the police force, which I believe is independent. I believe it to be honourable. I believe it to be above reproach, and any suggestion that they're withholding this information for any other reason, other than that it's not available, is preposterous. So if the members opposite believe they're withholding it for any other reason—that would be the only reason I would believe they're bringing forward this motion—if they have any other suggestion.... I have to vote against this, unless they have any other rationale as to what this motion does, other than reiterate what they have already brought forward that has been responded to.

•(1050)

**The Chair:** Mr. Regan.

**Hon. Geoff Regan:** There is a distinction between this motion and the last one. In the last motion we “requested” the information, and now we're ordering that it be provided. We have the ability to do that, as this is the highest court in the land—Parliament.

The second thing, of course, is that we don't know what will happen on December 1 even. You know the government receives the information on December 1. We don't know if they'll sit on it for months. So I think it's important that we get hold of this information.

**The Chair:** Are there any other interventions?

Mr. Calandra.

**Mr. Paul Calandra:** I want to state for the record that of course I'll be voting against this. As the only member from Ontario here, with the exception of yourself, I find it almost preposterous that we're suggesting that the Ontario Provincial Police are a corrupt organization that is somehow trying to mislead Parliament.

I always stand up for the good people of the Ontario Provincial Police, who gave some extraordinary testimony here, who did really good work during the G-8 and G-20, and now to suggest that they're deliberately holding back information for some nefarious purposes.... I suppose it's easy for members from other parts of the country to sling that type of mud, but those of us in Ontario are quite proud of our provincial police force and quite confident in their ability to get the information that is asked of them, that was signed by their Liberal provincial minister many months in advance of the G-8 and the G-20.

**The Chair:** We're all proud of the OPP.

Are there any other interventions? The first issue is to deal with the amendment, a friendly amendment. Can we immediately go to the main motion?

**Mr. Chris Warkentin:** Can we have a recorded vote?

**The Chair:** A recorded vote on the main motion as was read to you. Is everybody familiar with the main motion at this point? Okay.

*Monsieur greffier*, would you call out the names, please?

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

**The Chair:** The final bit—we're really running up against time.

Mr. Martin, I know you are quite anxious to revive your motion, which I think was put before the committee but I don't believe we dealt with it. Is that correct?

**Mr. Pat Martin:** No, you're incorrect. It was dealt with and passed.

**The Chair:** It was dealt with and passed.

**Mr. Pat Martin:** And you were directed to report to Parliament. We recommend, with all due respect, that the government put a moratorium on all construction contracts associated with Parliament Hill.

I notice you've written a second report of this committee and you still fail to even mention a motion that was properly dealt with before this committee.

**The Chair:** The clerk informs me, and I apologize, Mr. Martin, that there was no specific direction for the chair to report that motion to the House. I stand to be corrected, but if you wish to revive that, may I suggest that you bring it before the committee possibly as early as Thursday?

**Mr. Pat Martin:** No, I don't intend to move it.

How else can the committee recommend to government that they put a moratorium if it's not reported by the chair to Parliament? I'm not going to put another notice of motion to move a motion that I already properly served notice for, had it voted on, and passed. It seems you're reluctant to implement the will of the committee.

**The Chair:** I'm just receiving instructions from the clerk as to the appropriate way to do it. That would be that this committee direct the chair to have a report filed in the House.

•(1055)

**Mr. Pat Martin:** That's what the motion was supposed to do. Let's vote on it now. We'll direct you right now. Let's make manifest the intent of that motion by voting on it again right here and now.

**The Chair:** Madame Bourgeois.

[*Translation*]

**Ms. Diane Bourgeois:** Mr. Chairman, Mr. Martin is right. I moved the motion and Mr. Martin then added a moratorium period. We had the impression that you would be advising the House. We are asking that you do that now, please.

[*English*]

**The Chair:** Okay.

There seems to be a touch of miscommunication between the chair and the committee.

Is it the will of the committee that I report Mr. Martin's motion to the House?

**Some hon. members:** Agreed.

**The Chair:** Not hearing any negative, that's what we'll do. Thank you.

The meeting is adjourned.









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