



House of Commons  
CANADA

# Standing Committee on Government Operations and Estimates

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OGGO • NUMBER 038 • 1st SESSION • 38th PARLIAMENT

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EVIDENCE

**Tuesday, May 17, 2005**

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**Chair**

**Mr. Leon Benoit**

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## Standing Committee on Government Operations and Estimates

Tuesday, May 17, 2005

• (1530)

[English]

**The Chair (Mr. Leon Benoit (Vegreville—Wainwright, CPC)):** Good afternoon, everyone. Today, pursuant to Standing Order 108 (2), we are going to do a study of the Deloitte & Touche report on Canada Post's sponsorship, marketing, and advertising activities. We have as our witness today the Honourable André Ouellet.

There will be some committee business to deal with at the end of the meeting today, but we'll go very close to the end of our time before we get to it.

Mr. Ouellet, I understand you don't have a statement. That being the case, we'll go directly to questioning.

Brian Pallister.

**Mr. Brian Pallister (Portage—Lisgar, CPC):** Thank you.

Good afternoon, sir.

You're familiar with this report. I will work on the assumption that you're aware of it. Is that fair? You are aware of the contents of the report that Deloitte & Touche prepared on management practices at Canada Post?

[Translation]

**Hon. André Ouellet (As an Individual):** Yes.

[English]

**Mr. Brian Pallister:** In that report on page 26 it outlines travel and hospitality expenses, and it states that you were paid in excess of \$2 million between the years 1996 and 2003, while you served as chair and president of Canada Post. Is that correct?

[Translation]

**Hon. André Ouellet:** On which page?

[English]

**Mr. Brian Pallister:** Page 26.

[Translation]

**Hon. André Ouellet:** Of the French version?

**An hon. member:** Page 29.

**Hon. André Ouellet:** Indeed, that is what the report says.

[English]

**Mr. Brian Pallister:** I understand you're fluently bilingual, sir. Is there any reason that you're responding in French at this time?

[Translation]

**Hon. André Ouellet:** I beg you pardon?

[English]

**Mr. Brian Pallister:** Is there any reason you're responding in French to my questions?

[Translation]

**Mr. Benoît Sauvageau (Repentigny, BQ):** Because we still have the right to speak French here.

[English]

**Mr. Brian Pallister:** You've claimed over \$2 million in expenses through that time period for which you were paid. Do you have proof of those expenses? Are you in possession of receipts to prove those expenses?

These are pretty straightforward questions, sir. I'm not expecting that we're going to waste our time this afternoon in delaying tactics. I'm asking you a simple question. Do you have records to prove the expenses?

• (1535)

[Translation]

**Hon. André Ouellet:** Mr. Chairman, when I first arrived at Canada Post, I was given a document that listed different procedures to follow in regard to travel and hospitality. Over the years, I have always complied with the rules that were then in effect.

When I became President and CEO, my secretary had also served my last three predecessors. I can tell you that she filled out my reimbursement claims in the same manner that she had done so for my predecessors.

[English]

**Mr. Brian Pallister:** You told the people from Deloitte & Touche you had the receipts in your possession. Is that true?

[Translation]

**Hon. André Ouellet:** Mr. Pallister, I believe that you were told, in response to a question that you were asked in the House, that the Canada Revenue Agency was in the mist of reviewing files. According to what I have read in the *Globe and Mail*, you say that you have made sure that Revenue Canada has taken these measures. I would suggest that you allow Revenue Canada to do its job.

[English]

**Mr. Brian Pallister:** I'm not satisfied with your answer, sir. I'm asking you straightforward questions, and I would appreciate straightforward answers in return.

Do you have receipts in your possession that have been forwarded to these auditors?

[Translation]

**Hon. André Ouellet:** I can assure you that I will behave with Revenue Canada in the exact same way as any other Canadian citizen.

[English]

**Mr. Brian Pallister:** Sir, that's highly doubtful, because the minister, in response to my questions last October 6, said an audit was under way, and if it was any other Canadian, that audit would have been done a long time ago.

So let me ask you again. Have you the receipts in your possession, or have you handed them to Revenue Canada auditors? Could you answer that question, please?

[Translation]

**Hon. André Ouellet:** Mr. Pallister, I believe that you should rely on the work done by officials at Revenue Canada. I have total confidence in the objectivity of the employees of Revenue Canada. However, I cannot say the same for you.

[English]

**Mr. Brian Pallister:** That's fine, sir. You may try to challenge me all you wish, but the fact remains that it's over half a year since the minister claimed that an audit was under way of your expenses. In half a year.... There is no audit that Revenue Canada has undertaken of any individual Canadian that takes that long.

So again I'm asking you, sir, a simple question: Have you forwarded the receipts to Revenue Canada auditors, yes or no?

[Translation]

**Hon. André Ouellet:** Sir, I don't have to deal with you about how Revenue Canada is doing its work. If you are not satisfied with what Revenue Canada is doing, make them accountable. I am not its spokesperson.

[English]

**Mr. Brian Pallister:** Sir, you are here. Revenue Canada is not under investigation today, but we're asking you some questions today. We have the right to do that. We have the right also to expect civil answers from you, sir.

Now I'll ask you again: Have you forwarded your receipts to Revenue Canada auditors, *oui ou non*?

[Translation]

**Hon. André Ouellet:** I do not have to answer you, sir.

[English]

**Mr. Brian Pallister:** Stop hiding behind Revenue Canada personnel. Have you, or have you not, forwarded your receipts to Revenue Canada auditors, sir?

[Translation]

**Hon. André Ouellet:** Mr. Chairman, the member has had asked me that question three times, and three times I have told him that Revenue Canada is in charge of this file. I am convinced that the people at Revenue Canada are doing their job properly and fairly. I will fully collaborate with them.

[English]

**The Chair:** Mr. Ouellet, with all respect, you have been asked questions here to which you're not answering. You've made a statement that you don't believe you have to answer these questions. I would encourage you to show respect for this committee and for our parliamentary process and answer the questions. This committee expects that from you, sir.

• (1540)

[Translation]

**Hon. André Ouellet:** There was a nuance that you perhaps did not pick up on in my answer. I do not say that I would not answer questions. I answered the member's question. Perhaps he does not like my answer, but I still gave him an answer.

[English]

**Mr. Brian Pallister:** You're evasive, sir. You know you're being evasive; you are quite smooth in that respect. I'll ask you again, because I believe, quite frankly, sir, that until you prove your claims are legitimate, you are nothing more than a common thief to me.

**An hon. member:** Order! Order!

**Mr. Brian Pallister:** I tell you that right now; that's all you are. Any other Canadian who tried to evade taxes would be already charged by Revenue Canada—any other Canadian.

**The Chair:** Excuse me, Mr. Pallister.

A point of order, Mr. Szabo.

**Mr. Paul Szabo (Mississauga South, Lib.):** Mr. Chairman, I'm sorry, but in this place....

I have the floor, Mr. Poilievre.

The witness here has come of his own volition. He was asked to appear, and he is entitled to be treated with the same respect we would accord all witnesses who come before us. But to call someone a thief to their face, without any—

**Mr. Brian Pallister:** That's not what I said. That's not at all—

**The Chair:** Mr. Pallister, you can respond after.

**Mr. Brian Pallister:** That's not what I said.

**Mr. Paul Szabo:** This is not acceptable, Mr. Chairman.

**The Chair:** Order.

Mr. Pallister, there is a point of order being made here. Let's hear the point of order.

**Mr. Brian Pallister:** That's not what I said, Paul.

**The Chair:** Mr. Szabo.

**Mr. Paul Szabo:** Mr. Chairman, the member told the witness he was no more than a common thief. I want to ask the honourable member to withdraw that statement, to apologize to the witness, and to treat the witness respectfully and have some decorum in this place.

**Mr. Brian Pallister:** I'm happy to respond to Mr. Szabo's comments.

Unlike Mr. Szabo, apparently, I'm quite aware of the policies of Revenue Canada. If you fail to comply with requests for information, you are immediately assumed to be guilty by Revenue Canada. The fact of the matter is, you are immediately going to be subject to fines and jail terms if you do not comply. So every Canadian is treated as a common thief if they do not comply.

**The Chair:** Order.

Mr. Szabo, please.

**Mr. Brian Pallister:** You may not understand the preamble, sir, but you need to understand that.

**The Chair:** Mr. Pallister, before you continue, I would ask you to treat the witness with respect.

**Mr. Brian Pallister:** I would appreciate some responses. The respect should be earned here.

**The Chair:** And the committee deserves responses.

Please go ahead.

**Mr. Brian Pallister:** All right.

We have been told—

[*Translation*]

**Hon. André Ouellet:** I am sorry, Mr. Chairman. If the member had spoken such words outside of Parliament, I would have immediately sued him for libel. He is taking advantage of being in the House of Commons to accuse me unfairly, without any evidence, without any validity.

[*English*]

**Mr. Brian Pallister:** Okay, answer my questions and maybe we'll get to the bottom of this.

Let me ask you this, sir—

**The Chair:** Mr. Pallister, you have about a minute left. Do treat the witness with respect.

**Mr. Brian Pallister:** Of course.

The minister has told the House that Revenue Canada is doing an audit. When was the first time you were contacted by Revenue Canada auditors?

[*Translation*]

**Hon. André Ouellet:** I repeat, Mr. Chairman, that anyone dealing with Revenue Canada do so directly with the department and not through a third party. I have absolutely no obligation to tell Mr. Pallister what I do with Revenue Canada.

[*English*]

**Mr. Brian Pallister:** The microphone is not working here, so I missed that. What was the answer?

**The Chair:** Mr. Ouellet, the question that was asked by Mr. Pallister is a question that I would expect you would answer, and you're refusing to answer it. I would appreciate it if you would answer the questions that are asked by members of this committee. It in no way interferes with an investigation that may or may not be ongoing with Revenue Canada.

On a point of order, Mr. Szabo.

**Mr. Paul Szabo:** On a point of order, Mr. Chairman, I don't disagree with you, but I think there is a way to deal with this. I would suggest that possibly the question could be posed to Mr. Ouellet as to whether he is cooperating fully with Revenue Canada. If he could answer that question—

**The Chair:** No, Mr. Szabo, you'll have your chance for questioning.

Your time is up, Mr. Pallister.

Next on the list, is there a member of the Bloc who wishes to ask a question?

Mr. Sauvageau, for seven minutes.

• (1545)

[*Translation*]

**Mr. Benoît Sauvageau:** Mr. Chairman, before asking my questions, I would like the quibbling to stop.

Mr. Ouellet, you just told Mr. Pallister that had he spoken such words outside of the House of Commons, you would have sued him. This is quite easy for you. You said the same thing regarding Deloitte & Touche. You said that you would sue them. Did you take legal action against them since they did not make their statements in the House?

**Hon. André Ouellet:** No. After much thought and full analysis of the Deloitte & Touche report, I believe that the mandate given to them was so restricted...

**Mr. Benoît Sauvageau:** You had even talked about a vendetta at the time.

**Hon. André Ouellet:** ...that they had no other choice than to look closely at what they had been asked to study at that time. I would remind you that Deloitte & Touche had still produced three reports in the span of about six months.

**Mr. Benoît Sauvageau:** Mr. Chairman, I recognize that Mr. Ouellet has a vast parliamentary experience. He can easily take six minutes to answer my simple question. With all due respect, I would ask him to take approximately 30 seconds to allow me to ask other questions.

**Hon. André Ouellet:** I answered you.

**Mr. Benoît Sauvageau:** I thank you and appreciate it.

Do you challenge the table on page 26 which indicates that you spent in travel and hospitality expenses \$2 million between 1996 and 2003? Are the figures in the table accurate and true?

**Hon. André Ouellet:** I believe that these figures do not correspond to my actual travel and hospitality expenses. Unfortunately, the compilation is based on figures taken from what are called Canada Post "records". I presume that the people at Deloitte & Touche performed their work in good faith, but they could not have access to all the information and distinguish between expenses that I was responsible for and other expenses that should have not been attributed to me necessarily. The amount regarding my travel and hospitality expenses is a gross exaggeration.

**Mr. Benoît Sauvageau:** Mr. Ouellet, if I were you, I would provide receipts proving that these amounts are exaggerated and that your reputation has been tainted. On page 26 of the document submitted by Deloitte & Touche, it says: For the period 1999 to 2003 the documents supporting the expenses of the President could not be located by CPC.

You were the president. Further on, it reads:

The President's subsequently informed CPC that the expense claims and associated supporting documentation were at his personal residence. CPC legal counsel has requested that these records be provided to CPC.

Is that a fact? I am not talking about Revenue Canada.

**Hon. André Ouellet:** Yes.

**Mr. Benoît Sauvageau:** Your personal expense claims and receipts were given over to Canada Post.

**Hon. André Ouellet:** Mr. Sauvageau, I can tell you that all documents in my possession were handed over to Canada Post.

**Mr. Benoît Sauvageau:** The report states the following: "As of the date of this report, [July 23, 2004], the President has not provided the requested documents to the CPC." If that were written today, it would be false. The statement would be corrected because you have handed over to Canada Post the documents that Deloitte & Touche requested.

**Hon. André Ouellet:** Yes.

**Mr. Benoît Sauvageau:** Are they the same documents that you had handed over to Revenue Canada?

**Hon. André Ouellet:** I have already told you that I believe that...

**Mr. Benoît Sauvageau:** This is not the Gomery Commission. You can reply. It is not like Jean Lafleur. You can give a serious answer.

**Hon. André Ouellet:** I find your remark totally inappropriate. I do not see why...

•(1550)

**Mr. Benoît Sauvageau:** You have the right.

**Hon. André Ouellet:** Up until now, you have been proper and I have answered you properly as well. I am telling you again, as I said earlier to Mr. Pallister, that my dealings with Revenue Canada are the same as dealings of any other taxpayer that must pay his taxes, that must be accountable to Revenue Canada, and who does so, pursuant to the law, in a completely appropriate manner. I believe that I do not have to discuss these matters with anyone other than the people from Revenue Canada.

**Mr. Benoît Sauvageau:** You are absolutely right. In fact, that was not my question. You said you handed over the Canada Post Corporation receipts you held at your personal residence, to prove whether or not you had spent \$2 million over six years. I am asking you whether Revenue Canada has the same receipts.

**Hon. André Ouellet:** I am convinced that what I handed over to Canada Post will certainly be seen by Revenue Canada, if that is not already the case.

**Mr. Benoît Sauvageau:** All right. I will move on to another question.

You know the communications firm Gervais Gagnon.

**Hon. André Ouellet:** Yes.

**Mr. Benoît Sauvageau:** You know that the Gervais Gagnon communications firm donated \$46,390 to the Liberal Party of Canada between 1996 and 2003.

**Hon. André Ouellet:** No, I did not know. I just learned it from you.

**Mr. Benoît Sauvageau:** I am glad to be of assistance.

Before the Gomery Commission, you stated that you had asked to be able to work with this firm and that request had been acquiesced in. Will you acknowledge that a president's request is tantamount to an order? You had asked to work with Gervais Gagnon.

**Hon. André Ouellet:** Yes, I wanted to work with firms that I knew, just as one would choose a doctor or a lawyer. I believe it is also wise to choose your speechwriter. People always choose a public relations firm they trust, because that is the firm that will be doing one's public relations.

**Mr. Benoît Sauvageau:** You are right. The other firm that you knew just like your own doctor was Jean Lafleur's.

**Hon. André Ouellet:** Pardon me?

**Mr. Benoît Sauvageau:** The other firm you had intimate knowledge of, just like your own doctor, was Lafleur Communication. They did some work. That's correct!

The Liberal Party, when you were a minister or a member, also had firms it trusted most, such as Lafleur Communication, Group-action and the rest.

**Hon. André Ouellet:** No, I am sorry. I will tell you one thing, sir.

**Mr. Benoît Sauvageau:** If these firms were close to you, why did they not pass the tendering process?

**Hon. André Ouellet:** Because it was not necessary to go through a tendering process.

**Mr. Benoît Sauvageau:** By getting around the rules?

**Hon. André Ouellet:** No, not by getting around the rules. There were general rules, but there were also exceptional rules. It is quite common not to send always put out tenders. It is quite acceptable to have dealings with someone without necessarily going through a call for tenders. That what was done in that case.

**Mr. Benoît Sauvageau:** You are right: there are exceptional rules, such as a \$2 million expense account, the hiring of 92 people directly or indirectly, the hiring of public relations firms such as those.

Do you personally know one of the staff from this "doctor's office" at Gervais Gagnon, i.e. Pablo Rodriguez, who worked at Gervais Gagnon between 1996 and 2003 before he became president of the Quebec wing of the Liberal Party of Canada?

**Hon. André Ouellet:** Mr. Sauvageau, I knew Mr. Pablo Rodriguez well. According to me, the fact that he entered politics subsequently should not be held against him.

**Mr. Benoît Sauvageau:** Absolutely not.

**Hon. André Ouellet:** Let me tell you that I believe the connections you are making here are insidious. It is not because people donate to an election fund that they are, for that reason, dishonest. They are legally allowed to do so.

**Mr. Benoît Sauvageau:** Even if Jean Lafleur invites them over to his place for dinner?

**Hon. André Ouellet:** He has every right to do so.

[English]

**The Chair:** Mr. Szabo is next.

**Mr. Paul Szabo:** Thank you, Mr. Chairman.

Mr. Ouellet, welcome to our committee. I'm sorry it started off the way it did, but you're aware that the committee's mandate gives it broad authority to do examinations in a number of areas of interest in terms of government operations matters, and it's not a surprise that the sponsorship issue and the issues raised in the Deloitte Touche report are of interest.

We do, however, understand there are matters ongoing and in process. I will ask you the question I would have hoped would have been asked to you, to deal with the first issue of the receipts. Are you fully cooperating with the Canada Revenue Agency with regard to their review?

• (1555)

**Hon. André Ouellet:** Yes, I am.

**Mr. Paul Szabo:** Mr. Ouellet, the order of the day is to deal with the Deloitte report. I didn't think it was to deal with the expense reports, but as long as members have expressed an interest, I think it would be useful if you could remind the committee as to the practices followed with regard to how your expense reports were ultimately reviewed or ratified by the board. Could you do that, please?

**Hon. André Ouellet:** Yes. As I said earlier, these procedures for me were not different from what they were for my predecessor.

[Translation]

Since the inception of the corporation, I believe this procedure has always been in place. When I became president and CEO, we changed the procedure for vice-presidents, so that, from then on, I would be the one vetting and approving their expense accounts. The report states that clearly.

Because I wanted someone above me to approve my expense accounts, it was decided that the audit committee of the board of directors would approve my expense account from then on. I mean as of the time I became president and CEO.

[English]

**Mr. Paul Szabo:** Thank you. I think that's helpful.

I only have a brief amount of time left; I thought I would move us to the area of the sponsorship program, which was ultimately spawned by concerns over the absence of the Canadian flag in Quebec. I think we were told at the time that the Canadian flag was not even flying at Canada Post offices within Quebec. One of the projects in which Canada Post was specifically involved was the Maurice Richard series. If we take small steps here, would you care to make a comment with regard to Canada Post's participation in that

project and how you felt it was relevant to the issue of having a presence of Canada brought to greater recognition within the province of Quebec?

[Translation]

**Hon. André Ouellet:** I will do that, Mr. Chairman, in view of the fact that I was not president and CEO of the corporation at that time. My predecessor held the position when the sponsorship for the Maurice Richard's series was approved. The Deloitte & Touche report recalls the facts of course, but does not refer to the advertising Canada Post benefited from by associating itself with a prestigious name such as Maurice Richard's. That is a program which gave Canada Post considerable visibility. Canada Post continues to benefit from considerable visibility because the rights we obtained for the film and for subsequent exposure continue to advertise Canada Post's involvement in the project. I believe the expenses were appropriate and that Canada Post got full value for its money through considerable advertising in French and English films about Maurice Richard.

• (1600)

[English]

**The Chair:** Next is Mr. Martin, for seven minutes.

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

Thank you, Mr. Ouellet, for being here.

Let me start on a positive note. I may come from a trade union background, but I know the era when you were CEO of Canada Post was an era the working people there recognize as one in which great inroads were made in what was perhaps the most venomous industrial relations environment in the country. Things did in fact improve, and I do recognize and acknowledge that, and I'm actually sorry to see you dragged through some of this mess now. Having said that, I want to start with a technical question.

How is it humanly possible to spend \$1,000 a day, every day of the year, for six or seven years in a row, on hospitality expenses? Including holidays and weekends, this averages out to \$1,000 a day. That just speaks to a level of wretched excess, some Roman orgy type of feasting here that.... I mean, you aren't a large man. You're not fat. You're not obese, but how in God's name do you eat that much or drink that much? It just doesn't seem humanly possible.

**Hon. André Ouellet:** You touch a good point, Mr. Martin, because the reality I've already answered to Mr. Sauvageau: that the numbers presented in this report do not reflect the reality of my expenses. Included were a number of other elements that had nothing to do with my own expense account, but were charged to the office of the president. When the tabulation was made by Deloitte and Touche, there was not the appropriate sorting.

**Mr. Pat Martin:** I would have to think there must be something wrong there, because it's just impossible to eat that much. Even Radwanski couldn't eat that much.

**Hon. André Ouellet:** Absolutely, and I can assure you that I have not.

**Mr. Pat Martin:** I have a question about the oversight of the board. In this day, when there's a call for greater corporate governance, how could the board...? First of all, did the board ever question why Canada Post would need to advertise itself? The most ubiquitous common symbol in all of Canada is Canada Post's. Why did you think you needed to engage in any kind of sponsorship or promotion, and did the board of directors give you any push back when you promoted this idea that we needed to pay to have the Canada wordmark associated with Canada Post?

**Hon. André Ouellet:** Well, you have to understand that 60% of our core business is the letter mail—you're right—and on this you don't need advertising. But for a good 40% you are in very tight competition with UPS, FedEx, and other private courier companies, who vigorously compete against Canada Post. In order to maintain the level of employees, the level of remuneration, and the level of efficiency we have been able to gather at Canada Post, you had to be in the competitive environment. There was no way out of it.

When you are in a competitive environment and your competitors are advertising, you have to advertise too on some of your products, and that's what we did. And the board.... I assure you, Mr. Martin, I'm not here to defend the board, but the board diligently looked at this and reviewed it, and particularly the various committees that dealt with the budget of Canada Post approved it and worked very diligently and for long hours to review all of this.

**Mr. Pat Martin:** But most of the advertising that's turning people's heads now really wasn't advertising your courier service versus your competition's. It's things like the Maurice Richard film or sponsorship contracts—

• (1605)

**Hon. André Ouellet:** But Mr. Martin, with respect to you, if you look at the report....

[Translation]

The Deloitte & Touche report dealing with marketing and advertising activities is relatively positive, perhaps even very positive. I would like to draw your attention to pages 17 and 18 of the English version of the report, and I quote:

In the majority of campaigns examined, there was evidence that marketing and advertising activities were designed to achieve results.

The majority of files reviewed showed evidence of due diligence in approving individual projects.

For most campaigns examined, evidence was available that indicated that funds were used for the intended purposes.

For the transactions examined, there was evidence of due diligence being exercised in the spending of and accounting for funds.

[English]

**Mr. Pat Martin:** I understand your point and I can read that.

If I have a second left, I guess I'm still concerned about getting pulled into the sponsorship scandal. Did Jean Pelletier or Jean Carle or anybody from the PMO recommend to you that Canada Post should get on board with the sponsorship program?

**Hon. André Ouellet:** No.

**Mr. Pat Martin:** The PMO never spoke to you about the sponsorship program?

**Hon. André Ouellet:** No. And in fact we were involved for only one project; that was for Stamping the Future. Indeed, in retrospect,

you know we said we were ready to reimburse the government for that project. It is very sad that Canada Post has been dragged into all of this, because it's the only instance when we were linked to the *programme des commandites*.

**Mr. Pat Martin:** What was the dollar value of that?

**Hon. André Ouellet:** Well, the report said it. We received a little over \$500,000. And Canada Post on numerous occasions has indicated they were ready to reimburse that amount.

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

For seven minutes, Mr. Pallister, followed by Madam Marleau.

**Mr. Brian Pallister:** When did the auditors the minister says were assigned to audit your former office first contact you, sir?

**Hon. André Ouellet:** Mr. Benoit, Mr. Pallister is coming back again to ask me questions about my dealings with Revenue Canada. I have indicated that I am dealing with Revenue Canada, but I don't think I have to answer for my dealings with Revenue Canada any more than you have to answer what you're doing with Revenue Canada.

**Mr. Brian Pallister:** To explain, sir, actually you do, because Revenue Canada is doing an office audit. They're doing an audit of your former office, and I'm asking you a simple question, again. Your office, of course, was a public office at the time, as chairman and president of Canada Post. The minister claims they're doing an audit. I'm concerned it's being used as a smokescreen. You know that. I'm concerned that it's a marathon audit, that it's gone on apparently for seven months, and I'm trying to establish whether in fact any of these auditors actually contacted you personally or through one of your representatives attempted to get your receipts.

And I ask you again, when did the auditors first contact you?

**Hon. André Ouellet:** I believe that if Mr. Pallister wants to know what the officers of Revenue Canada are doing, he should talk to Revenue Canada or he should talk to the minister and ask the question there.

As far as I'm concerned, I'm telling you that my lawyers have indicated to me that I have to deal with Revenue Canada, which I am doing, but I do not have to deal with a third party on behalf of Revenue Canada.

**Mr. Brian Pallister:** Sir, you offered up information to the committee earlier. You said you were in full cooperation with Revenue Canada on the audit. I'm asking you, when did that cooperation begin? You've already introduced the subject. I'm simply trying to get some dates.

**Hon. André Ouellet:** No, I have not introduced the subject.

**Mr. Brian Pallister:** Yes, you did. You claimed you were in full cooperation, sir. You claimed you were in full cooperation, sir, and I'm asking you a simple question.

**Hon. André Ouellet:** I have answered a question. You might yell if you want.

• (1610)

**Mr. Brian Pallister:** Yes, I do. I'm frustrated by your responses.



**Hon. André Ouellet:** I'm not impressed at all. I think you are trying to make a point that has no foundations, and I'm sorry, I—

**Mr. Brian Pallister:** Sir, you can very easily take away the foundation from my points with a straight answer. I ask you when you were asked for the receipts. I ask you when you provided them. These are very simple questions I'm asking you. I simply want to establish.... You claim you're in full cooperation. I'm asking you, when did that happen, because we all know that you weren't in full cooperation.

You denied the legitimacy of the report itself. You said the government was trying to undermine you and had an agenda to have you out, and now you claim you're in cooperation with Revenue Canada but you won't tell us when that started.

I'm asking you again, when were these receipts you were in possession of asked of you? It's a simple question.

**Hon. André Ouellet:** Mr. Pallister, you could ask me a hundred times the same question, and I'm telling you that if you want to know what Revenue Canada is doing, you should talk to Revenue Canada.

**Mr. Brian Pallister:** Well, I tell you, sir—

**The Chair:** Mr. Pallister.

**Mr. Brian Pallister:** No, I'd like to continue, Mr. Chairman, to question.

**The Chair:** Just a minute, please, Mr. Pallister.

Mr. Ouellet, the question being asked of you is not regarding the activity of Revenue Canada; it's your activity, and I think that's fair. I wish you would reconsider answering that question.

Mr. Pallister.

**Mr. Brian Pallister:** Well, sir, I see you smiling. I tell you, nobody—

**Hon. André Ouellet:** No, I'm sorry, I'm not smiling—

**Mr. Brian Pallister:** No one smiles when they're audited, sir. No one I know who has ever been audited by Revenue Canada has a smile on their face about it. When I see you smile, that tells me you don't think for a second that you're being audited.

I'm asking you again, when did you provide these receipts to the so-called auditors the minister claims are auditing you? When?

**Hon. André Ouellet:** I gave the documentation to officers of Canada Post in December of last year.

**Mr. Brian Pallister:** Thank you, sir, for that answer. I do appreciate that.

Since December, have there been any further requests made of you by the auditors as to providing additional information? For example, have the auditors been in touch with you at any time?

**Hon. André Ouellet:** There have been no further requests to me since then.

**Mr. Brian Pallister:** So five months after you provided information that you've said earlier was full disclosure—

**Hon. André Ouellet:** Yes.

**Mr. Brian Pallister:** —five months after that fact, no results of any audit have been made known to the public whatsoever, and as

recently as two weeks ago, the minister in charge of Canada Post has claimed in the House of Commons that this audit is ongoing.

Sir, I don't know of anyone who believes that an audit of your office should take over seven months to complete.

I ask you this question: Do you believe there should be a different system of tax compliance in place for Liberal political appointees from that for every other citizen of this country?

**Hon. André Ouellet:** I believe that your question is slanderous, implying that because I'm a former Liberal minister, I have special treatment. I think it's totally unfair to the officers of Revenue Canada, because I don't think they are looking at people as to whether they are Liberals, Conservatives, New Democrats, or others. I think the officers of Revenue Canada do their work according to citizens' files and that's it.

**Mr. Brian Pallister:** Fine, that's not the question, sir. You know that's not the question. That's not the question.

**Hon. André Ouellet:** But you're asking me if I think there are two different rules. I think there is only one rule—

**Mr. Brian Pallister:** Okay.

**Hon. André Ouellet:** —and I think you should think the same—

**Mr. Brian Pallister:** Oh, I'd like to, sir, but you're not here to question me. I'm here to question you. I'm here to question you and I'll continue to do that, sir.

**Hon. André Ouellet:** —because what you're saying here is you're accusing Revenue Canada officials.

**Mr. Brian Pallister:** I'll continue to do that.

You said earlier that this audit committee was in charge of approving your expenses. Sir, would you admit that you approved your own expenses and simply reported the expenditures to the audit committee? Isn't that in fact what was the case?

**Hon. André Ouellet:** The original procedure was that officers of the corporation were approving their own accounts. Then years later, when I became the CEO, we changed the procedures by which these claims would be approved.

• (1615)

**Mr. Brian Pallister:** After they were incurred, correct?

**Hon. André Ouellet:** Yes.

**Mr. Brian Pallister:** Sir, I only have 30 seconds, and I want to ask you, because you approved your own expenses and then reported subsequently to the audit committee—

**Hon. André Ouellet:** Which approved it.

**Mr. Brian Pallister:** Of course, but they claim different numbers from those reported here.

That being said, I want to ask, how many of your claims did you disallow before you sent them to the audit committee? What percentage approximately of your claims that you made to yourself did you disallow?

**Hon. André Ouellet:** I didn't disallow any because every claim I made was for legitimate work on behalf of the corporation.

**Mr. Brian Pallister:** Okay. Then how many of the claims that you submitted to the audit committee—which they say, and this report says, were not submitted in any detail whatsoever—were disallowed? What percentage, approximately, were disallowed?

**Hon. André Ouellet:** The audit committee and the members of the board had confidence in the work of their CEO and they approved my expenditure after reviewing it and looking at it.

**The Chair:** Mr. Pallister, your time is up.

Madam Marleau, seven minutes.

**Hon. Diane Marleau (Sudbury, Lib.):** Mr. Chair, through you to Mr. Ouellet, I think time will give the members of the Conservative Party maturity. I don't think they have it yet.

Apart from that statement, I want to say to you, Mr. Ouellet, you and I had occasion to work together, and I recall of that time that Canada Post was well on its way to being called something else, without the word “Canada”. I also recall having great difficulty with showing the Canadian flag or the word “Canada” anywhere in Quebec, for that matter. I don't have total recollection of what the name was; it escapes me. I don't know if you do. However, you were chairman of the board at that time. I'm wondering if you can tell us what was going on at Canada Post at that time. It follows the years when the Conservatives were in power, and their sponsorship budget, by the way, was far higher than any budget Mr. Ouellet had subsequent to this.

Could you please give me some answers? And can you recall that name? I can't.

**Hon. André Ouellet:** There were decisions to no longer talk about

[*Translation*]

Canada Post, but rather Mail. It was Post and Mail. Advertising was being done with Poste and Mail. Obviously, Canada Post is Canada Post. It is a company that has what people refer to as a brand name, that is well known. If you talk about mail or poste, that could apply to any type of mail delivery company. Any private company could have been doing that.

At the time, Canada Post was trying to advertise a service which was called Express Post. I think that is what you were alluding to. It was referred to as Express Post, but Express Post was in no way related to the Canada Post Corporation. So, it was an ad campaign that aimed to bring new clients to Canada Post, without saying that it was a Canada Post service. Obviously, there was a change over time, and a new company logo was created, Canada Post/Postes Canada, and the acronym. That is what you will see in every postal outlet throughout the country, including in Quebec.

**Hon. Diane Marleau:** We did a complete review of Canada Post. If I am not mistaken, in the early 1990s, Canada Post was losing money. I think things have changed quite a bit, because Canada Post is now paying dividends to the Government of Canada each year without fail, if I am not mistaken. In the past, there were some serious challenges at Canada Post.

**Hon. André Ouellet:** Clearly, it took a great deal of effort to bring the company to the point where it was turning a profit. I must say that this work took place over a long period of time. I alone cannot be credited for the results. I believe that my predecessors also played

a role in that respect. However, it is primarily thanks to some very competent senior officials in the company that Canada Post was able to issue \$100 million in dividends during the time when I was president and CEO. We were able to give the Canadian government \$200 million for the capital invested. I am especially proud to be able to say that the last year I was CEO, namely fiscal year 2003, Canada Post made a profit of \$253 million and paid the government an additional dividend of \$63 million.

• (1620)

**Hon. Diane Marleau:** I wanted to point these facts out. I believe that Canada Post was managed very well during those years, and it is important that the people know this. If some people wish to attack you about certain issues, they can always do so, but I think that we should refer to the period when you were working at Canada Post.

I know that drastic cutbacks were made in the communications budgets, among other things, particularly at the beginning. So some sort of solution had to be found so that Canada Post, a Crown corporation, could run properly. I would like to thank you for your time there. I think we should even congratulate you for coming here. You could have refused. You knew what was in store for you. You have a great deal of courage and I thank you for that.

**Hon. André Ouellet:** Thank you, Ms. Marleau.

[*English*]

**The Chair:** Thank you, Madame Marleau.

Mr. Preston, for five minutes.

**Mr. Joe Preston (Elgin—Middlesex—London, CPC):** Thank you very much.

I'm going to change tracks a little bit. In the Deloitte report on management, on page 18 in my version, it talks about compliance to contracts. We'll talk a little bit about that. It talks about 599 transactions being reviewed, and 355 of them were deemed to be non-compliant. But I'm going to narrow it down to just two. It said that two files were noted during this time, of approximately \$1 million, where Canada Post's shareholder directed Canada Post to provide contracts to specific organizations or individuals. Can you tell us who Canada Post's shareholder is?

**Hon. André Ouellet:** Mr. Chairman, I would like to indicate that before the publication of the Deloitte & Touche report, I wrote to Mr. Bruce Joyce, the Deloitte & Touche partner in Ottawa, that I strongly objected to some of these citations. I was given an English preliminary draft of the report, and I immediately noticed the number of instances when I was allegedly quoted. I wrote to Mr. Joyce, and here's the exact text. I said, “I take strong objections to these citations. They are incomplete—”

**Mr. Joe Preston:** The citizens of Canada take strong exceptions to some of these expenses too, but the question is, who is the shareholder of Canada Post?

**Hon. André Ouellet:** I am answering you, sir, that as far as I'm concerned, I object to being cited in this document. The way I've been cited is incomplete, out of context, and does not represent in any way my point of view on the facts that are reported.

**Mr. Joe Preston:** Can I go on the record that the shareholder of Canada Post is the Government of Canada, led by the Prime Minister of Canada? Is that who the shareholder of Canada Post would be?

**Hon. André Ouellet:** The shareholder is the government, and the representative of the shareholder is the minister responsible for the corporation.

But I thought it important that I tell you this in advance. If you are going to take some of these quotes, alleged quotes by me, and ask me questions about these quotes, I'm telling you that I have—

• (1625)

**Mr. Joe Preston:** I don't need to take your quotes; we can take the Deloitte & Touche report.

**Hon. André Ouellet:** I'm saying that these are not my quotes.

**Mr. Joe Preston:** Deloitte & Touche reports that a Canada Post shareholder directed Canada Post into these contracts. I don't have to quote you to get that. You're telling me that a minister of the crown or the Prime Minister of this country directed Canada Post to sign certain contracts that were non-compliant.

**Hon. André Ouellet:** No, that's not true.

**Mr. Joe Preston:** It's not true? The Deloitte & Touche report is wrong?

**Hon. André Ouellet:** Yes, on this fact it is wrong.

**Mr. Joe Preston:** It does say that based on interviews with the president the CPC shareholder directed CPC to provide a contract to this consulting organization.

The file related to a contract (consisting of 20 transactions)...consultative service from 1999 to 2003. Based on interviews conducted with the President, he noted that while he was aware of the shareholder's direction...

Are you saying that you weren't aware that the shareholder directed Canada Post to issue these contracts in non-compliance?

**Hon. André Ouellet:** I'm telling you in this regard you should read a little further to see that these contracts started under my predecessor. So maybe you should ask my predecessor.

**Mr. Joe Preston:** Are you saying that you were not aware of them as president and CEO of the corporation? They were ongoing through your time as president and CEO.

**Hon. André Ouellet:** They were ongoing after I became the CEO, but they were contracts entered into before I became the CEO.

**Mr. Joe Preston:** You didn't know they were going on?

**Hon. André Ouellet:** I'm not saying that I was not aware that they were going on. I'm saying that the quotation concerning me here is inaccurate.

**Mr. Joe Preston:** At no time did the shareholder of the corporation tell you to take on contracts, sir?

**Hon. André Ouellet:** No, I made the decision myself. When I ran the corporation I had the authority; accordingly, within the authority vested in me, I exercised it. This is a company of \$5 billion business, and, as was pointed out a few minutes ago, we made record profits. So I make no apologies for the way I ran that corporation with the help of management. I think we did very well.

**Mr. Joe Preston:** I'm not looking for apologies. I'm asking, did the shareholder of Canada Post, as you stated to be the minister in this case, ever direct you to take a contract that was in non-compliance with the standards of Canada Post?

**Hon. André Ouellet:** Never.

**Mr. Joe Preston:** It never did.

**Hon. André Ouellet:** No.

**Mr. Joe Preston:** Deloitte must do just terrible work. Is that correct? Because it sure states that in here.

I'll move back to the citizens of Canada and where we stand on your receipts. On your expenses, you stated that they weren't around when Deloitte first wrote this report. You have since given them in, as you've said to Mr. Pallister, to Revenue Canada. Did you ever try to—

**Hon. André Ouellet:** I gave them to officers of Canada Post.

**Mr. Joe Preston:** To officers of Canada Post, and they've kept them and they're now part of that audit that's part of Revenue Canada?

**Hon. André Ouellet:** I suppose so.

**Mr. Joe Preston:** I'd like to share with you that as a small-businessman, when I didn't turn in receipts for expenses, I sure saw Revenue Canada pretty quickly, and the judgment sure didn't take this long to come down.

**The Chair:** Thank you, Mr. Preston. You're out of time.

Monsieur Sauvageau, for five minutes.

[Translation]

**Mr. Benoît Sauvageau:** Thank you, Mr. Chairman.

Mr. Ouellet...

[English]

**Hon. André Ouellet:** Are you...?The gentleman who just made that statement, is he saying to the committee that as a small-businessman he did something wrong and he had Revenue Canada on him?

**Mr. Joe Preston:** No.

**Hon. André Ouellet:** Why do you assume therefore that Revenue Canada should be on me?

**The Chair:** Mr. Ouellet, if you would just—

**Hon. André Ouellet:** He's implying that I did something wrong. I'm sorry, sir, I never did anything wrong.

**The Chair:** Mr. Ouellet, Monsieur Sauvageau is questioning now.

Go ahead, Mr. Sauvageau.

[Translation]

**Mr. Benoît Sauvageau:** Mr. Ouellet, you said earlier that you wanted to sue Deloitte & Touche, but that you changed your mind. You wanted to sue Mr. Pallister, but that is not a very good idea.

I would like to ask you whether or not you agree with what Michel Vastel said or if you would like to sue him as well when he said: "But nothing is done on a modest scale at Canada Post: the president of Canada Post, which processes approximately 3 per cent of the world's mail, earns twice as much money as the U.S. Post office, which processes 40 per cent of the world's mail!" Is that a true or false statement?

**Hon. André Ouellet:** That is a true statement. Nevertheless, it should also be pointed out that the president of Canada Post earns six times less than the president of the German post office and half the salary earned by the president of the French postal services.

• (1630)

**Mr. Benoît Sauvageau:** We could have even... [*Inaudible*]

**Hon. André Ouellet:** It could also have been said that his salary is eight times less than the amount earned by the president of the Dutch postal services.

**Mr. Benoît Sauvageau:** Okay, but that is not including his expense account.

**Hon. André Ouellet:** I do not know. Do you know what are the expense accounts of these presidents?

**Mr. Benoît Sauvageau:** No. Absolutely not. I am talking about...

**Hon. André Ouellet:** So why are we talking about it? Do you know the expense accounts of the presidents of the American, German, French and Deutch postal services?

**Mr. Benoît Sauvageau:** No, I am talking only about you. When it is said that your salary is twice that of the president of the U.S. post office, are we to understand that this is including your expense account?

I would like to ask you some other questions, if I may, about Intelcom Courier. Does that mean anything to you?

**Hon. André Ouellet:** Yes.

**Mr. Benoît Sauvageau:** Did Canada Post acquire Intelcom, a mail company, for \$1 million in 2001?

**Hon. André Ouellet:** What page is this on in the Deloitte & Touche report?

**Mr. Benoît Sauvageau:** I acknowledge that you are an excellent former parliamentarian, Mr. Ouellet.

Mr. Chairman, if I may, I would like to ask a question with respect to Mr. Ouellet's management at Canada Post in 2001, pursuant to Standing Order 108(2). I could ask him other questions, should he so wish, but I am asking permission to ask questions pertaining to Intel Courier, a company that was purchased by Canada Post in 2001, at a cost of \$1 million. Will you allow me this question, Mr. Chairman? Thank you very much.

Canada Post therefore purchased Intel Courier in 2001.

**Hon. André Ouellet:** Yes. I would point out to you, Mr. Chairman, that this has nothing to do with the Deloitte & Touche report. This matter appears to be of interest to the member. I have no problem telling him that Canada Post was looking for a courier company at that time. We analyzed the possibility of purchasing four companies. We were particularly interested in one company. Unfortunately, negotiations were not finalized and therefore we were not able to purchase the first company we were interested in. However, we did buy the second company which agreed to form a partnership with us.

**Mr. Benoît Sauvageau:** All right.

**Hon. André Ouellet:** The transaction took place, it was approved by the board of directors and everything was done in accordance with procedure.

**Mr. Benoît Sauvageau:** Given that I informed you earlier that the Gervais Gagnon agency had given the Liberal Party of Canada \$49,000, allow me to now inform you that Intel Courier had given \$29,000 in 1998, 1999 and 2000 and that you purchased the company from Mr. Daniel Hudon, who was a member of the Finance Committee for the Quebec wing of the Liberal Party of Canada?

**Hon. André Ouellet:** Mr. Chairman, I find this type of comment quite inappropriate.

The Canada Elections Act is very clear. Individuals and, until the legislation was amended, companies were entitled to make a contribution to political parties. This was completely legal, completely allowed.

In my opinion, it is totally unacceptable for you to make such a remark. You are talking about an individual who made a contribution to the Liberal Party of Canada for a certain number of years as if he had done something inappropriate and unacceptable.

**Mr. Benoît Sauvageau:** You may find my comment unacceptable, Mr. Ouellet, but when 60 per cent of the people appointed to the judiciary are former contributors to the Liberal Party...

**Hon. André Ouellet:** You are aware of this information pursuant to the Canada Elections Act, which is in the public domain. This legislation enables people to make contributions to political parties.

The list of the amounts contributed is recorded in the reports that the Chief Electoral Officer of Canada submits after each election.

**Mr. Benoît Sauvageau:** But why...

**Hon. André Ouellet:** There is nothing irregular about that, there is nothing secret about any of that.

**Mr. Benoît Sauvageau:** Mr. Ouellet, why are you getting annoyed when I tell you that a former...

**Hon. André Ouellet:** I am not getting annoyed. You are the one who is making this link. It would appear that we dealt with this company because it made a contribution to the Liberal Party of Canada. That had absolutely no bearing on the matter.

• (1635)

**Mr. Benoît Sauvageau:** I am not making any link whatsoever. I simply made a statement.

**Hon. André Ouellet:** Why are you referring to the matter then? What interest do you have in bringing this matter up? Why did you say that?

**Mr. Benoît Sauvageau:** I said that because Mr. Hudon is a member of the Finance Committee of the Quebec wing of the Liberal Party of Canada. You paid \$1 million for a company, which was twice its market value at that time.

**Hon. André Ouellet:** Yes. Where did you find that information?

**Mr. Benoît Sauvageau:** In the newspaper *La Presse* on Monday, December 23...

**Hon. André Ouellet:** The *La Presse* is capable of assessing the worth of companies!

**Mr. Benoît Sauvageau:** Indeed. That is why I ask the question.

**Hon. André Ouellet:** I will have you know, sir, that the price we paid was market value. We did not pay double the value of the business.

**Mr. Benoît Sauvageau:** I will ask other questions concerning Deloitte & Touche's report, because you did not seem to want to answer questions regarding Intelcom Courier. I do not know why.

**Hon. André Ouellet:** I answered the question concerning Intelcom. I told you we bought the company and paid the price we had to pay. If you are claiming that we paid twice as much as it was worth, I say that is not true. To claim that we made a bad deal is just as unacceptable.

**Mr. Benoît Sauvageau:** And if I suggest it belonged to a member of the Finance Commission, is that of interest?

**Hon. André Ouellet:** That, sir, is irrelevant.

[English]

**The Chair:** Monsieur Sauvageau...just a minute.

Mr. Ouellet, could you allow the members to ask the questions—

**Hon. André Ouellet:** He did.

**The Chair:** —and then answer the questions?

**Hon. André Ouellet:** I did.

**The Chair:** You're interrupting him in asking a question. It will work a lot better if you wait until he asks the question before you answer.

Mr. Sauvageau, you're out of time.

**Hon. André Ouellet:** He was not asking a question; he was making allegations, which I corrected.

**The Chair:** We have Mr. Boshcoff for five minutes.

**Mr. Ken Boshcoff (Thunder Bay—Rainy River, Lib.):** Thank you, Mr. Chair.

Good afternoon. I'm going to ask you some questions that I hope you will answer very rapidly, please.

Regarding the nature of Canada Post's expense policy—in terms of promotion, entertainment, those kinds of things—what were the purposes for you or your upper-level executives to take people out to dinner or to be entertained?

**Hon. André Ouellet:** I think I already answered this in responding to a question from Mr. Martin. Forty percent of Canada Post's business is very much in a competitive environment. Therefore, we have to compete with very strong courier companies—in fact, international courier companies. We do precisely that.

**Mr. Ken Boshcoff:** How many are there, nationally, that you have to compete against—nationally, continentally, and globally? Are those the three areas that...?

**Hon. André Ouellet:** Absolutely. You probably have thousands of small courier companies in all the regions of the country. You have probably half a dozen regional ones. You have the five big ones internationally.

**Mr. Ken Boshcoff:** Those clients you're going after are probably a large pool of people who may decide between you and someone else as to who they will do business with. So are these expenses for business generation, client promotion, that type of thing, which may lead to essentially a sale that could improve the bottom line of the company?

**Hon. André Ouellet:** Absolutely.

**Mr. Ken Boshcoff:** It's not friends and family?

**Hon. André Ouellet:** No.

**Mr. Ken Boshcoff:** Would it be, at any time, government officials?

**Hon. André Ouellet:** Yes, in some cases, because, I regret to say, many departments of government are using our competitors. I hate to say this. I would like to see almost every department of government using Canada Post, but it's not the case. You would see, very often, courier companies at the doors of various departments, or even at the doors of Parliament Hill here, at the House of Commons.

**Mr. Ken Boshcoff:** As someone who has served the country as an elected representative and is now in the crown corporation side, do you think the entertaining of public servants is a legitimate thing from both sides? Is it something we should actually be doing from the deputy minister level on down? Should public servants be accepting lunches, dinners, or those kinds of things, in terms of influencing policy or their purchasing decisions?

**Hon. André Ouellet:** If you live in an ideal world, maybe it should not exist; unfortunately, the competition is so vivid in many cases that private companies do not hesitate to lobby civil servants and take them to lunch, take them to sports events, and so on.

**Mr. Ken Boshcoff:** Within Canada Post, would there have been a self-imposed limitation? Would you limit it to a \$40 bottle of wine rather than a \$400 bottle of wine, or a three-digit limit on the expense account, or does it go into the thousands—those kinds of things? If you can, answer that first.

**Hon. André Ouellet:** There were no specific amounts, but there was what we call *modération*.

**Mr. Ken Boshcoff:** Okay. *Je comprends*.

At what level does that no-limit policy apply? Would it go down to regional managers, district managers? How big is the executive force?

• (1640)

**Hon. André Ouellet:** Well, as I told you, there's a lot of competition locally. There are a lot of private, small courier companies competing against Canada Post in every region of the country, so you have to have sales representatives in every region of the country. These sales people have to do proper sales pitches.

**Mr. Ken Boshcoff:** Do they have limitations?

**Hon. André Ouellet:** Yes, of course they do.

**Mr. Ken Boshcoff:** Obviously if a courier has two trucks, he's really not going to be going head to head with Canada Post.

**Hon. André Ouellet:** No, but if you take thousands of those two-truck companies and take away a thousand contracts, at the end it represents a lot of money.

To answer your question, yes, there is limitation, and there are revisions of expenditures.

**Mr. Ken Boshcoff:** Is there a written policy now on how much you can spend, what kind of hotel room, what kind of class you travel and airfare?

**Hon. André Ouellet:** I understand that Canada Post has further reviewed the rules in this regard since the publication of the Deloitte & Touche report.

**Mr. Ken Boshcoff:** But during your tenure, I think the question is, what kind of example or what kind of policy was there so that people knew it wasn't carte blanche?

**Hon. André Ouellet:** I think the report mentioned that there had been an improvement in terms of a better system of programs, better check-and-control programs established. Everything was done manually until we had re-engineering of all our systems. By doing the re-engineering of our systems, we now have better tools, and that took place during my years as CEO. We now have better tools to monitor what's taking place.

**The Chair:** Thank you, Mr. Boshcoff; your time has expired.

Mr. Poilievre, followed by Monsieur Godbout.

**Mr. Pierre Poilievre (Nepean—Carleton, CPC):** Mr. Ouellet, you said that you had made a full submission to Canada Post in December. Did you include receipts in that submission for every single expense claim that you made?

**Hon. André Ouellet:** I did submit all that I had.

**Mr. Pierre Poilievre:** My question is, though, did you include receipts for every expense that you submitted?

**Hon. André Ouellet:** All the receipts that I had, I gave them; but as I told you, there were some receipts that, unfortunately, I couldn't find.

**Mr. Pierre Poilievre:** They just went missing. What percentage of the expenses that you reported in the submission to Revenue Canada were covered by receipts?

**Hon. André Ouellet:** I would say that close to 85% were covered.

**Mr. Pierre Poilievre:** So 85% in dollar terms.

**Hon. André Ouellet:** Yes.

**Mr. Pierre Poilievre:** Okay.

In your response to the Deloitte & Touche audit you wrote the following:

When I finished reading this report, it became evident that Deloitte & Touche was given a designed mandate to try to undermine my credibility as President and CEO of Canada Post.

I note this sentence is written in the passive voice. By whom was Deloitte & Touche given a mandate to undermine your credibility?

**Hon. André Ouellet:** By the former minister responsible for Canada Post, Mr. Stan Keyes.

**Mr. Pierre Poilievre:** So you believe that Deloitte & Touche was willing to manipulate its own work?

**Hon. André Ouellet:** No, that's not what I'm saying. I'll read you an extract here from a letter I sent to the minister, John McCallum. I said that:

[Translation]

Because of its narrow mandate, Deloitte & Touche refers only to the exceptions found without looking at the reasons or the explanations. What is missing are the management practices and the exceptions that have been in place since the creation of the Crown corporation, the context in which the corporation has operated since 1982 and appropriate comparisons to practices and exceptions in other major Canadian corporations. These omissions made this report unfair, not only to me, but also to the entire management of Canada Post.

In other words, Deloitte & Touche's mandate was so narrow that they could only present the facts. They were not in a position to explain why some exceptions were found. The dices were loaded from the start.

• (1645)

[English]

**Mr. Pierre Poilievre:** So you're telling me that Deloitte & Touche didn't realize that it was being used as a tool, with a designed mandate—

**Hon. André Ouellet:** No, I'm not saying that, I'm not saying that at all.

**Mr. Pierre Poilievre:** —that was deliberately to make you look bad as president.

**Hon. André Ouellet:** I'm not saying that at all. I'm saying this. Within the course of six months, Deloitte & Touche made three reports on Canada Post. One was dealing with a special examination. This is an exam that takes place every five years. This report was very complimentary of Canada Post management, including myself.

A second report was requested from Deloitte & Touche specifically on marketing and sponsorship activities.

**Mr. Pierre Poilievre:** I'm not asking about these reports.

Excuse me, Mr. Chair, but he's wandering way off. He's obviously running the clock down.

**The Chair:** Please go ahead, Mr. Poilievre.

**Mr. Pierre Poilievre:** I'd like to get back to my question.

I'd like to understand why is it that Mr. Keyes was designing the mandate to deliberately make you appear to be doing the things the report indicated you were doing?

**Hon. André Ouellet:** You should ask him. I don't know. But what I am telling you is that I already talked to you about the first special exam report, which was complimentary.

**Mr. Pierre Poilievre:** You made the assertion.

**Hon. André Ouellet:** There was a second one asked for by the board of directors of Canada Post that also was complimentary of our actions. These two reports were not satisfactory, so he asked, by letter specifically, for the board of directors to have a third evaluation done by Deloitte & Touche, which cost millions of dollars and which became a third one. The first two were good to us but were not acceptable, but in the third one he got what he wanted.

**Mr. Pierre Poilievre:** Okay, so you're still telling us that Deloitte & Touche produced a false report the third time around. Effectively, that's what you're telling us.

**Hon. André Ouellet:** I didn't say they produced a false report.

**Mr. Pierre Poilievre:** Yes, you have. You've said that what they indicated here is not accurate.

**Hon. André Ouellet:** I'm telling you that the mandate was so narrow—

**Mr. Pierre Poilievre:** I'd like to refer to that report, actually. On page 11 it refers to your.... I'm moving on to another question. We have limited time here.

**Hon. André Ouellet:** The mandate was so narrow, sir, they had no other choice.

**The Chair:** Please allow the questions to be asked.

**Mr. Pierre Poilievre:** In the report it refers to special hires, a system of hiring that was put in place that went around the nine-step hiring process that was regular to Canada Post. It describes the process by which these special hires occurred.

Can you tell us if any of your family members were hired through this process?

**Hon. André Ouellet:** Yes.

**Mr. Pierre Poilievre:** They were.

**Hon. André Ouellet:** Some were, yes.

**Mr. Pierre Poilievre:** The way it describes it here is that the so-called recommendation would go down through a résumé to an executive services staff member with a term position, and the notation for the hiring was in quotation marks here, "a must do". So it came from the very top that an individual was to be hired, circumventing the normal procedure, and these individuals on some occasions turned out to be your family and your friends. Do you consider that at all problematic?

**Hon. André Ouellet:** Yes, and I indicate that when I discovered the special hiring procedures, I asked that they be terminated and changed.

In reality—

**Mr. Pierre Poilievre:** Did you have your family fired?

**Hon. André Ouellet:** No, no, but—

**Mr. Pierre Poilievre:** Did you have your family fired?

**Hon. André Ouellet:** I would like that in fairness you read the Deloitte & Touche report at the bottom of page 8.

**Mr. Pierre Poilievre:** No, I don't want to hear you read. I have the report.

**Hon. André Ouellet:** Do you want my answer or don't you want my answer?

**Mr. Pierre Poilievre:** Yes, I want your answer. I don't want you to read from a report.

Did you have your family fired when this practice happened? When your family members were hired through this special hiring process, did you see to it that those hirings were reversed after?

**Hon. André Ouellet:** First of all, let me tell you one thing. These people were hired through procedures that were not the normal procedures.

**Mr. Pierre Poilievre:** That's right; that's the problem.

**Hon. André Ouellet:** That was decided not by me. When these things happened, I was not the CEO. I was not the CEO. These decisions were made by officers of the company. They had a special allocation that I didn't know of. When I became the CEO, I changed this.

You have to understand, sir, that the people who were hired were hired under the—

**Mr. Pierre Poilievre:** Are you at all ashamed of what happened under your tenure at Canada Post?

**Hon. André Ouellet:** No, sir, I'm very proud of what I did.

**Mr. Pierre Poilievre:** That's very interesting.

**Hon. André Ouellet:** I'll read you one thing about human resources.

[*Translation*]

Deloitte & Touche stated the following:

It must be pointed out that the hiring practices at CPC have evolved over the last seven years. According to interviews with its HR employees, it would seem that over the last three or four years, CPC has attempted to clarify, reconfirm and document its hiring policies, principles and guidelines and to increase the transparency and efficiency of its process.

We are talking about years when I was President. Deloitte & Touche is acknowledging that my work, in this area, improved the situation.

• (1650)

[*English*]

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

Monsieur Godbout, for five minutes.

[*Translation*]

**Mr. Marc Godbout (Ottawa—Orléans, Lib.):** Thank you, Mr. Chairman.

I will limit myself to two questions. I will give Revenue Canada the time to carry out its audit. Then we will see what the situation is.

You said that you were given a document when you were appointed President of the corporation, and that it referred to expense account regulations, more specifically what we call hospitality expenses.

In order to satisfy my curiosity, could you tell me what was in this document, what procedures were suggested and what criteria you had to respect regarding expense accounts?

Mr. Chairman, it might be of interest to have access to this document.

**Hon. André Ouellet:** I have no objection to your being sent the document. It was sent to me by the director who took care of senior management at the corporation at the time. I presume it was sent to others as well. This document showed the guidelines regarding the amounts one could spend, indicated to whom one should submit claims for reimbursement and listed the benefits to which I was entitled.

**Mr. Marc Godbout:** Do you feel you complied with the rules as set out in this document?

**Hon. André Ouellet:** In full.

**Mr. Marc Godbout:** Mr. Chairman, it would be interesting to study the document the president was given upon appointment.

[*English*]

**The Chair:** Mr. Ouellet, would you provide that document?

**Hon. André Ouellet:** I think you should ask Canada Post, because I'm no longer there and I don't have the....

**The Chair:** You're absolutely correct. We'll ask Canada Post for the document.

Thank you, Mr. Ouellet.

[Translation]

**Mr. Marc Godbout:** My second question also deals with the process, but mainly with sponsorship and advertising.

Was there a similar document telling you what guidelines were to be followed when accepting sponsorships for an organization or when granting advertising contracts?

**Hon. André Ouellet:** Yes, the Deloitte & Touche report mentions a manual and a committee which was supposed to look after sponsorships and which was created at the beginning of 1997. However, the manual and the committee were sidelined at the end of 1999, because neither worked. At the time, there were about eight people on the committee and they met very sporadically. In some cases, people put in an application and only got a reply after the event had taken place. In other cases, the committee met in Ottawa and decided not to approve a project, while at the same time one of our sales people was trying to get a contract with the company which had presented the project. For instance, the company may have asked us to participate in a golf tournament for its employees, and the committee turned it down. So the committee was not very pragmatic and very inefficient.

When I became the president and CEO of the Canada Post Corporation, I replaced the committee by a two person team: the vice-president for communications and myself. We regularly reviewed all the applications we received and decided on the spot to accept or reject them, without waiting for weeks and weeks to make our decision.

The manual was set aside. We did not need it any more since the committee did not exist anymore and because we were making every decision at the national level. We defined a certain number of criteria on which to base our decisions. I am not saying that it was a bad manual; it was good for the marketing of the company.

When you advertise and spend millions of dollars in advertisements, it is important to follow certain rules. The manual was very good for that. However, when we decided to give \$500 to a charity golf tournament, or \$200 to a campaign to fight cancer, or this type of initiative, we should not have to write a visibility report to prove that the process was respected. There was far too much paperwork involved in the manual. As a result, it was not used for sponsorships.

• (1655)

**Mr. Marc Godbout:** Were there any Treasury Board guidelines you had to follow in your capacity as a Crown corporation?

**Hon. André Ouellet:** No, because you have to understand one thing. We had to respect a certain number of rules, but Canada Post is not a Crown corporation which receives government grants. For years now, Canada Post has been a profitable organization which pays dividends and which is not subject to the same rules as government departments or certain Crown corporations which need money from the government to operate.

**Mr. Marc Godbout:** When you decided to set aside the manual and create the two-person team, were the criteria known?

**Hon. André Ouellet:** Of course, we respected the criteria. It is very simple. One of the basic ideas is to ensure that, in the public mind, Canada Post is a good corporate citizen. So we sometimes have to intervene and participate in certain funding campaigns in

various parts of the country. We also have to make sure that our sponsorships satisfy our major clients, our main clients, and we have to ensure that our sponsorships allow our employees to participate in certain activities.

These are the three criteria we followed.

[English]

**The Chair:** Your time is up, Mr. Godbout.

Monsieur Gagnon, for five minutes.

[Translation]

**Mr. Marcel Gagnon (Saint-Maurice—Champlain, BQ):** Thank you, Mr. Chairman.

I have been listening closely from the beginning, and part of what I am hearing worries me, such as your last answer, for instance. If I understood correctly, a committee can get in a way; it is easier to ignore it and to make any sponsorship decisions yourself along with another person. That is the picture you have painted and we do not like it. It is obvious that a selection committee is more difficult to influence than just two people.

Other points worry me as well. Ms. Marleau told the Conservatives that they obviously do not have a political experience, but not to worry because they will gain experience.

If political experience leads to things like the sponsorships scandal, I surely hope that they will not gain any political experience, because that would be worrying. I have been in politics for 30 years, so I have some experience and what is going on at the moment makes my skin crawl.

You told Mr. Martin that expense accounts averaging \$1,000 a day were not exclusively reserved for your personal expenses. Can you tell me the approximate percentage of the \$1,000 daily amount which was spent on your personal expenses?

**Hon. André Ouellet:** No. First, I said that \$1,000 a day had no meaning whatsoever and did not apply. If you do the math, you will see that you can almost divide by half the total which is ascribed to me.

What you are basically talking about is \$150,000 per year over eight years. I can assure you that that is the correct amount. The \$150,000 include the cost of flights and hotels. When you meet Canada Post employees in Vancouver, Toronto, Halifax and Newfoundland, you have to travel a lot. Do the math; the final tally will be far different from what is being presented here.

**Mr. Marcel Gagnon:** As part of your mandate, did you often have to travel overseas to countries such as Italy, China, France or Brazil? There are nine trips indicated here.

**Hon. André Ouellet:** Yes, because Canada Post is part of the Universal Postal Union, which holds meetings annually, and is part of the International Post Corporation, which is made up of the seven biggest postal corporations in the world, and which regularly holds meetings in Brussels in order to review the interests of national postal corporations as distinct from multinationals. So, going to these meetings is part of the chairman's role. It is his duty.



**Mr. Marcel Gagnon:** It has already been stated that the Crown corporation has made record profits when you were president. You were congratulated earlier on your sound management.

Can you tell me what the postal rate hike was over that same period? You made profit, but was there a hike in rates.

• (1700)

**Hon. André Ouellet:** Yes. There was a very slight hike, which is easy to quantify. I proposed, and the government agreed to, a tariff structure that did not exceed two thirds of the increase in the cost of living. No tariff increase was ever more than a cent, and the increases occurred on average every two years. Our increases were less than that of the cost of living.

Currently, Canada Post, still has, of all the G7 countries, the lowest postal rates.

This profit has not been made on the backs of Canadian taxpayers, it was achieved by being competitive and providing excellent service to compete with private courier companies.

**Mr. Marcel Gagnon:** Earlier, you seemed a little shocked that my colleague claimed that, according to what at least one journalist said, the company that you bought, that is Intelcom, was paid double what it was worth and contributed to the election fund. You seemed to be upset by that. Others who did business with you contributed to the election fund, not just you, as we have now realized that 60 per cent of judicial appointees contribute to the liberal election fund. Do you think that it is normal that such donations should have such an influence? Is it normal that companies contributing to the election fund are always considered the best choice to do business with you?

**Hon. André Ouellet:** I can tell you honestly, Mr. Gagnon, that I think it is just as normal as the appointment of judges, by the Parti Québécois, who were former lawyers and who contributed to the Parti Québécois' fund.

**Mr. Marcel Gagnon:** Can you name a few?

[English]

**The Chair:** Monsieur Gagnon, sorry, you're out of time.

[Translation]

**Mr. Benoît Sauvageau:** Allegations were just made. We are asking him to give us one name, just one single name. Since Mr. Ouellet has made these allegations, he is going to have to give us a name.

[English]

**The Chair:** I will allow the minister to answer.

[Translation]

**Hon. André Ouellet:** I am telling you that I find it just as normal in both cases.

**Mr. Benoît Sauvageau:** But you cannot name anyone in particular. Thank you.

**Hon. André Ouellet:** We can research that and get back to you with several names.

**Mr. Benoît Sauvageau:** You are saying these things, but you cannot give us a single name.

**Mr. Marcel Gagnon:** That would be interesting. I would like to hear those names.

[English]

**The Chair:** Mr. Gagnon, the time is up.

I must go to Mr. Martin, for five minutes.

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

Mr. Ouellet, part of what's worrisome about what seem to be excessive expenses—some still see it as excessive expenses—is the era, the period of time. It was an era of really harsh budgetary cutbacks at every level of government. We were all told we had to tighten our belts for the common good, that this was an era of frugality we were entering. At the same period of time we don't see any evidence of that in Canada Post. In fact, even at the your own more modest expense figures, it seems like wretched excess to those of us who were suffering under these cutbacks.

Specifically, on one of your international trips to Italy, was this the trip on which Minister Gagliano was with you?

**Hon. André Ouellet:** I don't know which one you're referring to.

**Mr. Pat Martin:** Have you been to Italy more than once on behalf of Canada Post?

**Hon. André Ouellet:** I've been twice to Italy.

• (1705)

**Mr. Pat Martin:** Have you ever met Gina Lollobrigida?

**Hon. André Ouellet:** No. No, I think on that trip I was not with the minister. This is a trip referred to in regard to the minister, and I was not with him.

**Mr. Pat Martin:** That's too bad.

**Hon. André Ouellet:** No. I mean....

**Mr. Pat Martin:** Did Canada Post play a role in that particular trip? The trip when Minister Gagliano went to Italy, wasn't he there to unveil a new line of postage stamps or something?

**Hon. André Ouellet:** Yes.

**Mr. Pat Martin:** Or am I mixing up my scandals here?

**Hon. André Ouellet:** Yes.

**Mr. Pat Martin:** Why would he go to Italy? By what thought process would the CEO think it was a good idea for Minister Gagliano to hire Gina Lollobrigida to launch a new stamp for Canada in Italy?

**Hon. André Ouellet:** No, no, no. Monsieur—

**Mr. Pat Martin:** Wasn't that how it worked?

**Hon. André Ouellet:** —Martin, I don't think that's what happened. No, no.

**Mr. Pat Martin:** Well, it makes a better story.

**Hon. André Ouellet:** I think that Lollobrigida was there, but she was never hired—

**Mr. Pat Martin:** She was paid \$10,000 to be there.

**Hon. André Ouellet:** No, no, no, certainly not by Canada Post, I could assure you of that.

What you have to understand is that Canada Post was trying to enter a joint venture with *la poste italienne* to help them reorganize their postal service. In fact, we were able to sell our services to *la poste italienne*.

**Mr. Pat Martin:** Did you contract to—

**Hon. André Ouellet:** They contracted us and they paid us for a study that they did. We were hoping to make a larger contract with them, and the minister was there to try to promote—

**Mr. Pat Martin:** And so was Gina.

**Hon. André Ouellet:** —that contract with the Italian post. If he met Lollobrigida, it has nothing to do with the work that he was asked to do for us.

**Mr. Pat Martin:** You have to agree how completely crazy that was to the average Canadian—insane, almost.

**Hon. André Ouellet:** Yes, but you have to tell the facts correctly. If you built a story pretending that we hired Lollobrigida to launch a stamp, of course, you have reason—

**Mr. Pat Martin:** Well, the pictures I saw of Gagliano and Gina—

**Hon. André Ouellet:** Look, I understand that she was there and participated in the ceremonies, and because she is what she is, I guess she was invited up front and there were pictures taken, but I don't think she was part and parcel of the project. Certainly I can assure you that she was not paid by Canada Post for anything.

**Mr. Pat Martin:** Was there ever any questioning? In normal business practice, good business practice, your expenses would be vetted by some chief financial officer or somebody else. Don't you agree that it's really a dangerous business practice to be able to sign off on your own expenses? Didn't some alarm go off when you found that was the practice at Canada Post—in terms of good corporate governance, even?

**Hon. André Ouellet:** The facts speak for themselves. When I became the CEO, I asked that my expense account be reviewed by a committee of the board.

**Mr. Pat Martin:** And the committee never found any...? Well, did they have to co-sign your expenses prior to you getting reimbursed, or after the fact they would reimburse them?

**Hon. André Ouellet:** No.

I'm not telling you that this is the ideal practice. In fact, Canada Post has changed this practice, but what I'm telling you is that it was like this for years and this has been changed. So I don't know why I am faulted, when this practice was followed by my predecessor.

**The Chair:** Mr. Martin, your time is up.

For five minutes, Mr. Szabo, followed by Mr. Lauzon.

**Mr. Paul Szabo:** Thank you.

Mr. Ouellet, earlier you mentioned something about other persons, or other corporate charges were charged to the account of the CEO. I'm not sure. Are there certain people who...? I know we have looked at another case where some people had a card, a credit card or whatever, and all the charges there, even though the CEO might not have been present, were in fact for doing business. Is that the kind of arrangement that was had with you at Canada Post?

•(1710)

**Hon. André Ouellet:** There were a number of expenditures occurring at Canada Post that were allocated to the cost centre of the president.

**Mr. Paul Szabo:** Okay, so you're telling me that your expense reports themselves, your personal expenses, don't add up to the total that is reported.

**Hon. André Ouellet:** No. That's what I said.

I told this to Deloitte & Touche before they published it, because they spoke to me and I said it does not add on. I know how much I requested and how much money I received. I looked at my bank account. I know how much money was reimbursed to me. When you do that total, it does not match what is there. But they went ahead and published it anyway.

**Mr. Paul Szabo:** That's very helpful, because it confirms to us that the amounts reported are the amounts in the accounting records of Canada Post, but not necessarily an accumulation of your expense report.

**Hon. André Ouellet:** Absolutely not.

**Mr. Paul Szabo:** The committee has had some experience with this in its past with a former privacy commissioner, where there were in fact excessive amounts for matters that were in some cases deemed to be of a personal nature, so I can sort of understand where some of the members' questions are coming from.

It is common practice for accounting firms, for audit firms, to discuss their findings, their report, with the people it touches prior to issuance of that report. Did Deloitte & Touche review this report with you prior to issuing that report?

**Hon. André Ouellet:** Yes, and that's the letter that I wrote to Mr. Joyce indicating that after reading an English preliminary draft of their report, I thought they were citing me in a number of instances when I thought I was wrongly quoted. In fact, I asked permission that my own version be included in the report.

As you know, not only Deloitte & Touche reports and findings but also the company response to the finding were included and released by the minister. I said, "Well, in fairness to me, you should allow me to respond and include my response in that report."

**Mr. Paul Szabo:** Yes, normally that does—

**Hon. André Ouellet:** Unfortunately, that didn't take place.

**Mr. Paul Szabo:** Has the board of Canada Post received your comments?

**Hon. André Ouellet:** Yes, indeed.

**Mr. Paul Szabo:** They have. I can understand that there may be disagreements with either nuances or things that are out of context, or not clear, concise, and correct, and so on, and that would be a matter of debate.

**Hon. André Ouellet:** Yes.

**Mr. Paul Szabo:** Is there anything in the Deloitte report that you believe is inaccurate in terms of fact?

**Hon. André Ouellet:** Certainly—the expense. That is certainly one.

**Mr. Paul Szabo:** Okay...which, if it had been explained clearly, wouldn't have led to a \$1,000-a-day assumption. But are there any other factual errors in there that you are aware of?

**Hon. André Ouellet:** No, not of significance.

**Mr. Paul Szabo:** Okay, that's helpful to know.

With regard to your current situation, you've been discharged from your position.

**Hon. André Ouellet:** I resigned. I retired.

**Mr. Paul Szabo:** You resigned, you retired, and these studies are going on. I'm not aware that there have been any allegations or suggestions that you have committed a wrongdoing. Is that correct?

**Hon. André Ouellet:** I don't think I've committed any wrongdoing, and in fact the report says that too. If you look at the report, the report said maybe some of the contracts that were entered into by the CEO do not have all the documents to substantiate them, but there are no allegations of any wrongdoing or any criminal activities whatsoever. The report is quite clear in this regard.

•(1715)

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

Mr. Lauzon, for five minutes.

[Translation]

**Mr. Guy Lauzon (Stormont—Dundas—South Glengarry, CPC):** Thank you, Mr. Chairman.

Mr. Ouellet, in December 2004, you filed expense receipts for approximately \$1.7 million with Canada Post.

**Hon. André Ouellet:** Mr. Lauzon, I told you that the document that indicated \$2 million worth of expenses did not represent my expenses. Mine were much lower than that and it is perfectly easy to verify that. Seventy-five per cent of my expenses were for plane tickets and hotel rooms. That can easily be verified.

**Mr. Guy Lauzon:** Do you mean approximately 85 per cent of your expenses?

**Hon. André Ouellet:** In terms of the other 25 per cent, I said that I did not have documents for about 10 to 12 per cent of that period. The rest occurred too long ago.

**Mr. Guy Lauzon:** Mr. Ouellet, during the 22 years I worked as a civil servant, I never spent money without obtaining receipts. If 15 per cent of the receipts are missing and if we are talking about \$2 million, then that means that you spent at least \$300,000 without obtaining receipts.

**Hon. André Ouellet:** No.

**Mr. Guy Lauzon:** Even if it is only \$100,000, how can one be reimbursed for expenses without receipts? As a member of Parliament, I have never been reimbursed without providing receipts.

**Hon. André Ouellet:** Mr. Lauzon, we are talking about 1996. How do you think... Honestly, what would you say if I ask you to pull out receipts for all your expenses from 10 years ago?

**Mr. Guy Lauzon:** No, but in order to be reimbursed for \$100 worth of expenses, one has to provide receipts totalling that amount.

**Hon. André Ouellet:** Mr. Lauzon, at the time those reimbursements were requested, the documents were there. Ten years later, however...

**Mr. Guy Lauzon:** I am sorry but those documents were given to the government. You are not the one who has the receipts; it is the government that should have had them before reimbursing you.

**Hon. André Ouellet:** Just one minute. It is not the government. I was working for a crown corporation that had its own procedures. I

followed those procedures. You are talking about different regulations.

**Mr. Guy Lauzon:** Fine. Then you provided Canada Post with the receipts in December 2004.

**Hon. André Ouellet:** Yes.

**Mr. Guy Lauzon:** Was that the first time you had been asked for receipts?

**Hon. André Ouellet:** No. I was asked for them a few times.

**Mr. Guy Lauzon:** Were you asked receipts on April 29, 2004?

**Hon. André Ouellet:** Yes. It is all in the document.

**Mr. Guy Lauzon:** On May 18, 2004, May 31, 2004 and September 23, 2004?

**Hon. André Ouellet:** Yes, possibly.

**Mr. Guy Lauzon:** Can you explain why you did not want to send them on the other dates?

**Hon. André Ouellet:** I already told you that I did not trust the work being carried out by Deloitte & Touche. I have no objection in providing my documents to Revenue Canada. I know that those documents will be considered objectively, without partisanship. I have complete faith in Revenue Canada, I know that it will remain confidential, whereas if I...

**Mr. Guy Lauzon:** You do not trust Canada Post?

**Hon. André Ouellet:** I do not trust certain members of Parliament on certain parliamentary committees.

**Mr. Guy Lauzon:** You did not trust enough Canada Post to provide them with receipts?

**Hon. André Ouellet:** Yes, I provided them. I did trust them.

**Mr. Guy Lauzon:** Why did you take so long to do that.

**Hon. André Ouellet:** I provided them to Canada Post so that it could then hand them over to Revenue Canada. I did not provide them to Deloitte & Touche because I was not sure that Deloitte & Touche would deal appropriately with them.

[English]

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

Mr. Poilievre.

•(1720)

[Translation]

**Mr. Pierre Poilievre:** Let us be clear. First, you told us that you were not responsible for the \$2 million worth of expenses because part of that money had been spent by other people. Is that correct, yes or no? That is the explanation you gave to Mr. Szabo.

**Hon. André Ouellet:** I said that the amount in the Deloitte & Touche's report, that is, \$2 million, was exaggerated, that Deloitte & Touche had included my expenses but had also included other expenses that had been attributed to the president's account and were not mine, but which were related to the company's operations.

**Mr. Pierre Poilievre:** Fine. Then, these were other individuals' expenses that had been attributed to the president's office. However, you were responsible for the president's office spending, were you not? Yes or no?

**Hon. André Ouellet:** Yes.

**Mr. Pierre Poilievre:** Are there receipts for those \$2 million worth of expenses?

**Hon. André Ouellet:** I told you that the receipts that I provided...

**Mr. Pierre Poilievre:** I am not only talking about your personal expenses but all those that remained on behalf of the president's office.

**Hon. André Ouellet:** You can ask Canada Post that.

**Mr. Pierre Poilievre:** That was your responsibility was it not? It was your office.

**Hon. André Ouellet:** No, I am sorry, sir. I am not responsible for a mistake on the part of Deloitte & Touche. I am sorry.

**Mr. Pierre Poilievre:** If the money was spent on behalf of the president's office, is that the responsibility of the president? If it is not, then who is responsible?

**Hon. André Ouellet:** I am happy to discuss specific amounts but you are referring to an inaccurate document. I do not have to justify a mistaken amount.

**Mr. Pierre Poilievre:** You are telling us that the amount is inaccurate because it refers to spending by other individuals. I will repeat that these expenses were made on behalf of the president's office. The responsibility for that lies with the president. I do not understand why you are not accepting responsibility for expenses incurred on behalf of your office.

Furthermore, I see that you did not follow established hiring practices. You hired members of your family.

**Hon. André Ouellet:** Just one minute, sir. I did not hire anybody. I am sorry but that is absolutely false.

**Mr. Pierre Poilievre:** Allow me to finish asking my question.

[English]

**The Chair:** Mr. Ouellet, please let Mr. Poilievre ask his question.

[Translation]

**Hon. André Ouellet:** That was not a question. You are making a statement.

**Mr. Pierre Poilievre:** Allow me to finish. Members of your family were hired without following normal hiring procedures, and there are expenses that you cannot explain. Two million dollars was spent by the president's office, your office.

**Hon. André Ouellet:** No. May I answer your question?

**Mr. Pierre Poilievre:** You do not take responsibility for actions taken while you were president. How can we accept that?

**Hon. André Ouellet:** First, I have always said that job applications were sent by my office.

**Mr. Pierre Poilievre:** Was the same done for members of your family?

**Hon. André Ouellet:** Yes. I never personally hired anyone.

**Mr. Pierre Poilievre:** Once again, it was just your office.

• (1725)

**Hon. André Ouellet:** Say what you want, sir.

**Mr. Pierre Poilievre:** However, it is your office that spent the money, \$2 million, without providing receipts, and it is also your office that says it was necessary to hire members of your family. Yet, you take no responsibility.

**Hon. André Ouellet:** Yes, I had a responsibility and I accept that. I am telling you that the money spent from my expense account was well spent, and served the interests of the company.

I compare this amount of money to the profits made by Canada Post during the five years I served as President.

**Mr. Pierre Poilievre:** You must have known that this money was not yours. It was taxpayers' money.

[English]

**The Chair:** Mr. Poilievre you're out of time.

[Translation]

**Hon. André Ouellet:** No, sir, this was not taxpayers' money.

[English]

Mr. Chairman, I think there's a fundamental mistake that the honourable member just made. I have spent no taxpayer dollars, not a single cent.

**Mr. Pierre Poilievre:** The taxpayers are the shareholders.

**Hon. André Ouellet:** The money of Canada Post is money that is earned by the corporation, and the money that the corporation spent is money that they have earned.

**Mr. Pierre Poilievre:** No. The shareholders are taxpayers.

**The Chair:** Mr. Poilievre, your time is up.

**Hon. André Ouellet:** I'm sorry, it's not taxpayer dollars.

**Mr. Pierre Poilievre:** That's the problem right there. That is precisely the problem.

**Hon. André Ouellet:** There is no subsidization whatsoever.

**The Chair:** Mr. Ouellet, I'll go to Mr. Sauvageau for two minutes and then we have some committee business to deal with.

Mr. Sauvageau.

[Translation]

**Mr. Benoît Sauvageau:** Mr. Ouellet, you seem to be a terribly unlucky man. After a long and brilliant career in politics, Deloitte & Touche's erroneous report has just tainted the end of your career.

The table on page 29 of the report states that in 1996, you spent \$127,000, \$245,000 in 1997, and \$216,000 in 1998. During this time, you were the CEO and there are no documents to support these expenses.

At the same time, the President spent \$63,000 in 1996, \$26,000 in 1997, and \$109,000 in 1998, expenses that have supporting documents. Perhaps you do not have the same...

**Hon. André Ouellet:** No, absolutely not.

**Mr. Benoît Sauvageau:** That is what is written on page 26. I will finish, if I may.

In 2000, 2001, 2002 and 2003, during which time you were President, there were absolutely no documents.

We would humbly, modestly, and in all honesty, ask you to correct this table. In order to restore your reputation, do you agree to correct this table and provide us, along with all Canadians, proof that these figures are false, without resorting to legal action to be taken against Deloitte & Touche, and proof that Deloitte & Touche's report is erroneous, and that indeed Stan Keyes, as well as the Liberal Party, had a vendetta against you.

**Hon. André Ouellet:** I would refer you to the first paragraph on page 26:

For the period 1996 to 1998, the then President [my predecessor] expense claim information could not be located by CPC and is believed to no longer exist.

Do not say that there were...

**Mr. Benoît Sauvageau:** Fine, that is a presumption. I ask the same question again.

**Hon. André Ouellet:** Once again you have made a false presumption, because had you read the report thoroughly, you would realize that you were making a mistake.

**Mr. Benoît Sauvageau:** Do you want to answer my question?

**Hon. André Ouellet:** Obviously, I do not accept such invitations coming from someone who considers me his political adversary. In this context, there is nothing I can gain from a political adversary such as yourself.

**Mr. Benoît Sauvageau:** I thought that the position of President and CEO of Canada Post was not a political position.

[English]

**The Chair:** We're out of time.

Thank you very much.

Thank you, Mr. Ouellet, for coming this afternoon and for your answers.

We will now suspend for one minute and we will deal with three items of business. I hope it will not take long—just a one-minute suspension.

• (1729)

\_\_\_\_\_ (Pause) \_\_\_\_\_

• (1730)

**The Chair:** I'd like to continue the meeting.

There are three items for the committee's attention. The first is that the minister's appearance for Thursday has been cancelled for a second time. That's the Minister of Public Works, Mr. Brison. We've had difficulty scheduling, and twice it's been cancelled now—once on April 21 and once yesterday.

On Thursday we have a meeting. If we're going to approve the estimates, that's the last opportunity we have before the end of May

to do that. So we would need to vote on the estimates. Does the committee want to simply do that—vote on the estimates? Would you like to have some officials from the minister's department attend the meeting and ask them questions first? Does the committee want to approach the minister in some fashion regarding the fact that he's cancelled out on this committee twice?

**Mr. Ken Boshcoff:** Is he out of town?

**The Chair:** No. The minister's in town.

It certainly isn't showing a great deal of respect for the committee.

Mr. Sauvageau.

[Translation]

**Mr. Benoît Sauvageau:** I answer yes, no and yes to your three questions.

[English]

**The Chair:** Okay. Let's make sure we know what the questions were.

Monsieur Sauvageau, just explain a little more.

[Translation]

**Mr. Benoît Sauvageau:** Yes, the Bloc will consider the budget Thursday. No, we do not want to hear from witnesses. Yes, we should ask Scott Brison why he does not want to meet with us.

[English]

**The Chair:** Okay.

So just a letter to the minister? What's the will of the committee on that? What should the tone of the letter be? What should the content of the letter be?

**Mr. Paul Szabo:** Somebody obviously advised that he wasn't able to make it. Who did this communication go to, and exactly what was said?

**The Chair:** The communication was to my staff member from the minister's staff member. The reason given upon questioning was that the minister would have important business to do regarding the vote on Thursday. To me, that's a very odd type of an explanation. I mean, the business of the House should go on until such a time as the House falls.

So the will of the committee...?

**Mr. Guy Lauzon:** Mr. Chair, we all have to be prepared. Is that a valid reason? I don't know. Can we lean on ministers to come?

**The Chair:** Well, we can't demand—

**Mr. Guy Lauzon:** To be honest with you, on getting his assistants to answer questions, we went through that. You don't get any answers, really. You get the....

**The Chair:** The committee can't demand that the minister come. We can write a letter.

**Mr. Guy Lauzon:** Can we strongly suggest?

**The Chair:** We can write a letter strongly suggesting that he appear still. We can take as strong a measure as the committee would desire.

Monsieur Sauvageau.

[Translation]

**Mr. Benoît Sauvageau:** I believe that it is very relevant to send a letter to Minister Brison. We should use a rather mandatory language, all the while remaining polite, given his responsibilities. I defer to the clerk, as well as yourself, Mr. Chairman, to speak in the name of the Committee.

[English]

**The Chair:** Okay. Agreed?

**Some hon. members:** Agreed.

**Mr. Paul Szabo:** But you may want to consider, if a minister has been told he has to do something else, I'm pretty sure.... But that doesn't mean we can't hear from the parliamentary secretary, who has to speak for the minister and be briefed. I know that the particular parliamentary secretary, Mr. Lastewka, is inherently involved in every aspect. If there are questions, the committee should at least have the resources or the undertaking to get the information. The estimates are extremely important.

**The Chair:** The committee's heard Mr. Szabo's suggestion. What's the will of the committee on that?

**Mr. Paul Szabo:** Silence is acquiescence.

**Mr. Guy Lauzon:** I think we should write a letter to the minister. I think I'd like to—

**Mr. Paul Szabo:** You can do that, but we still have to have a meeting on Thursday. We should still have him here.

**Mr. Guy Lauzon:** Oh, yes. We'll deal with the estimates if we don't, right?

**The Chair:** Okay. So we write a letter in terms of the parliamentary secretary. Do we have the parliamentary secretary?

**Mr. Guy Lauzon:** I don't like that.

**The Chair:** I need to get—

[Translation]

**Mr. Benoît Sauvageau:** Let us start with the minor leagues; following which we will meet the major leagues.

**Mr. Guy Lauzon:** Will that give us the chance to ask the minister...

**Mr. Benoît Sauvageau:** The minister will come, nonetheless.

[English]

**The Chair:** We can try to have him another day, but the estimates process is we have to report. If we're going to report the estimates, we have to do that before the end of May. We have no more meetings of this committee after Thursday before the end of May. So we simply can't have the minister before the end of May unless we schedule a special meeting.

Mr. Preston.

• (1735)

**Mr. Joe Preston:** So there we are again, making a joke of the estimates process because the minister's been asked three times to be here and won't come. I understand, we're all busy people. The minister has things he has to do, and this Thursday is a busy day—it could be for all of us—but we've been asked to really put our hearts into the estimates process at this committee. This is the answer we get.

**The Chair:** I'll certainly express that sentiment in the letter.

Again, I'm just going to call for a vote on whether we have the parliamentary secretary or not, assuming we can schedule, of course.

**Some hon. members:** Agreed.

So we will ask the parliamentary secretary to come, and we will write a strongly worded letter to the minister showing our strong feelings about him not appearing and cancelling out twice, in fact, on the committee.

That's the first business. The second has to do with Mr. Ouellet. We've had Mr. Ouellet before the committee for one meeting. Someone he referred to as giving improper direction or inappropriate direction to Deloitte & Touche in terms of setting the parameters of the report was Mr. Keyes, the former minister in this area. Having Mr. Keyes before the committee to follow up on that is a possibility. We could have Mr. Ouellet back again. Is there any follow-up wanted, or does the committee want to take some time to think about that?

Mr. Preston.

**Mr. Joe Preston:** I would like to ask the committee for approval to ask the revenue minister to come before the committee and answer some of the questions that Mr. Ouellet left empty today, too. He is the minister responsible for Canada Post.

**The Chair:** I think that's fair.

Mr. Szabo.

**Mr. Paul Szabo:** I think the reference to Mr. Keyes is again part of a debate about him speculating. I'm not sure whether or not that has been factually determined. You could probably do that over the phone.

But more importantly, with regard to Revenue Canada, I'm not sure if it was established, but I'm pretty sure that to the extent that there's a review being done by Revenue Canada—not by the revenue minister but by Revenue Canada—in this matter of expenses, it does likely touch on the possibility of personal income taxation issues where expenses may have been claimed and which could have been found. My point would be that because of privacy laws, they would not be able to speak. We should establish that. We should make the inquiry as to whether or not it is possible to ask questions in regard to their review, if in fact they confirm that it does touch on matters that are covered by personal privacy.

So could we please ask that question before we make plans?

**The Chair:** Okay. I don't believe the committee was suggesting that we should be looking at the Canada Customs and Revenue Agency review. We were looking for information—

**Mr. Joe Preston:** We could do the Deloitte reports and have him come here to speak to those.

**The Chair:** Yes. Thank you, Mr. Preston.

Mr. Sauvageau.

[Translation]

**Mr. Benoît Sauvageau:** I would like to propose something to the committee, a proposal which may find a consensus. I would ask my Liberal colleagues to listen closely.

I am not particularly keen on hearing from Mr. Ouellet once again, because he is an expert in the art of skirting questions. Nor do I wish to hear from Mr. Stan Keyes, because he has nothing new to tell us. The Canadian Revenue Agency will probably tell us that they cannot talk about personal files.

However, there are two similar bills that have been tabled in the House of Commons. The Liberals have tabled Bill C-43 on the budget, part 7 of which allows the Auditor General to investigate Canada Post. I myself have tabled Bill C-277, which would also allow for the Auditor General to investigate Canada Post.

Given that the Liberals agree to grant the Auditor General oversight of Canada Post by way of part 7 of Bill C-43, and since the House has voted in favour of Bill C-277, with dissidence, I move the following: rather than hearing from witnesses who will not answer our questions, that the committee write a letter to the Auditor General asking her, pursuant to part 7 of Bill C-43 and Bill C-277, to investigate the expenses made by Mr. Ouellet, either founded or unfounded, during the time which he served as President and CEO of Canada Post.

Everyone should agree, because the investigation would be led by a neutral party, a third party, just as the Liberals are proposing in part 7 of Bill C-43.

• (1740)

[English]

**The Chair:** Okay, you've heard Mr. Sauvageau's suggestion. It's an interesting one. Currently, I believe, the Auditor General isn't allowed to review crown corporations. If that bill passes, then certainly that's another issue.

Do you want to put a motion, Mr. Sauvageau, that if Bill C-43 passes through the House and through the Senate and becomes legislation, we at that time go ahead with this and ask her to review?

[Translation]

**Mr. Benoît Sauvageau:** Yes.

[English]

**The Chair:** Okay, is there agreement to that?

**Mr. Paul Szabo:** If it becomes law?

**The Chair:** Once the budget is—

**Mr. Paul Szabo:** I'd respect the law.

**The Chair:** Then it's the law. So we can do it then.

We'd have to do it. Somebody has to do it.

Mr. Preston.

**Mr. Joe Preston:** I was still asking for unanimous consent from this committee to have the revenue minister come here—

**Hon. Diane Marleau:** What for?

**Mr. Joe Preston:** —to discuss the Deloitte reports that we just discussed with Mr. Ouellet.

**Hon. Diane Marleau:** What does that have to do with him?

**Mr. Joe Preston:** He is the minister responsible for Canada Post. These are both reports of Canada Post.

**Hon. Diane Marleau:** Okay, you want him to discuss the Deloitte & Touche report of Canada Post.

**Mr. Joe Preston:** He's the minister for Canada Post.

**The Chair:** Okay, so it's to discuss the reports. That's what you're asking.

I'm sorry, Mr. Preston, I hadn't picked that up in your comments, that you were looking for support for that.

**Mr. Joe Preston:** I'm looking for that support, or I'll put a notice of motion on it.

**The Chair:** Let's first deal with Monsieur Sauvageau's suggestion, and then with yours.

Is there agreement that if Bill C-43 passes, we then ask the Auditor General to review this issue?

[Translation]

**Mr. Benoît Sauvageau:** The one word I would strike out in your recommendation is the word “*If*” because we all agree. The Liberals agree in giving the Auditor General oversight, since it is stipulated in Bill C-43.

We can, therefore, agree immediately on conferring this right to the Auditor General, without putting it to a vote in the House, the Senate, and all the rest; everybody agrees. It can be said that “since the Liberals agree, and the opposition agrees, we exceptionally allow the Auditor General to have oversight of Canada Post's expenses, in accordance with the report produced by Deloitte & Touche”, in order to make sure that Mr. Ouellet's reputation has not been unfairly tainted.

[English]

**The Chair:** Monsieur Sauvageau, I'm trying to think of how the committee could deal with this. Right now, the fact is that the law doesn't allow the Auditor General to review crown corporations. I would need some advice on whether a committee agreeing to this would allow it in fact to approach the Auditor General asking the office to do that.

[Translation]

**Mr. Benoît Sauvageau:** Mr. Chairman, if our motion reads “as quickly as possible”, then she will not be able to do so before the bill becomes law, that would set a delay, and if she can, she will do so immediately. By writing something along the lines of: “The committee asks the Auditor General to do so as quickly as possible”, that would mean that she could not act before Bill C-43 became law, and if not, she will do so immediately afterwards.

• (1745)

[English]

**The Chair:** Okay, I understand now, Monsieur Sauvageau.

Is it agreed by the committee that we go ahead and do that?

**Mr. Paul Szabo:** I have a question.

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

**Mr. Paul Szabo:** So this is a suggestion to the Auditor General as opposed to an instruction, because I'm not sure that the committee can set the agenda for the Auditor General. She's quite capable of deciding what her priorities are and where—

**Mr. Joe Preston:** Exceptionally capable.

**Mr. Paul Szabo:** Yes. As long as it is a suggestion, as opposed to an instruction....

**The Chair:** Is it agreed, Monsieur Sauvageau, that it's a suggestion? That's fine? Okay, we will do that as a suggestion.

I thought there was one other piece of business.... Maybe not.

Mr. Preston, sorry. On your issue—

**Mr. Pierre Poilievre:** I have a motion too.

**The Chair:** Just bring it again, and then Mr. Poilievre, you have a motion.

**Mr. Joe Preston:** I'm requesting that Minister McCallum come before the committee—

**The Chair:** Okay. Is it agreed that we have Minister McCallum come before the committee as soon as we can arrange it?

**Some hon. members:** Agreed.

**The Chair:** Thank you.

Mr. Poilievre had indicated that he has a motion, and then we'll go to your question, Mr. Szabo—it's a good one.

**Mr. Pierre Poilievre:** As I understand it, the chair has now ruled this motion in order, so the procedural obstacles that some have tried to set up in its way are now dealt with.

The motion reads as follows:

That the committee recommend to the Treasury Board Secretariat that land held by the National Capital Commission and leased to the Queensway Carleton Hospital should be rented to the Hospital for \$1.00 per year, and that furthermore any revenue the Hospital generates from this land should go to the Hospital exclusively, both of which shall be for as long as the hospital occupies the land.

I'll quickly review why this motion is before this particular committee.

Actually, I have one quick question before I continue.

[*Translation*]

Are we *in camera* at the moment?

[*English*]

**The Chair:** No, we are in public.

**Mr. Pierre Poilievre:** That's good. I just want to make sure of that.

The reason we are bringing this particular motion before the government operations committee is because the recommendation it proposes goes to the Treasury Board Secretariat. The Treasury Board is exclusively the parliamentary domain of the government operations committee. While it concerns a hospital, this is not a Health Canada issue, nor is it a Heritage Canada issue. It is something that must be referred to the Treasury Board.

The decision as to whether or not this recommendation will go forward can only be made by Treasury Board. It cannot be made exclusively by the NCC by itself, nor can it be made by the heritage minister. It has to be made through Treasury Board. That is why we are bringing this particular motion here.

I'm going to discuss the next issue. I've discussed why here. I'd like to discuss why now. To do that I'm going to introduce a little bit of the background on the subject, although this motion has been before the committee for some time.

May I get some order over there, Mr. Chair?

**The Chair:** Yes, Mr. Poilievre. Please make it as quick as you can.

**Mr. Pierre Poilievre:** Yes, I will.

**Hon. Diane Marleau:** We are way past....

**Mr. Pierre Poilievre:** I'll just make it very quickly.

The hospital lease expires within the next nine years. The hospital's planning cycle is 15 years long. That means it has to happen immediately so it can plan its long-term financial situation.

**Mr. Paul Szabo:** As a friendly gesture, I know that Mr. Poilievre is very—

**Mr. Pierre Poilievre:** Is this a point of order or what?

**Mr. Paul Szabo:** —interested and anxious to deal with this matter. I'm pretty sure that members will have information requests and I think the committee as a whole needs....

I would like to suggest that what we do is ask Mr. Poilievre to coordinate with yourself, Mr. Chair, to get the pages of information to the committee and to suggest any witnesses who would be necessary, so that we could fully understand and that we could make an informed decision.

I would be happy—

**Mr. Pierre Poilievre:** This is not a point of order, and this is not in order whatsoever.

I have discussed and given background to my colleagues on this. This motion has been before this committee now for several weeks—

• (1750)

**Mr. Paul Szabo:** Yes, but I have no information.

**Mr. Pierre Poilievre:** I presume that Mr. Szabo has a research office of his own, with which he can retrieve information on the subject.

I would like to call this to a vote with the consent of my colleagues, who have had an opportunity to research it and to feel sufficiently knowledgeable on the subject. If Mr. Szabo wishes to remove himself and not be on the record voting on this issue, that's fine. The record will show that.

I note that none of the Liberals want to be on the record voting on this issue. That too shall be noted, but I still think we should move into a vote.

**The Chair:** On the question, those in favour of the motion?

**Mr. Paul Szabo:** Mr. Chairman, there's debate yet.

**The Chair:** Oh, debate. Sorry, Mr. Szabo. I didn't know you wanted to debate this further. I apologize. I'm sorry. We'll have to ask the question again.

Mr. Szabo.



**Mr. Paul Szabo:** Mr. Chairman, I'm aware of this motion, but if the committee is going to make decisions on these matters, there should be some information circulated to the members other than simply a motion. There obviously is a history.

I have seen somewhere in the media a suggestion that the lease price on this particular property is going to escalate very, very substantially. I'm not exactly sure what the number is. I'm not aware of the terms of the lease, and I don't know how we can get that.

Mr. Chairman, I would again suggest that if we're going to do something that affects a practice or sets a precedent, I would think as a starting point, before we deal with motions that deal with contractual matters and involve the National Capital Commission, Treasury Board, and a hospital, I'd like to get an opinion from the parliamentary support staff or legal staff about whether or not this is the appropriate way to deal with such a matter, even if we could.

This is highly unusual, and I'm just asking that there be information provided to the committee members so they are aware of what the representations of the stakeholders are. I'm not aware of what they are, and quite frankly, if this is a matter to be voted on by this committee, the committee should take an opportunity to avail themselves of the resources of the committee to at least get that information.

There have been representations made. I don't know what the dimensions of this are, but if it's millions of dollars that the Government of Canada is forgoing by doing this, I'm sorry, in terms of the lease value because the property is owned in perpetuity by the National Capital Commission, i.e., by the government....

These are important details, and I think it would be irresponsible simply to say let's recommend this. I don't want to be part of a decision that's not based on fact. I think we've heard this before. So I'm asking for information prior to the committee being asked to vote on a motion. This is not time-sensitive.

**The Chair:** Mr. Szabo, discussion on the motion had come before the committee before—

**Mr. Paul Szabo:** And no information, nothing.

**The Chair:** —and no suggestion like that was made at the time. But I leave it to the committee.

Is there any other debate?

Mr. Szabo.

**Mr. Paul Szabo:** On a point of order, do we have quorum for a vote?

**The Chair:** We do.

**Mr. Paul Szabo:** What's the quorum for a vote?

**The Chair:** Seven.

**Mr. Paul Szabo:** Seven? I've just left the table.

**The Chair:** I just want to check here. The clerk tells me that we can't vote without quorum.

**Mr. Guy Lauzon:** You can't just, in the midst, if you don't get your way, leave.

**Mr. Joe Preston:** You can, but it's usually done in the schoolyard.

**The Chair:** The clerk has informed me that we do not have seven members signed in. Mr. Szabo has left, so we can't deal with this motion now.

Mr. Lauzon.

• (1755)

**Mr. Guy Lauzon:** Well, the fact that he left during—

**An hon. member:** He left after the question was called.

**Mr. Guy Lauzon:** We could do that any time.

**The Chair:** The question had been called.

**Mr. Joe Preston:** I take that as a negative vote.

**The Chair:** The clerk has informed me that a decision can't be made on a motion without a quorum, and that denied us the quorum.

Mr. Poilievre.

**Mr. Pierre Poilievre:** I want to say a few things very quickly. I note that this motion had been before this committee now for several weeks. This group had plenty of time to research the motion. They have full research offices. They have tens of thousands of dollars in research resources at their disposal, which they did not employ to become informed on the issue. I was prepared to entertain any questions they may have had. Instead of having the courage to do what they really wanted to do, which was to side with the National Capital Commission, they decided to sneak out the back door, denying this committee quorum and preventing it from having the right to vote. I want that on the public record.

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

Mr. Preston.

**Mr. Joe Preston:** I'd also like to say on record that Mr. Szabo was in his chair when the question was called. The fact that he absented his chair is a negative vote. It's not an absence.

**The Chair:** I trust the information from the clerk on this.

**Mr. Pierre Poilievre:** Can I ask the clerk a question, then?

**The Chair:** Excuse me. Just a minute.

**Mr. Pierre Poilievre:** Can I ask a question to the chair, then?

**The Chair:** Yes, ask it to the chair, Mr. Poilievre.

**Mr. Pierre Poilievre:** Is quorum considered at the time the question is called or at the time the vote is cast? The question was called.

**The Chair:** The clerk has informed me it's at the time the vote is actually taken

**Mr. Pierre Poilievre:** What section of the rules provides for that?

**Mr. Guy Lauzon:** What if we were to vote just in case? What if we were to vote and get an official ruling on it? Is it worthwhile taking a vote on it and then just getting an official ruling to make sure that the clerk is—

**The Chair:** We can't do that, Mr. Lauzon.

We'll give you the section. It's chapter 20, under "Committees", in *House of Commons Procedure and Practice*. Under "Decision-making Process" it says:

No decision can be made by a committee unless a quorum is present. At the conclusion of debate on debatable motions or when a non-debatable motion has been moved, the Chair first reads the motion and then asks if the committee agrees to it. If there is evident disagreement among the members, the Chair will then call for the yeas and nays. Members vote by raising their hand. When a vote is taken....

It does say clearly that if there's no quorum present—

**Mr. Joe Preston:** As stated in your rule there, at the end of debate we had quorum.

**The Chair:** This is what it says: “No decision can be made”—and the decision is made by the vote—

**Mr. Joe Preston:** By voting. Okay, carry on.

**The Chair:** —“unless a quorum is present.”

**Mr. Joe Preston:** Quorum is present when?

**Mr. Pierre Poilievre:** At the end of debate.

**The Chair:** It goes on. It says

At the conclusion of debate on debatable motions or when a non-debatable motion has been moved, the Chair first reads the motion and then asks if the committee agrees to it.

We've done that, but still, when the decision is being made, we need a quorum.

So we can't deal with that motion today. We can deal with it at the next meeting, Mr. Poilievre.

The meeting is adjourned.

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**Published under the authority of the Speaker of the House of Commons**

**Publié en conformité de l'autorité du Président de la Chambre des communes**

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