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Chair

Mr. John Williams

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• (1530)

[English]

The Chair (Mr. John Williams (Edmonton—St. Albert, CPC)): Good afternoon, ladies and gentlemen. Welcome back.

The order of reference for today is pursuant to Standing Order 108 (3)(g), the April 2005 Report of the Auditor General of Canada, which was referred to the committee on April 5, 2005.

Our witnesses today are from the Office of the Auditor General of Canada, Ms. Sheila Fraser, the Auditor General of Canada; Mr. Hugh McRoberts, assistant auditor general; and Mr. Shahid Minto, assistant auditor general.

Before I go on, I'd like to say a bit about Mr. Minto, whom I've known since I came here as a member of Parliament in 1993. He has been an assistant auditor general since 1989. He has been a tremendous asset and a tremendous public servant in the years he has been serving the Auditor General and therefore serving the Parliament of Canada.

I understand that Mr. Minto has been seconded to the Department of Public Works and Government Services. He is going to be working with the deputy minister, Mr. Marshall. We know he is taking on a big job. He's going to be looking after some of the ethical challenges in the Department of Public Works. I see that he is a certified fraud examiner and a member of the Canadian Tax Foundation.

Mr. Minto, I know you take considerable skills with you to your new challenges at the Department of Public Works and Government Services. We wish you not only every success while you're there, but on behalf of Canadians in general, we are looking for your valued input there to make sure that department runs well. So we extend our best wishes. We're sorry that we will not have you before the committee any more, but we know you will do a great job over at the department. Thank you very much.

Some hon. members: Hear, hear!

The Chair: Before we hear from the Auditor General, we will table some documents.

Also, there are some motions we may want to discuss. I'll therefore ask that we wrap up the examination of the Auditor General's report around 5 o'clock. Then we will get into the motions.

The documents to be tabled are e-mails to and from Terrie O'Leary, correspondence of various kinds regarding Warren Kinsella, and e-mails with regard to David Herle and Peter Daniel.

I'm not going to go through them in detail. They concern the discussions the clerk has been having with these individuals regarding appearing as witnesses before this committee, which has been set for Wednesday, April 13. Perhaps you can peruse these during our discussions with the Auditor General of Canada, and then at 5 o'clock we will get into any motions people deem to be relevant.

Madam Fraser, you tabled a report in the House of Commons last week, which was referred to this committee, and now you're going to present it to us. The floor is yours.

• (1535)

Ms. Sheila Fraser (Auditor General of Canada, Office of the Auditor General of Canada): Thank you, Mr. Chair.

We are very pleased to be here today to present our April 2005 report to Parliament, which was tabled, as you mentioned, on April 5.

You also mentioned that I am accompanied by assistant auditors general Hugh McRoberts and Shahid Minto.

Security and intelligence activities account for more than \$1 billion in federal expenditures each year, and by their very nature, many aspects of these activities must remain secret. But how can Parliament scrutinize the spending and performance of security and intelligence activities if key information is classified?

An example of this arose in preparing this report. Information related to the effectiveness of air passenger security systems was classified as secret. I must respect the government's information security regime, and accordingly, we have not reported the information. Passenger screening at airports is a delicate balancing act that requires weighing the desired degree of security against other factors, such as the cost to passengers and society, the inconvenience and waiting times of passengers, and the degree of intrusiveness that Canadians are prepared to accept in the screening process.

Although the government must weigh these issues and make these difficult choices, it is Parliament, on behalf of Canadians, that must hold the government accountable for those choices. Parliament needs to find a way to receive reports that contain classified information from security and intelligence agencies and from organizations such as my office that are charged with scrutinizing these agencies on Parliament's behalf.

I encourage the government to move quickly to find a way of providing Parliament with the information it needs to do its job without jeopardizing national security. I should note that I am pleased that the government has taken steps in this direction with its proposal to establish a national security committee of parliamentarians.

[Translation]

Let me turn now to the report.

I would like to begin with the federal government's progress toward improving national security since 2001. Simply put, progress has been uneven.

Our latest audit found that marine security programs have improved, but there are serious weaknesses in emergency preparedness and in some aspects of air transport security.

In emergency preparedness, funds were not allocated based on an assessment of risks. Equipment purchased for first responders in different cities was not required to be interoperable, thus missing an opportunity to create a national pool of compatible equipment. Training for first responders is progressing very slowly—fewer than 200 of the needed 6,000 intermediate-level first responders have been trained.

Public Safety and Emergency Preparedness Canada—a new department set up in December 2003—needs to complete its proposed changes to the Emergency Preparedness Act and to finalize the plans, procedures and chain of command necessary to respond to threats to public safety.

[English]

Some key elements of air transport security are being implemented successfully. For example, explosive detection systems worth \$1 billion have been installed at Canada's airports, and the number of air transport security inspectors has increased.

However, while Transport Canada officials say they have “no major problem” with the effectiveness of passenger and baggage screening carried out by the Canadian Air Transport Security Authority, also known as CATSA, they have neither established performance standards nor carried out an assessment of CATSA's effectiveness.

Last year we reported on the management of the government's anti-terrorism initiative and other aspects of national security. I said then that September 11, 2001, had changed our perception of how safe we are and had led to higher expectations for our security. The government still has work to do to meet those expectations.

• (1540)

[Translation]

We also found that the Passport Office is not meeting current security expectations for issuing passports. There are many weak points in the process.

For example, watch lists should include the names of individuals on parole or charged with a serious crime. But the watch lists are not complete, because the Passport Office has not found ways to obtain data automatically from other government sources. Without up-to-

date watch lists, examiners cannot always determine when an applicant should be refused a passport.

The Passport Office has not developed methods to routinely validate identity data on birth and citizenship certificates against the documents' original sources. Examiners lacked some basic tools to detect fraudulent documents, and they did not always meet the Passport Office's own standards for checking documents with guarantors.

While fixing some of these problems will require the cooperation of other government departments and agencies, the Passport Office needs to take urgent action to correct these important weaknesses.

[English]

We also examined a National Defence initiative, the command, control, communications, computers, intelligence, surveillance, and reconnaissance initiative, also known as C4ISR. This is a major initiative that takes advantage of information technology to improve the way the department gathers, processes, and uses military information. Better information for decision-making helps commanders exercise faster and more effective command and control in both joint and combined operations, and it helps National Defence keep up with progress and changes being made by allies.

National Defence has already invested about \$4 billion in C4ISR projects, and it estimates that by 2015 it will have invested almost \$10 billion. The C4ISR initiative in support of command and control is complex and expensive, involving more than ninety projects. The department needs to do a better job of coordinating projects and ensuring that they follow a common design approach.

[Translation]

Canada's resource industries are a vital part of the national economy and employ more than one million Canadians. Natural Resources Canada is the federal lead on forestry, energy supply and use, minerals and metals and earth sciences.

In our view, Natural Resources Canada needs a corporate strategic plan to help it focus its efforts and ensure that its activities are aligned with its mandate and corporate priorities. If corporate priorities are not clear, efforts may be misdirected.

Natural Resources Canada co-ordinates the federal response to emergency situations in areas of its responsibility, such as responses to major power failures and mine disasters. However, the department has not developed appropriate emergency plans for all its areas of responsibility, as the law requires. We urge it to do so.

[English]

We also audited the role played by Indian and Northern Affairs Canada in managing the process for developing non-renewable resources in the Mackenzie Valley of the Northwest Territories. We found the department is not adequately fulfilling its responsibilities. Indian and Northern Affairs Canada's hands-off approach has contributed to an uncertain investment climate.

For example, the department has not clarified ambiguous terms in the legislation, terms that are important to anyone with an interest in an application to develop a resource, and while the act permits the minister to establish water standards for resource development in the Mackenzie Valley, the minister has yet to take such action.

The discovery of diamonds and the potential for natural gas development have created significant opportunities in the Northwest Territories. Indian and Northern Affairs Canada should contribute to managing these opportunities in an appropriate way.

[Translation]

And finally, I continue to be disappointed in the quality of performance reports provided to Parliament by government departments. Departments are not moving quickly enough to improve their performance reports.

We rated the performance reports of three federal departments at three points over the last nine years. Despite modest improvements, the most recent departmental performance reports still fall short of providing complete information to Parliament. By and large, performance reports tend to focus only on good news—they provide little discussion of shortcomings or of any lessons learned.

Parliamentary review of performance reports through the various standing committees is essential to improving the quality of these reports. Only when parliamentarians are engaged with departments in an ongoing dialogue about departmental performance will the quality of these reports improve.

● (1545)

[English]

Mr. Chair, that concludes our overview of the report, and we would be pleased to answer the committee's questions.

The Chair: Thank you very much, Madam Fraser.

I note in your opening statement mention of the national security issue and the fact that you cannot answer these questions, so if you feel any questions by a member involve that, you will be supported by the chair if you decline to answer any questions you feel are inappropriate.

Mr. Fitzpatrick, please; eight minutes.

Mr. Brian Fitzpatrick (Prince Albert, CPC): Thank you, Madam Fraser.

I notice that in all your reports you focus on results, and I think that's the way we have to measure any organization, seeing whether they meet the objectives they set out for themselves.

I've always thought, through life experience and in my own reading and so on, that any system or organization only gets good results if it has outstanding management.

The report seems to say that in some cases there isn't any management. We've heard that with Indian Affairs before, but it seems to crop up again that there's no hands-on at all with the Indian affairs department. They're oblivious to any control or management over the activities of that department.

In other areas, I see money being spent aimlessly in all sorts of areas without any direction on how this money is being spent. It strikes me that there doesn't appear to be vision. Very often there doesn't seem to be an overall plan in place. There's no direction. I keep thinking of an image in my mind of monkeys throwing darts at a stock market or something, hoping that if they throw enough darts, they'll eventually hit pay dirt and we'll get some results or success here.

I guess the question I have is whether I'm off base with my concerns about the management of these departments. If there is some semblance of truth to my observations here, what's the problem in getting excellence in management? Is it a lack of leadership on the government's side? Is it poor pay for our senior bureaucrats?

Is there any explanation for why we get these reports of government departments that just seem to be floundering in the dark?

Ms. Sheila Fraser: Thank you, Mr. Chair.

I think Mr. Fitzpatrick's judgment is perhaps harsher than mine would be. I think we do have examples of where we're not satisfied with the overall direction. For example, in Natural Resources Canada there isn't an overall strategic plan for the whole department. There may be within separate divisions or sections, but it is a very large and relatively complex department with many different activities, and we would have expected to see an overall plan for the whole department that would link the priorities and activities of all those different sections together.

In some of the other cases, for example, if we look at the passport office, the impression I had coming out of the audit was that the focus had really been on service to Canadians, rather than on security issues. I think when we look at the issues of national security, we see there has been a lot of effort, a lot of activity that's gone on since September 11. We have a new department. There are still issues of chain of command that have to be resolved.

In National Defence, I think it goes back perhaps to organizational structure. Each one of the services has been doing many of these command-and-control projects on their own, so the army has their projects and the air force has theirs. I think it's almost a bit of a cultural thing within the Canadian Forces that each service has done their own thing. Now they're trying to bring them together, and we're saying if you really do want to bring them together, you have to ensure you have that common design.

So I think there are varying explanations or reasons why these difficulties are arising. In many cases it is a lack of an overall vision, an overall plan, an overall risk assessment.

• (1550)

Mr. Brian Fitzpatrick: I still come to the conclusion that it's hard to categorize these departments as being led by outstanding management. If there are problems in organizations and structures—and there are lots of excuses for not getting things done—I look for somebody at the top to take the bull by the horns and start changing the system so we start getting results. I'm not exactly sure I see that kind of enthusiasm in any of these departments, the way I read it, anyway.

There's an area that I think is very important here, too—and I'm drawing on the American experience with September 11 and the Congressional report that came out, the appointment of a homeland security director and so on. It's something that was quite obvious, unless I misread what I saw in the United States, and that was a lack of cooperation among the multitude of agencies that are involved in areas of security.

I see here we have marine security, airport security, passport items—a lot of things that are all, in some way or another, part of the parcel of homeland security, if we want to use those terms in here. If I'm reading your report correctly, we have major problems with these agencies cooperating and providing one another with relevant information. For example, I think there were things about the watch list, which I would assume would be a fairly significant matter.

Government departments in Canada are not cooperating. They seem to have put up barriers between departments to prevent a free flow of information in these matters.

Am I off base in this observation, or are things going well in this government in sharing information between departments?

Ms. Sheila Fraser: The sharing of information between various departments is an issue we have raised in several of the audits. There is a difficulty. The systems were not designed to have easy sharing of information between various departments and agencies. We did earlier ones. The ones we did last year pointed very much to problems in sharing of information, for example, between the RCMP and others.

I think part of it is cultural. A lot of the intelligence and security enforcement agencies will not share information freely, for good reasons. So it's in part to change that culture; it's in part as well to develop the systems. One of the things government proposed was the new Department of Public Safety, which was established in December 2003, to pull together many of the coordinating aspects of security.

Mr. Brian Fitzpatrick: But it didn't work.

Ms. Sheila Fraser: Well, the difficulty we note in the report is that more legislative changes are required to clarify the whole question of the chain of command, and who is in charge when there are emergencies. We certainly encourage government to move on getting those clarifications and further legislative amendments done. Without them there could still be confusion in the system.

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

Monsieur Sauvageau, s'il vous plaît, huit minutes.

[Translation]

Mr. Benoît Sauvageau (Repentigny, BQ): Good afternoon, Madam Fraser, and good afternoon to the gentlemen accompanying you.

My first question relates to your report overall and to the responses given by the government. I am convinced that, after having drafted your report and sent it to the various departments, depending upon the answers you received back, you were either very satisfied, satisfied or somewhat disappointed. Generally speaking, are you satisfied with the answers the government has given you with regard to the six chapters and are you therefore optimistic as to rapid improvements?

There is one chapter in particular—you will guess at my second question which chapter I have in mind—where you can say that once again the drafter of the responses is very proficient in written English or French, but that politically speaking it is not very encouraging.

• (1555)

Ms. Sheila Fraser: I would say that there are a few departments—and we can see this—that have already begun taking concrete action. The Department of Indian and Northern Affairs has already begun to take concrete steps. A forum gathering together the various organizations has already been set up and discussions have begun. This is good.

With regard to passports, some improvements have been made. There still remains much to be done, however, and we have not yet seen any detailed action plan. I would perhaps encourage the committee to eventually ask the Passport Office for such an action plan.

As for Natural Resources Canada, here too we have not seen any firm will to carry out all of the recommendations made by us.

At National Defence, the situation is very good. I believe people are aware of the problem we have outlined and have committed to dealing with it.

I would also say that Public Safety Canada is doing well. We have had good discussions and we can see that there is a will to follow our recommendations.

I therefore remain rather optimistic. Clearly we would like to see more detailed plans. The committee might be able to help us ensure that the recommendations are followed through with by requesting departments' action plans.

Mr. Benoît Sauvageau: With regard to passports, you say that there is no action plan. You seem less pleased with the answers given. If my understanding and interpretation of your report are correct, it seems that the problem is with our consulates and our embassies throughout the world and not in Canada. I do not mean to say that there are no problems with passport delivery in Canada, but I would say that the more serious problem seems to be with the training of our passport officers working in foreign countries.

Should the action plan devote greater attention to this issue, or is the problem more or less equivalent to all of the others?

Ms. Sheila Fraser: I would say that the greatest problem with regard to passports pertains to the establishment of clear criteria so as to know when a passport should be refused. We should also have adequate watch lists. Information exchange mechanisms with other departments must be established. There now exists an agreement to this effect; it was signed with Corrections Canada at the end of March. Before that, the Passport Office played a rather passive role in the area of information gathering. It was mostly other departments and agencies that voluntarily supplied it with information. The Passport Office must play a more active role and assume responsibility for keeping the watch list up to date. I would say that that is the greatest challenge.

Obviously, the training of officers working outside Canada is also a problem, as are access control issues, but I believe that the problem that will require the greatest effort will be that of the watch lists.

Mr. Benoît Sauvageau: Thank you.

With regard to Indian Affairs, you said that you are more or less satisfied with the government's responses. My recollection is that things were a little less pleasant, and Mr. Christopherson should know, because he was the most upset when the issue of education for aboriginals came up. You will remember, Mr. Christopherson, that you were quite angry.

In your previous reports, you outlined serious problems in the area of health care with Indian and Northern Affairs Canada. You also identified serious problems in the area of education. You are now, to my mind, underscoring rather serious problems with regard to non-renewable resource development.

Would it be worthwhile to order a special study on the Department of Indian and Northern Affairs? When its representatives sit down with us to discuss their action plan, there again they have good drafters with good intentions, but there are very few concrete results. Instead of doing piecemeal studies—and I understand your constraints—, would it not be appropriate to look at what is going on at Indian and Northern Affairs Canada? There does not appear to be much happening.

• (1600)

Ms. Sheila Fraser: That would be one approach. We have always proceeded on a program by program basis, and we have done so for various reasons. First of all, if we audited the entire department in one shot, we would not be able to do very much else. That would require that we devote all of the office's efforts to that one file. We have attempted to tackle the issue through risk analysis and the examination of the most important issues. Not everything can be a priority for the department. We therefore targeted the most important files. If we were to do an audit of the entire department, my fear is that... We could consider that possibility, but it would create so many expectations and such a heavy burden for the department that it might be more a hindrance than a help as for improving management.

Mr. Benoît Sauvageau: In conclusion, Mr. Chairman, has it ever happened—you will forgive my ignorance—that a department was examined in its entirety?

Ms. Sheila Fraser: Not that I know.

It perhaps happened in the 1980s.

Mr. Benoît Sauvageau: I mean in recent history, not back in 1916.

Ms. Sheila Fraser: No, not recently. We target a program, a sector or a horizontal issue more than a department as a whole.

Mr. Benoît Sauvageau: Thank you.

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

[English]

Mr. Murphy, please. You have eight minutes.

Hon. Shawn Murphy (Charlottetown, Lib.): Thank you very much, Mr. Chair.

I just want to follow up, Madam Auditor, on the issue of the passport department in your audit. I'm just trying to follow it in my own mind. Do I take it that if a person applies for a passport and they're within one of the groups of people who are restricted—they have an indictable offence, they have been convicted of passport fraud, or there is criminality in another country—possibly this is not showing up in the database of the passport department?

Ms. Sheila Fraser: That is correct. The passport office has not taken an active role in developing the watch list. They have relied—and we can find the reference in the report—on information that's been given to them by other departments, voluntarily given to them. The passport office doesn't have automatic links with Correctional Services Canada or with CPIC, the police information database. So they do not get automatic updates, nor do they keep this watch list up to date.

When we looked at the watch list, we saw there were about 2,000 names of people who were on parole or convicted of a serious crime. It is clear that 2,000 names is inadequate—to the point that the watch list is of little value.

Hon. Shawn Murphy: So you're saying there should be—within the technological architecture of the RCMP, Corrections, CSIS, and some of the provinces—an automatic process by which the passport office is notified when a person is convicted of an offence that makes him or her ineligible for a passport. That's not happening?

• (1605)

Ms. Sheila Fraser: That's correct. We're also saying there should be a clear definition of the criteria. For example, the police information database would contain a lot of entries that would not be relevant to the passport office. So the passport office needs to clarify the criteria. This way, when someone has been placed on a temporary parole and the judge has asked that they give up their passport, this person would be flagged, and the passport office would automatically get these updates of information.

The other point is that under the criteria—this is in the passport order—they may revoke or refuse a passport. They also have to establish the criteria under which they would refuse a passport.

Hon. Shawn Murphy: Did your audit detect any instances where passports were issued to individuals who should not have been given them?

Ms. Sheila Fraser: We did not. But our audit was not an audit of the passports that had been issued. We looked at the system and the process. We looked at a selection of files, but we did not go back and re-check all the issued passports against police databases.

The report notes instances of investigations of what appeared to be suspicious cases. This appears in paragraph 350 and after. Certain suspicious cases were being investigated, and the investigations were either incomplete or didn't go far enough, or we didn't have documentation on file. So there could have been a possibility, but we didn't find any in our audit.

Hon. Shawn Murphy: A recent policy change by the United States will require passports not only from Canadians going to the United States, but also from Americans going to Canada and returning to the United States. This will probably increase tremendously the volume of our passport office. People living in border towns like Windsor, right down along the border, who were not used to having passports, will now need one even to go over and get a loaf of bread. Is that something we should be prepared for?

Ms. Sheila Fraser: We didn't look at that. Mr. Minto might be able to respond. The passport office might be able to give a better appreciation of the effects of that.

Mr. Shahid Minto (Assistant Auditor General, Office of the Auditor General of Canada): We've seen in the past that the passport office hasn't been very good at forecasting increases in business. They've been reactive to increases as they've come through.

They have a number of initiatives under way right now for different parts of the business, but our concern has been that these initiatives haven't been done in a coordinated, proper manner. Some of them are contradictory to one another. In some cases, they haven't looked at the impact on their HR. The very issue that you raised we talk about in paragraph 3.79, when we say we found no long-term consolidated human resources plan to discuss the impact of such initiatives. People now have to present themselves at a passport office to get a passport. Previously you could send stuff in. Now, in most cases, you have to go to the passport office to show your original documents.

So, yes, we see it coming now, but the track record has been that these things have been done on a one-off basis rather than as part of a cohesive management plan.

Hon. Shawn Murphy: You just said people have to present themselves with a passport. That's not my understanding.

Mr. Shahid Minto: In many cases people have to take the original documents to present to the passport office. You have to show your driver's licence, and if they have any questions at all about your birth, your citizenship, or your citizenship certificate, you have to go and show those.

Hon. Shawn Murphy: I live in a province where we don't even have a passport office in the whole province. Unless they want to leave the province and go to another province, there's no way they can present themselves at a passport office. Some of them...there would be a few exceptions who would leave the province I live in

and go to another province to present themselves, but 99.9% would send their information in.

Mr. Shahid Minto: One of the initiatives they're trying to encourage now is for people to apply online. Our issue was while they were doing that, they also have an ongoing initiative to open more offices, so how do you tie in the two?

Hon. Shawn Murphy: The fees at the passport office went up a couple of years ago. Is it totally self-financing?

Ms. Sheila Fraser: Yes, the passport office is required to be self-financing; in fact, the passport office has a surplus, which is one of the questions we raise as well, because they should be justifying their costs—the costs they're charging—to Canadians. They raised a portion of it; the first increase was \$25 for consular services. There should be a detail of the costs related to that, and we weren't able to get adequate documentation on that.

Now, new user fee legislation has gone through, which requires them to give better cost analysis and explain the fees they are charging; we're saying they're not able to do that well.

• (1610)

Hon. Shawn Murphy: I just have one question. If the passport office went through a fiscal period and had a surplus and weren't giving the service to Canadians that Canadians should have got, at the end of the year does that surplus go to the general revenue of Canada, or would they keep it?

Ms. Sheila Fraser: It's what's called a special operating fund, so they keep their surplus.

Now, I think there's a broader question the committee might want to look at with them in a future hearing. It is the whole question of whether you, in a special operating agency that is required to be self-financing, are able to generate funds sufficient to keep up to date with all the security features that might be required if we ever have to go to biometrics or things like that. Is it reasonable to expect passport holders to pay for all those services? Is a part of it a common good? We didn't get into it in this chapter, but I think the broader question needs to be looked at as well.

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

Mr. Christopherson, please, eight minutes.

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

Thank you once again for your report. I'm hoping the answers to the questions I'm going to ask are not what I think they're going to be. I really am, because it's frightening.

I'd like to look at chapter 1. I would ask you to turn to page 22 of your report, please. I'm looking at the chart that tells us how much emergency preparedness has been done. I have a particular interest in this; some of my responsibilities as a former Solicitor General in Ontario were all the emergency plans, both provincial and municipal, so I have some understanding of these issues.

I was just horrified to look at this chart and see what's not done. The first thing would be just questions of... Where there's a circle—but it's just white—I gather it doesn't meet the standards, doesn't meet the requirement, doesn't meet their mandate?

Ms. Sheila Fraser: In fact, for certain ones, such as mine disasters, federal advice and assistance in combating fires—threats to forests—and for strategic mineral commodities, there are no plans.

Mr. David Christopherson: Okay. The thing that caught my eye first off was worker safety. Only one out of six has done anything; the others have done nothing in terms of worker safety.

Regarding mine disasters—when I look right across the chart, I see they're measured on eight categories, and every one of them does not meet.... This country just went through the disgrace of 26 miners dying in Westray. It took 10 years to get a law through that held the senior directors and the senior managers responsible. And I'm looking at a chart that's telling me absolutely nothing is being done in terms of emergency preparedness should, heaven forbid, we have another disaster like that. Please tell me that's not what this says.

Ms. Sheila Fraser: No, that is exactly what this says. There is no plan for mine disasters. There is no plan at all.

Mr. David Christopherson: Well, I realize you're here to answer the questions on what you found. I sure hope we get a chance to get those folks in here, because I'll tell you something, the steelworkers are going to be pretty darned interested to find out this government hasn't cared enough after Westray to deal with something as obvious as an emergency plan should there be a disaster in the mine. That we have not heard the last of.

I want to shift in the couple of minutes I have remaining to dealing again with emergency preparedness, to the fact that there was so little training for the first-line responders. And you mentioned it in your opening remarks: there are 6,000 intermediate-level first responders who have to be trained, and of that, 200 have been trained.

Tell me a bit about this. It sure looks terrifying, because front-line responders, at the end of the day, are everything. Everything we do beyond them still hinges on what they do when they arrive on the scene. This is telling me that out of 6,000 people we need to have trained in Canada, we have a paltry 200.

• (1615)

Ms. Sheila Fraser: In fact, the federal government determined that 6,000 were needed, so this is the government's number. It has developed training courses. It has set up this college—I can't remember the exact term—to train people, but at the time of our audit there were only 200 who had actually been trained.

Would Mr. McRoberts perhaps want to add more information on that?

Mr. Hugh McRoberts (Assistant Auditor General, Office of the Auditor General of Canada): Yes. I think it's important to

realize this was an estimate developed by PSEPC of the number of responders. As well, these are the people who are trained to actually respond. There are four levels, of course. There are the introductory and basic, which train people at the first response level to recognize that they have a problem and to call on more trained responders. Then we're talking about those who take the intermediate level course, of which they feel there's a need for about 6,000. And then of those 6,000, there's a requirement for the advanced course for another 2,000.

At the same time the government has developed the courses, it has developed the infrastructure to deliver them, and it has developed the instructors to do the teaching.

Mr. David Christopherson: I appreciate that. Thank you. But I note in the ministry's response that they say the anticipated result is a strategic plan that will address blah, blah, blah. The completion date for the plan is scheduled for the end of 2005, so we're not even going to see the plan till the end of this year, and then there's still the actual training that has to take place after that. Does that not seem to be placing a little less urgency on this than maybe the matter warrants, in your opinion?

Ms. Sheila Fraser: They are, I believe, running courses now. I think they said they are up to five courses a year now. I don't know, though, how many people are going through that, but again, I think that would be a question to ask the department. How do they plan to close that gap and get up to the 6,000?

Mr. David Christopherson: Okay. But on this plan, it stands out to me, given all you've found, the best they can come up with is to then tell us there will be a plan ready at the end of 2005. In the short time I've been here I've already had some pretty significant experience with plans and dates and implementations, and meeting those dates. What are your thoughts on that? It just seems to me that to now say, after all that's been found, it's still going to take till the end of the year to come up with the paperwork is not exactly something to be bragging about.

Ms. Sheila Fraser: One of the rationales I could give for that is that of course the federal government doesn't control all of this and that it has to deal with other partners, be they provincial, local, or municipal. So there is a certain amount of coordination and understanding of how they get those people through the system. And I guess, quite frankly, I'd rather they give a date that may be a little long and actually meet it than give a date much sooner and then never meet it.

Mr. David Christopherson: But at this rate, when are they going to have the 6,000 trained? That will be in the plan at the end of the year. See, that's the problem. And one can't even ask legitimately for an answer to the serious questions one wants to ask till the end of 2005 because that's when the plan is coming. We want to know when the people who are trained are going to be coming.

I've got less than half a minute. I had a question about one of the other reports that also spoke about the energy industry. It said that after the 2003 blackout there still wasn't a federal plan for an emergency such as another blackout, and part of the problem was the lack of voluntary cooperation and coordination from the industry. Yet there's no federal legislation that would give the government the power to say "You must sit down and deal with us". Pardon the pun.

Could I have your thoughts on that? It seems pretty significant to me.

Ms. Sheila Fraser: Again, that was an area where there was no plan to address shortages. They also noted in their response that work had been done jointly by Canada, the U.S., and some of the provinces to analyze the results of that, but there was still—

• (1620)

Mr. David Christopherson: It took 13 months to get one report reviewing all of that circulated around. How serious can you be taking it?

Ms. Sheila Fraser: They had to rely on the voluntary cooperation of the suppliers.

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

Mr. Allison is next, please, for eight minutes.

Mr. Dean Allison (Niagara West—Glanbrook, CPC): Thank you, Mr. Chair, and thank you to the Auditor General for being here.

My questions revolve around chapter 5, just in terms of looking at performance and where we're going with that. You only really looked at three performance audits or reports. We're disappointed at how that turned out.

What would your take be on other departments? If you just took a snapshot of three, is this indicative of what we might expect through other departments?

Ms. Sheila Fraser: Yes. In fact we've been doing these kinds of assessments now for the last two or three years. We developed a rating model, which we used here, and the conclusions of this report are similar to the conclusions of past reports. I know in at least one year—maybe it was last year—we did six. We can certainly provide you with the numbers of departments, but we have now done a significant number of departments, and the conclusions are very much like the conclusions of this report: limited progress, tend to focus on good news, and aren't explaining the challenges and the lessons learned.

Mr. Dean Allison: That seems like a pretty overwhelming responsibility, because you're looking at every department at various levels across government. If the departments aren't going to hold themselves accountable, how can people be held accountable for performance? Is there performance pay for ministers, in terms of expectations, accountabilities, and hitting targets? How are we going to hold people accountable for what seems to be such an overwhelming responsibility?

Ms. Sheila Fraser: At the risk of being presumptuous, I will go back to the point we were trying to make in this report that parliamentary committees have to review performance reports. For many years, performance reports have not been the subject of hearings. Departments get no questions on them, and a lot of effort goes into preparing them. If the ultimate users—the people for whom

they are really being prepared—take no interest in them or aren't using them when they go to determine votes on credits, people are going to lose interest in preparing them.

It's really an exercise for the accountability process to Parliament. Parliamentarians really need to use the performance reports and the reports on plans and priorities much more than they do. It would be curious to go back to see how often parliamentary committees even looked at these documents.

Mr. Dean Allison: That's a good question. For example, if one is prepared for the transport committee, do they table that with the committee, or is it just something that's there that needs to be asked for?

Ms. Sheila Fraser: All the reports are tabled with Parliament. I presume they are referred to the appropriate committees. The committees should have hearings on estimates—a review of the estimates. It was an issue for a long time that committees weren't even holding hearings on reviews of estimates. We've been trying to encourage committees to do that, but that's where these documents become really essential. If parliamentarians pay interest to them, challenge them, and really ask probing questions, I think you'll see that the documents are going to improve. Until that happens, I'm not very optimistic that departments are going to spend more time and effort to improve them.

The Chair: If I could just interject, Mr. Allison, as you know, today in the House of Commons we're actually having a debate on the Standing Orders. You raise the interesting point that the Auditor General's report is automatically in the Standing Orders that are referred to the public accounts committee, which is why it appears before us.

I'm not sure the departmental performance reports are referred anywhere, other than tabled in the House of Commons by the President of the Treasury Board. So maybe we should take a look at amending the Standing Orders to make sure they are referred to their appropriate committee.

Thank you. Sorry to interrupt.

Mr. Dean Allison: I guess, then, you're looking at 20-odd committees that really need to look at the information that's provided.

• (1625)

Ms. Sheila Fraser: I think it would be difficult for a committee to go through a whole performance report of a department, but they could maybe take one sector or one program, and over time, perhaps if they probe on one program or one sector, they will get a sense, and they will be satisfied with the responses, or not. So I think there are ways of doing it. We would certainly encourage committees to use them more and to discuss plans and priorities with departments. What are their priorities? What do they plan to work on? What are the challenges they face? It's really critical that parliamentarians have that kind of discussion with departmental officials.

Mr. Dean Allison: The challenge is to get committees to look at it. But you talk about it in terms of some of the outputs they provide. One of your headlines here is that departments don't even generally report credible and balanced results. Can you speak to that a bit? It almost sounds to me like they talk about all the activity they may be doing but nothing that relates back to what their mandate is or what the government's mandate is.

Ms. Sheila Fraser: I think, too, one of the points we were trying to make is that we rarely saw instances of where departments spoke about things that had gone wrong, challenges, lessons they had learned. I think if you read a performance report and it's only good news, people are going to question how credible it is.

I think we have to realize that departments do work in a certain environment and are probably somewhat reluctant to come forward with instances where things have not gone well. But there have been some departments...I'll cite the Canada Revenue Agency as one. They indicate with a colour code where they have not met their objectives and they indicate what they plan to do about it. I think it makes for a more credible report because of that.

Mr. Dean Allison: Let's change gears a bit. I do want to talk again about security. I go back to one of the things you addressed in your opening statement with regard to Transport Canada and the disconnect with CATSA. Transport Canada officials say there is no major problem with the effectiveness of passenger or baggage screening carried out by CATSA, but you say they have neither established performance standards nor carried out an assessment of CATSA's effectiveness. Once again, Transport Canada officials are saying, "You know what? We're not having any problem with CATSA." But when you talk about CATSA, they haven't established performance standards, nor have they done any kind of assessment, so how can Transport Canada make that assessment?

Ms. Sheila Fraser: That's exactly the kind of point we're trying to make. They don't have performance standards. The only performance standard that exists is CATSA's testing of their system and this infiltration rate, which we mentioned is secret. But we also note in the report in paragraph 2.48 that there have been instances when Transport Canada has indicated they were not satisfied with CATSA's performance and in fact threatened to fine them. So we're saying you can't say you're satisfied. You need to have better performance measures, and you need to do an evaluation and assessment of their performance against those performance standards that you were setting.

Mr. Dean Allison: Do they say specifically what those issues were, or is that part of the secrecy and not being able to talk about that?

Ms. Sheila Fraser: It would be best to ask them, but I think there were some. There are certain procedures they're supposed to do. For example, when you go through with your bags, they're supposed to check a certain percentage, and it's the way they will put the wand over people. I think there were issues about how well they were doing some of those routine procedures, but it would be better if the department told you about that.

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

Mr. Holland, please, for eight minutes.

Mr. Mark Holland (Ajax—Pickering, Lib.): Thank you, Mr. Chairman, and thank you, Madam Fraser, for the opportunity to talk with you today, and for your representation.

I have a couple of comments. First of all, I'm very interested in your comments with regard to national security and the passport office. I'm very appreciative of the work you've done there. I'm wondering if you could juxtapose the situation here in Canada—I don't know whether or not you can do that—as to what's being experienced elsewhere. As you say, there's certainly a heightened set of expectations after 9/11 and a different threshold of what we consider risk. What we consider to be worthy of thinking as risk has certainly increased, not just here domestically but certainly internationally. If you could, talk about our situation relative to that of our neighbours to the east, west, and south, and also perhaps other jurisdictions that might be tackling some of these issues more successfully, places we could turn to that may be having more or less success.

● (1630)

Ms. Sheila Fraser: We haven't done an extensive search. We have looked at audit reports that have been issued in other countries. Certainly, many of the issues that we have raised about the coordination and the exchange of information have also been raised in other audit offices, as well as with other countries.

I would say many of the problems we have noted in the report are not uncommon. I think it goes back to the whole question of heightened security and more awareness of security issues since September 11. Many governments are grappling with the same issues we are.

Mr. Mark Holland: Yes, this is my sense of it as well. I think perhaps one of the reasons for it is because there was such a dramatic shift that took place, and the culture shock, I guess. It certainly wasn't the case here, but you made reference to the fact that in many different jurisdictions, the intelligence community had a mindset of holding on to all of its information and sharing with nobody, and that was its reason for being.

Of course, it's now a very different dynamic. Not only do we need to share information among our own jurisdictions, but there's also a need, I would suggest, to share information internationally and to share it across our own borders. Terrorists are obviously not going to stop at our borders or somebody else's. I don't know if this is something you looked at.

Have you taken a look at that element of progress on international cooperation that Canada is making in dealing with its neighbours on these issues?

Ms. Sheila Fraser: Not specifically. The only mention we have I think is in the report on national security when we talked about Canada's participation in an international exercise, which, interestingly enough, was the second exercise. The third one was happening last week as we were issuing our report.

Again, we said the lessons that had been learned from that exercise were released some 13 months after the exercise occurred. There were lessons that had been learned, but they weren't shared and communicated in a timely manner within the federal government.

Mr. Mark Holland: You made reference to Public Safety and Emergency Preparedness Canada in your speech today, in the sense that the agency has the opportunity to overcome some of these cultural impediments that exist, where there is an unwillingness to adapt to this new reality

I know you've commented a little on that, but I'm interested in your comments specifically in relation to that agency and your perception of its success in bringing together and overcoming some of these inhibiting factors that are slowing down our progress.

Ms. Sheila Fraser: Certainly, my understanding is that government established that department in order to have better coordination over national security issues and to resolve some of the questions around roles and responsibilities that could exist.

We haven't done an evaluation of national security. It would actually be inappropriate for us to do an evaluation of a department. But we note in the report in fact that there is still a way to go before there is clarity around the chain of command and who is actually responsible in certain situations. There are more legislative changes that are required in order to make that clear. We say the government has to do that.

In fact, we mentioned in the report that at times of emergency, responsibilities will actually shift from one department to another department. I'm not sure you want that happening in an emergency. You don't want confusion about who is in charge. Those legislative changes need to occur in order to make the framework work better.

Mr. Mark Holland: Beyond that particular change, is there anything else the agency should be doing to redress some of the impediments you've identified? Is that the chief thing it has to get its hands on?

Ms. Sheila Fraser: That's one thing.

The other one we mention is on the whole question of an overall risk and threat assessment. There have been sections that have done risk assessments for certain agencies. For example, I think the RCMP was very good at identifying their project on risk assessment, but overall, that needs to be done.

I notice that's one of the things we mentioned on the air transport security question. I'd say we need the whole basis of a risk assessment overall, and then you'd know where funds are being directed and efforts are being directed.

Maybe Mr. McRoberts has other issues he would like to add.

• (1635)

Mr. Hugh McRoberts: Well, the other area was in terms of the development of the training and the fact that, as we've already indicated, there is a need to get a plan to get those folks trained and brought up to speed.

Another area is related to training, but it's broader. It's the need to develop a national exercise program. I think it's a good thing to be participating in multinational programs like TOPOFF 3 and TRIPLE PLAY, but we also need to have our own program of training and exercises, so that when the various scenarios that could affect Canada arise, we've already exercised the machine and have at least had one go at going through the thing to know how to do it better if it ever really happens.

Mr. Mark Holland: I come from a community that had a nuclear power station in its jurisdiction when I was on municipal council. We often ran training programs that would simulate different events and give out information.

As part of that national exercise program, are you looking to engage the broader Canadian public? Is that what you're suggesting as well? Or is this mostly an internal thing?

We did both. We would have a regular exercise program that would be run at random in which we would be expecting to see how fast our different departments would interact with one another, how fast we were able to get information to those who needed it and get our emergency response up and running. We would also have communications with the public in terms of informing them of the level of engagement. The second side of that issue is always making sure the public has the right information without scaring them or becoming too repetitive and having them say, oh, it's just another drill, and then not taking an actual program seriously.

I'd be interested in your thoughts around public engagement of that national exercise program.

Ms. Sheila Fraser: We didn't look specifically at what the emergency plans and testing should include. The point we made in our report was that there was no funding for emergency testing. It's difficult to know if your system is going to work well if you don't test it, so it would really be up to the department to develop the plan and see if it thought it would have to go as far as involving the public in it.

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

Mr. Kramp, please. We're now on round two, so this will be five minutes.

Mr. Daryl Kramp (Prince Edward—Hastings, CPC): Thank you, Mr. Chair.

Madam Fraser, Mr. McRoberts, and Mr. Minto, thank you once again for coming in today to be with us.

I want to just concentrate on chapter 4, our defence, particularly our C4ISR. I'd like a bit of an overview and then some specific answers, if I could, on some of the questions.

I'm really concerned that we've spent \$4 billion out of a proposed \$10 billion, and what do we really have for it? What have we spent \$4 billion on, when the clear purpose of the command centre obviously is the ability to communicate effectively not only with your own personnel but with your international allies. Yet we do not have a clearly defined interoperability, and we do not have a clearly defined self-synchronization. In other words, we've spent money and we don't even know where we're going.

How can we spend that kind of money without having a clear plan on where we want to go?

Ms. Sheila Fraser: Well, Mr. Chair, that is the point we're trying to make, I guess.

Each service has its plan and its own projects, but the whole point of this initiative overall is to try to have better communications command and control throughout the Canadian Forces. That's why we're saying they really need this joint doctrine. They need this overall plan to ensure that when we get to the end of the project in 2015, it actually does all the work, there hasn't been duplication, and there aren't major gaps in the system. That's one of the major issues.

The other major issue is that the funding for all of this is not secure either. So there is, again, a risk of duplication or of really important projects not being done.

• (1640)

Mr. Daryl Kramp: Do you have any confidence at all that there are effective lines of communication among all of the different divisions, so we do know collectively where we're going together, or is this a bit more of a fiefdom-building process that they're involved in?

Ms. Sheila Fraser: I will let Mr. McRoberts get into those details, Mr. Chair.

Mr. Hugh McRoberts: I think at one level, at the very senior level, there obviously is communication. The concern here is at the operational level.

The current structure of the Canadian Forces is driven, to some extent, by the imperatives of the 1994 white paper, and to some extent by their operational experience over the last decade, which has largely been one of what forces call combined operations, that is to say, a single force—a single element of the forces—operating, usually, with its American or NATO counterparts. So it's air force operating with air force, army operating with army, navy operating with navy, usually the U.S. Navy.

A lot of the money that has been spent of that \$4 billion has been spent by the individual forces in developing their ability for combined operations interoperability, for example, for the air force to be able to operate and coordinate better with the U.S. Air Force, both for the purpose of NATO operations, such as Kosovo, and for the purpose of NORAD operations; for the navy to focus on interoperability with the U.S. Navy so that we had a situation in the gulf situation we're just coming out of now, where we had Canadian Navy frigates able to, quite literally, drop in as screened command vessels into a U.S. Navy carrier task force.

Mr. Daryl Kramp: Are you potentially saying that we might have really increased our ability to work with our allies, and yet we still don't know how to work with ourselves?

Mr. Hugh McRoberts: The difficulty is, precisely, sir, that when there is the need for a joint operations concept, when we want to operate as a unified force, sharing operational and battlefield intelligence information across forces, our security at the moment is, if you like, all vertically structured, with weak horizontal integration. C4ISR is the attempt to develop that horizontal integration of information.

Mr. Daryl Kramp: Okay. I have a number of specifics. Unfortunately, in my time, I'm not going to be allowed to get to them, but the data links and bandwidth, we really haven't...but there are some real deficiencies there.

I notice on page 12, paragraph 4.43, you say, "Although departmental documentation indicates that four plans were developed", and this is on the 10 plans initiated, "the Department was not able to provide us with copies". Why can they not provide you with any copies? Do you have any confidence that there are copies? Was that a wilful omission or are they pleading ignorance on this?

Ms. Sheila Fraser: I'm afraid we're at a loss to explain that, Chair.

The Chair: We may just have to ask the department.

Thank you, Mr. Kramp.

Mr. Bagnell, please, five minutes.

Hon. Larry Bagnell (Yukon, Lib.): Thank you.

Great to see you again. It's becoming a habit.

I am disappointed that the section on national security is not in camera, because I have questions, but I'm not going to give the terrorists the advanced knowledge of what we're doing and not doing.

The Chair: I don't think Madam Fraser would give the information in camera either, so you don't have to worry about it.

Am I correct, Ms. Fraser?

Ms. Sheila Fraser: I cannot discuss secret information at all.

The Chair: In camera or otherwise.

Ms. Sheila Fraser: No.

Hon. Larry Bagnell: Okay.

So I want to go to the chart that Mr. Christopherson was talking about, related to, especially, emergencies and natural resources.

With respect to pests especially, particularly forest pests, what's the difference in federal responsibility for those forest pests that are indigenous and those that are brought into the country from foreign countries on ships and things?

Ms. Sheila Fraser: I'm afraid, Mr. Chair, I don't have that level of information as to what is the federal responsibility versus even provincial responsibility. This would be the plan where the federal government could be called in to assist, probably, a province in dealing with some of these issues. I think those questions would probably be better asked of the department.

Hon. Larry Bagnell: The reason for the question is that we may be fulfilling our responsibilities in one of those areas, and in another area it may be a provincial responsibility and not ours.

• (1645)

Ms. Sheila Fraser: The issue we're raising here is that Natural Resources Canada, under this act, which goes back to 1995, has a requirement under the law to prepare an emergency plan for the federal government responsibilities. No plan exists. So it's not a question that there may not be things.... They have no plan in that particular area, and they're required under the law to prepare one.

Hon. Larry Bagnell: I'll be interested, actually, to see their response, because I know there are all sorts of resources provided for such activities. For instance, I know we had an emergency debate on the mountain pine beetle, while this suggests, under "Resource allocation", that there's nothing, yet I know there was \$30 million at that time. There are federal scientists who have been stationed in those areas, and we've dealt with all the federal properties related to that particular crisis, so there were lots of things being done.

I don't know how we would catch that, because it's obviously not caught in this chart.

Ms. Sheila Fraser: I presume the federal government can respond to certain situations, except that as to who does what and when, the plan behind it doesn't exist, so it would be on an ad hoc basis rather than according to an overall plan.

Hon. Larry Bagnell: I have the same curiosity related to mines and forest fires, which to some extent are ostensibly under provincial jurisdiction as natural resource issues. Maybe it's true there are no plans, but from my perspective the system seems to be working to some extent, just as it was with pests. For decades, since before you or I had our jobs, we've had well-trained teams to deal with mining emergencies in Canada.

We had, actually, an emergency forest fire crisis in my constituency this summer. I was in the war room for part of it, so I could see how the whole system worked. It was a provincial-territorial jurisdiction, there was a plan, and most of the people involved who dealt with it were local. The federal people—I believe it was Emergency Preparedness Canada—were on the phone providing what they had to. So the whole system was working well with respect to the jurisdictions that were required to handle it.

I suppose a very minimal plan to outline that particular help that was given would be all that's needed, because more federal involvement there would have been intrusive and out of place.

Ms. Sheila Fraser: I think what we're really saying is that there is a requirement to have these emergency plans. Obviously, the level of involvement of the federal government would probably be in many cases dependent upon requests from other levels of government, from the province or the territory. It's simply a question of who is responsible, who makes the decisions, and how you coordinate it at the federal level for whatever involvement they might have, which of course could vary depending on the particular circumstance.

Hon. Larry Bagnell: I haven't read all of the report yet, but I noticed water standards in the Indian Affairs section too, and there are a number of things that are under the jurisdictions of other governments. I hope that's reported on or looked at when you're doing your analysis.

Ms. Sheila Fraser: Could I just answer that one on the water standards? The Minister of Indian and Northern Affairs has in legislation the ability to set water standards. We would not have recommended that they become involved in that if they did not have the legal ability to do so.

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

[*Translation*]

Mr. Gagnon, please, for five minutes.

Mr. Sébastien Gagnon (Jonquière—Alma, BQ): Thank you, Mr. Chairman.

Ms. Fraser, I know that you are sworn to secrecy as far as CATSA is concerned, but you might be able to answer some of my questions.

What sort of audit did you carry out inside airports, for example, in terms of boarding procedures and the personal safety of passengers?

Ms. Sheila Fraser: We looked at the management processes in place. As we mention in the report, the only existing performance indicator is the failure rate with infiltration tests. We had access to all that data. My team reviewed communications between the agency and the Department of Transport, etc. However, since all of this is classified information, we are unable to discuss it here. This is why these figures do not appear in the report.

We did not carry out infiltration attempts ourselves but I presume there have been interviews with managers and even front line inspectors where we dealt with their training, etc.

• (1650)

Mr. Sébastien Gagnon: Could you tell us what is your satisfaction level with what you saw?

Ms. Sheila Fraser: Not even.

However, I must caution you to not draw inference from the fact that this information is secret. Some information needs to remain secret for the sake of protecting the national interest or national security and no conclusions should be drawn—positive or negative—from the fact that it is kept secret.

Mr. Sébastien Gagnon: I am troubled by another aspect. After all CATSA has a mandate to provide service to passengers; it is its role to protect passengers. Did you check if there is a client service policy in place in airports? I have had constituents complaining to me about various problems. For example, they missed a plane because of the zeal of some security inspectors.

Most parliamentarians travel a lot and it appears—I have seen it myself—that there is no standardization of procedures. One day, it is one security scenario and the next day, it is another. I am concerned that there is no overall plan or client service policy in place.

Ms. Sheila Fraser: We did not look specifically into the issue of client service but, as I mentioned earlier, there is a lack of performance indicators and client service could be one of those. We also point out that a number of choices in terms of security level, cost, level of intrusion and wait times are made by the agency and the Department of Transport. It is difficult for Parliament to hold them accountable since parliamentarians do not have access to part of this information. This is why we encourage government and Parliament to carry out their project to establish a security committee; this would allow a discussion on the choices made as well as on other performance indicators.

Mr. Sébastien Gagnon: I would nevertheless suggest that you add this issue to your next reports because it is serious. The airline industry is very important. We would not want to see ridership decrease because it is becoming too cumbersome to travel. I understand the need for all these security checks, they are necessary, we must protect citizens but passengers should be entitled to courteous service. Just as the quality of service provided to the public by any other department is being audited, we should insist on some client service standards, even if it means polling users of these services as to their level of satisfaction.

Ms. Sheila Fraser: This is the agency's job. I would expect the agency or the airports to carry out such assessments. Obviously, we do not audit airports, but we are the auditors for the agency. We might look into this issue in a future audit or a special review of this Crown agency.

The Chair: Thank you, Mr. Gagnon.

[English]

Mr. Lastewka, please, for five minutes.

Hon. Walt Lastewka (St. Catharines, Lib.): Thank you very much, Mr. Chairman.

I have four quick questions if I can get them in.

You mentioned, under Transport, “established performance standards”. I just happened, a number of weeks ago, to be talking to some of the people who are doing audits on their people. Could you clarify this? When you say “established performance standards”, you're not talking about the people at the entranceways who are performing their work...and then there are people auditing their work. Could you just be a little bit clearer on the performance standard? What is the performance standard you mentioned?

• (1655)

Ms. Sheila Fraser: I think what Mr. Lastewka is referring to is the Canadian Air Transport Security Authority—CATSA—security officers working at the airports, and then you will have ministry officials who are auditing them. They will ensure the officers are properly putting the wand over people and that they are checking the requisite number of bags. It's the Department of Transport that audits CATSA employees. If they find derogations or unacceptable practices, they will issue a letter to CATSA.

Those enforcement letters were not being monitored. Neither the department nor the agency knew how many there were, where they were, or what had been done with them. We're talking about performance standards generally—what kind of training are they doing? Hugh might be able to give a little more, but there is a whole series of performance standards the department should be requesting of CATSA as regards security.

Hon. Walt Lastewka: I share Mr. Christopherson's concern under Natural Resources, Mr. Chairman. I think we need to have a good discussion here on what has and has not happened.

The Auditor General makes a comment about the review of performance reports through the various standing committees. I've been on this committee now for over a year and a half, and I don't remember any departments coming to us. Are there departments that are not under the standing committees but that we should be reviewing?

The Chair: I'm not exactly sure, Mr. Lastewka. Because we primarily deal with the Auditor General's report, we can go wherever the Auditor General has gone and follow up to support that investigation. As far as we are concerned, only the Auditor General comes to us. I haven't checked to find out if all other departments are properly allocated somewhere else. But I know that we only receive the Auditor General.

Hon. Walt Lastewka: I think we may be missing some departments because some of the departments don't go to standing committees. They're not under the purview of standing committees. If they're not doing it, does that mean we're the catch-all and we should be doing it?

The Chair: No, we're not the catch-all. Our terms of reference are quite clear. But I can't speak for other committees. The government operations and estimates committee has a government-wide mandate, so perhaps it could go there.

Hon. Walt Lastewka: We might want the clerk to double-check that to make sure all the departments have a slot under some committee. I'm concerned about that.

The Chair: We'll get the library to do that.

Hon. Walt Lastewka: I'm really concerned about the National Defence items. National Defence is under three distinctive areas. The plan, as you mentioned, is not on schedule. It was said earlier that when they deal with other countries, that's one thing, but when it comes to doing it inside, that seems to be let go. Is that a correct interpretation of what you're saying? Could you just expand on that? Can you tell me what they're not doing that they should be doing and what they're behind on?

Ms. Sheila Fraser: I'll give a very brief overview, and then I'll ask Mr. McRoberts to give you more specifics.

What we're saying is that each of the three forces has a series of projects going on to improve command and control and to be able to use information more rapidly. There are 90-some projects going on currently. So far \$4 billion has been spent, and the estimate is that \$10 billion will be spent. The problem is that there has been no overall design set for all of the projects at a Canadian Forces level. So how do we know that at the end of all this they're going to actually link together? In the simplest way, that's how I understand it.

Mr. McRoberts will give you more details.

• (1700)

Mr. Hugh McRoberts: Mr. Chairman, in essence, the desire of the department is to achieve a point where, for example, the navy will be able to share information about what it is seeing in its area of operations with the army and the air force, so that the three services can share information. Right now they can share information internally, and they can share information with the forces of the key allies with which we interoperate. But if, for example, the army, navy, and air force were to go someplace together in what's called a joint operation, at the moment that information is very difficult to share. The systems aren't designed to do it.

What the C4ISR initiative is intended to do is to shape the development of the systems that each of the forces is developing so that they continue to serve the needs of those forces with regard to the operations they do with allies, and at the same time to shape them so that they do not develop unnecessary incapacibilities for communication from Canadian to Canadian, if you like.

Hon. Walt Lastewka: Having implemented many projects, I can't understand how you can do the three without doing the overall project first.

The Chair: That may be a question we'll have to ask when we follow through on the investigation, Mr. Lastewka.

As I said, we'll wrap up around 5 o'clock.

Do you have any closing comments, Madam Fraser?

Ms. Sheila Fraser: I'd like to thank the committee for their interest in the report. I look forward to some interesting hearings, perhaps on some of the chapters we have tabled this past week.

Thank you.

The Chair: Thank you very much. You are excused.

Ladies and gentlemen, at the beginning of the meeting I had the clerk distribute some correspondence we received—as the clerk and as the chair—and I also had a second distribution during the meeting. I'm not going to read all this into the record, but for anyone who's interested in getting a copy, it is always, of course, deposited with the clerk. Anybody who's interested can get a copy by requesting it from the clerk.

Mr. Fitzpatrick, do you have something to say?

Mr. Brian Fitzpatrick: Yes.

Mr. Chair, I was looking at the letter from the law firm Shore, Davis, McGarvey. They purport to represent Terrie O'Leary. The letter is dated April 6, 2005. Do you know when we were in actual receipt of that letter?

The Chair: April 6 was last Wednesday, they tell me. We received it, I believe, on Thursday. Am I correct? We got it Thursday morning.

Mr. Brian Fitzpatrick: So we received it on Thursday.

I'm raising a concern, and I would draw your attention to the second page of the letter. It's a rather lengthy letter. I guess I could complain, too, about paragraph 2, but I'll let it go. I don't think the lawyers should be telling us how we run our committee meetings.

The one that particularly concerns me is “Ms. O'Leary will not participate in a round table, especially with noted adversaries. Her questioning should be on an individual basis, as has been the procedure followed with all previous witnesses.”

I'm not exactly sure how this lawyer, Andrew Davis, would come to the conclusion of describing our process as a round table. I've only heard that once. The only time I've ever heard this reference was last Wednesday, when the vice-chair referred to a round table adversarial process. To me, this is not how we operate in here. We have our processes for running a committee, which are well understood by members. The table is a square table. It's not a round table. I find it very unusual that a lawyer for one of the witnesses would use

language that's almost precisely the same language as was used by the vice-chair last Wednesday.

The Chair: What are you suggesting?

Mr. Brian Fitzpatrick: What I'm suggesting is I'm not talking to any witnesses before they show up at this hearing, and I'm not going to be talking to their lawyers. I just find it very unusual that a lawyer would use precisely the same language that was used by a member on our committee.

The Chair: Okay.

You have a point of order, Mr. Holland?

Mr. Mark Holland: No, it's ridiculous.

The Chair: I didn't want to get into this, but Mr. Fitzpatrick had given me notice he was going to speak on this point of order, which is why I recognized him. I'm only going to speak briefly to this issue, and then I'm going to give a description. Then we're going to get into, in essence, the debate.

Did you have to speak to this issue, Monsieur Sauvageau?

• (1705)

[*Translation*]

Mr. Benoît Sauvageau: Yes, I have a few things to say.

[*English*]

The Chair: *Peut-être*—not more, on this issue.

[*Translation*]

Mr. Benoît Sauvageau: If I must limit myself to this, I support Mr. Fitzpatrick in this regard.

I read the comments of the counsel for Mrs. O'Leary. I found it quite amusing that they would purport to tell our committee how we should work, who we should invite first, second and third, what the seating arrangements should be. They would also like to have the list of questions in advance.

They must think they live in another country or era. I find it rather strange.

[*English*]

The Chair: Merci beaucoup.

Mr. Carr has a question.

Mr. Gary Carr (Halton, Lib.): Thank you.

Mine is just a question. Ms. O'Leary's second letter refers to correspondence from the federal ethics counsellor.

The Chair: Was that April 11?

Mr. Gary Carr: That's correct.

I've been trying to work with our wonderful staff here. Mine doesn't have it attached. Is there any attached correspondence? It says “find attached”, but I can't seem to find it. None of us can.

The Chair: We just received it at 3:30 this afternoon, Mr. Carr. It's in one language only. We were unable to have it translated; that is why it has not been distributed. It will be distributed. It's actually two letters, one of April 11.... Here it is. It's a letter from Howard Wilson dated December 1, 1995; a letter from Terrie O'Leary to David Dodge on December 1, 1995; March 6, 1996, from Howard Wilson to the Honourable Herb Gray. I think that's it.

Mr. Gary Carr: Mr. Chair, I have a question on that. Is there something pertinent in the ethics commissioner's letters, something we should know?

The Chair: As soon as they're translated, the copies will be distributed. We have a policy here in the Parliament of Canada that we only distribute in both official languages.

Perhaps I will read them out. I can't distribute them because they're in one language only. The first letter is dated December 1, 1995. It is from Mr. Howard R. Wilson, the ethics counsellor, and is addressed to Ms. Terrie O'Leary, executive assistant to the Honourable Paul Martin. It reads:

Dear Ms. O'Leary,

I am attaching, as promised, a draft letter from you to the deputy with a copy to Peter Daniel, concerning the competition that Finance has underway for the provision of communications advice. As we had discussed, you were not involved last year in the contract negotiations with Earncliffe, but we agreed that it would be best to put this in writing for this next tender. Please return a copy to me once signed for your protected file.

Finally, there is, of course, no difficulty for you to deal with the firm on an ongoing basis should they win the competition.

Also on December 1 there is a letter to Mr. David Dodge, Deputy Minister, Department of Finance, from Terrie O'Leary:

Dear Mr. Dodge,

I was not involved last year, as you know, in the department's decision to contract with Earncliffe Strategy Group for communications advice. I have, of course, consulted closely with them in their work under the contract. With the new competition underway, I thought I would put in writing my continued desire not to be involved with the selection process in any way. I would, therefore, ask that any information on the competition not be provided to me even for information until such time as the departments come to a decision.

Then on March 6, 1996, which is about four months later, there is a letter to the Honourable Herb Gray from Howard Wilson, and the subject is Ms. Terrie O'Leary.

Summary: CTV has been pursuing a story that Terrie O'Leary, Executive Assistant to Mr. Martin, may be in a conflict because of cottage property she jointly owned with David Hurley of Earncliffe Communications. Earncliffe has a contract with the Department of Finance for communications advice. The Ethics Counsellor is of the view that a conflict does not exist.

The Background: Ms. O'Leary informed the Ethics Counsellor in June of 1995 during her annual review under the Conflict of Interest Code that she had acquired in December 1994 an interest in some vacant cottage property. She did not at the time indicate the other co-owner was David Hurley, but did state that it was her intention to eventually construct a cottage. On October 18, 1995, Ms. O'Leary called the Ethics Counsellor to advise that she had decided to proceed with the construction of a cottage. At that time she indicated that the other co-owner was David Hurley and described the nature of his work with the Department of Finance. She made clear that, as Executive Assistant to the Minister, she did work closely with the company in terms of the communications advice it offered, but that she had not been involved in the department's decision to contract with Earncliffe. In fact, the original contract went back to September 1993, prior to the last election.

● (1710)

The Ethics Counsellor was able to verify this with the department, but since the contract would be terminating, he recommended as a precautionary step that Ms. O'Leary send a letter to the Deputy Minister of Finance asking that she not be

involved in any way with respect to the awarding of a new contract, which may involve Earncliffe, until such time as the department had taken its decision.

This letter of December 1 is also attached:

In the course of November 1995, Ms. O'Leary, for reasons of her own, bought out the interest of Mr. Hurley in the property and is now proceeding on her own to build a cottage. The Ethics Counsellor is of the view that since Ms. O'Leary has not been involved in any way with the awarding of contracts by the department to Earncliffe, she is not in conflict of interest.

It has an initial I can't really decipher, but it's presumably that of Mr. Wilson, the ethics counsellor.

There were three attachments, and as I say, as soon as they are translated, they will be distributed to all members.

You have copies of all the correspondence. There seem to be, first of all, two things. One, they all seem to have rushed off to the lawyers. Why, I don't know, because we seldom have lawyers here. But anyway, they decided to rush off to the lawyers, and that is their right. They have that right; nobody's denying that right. It's for them to decide.

Number two, they tell us they have nothing to say to the committee, and therefore, in their opinion they shouldn't come to the committee; they'd have nothing to offer the committee even if they did come. We have a number of different rationales being put forth, especially from Mr. Kinsella, who started off by saying he had a number of pressing reasons: I regret that I am unable to attend before the committee, so thank you again and please go away. Well, those are my words; they're not his.

That was an email sent on March 26, I guess, and then he follows up a few days later. On April 7 he says "My legal counsel, Clayton Ruby, is unavailable, for medical reasons, to provideme with legal advice for the foreseeable future". Then he goes on to say we have paid for other witnesses' legal costs and we refused to pay for his, thereby placing his family and him at enormous financial risk.

Well, Mr. Kinsella, we only ask the government to pay for the legal costs of any public servant. We passed a motion in this committee last year regarding the investigation of the sponsorship issue that said if public servants engage lawyers, we should pay for them, but not for others.

He goes on to say he's under a subpoena for the commission of inquiry and therefore feels he may have problems being in two places at once, and number four, we haven't provided him with any details.

Well, in my considered opinion—and I think I'm paraphrasing the law clerk of the House of Commons—the Parliament of Canada is entitled to inquire into any business the Parliament of Canada wants to inquire into. That is clear. It's not a court of law and it's not a trial. It's just that the Parliament of Canada may inquire into anything it wants and can summon anybody it wants in order to help the Parliament of Canada come to any decision the Parliament of Canada would want to. It is not the responsibility of the clerk to enter into negotiations with someone who says, "Tell me what the committee wants; I don't think I have anything to offer the committee. I'll come on my time, not on your time."

All these things are to me a bit of an affront to the Parliament of Canada.

I will acknowledge that we haven't given them a great deal of time, but I am perturbed by their response: find any excuse you can to ask whether it is appropriate to come before the Parliament of Canada; in any case, I have nothing to say to them anyway.

I hope they're paying attention and realize the Parliament of Canada takes these issues seriously. We passed a motion saying these people are to come and that we are going to investigate chapter 5 of the Auditor General's November 2003 report. That is our decision; we made that decision, and we're going to follow through on that decision.

Therefore, it will not be taken lightly if witnesses think they're going to dictate to this committee, and we take seriously the fact that they would adopt that attitude.

● (1715)

I think we have a responsibility to communicate to them that when we would have liked them here, we expected their courtesy and that they would come here.

Mr. Murphy.

Hon. Shawn Murphy: Thank you, Mr. Chairman.

I have a question to you and perhaps to the clerk. I want to clarify what our responsibilities are in dealing with this situation. I agree with a lot of what you said, but Mr. Chairman, I think you'll have to agree with me that we're probably into waters we really haven't been into before in this committee.

For some reason we want Mr. Kinsella and Mr. Herle here, but Mr. Drummond and Mr. Dodge basically wrote you the same letter back, saying, Mr. Chairman, "I have nothing to offer this committee; I was not involved". They were summarily taken off the witness list.

Over the weekend I read the chapter again that we're investigating, and I found Mr. Kinsella's first letter very flippant and somewhat of an affront to the committee. But my question is, are we under some kind of obligation—and perhaps this is addressed as much to the clerk as to you, Mr. Chairman—to inform? There's nothing in the chapter that would suggest these individuals are involved in any way. They may be; I don't know.

What is our obligation legally to inform...? We're dealing with this very unusually. In fact, the urge of the committee was to have these witnesses before we even heard from the Auditor General, which you will agree, Mr. Chairman, has never been considered before.

After three and a half years on the committee, my own thinking was you always hear from the Auditor General, you hear from the senior person in the department, you hear from other witnesses you deem relevant based upon the report, and if there are holes or things missing, or if we want to pursue it further, we pursue it further. The committee is the master of its own proceedings. But obviously we're on a different path here. I'm not totally convinced it's healthy, but I'm perhaps a voice in the wilderness.

My question is to the clerk, whether she could explain to me what our obligation is, because there must be some kind of obligation.

The Chair: The clerk normally speaks through the chair. The clerk has advised me. She can confirm.... If I say it wrong, she can advise me.

But first of all, you may recall that it was at Mr. Holland's behest, I think, that the committee actually be the ones to decide who the witnesses are, or have the last say in who the witnesses are. As you pointed out, it is normally the chair and the clerk who decide who the witnesses are who come before the committee, in consultation with the Auditor General, so that we bring them forth, but in this Parliament there has now been the steering committee, and some people say the committee will make these decisions.

So the committee is making these decisions. The law clerk, you may recall, Mr. Murphy, because you have been a long-standing member of the committee, has said in times past that it is not for the witnesses to answer narrowly the questions put to them. Because the Parliament of Canada is entitled to the information, it is incumbent upon the witnesses to give a fulsome answer to the information they are in possession of at the time, and not to restrict themselves as they may in a court of law.

Here, as you know, we have privilege. Whatever they say to this committee can never be introduced in a court of law. That is a privilege of coming to the Parliament and giving fulsome answers, knowing full well that the information will not pursue them into a court of law.

Therefore, because the committee can't deal on the telephone, we have summoned these witnesses, or requested that they come here, and therefore it's their obligation to come to the Parliament of Canada. If they have nothing to contribute to the questions being put forth with the fulsome nature in mind, if they have nothing to contribute and they say so, then we are apprised of that and have to assume it's truthful, because, as you know, they're deemed to be under oath at a committee meeting.

So it's not for the clerk to determine in conversations, either by e-mail or on the telephone or by letter or faxes or whatever, whether they have something to contribute. It's for them to come here, answer the questions in a fulsome way, and then for the committee to say, thank you very much; we feel we've had enough information, and we will close our inquiry and write a report. Or we may call additional witnesses. That's always been the process by which we work. It may be cumbersome, it may be slow, but it's a system that has worked well over many years.

Did you want to speak again, Mr. Murphy?

● (1720)

Hon. Shawn Murphy: I want to follow up, Mr. Chairman, if I may, and again, this is to the clerk, through you.

To play the devil's advocate, if I were a witness—and I have no brief to carry for any of these witnesses—if I read a chapter and I really didn't have any.... And I agree with what you're saying. There is an obligation to be here. The concept of privilege is there and they are obligated to answer in a fulsome manner. As I said, this is totally different because now the committee is deciding the witnesses, not the chair and the Auditor General and the clerk. It's the committee. But if I were one of these witnesses and I read the chapter and I didn't really think I had anything to add, I would still want to instruct myself, prepare myself. I would write back to the clerk and ask on what areas I was going to be examined, just so that if for nothing else than the proper functioning of the committee, I could prepare myself for the examination and obtain documents, if documents were relevant. Almost 99% of the time it's obvious why they're here. There's no question about it. It's as clear as the nose on their face. But if it's not clear, I think it's a legitimate request for them to ask the clerk what they are going to be examined on, so that they can prepare themselves.

My question through you, Mr. Chairman, to the clerk is whether there is an obligation on us as a committee to advise the witnesses as to the areas the committee is interested in.

Again, you're at a disadvantage, Mr. Chairman, because you had absolutely no input into the decision to call these witnesses, nor did I. I'm in the dark and you're in the dark.

The Chair: I'm in the dark. All we know is it's chapter 5. They can read chapter 5 of the November 2003 report.

As a chair, of course, when it comes time, I will ensure that the questions are relevant to the chapter. It is not a witch hunt to go anywhere and everywhere that they may feel they want to. Ms. O'Leary, for example, had a senior position in the department and therefore may have had a wide knowledge of what's going on in that department. This is not to go down that road. It's chapter 5, and chapter 5 is it. And her involvement, or lack thereof, seemed to be the issue the committee wanted to apprise itself of.

As you say, I don't know what questions people want to ask. So bring them here and we'll ask the questions.

We're going to go to Mr. Sauvageau.

● (1725)

Hon. Shawn Murphy: I think the clerk should answer the question about the obligation. She would have to go back to the committee. But do we have an obligation to tell these people?

The Clerk of the Committee (Ms. Elizabeth B. Kingston): The motion of the committee was to invite the witnesses with respect to chapter 5 of the November 2003 Report of the Auditor General. I have acted on the motion of the committee as adopted by the committee.

The Chair: We cannot provide any further specific information beyond that.

Monsieur Sauvageau, s'il vous plaît.

[Translation]

Mr. Benoît Sauvageau: I have two or three little things to tell Mr. Murphy and his friends. I am sure, democratic as they are, that they do not want us to revisit the motion that was passed in this

committee to consider chapter 5. If he wants to make an hour-long speech on the relevance of investigating this chapter, it is just too bad, my friend, we passed this motion a few weeks ago and we are going to investigate chapter 5 in this committee.

Secondly, a majority of members voted to call a list of witnesses, and we still live in a democratic system. We had a vote on this list and so we must hear those witnesses.

Thirdly, the leader appeared on TV saying he was shocked, insulted, mad... In Quebec, we could use other language. I want to know what the story is in relation to chapter 5 of the auditor general's report. We offer them the possibility to come here and to tell us.

Fourth, if they have nothing to say, that is not a problem. Jean Lafleur appeared in front of the Gomery Commission and he had nothing to say: he made a fool of himself. Gosselin also appeared in front of the Commission and had nothing to say and made a fool of himself. They can make fools of themselves here and come tell us they have nothing to say. We will deal with it. It is not a problem.

Fifth, if they have nothing to feel guilty about, how come they all say, the same day, they do not want to come? How come they all, coincidentally, send us an answer through their lawyer?

To conclude, Mr. Chairman, I would like to table a motion in order to subpoena all these friends who seem so little eager to come and say hello to us.

[English]

The Chair: Can I ask you to just hold that in abeyance for one minute, please, Monsieur Sauvageau, if I may?

I'm basically saying we are agreed as a committee that we have made a decision and we stand by the decision to call these witnesses. That's agreed. There's no dissent on that because that was the decision of the committee.

Hon. Walt Lastewka: Who are all those witnesses again?

The Chair: There was the Auditor General, Mr. Cutler, Madam O'Leary, Mr. Herle, Mr. Daniel, and Mr. Kinsella.

Hon. Walt Lastewka: Mr. Dodge was left out?

The Chair: Yes, they were excused. These are the ones who are being asked to come before the committee. The committee is not changing its mind, I presume; I don't hear that the committee is changing its mind.

There are two questions left. First, time is very short; Wednesday is not far away. If we are to subpoena these people for Wednesday, is that appropriate? Should it be deferred till next Monday?

Therefore, if you feel—as I feel, as the committee chair—it's not appropriate for the committee to subpoena these people for Wednesday, we must act responsibly.

Therefore, Mr. Sauvageau, if you feel that you would like to put that motion on the table, I will accept it. I would recommend you subpoena them for Monday, April 18, at 3:30 p.m.

Monsieur Sauvageau.

[Translation]

Mr. Benoît Sauvageau: Mr. Chairman, I have no problem with your openness, your wisdom and your advice. However, I would like the subpoena to say that this will be the third postponement of a committee meeting in order to accommodate them, that this meeting was supposed to be on April 11, then on the 13th and that it will finally be on April 18. I would not want to be told another time that they are unable to come.

I would like also to make sure that the length of the meeting tomorrow will be three hours as had been decided.

• (1730)

[English]

The Chair: Okay.

It was agreed we would schedule three hours for the meeting. When it comes to the subpoena, there is a standard format. That will not be changed. Therefore, we will not accede to your request that we say this is the third time. There's a standard format. The clerk will have that issued tomorrow, if it is passed now.

A meeting is supposed to be starting here momentarily. Is there any further debate on this?

Mr. Holland.

Mr. Mark Holland: I have a couple of quick observations.

First, I really have to respond to the notion that somebody calling their lawyer is somehow automatically guilty. If I'm called in front of any inquiry, I'm probably going to seek legal counsel. I think that's part of our democratic system. People have that right, and anybody who's going to come in to... I assume, Mr. Sauvageau, from your motion, that you're not having them in to talk about how they bake cookies.

The Chair: Please, we need to get to the important point.

Mr. Mark Holland: Well, no, it's an important point to make. A couple of times people have said—

The Chair: I've made reference to the fact that it's absolutely appropriate. If they want legal counsel, they can have legal counsel, and we'll give them time to discuss with the legal counsel. We're not going to ride over that issue.

Mr. Mark Holland: I won't make my comment with respect to subpoenas again. I've done that.

I have no problem saying Monday. We still have a meeting on Wednesday. Again, under my previous comments about judicious use of this power, perhaps we can let them know the committee is considering the use of subpoena on Wednesday, and that we'd like them to come in a cooperative fashion.

The Chair: When you get into the formal process of subpoenas, it's a subpoena.

According to the clerk, you have to amend your motion, Mr. Sauvageau. When you say "issue subpoenas", you have to name the names in your motion.

[Translation]

Mr. Benoît Sauvageau: Yes.

[English]

The Chair: Do you agree that your motion, if I can do the editorial change, is that the committee issue a subpoena to Terrie O'Leary, Warren Kinsella, David Herle, Peter Daniel—and Allan Cutler and the Auditor General, of course, are here; that's not a problem.

[Translation]

Mr. Benoît Sauvageau: You read my mind, Mr. Chairman.

[English]

The Chair: That's for 3:30 p.m. on Monday, April 18. Agreed?

Mr. Lastewka.

Hon. Walt Lastewka: I want to ask some information after the vote.

The Chair: Is there any further debate on the motion?

(Motion agreed to)

The Chair: Mr. Lastewka.

Hon. Walt Lastewka: For my understanding, could you once again repeat the process for the meeting?

The Chair: It's a standard meeting. The Auditor General will be there. She will present her chapter 5, as she does. The other witnesses will be there, and questions will be addressed by the members to the people they would wish to address the questions to. If they bring legal counsel, they may confer with the legal counsel. No questions will be directed to the legal counsel. Legal counsel will not speak to the committee.

Hon. Walt Lastewka: Okay. Over the weekend I did some work on the number of chapters that have been given to this committee by the Auditor General since last February—a year ago February. I believe about 41 chapters have been referred to us, and we have dealt with 9.

We heard the Auditor General today on a number of items on reports, and so forth. Mr. Christopherson brought up the Westray and the mine issues, and so forth. With the time limited, in relation to the Auditor General's report today—will we be scheduling when we'll start dealing with those chapters, or will they get lost with the other 32?

The Chair: On Wednesday we're going to deal with the foundations that had been scheduled for next Monday, so we're going to switch the two.

Hon. Walt Lastewka: On today's Auditor General's report, when do you foresee us putting in place the review of those chapters that she reported today?

The Chair: It's only been a few weeks since the last report, and we were tied up for some time deliberating on the first report of the sponsorship inquiry that has now been tabled in the House of Commons. That is now behind us.

Now that she has reported to the committee, a steering committee of the four members of the committee will then come back here—it's the normal process—to say, "We recommend that we study these chapters". If the committee concurs, we will schedule them through the clerk and likely co-mingle the last report and this report, because as you know, the clerk goes to the witnesses and schedules the meetings depending on their availability.

• (1735)

Hon. Walt Lastewka: So we've covered 9 of the 41 chapters. With the steering committee, are you going to rule out certain chapters that we're not going to touch? Are we going to try to get an update on what chapters we're going to actually do some work on?

The Chair: The issue, Mr. Lastewka, as you will appreciate, is that last spring, from February to the time the election was called in

May, we only dealt with chapters 3, 4, and 5. Everything else was set aside. Then we didn't come back until late September or early October. It took several weeks for the committees to be formed. Then the committees had to start working and gelling, because 9 out of the 11 were new members. The committee has not been as productive this past year because of that, but we're getting there.

The key is we want to move as fast as we can, but the committee is the master of its own destiny. If the committee decides it's going to look at chapter 5 of the November 2003 report, that's the committee's decision.

Is there anything else before the committee?

The meeting stands adjourned.

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