



House of Commons
CANADA

Standing Committee on Public Accounts

PACP • NUMBER 064 • 1st SESSION • 39th PARLIAMENT

EVIDENCE

Wednesday, June 6, 2007

—
Chair

The Honourable Shawn Murphy

Also available on the Parliament of Canada Web Site at the following address:

<http://www.parl.gc.ca>

Standing Committee on Public Accounts

Wednesday, June 6, 2007

• (1530)

[English]

The Chair (Hon. Shawn Murphy (Charlottetown, Lib.)): I'd like to call the meeting to order.

The first item of business is to ask the individuals with cameras to leave the room. Thank you very much.

I want to welcome everyone here. *Bienvenue à tous.*

Colleagues, members of the public, witnesses, this meeting has been called, pursuant to Standing Order 108(2), to study a report on discrepancies in the testimonies of individuals who appeared before both this committee and the Gomery commission.

This meeting will be divided into two parts. The first part will start at 3:30 and will last until 4:30. We have one witness, Mr. Jean Pelletier. At 4:30, the committee will take a one- or two-minute break. Then we will resume and go from 4:30 to 5:30. At that point in time we will hear from Mr. Charles Guité.

Mr. Sweet.

Mr. David Sweet (Ancaster—Dundas—Flamborough—Westdale, CPC): Mr. Chairman, I just have some brief business. Can we do that right at the end of the meeting?

The Chair: After 5:30?

Mr. David Sweet: Yes, 5:30 is fine.

The Chair: Mr. Pelletier, I want to extend to you a warm welcome on behalf of the committee members.

Before starting, there are a few opening comments I want to make to the committee. Then we are going to invite Mr. Pelletier to give his opening statement. Then, as agreed to by the members of the committee, we're going to follow the ordinary format for one round only of seven minutes. Members of the Conservative Party and members of the Liberal Party, if they so choose—they're not obligated—can take fourteen minutes in block rather than two segments of seven.

There are just a few comments I want to make, because of the nature of this hearing.

Ladies and gentlemen, before starting on today's proceedings, I believe it is appropriate for me to make some opening remarks regarding today's meeting. The so-called sponsorship scandal had its parliamentary phase in the winter and spring of 2004. During that period of the 37th Parliament, the public accounts committee examined a number of witnesses on the November 2003 report of the Auditor General.

At about the same time as the committee was conducting its hearings, the Gomery commission of inquiry started functioning, and it also heard testimony from several of the same individuals as had appeared before the public accounts committee. On a separate track, the RCMP and other police forces conducted investigations into the sponsorship-related actions of those who had been heard by the committee or by the Gomery inquiry. Some of those involved in this complex of procedures were charged by the Crown and tried; some of those were convicted.

These proceedings of the public accounts committee highlighted the importance of the investigative and fact-finding work of parliamentary committees in general. This work, conducted in execution of the inherent powers of Parliament and pursuant to the Parliament of Canada Act and in the Standing Orders of the House of Commons, is part of the proper functioning of the legislative branch of government. It is meant to bolster the doctrine and the practice of accountability and therefore, in a very direct manner, to reinforce democracy in Canada.

This setting of the scene brings me to the question of principle, which warrants today's meeting. Pursuant to all measures and standards applicable in democratic regimes, based on the rule of law, in conducting their work parliamentary committees are entitled to the truth, the whole truth, and nothing but the truth.

Let me emphasize that point. Whether one relies on parliamentary law in general, on the oath of office of appointed public officials, on the testimony of other individuals, be they sworn in pursuant to subsection 10(3) of the Parliament of Canada Act or not, witnesses appearing and testifying before parliamentary committees are bound to provide answers to all questions put to them; to ensure that their replies are fulsome—that is, complete; and to avoid misleading committees either by omission of relevant information or by testimony that could amount to perjury or contempt of Parliament.

Parliamentary committees are not courts of law. Nevertheless, they are entitled to the same standard of respect and honesty as the courts. If committees perceive that the testimony provided to them does not meet the standard they are entitled to, committees are fully within their rights in examining why and in taking corrective action. The law, privileges, and custom of Parliament afford them this right and, I would suggest to you, this responsibility.

With reference to the witnesses here today, it is the rule of truth that is being applied. The committee has examined the testimony given by these witnesses before the committee and later before the Gomery inquiry. The committee has found that there are apparent inconsistencies and perhaps contradictions between those testimonies.

The committee affirms its right to question witnesses in such circumstances, and that is what it intends to do here today at this hearing. Today the witnesses before us are being afforded an opportunity to explain the discrepancies or contradictions in their testimonies. Members are asked to focus their questions on these discrepancies for the purpose of finding an explanation.

• (1535)

We are not, I underline and repeat, we are not revisiting the multitude of substantive issues surrounding the so-called sponsorship scandal.

Thank you very much for your attention.

At this point in time I will now turn the floor over the Monsieur Pelletier for his opening comments.

Before we do that, we'll swear in the witness. I'll ask the clerk to do that now.

Mr. Williams.

Mr. John Williams (Edmonton—St. Albert, CPC): I think all members have a copy of a report by the Library of Parliament, "Comparison of Sponsorship Testimony Provided to the Standing Committee on Public Accounts and the Gomery Commission", dated May 1, 2006. I think that document should be tabled, because it's going to be the reference material for today's meeting, I believe.

The Chair: Mr. Williams, that point was brought up before. The report is deemed to be tabled once it's referred to. It hasn't been referred to yet.

Mr. John Williams: I just did.

The Chair: I assume it will be very shortly, in the actual hearing.

I have instructed staff from the Parliament. They do not have sufficient copies. They're in the process of making them now. I'm not going to give it to any media without giving it to all the media. Copies will be made and will be available within 20 minutes or so.

Mr. John Williams: I just wanted to make sure that the document is tabled. I don't know whether the witness has a copy, but that's not the point, Mr. Chairman. I think that documents that are relevant to a committee proceeding should be tabled by the chair at the beginning of the meeting and referred to and therefore become a public document.

I appreciate the point that we don't have copies for the media, but that is not the issue I was talking about. What I am concerned about is that the document is formally now before the committee and can be referred to by anybody, rather than waiting for somebody to make reference to it and to pass it. It is a document that we have.

The Chair: It's a document that is deemed to be tabled once it is referred to in the committee.

Mr. John Williams: Mr. Chairman, I just did refer to it, so I take it to be—

The Chair: Yes, and we are following that. And there's no question about it that it will be referred to and it will be circulated, but it won't be done for another 15 or 20 minutes. They're making copies.

Mr. John Williams: I just said that I'm not that concerned about the media and the unfortunate lack of administrative capacity to give them all a copy. I'm just saying it's now before the committee; we have it.

The Chair: We have it, yes. Okay.

Mr. Clerk, swear in the witness.

[*Translation*]

Mr. Jean Pelletier (As an Individual): I, Jean Pelletier, swear to tell the truth, the whole truth, and nothing but the truth in my testimony. So help me God.

[*English*]

The Chair: Thank you very much.

At this point in time I will invite you, Mr. Pelletier, to deliver your opening comments.

[*Translation*]

Mr. Jean Pelletier: Mr. Chairman, I want to say hello to everyone.

I'm here in full respect of Parliament and its institutions, a respect that I have always had and that has never left me. I am, of course, surprised to find myself here, as, since April 2004, there has been a commission of inquiry, which lasted months, and an exhaustive report that further engaged the judicial system, whereas a judicial review of the report has been requested of the Federal Court and will not be heard until early 2008.

I was surprised to read in your evidence that I had refused to come. If you look at the letter that my attorney sent your clerk on May 28, which ends with the following two lines, "For these reasons, I would be grateful if you would ask the committee to withdraw its invitation until the said legal proceedings have concluded," that does not indicate that I refused to come. Given that the credibility of witnesses will be central to the judicial review proceeding before the Federal Court, I thought it might be important, for that reason, to delay my appearance here until the Federal Court proceedings were completed.

That said, Mr. Chairman, I would very much appreciate it if you would correct your minutes to show that I did not refuse to attend, but rather asked that you postpone the invitation.

You sent me three questions, and the questions by the members of your committee will be limited to those.

At the outset, Mr. Chairman, I will tell you that, upon reviewing the texts of the Gomery Commission and this committee, I do not see any contradiction. I will of course have the opportunity to say more on that in response to questions.

But first I want to say and repeat that it never occurred to me to try to mislead your committee. If there are grey areas, let us clarify them, but I have in no way tried to mislead your committee. I have too much respect for Parliament and its institutions to do that.

Mr. Chairman, I am now prepared to answer the questions that members will want to ask me.

● (1540)

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

[English]

We will now go to the first examiner, and that's the representative of the Liberal Party.

Are you going to take fourteen minutes or seven minutes?

Hon. Judy Sgro (York West, Lib.): I'll take seven minutes, Mr. Chair. I'm sharing it among my colleagues.

The Chair: Ms. Sgro.

Hon. Judy Sgro: Thank you very much, Mr. Chair.

Mr. Pelletier, thank you very much for taking the time to come today. I understand that you are in ill health, and I appreciate very much the fact that you're here.

Our role in the public accounts committee you of course know very well from previous years, but we're certainly dealing with some challenges today on issues of testimony that isn't consistent and discrepancies that we clearly want to try to have corrected on the record today.

We've been tasked with investigating the alleged inconsistencies between your previous testimony here at the public accounts committee on April 6, 2004, and your appearance before Judge Gomery's commission.

One of the areas of confusion centres around a statement made before this committee, in which you said—and if I'm going too fast, please just ask me to repeat it—and this is a quote directly from you, Mr. Pelletier:

The Prime Minister's Office had no role, neither direct nor indirect, in choosing the agencies or firms that became intermediaries between the government and the organizers of subsidized events. We had nothing to do with the choice of intermediaries. We had nothing to do with awarding contracts to whomever. The Prime Minister's Office never had anything to do with setting the fees or the production fees or simple fees of any nature whatsoever.

We at the Prime Minister's Office were in no way involved in the administrative management of the program. I want that to be very clearly understood.

That was said to the public accounts committee.

Now, at Judge Gomery's commission, you said:

There weren't any criteria that were, I would say, completely objective, and, you know, we'll never be able to come up with criteria that are standardized to such a point that the selection can be made by a computer. So, there's a subjective element that's simply a question of good judgment. We tried to show good judgment in our recommendations.

Can you please explain for the committee the difference between providing political input in project selection and the administrative management of the program, including the contracting process, the selection of agencies, and the setting of fees paid to intermediaries?

If you need me at any time to repeat any of that, I'd be glad to do that.

● (1545)

[Translation]

Mr. Jean Pelletier: Madam, I clearly established, both here and at the Gomery Commission, the difference between the agency selection, the administration of the ensuing contracts and the opinions that we had to give concerning events that should be sponsored and, in some cases, the sponsorship itself.

With regard to agency selection, which of course came after the decision to subsidize or sponsor an event, the Prime Minister's Office, I repeat, was never involved. We did not select the agencies; we did not set any contract conditions whatever; we negotiated none of those conditions; we signed no contracts, and we approved no account received in payment. That's it for administration, the administrative management of the program.

Furthermore, before it came around to selecting an agency, which, I repeat, was not our job, sometimes we were asked for an opinion on an event to sponsor. We gave opinions on whether a given event should be sponsored or not. When required, we sometimes gave an opinion on the budget that would be granted to a given sponsorship if it were selected. I have always said that we did not make the final decisions on that subject, but that we made recommendations and that the onus was on the Public Works Department project managers to make the final decisions and then to manage the administrative machinery, exclusively, regarding agency selection, contract conditions, contract signing and payment of invoices.

Madam, does that answer your question?

Furthermore, with your permission, I would add that, in the context of the testimony that I gave here, the Honourable Robert Thibault asked me the following question:

Mr. Pelletier, could you tell us what difference you see between involvement by the Prime Minister's Office, a minister's office or an MP's office, that is, political involvement in a file, and administrative interference?

I gave him the following answer, which you will find in the evidence:

If the Prime Minister's Office had selected the firms responsible for program delivery, if we had determined which file went to which firm together with the terms of payment, we would have been involved in the administration and delivery of the program. The Prime Minister's Office was in no way involved in any of those aspects. It is likely that we expressed an opinion on whether to fund this or that project, for such and such a reason, but the final decision was not made by the PMO. If the unit managing the file was influenced more by our comments than by those of Tom, Dick and Harry, I can't help it. The decision did not come from the PMO.

Jason Kenney asked me this about my meetings with Mr. Guité:

[English]

Did you speak with him about particular sponsorship files? Did you propose to him that he ought to authorize funding for particular projects, specific projects?

[Translation]

He was talking about my meetings with Mr. Guité. I answered him as follows:

There is absolutely no doubt we made recommendations, as would any member of Parliament or any minister who supports their constituents' projects that fall under a program and that involve a decision.

• (1550)

[English]

The Chair: Time is up. We'd like to go to the next examiner right now.

Before we go to Monsieur Laforest, I would make a couple of comments to the examiners. If you are referring to the report prepared by the Library of Parliament, I would ask that you refer to the page in order to assist the interpreters. It helps with the translation.

Secondly, I'm going to remind members to keep your questions short and to the point.

I'd also ask the witness to be brief and to keep the answers entirely relevant to the questions being asked.

[Translation]

Mr. Laforest.

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

Mr. Jean Pelletier: I would like to emphasize that I am referring to the transcript of my evidence, which was filed by your committee. Unfortunately, the pages are not numbered. The only indication that I can give you when I cite a reference would be to give you the time, if it is stated on the page I am reading.

[English]

The Chair: No, Mr. Pelletier, I was referring to the questioners—they have a book in front of them—only to refer to the page. This is only to assist the translators.

Monsieur Laforest.

[Translation]

Mr. Jean-Yves Laforest: Thank you, Mr. Chairman.

Good afternoon, Mr. Pelletier.

The question today concerns testimony that we find quite different. I'm talking about the testimony you gave before the Standing Committee on Public Accounts and the evidence you gave another day before the Gomery Commission. I have particularly focused on your statements on those days concerning the federal government's expenditures during the referendum campaign.

On April 6, 2004, you told the Standing Committee on Public Accounts, and I quote: "I said that the publicity during the referendum was one thing, and we didn't interfere at all after that." However, what you said on February 7, 2005, appears on page 12,485 of Volume 71, and I quote:

You know, my role during the referendum period was mainly to ensure coordination with the NO Committee, led by the Leader of the Opposition in Quebec. That was my main role.

However, we know that a note from Howard Balloch of the Privy Council Office suggests that the federal government paid advertising expenses for the NO side. Then there is a reference to the BCP company. Furthermore, notes concerning federal government referendum advertising expenditures were addressed to you personally.

Mr. Balloch worked for the Privy Council Office, as you did, and you were chief of staff. How can you say that you ensured coordination with the NO Committee, which shared invoices with Option Canada?

How do you explain that? It seems to me that's contradictory.

[English]

The Chair: May I interrupt you, Mr. Laforest?

Maybe the translation is not coming through, but in your question I didn't detect any reference to examination before this committee, before the Standing Committee on Public Accounts. Maybe I'm wrong.

It appears to me that you're referring to some other committee in Quebec—

[Translation]

Mr. Jean-Yves Laforest: Yes, I will refer to what he said before the committee.

[English]

The Chair:—versus the Gomery. That's what we're here about. If that's where you are, it's out of order.

[Translation]

Mr. Jean-Yves Laforest: Mr. Chairman, Mr. Pelletier made that statement on April 6, 2004. That was the same day.

[English]

The Chair: Before this committee?

[Translation]

Mr. Jean-Yves Laforest: Yes, it was before the committee.

[English]

The Chair: Okay.

[Translation]

Mr. Jean Pelletier: Could you restate the reference to the two documents that your clerk sent me? Where is that located in those documents?

Mr. Michel Guimond (Montmorency—Charlevoix—Haute-Côte-Nord, BQ): I have a point of order.

I very clearly understood the remarks by Mr. Williams earlier, who referred to the Library of Parliament documents. Mr. Pelletier wants to know on what specific page that appears in the Library of Parliament document. I remind you of the wording of the motion agreed to by this committee on May 9, 2007. I'm going to read it to you.

That the following key witnesses, Jean-Marc Bard, Jean Pelletier and Charles Guité be invited to reappear before this committee to explain themselves on the apparent contradictions in the testimonies given to the House of Commons Standing Committee on Public Accounts during the hearings on the November 2003 report of the Auditor General as well as testimonies before the Gomery Commission.

Mr. Chairman, Mr. Laforest was clear. Mr. Pelletier stated that on April 6, 2004, and he made another statement before the Gomery Commission on February 7, 2005, which appears on page 12,485. The pagination problem you referred to is real and serious. However, we have before us the date on which that was said. It is as though you didn't say it to me when I was sitting on the Standing Committee on Public Accounts. So I repeat that it was February 7, 2005 and that it appears on page 12,485.

Mr. Chairman, given the wording of the motion that the committee agreed to, it is not true that we are going to rely solely on Library of Parliament documents. There are contradictions. The Library of Parliament service, which is very competent, may not have found or seen certain elements. On the other hand, we have found some.

Now I understand why Mr. Williams wanted to ensure that was filed. It is not true that we will prevent ourselves from moving forward if we find other contradictions. I would like to settle that at the outset.

• (1555)

[English]

The Chair: Monsieur Laforest, you can show Mr. Pelletier the testimony and he can attempt to answer it, but I can tell you that we spent a lot of time preparing that. What I would suggest, in the interest of time and efficiency, is that you show it to him, ask the question, and we will ask Mr. Pelletier and his lawyer to get back to you in writing, if he's not prepared right now.

Is that okay with you, Mr. Pratte?

[Translation]

Mr. Jean Pelletier: Mr. Chairman, your clerk told us that the questions that would be put to me would be related to what is written on the two pages that I'm presenting to you. I am perfectly prepared to answer on that basis. However, as we were not advised that we would be going beyond this subject, if you insist on an answer, my lawyer will have to send it in writing.

Mr. Jean-Yves Laforest: Mr. Chairman, it is clear that the motion

[English]

The Chair: We will allow you to respond in writing.

Mr. Laforest, your question.

[Translation]

Mr. Jean-Yves Laforest: Mr. Chairman, it is clear that the motion was not exhaustive and stated that we are talking about contradictions.

[English]

The Chair: Mr. Christopherson on a point of order.

Mr. David Christopherson (Hamilton Centre, NDP): I'm sorry, I can't sit back quietly. I agree entirely with Mr. Pelletier. We've been very clear. I've been part of this process at almost every committee meeting and at the steering committee meeting, and I understand fully the process, and we were clearly talking about this. We've had processes where we've whittled these things down, based on legal advice and long discussions. We conveyed to Mr. Pelletier that these

are the questions, be ready to be grilled, to answer questions about discrepancies that exist.

To suggest to him now that there are other questions is patently unfair. I think we would have to internally change what we were going to do, notify the witness and give him ample time to respond. I think it's patently unfair, given the process we've followed, the document in front of us, that what you read at the beginning.... I think it's unfair to the witness to suddenly change the rules in mid-stream, and that's the way it looks to me.

The Chair: Mr. Christopherson, that's exactly what we're doing. I'm allowing the.... It's pretty obvious here what's going to happen. Mr. Pelletier is going to take it and come back—

Mr. David Christopherson: With respect, Chair, you're allowing questions on testimony that is not part of the document that Mr. Williams tabled at the beginning of the meeting. How could that be fair?

The Chair: Mr. Guimond.

[Translation]

Mr. Michel Guimond: Thank you, Mr. Chairman.

I see that my NDP colleague is fired up, but I simply want to remind him that nowhere in the motion is it written that the questions put to witnesses Jean-Marc Bard, Jean Pelletier and Charles Guité were to focus solely on the document prepared by the Library of Parliament. It is written that these persons will come before the committee to explain themselves on apparent contradictions. Perhaps there aren't any; perhaps it's simply a matter of interpretation.

For my part, I am convinced that Mr. Pelletier is not ashamed of what he said. He is a man of honour. I am convinced that he acknowledges what he said. Mr. Pelletier is an institution in the Quebec City.

[English]

The Chair: Okay, your time is up, Monsieur Laforest. I'm going to allow you to put your question, and I'm going to allow Mr. Pelletier to respond in writing. Please put your question to the witness.

[Translation]

Mr. Jean-Yves Laforest: Mr. Chairman, if Mr. Pelletier answers us in writing, I believe he must submit his answers to the committee. That will then become an answer provided to the Standing Committee on Public Accounts and it will be public.

[English]

The Chair: Definitely.

•(1600)

[Translation]

Mr. Jean-Yves Laforest: Mr. Chairman, I simply want to remind you that the comparisons identified by the Library of Parliament were at no time to be the only ones. There was never any question that we would not be able to refer to other contradictions that anyone might eventually find. My party and I have done some searches and we have noted others. I know that many Quebeckers have noted other contradictions, and they are entitled to answers to the questions that we ask. That is a democratic right, Mr. Chairman.

[English]

The Chair: Okay. A point of order.

[Translation]

Mr. Michel Guimond: Mr. Chairman, I have a point of order. I inform you that we are also keeping track of the time, as regards the seven-minute period allotted to Mr. Laforest. When our colleague Borys Wrzesnewskyj raised a point of order, only 45 seconds elapsed. We therefore still have time to ask questions. I'm convinced that the clerk remembers that. You just struck the gavel, saying that our time had expired. We spent all the time discussing points of order. So we still have time.

[English]

The Chair: Order.

No, as I have said, the decision of the chair is that Mr. Laforest can put his question to Mr. Pelletier. Mr. Pelletier will respond in writing. Then we're going to move on to the Conservatives.

I invite Monsieur Laforest to put his question to Mr. Pelletier right now.

[Translation]

Mr. Jean-Yves Laforest: Mr. Pelletier, I would like you to explain to us how it is that, on April 6, 2004, you told the Public Accounts Committee: "I said that the publicity during the referendum was one thing, and we didn't interfere at all after that," whereas, on February 7, 2005, before the Gomery Commission, you said:

You know, my role during the referendum period was mainly to ensure coordination with the NO Committee, led by the Leader of the Opposition in Quebec. That was my main role.

You used the expression "main role", which means that you also had other roles.

We know that Howard Balloch at the Privy Council Office suggested that the federal government assumed advertising expenses for the NO side during the referendum campaign. Reference was made to the advertising company BCP. There are also notes on that subject, which we have as well and which we could even table today concerning the federal referendum advertising expenses. They were sent to you personally; you received a certified copy of them. Since Mr. Balloch was working for the Privy Council Office and you ensured coordination with the NO Committee, which shared referendum campaign invoices with Option Canada, how can you say...

I claim that that contradicts your statement that you did not interfere in that. On the contrary, you did interfere in it. So I'm asking you to explain that contradiction to us.

[English]

The Chair: Thank you very much, Monsieur Laforest.

Mr. Pelletier, we'll get that transcribed for you. It will be sent to you. I would ask that you respond within two weeks to that question. You can send your answer directly to the clerk.

It's Mr. Poilievre, I believe.

Mr. Pierre Poilievre (Nepean—Carleton, CPC): Yes. We'll be taking our fourteen minutes directly.

The Chair: So fourteen minutes for the Conservatives.

Mr. Pierre Poilievre: That's right.

The Chair: Okay. Thank you very much.

Mr. Pierre Poilievre: Mr. Pelletier, according to your February 7, 2005, Gomery testimony, you met with Claude Boulay to discuss a \$5,000 donation that he had made to the Liberal Party. Where did that meeting take place?

I'm looking at page xiv.

[Translation]

Mr. Jean Pelletier: I don't even remember, sir, if there was a meeting or if it was a telephone call. The Privy Council Office—which should not be confused with the Prime Minister's Office; they are two quite different things, even though they often work together—informed me—

[English]

Mr. Pierre Poilievre: Excuse me. I'm sorry, I don't mean to interrupt, but your testimony was quite clear that there was a meeting, that it was not a telephone conversation. It says here, "I met with him to clarify that and was satisfied in that regard, I would say."

So without running the clock down any more, perhaps you could just tell us where that meeting took place.

[Translation]

Mr. Jean Pelletier: Frankly, sir, I do not remember. I can't tell you. But if there was a meeting, it was to clarify a problem that had been submitted to me by the Clerk of the Privy Council. A political donation had been withdrawn from an account in which the government had funds.

[English]

Mr. Pierre Poilievre: So was it at a reception that you met him or was it in private?

[Translation]

Mr. Jean Pelletier: No, no.

[English]

Mr. Pierre Poilievre: It was not at a reception?

[Translation]

Mr. Jean Pelletier: No, no, it was not at a reception; it was as part of my office work.

[English]

Mr. Pierre Poilievre: Well, then, that becomes very strange and very troublesome, because—

• (1605)

[Translation]

Mr. Jean Pelletier: Would you let me finish my answer, please?

[English]

Mr. Pierre Poilievre: If you'd like.

[Translation]

Mr. Jean Pelletier: I think it would be useful. The Privy Council Office reported to me that Mr. Boulay or his company had made a \$5,000 donation and that the donation had been withdrawn from an account in which the government had funds. The Privy Council Office feared that government funds had been used to make a donation.

[English]

Mr. Pierre Poilievre: I understand, but that is well outside the realm of my question. I was asking where the meeting took place. You've indicated that it did not take place at a reception.

I thank you for giving such a clear and unequivocal answer, because it shows contradiction to your testimony before this committee on April 6, 2004, when you said, and I quote, "I never had any formal meetings with these people." You were referring to ad agencies. You said, "I met Mr. Boulay once at a reception, but never had any professional contact with these agencies."

Herein lie two contradictions. First, before this committee in April of 2004, you said that you met with Mr. Boulay—once—at a reception. But here we have your testimony that you met with him on a separate occasion to discuss a \$5,000 donation from him to the Liberal Party. And you said just now that the meeting did not occur at a reception.

So now we have a situation where you've said this meeting happened only once and that it did happen at a reception, to now admitting that there was a second meeting to discuss a \$5,000 donation to the Liberal Party.

[Translation]

Mr. Pelletier, I'll be direct. Did you lie in your previous testimony before this committee, or are you lying now?

Mr. Jean Pelletier: I very much appreciate your wording, which indicates to me that you have already formed your judgment before hearing me. When I came here and was asked whether I had met Mr. Boulay, that was in the context of the sponsorship issue. I never met Mr. Boulay in the context of the sponsorship issue. I may have met him subsequently at a reception without any issue being involved. I spoke to him by telephone or I met him, I no longer remember which, after the Privy Council Office had phoned me to say that there might be a problem regarding a political donation. When I came here, I did not remember the political donation affair. When I prepared for my testimony with the Gomery Commission lawyers, I was told about the matter of the \$5,000 donation, and it came back to mind at that time.

When you are my age, sir, and it happened roughly 12 years ago, you can forget things absolutely unintentionally. Thank you very much for impugning my motives as you did by your question.

[English]

Mr. Pierre Poilievre: With respect, sir—

[Translation]

Mr. Jean Pelletier: I clearly stated in my evidence—

[English]

The Chair: Mr. Poilievre.

Mr. Pierre Poilievre: I have the floor now, Mr. Pelletier.

[Translation]

Mr. Jean Pelletier: I clearly stated in my evidence that I did not want to mislead this committee, ever.

[English]

Mr. Pierre Poilievre: So you admit there was an error. You have said now that in fact there was a second meeting. Once again, you told this committee that you met Mr. Boulay once at a reception. Later you said that you'd met Mr. Boulay to discuss a \$5,000 donation. That was a separate meeting that you have confirmed for us before this committee.

Then there's a second contradiction. You told this committee that you never had any formal meetings with the ad agencies. Now we know that you had a very formal meeting with one of the most notorious ad execs, Mr. Boulay, to discuss that donation that I mentioned earlier.

[Translation]

Do you understand why these contradictions are so significant, Mr. Pelletier? You met with agency presidents when you occupied the position of Prime Minister Chrétien's chief of staff, but you tried to deny that those meetings were held in order to conceal the connection between the Prime Minister's Office and the agencies that received dirty money. If you made errors of that significance, Mr. Pelletier, that looks like an attempt to conceal the connection that existed between the Liberal Prime Minister's Office and the agencies that received millions of dollars in dirty money. How can we believe you when you said three contradictory things here and before the Gomery Commission?

• (1610)

Mr. Jean Pelletier: I said nothing contradictory. There was no connection with the agencies regarding the sponsorship issue, no more with Mr. Boulay than with any other. I established that very clearly when I testified here three years ago. As for the rest, it was not a meeting, but a social encounter where there were perhaps 300 or 1,000 persons. It wasn't a meeting organized for the purpose of meeting Mr. Boulay, but a damned crumb. As for the approach I made to Mr. Boulay concerning his donation, I clearly explained the situation in which the commission's lawyer Cournoyer had reminded me of that event.

[English]

Mr. Pierre Poilievre: At this point, what is your story at this moment in time? What is your story today? Originally—

[Translation]

Mr. Jean Pelletier: I've already told you that. I have nothing to add to what I told you.

[English]

The Chair: One at a time, please. Let Mr. Poilievre finish his question, Mr. Pelletier, and then you can answer the question.

Mr. Pierre Poilievre: Originally you said you met with Mr. Boulay once at a reception, but never had any professional contact with the agency. Now you've confessed that you had another meeting with him, a different meeting, where you discussed this \$5,000 donation to the Liberal Party. Are you saying those were the only two meetings that you held?

I ask that while the witness is consulting with his lawyer the time be stopped.

[Translation]

Mr. Jean Pelletier: It is somewhat amusing that I'm being criticized because I contacted Mr. Boulay, whereas I wanted to ensure that the rules had been properly complied with. It was precisely in order to ensure that there had been no abuse that, at the request of the Privy Council Office, I—

[English]

Mr. Pierre Poilievre: A point of order, Chair. I'm not asking the witness whether he should have contacted Mr. Boulay to discuss this \$5,000 donation or not. That is not my question. My question is why he told this committee he only met once with Mr. Boulay, when we've now learned that in fact there were additional meetings. If he could simply explain that contradiction, it would help us move forward.

That's my point of order.

The Chair: It's not a point of order, but it's a supplementary question.

Mr. Pelletier.

[Translation]

Mr. Jean Pelletier: Mr. Chair, I believe I've already answered the question perfectly well. First, I said before this committee that I had no contact with Mr. Boulay concerning the sponsorship issue. I reaffirm that strongly.

Second, I was put in Mr. Boulay's presence at a reception where there were several hundreds of people. I don't call that a meeting; I call that a chance encounter.

Third, I properly explained the circumstances of my approach to Mr. Boulay regarding his donation. I did that in order to be sure that the rules had been properly followed. My answer is therefore clear and complete.

[English]

Mr. Pierre Poilievre: I'm afraid it's not clear or complete, because you clearly indicated that there was only one meeting at a reception and now you've admitted that there was more than one meeting, the second meeting, which was of a formal nature, which contradicts your testimony before this committee.

My question to you is were you lying when you came before the committee last time, or are you lying now? Because there is a contradiction between the two.

[Translation]

Mr. Jean Pelletier: Mr. Chairman, the important thing is to know whether there was contact between the Prime Minister's Office and the agencies concerning sponsorships. I answered no, and I still answer no. The chance encounter did not concern the sponsorships or Mr. Boulay's donation or his agency.

Mr. Pierre Poilievre: Mr. Pelletier, this is probably your last chance to get out of this honourably. Do you want to take a moment to apologize for the general waste and scandal that occurred under the previous Liberal government, of which you were a part?

[English]

The Chair: That question is out of order. I would ask Mr. Pelletier not to answer it. We're here, gentlemen, lady, to talk about the inconsistencies.

Mr. Pierre Poilievre: Do you want a question?

Mr. John Williams: The only question I have, Mr. Chairman, is....

Mr. Pelletier, you seem to have a completely segmented situation: you met with Mr. Boulay at a reception, you never talked to him about the sponsorship scandal, you didn't bring that up here because the \$5,000 cheque was a different issue.

But we noted during the investigation that there was an interplay between money given on payments by the Government of Canada under the sponsorship program and donations back to the Liberal Party. Therefore, your clear distinction between one transaction that had nothing to do with the sponsorship scandal and the other one, which was the \$5,000 donation to the Liberal Party, leaves me at some odds. I cannot understand why the Privy Council Office would even know about it, know which bank account it came out of, why they would be informing you about it, because this is an Elections Canada issue, not a PCO or a PMO issue.

Perhaps you can give us some background as to why the PCO informed you about a \$5,000 cheque. I think it's quite relevant, Mr. Pelletier, because we did find a correlation between the sponsorship scandal and donations to the Liberal Party.

• (1615)

[Translation]

Mr. Jean Pelletier: I am not in a position to answer the question when I am asked how it is that the Privy Council Office was involved. You ask them that; I don't know.

[English]

Mr. John Williams: No. The answer is to the PMO, because the PMO, Mr. Pelletier, the chief of staff, dealt with the issue. Therefore, Mr. Pelletier, as I said, there's no separation here between the sponsorship scandal and donations by Mr. Boulay to the Liberal Party of Canada, which you resolved personally and directly through a direct meeting with Mr. Boulay, and you denied even meeting with him when you met with us at the public accounts committee.

I'm trying to find out why you didn't divulge that information to the public accounts committee. Also, I wouldn't mind hearing why you, as the chief of staff at the PMO, were actually involved in finding out why a cheque was written on a bank account that perhaps had government money in it.

The Chair: Mr. Pelletier, do you have an answer to that question?
[Translation]

Mr. Jean Pelletier: Mr. Chairman, I took care of that because the Assistant Clerk of the Privy Council called me to ask me to clarify matters. I thought that the best service I could render to Canadian society, to propriety and to good governance was to ensure that the rules had been properly followed. That is what I did. I filed a report, and the problem was solved. I don't see why I should be criticized on that account.

[English]

Mr. Pierre Poilievre: A point of order, Mr. Chair.

The Chair: Thank you, Mr. Pelletier.

On a point of order, Mr. Poilievre.

Mr. Pierre Poilievre: Yes. These proceedings are supposed to lead to answers around contradictions between testimony here and testimony at Gomery, and the answers are still not forthcoming.

The question that we have posed him is why he failed to mention this meeting about a \$5,000 donation with Mr. Boulay. It was very important, obviously. He was asked about it before this committee and he said it didn't happen. He denied there had been any meeting other than a chance encounter at a reception. And we've asked this question very clearly.

I'd ask, Mr. Chair, that you step in to demand that the witness answer the questions as we go forward.

Thank you.

The Chair: Mr. Poilievre, you may not have got a satisfactory answer, but it's not a point of order, and at the end of the thing, the committee will deliberate on the answers that we received.

Mr. Christopherson, seven minutes.

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

Thank you, Monsieur Pelletier, for attending today.

Relating to the direct testimony in the documents, the first page of it, which would be roman numeral xiii, you were asked at this committee, sir:

At any time prior to the Auditor General's analysis of the operation of this department, were you personally aware...of any activities by the communications function within the federal government or processes they followed that would have been inconsistent with the implementation of the Financial Administration Act?

You answered here, sir, "Not directly. The only information I got was the result of the internal audit of 1999-2000."

And you were asked at the commission, "What information or rumours came to your attention regarding the possible existence of problems in the administration and management of the sponsorships?" Then you gave a much more fulsome answer, where you said, "What people were saying was that it was always the same people who got the contracts...", which proved to be true, "and that

others were complaining that they could not get access and as a result the rules that were in place may have been broken", which proved to be true.

The next one—"Through newspaper articles that intimated there were problems, through the usual gossip in the Press Club...."—again, very fulsome.

One is left with the impression, sir, that you knew and heard absolutely nothing except through the formal channel of the report of 1999-2000, and at the commission you gave a very fulsome answer that seemed to go further in terms of its honesty by saying that you had heard these other things.

That's quite a gap there. Would you please address that, sir?

• (1620)

[Translation]

Mr. Jean Pelletier: Mr. Chairman, I think two things are being confused. In the question that has been put to me here, reference is made to activities, facts. The only fact of which I had any knowledge was the internal audit report. In all the rest, there are no facts, only rumours. I said that when I was told about it at the Gomery Commission. I would like to emphasize that there was a lot of talk of rumours when I testified before the committee. I take the liberty of referring you to the transcript of my testimony three years ago. The only indication that I can give is that it was around 10:30 a.m. In response to a question by Marlene Jennings, I said, and I quote: "But I can tell you, since you want me to tell all and I'm willing to do so, that at one point, I heard some rumours." You know, there are a lot of rumours in Ottawa. If you had to think that every rumour was true, you'd be in a panic all day long. At some point, I heard all kinds of rumours, both in Ottawa and in Montreal, about the program's administration. I informed the Prime Minister of the rumours I heard. Mr. Chrétien asked me at that point to speak with the minister responsible, Mr. Gagliano—

[English]

Mr. David Christopherson: Mr. Chair, if you would please ask him to stop?

The Chair: Could you just keep your answers a little brief, but a little bit more to the point?

[Translation]

Mr. Jean Pelletier: Yes, but, Mr. Chairman, I want—

[English]

Mr. David Christopherson: I need the floor back, sir. I have the floor, sir. Thank you. You're going on and on, and you've gone beyond, in my humble opinion.

You've raised the issue of facts. Nowhere in the first question was it about facts. It just asked, "were you personally aware...of any activities...?" Here, you said no. Later you said you did hear this and you did hear that, and those things that you did hear there and did hear there turned out to be the truth. So it looks like you didn't give as complete an answer here as you did at the commission.

Please address that gap.

[Translation]

Mr. Jean Pelletier: Sir, a rumour, in my view, is not an activity. Furthermore, I talked about rumours—

[English]

Mr. David Christopherson: Where did the word “fact” come from? You brought the word in, sir. That's not in the question.

[Translation]

Mr. Jean Pelletier: It was the word *activities*. A rumour is not an activity. The text states—

[English]

...were you personally aware of any activities by the communications function within the federal government or processes they followed...?

[Translation]

We're talking about activities, and activities are not rumours. I answered the question as it was put to me. I talked about rumours I don't know how many times during my testimony. I didn't try to conceal from you that there were also rumours. I would say to you, Mr. Chairman, that the rumours triggered the internal audit. The internal audit came after the rumours, not before.

[English]

Mr. David Christopherson: Okay. I have to tell you, I didn't hear a great answer there.

I'll move on to the next one in line. You're prepared for this; you know these are coming. This was the question:

Could you clarify for us what role your office played concerning the administrative details of the sponsorship program, and advertising matters....

The quote goes on, but that's the relevant part.

You answered here, sir, in part, that:

We at the Prime Minister's Office were in no way involved in the administrative management of the program. I want that to be very clearly understood.

Then, at the commission, you were asked the following:

From your answer, I understand that opinions given by Mr. Guité related, on one hand, to the appropriateness of supporting a given event...and, on the other hand, to the level of funding for various events?

To this you said:

Yes, certain events would ask too much, and I would say, “No, that doesn't make any sense. That's too much. It's a worthwhile event, but not at that level.”

And “that level” is the level of funding.

The way I see it, that is very much involvement in....

Could you comment on that, please?

[Translation]

Mr. Jean Pelletier: Sir, first I would say that earlier you prevented me from finishing. If you want us to give you the references that I have in my evidence of three years ago, we can do that and submit them to the clerk, who will submit them to you. You've just asked me... What did you ask me? I'm sorry.

[English]

Mr. David Christopherson: Please, Mr. Chair; please. I'm assuming the chair will reset the clock. I'll be glad to repeat the question as long as I get my time back.

Okay, that's fine, sir. I'll be glad to repeat the question.

What I said was that you testified here.... Come on, sir, it's the second part in the document. You had to have pored over this stuff. By now you must know it by heart. I know I would, if I were coming here.

So you were asked what role your office played concerning the administrative details of the sponsorship program, and you answered:

We at the Prime Minister's Office were in no way involved in the administrative management of the program. I want that to be very clearly understood.

And then you said at the commission:

Yes, certain events would ask too much, and I would say, “No, that doesn't make any sense. That's too much. It's a worthwhile event, but not at that level.”

Again, this refers to level of funding.

So on the one hand, you're making it categorically clear that your office had nothing to do with the administration. Then later on, in front of the commissioner, you're saying yes; you seemed to have a great involvement in some of these decisions.

• (1625)

[Translation]

Mr. Jean Pelletier: Sir, when someone from your riding asks you to resolve an issue and you bring pressure to bear, are you interfering in the administration of the relationship? No. It's the same thing. We were asked for our opinion on events to be sponsored or not to be sponsored, and sometimes we were asked whether such and such an event, which was not known to those administering the program, was worth \$10,000, \$15,000 or \$100,000. We answered and gave opinions, in the same way you give your opinion on issues that are submitted to you. That does not mean that you are interfering in the administration of the program. It's precisely the same thing for us. We answered the questions that the program administrators asked us on certain issues that were before them. We gave them our opinion, but we did not administer the program.

[English]

The Chair: Thank you, Mr. Christopherson. Thank you, Mr. Pelletier.

Mr. Rota, up to seven minutes.

Mr. Anthony Rota (Nipissing—Timiskaming, Lib.): Up to seven minutes; I'll be brief.

I realize that some of the drama in the room today would probably merit an Oscar, an Academy Award of some sort.

[Translation]

Mr. Pelletier, the last time you appeared before this committee, you said that you had given Mr. Guité some suggestions. Perhaps the English word was “input” rather than “suggestions”. You said that the Prime Minister's Office had played no role in selecting the intermediaries, agencies or businesses that did business with the government in the context of the sponsored events. You said that you played no role in awarding contracts, establishing costs or the administration of the program.

Could you confirm that a political opinion was offered, but not an opinion on the administration, management of the program?

Mr. Jean Pelletier: I always said they were political opinions on sponsorship requests, but that we did not concern ourselves with administration.

Mr. Anthony Rota: You've finished? That was brief.

At the Gomery Commission, you said that Mr. Guité had been given instructions concerning project selection. The last time you appeared before this committee, you said, in response to questions from Mr. Crête and Mr. Kenney, that it was acceptable to intervene with respect to various projects.

Can you explain to the members of this committee what the difference is between political opinions and administrative opinions on the management of a program? Could you explain to us the difference between the two? It seems to me that certain members of this committee do not understand that.

Mr. Jean Pelletier: The purpose of the program was to raise Canada's profile through subsidized activities. It is quite clear that a subsidized activity that highlighted Canada was more important politically. I am not talking about partisanship; I'm talking about politics. It was more important in Alma than in Westmount. We gave political opinions, as it was our duty to do, on grant applications made for activities. If we had gotten involved in saying which agency should be hired and on what conditions, we would have been interfering in the administration of the program, which we never did.

Do you understand the difference between political opinions on the selection of events to be sponsored or not to be sponsored and opinions on the decision made by the department concerning the hiring of an agency or intermediary to deliver the goods?

• (1630)

Mr. Anthony Rota: You've explained it very well, thank you very much. I see that we are out of time. That's the end.

Thank you very much, Mr. Pelletier.

[English]

The Chair: Thank you, Mr. Rota.

Thank you, Mr. Pelletier.

Mr. Pelletier, you're going to get back on some of your quotes from earlier. I invite you now, Mr. Pelletier, to provide the committee with any closing remarks you want to make.

[Translation]

Mr. Jean Pelletier: I would tell you that I'm a bit surprised that the committee is still examining this issue. Parliament is not a tribunal, and there are all kinds of judicial activities currently underway concerning this matter. So I am a bit surprised. Once the judicial process is underway, it seems to me your committee should withdraw from the matter. Otherwise, there is a risk that your action will be interpreted as a simply partisan gesture, which would be bad. If that were the case, for people of good faith, that would be another reason feeding cynicism toward political institutions and elected representatives.

If at the end of my evidence, Mr. Chairman, some members still have questions to ask or would like clarification, I would invite them

to put them to us in writing, and I will see that my legal counsel submits written answers to the clerk of the committee. Thank you very much.

[English]

The Chair: Okay, Mr. Pelletier. I want, on behalf of the committee, to thank you for your attendance here today. I will say that I disagree with your comment about being surprised that the committee is involved. That is our job. Anyway, we'll leave it at that. Again, I want to thank you.

The committee will now adjourn for two minutes and we will go to part two of this hearing.

• _____ (Pause) _____

•

• (1635)

The Chair: We are now going to start phase two of the meeting and we're going to follow the exact same procedure as in the first hour. That is, we're going to invite from Mr. Guité an opening comment and then we're going to follow the same procedure. It's going to be the Liberals for seven minutes, or fourteen minutes, if they so choose; the Bloc Québécois; the Progressive Conservative Party, again for seven minutes, or fourteen minutes if they choose; the New Democratic Party.

An hon. member: What about the Conservatives?

The Chair: Did I not mention the Conservatives?

Mr. Brian Fitzpatrick (Prince Albert, CPC): You mentioned "Progressive Conservatives", but they don't have any representation. Or maybe they do.

The Chair: Whatever happened to the Progressive Conservatives?

Before we go any further, I'm going to ask the clerk to swear in the witness.

Mr. Charles Guité (As an Individual): I, Charles Guité, do swear that the evidence I shall give on this examination shall be the truth, the whole truth, and nothing but the truth, so help me God.

The Chair: Thank you very much, Clerk.

At the start of the meeting I read some opening comments. I don't plan to read them again. I think most of the people were here at the time. I think everyone here understands the ground rules. We're talking about the apparent discrepancies only.

We are now going to go to the Liberal Party.

I'll ask you first, did you want to go for fourteen minutes, or seven minutes now?

Hon. Judy Sgro: We're going to continue with the seven minutes.

The Chair: Is it going to be you, Ms. Sgro?

Hon. Judy Sgro: It will be me and my colleague, whichever one wants to intervene.

Thank you very much for coming, Mr. Guité.

An hon. member: Mr. Chairman, what about his opening remarks?

The Chair: My apologies, Mr. Guité.

Mr. Charles Guité: I don't have an opening statement, but I have two questions. Depending on your answer to number one, I may not have to ask number two.

As most of you in this room are aware, there are some other legal proceedings going on in my case. I would ask that these proceedings today be in camera.

The Chair: To answer your question, Mr. Guité, no, they are not going to be in camera. That decision was made by the committee. As I believe you may be aware, anything you say today cannot be used in any court of law, and the parliamentary procedure is totally distinct from a court process. That is the answer to your question.

Mr. Charles Guité: My second question, then, is can you impose a publication ban on the proceedings of today?

The Chair: To answer that question, this meeting is in public, and I cannot impose any publication ban on any questions or answers.

Mr. Charles Guité: Thank you very much.

The Chair: Mr. Williams, you have a point of order.

Mr. John Williams: Given the tenor of the witness's questions, does he feel inhibited in any way from answering the questions that are going to be put to him?

The Chair: Mr. Williams, I don't know that...

Mr. John Williams: I think it's worth asking. Does he feel constrained, or will he be forthcoming and give us fulsome answers by virtue of the fact that this is a public meeting and there's no publication ban?

The Chair: Mr. Williams, he's under oath. That would be the answer I would give.

I'll allow Mr. Guité to respond.

Mr. Charles Guité: I didn't understand your question, Mr. Williams.

Mr. John Williams: My question to the chair was does the witness feel constrained, or will the witness be inhibited in any way from answering questions put by the members, since this meeting is a public meeting and there's no publication ban?

Mr. Charles Guité: Absolutely not.

The Chair: Ms. Sgro, you have seven minutes.

Hon. Judy Sgro: Thank you very much, Mr. Chair.

Mr. Guité, as you know, we are trying to look at the discrepancy in testimony between our public accounts committee and what was done at the Gomery commission, trying to get a clarification of what the truth is in either one of them, because there are clearly some discrepancies.

In committee on April 22, 2004, under oath you testified on the issue of political direction. In response to a question from one of my colleagues, you said:

There is quite a bit of difference between political interference and political input. To me, they are two completely different things. And to say that they interfered... with the selection of agencies—never. I would not let them do that, because ministers are not to interfere with the selection process.

To a further question, "Did they have input into the program over who got the sponsorship and which sponsorships we were going to do?", you responded: "Obviously."

Was that an accurate statement, and do you still stand by the statement you made then?

● (1640)

Mr. Charles Guité: Yes, I do. If you go back to the records, on the last page of my opening statement the last time I was here....

Let me step back to the first time. The first time I was here, Mr. Chair, I was under an oath of secrecy, and a lot of questions were asked that I refused to answer. On the second go-around, the second time I was here, that was removed by Privy Council. It's at that meeting that I finished my opening statement with the following:

While I was executive director, I want to make it clear—I repeat, very clear—that the PMO, Minister Gagliano, and Minister Dingwall never suggested a name or were involved in the agency selection process.

I stand by that today.

Next, I terminated by saying:

Did the PMO and the minister provide input and decisions with respect to specific events that were sponsored and the allocation to specific firms? Absolutely.

Mr. John Williams: I'm not exactly sure what he's meaning about this oath that he has now referred to that seemed, in his opinion, to take precedence over his oath and his requirements and obligations to be truthful and forthcoming to this particular committee when he appeared here before.

We do know that Mr. Guité appeared in camera. That testimony was made public, according to certain conditions, at a later date, and he also appeared in public.

At no point in time do I recall anything of any kind being said that he was bound by a higher oath in giving his testimony

The Chair: No, Mr. Williams, you're absolutely correct. That meeting took place. It was July 8, 2002. It was held in camera in the West Block. He was under oath to tell the truth and the whole truth at that time. There was no oath of secrecy, but it was in camera because of other proceedings. Of course, at a later date, the in camera restriction was lifted.

So Mr. Guité, I will allow you to explain what you mean. I can see where you might be using the term "secrecy" because of in camera, but I hope you're not suggesting to this committee that you weren't telling the truth at the July 2002 meeting because it was in camera.

Mr. Charles Guité: No. No, I'm not, Mr. Chairman, and I don't think it was the second time I appeared here. It wouldn't have been the second, it would have been the first. I recall a member asking me a question, and what comes to mind is: What did you discuss with the minister? I said I wouldn't discuss that. That was based on a statement that I had made that, as a former public servant, I was bound by an oath of secrecy about discussions I had with a minister. I think if you go back to the minutes of this committee, you will find those statements.

Subsequent to that, when I came back here, the chair, who was Mr. Williams at the time, advised that they had verified with PCO, and that was removed. That's when I made the statement that I would not have made the first time I appeared here.

The Chair: That's a better explanation.

Mr. Williams.

Mr. John Williams: I think to fill out the whole argument and rationale, it's well understood in the public service that if a public servant gives advice to a minister, he is not obligated to answer that question, but the minister may be called to answer it instead. Mr. Alfonso Gagliano was, of course, before the committee at a later time.

Now, I don't recall if... I think there may have been some reference to the PCO allowing him to be more forthcoming as far as his advice to the minister was concerned, but what we are concerned with here, of course, is statements in one place versus statements in another. I only wanted to clear up, to make sure there was no shadow of a doubt, that there was any inhibition on his capacity to answer questions before, so that the evidence that we're using is clear and under oath, without any inhibition.

• (1645)

The Chair: That certainly would be my understanding, because if it were a ministerial confidence, he wouldn't answer the question and there would be no evidence.

Ms. Sgro.

Hon. Judy Sgro: Going back to the clock there, I'm glad that you stopped it. He stopped the clock, I watched it. I know how Mr. Williams goes on. He could have taken up everybody's time, with all due respect, Mr. Williams, and I wanted to make sure we got our points across.

Mr. John Williams: I apologize.

Hon. Judy Sgro: Given the fact that he's such an experienced member of this committee.

Mr. Guité, also before this committee and under oath, on the issue of input versus interference, in response to a question from the former chairman, you stated:

The minister's office and the Prime Minister's Office...had input into the process. There's no question.

You went on to say:

I managed the files, or my organization did. I briefed the minister's office and PMO on the results that we were getting. Now, I'm sure that on several occasions the minister said, well, there might be this event over here, so maybe we should consider that one or this one, and so forth. So they had input. But, no, they did not direct me on how to manage the program.

Do you stand by that statement today?

Mr. Charles Guité: Yes, I do. You see, what...

I've explained it, and I had the same problem at the Gomery commission: in the selection of an agency to be qualified to do business, the political system has never interfered—except in a couple of cases. I brought that up the last time I was here. I think it was in the case of Paul Martin's office. And even to the point where I went to the commissioner of conflict of interest, I think it was, with

some fairly hard proof that there was, I felt, a conflict of interest, he said no, no, don't worry about that; get on with the job.

I think I explained that at this committee, the last time I was here, the Martin issue about interfering, suggesting names to be added to the list. The end result was that we cancelled the competition.

Had I had the documents that were put before me at the Gomery commission, I would have brought them to this committee. But there were fireworks that went between DMs and ADMs and ministers.

Again, I stand by what I said, that ministers never got involved in qualifying an agency to do business with the government. Did they get involved in selecting events, who got the events? Absolutely.

I have a document here; there's a log kept by the minister's office, and I'll quote a few of them later on, if time permits. And they're not involved...? You know, there's a log from the minister's office, on the sponsorship program, of discussions between PCO, PMO, me, and so forth. But they've never been involved.

Hon. Judy Sgro: Directly.

Mr. Charles Guité: That can't be more direct, Madame.

Mr. John Williams: Can this document be tabled?

The Chair: It can be tabled, but it's only going to be tabled in reference to what we're talking about.

Mr. Charles Guité: The documents that I have with me today, Mr. Chairman, I do not have copies of.

The Chair: We can make copies.

Mr. Charles Guité: If I leave them to this committee, I have no difficulty doing that, as long as they're returned to me.

The Chair: They will be returned to you.

Ms. Sgro, you have one more minute left.

Hon. Judy Sgro: Anthony, go ahead.

Mr. Anthony Rota: Thank you.

Before this committee, Mr. Guité, under oath, you testified that subsequent to your retirement, "Mr. Cutler fiddled with the files, and I have the proof of that." Do you stand by that statement?

Mr. Charles Guité: I sure do.

Mr. Anthony Rota: Perhaps you could elaborate on that and tell us how they were fiddled with.

The Chair: I don't think that's relevant to the apparent inconsistencies in the testimony that Mr. Guité gave before this committee and the Gomery commission.

I'm going to rule that out of order.

Mr. Anthony Rota: That's fine. I'll continue with another question, Mr. Chair.

In this committee, Mr. MacKay quoted from your submission where you said:

Did the PMO and ministers provide input and decisions with respect to the specific events that were sponsored and in the allocation to specific firms? Absolutely.

Mr. Charles Guité: I stand by that.

Mr. Anthony Rota: You stand by that as well.

Mr. MacKay then said:

And you make a very fine line in determining what was political input and what was political influence.

You responded with:

Yes. Quite a bit of difference.

Do you agree with that statement?

Mr. Charles Guité: I would think there's quite a bit of difference, yes.

Mr. Anthony Rota: I asked this of Mr. Pelletier earlier, so maybe you could give your definition between political influence and administrative influence, or administrative advice.

• (1650)

Mr. Charles Guité: Are you talking input or advice here, or administration versus...?

Mr. Anthony Rota: Okay: input and administration advice.

Mr. Charles Guité: In my definition, the input would have been either no, we don't want that event and would prefer that one, or else yes, we want that event and here's what we want.

On the administration side, it would be the amount of moneys that they would allocate to it.

If you go back to the records again, and I think it came out very clearly in the Gomery commission, I think it was the Tulip Festival of 2000—or 1999; I think I was still there. I left in August 1999, so it would have been the Tulip Festival of the spring of 1999. I turned down the request from the Tulip Festival organization.

If you go back to the records of the Gomery commission, there is quite a story there about how it ended up being approved and the discussions that went on between.... I'm trying to remember the names. I think Manley was one of them. Correspondence and e-mails went back and forth between ministers, and at the end of the day, the political system said to my organization, yes, we're going to approve X, Y, Z.

That, to me, is getting involved in the administration of the program.

The Chair: Merci, Mr. Rota.

Merci, Mr. Guité.

Monsieur Guimond, seven minutes.

[Translation]

Mr. Michel Guimond: Thank you, Mr. Chairman.

Good afternoon, Mr. Guité. I remember your testimony in the Standing Committee on Public Accounts. I was present at that time. You understand very well that we are trying to see whether there is a difference between a testimony given in the Standing Committee on Public Accounts and another given before the Gomery Commission.

I'm going to start with a fairly specific, fairly precise point. Before the Standing Committee on Public Accounts, you told me that you had been responsible for the success of the 1995 referendum, a success for the NO side, of course. However, at the Gomery Commission, you presented yourself as the executor of the Prime Minister's Office.

I refer you to page 19,867. This concerned the *love-in* that took place in Montreal on October 27, 1995. In your testimony before the Gomery Commission on April 29, 2005, you said, and I quote:

So obviously and during the leading up to the Referendum and during the Referendum and post-Referendum, even myself, the famous big rally that was in Montreal the day before or the week before the Referendum, I came down to Montreal with a trunk full of that stuff to promote the cause.

I need answers to specific questions because you told me before the Standing Committee on Public Accounts that you were responsible for that success, whereas elsewhere you said you were an agent.

To whom did you deliver that material? Who helped you set it up? Among the politicians present, whom did you meet? Among the leaders of the NO side present, which ones were aware of the federal government's involvement in that demonstration? What about Jean Charest, Daniel Johnson, Senator Pierre Claude Nolin and Ms. Frulla?

I have another question. In your opinion, was that promotional material included in the expenses of the NO side? Were federal funds invested in that rally, in your opinion? How much money came from the federal government? How much could that event have cost in total? Did employees from your service or from the Privy Council Office work at that event?

Here's my last question. Among the projects you worked on at the time, did you have to share invoices with other organizations outside the government, such as the NO Committee, the Council for Canadian Unity or Option Canada?

[English]

The Chair: Before you answer the question, there are a lot of questions and comments there. We are here to talk about the alleged inconsistencies that you gave at this committee when you testified before it, and what you gave at the Gomery commission. A lot of the questions have to do with money spent or who you met with. I would ask that you restrict your answers to the inconsistencies

A point of order, Mr. Guimond.

[Translation]

Mr. Michel Guimond: I have a point of order, Mr. Chairman.

With respect, Mr. Chairman, if the witness wants to answer, I think we should let him answer. Mr. Guité does not have a reputation for being shy, but if he is shy about answering my questions, I trust him, he will tell me so.

Thank you, Mr. Chairman.

[English]

Mr. Charles Guité: Mr. Chairman, I think you're right, there were about eight questions there, but I think I'll try to answer what I think he's looking for.

The night before the

[Translation]

big rally in Montreal, I was in Montreal. In my car, there were 200 or 300 Canadian flags, not very big, and perhaps 10,000 pins with the Canadian and Quebec flags together, the maple leaf and so on. I don't remember that there was anything else. There were flags, pins and pens, if I remember correctly. I left everything at the Château Champlain. I didn't hand those things over to anyone in particular; I left them in the lobby of the Château Champlain because, if I remember correctly, they used a suite upstairs to coordinate things the next day, for the rally. I can't confirm it, but if I remember correctly, there were people there. I told hotel reception to tell people that the products had arrived.

The next day, the day of the big rally, I went down to Montreal twice during the day, again with promotional items, flags and pins.

Second, was I aware of invoices shared by those organizations? No, not to my knowledge, but I know that expenditures were made and resulted in nothing.

•(1655)

Mr. Michel Guimond: Can you give any examples?

Mr. Charles Guité: For example, there was an organization at the time called... I don't remember the name in French.

[English]

It was the FPRO, Federal-Provincial Relations Office.

[Translation]

If I remember correctly, Stéphane Dion was the minister. The Privy Council Office was very much concerned with the referendum. Within the Privy Council Office, there was a group for which one of my employees worked full time. If I remember correctly, in February or March 1995—the referendum was held in the fall of 1995—they prepared a document in English and French that they wanted to distribute to the occupants of all Quebec households. They also wanted to distribute it in the street, publish it in the newspapers and so on. I received a message from my employee who was working there and who told me about that plan. I may be wrong about certain things; we're talking about 1995. I answered that I didn't make any decisions.

[English]

They decide, I pay the bill, and they send me the money.

[Translation]

When I saw the document, I strongly suggested conducting a survey, bringing together a consultation group to evaluate the document. When I saw it, I didn't agree. Strong pressure had to be exerted; discussions were necessary. They conducted a survey of people who would vote yes and of others who would vote no. If I remember correctly—once again I may be mistaken, Mr. Guimond —

[English]

it was a disaster for the no, let alone the yes.

So I got a call, or my employee did—I think that was at PCO or FPRO: “Shred it.”

So we called the printer and said, well, guess what? This was all printed—and I'm not talking about a few thousand; I'm talking millions. “Shred it.”

[Translation]

Mr. Michel Guimond: Who paid those expenses?

[English]

Mr. Charles Guité: It would have been money.... See, what happened during the referendum—and if I had a day and a half, we could have a long discussion with all members here—moneys....

The Chair: Your time is almost up, so I'd ask you to wrap up.

Mr. Charles Guité: Anyway, who paid for it? FPRO, PCO, unity money.

I had forgotten totally about this document. During the Gomery commission, I don't know where they got documents, but they have a room this size full of them.

A copy of the document that we were going to distribute was sent to me. I have a copy of it here. It's called, “A Critical Look at the Draft Bill on Sovereignty”.

•(1700)

[Translation]

“Livret-critique de l'avant-projet de loi sur la souveraineté.”

[English]

The Chair: Okay, we're way off time. We're going to move on to the next examiner.

[Translation]

Mr. Michel Guimond: Could the witness hand the document to the clerk?

[English]

The Chair: Yes. Sure. It's totally irrelevant, but okay.

Hon. Judy Sgro: Mr. Chair, on a point of order.

Mr. Charles Guité: If that went out, we would have lost the referendum.

The Chair: Point of order for Ms. Sgro.

Hon. Judy Sgro: On a point of order, Mr. Guité made reference to Mr. Dion, pre-referendum. Mr. Dion was elected after the referendum, not before.

So will you please correct the testimony?

Mr. Charles Guité: I said that I was not sure who it was, so I don't know who—

Hon. Judy Sgro: You made reference to Minister Dion.

Mr. Charles Guité: Okay, well I made reference to him, but I said I think Mr. Dion was there. But it could have been that he was at FPRO after the referendum.

The Chair: Mr. Williams, do you also have a point of order?

Mr. John Williams: Yes, Mr. Chairman. The witness made reference to a document, and once it's been referred to, it's appropriate that it be tabled. It's not appropriate for you to say that it's irrelevant.

The Chair: No, I already asked him to table it. I said that after.

So Mr. Guité, we're going to table both documents.

We're going to move on now to Monsieur Guimond, for seven minutes.

No, no, I'm sorry about that. No.

Mr. Poilievre, for seven or fourteen minutes?

Mr. Pierre Poilievre: We'll do seven minutes.

The Chair: Okay, for seven minutes, and then Mr. Christopher.

Mr. Pierre Poilievre: These new intrigues that you're sharing with us notwithstanding, I'd like to focus, at least initially, on your testimony here.

You said again today that there was never any intervention by the PMO in the agency selection process, but you told the Gomery commission on November 22, 2004, and I quote: "And a decision was made in discussion with the Minister and Monsieur Pelletier what agency would get it."

Mr. Charles Guité: Which is no different from what—

Mr. Pierre Poilievre: So you are telling us one thing here and one thing there.

Mr. Charles Guité: No, it is no different from what I said here: what sponsorship would go to what agency.

I said very clearly here that they were directly involved.

Mr. Pierre Poilievre: In choosing agencies.

Mr. Charles Guité: In choosing agencies, as far as what projects they would get.

Mr. Pierre Poilievre: No, but this says "agency". It doesn't say "projects"; it says "agency".

Mr. Charles Guité: Well—

Mr. Pierre Poilievre: It's not a nuance; it's a very big difference.

• (1705)

Mr. Charles Guité: No, it's not.

If you go back to my testimony at Gomery, what you have there is a statement of part of the discussion that went on at Gomery for a few hours, and I repeat it to this committee. If somebody can clearly show to me that the political system was involved in agency selection to qualify them, then I'll say I wasn't aware. I'll also give you—

Mr. Pierre Poilievre: At Gomery, you said that they were. That's what you said.

I'll give you another quote that you stated at Gomery. On November 22, 2004, in questioning from Monsieur Pratte, you said:

Do you ever recall Mr. Pelletier telling you to change an event from one agency to another?

You responded:

Regularly. ...we reviewed the list. He wouldn't change it but he would say that should go to this agency.

We're not talking about whether a festival should be held in Mount Royal or Alma. We're talking about the agencies that were hired to do the work, or in most cases, to do no work at all.

You said that the political level was not involved, but at Gomery you stated that the Prime Minister's chief of staff reviewed the list of agencies and chose which ones would get the pork. Which is it?

Mr. Charles Guité: I said the same thing here, so where is the contradiction?

[*Translation*]

Mr. Pierre Poilievre: The contradiction is obvious. First, you said before this committee that the Prime Minister's Office had never been involved in selecting agencies. Then you told Judge Gomery that the Prime Minister's chief of staff was regularly involved in agency selection.

[*English*]

Mr. Charles Guité: For the selection of events to what agency, not—

[*Translation*]

M. Pierre Poilievre: You used the words "agency selection".

[*English*]

Mr. Charles Guité: No, you're not understanding the statement that I made at this committee. The commission didn't understand it, and you still don't understand it.

Mr. Pierre Poilievre: They're your words. I'm just reading them back to you.

Mr. Charles Guité: But you are not. You are reading words....

The political system was involved in selecting agencies to assign what event. The political system was never involved in selecting an agency to be qualified to do work for the government, except in one case that I found out at the Gomery commission—

Mr. Pierre Poilievre: Mr. Chair, he said right here:

Regularly. ... Well, when we reviewed the list. He wouldn't change it but he would say that should go to this agency.

Those are your own words. So the question is, were you lying to this committee, or were you lying to Gomery?

Mr. Charles Guité: I wasn't lying to anybody. I said the same thing here as I said there.

Let me read it to you.

Mr. Pierre Poilievre: I just finished reading it, sir. It's very clear.

Mr. Charles Guité: I know, and I'm going to read again what I said to this committee:

Did the PMO and ministers provide input and decisions with respect to specific events that were sponsored and in the allocation to specific firms? Absolutely.

What did I say at Gomery? The same thing.

Mr. Pierre Poilievre: You said "agencies". We're not talking about whether they gave direction about where events should be held, or which events should be funded. We're talking about the agencies that were paid—

Mr. Charles Guité: That's what I said to this committee.

Mr. Pierre Poilievre: Yes, but you said.... Okay, I'm not going to repeat it; I already have. I think it is evident to everyone who is listening.

I'll give you another example. Here's a question that was being posed about the agencies at Gomery:

What did "input" mean in the case of Gagliano? Did it mean comment, discussion, or did it mean decision?

You answered: "Decision."

You told Parliament in April 2004 that Gagliano was never involved in these decisions. But then you told Gomery that not only was he involved, but that he made the decisions. That's a clear contradiction.

Mr. Charles Guité: No, it's not. I said to this committee—

Mr. Pierre Poilievre: I don't know if we're living on different planets or what.

Mr. Charles Guité: No, no.

Through the bureaucracy, the Government of Canada will qualify an agency to do business with the government. In order to do that, you have to have a competition, and there's a selection committee, and so on. The political system has never been involved in that, except in the case of Paul Martin's office.

I found out about another one that came to my attention during the Gomery commission. On March 20, 1995, Madame Bourgon, who was the Clerk of the Privy Council, recommended to Monsieur Chrétien that he approve the disbursement of \$100,000 to two advertising agencies with well-known Liberal affiliation, for the period leading up to the Quebec referendum. There was no prior call for tender, and they were treated as advertising disbursements.

So I found out at the Gomery commission that the Prime Minister's Office was directly involved in selecting agencies. But if I had known that when I came—

Mr. Pierre Poilievre: Sir, we are already aware that Paul Martin intervened to try to get certain agencies involved.

Mr. Charles Guité: Not only Paul Martin, the former Prime Minister.

Mr. Pierre Poilievre: We know that he tried to help his friends. That is not new to this committee, nor is it the discussion we're looking at here.

You have a chance here, sir, to just let it all out. Just tell the truth.

Mr. Charles Guité: What can I "let all out"?

Mr. Anthony Rota: A point of order, Mr. Chair. This is the same as before; he tried this with Mr. Pelletier.

Mr. Pierre Poilievre: You've had years now to come around and tell the truth. We're giving you this chance. Why not take it?

Mr. Charles Guité: I'll tell you the truth. Hang on.

Mr. Pierre Poilievre: Can you tell us where the \$40 million that's still missing from the sponsorship program has gone?

The Chair: You time's up anyway.

We'll move on to Mr. Christopherson for seven minutes.

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

Mr. Guité, on page Roman numeral viii of the documents that you were forwarded, in your opening statement to this committee, you said:

During my tenure...CCSB never selected an agency without following the process as defined in the contracting policy and guidelines

In front of Gomery, you were asked:

...the process you were using did not comply strictly with Appendix 'U.'

I'm assuming that this is the contracting policy and guidelines. Your answer was:

Their interpretation, yes.

And then there was the question:

And actually, even your interpretation; isn't that right?

You said: "Correct."

You were then asked:

...it is pretty clear that you didn't go and compete every even

That's got to be a mistake. You said:

Very clear.

Then the question was:

Yes. And it is also very clear...that was not compliant with Appendix 'U.'

You agreed.

So in your opening comments, you said here that everything was done according to the rules. Then at the Gomery commission, it would appear that you gave a different answer.

Could you explain, please?

• (1710)

Mr. Charles Guité: Yes.

When we select agencies, we follow the contract regulations with a committee that's put together to do the selection. Once an agency is selected, it becomes like a standing offer.

In appendix U of that policy, it says that if more than one agency is assigned to a department—for example, Health Canada and Tourism had two or three—then every time there's a new campaign, it should be recomputed. That's what we didn't follow in appendix U.

And I say "we": my organization and every other department in this town. Because as long as I was there, once agencies were assigned to departments, you never competed projects between those agencies.

Mr. David Christopherson: Why didn't you make that distinction in your opening remarks? Why were you unequivocal?

This wasn't in response to a question. This was your prepared text, where you said that they never selected an agency without following the process, as defined. In your opening comments, you were very definitive—

Mr. Charles Guité: That's right.

Mr. David Christopherson: —but in Gomery, you acknowledge these—

Mr. Charles Guité: No, no.

Mr. David Christopherson: So what I'm asking is, why didn't you say that the first time?

Mr. Charles Guité: Because the first time the question that was asked here was how—

Mr. David Christopherson: It wasn't a question, sir, it was your opening comments.

Mr. Charles Guité: My opening comment was that we followed the procurement policy to qualify an agency. You don't apply appendix U in selecting an agency.

Mr. David Christopherson: Okay, we'll follow that up in committee. I appreciate that.

Mr. Charles Guité: No, so you're very clear, when we do a competition, appendix U doesn't play a role.

Mr. David Christopherson: Yes, we'll follow up. I don't have appendix U here, but we will when we deliberate on these matters.

Mr. Charles Guité: Make sure you get the one that was in force when I was there, because they have changed it, apparently, sixteen times since I was—

Mr. David Christopherson: Okay. We have very sharp analysts. They will have picked that up, sir.

You were asked a question, a simple matter, but it speaks to the issue about gifts: "...did you ever receive gifts from Mr. Lafleur?" You said no, which would be a nice tidy answer. But then at the commission, you were asked:

Do you recall receiving a large number of gifts and presents from Mr. Lafleur?

You said:

I received some gifts, yes, but.... Your Honour, I believe that, in general, all the codes of ethics are agreed that this type of gift is not out of line. These are not exorbitant amounts.

Of course, the question is not whether the gifts were out of line, but you were asked a point-blank easy question: did you received gifts? You said no. You were asked there, and you gave a different answer. Please explain.

Mr. Charles Guité: I have no explanation. I mean, the gifts that I got from Lafleur would have been a bottle of wine at Christmas—

Mr. David Christopherson: I realize that, but here's my concern, sir: when you said no that way, you just said no. Clearly your intent was to make sure nobody thought there was anything untoward; nobody needed to split hairs to understand why. You just said no to shut it down, apparently. And that would do it.

If you had just said no, I wouldn't have a follow-up question. But then you said you received gifts, so it's very clear, sir. You were asked if you received gifts, and you said no; when you went to the commission and were asked if you received gifts, you said yes. Boom. I haven't heard an adequate explanation, sir.

Mr. Charles Guité: No. I have no explanation.

Mr. David Christopherson: Okay.

Let me go back to where Mr. Poilievre was and see if I can get any further.

If I'm understanding your point, you're saying that there was a two-step process. One is that you had to qualify as an agency; then, once you qualified, you went on a list, and you could be selected from there. You're saying there was no political interference in qualifying; the political involvement came in selecting the agencies.

Mr. Charles Guité: It was in who got what projects. Yes.

Mr. David Christopherson: I realize.... Your your answer at the Gomery commission was that a decision was made in discussion with the minister and Monsieur Pelletier as to what agency would get it. How can you say there's no involvement from the Prime Minister's Office when you acknowledge that they were involved in making the agency selection?

Mr. Charles Guité: No, I didn't say there was no involvement. I'll reread the statement again.

For the PMO, the PCO, or the minister's office, there's a log of involvement. Again I repeat that they were not involved in qualifying the agency to do business. They were involved in assigning projects, and what agency—

Mr. David Christopherson: You say that as though it makes it okay. The fact that somebody qualifies and there is then political interference doesn't make it any better than political interference at the beginning of the process, sir.

• (1715)

Mr. Charles Guité: It sure does; it sure does.

Mr. David Christopherson: My concern is that you gave different answers.

Mr. Charles Guité: No, I didn't.

Mr. David Christopherson: Okay, I hear you.

Let me ask you this question. You were asked to what extent there was ongoing political direction in the program. You said, "There is quite a bit of difference between political interference and political input... And to say that they interfered—i.e. with the selection of agencies—never. I would not let them do that, because ministers are not to interfere with the selection process."

Let me finish. You, sir, made sure that we used the term "qualifying agencies". You don't mention anything about qualifying here. You just say it's in the selection.

Mr. Charles Guité: No. Again, nobody seems to understand—

Mr. David Christopherson: I realize the whole army is out of step except you, sir, but you've got to help us here.

Mr. Charles Guité: No, no, no; I'm not out of step at all.

Again, when you select an agency to qualify, there's no political involvement. Once they were involved, there was. They selected what agency got what project, and so forth. I've said nothing different at Gomery from I've said here.

Mr. David Christopherson: I'm sorry, but you said here, "I would not let them do that because ministers are not to interfere with the selection...". It's "selection". It's not "qualifying"; your word is "selection".

Mr. Charles Guité: I've used the word "selection" in—

Mr. David Christopherson: Yes, but you jumped on us when we didn't use the right word "qualifying".

Mr. Charles Guité: No, no. Again, I have said nothing different at Gomery from what I said here.

The Chair: Mr. Christopherson, we're out of time. We're going to have to wait for Mr. Guité's memoirs to....

Mr. Charles Guité: I have no comment.

The Chair: Mr. Rota, you have seven minutes.

Mr. Anthony Rota: Mr. Guité, when you were last here under oath, you responded to a question by Jason Kenney, and I'll quote: "In your opening statement you said that you had never received input from the PMO, Gagliano, or Dingwall, that they never suggested the names or got involved in the agency selection process. I think you later amended your version of those events."

In response you said: "No, I never amended that and never will."

The response from Mr. Kenney was: "I see".

Then you responded: "They never got involved in the agency selection process. There's quite a difference between selecting an agency and allocating the sponsorship program."

Mr. Guité, that's a very categoric statement. Do you maintain that to be a truthful statement?

Mr. Charles Guité: Yes.

Mr. Anthony Rota: Maybe you can elaborate on that just a touch, to explain it and clarify it.

Mr. Charles Guité: It's the same.... The last ten minutes I spent with the member on my right—

Mr. Anthony Rota: If you could clarify very simply....

Mr. Charles Guité: Very simply, when there was a competition for the Department of Health, my organization would get a request from the director general or the assistant deputy minister of that department to hold a competition. We would hold that competition following the procurement policy Mr. Christopherson referred to, and there was never, never any political involvement, except in a few cases.

I think I said that to this committee when I was here back when, and I said it at the Gomery commission. And I even found out at the Gomery commission that there were a few I wasn't even aware of.

Once that process was selected—and so you understand clearly, let's use Health Canada—Health Canada, with my organization and the committee members, never, never had any political input. So we qualified three agencies for Health Canada. What happened after they were qualified, the minister or PMO or PCO or whoever could have had input as to what those agencies were going to do for that department.

That's where there seems to be a misunderstanding. And I had the same problem at the Gomery commission, that when I say the political was not involved.... And maybe I should have stuck to the same word, "qualifying" versus "assigning work" or whatever. So to me, my statement I made here that the political system was never involved in qualifying an agency, never, except the one I quoted for Chrétien and the Paul Martin issue.... And if I recall, there was another one, but it doesn't come to mind.

• (1720)

Mr. Anthony Rota: Okay. I'll just ask one brief question and then I'll pass it off to Mr. Wrzesnewskyj.

Mr. Charles Guité: But maybe I could add something that would clarify it for everyone. I'll give you another clear example that came up at the Gomery commission.

There was a competition for Tourism Canada. Tourism Canada, in my day, had a budget of about \$50 million to \$60 million a year. They were big spenders around the world, and that's fine to bring tourism to Canada.

We had a competition. An agency out of Toronto won, and an agency out of Montreal came second, and third, fourth, fifth down the list. The policy allowed the minister, if there was a difference of less than 10%, to choose number two or number one or number three, in fact, if there was less than a 10% difference.

I, as the president of that selection committee, would send a letter to the department saying the winning agency is so-and-so. The political system came back through the Tourism Canada bureaucrats who said they didn't agree. They wanted to split it between two agencies. So they got involved in who got what in that department. One agency got Europe and Canada, and the other agency got Australia and the Far East.

That's the same process when I talk about sponsorship.

Mr. Anthony Rota: Okay. Very good.

Just a quick question. The document you have that you're going to be tabling, the log book, can you tell us where you got that from? And is it public?

Mr. Charles Guité: Yes, it was tabled at the Gomery commission.

Mr. Anthony Rota: Okay. That's fine. That's all I need to know.

Mr. Charles Guité: Yes, it's just.... But I mean, I was going to—

Mr. Anthony Rota: I was just concerned about the committee getting something that wasn't lawful.

Mr. Charles Guité: —quote a few in there, but you will see clearly in that document the involvement of the political system. And again, if you go back—

The Chair: Mr. Rota has had his time. We will come back to you, Mr. Rota.

Mr. Anthony Rota: That answers my question. I'll pass on to Mr. Wrzesnewskyj.

Mr. Borys Wrzesnewskyj (Etobicoke Centre, Lib.): Mr. Guité, over and over throughout today's hearing you've said the political system never interfered. Yet in testimony before the committee in 2004, when you felt at that point you were free from your oath of confidentiality as a civil servant, for the purpose of testifying before the committee, the funding operations you oversaw were, in your words, "political". Let me be even more accurate: the wording you used was "very, very, very political"—three "verys". You went on to say "there were political appointees, and they ran the group from an operational point of view". How do I match that?

Mr. Charles Guité: Because you're referring to the years of the Conservatives versus the years of the Liberals.

Mr. Borys Wrzesnewskyj: Oh, so could you clarify that?

The Chair: Again, Mr. Wrzesnewskyj, we're way off the topic.

I urge members.... We're talking about the apparent inconsistencies between Mr. Guité's testimony before this committee and what he said in Gomery. And you're going back to the Conservative government. I assume it's the Mulroney government you're talking about now?

Mr. Borys Wrzesnewskyj: Chair, we had an unequivocal statement here that the political system never interfered and only a few examples that came up in Gomery listed.... Yet we had a very clear statement before this committee in 2004 that the process was "very, very, very political"—three "verys"—and that there were political appointees who ran the group from an operational point of view.

The Chair: There's no contradiction, Mr. Wrzesnewskyj.

Mr. Charles Guité: If he agrees to lose his minutes, I'll quote what I said to this committee.

The Chair: His minutes are pretty well up.

Mr. Charles Guité: Again, you're referring to the years under Mulroney, when I had political appointees on my staff. When I appeared at this committee, I think we were dealing with the issue of the sponsorship. In my opening statement I referred to the Mulroney years.

The Chair: Thank you, Mr. Wrzesnewskyj.

Thank you, Mr. Guité.

Is it Mr. Williams next?

Mr. John Williams: Thank you very much.

Mr. Guité, you have gone to great lengths to try to differentiate between the awarding of an open-ended contract to an advertising agency and the granting of contracts under that award.

You said the question was to what extent there was ongoing political direction in that program. Then in your answer you say:

There is quite a bit of difference between political interference and political input. ... And to say that they interfered—i.e., with the selection of agencies—never. I would not let them do that, because ministers are not to interfere with the selection process.

I'll go back to the question. The question said "ongoing political direction in that program". Now you're trying to say this was the selection process before the program started. The question was quite clear: ongoing political direction during the time the program was ongoing. You said "never". Then you turned that around to say that there's a difference between granting the authority to hire the agency and then giving that out afterwards.

When the question to you was quite clear about political involvement in the operation of the program, you turned this around, trying to tell us it was by the approval of the agency at the beginning. Why did you mislead the committee?

• (1725)

Mr. Charles Guité: I've never misled the committee.

Mr. Chair, I think I'll have to give the same answer I gave to Mr. Christopherson and the other one.

Again, Mr. Williams, as I explained a while ago, the political system was never, never involved in qualifying. Were they involved in selecting agencies and assigning projects? Yes.

Mr. John Williams: Let me take another tack here; I'm not sure you were in the room when the chair read that you are supposed to give replies that are fulsome and complete and so on.

You mentioned earlier today about your department having a staffer within the PCO. Who decided that staffer would be within the PCO?

Mr. Charles Guité: I think it was a request that came from PCO to me. In fact it was Madame Andrée Larose who was assigned to PCO during the referendum period.

Mr. John Williams: You were talking about householders, which were printed in the millions and subsequently destroyed at the direction of PCO and so on.

The Chair: Point of order, Ms. Sgro.

Hon. Judy Sgro: Are you talking about discrepancies in testimony?

The Chair: Mr. Williams, let me say this. We agreed, as members, and you were there, that we would talk about the inconsistencies in Mr. Guité's testimony before this committee and subsequent testimony at the Gomery commission. Now you're into householders that were printed in 1994 and 1995.

Mr. John Williams: What I was trying to get to, Mr. Chairman, goes back to your opening statement, when you talked about replies that are fulsome and so on. I was just wondering if Mr. Guité had anything to add to elaborate so we can fully understand these answers, which seem to be more fulsome today than the ones we got during hours and hours of testimony in the past.

The Chair: If you have anything specific to put to him on the inconsistencies he gave in this committee, I'll allow the question.

Mr. John Williams: Mr. Chairman, why don't we just let him see if he—

Mr. Pierre Poilievre: I have a point of order, Chair

You're intervening in Mr. Williams' testimony. Clearly you feel very strongly about the subject, but I'd ask that it not come off Mr. Williams' time. If you want to make an intervention we welcome that, but that is not something we're willing to give from our time.

Thank you.

Hon. Judy Sgro: Mr. Chair, on a point of order, nobody takes off Mr. Williams' time. The issue was that we're talking about a discrepancy in the testimony, and his questions were not to do with the discrepancies here.

The Chair: Okay, Mr. Williams, I ask you to continue on this inconsistency.

Mr. John Williams: Thank you, Mr. Chairman.

I was just going to ask Mr. Guité if there was anything else he would like to add to his testimony to clarify our misconceptions about discrepancies and so on. So I'll give him the floor for a minute or so to see if there's anything he wants to add to our edification of this issue.

Mr. Charles Guité: Mr. Williams, let me make the following point. When I came here in...was it 2004?

Mr. John Williams: It was 2004.

Mr. Charles Guité: I had been gone from the government since August 1999. I came here, and in response to the questions I was asked, except the first time, when I was very blunt with answers, and I used the famous confidentiality clause.... The second time around I answered the questions to the best of my ability and as honestly as I could at the time, as openly as I could.

During the Gomery commission, I was grilled in Ottawa for four and a half or five days, and the same thing in Montreal, and they had an assistant assigned by the commission beside me with—I forget, I'll take a guess—150 volumes of data, of documents. If you put a document in front of me that I signed or did in 1995, 1996, or 1997, obviously my mind is going to be much sharper in reading the document. I'd say, "Yes, I do remember that", but some of them I did not remember.

So for you to say that I was clearer at the Gomery commission, obviously I was. There's no question, because I had all the information in front of me. In fact, when I could not answer, the commissioner would say to me, "Well, Mr. Guité, if you want to think about it overnight and take that"—because I had a copy of those documents—"home and have a look at it to see if you can refresh your memory over a night's sleep...". Several times I came back and I said, "Well, I'm not sure, but maybe".

• (1730)

Mr. John Williams: Now that you've had the experience of the Gomery commission and lots of time to reflect, are there any answers you had given to this committee that you think require further amplification or edification for the members, or perhaps even changes?

Mr. Charles Guité: No, I don't think so.

Mr. John Williams: Thank you, Mr. Chairman.

Mr. Pierre Poilievre: A point of order, Mr. Chair.

The Chair: A point of order, Mr. Poilievre.

Mr. Pierre Poilievre: Given that this has been a very lively exchange, I think it would only be fair for Mr. Guité to be given a chance to make a closing statement. We do have time, and I know that there's probably a lot on his mind, given that there are a lot of people or players who were involved in this particular affair. Anything additional he wants to share, I think he should be allowed to share.

The Chair: Mr. Poilievre, that was clear at the outset. I said clearly that Mr. Guité would be given the opportunity to make a closing statement.

I just have one question, Mr. Guité. When you appeared in 2002, the following exchange took place.

Question: "...it's your belief also that all provisions of government contract regulations were followed?"

Your answer: "Yes."

Question: "There's no one else that you're pointing the figure at."

Your answer: "No."

Question: "If there is a mess in this report, it's the sole responsibility of Mr. Charles Guité."

Your answer was, "That's correct."

Was that correct at the time?

Mr. Charles Guité: Yes.

The Chair: Is it correct now?

Mr. Charles Guité: From some of the information I saw, I don't know if I could comment on that. I'll give you an example, Mr. Chair, so that I'm not trying to avoid the question.

When Mr. Cutler testified, I don't know if he testified here. Yes, he did, in fact.

The Chair: He did, yes.

Mr. Charles Guité: There was a contract, when I came in here the first time, that was put in front of me, which Mr. Cutler said was non-competitive. Subsequently, at the Gomery commission, when I had the backup documentation, it was competitive.

The Chair: Okay, Mr. Guité. The bells are ringing. I'm going to invite you to—

Mr. David Christopherson: A point of order before you go there.

The Chair: A point of order, Mr. Christopherson.

Mr. David Christopherson: This is very important. I must correct the record, and I appreciate the opportunity. I want to withdraw all the remarks and questions that I made around the question of gifts. I want to directly apologize to Mr. Guité for any discomfort in that question. It was a different witness. I had the wrong page.

So, again, I withdraw all of that, and I apologize to you, sir. That shouldn't have happened, and I feel bad that it did.

The Chair: Thank you, Mr. Christopherson. I will accept your apology, Mr. Christopherson.

I'm going to invite you now, Mr. Guité, to make any closing comments that you want to make to the committee.

Mr. Charles Guité: The only comment that I want to make is that if, down the road, you find other things that you want clarification on, I'm there to give it. I obviously have to be very careful of what I do and what I say, because of criminal charges and being sued for, I forget, \$35 million, \$38 million, and so forth.

Having said all that, there's another memo that I got during the Gomery commission, which was regarding access to the unity reserve. It couldn't be clearer, and I would recommend that a lot of you members here look at the Gomery commission in detail. It was the Prime Minister's Office, through the clerk, saying you're going to send all this money down to Guité, and so forth. "That said, it is your office which determines to which projects the monies are directed." That's a memo to the Prime Minister from the clerk.

[Translation]

Mr. Michel Guimond: Could the witness file that document?

[English]

The Chair: Anything further, Mr. Guité?

Mr. Charles Guité: That is all. Thank you to all of you.

The Chair: We'll table the document.

[*Translation*]

Mr. Michel Guimond: Could the witness hand the document to the clerk and prepare another memo?

[*English*]

The Chair: I just said that.

Thank you very much.

On behalf of the committee, Mr. Guité, I want to thank you for your appearance here today.

The meeting is now adjourned. No, wait.

Go ahead, Mr. Sweet.

Mr. David Sweet: Can we have consent from all the members that for next June 12 we also invite Dominic Crupi and David Gork to appear in front of the committee with Great-West Life and Morneau Sobeco? And given the number of witnesses, can we limit the witnesses at the table to Dominic Crupi, David Gork, Pat Casey, Gary Roy, Francine Pell, and Peter Foley? They can sit at the table and any others who are needed can be called.

• (1735)

The Chair: Anybody else?

Mr. Borys Wrzesnewskyj: If I could have a little clarification from Mr. Sweet, I'm predisposed to support the motion.

With Mr. Gork and his involvement with that whole rigged contracting system, it was solely through the so-called Ottawa Police investigation. I understand we're also looking to revisit that and have Mr. Frizzell and Mr. Roy and a couple of other people come forward. Would it be appropriate to have Mr. Gork, especially considering he's coming from Lyon, when we deal with the Ottawa Police investigation? We could have him at both meetings, but it's a pretty narrow area that he would be able to speak to when we're dealing with Morneau Sobeco on the alleged rigged process.

Mr. David Sweet: Mr. Chair, on the logic behind it, first, it's my impression that David Gork is here now. We need to get some clarity around the steering of the direction of the investigation as well as the limitation around the numbers of Morneau Sobeco, and all those witnesses play into that.

The Chair: Do we have agreement?

Some hon. members: Agreed.

The Chair: The meeting is now adjourned.

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

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

**Also available on the Parliament of Canada Web Site at the following address:
Aussi disponible sur le site Web du Parlement du Canada à l'adresse suivante :
<http://www.parl.gc.ca>**

The Speaker of the House hereby grants permission to reproduce this document, in whole or in part, for use in schools and for other purposes such as private study, research, criticism, review or newspaper summary. Any commercial or other use or reproduction of this publication requires the express prior written authorization of the Speaker of the House of Commons.

Le Président de la Chambre des communes accorde, par la présente, l'autorisation de reproduire la totalité ou une partie de ce document à des fins éducatives et à des fins d'étude privée, de recherche, de critique, de compte rendu ou en vue d'en préparer un résumé de journal. Toute reproduction de ce document à des fins commerciales ou autres nécessite l'obtention au préalable d'une autorisation écrite du Président.