



House of Commons  
CANADA

# Standing Committee on Government Operations and Estimates

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OGGO • NUMBER 014 • 2nd SESSION • 40th PARLIAMENT

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EVIDENCE

**Thursday, April 2, 2009**

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**Chair**

**Mr. Derek Lee**

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Thursday, April 2, 2009

• (1105)

[English]

**The Chair (Mr. Derek Lee (Scarborough—Rouge River, Lib.)):** I see a quorum.

Today we have witnesses from the Treasury Board Secretariat, the Privy Council, and the Department of Finance to assist us in what I have described as somewhat of a planning meeting to raise our awareness of the procedures that will govern the spending of the stimulus package money contained in what the government calls Canada's economic action plan.

Because some of the procedures are arguably new—it's a road we haven't gone down before—this particular committee has not participated in this type of context before. Most of us are aware of the other-worldly, arcane nature of procedures that govern parliamentary appropriations. Our purpose today is to ask the public servants here, all of whom are experienced in this stuff, to help us lay the groundwork for the meeting that will follow after the Easter break.

So this is not *the* meeting, at which we would be aggressively probing the envelope as parliamentarians. This is rather a meeting where we're asking the public servants to help us better understand, so when we get to asking the tougher questions, the more meaty questions, we'll all be heading in the same direction.

I'll pause there and invite Mr. Smith, who has some opening remarks.

Before you do, I want to raise a matter I've raised with members before. I'd like the public servants here to take the message back, that this chair has had enough of the circumstances whereby the witnesses come with information in one language only. If we had a witness from out on civvy street, not in government, we would accept that. Occasionally that will happen. Every citizen has the right to be here and work in the language of his or her choice. But when we have ministers—ministers are public servants—we do expect they will come to us with written work in both languages, that it will have been translated. In circumstances where it's a last-minute thing, all the members here will understand: the document will come in French or in English, and we can't do much about that.

I'm being very polite in my remarks. There are other members in the House who would not be so polite. I want that registered. I don't want to see this happen at this committee again, so make sure your ministers know it. Make sure your ministers' staffs know it. I have taken the trouble previously to try to communicate this to ministers'

staffs through the government members here. I'm just registering that.

You can reply. If you want to say something about that, you can; you're free to do so. I don't want to extend the debate on this too far, but I think my message is clear.

Mr. Smith.

**Mr. Alister Smith (Assistant Secretary, Expenditure Management Sector, Treasury Board Secretariat):** Thank you, Mr. Chairman.

I do have some remarks, and I was concentrating in my opening remarks on Treasury Board vote 35, but more generally, you may have questions that go beyond that.

[Translation]

Good morning everyone.

I would like to thank the honourable members of the committee for the opportunity to speak with you about the new central vote introduced in the main estimates for 2009-2010, Treasury Board Vote 35.

• (1110)

[English]

The Minister of Finance said that stimulus spending needed to begin flowing within 120 days of the January 27 budget. That is before June and preferably sooner. It's important that funds flow as soon as possible to have the desired impact on the Canadian economy. Due diligence, of course, must be respected.

Funding for budget initiatives typically comes from two sources of funds: the Budget Implementation Act and supplementary estimates. In this case, this year and in most years, the short gap between the tabling of budget 2009 and the tabling of main estimates for 2009-10 did not allow sufficient time for departments and agencies to develop detailed program plans and seek funding for initiatives outlined in Canada's economic action plan through the main estimates.

[Translation]

In the past, departments had to wait until December to receive cash through supplementary estimates to implement initiatives presented in budgets tabled in late February or early March.

[English]

In effect, departments had to manage new spending on budget initiatives within their existing budgets through much of the fiscal year. Given the scale of the stimulus spending in budget 2009, that would not be possible for many departments and agencies involved in delivering budget initiatives this year. This spring we will therefore again be tabling supplementary estimates A in May to seek Parliament's approval to implement those budget initiatives that are ready for implementation.

The central vote, TB vote 35, is a bridge to supplementary estimates to ensure smooth implementation of budget initiatives to departments requiring funds before supplementary estimates.

The maximum allowable amount of 11/12ths of the vote, \$2.75 billion, was approved through interim supply. The remaining 1/12th, \$250 million, would be made available for potential allocation between the date of full supply, tentatively set for June 9, and June 30.

The objective of TB vote 35 is to ensure that departments have the resources and authorities required to implement budget initiatives. Consequently, funding is now available for allocation to organizations for the immediate implementation of initiatives identified in chapter 3 of budget 2009.

Let me now turn to the process for accessing the vote.

As mentioned, TB vote 35 is intended to serve as a bridge until Parliament's approval of supply in June and December. Treasury Board ministers are authorized to allocate up to \$3 billion for budget initiatives directly to departments that have provided us with demonstrated forecast requirements in advance of the supply periods.

[Translation]

Allocations made under Vote 35 can occur from the period of April 1 to June 30, consistent with Treasury Board approval.

[English]

Each initiative seeking funds from this vote requires a Treasury Board authority. Treasury Board officials will review cashflow requirements to ensure that only funds that are required before the next supply period are recommended for allocation. Funds unallocated at the end of June will lapse in TB vote 35, and departments will seek to obtain funding in accordance with normal supply periods thereafter.

If I might, I'll mention reporting again.

A number of reporting mechanisms will be employed to ensure accountability and transparency around the use of vote 35. The government has committed to table regular quarterly reports in Parliament on the implementation and impacts of the budget. Included in these will be reports on allocations from vote 35. TBS will also report on the use of the central vote, as it does for all others, through summary tables and supporting narratives in supplementary estimates documents tabled in Parliament.

Departments and agencies will be required to report on all initiatives, including those funded with allocations from vote 35, in

their departmental performance reports. In addition, TBS officials and/or the President of Treasury Board will appear before committees and respond to any questions that committees or members may have on the use of the vote.

•(1115)

[Translation]

In closing, I would like to thank you for allowing me to provide you with an overview of Vote 35.

[English]

**The Chair:** Thank you very much for that.

Does either one of the other witnesses want to present an opening statement from the perspective of your ministry? No? Okay. That's good.

I am just about as foggy on this as I was when you started. That's why we're here today—to try to clear the air.

I'll look to Ms. Hall Findlay. We'll do the usual rounds.

Please go ahead, Ms. Hall Findlay.

**Ms. Martha Hall Findlay (Willowdale, Lib.):** I apologize. I was actually caught....

**The Chair:** We can come back to you.

**Ms. Martha Hall Findlay:** If we can, that would be very helpful.

**The Chair:** Mr. Szabo? No.

Then we'll go to Madame Bourgeois.

[Translation]

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

Mr. Smith, good morning. Good morning gentlemen.

If I understand correctly, you are taken by surprise. You stated that you did not have sufficient time to prepare a plan to explain how the \$3 billion will be spent. Did I understand correctly?

[English]

**Mr. Alister Smith:** I don't think I was saying exactly that. What I meant was that when we table main estimates, which we have to table by March 1, and we have a budget that is tabled, in this case, in late January, there's not enough time to reflect the budget items in the main estimates.

This is a problem that occurs every year. It's partly the timing, but by House Standing Orders, we're required to table main estimates on March 1, and often the budgets are in February. As a result, with those timelines we can't develop the proposals sufficiently to bring them into the main estimates.

Therefore last year, for the first year in a decade, we created spring supplementary estimates, supplementary estimates A, which you will be seeing again in June. The idea there was to capture as many of the budget items as we could by that point, so that departments would have the ability to get cash in June instead of having to wait, as we did for many, many years, until December.

In a normal year, with a smaller budget, it was possible to wait until December, but it gave rise to a lot of cashflow problems for departments. Last year I think we were relatively successful with having spring supplementary estimates for the budget; this year, given the scale of this budget, we felt we needed something in addition, something that would actually allow funds to flow before, effectively, the end of June. That's why we created the central vote as a supplement, as a bridge.

[Translation]

**Ms. Diane Bourgeois:** I would like to properly understand what this incentive measure consists of, the supplementary amount. I believe that it is Vote 35. Funds will be made available for projects submitted between April 1 and June 3, if I understood correctly. Is that correct?

[English]

**Mr. Alister Smith:** First of all, this amount actually is in main estimates. The \$3 billion central vote was in interim supply. It is actually in the main estimates as a fund to be allocated. Now, it's not allocated directly to projects; it's allocated to programs, to initiatives that are in the budget. That's an important distinction—

[Translation]

**Ms. Diane Bourgeois:** All right.

[English]

**Mr. Alister Smith:** —that the Secretary of the Treasury Board mentioned when he was here.

[Translation]

**Ms. Diane Bourgeois:** That's the difference with regard to the amount which is allocated for infrastructure. Pardon me, I was mistaken. As regards infrastructure, there are projects, whereas this famous \$3 billion will be spent on programs. Is that correct?

[English]

**Mr. Alister Smith:** No, that's correct. These funds are allocated to the initiatives that are in the budget, those initiatives that are typically not in the Budget Implementation Act but that require funding. The funds are not allocated directly to projects. Projects come under the terms and conditions of the programs that departments are delivering.

• (1120)

[Translation]

**Ms. Diane Bourgeois:** Fine.

With your permission, Mr. Chair, my colleague will ask the next question.

[English]

**The Chair:** Go ahead, Monsieur Roy.

[Translation]

**Mr. Jean-Yves Roy (Haute-Gaspésie—La Mitis—Matane—Matapédia, BQ):** Thank you, Mr. Chair.

You say that of the \$3 billion, \$2.75 billion could be released rather quickly. Are you maintaining a sort of leeway?

[English]

**Mr. Alister Smith:** Actually, we're only permitted to ask you for eleven-twelfths of a vote in interim supply, so therefore there was a limit set by that, and it's what gives rise to that \$2.75 billion. The remainder would be allocated over the remaining period until the end of June.

[Translation]

**Mr. Jean-Yves Roy:** I have another question. Vote 35 amounts to \$3 billion, indeed. You state that the allocation period expires on June 30. Does that mean that all of the amount must be distributed to each one of the departments by the 30<sup>th</sup> of June? Once the expiry date has elapsed, will the money remain within the budget? Will it be allocated to the same programs?

[English]

**Mr. Alister Smith:** Well, the funding is allocated to the programs, so it has to be allocated by the end of June or the money lapses. The funding can be spent up until the next supply period, the supplementary estimates B in December.

[Translation]

**Mr. Jean-Yves Roy:** Ah, afterwards.

[English]

**Mr. Alister Smith:** We require departments to provide us with some indication of their spending pattern under the program, but the window of opportunity for the allocations to those programs closes at the end of June. That's the way it works.

[Translation]

**Mr. Jean-Yves Roy:** You state that these are budget items, items that are contained in the budget. Does this include repairs to federal buildings, which falls well within departmental mandates?

[English]

**Mr. Alister Smith:** I think you're talking about post-secondary education and the knowledge infrastructure program, which is a Budget Implementation Act—

[Translation]

**Mr. Jean-Yves Roy:** No, I'm talking among other things about infrastructure that belongs to the federal government.

[English]

**Mr. Alister Smith:** Oh, you mean federal infrastructure. Yes, in this case, for federal infrastructure and the public works program, that would be eligible, I believe.

[Translation]

**Ms. Diane Bourgeois:** That's fine for now, Mr. Chair. Thank you.

[English]

**The Chair:** That was a short round.

Do we want to come back to the Liberal side now? Are you ready to go?

Please go ahead, Ms. Hall Findlay.

**Ms. Martha Hall Findlay:** Thank you.

As a committee, we have a job to do over the next couple of months, and we will need more than this day to be able to hold the government to account effectively on the \$3 billion.

The larger question is that there has been money that has now lapsed, and we have had prior discussions on whether it can be reprofiled, whether it gets lumped in, and so on. We need to be able to hold the government to account on a number of areas of spending. The \$3 billion is the most obvious one, just because of the reprofiling.

My understanding was that as part of this, we as a committee could ask your advice in terms of the right people to bring before the committee on a regular basis over the next couple of months. It isn't enough to bring somebody once in a while. Frankly, the next two months will be very important in terms of holding to account.

I open that up to the three of you for your advice on people we should have in, specifically and on a regular basis, to help us, whether it's Treasury Board or...

**Mr. Alister Smith:** I think you're absolutely right. This is a much broader picture than simply the \$3 billion vote. I couldn't agree more. Indeed, we have Budget Implementation Act measures that total \$10 billion, other tax measures, the money that's in the central vote, and additional funding to be provided in the supplementary estimates A, so we have several sources of funds here. It is a very large package. It amounts to \$20 billion in 2009-10 when you include the tax measures.

It would be useful to have a broader picture of the overall thrust of the budget implementation instead of simply looking at one pocket of it, which is the central vote, and in any case the central vote funds will have been allocated by the end of June. My colleagues may want to chime in here, but it seems to me that you might want a broader range of officials, including departments, to address the broader budget implementation plan.

• (1125)

**Ms. Martha Hall Findlay:** It may not be a broader range of officials. My concern then would be that we might end up diluting the whole process.

Let's take the \$3 billion, for example. If we were to ask your advice on the best person to have before the committee, whether on a weekly or bi-weekly basis, who would you recommend as the best person to ask about where that money is going, how much of it has gone, and what process has been used?

**Mr. Alister Smith:** I think that should be Treasury Board. I'd be happy to let my deputy decide who he wants to come up here to address that matter, but that part of the package would be Treasury Board.

**Ms. Martha Hall Findlay:** For some of the other aspects, knowing that it is a broader thing, do you have any other recommendations?

**The Chair:** Go ahead, Mr. Sargent.

**Mr. Tim Sargent (Assistant Secretary to the Cabinet, Liaison Secretariat for Macroeconomic Policy, Privy Council Office):**

Certainly if you want to have one-stop shopping or one person who can tell you about the disbursement of public funds, Treasury Board Secretariat is obviously responsible for that within government. One caveat there is the extent of detail that you would want to go into. If you are really trying to drill down to the project level, you may well find that you may need somebody from the Department of Transport or someone from another department. If you want to have one person, that's fine, but there is a bit of a trade-off there in the detail that you're going to get.

In terms of the broader implementation of the budget, certainly the Minister of Finance is the person who tables the budget. If you're interested in the broad underpinnings of the budget, how it's being reported, and what the accountability mechanisms are, I would have no hesitation in volunteering my colleague from the Department of Finance, or whoever they wish to choose.

The role of PCO, as you know, is partly to ensure coordination across government, partly to provide policy advice to the Prime Minister, and partly to help manage the cabinet committee system. If you want to understand this at a very high level, then certainly PCO, since we perform that function for the Prime Minister, can be helpful, but as soon as you begin getting down to why the Budget Implementation Act says something or other or what the details of a specific program are, it would have to be handed over to my colleagues at the finance department or Treasury Board or another department.

**Ms. Martha Hall Findlay:** I don't think it is necessarily how the budget process works. We really are under some pressure now, as a government, to make sure the stimulus money that has been promised to Canadians gets out. Our job in opposition is to hold the government to account on that basis, so from time to time it may be the specifics. I would suggest that there may be times within that context that representatives from the PCO would be helpful in terms of the direction.

Mr. Smith, in terms of the process over the next couple of months, perhaps we would be able to give you advance notice of the need to bring somebody else along with you on a specific issue or program that might come up.

**Mr. Alister Smith:** I'd be very happy to accommodate the committee in that regard.

It might be useful if my colleague from the Department of Finance talked a little bit about reporting.

**Mr. Chris Forbes (Director, Fiscal Policy Division, Economic and Fiscal Policy Branch, Department of Finance):** It's just a reminder that we will be reporting again in the next few months. We will be following up on the March report with further details on the status of implementation. That obviously doesn't preclude any discussions before then, but we are working, as a government, on another report following on the budget implementation. That report will be coming some time before Parliament recesses in June.

**Ms. Martha Hall Findlay:** Right, but remember that the reason for the \$3 billion special request of vote 35 was to get that money out in the next three months, so another report....

**Mr. Chris Forbes:** Yes, certainly.

**Ms. Martha Hall Findlay:** It's not your fault. I'm not being critical of that; it's wonderful, and I'm looking forward to the report.

However, our job is to get that information over the next little while for that very reason. On that point, will it be possible to ask somebody from your shop to come on an interim basis with an update?

• (1130)

**Mr. Chris Forbes:** Yes, we're certainly happy to come as we can to help.

As my colleagues have mentioned, if you want the high level of what our budget objectives were or where we're going on the reporting, I think we can help you there. If you're looking for the Treasury Board processes, then obviously Alister and colleagues would be the ones who would discuss that process. If you're into questions on specific aspects of the stimulus plan, Treasury Board, as Alister has mentioned, allocates for programs, not for projects, so if you're getting into questions about program spending in various areas, you would have to go to the departments in question for the expertise.

We are certainly happy to assist as needed.

**Ms. Martha Hall Findlay:** That is terrific. Thank you.

Do we have more time?

**The Chair:** No. We are at eight minutes now. We'll come back to Mr. Szabo shortly.

Go ahead, Mr. Warkentin.

**Mr. Chris Warkentin (Peace River, CPC):** Thank you, Mr. Chair.

Thank you for coming in this morning. We are seeking clarification because as a committee we believe it is our responsibility to ensure that this money flows, and flows in the direction it is intended to. We appreciate your efforts in making us more aware of our responsibilities and of the ways in which we might carry them out.

I need a number of things for clarification. There is a lot of muddy water, and I hope not to exacerbate that situation. I am hoping to bring some clarity, and I seek some.

First, it is my understanding that the \$3 billion in vote 35 cannot fund anything that has not already been outlined in the budget. Is that correct?

**Mr. Alister Smith:** That is correct.

**Mr. Chris Warkentin:** It's simply the provision of cash for different programs that may be in the budget. This money will lapse after June 30. If the money is not spent, it doesn't mean that any program or initiative within the budget is limited in terms of its ability to be funded; it simply means that a new vote will have to be brought forward to fully fund programs. Is that...?

**Mr. Alister Smith:** Perhaps I could provide some clarity on that question. If it is not spent, the money lapses. That's for sure.

If a program has not been funded through vote 35 or supplementary estimates A, then the next avenue will be supplementary estimates B in December. Departments that have

not gone through the process of obtaining that early funding would have to cash-manage, if they're running with a budget initiative, until they got funding in supplementary estimates B in December.

**Mr. Chris Warkentin:** That's an important point on two fronts. Number one, of course, is that the departments don't want the undue pressure of having to manage without cash, and I guess that's the incentive to get everything moving before June 30.

In terms of the different programs that are going to be funded through this, I know that there has been a call for projects that will be funded. I know the impossibility at this point for any of you to speak about the different projects, but I think I know what we as committee members are looking for at this point: as decisions are made that those programs that were outlined in the budget will be funded by the funds available through vote 35, we might like to know the programs that are going to be given money. You've assured us that only the programs and initiatives that are in the budget will be funded through vote 35.

Then there may be another level of accountability. We may seek to call before us those different departments so that we might drill into those initiatives. We would require the different departments to actually fully understand the way those programs were being funded and the way the money was being sent out to Canadians. Is that correct?

**Mr. Alister Smith:** That is correct. That's my understanding of the proper procedure to follow.

**Mr. Chris Warkentin:** Next, would you dare to guess as to when we might see large allocations of this fund going to specific departments? At the earliest, when might we be able to have a list of some magnitude of where this money is being allocated?

• (1135)

**Mr. Alister Smith:** Well, there will be some information when we table the supplementary estimates. It will be whatever information is available. There will also be information—more detailed information, I think—on the allocations from vote 35 in the June report.

**Mr. Chris Warkentin:** Could you tell us the date in June when that will be tabled?

**Mr. Alister Smith:** Well, that's still to be determined, I believe, but it will probably be early June.

**Mr. Tim Sargent:** If I may, certainly there's a commitment to table it five days before the last supply date. That's the last date we could table it. Obviously we could potentially table it earlier than that, but no date has been announced.

**Mr. Chris Warkentin:** Great.

I think the desire of this committee is just to have the assurance, for our own sake and for that of Canadians and taxpayers, that the money is going out, and that it is simply and absolutely going only to programs that received allocations in the budget. You've assured us of that. I think what we're trying to do is just provide another level of transparency to ensure and to exhibit to Canadians that in fact it is so, that in fact it is happening, and that it is happening in an efficient and effective manner.

I suspect that it won't be possible to analyze the outcomes of the actual program spending for some months to come in terms of how effective those initiatives actually were on the ground. Right now we're hopeful of ensuring that the money coming from vote 35 is funding initiatives that were in the budget. Then we may seek to get some information as to how the different departments are allocating those funds.

That's helpful. I appreciate that clarification.

**Mr. Alister Smith:** Those quarterly reports, which will be provided in June and then in September, I believe, and December, will be able to follow results as they develop in the use of the money.

**Mr. Chris Warkentin:** I want to be absolutely clear. This is hypothetical, but if \$3 billion is not spent by June 30, I want to be clear that in the larger scheme of things that will not jeopardize any program or initiative. It may be more difficult for departments to cash-manage, as you suggested—

**Mr. Alister Smith:** That's right.

**Mr. Chris Warkentin:** —but in actual fact it does not limit the scope or breadth of any program that was in the budget.

**Mr. Alister Smith:** No, it doesn't, with the exception of the cash management difficulties that it may give rise to in departments. A program will have supplementary estimates B, and it will have the next budget, presumably, wherein further funding can be provided, although that's my colleague's terrain, not mine.

I don't think it would be a limit in that sense, but for economic reasons it's very important that this stimulus be provided in a timely way—

**Mr. Chris Warkentin:** Absolutely.

**Mr. Alister Smith:** —because the further away you get from the economic problem, the less useful it is.

Perhaps my colleague can add to that.

**Mr. Chris Forbes:** On that point, the expectation is that the departments that need this have programs that are going to flow money starting in April. The whole purpose is to help them with that. We would certainly expect and hope that there will be take-up on that. That's the reason it's there. It's got to be used to get the money flowing out sooner, as opposed to later.

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

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

Mr. Martin is next.

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

After listening to my colleagues ask questions, I think one of the things making it difficult for our committee is that we have to focus on the name of our committee. It's government operations and estimates. What we're being asked to do with this \$3 billion of additional spending is really to review it after the fact, as if we were the public accounts committee. As parliamentarians, what we're being denied in this process is the right to review the estimated spending in the context of a business plan and to decide whether it is the best bang for the buck.

I think it's that task that we've asked you to come to help us with. Where do we, as parliamentarians, get a chance to assess this spending plan? That shapes the context of my questions.

More specifically, I'm wondering.... I'm having difficulty grasping all this.

I was part of the briefing that members from each party were invited to by the President of the Treasury Board in order to ask them if they could get away with this new \$3-billion, eleven-twelfths idea. If you could get unanimous consent, it would be simpler.

At that time, and I wrote down specific notes, they said the eleven-twelfths of the \$3 billion will be spent only on items in the budget within chapter 3. That language is different from the actual budget implementation vote in the end, the one we ended up debating. All of a sudden, now it's any new grants, any increase in amounts of grants listed in the estimates, etc., as long as it's within the legal mandates of the government organizations.

Can you say that the spending associated with vote 35 is only for budget items within chapter 3 of the budget?

• (1140)

**Mr. Chris Forbes:** Chapter 3, in fact, has all the budget measures in it. It's the entire chapter, so that might have been a way of saying in effect that it was the action plan itself, because all the specific announcements are contained in chapter 3.

**Mr. Pat Martin:** Okay. That's helpful. Thank you.

**Mr. Alister Smith:** Might I address the vote wording?

That particular construction of the vote wording allows one to provide the authorities required in the event that you have, for example, a new budget initiative. It's in the budget that's been approved by Parliament and it's in chapter 3, but it is new, and you may not have had previous authorities. You could run into an authority problem, a financial commitment problem, if you don't have wording that allows you to cover those sorts of situations.

There's nothing that goes beyond. It's still limited to chapter 3 and still limited to the budget, but it gives flexibility. In the case of a grant, if you found out you had put this wording forward and a mechanism like a grant was used and you couldn't use it, then you'd have thwarted the objective of trying to implement the budget.

That wording was simply for that purpose.

**Mr. Pat Martin:** Well, you can understand where it would raise an alarm on our side, but I appreciate that.

Our research says that if the Treasury Board approves the department's request, it forwards the funding to the department. I think we know that. But it says that Parliament does get an opportunity to examine the request for funding when the next supplementary estimates are published, and that Treasury Board details the reasons for giving the money to the department outside the regular funding cycle of the supplementary estimates. However, the details are included for information only, since the funding has already been spent.



That accurately outlines how it goes, doesn't it? We get our opportunity to criticize or compliment what has been done after the fact, much like the public accounts committee does with finance department spending.

Where do we get our opportunity to scrutinize whether or not it's a good idea to spend it at all, to see the business plan, to see the justification for the spending?

**Mr. Alister Smith:** Mr. Martin, this is the procedure we follow with virtually all central funds.

**Mr. Pat Martin:** Yes, but this is unique. This \$3 billion is unique.

**Mr. Alister Smith:** Indeed, this is unique—

**Mr. Pat Martin:** We approved it on the condition that we get our say on whether we're going to get the best bang for our buck. Some of us think the best bang for our buck is raising EI premiums and eligibility rather than putting a new cruise ship dock in downtown Vancouver. I would argue that, but I'm not going to get the chance until after it's all done.

**Mr. Alister Smith:** But you've approved the budget as well, which I think contains those initiatives. This vote just provides that bridge of funding for the initiatives that have already been approved in the budget. The budget has passed in Parliament.

**Mr. Pat Martin:** Okay, I understand. I'm not trying to be heavy-handed with you, as the technical experts. We appreciate your being here.

Can I ask you, then, where the public's comfort is that there's no hanky-panky going on with the application of how this money is spent? How do we know it's going to be spent in an impartial, non-partisan manner? Can you tell us how we can get some comfort that there are those safeguards?

• (1145)

**Mr. Alister Smith:** Of course there will be internal due diligence, internal audit. There will be external due diligence, with the Auditor General. All of those due diligence requirements are being met.

**Mr. Pat Martin:** But when you're six months away from a federal election, that spending is going to happen now and the ruling party is going to get the credit for that spending. It might be after the fact, if ever, that we get a chance to assess whether the money was distributed fairly. That's why we've been saying we need something at the front end. In fact I think that's why this committee was created, so there would be an analysis of the estimates in greater detail instead of an analysis after the fact, with the public accounts committee and the Auditor General.

In my home province of Manitoba, you drag the minister before the estimates committee and sometimes they're there all night, going line by line. "How can you possibly propose to spend that? Why do you propose to spend here and not here?" We don't do that in this Parliament at all.

With these extraordinary circumstances, such that they're asking us to approve, and we have in fact approved, we want a greater element of that advance analysis. We want to know if it's a good idea to spend this money in the way they're proposing. And we want to be assured that there's no hanky-panky or attempt to spend that money to the best advantage of the ruling party, which some of us more jaded people strongly suspect there will be.

Thank you.

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

For the record, the department has provided the transcript of opening remarks in both official languages.

Thank you very much.

We're going to go back and forth with members here. I have a couple of questions myself.

Who will be next? We will go to the Liberals, if you're ready to proceed, Mr. Szabo.

**Mr. Paul Szabo (Mississauga South, Lib.):** Thank you.

Gentlemen, the committee has a unique mandate right now. I don't think that any committee has really undertaken to get so significantly involved in the monitoring and accountability aspects of government expenditures, but these—as I think you said, Mr. Smith—have economic implications. The importance here, which I think all members would agree with, is that all the parties spent some equity to work this budget to get it to this point where there is this facility....

Not getting the cash out in the first quarter isn't an option. What advice do you have for the committee, to monitor, anticipate, respond, and react, to ensure that all the cheques are out by the end of June?

**Mr. Alister Smith:** This mechanism, again, is an allocation mechanism. That is, it requires that any funds from this central vote be allocated by the end of June. It does not require.... One would hope, certainly, and it was created for this purpose, that a great deal of that spending would occur right away. But once the funds are allocated to departments, they have to run the programs in a proper manner, in a manner that meets the needs of partners and recipients.

So you can't be absolutely assured that all funding is going to flow before the end of June. Indeed, some of it will, and some of it will continue to flow after the end of June. That's appropriate, depending on the particular program.

As we mentioned, we will be reporting on the effects of these initiatives, to the extent we can, in the June report and in later reports.

**Mr. Paul Szabo:** Perhaps I can stop you there, because your first part causes me significant concern. The government made a commitment that on April 1 the money's getting out. I'd like to know how much money went out, you know, today.

We do understand that there are timelines. That's why, in the discussions, it was clear that \$3 billion, to have the impact on shovel-ready or whatever it is, to be able to generate results at a critical time, at a time when Canadians need the jobs related to these moneys, the discussion always centred around the fact that you may not be able to provide in detail where all this spending is going, but all of the programs will have the lead time necessary to identify them, to work out the details, to fine-tune them, to get the approvals, the requests, the authorizations. That takes time.

A lot of that, necessarily, has already been done. I'm asking you whether or not it's realistic for this committee to start to monitor the stage at which dollars are in the process of leading to getting the cheque out. If the committee starts to detect, a couple of months out, that very few of the dollars are really out, or if you go past and there's lapsing at the end of June, that may destroy the whole strategy of having vote 35.

The strategy is that the cash has got to be out. This committee, I think, wants to be accountable, to report to Parliament, to carry the ball to Canadians that the moneys are there. We understand that even once the money is put in the hands of the third-party program provider, there will be economic lags for them as well. It doesn't happen instantaneously.

Again, June reports are fine, but I think this committee really needs your advice here. How can we monitor the progress of the process of getting \$3 billion of cash into the hands of program providers before the end of June? Are there mechanisms or resources available to the committee to do that, or people who are better suited? I don't think the committee has to know very much about the micro-detail of projects, but to know, rather, that the representations of the departments are consistent with the objectives of the budget.

I think we need some words of advice. If it can't be done, the committee should know now.

• (1150)

**Mr. Chris Forbes:** I'll give you my comments just generally on that.

In the first report we put out, at the beginning of March, we basically laid out, budget item by budget item, the stage in the approval process that it was at and when the cash was expected to flow. We gave a fairly detailed summary for each item—where it was at; what it needed in terms of authorities; when those were expected to be received; when, in the case of benefits, the cheques were expected to flow; in the case of tax reductions, when people would see the effects on their paycheques; and in the case of specific programs, when we might see whatever the next stage was, such as agreements with provinces, or benefits flowing to Canadians.

So we've laid out a fairly specific and detailed timeline for program-by-program progress, if you will, toward delivering benefits and getting the money flowing. As my colleague has said, what Treasury Board has done is provide, then, once the proper authorities are obtained, the allocations to the departments—or departments can cash-manage, or wait until supplementary estimates A, but as per their own decisions—when they need to access that money.

Departments have given us, and the government as a whole has given, a fairly specific plan as to what your progress markers are, budget item by budget item. So I think that—

**Mr. Paul Szabo:** Are you talking about vote 35?

**Mr. Chris Forbes:** Pardon me?

**Mr. Paul Szabo:** Are you talking about vote 35?

**Mr. Chris Forbes:** Actually, I'm taking a broader question for the whole—

**Mr. Paul Szabo:** I understand that. Please don't do that.

**Mr. Chris Forbes:** Okay. I apologize.

**Mr. Paul Szabo:** Okay.

Again, I got the sense from just the way things were going that until Mr. Smith said the economic implications are crucial to vote 35, because it is dependent on cash being out.... I think you have to stop talking about, oh, they've got proposals in. There isn't a list of projects available. Government told Parliament that.

**The Chair:** Okay.

**Mr. Alister Smith:** Could I perhaps address...?

**The Chair:** Yes, you may, fairly quickly.

**Mr. Alister Smith:** I will confine myself to vote 35.

We are monitoring all of the budget implementation, including vote 35. What Mr. Forbes was saying does apply to vote 35 as well. We are monitoring it closely.

I would suggest, though, that if you really want to know the progress on an individual item that has received funding through vote 35, the department is the best place to provide that information. You may very well want to draw on Infrastructure Canada or one of the other departments that's key to budget implementation in asking exactly how well this is progressing. We are going to be monitoring and we are monitoring already, and we monitored for the first report. We'll keep monitoring the progress, the funds, and all aspects of the budget implementation to make sure, indeed, that as much of this happens as early as possible.

• (1155)

**The Chair:** Thank you.

Madame Bourgeois.

[*Translation*]

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

My question is brief and does not deal necessarily with Vote 35 but on the work that the three of you do. I am meeting Mr. Sargent from the Privy Council Office for the very first time.

When a department awards a contract worth \$500,000, \$1 million or \$1 billion, does your role not consist in managing these expenditures, and asking questions with respect to the contract's plans and priorities? Do you make sure that the amount of \$1 billion is going to the right place and that there will be positive economic spin-offs for Canada? Do you make sure that savings are made?

[English]

**Mr. Alister Smith:** I'm afraid that's more in our terrain as well than in the Privy Council Office's.

In general, the Treasury Board is responsible for the policies on project approval and for contracting the big policies. Departments have delegated authority to provide those projects and contracts. Within the terms and conditions of the program, the departments manage the projects specifically.

[Translation]

**Ms. Diane Bourgeois:** To come back to the question asked by my colleague from the Liberal Party, Mr. Szabo, when departments award contracts under Vote 35, you Mr. Smith, should be able to inquire into the soundness of these contracts.

Am I mixing apples with oranges or am I on the right track?

[English]

**Mr. Alister Smith:** No, no.

Again, the funding provided through Treasury Board vote 35 or the Budget Implementation Act for a particular program then sets the chain of events in action. So under a particular program the department will determine who is eligible, how the funding would work for a particular project, whether there's cost sharing, the reporting, and all aspects of that. That happens at the departmental level. They will report back to you through their departmental performance reports and also their reports on priorities and planning. They will also be responsible for reporting to us in terms of our quarterly monitoring reports. There's a fair amount of information that will come back from the departments as they go through that chain of events.

[Translation]

**Ms. Diane Bourgeois:** I'm having a bit of trouble with this. Each time we ask you if there is a list of projects or programs funded under Vote 35, you talk about chapter 3 of the main estimates. Yet, chapter 3 says a lot of things that do not amount to much. Indeed, certain programs can be targeted, but I'd like to know if the departments... Vote 35 deals with a new program or a new program initiative. How can we make sure that it does not provide funding for a program that is already contained in the ordinary main estimates?

That's exactly why I'm asking you if you have access to the plans and priorities and documents provided by the departments so that a distinction can be drawn between the two.

•(1200)

[English]

**Mr. Alister Smith:** For existing programs, if they are the main focus, the programs of say HRSDC, Human Resources and Skills Development Canada, or other large departments—

[Translation]

**Ms. Diane Bourgeois:** Yes.

[English]

**Mr. Alister Smith:** —they've already tabled their reports on plans and priorities for the current fiscal year 2009-10. So you will see a fair amount of information in their reports on existing programs and on the plans for those programs.

You could also refer back to how they did in the previous year by looking at their performance reports. We require departments to report on performance, so for existing programs, there is a fairly well-established procedure. In addition, there are evaluations and there are audits. So there's a fair amount of information available on existing programs.

The newer programs, of course, take longer to get into that reporting cycle, because they are just starting. What we are trying to do with the quarterly reporting is to in fact report on all budget initiatives, new and old.

I hope that addresses your question.

[Translation]

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

[English]

**The Chair:** We're making progress.

We'll go to Mr. Warkentin.

**Mr. Chris Warkentin:** Thank you, Mr. Chair. I appreciate the opportunity to ask a couple more questions.

Mr. Smith, I'm wondering if I could just ask you a little bit about the process between the time someone has the idea that a program should be funded and the time the money actually flows to a particular department. Treasury Board plays an important role in terms of the challenge function and a number of other scrutiny and accountability measures. I'm wondering if you could outline for this committee, just so we might more clearly understand, the type of scrutiny Treasury Board is responsible for, starting from conception to the allocation of funds to specific departments or agencies.

**Mr. Alister Smith:** This can also be a long story. I'll try not to make it too long, and my colleagues may want to also join in, because they're also involved in this part of the process.

We see things at Treasury Board after policy approval. We see something when it's essentially a business plan, a submission to the board for funding. Decisions have already been taken at cabinet or in the budget or both. We provide a series of due diligence tests before funding is provided to the department.

**Mr. Chris Warkentin:** So the memorandum to cabinet comes from a specific minister, or it is put together by that department. Once that is done, you come into play.

**Mr. Alister Smith:** That's correct.

**Mr. Tim Sargent:** Yes, we become involved once it has been approved by cabinet.

**Mr. Chris Warkentin:** So once the initiative has been solidified, you come in.

**Mr. Alister Smith:** That's right.

**Mr. Chris Warkentin:** You play an important role. I'd like you to just talk us through the steps in terms of the accountability measures and the challenge function and the different things you undertake. You might want to comment on whether any of this is going to change this \$3-billion vote.

**Mr. Alister Smith:** Just to go back to something I might have said before, the items that are going for the \$3-billion central vote are treated the same way as supplementary estimates A items, so the same due diligence is applied. We need the policy authority, established by Treasury Board ministers, for those items before they can be funded through the central vote or through supplementary estimates. We require Treasury Board ministers to make a decision on them.

We need to have a number of other due diligence requirements met. Those requirements don't stop with the funding. The departments also have to report. They're obliged to report to us. That's partly why we are able to capture this information in quarterly reports. They are subject to internal audit and evaluation. They're subject to scrutiny by the Auditor General afterwards. There are number of other required due diligence checks, if you wish, on funding for these initiatives.

•(1205)

**Mr. Chris Warkentin:** That assures us on the accountability side, because that's one of two things that I think we're hoping to accomplish as a committee. One is to ensure that there's accountability, and you've assured us that nothing is going to change in terms of your due diligence.

We're also concerned that in an effort to be diligent in this effort, things don't get held up indefinitely, so this money, the \$3 billion, can flow.

Of course you have no control over the departments coming forward to cabinet with memorandums to cabinet requesting funds and the rest of it. I'm not sure—I may be moving into something that's a cabinet confidence—but what can you tell us in terms of the ability to get this \$3 billion spent? Is there a sense that there are going to be huge holdups?

It's not all for new programs. Obviously that's what most of the focus is on. Am I right to understand that some of this \$3 billion could be allocated for programs that currently do exist?

**Mr. Alister Smith:** As you suggested, I can't divulge cabinet confidences, so I can't tell you much about the decisions that are taken by Treasury Board ministers. My colleagues would probably say the same about cabinet committees. I think that's understood by the committee.

**Mr. Chris Warkentin:** It is.

**Mr. Alister Smith:** But to answer your latter question, yes, the Treasury Board vote 35 central fund can be used for new or existing top-ups as needed. It has that flexibility, and that's important in helping to ensure that money does flow quickly.

**Mr. Chris Warkentin:** I appreciate that. I think that's maybe a misunderstanding by our committee. At one point I think there was an understanding that it could go only to new programs. So there was a concern that if these programs have to be conceptualized and then designed and all the rest of it, there might not be much benefit to allocating this funding right now. If it can go to existing programs, obviously the government doesn't have the burden of establishing all of the programs that are going to be utilizing these funds.

Thanks, Mr. Chair.

**The Chair:** Thank you.

These are very simple questions. I know members are focusing on both understanding and probing spending procedures. There also may be an appetite to probe the efficacy of the spending and the timing of the spending.

Going back to process, there have been a number of benchmarks of disclosure put forward. I suppose most colleagues would want to resist micromanaging and scrutinizing the process so much that we slow it down. You gentlemen all have other work that you want to be doing on behalf of Canadians.

The government has offered to Canadians a website that would provide disclosure. Who is looking after that?

**Mr. Tim Sargent:** The PCO, in the first instance, working with the Prime Minister's Office, is overseeing the establishment of the website.

**The Chair:** That's great.

**Mr. Tim Sargent:** Obviously we are working in close collaboration with departments, particularly the finance department and other departments.

**The Chair:** Sure. But when something goes up on the website, is it going to come from PCO, or are you not sure yet?

**Mr. Tim Sargent:** We would have been the ones who put it up in that sense, but you shouldn't think that PCO is necessarily writing all of the content—

**The Chair:** You're not necessarily the author. For this purpose, we'll look to PCO.

Next, regarding the quarterly reports, who is responsible for the quarterly reports described in the amendment to the budget implementation bill?

**Mr. Tim Sargent:** The reports are tabled by the Minister of Finance. I think in the first instance you would look to the finance department, unless somebody has some protestations.

**The Chair:** We'll look to them. That's great.

Mr. Forbes, is that okay with you?

**Mr. Chris Forbes:** Our minister has tabled them.

**The Chair:** That's great.

Then there was a House motion adopted, which we would of course take interest in, because it was adopted by the House. I'm not so sure the government feels it is obligated to subscribe to it. That was a motion introduced by the Liberal finance critic, Mr. McCallum. Does that have any traction with government disclosure procedures at this time?

•(1210)

**Mr. Tim Sargent:** I think our plans for disclosure would be set out in the first report, which is to come back to Canadians in June.

**The Chair:** So the adoption of that motion has not altered the government's disclosure or accountability plans at this point, to your knowledge?

**Mr. Tim Sargent:** I don't think it has.

**The Chair:** That's okay. The government is not legally obligated

**Mr. Tim Sargent:** And I don't want to speak for something that may be a motion, but as I understand it right now, we're where we were when the March report was tabled.

**The Chair:** That's fine.

**Mr. Tim Sargent:** And that was before the motion, obviously.

**The Chair:** Thank you.

Lastly, about two weeks ago the Auditor General wrote a letter to the government, directed to the Secretary of the Treasury Board, Mr. Wouters. In that letter she urged the government to take note of some suggestions she had made. So to whom would I look for a subscription to those recommendations or suggestions of the Auditor General?

**Mr. Alister Smith:** Treasury Board.

**The Chair:** The Treasury Board itself.

**Mr. Alister Smith:** Yes.

**The Chair:** Okay, that's great.

The last question has to do with the so-called lists. This has been kicked around so much, I can hear the word "lists" echoing down all the corridors of Parliament Hill. There are actually lists in chapter 3, and there's quite a lot of detail in the lists. They run from about page 138 to about 143.

I realize that the departments represented here don't necessarily oversee all of that spending, but there is a whole lot of spending, millions and billions, in essentially infrastructure right across the whole country.

Can I take it that we can use these lists usefully in our scrutiny of spending efficacy and timing?

**Mr. Chris Forbes:** Are the lists you're referring to the lists of programs announced in the budget?

**The Chair:** No, these are federal infrastructure projects. For example, there's VIA Rail funding, and investment in the Keewatin Railway; and there's \$130 million for Parks Canada to twin a section of the Trans-Canada Highway through Banff.

**Mr. Chris Forbes:** My apologies. There are some examples in there of projects that could be covered under the programs. Those are examples of the types of projects that might be considered under the broader envelope of the program.

**The Chair:** Yes. It's not very sexy. For example, there's a Highway 39 truck bypass in Estevan, Saskatchewan. But if you live in Estevan, it's a big deal. It's shovels in the ground. So to whom do we look for that?

**Mr. Chris Forbes:** Again, if you were looking for specific projects under a larger program, such as under the infrastructure stimulus fund, you would want to go to Transport Canada or Infrastructure Canada, who would be able to discuss specific projects with you.

**The Chair:** Okay, so in each case we're going to have to look at the project and figure out which department would—

**Mr. Chris Forbes:** Yes, look at the program.

**The Chair:** —fund and supervise that project, and then ask them?

**Mr. Chris Forbes:** Yes.

**The Chair:** All right, that's fine. I'll stop there. That's good.

Ms. Hall Findlay.

**Ms. Martha Hall Findlay:** Great, thank you.

I listened to my colleague talk about the fact that we have answers confirming that yes, the due diligence will be conducted. I just want to stress that the normal due diligence is terrific, but these are abnormal times, and when we're speaking of the \$3 billion, this is an abnormal situation. So I would suggest that something more than normal due diligence, at least in terms of timing, is required. We certainly will be looking at this—just as advance warning to you. Things have been speeded up because of these commitments.

I have a separate question about lapsing, but it's tied into the matching aspect of these funds. In terms of the lapsing, I hope we can talk—if I have time—about the Building Canada fund and moneys that haven't been spent. I suspect that's partly because of the matching requirements of some of them, as opposed to the gas tax fund, for example, which doesn't require matching.

In the effort to get money out the door, we have raised a concern a number of times that these moneys in the budget, whether vote 35 or otherwise, will require matching by the provinces and/or municipalities. Can you comment on where we are in that regard? Requiring matching adds to the process. Where are we in terms of commitments made by the provinces and municipalities at this point in time—again with this idea in mind that we're doing these things a little differently in order to get money out the door?

• (1215)

**Mr. Tim Sargent:** As you know, the provinces are in the middle of announcing their own budgets right now. We've had budgets by Quebec and Ontario, and I think we're still waiting for Alberta. So it may be a little early yet to get that kind of information, since they're still in the process of making their own commitments. But again, that's something we will be able to provide more information on by the time of the June report.

**Ms. Martha Hall Findlay:** Sorry to interrupt you, but the June report will be at the end of the period in which the government specifically said we need to have the ability to spend money. I will echo my colleagues' concern that allocating money is not the same thing as spending. We agreed to vote 35, in particular, because of a desire to help the Canadian public by having money go out the door sooner than it would normally go. If you say you can tell us what matching commitments have been made by the end of June, God only knows how long it will take for money to get sent after you get a commitment for matching, just because of the process.

I hate to be abrupt, but the end of June doesn't cut it. So we really want a sense of where we are. I understand the budgeting process of provinces, but they have to have a pretty good idea of what they're committing well before now.

**Mr. Alister Smith:** Could I perhaps add to my colleague's comments?

**Ms. Martha Hall Findlay:** Sure.

**Mr. Alister Smith:** That affects a subset of programs where indeed you do have matching and partnership. There are other programs, such as federal infrastructure, where the money is federal only, and you'd expect to see progress earlier than when you have to have your partners come up with the funds.

A lot of the infrastructure spending is in the Budget Implementation Act, so that may take a little bit longer.

**Ms. Martha Hall Findlay:** As distinct from the \$3 billion, then?

**Mr. Alister Smith:** Right.

It will vary by program in chapter 3. There's a very large array of budget initiatives here—well over a hundred—so it's very hard to generalize about them. Some of them are federal only. Some of them require cost-sharing. Some are very different types of initiatives altogether. There are contribution agreements, yes, but there are also grants. There are all kinds of different mechanisms. But it doesn't mean that all programming is going to be held up to wait for partners. In fact, that's more likely on the infrastructure side than with any of the other measures.

**Ms. Martha Hall Findlay:** Right, and just to clarify this, the \$3 billion under vote 35 only applies... It's part of the budget implementation bill; it's not outside of the budget. So we know that.

So am I hearing that in order to get out the \$3 billion more quickly, it will be less focused on things that would require matching, and more on—

**Mr. Alister Smith:** I don't really want to comment on that, because I'm not sure yet. But I would think that's a good general supposition.

At this stage, we have a lot of that infrastructure spending you're focused on in the Budget Implementation Act. The infrastructure stimulus fund and other elements are there, and those are the ones that do require partnership.

**The Chair:** That's all your time.

**Ms. Martha Hall Findlay:** We're done? Okay.

**The Chair:** We can come back.

Mr. Anders, for five minutes.

**Mr. Rob Anders (Calgary West, CPC):** Thank you very much, Mr. Chair,

I just want to quickly run down some of the reporting or accountability measures—the Treasury Board guidelines, if you will—and then ask three specific questions.

First off, is it correct that programs or projects must be in the economic action plan, and initiatives have to be included in budget 2009, as passed by Parliament?

**Mr. Alister Smith:** Correct.

**Mr. Rob Anders:** Number two, funds can only be allocated between—

**The Chair:** Mr. Anders, it's great that you're doing this, but can you indicate the source of the statements you're making? Are these your rules or somebody else's?

**Mr. Rob Anders:** Well, these are the rules, as I understand them to be, sir.

**The Chair:** Where did you get that list? Can you just inform us of the source?

**Mr. Rob Anders:** I think these are Treasury Board guidelines. I'm just repeating them, really.

• (1220)

**The Chair:** Well maybe we should ask Treasury Board what the guidelines are, unless you know them by heart.

**Mr. Rob Anders:** If they want, they can—

**The Chair:** No, could you just indicate the source? You're reading them almost quasi-biblically. I'm sure they're quite accurate. I'm not questioning that at all, but could you just give us a sense of the source?

**Mr. Rob Anders:** Well, first off, why don't I just go ahead and read them and then we can ask some questions.

**The Chair:** It's your time. Sure, okay, go ahead.

**Mr. Rob Anders:** Thank you.

Number two, funds can only be allocated between April 1 and June 30, 2009, as bridge funding, until money is available for supplementary estimates A and B.

**Mr. Alister Smith:** Correct.

**Mr. Rob Anders:** And every economic action plan initiative funded from this will require Treasury Board approval.

**Mr. Alister Smith:** Correct.

**Mr. Rob Anders:** And existing policy requirements on accountability and reporting must be met.

**Mr. Alister Smith:** Correct.

**Mr. Rob Anders:** And reporting on the use of these funds will be done in supplementary estimates and quarterly reports to Parliament on the economic action plan. All good.

So now, to get to what some of my colleagues on the other side have been saying, for example, Mr. Martin with the NDP talked today about hanky-panky, and he asked how he could know that hanky-panky isn't going to be happening. I think at previous meetings he's talked about a pig in a poke.

So my question to our friends from the Treasury Board today is this. If for example we wanted to take a hanky with “panky” written on it, we wanted to take a pig that had been poked, we wanted to take a sports car—let’s say the minister was interested in a Porsche 911 Tiptronic with automatic shifting—or any of those three, the hanky with “panky”, or the pig that has been poked, or the sports car, could any of those three be funded, given the guidelines we’ve got?

**Mr. Alister Smith:** Most unlikely.

**Mr. Rob Anders:** All right.

I’m glad Mr. Martin has heard that and the opposition has heard that. I just wanted to make sure we cleared that up. That’s my question.

**The Chair:** You’re always so succinct.

Do you have a point of order?

**Mr. Chris Warkentin:** No, it’s not a point of order. I just wondered if there was any time left. I would take it.

**The Chair:** I’m sure Mr. Anders would love to cede you his remaining time. It’s three minutes.

**Mr. Rob Anders:** There you go.

**Mr. Chris Warkentin:** Thank you very much, Mr. Chair; I appreciate that.

In terms of the allocation of these funds, in my effort to reduce or clear the muddy waters, my understanding is that the money in this \$3 billion vote will lapse after June 30. When we’re talking about what has to be done so it doesn’t lapse, it simply has to be allocated to a specific department or agency. Is that right?

**Mr. Alister Smith:** That is correct.

**Mr. Chris Warkentin:** So although there is a hope the money will have been spent and sent out to the Canadian population, what we’re really talking about in vote 35 is simply allowing the money to flow to departments and agencies for initiatives that were described in the budget.

**Mr. Alister Smith:** That’s correct.

**Mr. Chris Warkentin:** I think that’s an important thing, because what we have a responsibility to do as the government operations and estimates committee, I believe, is to make sure of the operations of government, that the money is flowing, and that this \$3 billion is getting out to different departments and agencies and different things. There will be other committees, of course, that are going to be looking at the spendings and the allocations within those specific departments. I don’t know that there are many other committees that can do this, and our responsibility is to make sure the \$3 billion gets allocated and the rules are followed in the allocation of these funds to the different departments and agencies. And then of course those other committees will have quite a job to ensure that those programs and different things happen within transport or human resources, or whatever.

I just wanted to make sure I understood that it lapses if in fact it doesn’t go to a specific agency or department. Really, vote 35 is simply a cash management tool.

**Mr. Alister Smith:** Yes, that’s correct.

**Mr. Chris Warkentin:** Thank you so much.

**The Chair:** Thank you.

Monsieur Roy, followed by Mr. Martin.

[*Translation*]

**Mr. Jean-Yves Roy:** Thank you, Mr. Chair.

I would like clarification on a point you raised. In fact, the chair was about to do the same.

I will take two very concrete examples. Fisheries and Oceans is on the list under chapter 3, and will receive, over two years, some \$270 million to repair its infrastructure. If this department says that it wants to immediately spend \$35 million of the \$3 billion, it must go before cabinet, and if the request is accepted, Treasury Board will allocate the amount requested.

I will give you another example. The Department of Human Resources and Skills Development is considering extending the five weeks and has calculated how much this measure will cost. Could the department go before cabinet now and say that it needs a given amount? Following that, it is the Treasury Board that will apportion the money.

I am talking about very concrete projects. You said you had to turn to each one of the departments to obtain this type of information. I do not understand. It is Treasury Board that has to authorize all of these funds and it should be able to give you this information.

●(1225)

[*English*]

**Mr. Alister Smith:** You’ve raised a number of questions here, so let me see if I can tackle them. My colleagues may have to help me.

On the Department of Fisheries and Oceans, chapter 3, funding small craft harbours, for instance, I think the question was on what happens to the money if they can’t spend it immediately. There may be a couple of elements to the answer to that question. If they’ve made commitments and the money’s not spent in the fiscal year, they can ask for re-profiles. The Department of Finance and Treasury Board would have to agree to those. There may be a question here—and I’ll leave it to my colleague—on “use it or lose it”, in terms of the funding.

Your second question was really on the EI extension—the five-week EI funding—and whether HRSDC could ask for additional resources beyond those in the budget. That would require new funding and a different process. One of my colleagues should probably deal with that, because we are still dealing with what’s in the budget. Anything over and above that requires policy approval, Treasury Board approval, a source of funds, etc. So there are a number of elements that have to happen. I’ll leave that question to my colleagues.

The third point was on why Treasury Board can't provide this information, as opposed to the departments. We see things at the end of the process and approve the funding, so our window is perhaps a little more limited sometimes than other central agencies in what we see. But we have that information when the departments come in and say they can't spend the money and are looking for a re-profile, or they need more money. We only see part of the story. The three central agencies work together and collectively see more of the story as it evolves.

Perhaps my colleagues can address the second question.

**Mr. Tim Sargent:** On PCO's role in this, before you go to Treasury Board to spend money you need policy authority, as you all know. That usually involves taking a memorandum to cabinet. The new measures in the budget have typically gone to cabinet to get policy approval. We have been speeding that process up, and in the report we said we expected to have almost all of that done by the end of last month.

At that point we have policy authority. They need funding authority as well, but the budget provides that. Then we essentially hand that over to Treasury Board and the Treasury Board approval process starts. From our perspective at PCO, we're very much involved at the front end of that.

Chris, I don't know if you want to add anything.

**Mr. Chris Forbes:** I think the one question that came up in Mr. Smith's remarks was about what happens if they can't spend the money. We revisit that at the end of the fiscal year in the action plan. We're focused right now on doing what we can to get the money flowing. On what will happen six or nine months from now, we're certainly working to make sure the money can be spent and the projects can get going.

• (1230)

[Translation]

**Mr. Jean-Yves Roy:** Thank you.

[English]

**The Chair:** Thank you.

Mr. Martin.

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

I'll use my time to sort of summarize maybe what we're feeling on this side, and maybe that explains some of the trains of questioning.

We have this unprecedented situation in which we're actually trying to spend lots of money fast. In the 12 years I've been here, that's completely unprecedented. I was elected in the middle of 1997 when it was all cutbacks and trying to stop spending at all costs. This is completely uncharted territory for a lot of us, and now we have billions of dollars flying out the door with what seems to me to be the flimsiest of scrutiny. It's almost the polar opposite of what we've been taught, in any kind of disciplined way, about oversight.

Rob was speaking in very colourful language. He and I were elected about the same time and went through this. We cut our teeth on cutbacks, really, and tightening the belt, not figuring out a way to have more money flow. And when he was in opposition, he was an outspoken critic of what could be seen as partisan spending.

So here we are, months away from a federal election, and I'm haunted by this image of John Baird in a bunny costume, gallivanting across the country with a goody basket, showering swing ridings with the Conservative government's great largesse, and here we are, the very few MPs on the opposition benches charged with the responsibility of making sure that doesn't happen. And I still don't see the tools to prevent it.

**Mr. Rob Anders:** I say we cut some of your budget.

**Mr. Pat Martin:** Well, there would be no bunny costume. That shouldn't be funded. Certainly it shouldn't be an expense write-off.

But the source of my frustration is that they didn't need this special vote 35 to get stimulus infrastructure money going. All they had to do was lighten up on the Building Canada rules, because the provinces couldn't match, so the money didn't get spent. That spending was pre-approved properly by Parliament and with a great deal of optimism, frankly, that it would roll out there across the country, and much-needed infrastructure would in fact get started. But with the matching formula, it was impossible.

What would have been the technical process to change the matching mechanism of the Building Canada fund? Can anybody answer that? Would there have to have been an act of Parliament?

**Mr. Alister Smith:** I don't believe that it would require an act of Parliament to do that. I think you would need a change in policy authority to begin with, and then the terms and conditions of the program—

**Mr. Pat Martin:** How much of that fund is still waiting to be rolled out? The take-up on it wasn't that enthusiastic because the matching requirements couldn't be met. Are there not billions of dollars still sitting in the Building Canada fund for which spending has been pre-approved?

**Mr. Chris Forbes:** It's part of that longer-term, seven-year, \$33 billion infrastructure plan that was announced in the 2007 budget. Certainly that was intended to go over a number of years, so there certainly are funds for future years that are still out there.

The action plan itself includes not just infrastructure of the type covered under the Building Canada fund, but housing measures, federal infrastructure measures, which have been referred to, and green infrastructure measures. We could go down the long list, but clearly, as I think Alister mentioned, there are a hundred or more items in this budget. So when you're looking at all of those, certainly the idea with the vote 35 was that we were looking for a way to help ensure that in that period between April and June, departments that were ready to spend or programs that were ready to go weren't delayed until June because departments weren't able to cash-manage. So that was the genesis—



• (1235)

**Mr. Pat Martin:** There were so many projects ready to go under the Building Canada fund that could have gone ahead, were it not for the matched funding.

**Mr. Chris Forbes:** I can't speak to that specifically, I must admit.

**Mr. Pat Martin:** There are many that I know of, and there are billions of dollars in that account. We didn't need to go through all of this special eleven-twelfths unprecedented permission. If we wanted to get infrastructure money rolling out the door quickly, we could have just changed the rules in the Building Canada fund and taken away the matching requirement for provinces. Believe me, they would have come running with plenty of projects, and they'd be under way right now instead of in June. This is the frustration we have and why we're suspicious.

When we were called into that special briefing, all four parties, and asked to give unanimous consent to this notion, we were all very wary, because three-twelfths is the norm. That gives you the bridging necessary and doesn't sacrifice any of the oversight and scrutiny that's been so carefully built into our parliamentary system. Asking for eleven-twelfths up front is a pig in a poke. It's a blank cheque. As I say, the idea of John Baird in a bunny costume, skipping across Canada with a goody basket, spreading the Conservative government's largesse to swing ridings, just turns my stomach.

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

I have indications from Mr. Gourde, Mr. Szabo, and Ms. Hall Findlay. We have to discuss our future business on this and a couple of related things. I have one question from the researcher. We'll have to be less than five minutes, or we won't get our work done.

Monsieur Gourde.

[*Translation*]

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

I'm going to ask a very simple question in order to understand the mechanism used to transfer this money.

Suppose that funding of a provincial or municipal infrastructure project is based on a sharing formula of one-third, one-third, one-third. The city is ready to go ahead immediately with a project to repair its water and sewer system. If the project costs some \$30 million, the federal government will give \$10 million to the Province of Quebec, which in turn will redistribute it to the municipality.

How does this all work? Are funds allocated immediately to a province or are they only disbursed at the end of a project?

[*English*]

**Mr. Chris Forbes:** I'm not an expert in how the funding in infrastructure agreements works, but I think the normal process would be to agree on a project with the province or the municipality, together with a payment schedule. Progress must be made, but once the agreement is in place and the project starts, the billing will depend on the agreement struck between the province, the municipality, and the federal government. Generally, you'd have some kind of billing process.

**Mr. Alister Smith:** For each of these agreements, there are terms and conditions. As Mr. Forbes was saying, these things are set out in the agreement signed by the three parties. This applies to eligibility, cost-sharing, repayment requirements, and whatever is required from each of the three partners. It would vary from one contribution agreement to another.

[*Translation*]

**Mr. Jacques Gourde:** Each time the amount is disbursed, it is recorded in a registry, in order to prove to the House of Commons that the given project was given money, and according to which criteria. The same transparent process is used for all programs.

[*English*]

**Mr. Alister Smith:** You're talking about detailed information on any particular program at that project level. I think we'd have to refer to the department, because there could be a great number of projects under any one of those contribution agreements. Normally the departments report this.

• (1240)

[*Translation*]

**Mr. Jacques Gourde:** Fine. Thank you.

[*English*]

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

Ms. Hall Findlay.

**Ms. Martha Hall Findlay:** I would just like a clarification on lapsing, and I'm not talking about money in the \$3 billion. I think we all understand that this will continue, because it's budgeted money anyway, notwithstanding the concern about it not being spent.

This is a question about the money that was in this past budget that has not been spent and that has now lapsed. I have two questions. Can you just confirm what that amount is? And can you just confirm that to be re-profiled, it's not automatic? It would have to have, I think I heard, agreement from both Treasury Board and the finance department.

**Mr. Chris Forbes:** First of all, for the fiscal year that ended March 31, we won't have the final lapse information for you at this stage. It's too early, obviously. However, in general, when a department is lapsing funding, and they think they're going to lapse on a program, they will come to us and ask about the possibility of re-profiling and including an amount in the next year's estimates somewhere, either in the mains or in the supplementary estimates.

In a case like infrastructure, when often there are long-term commitments—I've signed a contract, for example, with a certain province on a certain project, and it happens that the bill hasn't come in March but is going to come in May—in general, those kinds of re-profiles are automatic. There's no question asked about that, since a department has committed the money and something is under way and there's just, literally, a timing issue. This happens a lot on capital projects, right? There's timing as to how quickly they get under way. When milestones are met, those re-profiles are basically done.

**Ms. Martha Hall Findlay:** I think everybody would understand that. If there's been a commitment made to something specific, we understand that. If there's a time delay because of construction, it's not perfect, but we understand it. It really is a question focused on money that has been allocated. The Building Canada fund and the track record over the last couple of years is something we obviously have been hitting on. There are no such commitments, or at least we have not been informed of any specific commitments. There's just a lot of money there. So that appears to be a complete lapse.

**Mr. Chris Forbes:** In this case, with a multi-year commitment of seven years—I would go back to budget 2007, when we set the seven-year, \$33 billion infrastructure commitment—certainly we're not tying those funds to the specific year in question. In other words, we won't say that if it was \$500 million less than you anticipated in year one, that money is lost. That would be rolled forward. I'm just saying....

**The Chair:** Rather than going into more detail, I think Ms. Hall Findlay has indicated that she may have a question at our next meeting on the issue of re-profiling.

**Mr. Chris Forbes:** Sure.

**The Chair:** It would be directed to the finance department, presumably. It might not....

**Mr. Chris Forbes:** Finance and Treasury Board Secretariat can answer that.

**The Chair:** All right. So I think we can take it that there will be a re-profiling question coming forward on the status of re-profiling requests.

**Ms. Martha Hall Findlay:** Mr. Chair, with respect, was I out of time?

**The Chair:** No, you weren't, but I'm trying to get our business done quickly. This meeting was a planning meeting, so if you are curious about re-profiling, you have given notice. If you had another conceptual question on re-profiling.... Mr. Forbes was dealing with a lot of hypotheticals here. I wanted to pre-empt that. You still have time.

**Ms. Martha Hall Findlay:** Of the Building Canada funds that were lapsed in the last fiscal year, are you able to tell me how much is open to being re-profiled?

**Mr. Chris Forbes:** The amounts that lapsed in 2007-08 would all have been profiled into 2008-09 or a subsequent year.

**Ms. Martha Hall Findlay:** So technically they haven't lapsed.

**Mr. Chris Forbes:** They haven't lapsed. It would appear, technically, as a lapse, because it was included in the estimates and not spent, but it would have been moved forward into the 2008-09 estimates or the 2009-10 estimates.

•(1245)

**Ms. Martha Hall Findlay:** To the chair's point, these will be questions we will be following up on in subsequent meetings.

**Mr. Chris Forbes:** Sure.

**Ms. Martha Hall Findlay:** Thank you.

**The Chair:** That would do it.

Now, I have to allow one question from our researcher. It's a follow-up question to a matter raised at the committee in a previous meeting, and it has to do with coordination of the stimulus spending.

Go ahead, Ms. Scratch.

**Mrs. Lydia Scratch (Committee Researcher):** Thank you.

At its February 10 appearance before this committee, the PCO stated that it was arranging a group of senior officials from the departments most involved with the stimulus spending. I was just wondering if there was a follow-up. Has the group been convened? How often is it meeting, and what sort of work is it doing?

**Mr. Tim Sargent:** I'm happy to answer that.

Indeed, we have set up a deputy-level coordination committee on budget implementation. It typically meets monthly. It includes deputies from central agencies and then the key departments involved in budget implementation.

The purpose of these meetings is to identify any problems or roadblocks that seem to have come up, and it's also an opportunity for us at this end to collect performance information, to understand what is going on, so that PCO can not only play its coordination role but also play its role in briefing the Prime Minister.

**Mrs. Lydia Scratch:** Thank you.

**The Chair:** Thank you.

And who do we look to for progress on that committee at our future meetings—you, or the Privy Council Office?

**Mr. Tim Sargent:** Yes, I could speak to that.

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

**Mr. Tim Sargent:** Or my superiors.

**The Chair:** Do you sit on that committee? Do you help them organize?

**Mr. Tim Sargent:** The committee is chaired by my superior, Mr. Simon Kennedy, who I believe has been before this committee before. I typically attend those meetings.

**The Chair:** All right, thank you very much.

Colleagues, I would just note, editorially, that the focus of the committee on behalf of the House of Commons appears to be three things. I'll just hand this over to the witnesses; it doesn't need a response. Number one is the speed with which we get out the stimulus spending; number two is rule compliance as the money is spent; and number three is a combination of job creation and efficacy. That's not necessarily a complete list, because many members may have different perspectives from that, but I urge our witnesses to consider those templates as they prepare for the next meeting.

Can we let the witnesses go now, and then we'll just do our committee business? Thank you to all of our witnesses today. You're free to withdraw now. We'll see you soon.

Ms. Scratch, our researcher, has provided a memorandum on the stimulus spending, and I think you'll find it useful. It's the best we can do with the information we have at this time, and I hope it will be helpful in preparing for our first meeting back after the break.

So if there aren't any further comments on the stimulus spending.... Did you want to say something, Ms. Hall Findlay, on stimulus spending?

**Ms. Martha Hall Findlay:** We had talked about the need to have somebody come in over the next while. I understood that this meeting was actually to talk about planning, in terms of the next couple of months, on the stimulus spending issue, the desire that we've expressed to have somebody come in on a regular basis.

I asked the clerk if it was possible for us to put a motion today— notwithstanding the lack of notice, because it's dealing with today's issue and we are about to leave for two weeks—a recommendation that we have Mr. Smith and whoever else come on a regular basis, for half an hour, once a week.

I leave it to you, Mr. Chair, to say whether that's something we can talk about or not. I see my colleague also wants to speak.

**The Chair:** Mr. Warkentin.

**Mr. Chris Warkentin:** Yes, I think there's general agreement that this is something we want to keep a handle on. I'm not sure that every week is necessary. That would really limit what we can do otherwise. But absolutely, we're certainly happy.... I don't know that we need to pass a motion. I'm hoping there's general support for keeping tabs on this and moving forward with it.

Certainly there's support, but I'm not sure that this should be every second meeting.

● (1250)

**The Chair:** All right. Just before you speak, Mr. McTeague, I would point out that when we recommence after the Easter break we'll have one meeting on stimulus spending, and then we have three meetings on the issue of procurement, which could be the beginning of a fairly intensive study of procurement. That's based on the motion by Madame Bourgeois.

If we were to have more meetings—I'm not saying we shouldn't, but if we do—it would have to be an actual additional meeting inserted into that. And we can certainly do it.

Mr. McTeague.

**Hon. Dan McTeague (Pickering—Scarborough East, Lib.):** I appreciate Mr. Warkentin's comments.

I'm just looking at the number of sittings we have. Given the puncturing of our time here, it would appear that we only have about seven actual sitting weeks. Therefore, in a three-month period, that almost covers and captures the concern about doing this ad nauseam. Given that this period of time for vote 35 on expenditures will be over this period, it's certainly perfectly in keeping that we actually get a tally or an accounting, where we can, of what's being spent. I think that would be seen as a responsible move by the committee, by consensus.

**The Chair:** I understand the intent of Ms. Hall Findlay's suggestion. I suggest that we wait until our first meeting back and we go through it in a manner that should be fairly intensive. I'm assuming that opposition members will probe fairly aggressively on the spending when we come back. It won't just be a waltz through the park. That's what opposition parties do. Government members will, I'm sure, be appropriately scrutinizing in their efforts. At that meeting, it may well become apparent that we want to follow something else in particular. At that point, it would be completely in order, in my view, to say we'd like to do some more work on an item tomorrow, or the next day or the next week, and we could fit in some time for that.

I find it difficult to actually schedule something specific today, because we haven't identified anything concrete just yet.

Ms. Hall Findlay.

**Ms. Martha Hall Findlay:** I'm sorry to differ, Mr. Chair, but we have identified something very specific—that is, a commitment to spend \$3 billion. We've already heard from our colleagues across the way an acknowledgement that we all want to keep on top of this. We don't know the specifics, and that's part of the problem.

We had Mr. Smith volunteer today to be at the disposal of the committee. It's not that we are in a position to spend three hours analyzing a specific expenditure when we come back. The issue is to get a report from the Treasury Board on a regular basis over the next few weeks as to what that detail might be, because specifically, we don't have that detail. It could be just for a half-hour, and it could be slotted into our procurement sessions. We have an unusual circumstance now with vote 35, so my request is that we ask Mr. Smith to come to the committee on a regular basis over the course of the next seven weeks of meetings, even if it's just for a half-hour at the beginning of the regularly scheduled procurement meetings, so we can get that update.

I thought I saw my colleagues across the way nodding.

**The Chair:** Mr. Warkentin.

**Mr. Chris Warkentin:** You saw me nodding. You sensed I was nodding. I'm in full agreement.

If it's just a half-hour or whatever, I'm happy with that. If we just ask that they provide us with the information that's being provided on the website, they could do that too.

I'm not opposed to that; I'm only opposed that we don't do so every second meeting. I'm not opposed as long as we just get an update; otherwise we're going to be unable to pursue anything else, really.

You have my word, and I don't know how much you value that, but I'm supportive to continue to be on top of this. I'm not in a position where I want to tie the chair's hands or our hands in terms of giving the actual dates of this. I'd like to pursue the procurement study, but you have my word that I'm interested. I can't speak on behalf of my own colleagues, but I think you can rest assured that we're all interested in ensuring that this money is allocated to the departments and that it's being handled in a manner such that we can be proud to answer any questions that taxpayers or Canadians have.

•(1255)

**Ms. Martha Hall Findlay:** The website was two weeks out of date, the last time I checked.

I just want the chair and the clerk to have some idea that we would like to have that kind of regular appearance before the committee.

**The Chair:** Okay. Why don't we agree that we will prepare to schedule an additional one-hour-only meeting, targeted on a Wednesday, if the clerk can find meeting space? We will greenlight these meetings as we move along. We can have one every week, if need be. The difficulty in adding a half-hour before or after is that we bump into other committees and we have other...

**Ms. Martha Hall Findlay:** No, no. I'm saying a half-hour of our two-hour allotment.

**The Chair:** Well, then you'd have to convince Madame Bourgeois that her procurement and SME study—

**Ms. Martha Hall Findlay:** We're just as interested in that.

[*Translation*]

**The Chair:** Ms. Bourgeois.

**Ms. Diane Bourgeois:** Mr. Chair, I looked at the document put forward by our research analyst. I want to tell you that it's very well done. It provides a lengthy explanation of things and provides answers to many of the questions asked today.

I want to return to Mr. Smith's statement, which we received. As I am a visual person, I have a hard time understanding the translation. Nonetheless, it was just as complete. He's given us the assurance that, indeed, there are people who will review how the money in the budget is allocated.

There's also the Auditor General of Canada. I understand that we have work to do. Nonetheless, I have a suggestion to make to Ms. Findlay. We have to let people work. If they're always having to appear before us, they won't get any work done.

**Ms. Martha Hall Findlay:** It's just one hour per week.

**Ms. Diane Bourgeois:** I, for one, will be tabling a motion today. We must have a plan for small and medium businesses.

At most, I am willing for us to take a half hour every three weeks. That gives people enough time to work and prepare a list of the approved projects. We'll have it at hand, that's all.

That is the amendment I would make to your suggestion. A half hour every three weeks, if you agree.

[*English*]

**The Chair:** I think I see a consensus to try to schedule something to deal with what will come up in our inquiry here. The challenge is when to schedule it. We're either going to take a half-hour from another meeting that's already dealing with something else, or we will schedule another hour at another point that's accessible to all of us, or most of us.

Could we proceed on that basis? We may end up clipping one of our procurement meetings by a half-hour, but we won't know this until we go through the first meeting on the Tuesday. Once we go through that meeting, we'll know. If I just get nods from a few members here, we can schedule an hour or clip a half-hour from one of the procurement meetings to deal with issues that come up. If you want to proceed on that basis, we can do that.

**Ms. Martha Hall Findlay:** We can do something more formal when we come back, if we feel the need to do that.

**The Chair:** Yes.

If someone wants to craft a motion that's a bit more formal and regular, then that's great. Shop it around and see if we can get it approved.

Is that okay?

By the way, now I have to flip over to procurement. Ms. Scratch, at my request, prepared a two-pager that attempts to segregate, organize, and classify the kind of study we're getting into. I thought it would be helpful to members. If there are any comments on it now, go ahead. Otherwise, you may wish to speak with Ms. Scratch.

Mr. Warkentin.

•(1300)

**Mr. Chris Warkentin:** Just for the interest of committee members, the Canadian Federation of Independent Business was here already. They have undertaken a study of their own. I think maybe you're aware of that. I just mention that to inform committee members that we may want to call them back at some point towards the end of this, because I think they will have a lot more information to provide to us. It's just a suggestion to make everyone aware that they are undertaking a study.

**The Chair:** They're usually a good witness. Okay.

[*Translation*]

**Ms. Martha Hall Findlay:** What about the motion, Ms. Bourgeois?

**Ms. Diane Bourgeois:** We do not have time.

[*English*]

**The Chair:** I'm sorry, and I should have dealt with that. She does have a motion. We perhaps don't have any time to debate it, but could I ask you to allow me an opportunity to speak with the Public Service Commission on this?

[*Translation*]

**Ms. Diane Bourgeois:** It's already done.

[*English*]

**The Chair:** You have spoken to them?

**Ms. Diane Bourgeois:** Yes.

[*Translation*]

They agreed to that, they told us that our request would be followed up in a document to be sent to us by mid-May.

There's one component that does not fall within their mandate. It is the audit on security inquiry. For the rest, from what I'm told, this all falls well within their mandate, and it is possible for them to send a document by May 15, before we are able to table a report on their appearance here.

[*English*]

**The Chair:** All right, then, I'm going to put the motion. It would allow the president of the Public Service Commission to report on the matters raised in her two appearances as she feels fit. That would mean she would prepare something and forward it to us. If she feels it's important enough to do that, I do not see a problem.

Do you have any concerns on that, Mr. Warkentin?

**Mr. Chris Warkentin:** No concerns. I want to actually expand this a bit so she is given full ability to bring back the kind of information we were asking for. Because her parameters have been limited because of the new creation of this human resource officer, we may just want to include in this "in consultation or in cooperation with the human resource officer", just because she may now decide that some of the items we were asking for, even though she has the information, don't fall under her purview. It's just so we get everything we want, but only if it's a friendly amendment; otherwise, I'm happy to go ahead with this.

**The Chair:** Madame Bourgeois.

[*Translation*]

**Ms. Diane Bourgeois:** I simply want to add that I sent out a two-page list of "Whereases". They address your concerns,

Mr. Warkentin, as well as those of Ms. Hall Findlay and mine as well. If you look at last week's "blues", you will see that I share the same concerns.

However, the chair tells me that it was not sent, for technical reasons. I won't hold it against him because our clerk is very nice, but he can send you the list of "Whereases". It addresses all of your concerns.

[*English*]

**The Chair:** If in the wording the general intent is there and I think there's a consensus to go ahead, may I put the motion as it is now? Are there any concerns about the wording?

**Mr. Chris Warkentin:** She'll let us know of this concern, so good, let's go with it.

**The Chair:** All right, that's good. If we need to fix it later we can.

**Mr. Chris Warkentin:** Perfect.

**The Chair:** There's good consensus on that.

I'll put the motion moved by Madame Bourgeois dated March 31, 2009.

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

**The Chair:** Thank you very much.

Mr. McTeague.

**Hon. Dan McTeague:** For the record, someone's got to do something with the quality of the air here. I'm slightly asthmatic, but I've been coughing since I got in here, and I can smell dust—serious dust. The clerk or whoever is in charge of this should have someone come in here to check this out. I have no doubt in my mind that it's coming from the work that's being done out there, and this may not be the best place to do this.

Thanks.

**The Chair:** Okay, thank you, Mr. McTeague.

Thank you very much.

The meeting is 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**

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