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

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**EVIDENCE**

**Tuesday, March 8, 2005**

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**Chair**

**Mr. Leon Benoit**

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## Standing Committee on Government Operations and Estimates

Tuesday, March 8, 2005

• (1530)

[English]

**The Chair (Mr. Leon Benoit (Vegreville—Wainwright, CPC)):** Good afternoon, everyone. It's good to see you back from the break. I hope you had a good week in your constituencies.

Merv has the pleasure of being at our committee here for the first hour. It's a great pleasure and privilege, Merv.

We're here today pursuant to Standing Order 81(5) to deal with the supplementary estimates (B) for 2004-05. We're dealing with vote 1b under Parliament; votes 1b, 5b, and 20b under the Privy Council; votes 1b and 5b under Public Works and Government Services; and votes 1b, 15b, 26b, 32b, and 34b under the Treasury Board. This was referred to the committee on Friday, February 25, 2005.

There are different ways we can deal with the supplementary estimates today. We have, by the way, one hour scheduled for this, and then we're going to deal with committee business regarding Bill C-11. We'll deal with that in the second hour.

In terms of these supplementary estimates, we can certainly question the researchers on the estimates. We can choose, then, as a committee to either just not vote on them, let them be deemed to have been referred back to the House, or we can actually vote on the supplementary estimates and then report them back to the House. It's up to the will of the committee, so I'll just leave that to you. If we get into the voting, I'll explain that at the time we do that; otherwise, let's start with the questioning.

We'll go directly to Mr. Preston. We won't go in the order that we normally do, unless you insist on that. I'll just try to go back and forth between the sides.

Mr. Preston.

**Mr. Joe Preston (Elgin—Middlesex—London, CPC):** Mr. Chairman, I have a couple of questions.

You know I'm new to this place, but to be handed the supplementary estimates on the day we leave, on a Friday, and have to come back and really, a day and a half later, vote on these...I don't believe the Canadian public thinks that's what we do with estimates or the supplementary estimates. They think we spend a great deal more time looking at them, going over them and finding where the good hard-earned money that they send up here is being spent.

Is this something we have to live with? Can we have more time to look at the supplementary estimates?

It seems unfair to the Canadian taxpayer that we get really one hour at the start of a committee to make our decisions. At this moment, I don't feel right in voting for or against these. There has not been enough time to review them.

**The Chair:** In terms of the question, of course, the committee is the master of its own destiny. Should this committee decide it wants to look at that issue of the short time span we've had to look at the supplementary estimates, then I think we should do that.

If the committee decides, somebody can move a motion and we'll deal with that. We can, at some later date, bring this to the committee and make recommendations for changes to the standing order or whatever it might take.

I fully agree. It's completely absurd to have the process as happened this time, where we've had a sitting day and a half to review the supplementary estimates, or something in that range.

• (1535)

**Mr. Joe Preston:** We've pored over them our whole time back in the ridings.

**The Chair:** Well, except for the public meetings we have, of course.

Okay. If the committee wants to deal with that issue, we certainly can decide to do that.

Does anybody else wish to speak on the supplementary estimates, whatever issue you want to deal with?

[Translation]

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

I'd like you to explain a few things to me because I wasn't a member of this committee in the past. You seem to be saying there's a big change and that we won't have much time to examine the estimates this time. What was done in the past?

[English]

**The Chair:** For most committees, quite frankly, not a lot of time is spent on the supplementary estimates. It's hard enough for most committees to find time to deal with the main estimates.

In the past, there have been times when this committee has dealt with supplementary estimates. I don't think we've taken what you would have to honestly classify as a really careful look at the supplementary estimates in the past, but it's partly because of this time problem, which we had this time.

Even if we could, in dealing with the main estimates for the next year, kind of work with the supplementary estimates—they work together to some extent, even though they're for a different year—if the time were changed so that we could do that, it would be beneficial. But certainly it has been a problem to get appropriate time.

This committee is certainly supposed to spend some serious time on the estimates. That's part of the title of our committee. So it's difficult when we're not given the time. I think it's something we should try to change.

[*Translation*]

**Mr. Marcel Gagnon:** Maybe I didn't understand correctly, but what's the difference between this time and the other times? You seem to be saying that this year's examination of the supplementary estimates will be different from what went on in the past. What is the difference?

[*English*]

**The Chair:** I think the only difference is the amount of time. Probably it's partly because of the extra break week. We've had that week taken out of the process. That's part of it, but certainly we have to look at that issue. I don't care what the reason is; we should have ample time to review the sups before we're forced to deal with them. But I believe that's part of it.

Mr. Martin is next; then we'll go to Madame Thibault.

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

I wanted to echo the comments of my colleague Mr. Preston in expressing the reservations that I think are shared amongst all of us, that there's an expectation amongst the Canadian public that the government operations and estimates committee will do a thorough job when doing an analysis of the estimates.

This is a relatively new committee. It was put in place for the very reason that at the federal level we spend very little time on the estimates process and most of our time studying what has been spent—after the fact at the public accounts committee. Essentially our structure is set up in such a way that we pretty much allow government to spend what they will, and then they tell us about it afterwards and we do a detailed analysis at the public accounts committee.

I remember when this committee was first conceived and the idea was introduced. Reg Alcock at that time wasn't a cabinet minister. He was speaking very clearly that where he came from, in the province of Manitoba, when he was a member of the provincial legislature there they would do a far more comprehensive estimates process. The minister comes and sits at the end of the table and is grilled, on a line-by-line basis, on everything he plans on spending in the coming year: how do you justify a 10% increase in your paper clip expenditures, Mr. Minister? It has a really good dual function, in that the public gets a chance to say yea or nay, essentially, but it also forces the minister to become an authority on his own budget.

Mr. Tweed is here from the Manitoba provincial legislature and may want to speak to this as well, but that's what some of us had in mind when this committee got up and running. I think we would be doing a disservice to that concept and to what we led Canadians to

believe would be the case if we simply allowed this particular minor package of supplementary estimates to be dealt with hastily and either didn't vote at all and allowed it just to carry or voted on it as if we knew what they meant.

At the risk of looking out of it here, Mr. Chairman, I can't honestly say I understand the full impact of votes 5b and 20b of the Privy Council's budget, or whether I should be voting for it or against it. We haven't had the time to do a proper analysis. We either need more staff and more resources as members of Parliament, if they want us to do these votes justice, or we have to start acting like a standing committee on estimates and do a proper analysis of the estimates.

I only share that with you as an historical note about when this committee was first put into effect. But I would speak for our spending more time on this as a demonstration project, and also dedicating some time to looking to an amendment to the Standing Orders to really introduce a true estimates process for Parliament.

• (1540)

**The Chair:** Okay.

Madame Thibault.

[*Translation*]

**Ms. Louise Thibault (Rimouski-Neigette—Témiscouata—Les Basques, BQ):** First, I'll ask you to refresh my memory. What is the date by which you must report, Mr. Chairman? When must we have finished our examination of the matter and passed a motion or motions? Mr. Preston was talking about that a few minutes ago.

Second, concerning the resource people we might need, we do have our analysts, of course. On the other hand, my colleague Martin said several interesting things but I'm mainly interested in his suggestion that we should have someone responsible from the government with us. I call that an official witness.

The government could send us the President of Treasury Board or someone else to answer our questions. However, I would like to suggest to my colleagues that, first, after having each done a preliminary study, we would have a mini working session with resource people such as analysts to whom we could all put our questions. Then, when we're really ready, we could start questioning a witness.

This could be done relatively rigorously by sharing out the questions. We wouldn't be having seven, two or three-minute rounds. After getting answers to the questions, we would thank the witness, and then the group could decide if that should be taken at face value or if something else should be done.

It seems to me that those few suggestions have been made to offer rather constructive avenues. I'm in agreement with what has been said so far. I think that it's essential because that's part of our mandate. And it certainly won't be done in 15 or 20 minutes.

When I go through the details, I have questions. This year, during our break week, I didn't have time to look at the history of it. For example, is there some sort of habit concerning some of the items? Are people asking for \$1 million, \$14 million, \$3 million or \$200,000 every year? Is there a recurring amount? In other words, the exact amount is never written into the main estimates because they know there will be supplementary estimates and we always wind up with the same kind of "surprise" when the supplementary estimates are tabled.

It's important to examine those elements to find out whether certain trends—I'm not saying that ironically—are present in this process. That way, we could have interesting questions. So I suggest that we examine those elements as a group.

Thank you, Mr. Chairman.

[*English*]

**The Chair:** Thank you very much, Madame Thibault. I certainly appreciate the questions you have brought to the committee.

In terms of the deadline, I meant to mention it. If we're going to report this to the House, we would have to do that by Thursday morning. We could choose to have a special committee meeting tomorrow to deal with this or we could deal with it the way Mr. Martin has suggested, which is to have a committee meeting talking about these deadlines and about trying to get the Standing Orders changed so that we won't get caught like this year after year, this year being worse than other years, quite frankly.

On your second issue of resources for the committee, we now do have one researcher dedicated to the estimates, and two more are supposed to be hired for that purpose. I have started working with the staff toward a process that will implement some of the ingredients that you've talked about, including more preparation done for us by staff so that we have a thorough review of at least parts of the estimates every year. On a rotational basis, at least every five or ten years, we'll have an in-depth review of each department, agency, or crown corporation for which we're responsible.

The other role of this committee is to help improve the process so that we can instruct other committees or help other committees do a better job of their estimates reviews as well. That is in progress and the process has started. We are doing work on that, and we'll even be talking about that a little bit at the steering committee meeting that we're planning for Thursday morning of this week to deal with the estimates, in fact.

Mr. Szabo.

● (1545)

**Mr. Paul Szabo (Mississauga South, Lib.):** Very briefly, there is a requirement under the Standing Orders that there be a one-day debate on changes to the Standing Orders. That's going to occur just after Easter break, and we will have an opportunity. I think we can certainly participate in that.

I would, however, suggest that in reporting back on the supplementaries, we append a note that expresses our concern about the shortness of the time, in that it did not permit us to do a proper job, and that we fully intend to pursue this with regard to a change in the Standing Orders.

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

We can choose to report the supplementaries back or just have them deemed to be reported, but even if we don't choose to report them back, we can put in a separate report that would do exactly as you've instructed, so we can go that route too.

Is there agreement that we should do that?

**Some hon. members:** Agreed.

**The Chair:** Okay. No need for a vote? All right.

Monsieur Gagnon, you have a further comment.

[*Translation*]

**Mr. Marcel Gagnon:** I'd like to thank Mr. Martin who explained how things are done in another province.

I sat in Quebec for nine years and I chaired a commission as you are doing right now. I must say that it might be in our interest to look at how provinces do things. I can tell you that consideration of the estimates in the provinces takes a lot of time. A lot of questions are asked. It has happened—and I'm not hoping that we'll be doing that here—that people have even sat on a Saturday night in order to finally adopt the estimates.

We tend to think of ourselves as being superior and tell the provinces how they should manage their own budgets. I think it would be to our advantage to see how the provinces do things. We might be able to learn something.

That's all I had to add.

[*English*]

**The Chair:** Is there anyone else on the issue of process or on the supplementary estimates themselves?

Mr. Preston.

**Mr. Joe Preston:** Mr. Szabo has mentioned a way for us, on the day of debating the Standing Orders, to put forward a change to the Standing Orders. Is it the job of this committee to prepare that motion ahead of time or to wait until that day?

**Mr. Paul Szabo:** It's an open debate. All members can participate. I would think that maybe the chair can designate one of our members to make the representation on our behalf.

**Mr. Joe Preston:** I'd like to go that day prepared to make sure that happens for this committee, rather than running into this again.

**The Chair:** If that's the case, the committee would have to decide what proposal for change we want to put forth. Can we leave that to the researchers and the clerk to circulate to our members—to do some work and put together a proposal? I'll talk about it with the researcher and the clerk and then put it back to the committee for review, and then we can take it from there. Agreed? Okay.

Is there anything else on the supplementary estimates themselves? The committee has to decide. Do we just let them go? They'll be deemed to be reported, or should we, without seeing witnesses, report them back to the House, or should we have a special meeting tomorrow so that we can have witnesses and report them back?

Mr. Szabo.

• (1550)

**Mr. Paul Szabo:** Notwithstanding the difficulty we have, I think at the last meeting the members agreed that they would look at the supplementaries and take the advice of the researchers with regard to whether there was anything material or of concern. Unless there are any concerns currently identified, I think, from the optics of this committee, not to report back is not the preferred route. I think we should report them back without amendment, together with that note of concern.

**The Chair:** What's the will of the committee on this? You've heard a proposal.

Madame Thibault.

[Translation]

**Ms. Louise Thibault:** I imagine we're going to have to draw up a report, but would it be possible to put a few questions to the analyst before that?

I wasn't here last Thursday when this was discussed and I'm sorry. I would have a few questions. I would like to have clarification that I'd consider to be neutral. I simply want to know what's going on and if, broadly speaking, it makes any sense. That doesn't mean that I won't vote in favour of it. I don't have any motion in my pocket, but I would like to better understand the process. If somebody has a question for me on this tomorrow morning, I'd like to be able to answer without referring to our analyst.

[English]

**The Chair:** The research staff are prepared to take those questions if you would like to ask the questions. Go ahead.

[Translation]

**Ms. Louise Thibault:** If everyone agrees that we should do it that way, I'm respectful of democracy. I don't know if my colleagues agree. Otherwise, I could meet the gentleman later in order to obtain clarification on the matter.

I have a question about the proportion of vote 1b of the Privy Council estimates. I would like to understand what the amount of \$38,778,342 involves. That's a considerable amount in these estimates. The percentage seems to be very high. What is involved in this major increase in operating expenditures?

I would appreciate it if you could clarify this for me, Mr. Le Goff.

**Mr. Philippe Le Goff (Committee Researcher):** Essentially, this amount relates to the two commissions underway at this time: the Gomery Commission and the Commission of Inquiry into the actions of Canadian officials in relation to Maher Arar. The totality of that amount has been allocated to these two commissions.

**Ms. Louise Thibault:** It is very significant. I did not know that. I do not want to vote or table a motion against the expenditures, because I quite agree that these proceedings should take place.

**Mr. Marcel Gagnon:** Does that \$38 million amount represent the total expenditures of the commission? Can we expect more requests in the future?

**Hon. Diane Marleau (Sudbury, Lib.):** It could cost more.

**Mr. Marcel Gagnon:** That's what I wanted to know. It's hard to give an estimate. The \$38 million amount covers the expenditures till the end of the fiscal year. That's what we're counting.

**Ms. Louise Thibault:** Concerning Public Works and Government Services Canada, could you tell me, Mr. Le Goff, if there is something... Of course, we're talking about the study that is underway—I have to finish reading the report on the new global purchasing strategy—and also everything coming up about the single-window. Is there anything in the supplementary estimates about that, preliminary or group studies, for example? Is there anything about that in the supplementary estimates or was it rather in the main estimates?

**Mr. Philippe Le Goff:** I don't think anything was linked in any specific way to any work concerning the possible creation of Service Canada.

**Ms. Louise Thibault:** When we look at the new monies being asked for, one thing always strikes me. About this new supply, there might be a one-time expenditure, an increase, but are there any new savings elsewhere? They're not indicated here, of course, but has there been an attempt to find the necessary funds elsewhere in the context of a reorganization or budget cutbacks? That's something I'm always interested in when we look at the working papers. People did what they could, but there are always 1, 2, or \$30 million missing. Do you know if any effort was made—I'm talking for all the estimates—to find the funds internally only to finally find that, unfortunately, there just wasn't enough money? For ordinary taxpayers, these are astronomical amounts especially—and I'm not playing politics here—when we know that there are people, for example, who don't have access to certain benefits or other such things. We're talking about millions of dollars here, huge amounts of money.

• (1555)

**Mr. Philippe Le Goff:** Once everything is said and done, the amounts in the main estimate items or votes where you do have increases are rather modest. For example, under Treasury Board, you have all the amounts that have to do with public service salaries. I think there's also a \$6 million amount having to do with a new expenditure management system. For Treasury Board, it adds up to \$186 million and that is the main portion of the new appropriations. Of course, there are savings to be found within all the departments to respect the government's overall financial framework, which is \$182 or \$186 billion. That's essentially what it is.

**Ms. Louise Thibault:** But we don't have these savings down here. We'd need to undertake another study. I know very well we can't find them in there. We'd need a new study to find out what savings were actually made before asking for supplementary estimates.

**Mr. Philippe Le Goff:** Absolutely.

**Ms. Louise Thibault:** It would be possible for us to see that one day...

**Mr. Philippe Le Goff:** Yes.

**Ms. Louise Thibault:** ... in order to have a totally enlightened view. That could be another recommendation this committee could make.

**Mr. Philippe Le Goff:** You could have an in-depth study on that which would take a lot of time.

**Ms. Louise Thibault:** Thank you.

**Mr. Marcel Gagnon:** If you don't mind, I have a question. Now there are \$220 million here for election expenditures. We knew that it would cost \$220 million. Could we ask you whether we are waiting for these estimates to be approved in order to give back to each candidate the amounts due to them? It seems to me that the election was held awhile back and that there seems to be a delay in getting back the amounts due to us. I don't know if the other members have been lucky enough to get their money back, but that's not my case. You never know, there might be another election in the air. Will we be getting those monies soon or should the question not be put here?

**Mr. Philippe Le Goff:** Of course, I can't answer that question because I'm not the one signing the cheques.

**Mr. Marcel Gagnon:** At least I'll have raised the question. It was good for my soul.

[*English*]

**The Chair:** Yes, that's probably beyond the scope of the researchers.

Mr. Preston.

**Mr. Joe Preston:** Yes, I have two questions. I don't know if they can be answered.

Under vote 20b of the Privy Council, the Canadian Transportation Accident Investigation and Safety Board, it seems as though we've put in a supplementary estimate of \$642,000 to investigate an accident that took place at the Halifax Airport. Would that not be reimbursed by the airline?

**Mr. Philippe Le Goff:** I don't think so. I think it's part of the job of this board to investigate.

**Mr. Joe Preston:** Well, okay. I know that if I'm in an accident in my car, they wouldn't care.

**Mr. Paul Szabo:** I don't think the airports can afford it.

**Mr. Joe Preston:** I don't mean the airport, I'm talking about the airline. If an airline—

**Hon. Diane Marleau:** They can't afford it either.

**Mr. Joe Preston:** The second question I had was on Treasury Board vote 15b on compensation adjustments. It appears as though the new appropriation is \$180 million plus change. It is more than half of the compensation adjustments for the year. It's happening only in supplementaries.

Is this only poor planning on their part or an easy way to wait until near the end of the year to determine what the compensation adjustments have been? Wouldn't this be planned early in the year? Wouldn't we know approximately the wage compensation that we'd be doing?

•(1600)

**Mr. Philippe Le Goff:** It depends on when the collective agreement is signed.

**Mr. Joe Preston:** I know, but I think we could probably anticipate the signing of collective agreements. As a businessperson who has

done budgets, I think you still have to project what your costs may be.

**Mr. Paul Szabo:** I would only suggest to the member that you don't want to tip your hand in advance of the negotiations being held. You have to wait.

Yes, you're probably very correct. You have an idea, but it's not booked in the supplementaries until it's a done deal.

**Mr. Joe Preston:** It seems to be a large amount.

**The Chair:** All right.

Madame Marleau.

**Hon. Diane Marleau:** No.

**The Chair:** Mr. Szabo.

**Mr. Paul Szabo:** I was only going to mention, Mr. Chairman, that we also have the estimates now. We should keep many of these items in mind as we go forward. I think that maybe we can make up a little bit on our linkages as we move forward with our plans on the estimates.

Maybe we could move on to the next item.

**The Chair:** Good point, Mr. Szabo.

Is there anything else on the supplementary estimates?

The committee hasn't taken a position on whether you want to vote on the supplementaries and report them or let them be deemed to have been reported.

Mr. Szabo, do you want to make it a motion?

**Mr. Paul Szabo:** I would like to move that the supplementaries be reported back without amendment.

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

**Mr. Joe Preston:** If we're attaching some sort of recommendation that we've had—

**The Chair:** I understand that it would be done in two separate reports. One, we'd report the estimates back unamended, and the other one would be a report on the issue of process.

**Mr. Joe Preston:** Okay, provided that I now know we'll do the second one.

**The Chair:** Yes, well, we had actually agreed to that earlier.

Is there any debate or are there any comments on the motion before the committee?

All those in favour of reporting the supplementary estimates back to the House unamended?

(Motion agreed to)

**The Chair:** All right. We'll go on to the second part.

We're going to suspend for a couple of minutes to go in camera. We'll then talk about the Bill C-11 process, which is before the committee. We have some important decisions to make, and I think we can make them after the suspension.

[*Proceedings continue in camera*]





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