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Standing Committee on Government Operations and Estimates

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EVIDENCE

Tuesday, December 7, 2010

—
Chair

The Honourable John McKay

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•(0845)

[Translation]

The Chair (Hon. John McKay (Scarborough—Guildwood, Lib.)): Good morning, colleagues.

[English]

Our witness has not arrived and he is not yet in the building, so we'll try to track him down.

Meanwhile we have a bit of committee business. As you know, the last day for supply is December 10. If we are to report on those supplementary estimates (B) that have been referred to us, we have to do it by today. I'm assuming that the government members are quite happy with the supplementary estimates (B) as presented.

The other difficulty I have, ladies and gentlemen, colleagues, is that I would have to leave the chair at 10 o'clock in order to report any report that this committee would wish to make, because routine proceedings on Tuesdays start at 10 o'clock. Without getting into any kind of lengthy debate, is there any appetite to deal with the votes as requested on the supplementary estimates (B)?

Mr. Regan.

Hon. Geoff Regan (Halifax West, Lib.): Mr. Chairman, it seems to me that before we determine the outcome of the estimates we ought first to pass a motion. I move:

That this Committee deplores the failure of government departments to provide basic, necessary information to the Parliamentary Budget Officer needed for him to assess the government's plan to have a freeze on spending and the impacts on departments and the means by which it's going to carry out the reductions that are listed by the government in relation to those reductions.

That's a long motion. I hope that's clear. I hope somebody noted it down.

The Chair: Mr. Regan, do you have anything in writing to that effect?

Hon. Geoff Regan: No, not as such.

The Chair: Not as such.

Hon. Geoff Regan: That's why I was noticing that no one was writing down what I was saying.

The Chair: Yes. I see. I don't think there's any restriction on your ability to be concerned about the process, particularly the process with respect to the Parliamentary Budget Officer, the response that Madame Bourgeois received from the Treasury Board, and the first set of witnesses as sent by Treasury Board.

There's nothing to prevent you presenting that motion, but I think in order of precedence, the issue is whether we proceed with the

votes on Privy Council, Public Works, and Treasury Board. Do we do it now, do we let it go, or do we want to have another vote altogether, which would be some yes, some no, I suppose? Those are the alternatives.

Hon. Geoff Regan: With all due respect, Mr. Chairman, there's no motion before the committee at this point in relation to the estimates, and I've put a motion before the committee.

•(0850)

The Chair: That's true. There was no motion here. You're correct about that.

Is there any debate on the motion?

Mr. Chris Warkentin (Peace River, CPC): Speaking to the motion, it is important that we recognize a number of facts. First, the President of the Treasury Board has met with the PBO to affirm his full support in getting the documents that can be made available to the PBO in a timely fashion. That is being undertaken. The President of the Treasury Board could confirm that undertaking.

Second, it is important for us to recognize that there are certain documents subject to cabinet confidence. This isn't a novel idea. It's something that every government has done since the creation of Parliament.

Third, we were given a significant amount of information with the letter requested by the President of the Treasury Board, and we haven't even reviewed it. It went to PBO, but we haven't undertaken a review of that documentation, so I'm not certain that this is reflective of the facts. Obviously the opposition is here simply to make a political statement, and they're able to do that, but we should move on with the business of this committee's responsibility, and that's to move the estimates that are deemed to be considered by this committee.

The Chair: Are there any other comments?

Mr. Martin.

Mr. Pat Martin (Winnipeg Centre, NDP): Well, I don't want the record to show that this committee feels that we dealt with the supplementary estimates (B) in a satisfactory way and are now reporting to Parliament that we agree with these estimates and that therefore these estimates should be allowed to go ahead. Because that certainly wouldn't be an accurate reflection of what took place around the committee table.

In fact, the motion Mr. Regan put forward would be a more accurate reflection of the fact that we were very dissatisfied with the cooperation we got. I put it on the record that I'm dissatisfied with the process, period. We got a couple of hours to deal with proposed spending worth billions of dollars. No objective third party could ever view that and say that it was a thorough, robust treatment of the estimates process. It's a farce.

I think, at the bare minimum, that the report back to Parliament should be that the government operations committee tried, on behalf of Canadians, to do an in-depth analysis of the proposed spending of the government, and we were unable to do so due to a lack of cooperation by the government. We are frustrated, we are angry, and we are not satisfied. In fact, if it were to go to a vote, I would vote against the approval of these supplementary estimates. So at the very least, you could say that the committee is not unanimous in its approval of the estimates process.

In terms of Mr. Regan's motion, which is what we're speaking to now, I would wholly support that motion, because it at least begins to address how frustrated we are by the sandbagging by the government on the simplest, most straightforward of questions. We don't even have the elemental details to be able to decide whether we should approve this spending.

They come to us asking permission to spend \$4 billion. That's what the government is doing. The government comes cap in hand to Parliament to get our permission to spend money, and we get about an hour of questioning of some stonewalling bureaucrats. We get ministers who won't come.... The public should know that this process is a sham and that we have not reviewed the spending proposal by the government to anyone's satisfaction.

Mr. Regan is correct. I'll support his motion.

If you are going to report anything today, you should report how wholly dissatisfied we are with the sandbagging and stonewalling by the government in terms of sharing the most fundamental information with the very committee that gives them permission to spend money.

The Chair: Colleagues, I'd just point out that any other reports, such as Mr. Regan and Mr. Martin have been talking about, can be presented at a later date. However, we do have a timeline, which indicates that the supply period ends Friday. We can simply not deal with them, but I suppose we do have to deal with these votes one way or another.

Mr. Warkentin, and then Mr. Harris.

Hon. Geoff Regan: On a point of order, Chair, I want to get on to other business. We'll have Mr. Prud'Homme here, right? But if we are going to spend the whole morning on this, I'd be prepared to withdraw my motion, though I'm still looking for a way to express our dissatisfaction with the government's action.

• (0855)

The Chair: We could proceed that way. If you withdrew your motion, then the only thing that would be on the floor would be the votes themselves. Then you could come back to your motion, if that's what you wish.

Apparently Mr. Prud'Homme is about 10 minutes away.

I'm in the hands of the committee. If Mr. Regan wishes to withdraw his motion, he needs unanimous consent. We could then move the votes or pass them on division.

Hon. Geoff Regan: Well, if you're passing them on division—

An hon. member: It means they would pass.

Hon. Geoff Regan: —it means they would pass.

The Chair: Yes.

Just to keep things moving along with some level of order, are you asking for a withdrawal of your motion?

Hon. Geoff Regan: Yes.

The Chair: Do I have unanimous consent to have Mr. Regan withdraw his motion?

Some hon. members: Agreed.

(Motion withdrawn)

The Chair: The second question is on the votes themselves.

Do you want me to do them all together, or do you want me to do them one at a time? All together?

PRIVY COUNCIL

Department

Vote 1b—Program expenditures.....\$1,403,190

(Vote 1b agreed to on division)

PUBLIC WORKS AND GOVERNMENT SERVICES

Vote 1b—Operating, contributions and expenditures.....\$123,369,630

Vote 5b—Capital expenditures.....\$3,432,287

(Votes 1b and 5b agreed to on division)

TREASURY BOARD

Secretariat

Vote 1b—Program expenditures.....\$1,237,952

Vote 15b—Compensation Adjustments.....\$137,119,071

(Votes 1b and 15b agreed to on division)

The Chair: Shall I report these to the House?

Some hon. members: Agreed.

The Chair: Mr. Harris.

Mr. Richard Harris (Cariboo—Prince George, CPC): Mr. Chair, I had my hand up earlier to be recognized, following Mr. Martin's statement.

I think it's important to point out here that while Mr. Martin's story might have touched some hearts in this committee—

Some hon. members: Oh, oh!

Mr. Richard Harris: —his sincerity has been dramatically undermined by his party's and leader's past performance, where in fact they have signified publicly that they would vote against every single budget item that came down even before those budget items were known. So for Mr. Martin to complain that he doesn't have enough information is really hypocritical at best, given the history of his party and leader.

The Chair: All right.

I'm sure we're thankful for that intervention.

Mr. Regan.

Hon. Geoff Regan: Mr. Chair, I would call upon colleagues to try to refrain from personal attacks of that nature.

The Chair: Maybe we can—

An hon. member: Damascus road this morning—

Some hon. members: Oh, oh!

The Chair: Okay. Well, I'm all excited about Damascus road experiences for everyone.

Now, I wonder whether I can use this time while we wait for Mr. Prud'Homme to talk about the Jaffer matter. We have finished the report. Every party has had an opportunity to look it over. Do I have any authorization to present it to the House?

Do we want to go in camera?

An hon. member: No.

The Chair: Go ahead, Mr. Warkentin

Mr. Chris Warkentin: Mr. Chair, we've just run on a collision course in a different committee where there was a discussion about a draft report in public. We've just encountered that again.

The Chair: Yes. That's my fault. I shouldn't have done that.

Mr. Chris Warkentin: I don't know how we—

The Chair: We can vote to go in camera or we can suspend while we wait for Mr. Prud'Homme.

Mr. Coderre.

● (0900)

[*Translation*]

Hon. Denis Coderre (Bourassa, Lib.): Mr. Chair, I don't see the point of spending only an hour with Mr. Prud'Homme this morning, particularly since it is already 9:00 a.m. and the committee has to end its meeting at 10:45 a.m..

So I would ask that the videoconference with other colleagues be postponed to another meeting of the committee and we have Mr. Prud'Homme testify until 10:45 a.m..

[*English*]

The Chair: I'm in the hands of the committee. It's a lot of work on the part of the clerk to arrange these meetings. I'd hate to let Mr. Hollander go, who's coming in from British Columbia; possibly the other witness is not as difficult to let go.

I just wonder whether there are other alternatives. Could we have Mr. Hollander still join us at the scheduled time while continuing to have Mr. Prud'Homme for the balance of the time? Would that work?

Hon. Denis Coderre: Mr. Chair, my concern is that it's already nine o'clock. I understand all of the work by the clerk and that there might be some discomfort there, but at the end of the day, these are two different issues. I am flexible, but frankly, if we have both witnesses together, it wouldn't sound coherent.

The Chair: Yes.

Hon. Geoff Regan: Mr. Chair, normally I would say it would make sense to have those witnesses along with Mr. Prud'Homme, and then members could ask questions of whomever they wanted. But I'm a little concerned that those witnesses—the two in the second hour—would get short shrift and perhaps wouldn't get much in the way of questions, and we would end up inviting them back and wasting their time today. That's the concern if we continue with them today.

The Chair: Okay. If that's the will of the committee, I'm fine with that.

Some hon. members: Agreed.

The Chair: We'll just suspend.

● (0900) _____ (Pause) _____

● (0910)

The Chair: Colleagues, we can resume now.

[*Translation*]

Mr. Prud'Homme has arrived.

Welcome to the committee, Mr. Prud'Homme.

[*English*]

Thank you for coming. I appreciate your making the effort to get through the snowstorm. In light of the lateness, we have extended the period of time we have with you. As you know, as I'm sure our clerk has briefed you, you have an opportunity to make an opening statement and, thereafter, members will ask you questions.

Mr. Prud'Homme, do you have an opening statement?

An hon. member: A point of order.

The Chair: Excuse me.

[*Translation*]

Mr. Gilles Prud'Homme (As an Individual): I'm going to make a brief comment. I'm sorry...

The Chair: Excuse me for interrupting you, Mr. Prud'Homme, but Mr. Coderre wants to say something.

Hon. Denis Coderre: A point of order, Mr. Chair. I would ask the clerk to swear the witness.

Mr. Gilles Prud'homme: I, Gilles Prud'Homme, swear that I will tell the truth, the whole truth and nothing but the truth in my testimony, so help me God.

The Chair: Thank you, Mr. Prud'Homme.

[*English*]

Your opening statement, please.

[*Translation*]

Mr. Gilles Prud'homme: Good morning. It is a pleasure to be here with you.

I apologize for the delay, which was caused by a snowstorm in Montreal. It would have been almost impossible for me to make the trip last night, so I left at 4:30 this morning and I got delayed a little on the way.

I am going to speak in French, but I will be able to understand questions in English perfectly well. To be sure to use the right words, I will answer in French.

I am pleased to be with you because I have nothing to feel guilty about. I am not aware of any situation relating to the contract that is the subject of the committee's study. Contrary to what the member for Bourassa has insinuated, I was not hiding. It was easy for the clerk to find me. I called him back immediately. We have spoken on several occasions. I am not engaging in any strong-arm tactics against anyone, and I have no connections in the construction industry. So I am very pleased that I am going to answer questions and thus dispel any malicious insinuation that someone who enjoys privilege might make against me.

•(0915)

The Chair: Thanks you, Mr. Prud'Homme.

Mr. Coderre, you have eight minutes.

Hon. Denis Coderre: Mr. Chair, I would like to remind the witness that it was the clerk who said he had a great deal of difficulty reaching him.

Given that difficulty, we asked that a summons be issued, and that was when the telephone started working.

Mr. Prud'Homme, how long have you been a Conservative?

Mr. Gilles Prud'homme: Since 1977.

Hon. Denis Coderre: How long have you been a member of the new Conservative Party?

Mr. Gilles Prud'homme: Since 2005. I haven't had a membership card for a few years. However, I was registered as a member of the Liberal Party, without my consent, at one of your spaghetti dinners in 2004.

Hon. Denis Coderre: That would surprise me.

Mr. Prud'Homme, who brought you into Mr. Harper's Conservative Party?

Mr. Gilles Prud'homme: I contacted people I knew in the Conservative Party myself. I did that through the office of Jean-Pierre Blackburn, a man I respect a lot, who was already the Progressive Conservative member of Parliament at that time. I knew people who had been part of the Progressive Conservative network in the 1980s.

Hon. Denis Coderre: You are a good friend of Gilles Varin?

Mr. Gilles Prud'homme: I don't know Gilles Varin very well. I know who he is; I have crossed paths with him, I've said hello, but I have no connection with him. I don't know him.

Hon. Denis Coderre: How did you meet Paul Sauvé?

Mr. Gilles Prud'homme: Paul Sauvé came to meet me on November 15, 2008, in a hotel in Dorval—I think it was the Four Points—at an event organized in honour of the Casa d'Italia. He introduced himself to me. During the conversation, he learned that I was the president of the Progressive Conservative riding association in Bourassa and I intended to donate money during January or February. The election had just ended; we didn't know what would happen. That was the first time I met him.

Hon. Denis Coderre: Mr. Sauvé swore on the Bible that you had told him that since he had been awarded a contract, he had to organize fundraising activities, and he should hold several activities, including in Bourassa riding.

Mr. Gilles Prud'homme: No, I did not say that to Mr. Sauvé.

After the event on November 15, I met Mr. Sauvé for lunch at the Da Emma restaurant, in Old Montreal, in December. I told him that after the campaign, the association had a shortfall of \$10,000 and that we were organizing a cocktail party or evening event with Mr. Padulo. It remained to be confirmed, along with the date, because Mr. Paradis, who was then the minister responsible for the Montreal region, and that is why he was there, did not have his datebook with him then.

Because he had told me on November 15 that he was a Conservative Party sympathizer, I asked him whether he was interested in helping us. He said he was prepared to sell some tickets and Mr. Padulo said he would sell some as well.

Hon. Denis Coderre: You told me that you met Mr. Sauvé at the hotel and talked to him about fundraising. Now you're telling me about a dinner...

Mr. Gilles Prud'homme: No, I didn't talk about fundraising.

Hon. Denis Coderre: That is what you just said. You just said that you met Mr. Sauvé at the Da Emma restaurant and you talked about fundraising.

Mr. Gilles Prud'homme: No, what I said is that at the event at the Casa Italia on November 15, it was Mr. Sauvé who came to meet me and knew that I was the president of the Conservative association. He told me he was interested in working with us because he was a Conservative Party sympathizer. That was when we set a date to meet in December. It wasn't the appropriate place for a long discussion, given that we were both with people for the evening.

So we met at Da Emma in December to talk. He told me he was interested in participating in the event and selling some tickets. Mr. Padulo, at whose place the activity was being held, also said he would sell some tickets. That is how it was done.

Hon. Denis Coderre: So Mr. Sauvé lied?

Mr. Gilles Prud'homme: I am telling you what happened.

•(0920)

Hon. Denis Coderre: Are you saying that Mr. Sauvé is a liar?

Mr. Gilles Prud'homme: What I'm saying is that I did not tell Mr. Sauvé that the evening event would be organized as some kind of thank you for the contracts. First, I didn't know he had been awarded contracts. What he was talking to me about wasn't the contract in issue here. He wanted to convey the message that he wanted to build a masonry school in Sorel-Tracy, that the municipality seemed to be behind the project. Initially, he wanted to do it in Hochelaga-Maisonneuve, but the borough was not prepared to issue zoning permits, and so on. So the project had to be in Sorel-Tracy and he wanted to promote that idea. That is what was of most concern to him.

Hon. Denis Coderre: Mr. Prud'Homme, you say that you have no connections with the construction industry, so why would you be talking about a masonry school? We talked about a benefit event in Bourassa riding at Mr. Padulo's restaurant...

Mr. Gilles Prud'homme: That was his project. He told me what he wanted to do. Don't change the words. That's your specialty, putting words in people's mouths.

Hon. Denis Coderre: Mr. Prud'Homme...

Mr. Gilles Prud'Homme: You have trouble with your own words.

Hon. Denis Coderre: Mr. Chair, I would like the witness to be called to order. I am asking questions and he has an obligation to answer. As well, he has no respect for Parliament, since he arrived at 9:15 a.m.. So I would like the witness to answer the questions and not exploit his own immunity.

I would like to know why you talked about masonry with this person when you have nothing to do with that, according to you.

Mr. Gilles Prud'homme: I didn't talk about it. He mentioned to me that he wanted to build a masonry school. He is entitled to explain to me what he wants to do and introduce himself to me. He described what he was doing and what his business was, that's all.

We had lunch together, he explained to me in the course of a conversation who he is, and I explained to him who I am. That's all.

Hon. Denis Coderre: That is exactly why we invited you: we want to know who you are, Mr. Prud'Homme.

Do you know Bernard Côté?

Mr. Gilles Prud'homme: I know Bernard Côté. I knew him because he worked in the Jeanne-Le Ber Conservative association.

Hon. Denis Coderre: In what capacity?

Mr. Gilles Prud'homme: I don't know whether he was the official agent or the secretary-treasurer, whatever.

Hon. Denis Coderre: He was the official agent until when?

Mr. Gilles Prud'homme: I have no idea.

Hon. Denis Coderre: How do you know Henry Padulo?

Mr. Gilles Prud'homme: I met Henry Padulo for the first time when I was doing election campaigns for former mayor Jean Doré, with the leader of the Bloc Québécois, Gilles Duceppe. He had a restaurant on rue Crémazie, the Da Enrico. He helped candidates in the Villeray area.

At about the same time, he came to help us during the 1988 Conservative campaign, since he was a resident of Ahuntsic, like me. When Nicole Roy-Arcelin ran against Raymond Garneau, he helped us. That was when I met Henri Padulo.

From 1990-1992 until the 2007-2008 election, I didn't meet him often. I met him because he came to Conservative Party activities around the 2008 election campaign.

Hon. Denis Coderre: Do you know Hubert Pichet?

Mr. Gilles Prud'homme: Yes. He is Senator Pierre Claude Nolin's right arm. He stood as a candidate in La Pointe-de-l'Île riding, I believe.

Hon. Denis Coderre: Have you met Pierre Claude Nolin?

Mr. Gilles Prud'homme: I know Pierre Claude Nolin very well. He is the best political organizer I had the opportunity to work with,

when I was an organizer for the Progressive Conservative Party during the 1980s.

Hon. Denis Coderre: Do you know Claude Sarrazin?

Mr. Gilles Prud'homme: No.

Hon. Denis Coderre: Explain something for me. You were involved a lot at the municipal level, is that right?

Mr. Gilles Prud'homme: Yes, I worked on various municipal campaigns.

Hon. Denis Coderre: Did you work on Jacques Duchesneau's campaign?

Mr. Gilles Prud'homme: Yes, I was an organizer for his fellow candidate and I had some responsibilities for communications for five or six candidates in Ahuntsic-Cartierville borough.

The Chair: Thank you, Mr. Coderre and Mr. Prud'Homme.

Ms. Bourgeois, you have eight minutes.

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

Good morning, Mr. Prud'Homme.

Mr. Gilles Prud'homme: It's a pleasure, madam.

Ms. Diane Bourgeois: Tell me how long you were president of the Conservative riding association in Bourassa.

Mr. Gilles Prud'homme: I would say from June 2007 to October 31, 2010, or until the date the association was deregistered. But in June 2010 I had warned the regional organizers that I did not intend to continue, that the association had no debt and the candidate foreseen could bring in their own team.

Ms. Diane Bourgeois: Right.

You left of your own accord because of dissatisfaction...

Mr. Gilles Prud'homme: After three years... I am still a Conservative, but when I realized that the Montreal region was not a priority for the party, I decided to put my energy elsewhere, particularly because in the last six years I looked after my mother, who had dementia, for 20 or 30 hours a week, until she died. So I had dropped a lot of my professional activities and decided to do something else. I have been in politics for quite a few years and I may want to do something else, although there is one who is asking me to stay on and fight.

●(0925)

Ms. Diane Bourgeois: Mr. Sauvé told us that he had invited several people who were present at the famous cocktail party that was referred to. Did you give Mr. Sauvé a list?

Mr. Gilles Prud'homme: No, he invited the people he chose to invite.

Ms. Diane Bourgeois: He was the one who invited those people?

Mr. Gilles Prud'homme: The ones he acknowledged inviting. I can't distinguish all the people whose names are on the list. For the list of people who were there before the evening event, apart from Mr. Sauvé, whom I had met a few months before, I knew who Mr. Varin was because he had been involved in some activities, but I only knew Roger Plamondon, who is in charge of the BIXI project in Montreal and was at that time part of Paul Martin's federal Liberal team. He was with Mr. Broccolini.

Ms. Diane Bourgeois: Tell me, Mr. Prud'Homme, how did things work? Before inviting people, did you check with the Minister's office to see whether he was available, whether he could be there?

Mr. Gilles Prud'homme: Yes. I don't remember the exact date, but it was in December. Some Conservative groups were demonstrating in front of Stéphane Dion's offices. It may have been to protest the coalition. I don't really remember. Mr. Dion was then the member for Saint-Laurent—Cartierville riding and leader of the Liberal Party. Mr. Paradis and some other MPs came. I think Mr. Gourde was there too, but I'm not sure. At that time, Mr. Padulo and I asked Mr. Paradis whether he would agree to hold a fundraising activity at his restaurant in the new year, for the Conservative association in Bourassa riding. He said that would be no problem for him and asked us to come to his office after the holidays because he had just been appointed minister and he didn't know yet what was on his schedule. There was also the volatility in what was going on at the time.

Ms. Diane Bourgeois: You are saying that the people in Mr. Paradis' office knew that Mr. Sauvé was going to invite people who were from a very specific field?

Mr. Gilles Prud'homme: I didn't know who was going to be there. I think I said to... I don't remember who I was talking to, at that point. I don't know whether it was Ms. Houde or Mr. Quinlan. But a woman called me. I think I mentioned that the main people working with the association, apart from the members of it, were Mr. Sauvé and Mr. Padulo. However, the list of people there wasn't known to the Minister before he arrived.

Ms. Diane Bourgeois: Right. Their field of business was not known either?

Mr. Gilles Prud'homme: Not known either.

Ms. Diane Bourgeois: You organized a fundraising activity at the Il Ritrovo restaurant for the Conservative riding association in Bourassa. Two hundred people were there.

On what date did you organize that cocktail party? Do you remember that cocktail party?

Mr. Gilles Prud'homme: What is the date?

Ms. Diane Bourgeois: I don't have the date, but it involved Conservative fundraising. That information was found in an Italian-Quebec newspaper.

Mr. Gilles Prud'homme: During the election campaign there was a spaghetti dinner activity in the basement of the Notre-Dame-de-Pompei church.

Ms. Diane Bourgeois: Excuse me, it was with Michelle Allaire.

Mr. Gilles Prud'homme: Yes, she was the Conservative Party candidate.

Ms. Diane Bourgeois: That was in 2008 or 2009?

Mr. Gilles Prud'homme: A few weeks before the election, around October 11, in the basement of the Notre-Dame-de-Pompei church, we did a...

Ms. Diane Bourgeois: No, excuse me, but...

Mr. Gilles Prud'homme: There was an activity at the Il Ritrovo restaurant, a kind of low-price spaghetti dinner or something like that.

Ms. Diane Bourgeois: The money that was collected at that cocktail party should ordinarily have gone into the Conservative Party's riding accounts.

Mr. Gilles Prud'homme: All the money that was collected was always deposited into those accounts. Our events during 2007, 2008 and 2009 are all reported in the association's records. For the spaghetti dinner expenses, given that it was during the election campaign, they may be in the official agent's report.

Ms. Diane Bourgeois: At that event, had a minister or a senator been invited?

Mr. Gilles Prud'homme: No. There was an MP who was supposed to come, but he couldn't make it. There was no one else, neither one. These were local activities for people who were part of...

Ms. Diane Bourgeois: According to that newspaper, you had also organized a fundraising activity at the Il Ritrovo restaurant where the minister Jean-Pierre Blackburn was present.

Mr. Gilles Prud'homme: No, it wasn't at the Il Ritrovo restaurant. It was at the restaurant on rue Saint-Zotique...

Ms. Diane Bourgeois: Il Piccolo? Or would it be the Piccola Italia?

● (0930)

Mr. Gilles Prud'homme: That may be it, at the intersection of boulevard Saint-Laurent and another street whose name escapes me.

Ms. Diane Bourgeois: Do you remember approximately the date of that cocktail party?

Mr. Gilles Prud'homme: I believe it was just before the Christmas holidays in 2007.

Ms. Diane Bourgeois: Where did the money collected to?

Mr. Gilles Prud'homme: To the association. It's in the report.

Ms. Diane Bourgeois: And yet when we look at Election Canada's records, we don't find any trace of that money.

Mr. Gilles Prud'homme: It is there, along with the names of the donors.

Ms. Diane Bourgeois: But we don't find it.

Mr. Gilles Prud'homme: I'm sorry, but it's there.

Ms. Diane Bourgeois: Who communicated with Mr. Blackburn for him to go to that activity?

Mr. Gilles Prud'homme: It was myself, through his office.

Ms. Diane Bourgeois: Mr. Prud'Homme, you tell me that you met Mr. Paradis and you communicated with Mr. Blackburn. Do you have privileged access to Conservative ministers?

Mr. Gilles Prud'homme: No.

As an activist, I had known Jean-Pierre Blackburn since the 1980s. When I met him, I asked him whether he could be there if we organized a fundraising activity and he said he could. On Saint-Jean-Baptiste day, we went to his activity where he had the Prime Minister in Roberval with the future candidate, Denis Lebel, who was the mayor at that time.

When you are involved in political activity, you cross paths with a lot of people.

Ms. Diane Bourgeois: Does the name Léo Housakos mean anything to you?

Mr. Gilles Prud'homme: I know Léo Housakos. I am not a close friend of Léo Housakos, but I know him because he is involved in politics. He ran for the Canadian Alliance and he was the treasurer for Mayor Tremblay's team and for Mario Dumont. He is now an activist for the Conservative Party.

The Chair: Thank you, Ms. Bourgeois.

Thank you, Mr. Prud'Homme.

Mr. Gourde, you have eight minutes.

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

Thank you for being here this morning to testify in spite of the bad weather, Mr. Prud'Homme.

Let's put this in context. You were in fact the president of the Bourassa Conservative riding association from 2007 to 2010. Like any good president, you did political work, promoting the party in Bourassa riding, including fundraising cocktail parties so the Conservative riding association could run candidates against the other parties in the election that might have been coming. You were a good Conservative activist. In fact, you said you had been for a long time.

How did you find yourself with a Liberal card in your pocket?

Mr. Gilles Prud'homme: When Mr. Coderre organized a spaghetti dinner, about 1,000 people came, and sometimes more. As for a number of people who attended, at least this was the case for me, I was asked to sign a document saying I had been there. So I found myself with a card. I had got two tickets from an Italian barber whom the person I was with knew. I don't know why, but I was included as a member without my permission. I think there were a lot of others who attended activities like that and agreed to become members of a party for \$20.

Mr. Jacques Gourde: What was the price of the spaghetti dinner?

Mr. Gilles Prud'homme: It was \$20. With 1,000 people, that made \$20,000 for the event. That's more than for our event, at \$500.

Mr. Jacques Gourde: The card you signed is a membership card in the Liberal Party of Canada.

Mr. Gilles Prud'homme: I signed a form that I was at the event.

Hon. Denis Coderre: A point of order, Mr. Chair.

Mr. Jacques Gourde: Well...

The Chair: Excuse me, Mr. Gourde.

Mr. Coderre, you have the floor.

Hon. Denis Coderre: Mr. Chair, to be clear, I want to point out that the people are told that if they want to be members, they should sign the ticket.

It was spelled out in black and white. I don't know whether it's because you don't know how to read, Mr. Prud'Homme, but it was clearly indicated on the ticket.

[English]

The Chair: Thank you for that point of clarification, but it's not a point of order.

Mr. Gourde.

[Translation]

Mr. Gilles Prud'homme: I was never informed of it. It was not written. If there is something that I have never been in my life, it's a federal Liberal.

Voices: Oh, oh!

The Chair: Mr. Gourde, you may continue.

Mr. Jacques Gourde: So your signature appeared on a document that was transferred or appended to the form for the Liberal Party membership card.

Mr. Gilles Prud'homme: That's right. I became a member without knowing it.

Mr. Jacques Gourde: I am pleased to understand the practice of the head of the Liberal family in Quebec. Essentially, he exchanges a membership card for a spaghetti dinner, and that works.

Mr. Gilles Prud'homme: There's a reason why he himself is kind of the head of the Liberal family in Montreal North. It is Liberal at the federal, provincial, municipal and school board levels. The presidents of the senior citizens club and the main organizations are almost all Liberals. It's red everywhere.

• (0935)

Mr. Jacques Gourde: Do you think people are really aware they are becoming members of the Liberal Party? If 1,000 to 1,500 people attend in the course of the day, the forms get filled out quickly.

Mr. Gilles Prud'homme: Seniors make up about 75% of the people who attend the dinner. They are very happy to be invited. There is music with big Italian singers from Montreal. Often there are ministers or even the leader. Senator Jean Lapointe came one time. So people are happy to attend and spend a nice evening. They are even brought in by bus from their homes. It works well.

Mr. Jacques Gourde: You say that people are invited to go to the spaghetti dinner. Are they are invited free of charge? Does someone pay for their card?

Mr. Gilles Prud'homme: I can't speak for everybody. Some people buy tickets and invite other people, and they fill a table.

Mr. Jacques Gourde: Logically, under the elections act, you have to pay for your card. If the ticket is free and the card is given indirectly...

Mr. Gilles Prud'homme: I can't speak for other people. I am only telling you what happened to me. I didn't wait around to see what was happening. I had no political objective that evening. I had accepted the invitation from the Italian barber.

Mr. Jacques Gourde: It's really interesting to understand how Liberal Party membership cards are sold in Bourassa. That might be repeated elsewhere in other ridings. We understand why the member for Bourassa is the champion membership card seller in Quebec.

Let's get back to the famous cocktail party. You met Mr. Sauvé. He agreed to sell membership cards for you.

Mr. Gilles Prud'homme: He even offered to participate. Initially, he told me he was prepared to sell 10 or so cards. He sold more, ultimately. I don't have the details for the number of tickets he and Mr. Padulo sold.

Mr. Jacques Gourde: Generally speaking, how did the event go?

Mr. Gilles Prud'homme: It went very well. The Minister arrived late. He stayed only 90 minutes. When he arrived, we were warned that he would have to leave quickly. His father was ill. He wanted to get to Thetford Mines or in that vicinity to see him. He went around talking to the people there. He had a little bite before leaving, and he went.

Mr. Jacques Gourde: There was no mandatory membership card.

Mr. Gilles Prud'homme: No. The people there paid by cheque. There were people from the family of the candidate, Ms. Allaire, and Mr. Padulo's family, and people from other Conservative riding associations near Ahuntsic and the restaurant. There were a few journalists from Italian weeklies.

In any event, the cocktail party was held in the light of day. Rodger Brulotte had talked about it in one of his columns. It wasn't hidden. If you look up Rodger Brulotte's column, you can see the photograph of the Minister with Ms. Allaire and Mr. Padulo. That's clear.

In fact, it gave the MP for Bourassa a chance to tell certain members, in front of the Italian community, to be sure not to be seen there because it wasn't good for their image with the Liberal Party.

Mr. Jacques Gourde: Did people eat spaghetti, like at other activities?

Mr. Gilles Prud'homme: No, Mr. Padulo's son, Riccardo, had prepared a fairly high-end buffet.

Mr. Jacques Gourde: This is a good restaurant in Montreal.

Mr. Gilles Prud'homme: It's a family restaurant, but the restaurant wasn't open that evening. On Mondays, generally, it isn't open. They opened it for the event and they prepared a buffet for the occasion.

Mr. Jacques Gourde: Then...

Mr. Gilles Prud'homme: It was paid for. It's written in the association's report. The report talks about the Da Enrico restaurant and a figure of \$3,000.

Mr. Jacques Gourde: All the work you did from 2007 to 2010 is well documented and all the reports have been audited by Elections Canada.

Mr. Gilles Prud'homme: Yes, they are all done by Roger Guindon, who is very highly regarded by Elections Canada and is very meticulous. He is always asking us to turn our documents in. So there is no problem.

We worked hard. The candidate handed out nearly 18,000 professional cards, hand to hand, in the riding. We bought advertising in the Italian weeklies every week for a year. We bought advertising in *Le Guide Montréal-Nord* and *L'Informateur de Rivière-des-Prairies*. We attended various activities. We did what we could.

Unfortunately, the situation in 2008, with the questions about culture and the fact that we couldn't get a minister to come during the

campaign, hurt us. We still got the result we could. We had good numbers in the circumstances.

That's it.

• (0940)

Mr. Jacques Gourde: The moral of the story is that to win Bourassa riding, you have to organize a big spaghetti dinner, invite people and hope they work for you.

Mr. Gilles Prud'homme: You're the one saying that.

The Chair: Have you finished?

Mr. Jacques Gourde: Yes.

The Chair: Thank you, Mr. Gourde.

[English]

Mr. Martin, eight minutes, please.

Mr. Pat Martin: Thank you, Chair.

Thank you, Mr. Prud'Homme.

We're getting an interesting insight into the rather dark world of the blood sport of Montreal politics, but we're more interested in the even darker world of allegations of collusion and price-fixing and bid-rigging in the construction industry as it pertains to these very buildings.

Mr. Sauvé painted us a picture. He indicated to us that, on average, to get a contract for either Transports Québec or the federal government requires a 3% to 5% kickback. Would that be in the right sort of ballpark range?

Mr. Gilles Prud'Homme: I have no knowledge of that.

Mr. Pat Martin: You have no knowledge of that? Well, the bribes at the front end and the kickbacks at the back end are what we're concerned about. If a person like Varin were shaking down a contractor for bribes, if you wanted to bribe your way onto a bidders list, for instance, who would Mr. Varin pay out in order to get that kind of a contract for his client?

Mr. Gilles Prud'Homme: I don't know, because I don't know anyone here in Ottawa.

Mr. Pat Martin: No, but let's say for Transports Québec, who would you bribe in Transports Québec?

Mr. Gilles Prud'Homme: I don't know anyone in Transports Québec either. I'm not involved in those industries.

Mr. Pat Martin: You seem quite close to that industry. I mean—

Mr. Gilles Prud'Homme: I'm not close. Why?

Mr. Pat Martin: —in the last two weeks, you've single-handedly brought down the chairman of the anti-corruption and anti-collusion commission, Jacques Duchesneau.

[Translation]

Mr. Gilles Prud'homme: With respect to Mr. Duchesneau, I said nothing that related to construction.

I reported an election activity that took place in 1988 and had no connection with the construction industry. In the course of that activity, several people signed guarantees. I was one of them. Afterward, it appeared in the financial report as a loan.

I met with the Chief Electoral Officer.

[English]

Mr. Pat Martin: A lot of people feel that just as Mr. Duchesneau was getting close to unearthing the corruption in the industry in Quebec, you brought him down so that he wouldn't get any closer. He's had to resign his seat because you came in just at the right time to shield and protect the way the industry is corrupt.

[Translation]

Mr. Gilles Prud'homme: I didn't come in at the right time. I simply answered questions from Paul Larocque, the TVA journalist. As far as the timing, I answered...

[English]

Mr. Pat Martin: Well, the timing is perfect, Mr. Prud'Homme.

[Translation]

Mr. Gilles Prud'homme: Maybe, but I answered at the request of my brother, who is a chartered accountant...

[English]

Mr. Pat Martin: Why would you report election irregularities that are 10 years old when you didn't even report your election fundraising when you're the president of the riding association in the last year? Why did your riding association get deregistered by Elections Canada when you were the president?

[Translation]

Mr. Gilles Prud'homme: Because I didn't fill out the president's report.

[English]

Mr. Pat Martin: Well, tell us.

[Translation]

Mr. Gilles Prud'homme: The financial officer replied to the financial report that was audited. It is in there, in fact. That is why you have the list of contributions at the cocktail party. I didn't reply to the president's report. I could have sent another note, but I left that to other people. So the party could have used someone else. That's all.

[English]

Mr. Pat Martin: It was deregistered.

[Translation]

Mr. Gilles Prud'homme: I have checked with Elections Canada. It's the president's report that shows the date, the people's addresses and who the members are. The financial report is there, and the financial report for the 10 months up to October 31 will be filed.

[English]

Mr. Pat Martin: You've answered that question.

What was the total amount of kickbacks from the fundraising cocktail party? The total amount of kickbacks from all of the grateful contractors that you gathered there that night? How much did they kick back in total? Not just the \$1,000 to the riding association—the total kickbacks.

[Translation]

Mr. Gilles Prud'homme: Other than the contributions that appear in the report, there is nothing. Some people want to make up a story where there isn't one.

[English]

Mr. Pat Martin: Now, on the irregularities in 1998 that have led to the resignation of the former chief of police, who was getting close to exposing the whole of the corruption in Quebec, the loans.... You say it was you and another woman. Is that correct? Madame Arminda Mota?

● (0945)

Mr. Gilles Prud'Homme: I think 12, other than me,

[Translation]

including Ms. Mota, who did her interviews and her business. That's all. I have not met Ms. Mota since 1998. I should point out that she was a candidate with Jacques Duchesneau. Since that time, I have never met her.

[English]

Mr. Pat Martin: Why would he defraud the system by putting your name on a cheque that you claim you had nothing to do with? Would he just pull your name out of the phone book? Did you have nothing to do with the construction industry or that kind of fraud in the past? What a coincidence.

[Translation]

Mr. Gilles Prud'homme: I have no comment on that subject. Jacques Duchesneau can defend himself. In fact, he will be doing that.

I am saying what happened because I was asked questions. The journalists were going to see. My brother, who is a landlord, told me that the tenant did not like seeing the journalists coming. He told me I had not lived at 10,185 since the beginning of the year and so I had to answer the questions. That's what I did.

As well, when I answered the questions, I saw there was another woman whose address had been included, Ms. Montpetit. That's all. Myself, I answered Mr. Larocque's questions, full stop.

[English]

Mr. Pat Martin: You have to sympathize with our committee. We've had a very sick picture painted for us, you know, and we represent the Canadian taxpayer. We're trying to defend the Canadian taxpayer's purse.

In the last few weeks as we've been investigating this particular scandal, the renovations of our Parliament Buildings, we've unearthed this unsavoury underworld of politics, construction, and corruption, all meeting up, and your name is right in the middle of it, right at the heart of it. That little cabal of Conservative organizers in Montreal seemed to be the genesis of a lot of corruption that has cost the Canadian taxpayers a lot of money.

The Chair: Mr. Harris, on a point of order.

Mr. Richard Harris: Mr. Chair, I'm new to this committee. I need a little clarification. Some of the language that Mr. Martin is using is as if it is fact, when he talks about kickbacks, corruption, the underworld...I'd like clarification, so I can understand this. Has any of this been proven or are these just suggestions that Mr. Martin is making?

Because you know, outside of committee, if these are just suggestions or allegations—

Mr. Pat Martin: [*Inaudible—Editor*]

The Chair: Mr. Martin.

Mr. Richard Harris: —it would of course be libellous. Just for my information, so I understand his questions, has any of this been proven or is it just Mr. Martin's choice of language?

The Chair: Thank you for that, Mr. Harris. That's not a point of order.

Mr. Martin, please continue.

Mr. Pat Martin: Well, I'm interested more in some of your other co-conspirators in this type of kickback arrangement. The guy Bernard Côté...what is your relationship with Bernard Côté?

Mr. Richard Harris: Point of order, Mr. Chair.

The Chair: Mr. Harris.

Mr. Richard Harris: Mr. Martin has just used the term “co-conspirators” as if it's fact. Mr. Martin knows he has immunity in this committee, but I would suggest that he use just a little more protocol than what he's using.

The Chair: Thank you for that helpful suggestion.

Mr. Martin, you're free to continue. You have about a minute left.

Mr. Pat Martin: Mr. Sauvé's testimony is that Bernard Côté played a big role in the bribe that won Mr. Sauvé the contract. Tell me about your relationship with Bernard Côté.

Mr. Gilles Prud'Homme: I have no relationship with Mr. Côté beside knowing he was involved in the Jeanne-Le Ber riding association.

Mr. Pat Martin: So on the donations, it's funny that Mr. Sauvé made two political donations that year, one to that riding association and one to yours, both for the maximum amount of dollars, right at the time when he was trying to beg his way onto a bidders list where he didn't properly belong, to get on the pre-qualified list.

You have to understand that I'm not trying to be rude to you, sir. We're trying to defend the Canadian taxpayer's purse, and people here are taking advantage of it, through, apparently, some kind of collusion and a corruption network, where if you pay a \$140,000 bribe you get onto a pre-qualified bidders list, and Mr. Varin spreads that bribe around within Conservative circles. And you're a Conservative, so it's appropriate that we ask you those questions. You're right in the thick of it.

Mr. Gilles Prud'Homme: I have no problem with your question—

The Chair: Mr. Martin, thank you.

Mr. Gilles Prud'Homme: —but I'm not involved with anything, so I'm happy to answer your question.

• (0950)

The Chair: Thank you, Mr. Prud'Homme.

Thank you, Mr. Martin.

Mr. Regan, five minutes, please.

[*Translation*]

Hon. Geoff Regan: Thank you, Mr. Chair.

Mr. Prud'Homme, I think it has been established that you are not a Conservative by accident. You have been a Conservative since 1977. Do you agree that you are a long-standing Conservative and that it's not by accident?

Mr. Gilles Prud'homme: It's by conviction. I like the policies of the Conservative Party.

Hon. Geoff Regan: Do you know Marc Carrière, in Mr. Paradis' office?

Mr. Gilles Prud'homme: I don't know Marc Carrière.

Hon. Geoff Regan: Right.

Do you know Marc Vallières?

Mr. Gilles Prud'homme: I met him once, in Drummondville, on November 8, at an election debriefing session. That's it.

Hon. Geoff Regan: Do you know Philippe Mailhot?

Mr. Gilles Prud'homme: I have met him three times: once at our cocktail party, once when the minister gave a speech to the Metropolitan Montreal Board of Trade and once at an activity for another association whose name escapes me. That's it.

Hon. Geoff Regan: Does Mr. Mailhot work at Mr. Paradis' Montreal office?

Mr. Gilles Prud'homme: Yes.

Hon. Geoff Regan: Do you know Claude Sarrazin?

Mr. Gilles Prud'homme: No.

[*English*]

Hon. Geoff Regan: Mr. Prud'Homme, you said that you asked Sauvé to make some calls in relation to the cocktail, the fundraiser.

Mr. Gilles Prud'Homme: Mr. Sauvé offered to help us and he volunteered to make calls.

Hon. Geoff Regan: To make calls.... He of course told us that you said to him that since he had the contract, it would be the thing to do for him to organize the cocktail party. You're saying that he didn't organize it, that he just made a few calls.

Mr. Gilles Prud'Homme: No, I didn't say that to him.

Hon. Geoff Regan: Okay.

Mr. Gilles Prud'Homme: I didn't know he was involved here in the contracts until late in December.

Hon. Geoff Regan: Did Sauvé make only a few calls? What do you know about that? Did he sell most of the tickets for the event or just a few?

Mr. Gilles Prud'Homme: You asked him. He answered—

Hon. Geoff Regan: No, I'm asking you, sir.

Mr. Gilles Prud'Homme: For myself, I was pleased we had people at the cocktail, that's it.

Hon. Geoff Regan: Okay. Let me go back to my question. You were there. You know how many people were there. You were overseeing the organization as the president of the riding association. Surely you have some idea who sold most of the tickets for that event, whether it was Mr. Sauvé or a combination of people or you yourself?

Mr. Gilles Prud'Homme: Yes, it's Mr. Sauvé. We never....

[Translation]

We never concealed that.

[English]

Hon. Geoff Regan: So he made most of the calls and sold most of the tickets.

[Translation]

Mr. Gilles Prud'homme: He made most of the calls, that's right, yes.

[English]

Hon. Geoff Regan: Would it be 90%?

Mr. Gilles Prud'Homme: I don't know. Since I only knew one person there, Roger Plamondon, who is more a Liberal than a Conservative, and Mr. Varin, who I didn't know very well, but I knew who he was, and Mr. Sauvé.... Besides those three names, the first time I met all the other people was at the cocktail party. So I cannot say who was a guest of Mr. Sauvé or Mr. Padulo, or if he came otherwise.

[Translation]

Hon. Geoff Regan: I want to point out that you are free to answer in French.

Mr. Gilles Prud'homme: As I told you, the only three people I know were Mr. Sauvé, whom I had met for the first time on November 15, 2008; Mr. Varin, with whom I had no business, friendship or any other kind of relationship, although I know who he is; and Roger Plamondon, who was with Joseph Broccolini and whom I know because he is involved in various issues in Montreal, including the BIXI project.

[English]

Hon. Geoff Regan: But basically you're telling us that there were very few people there who you knew?

Mr. Gilles Prud'Homme: Yes, but—

Hon. Geoff Regan: Did you make some of the calls yourself? Mr. Sauvé said you had contacts yourself, a very small—

Mr. Gilles Prud'Homme: The people I called

[Translation]

didn't come. So there was nobody I had invited personally.

[English]

Hon. Geoff Regan: Okay.

So when Mr. Sauvé says the room was full of people from the construction industry, that's accurate, as far as you know?

[Translation]

Mr. Gilles Prud'homme: Since I don't know them, I couldn't tell you.

I know that Mr. Broccolini is in the construction industry, but...

[English]

Hon. Geoff Regan: All right.

Mr. Carrière works for Mr. Paradis and had accompanied him to the cocktail party, as Minister Paradis testified here. When Mr. Carrière called you about the coat, why did you suggest that he call Mr. Sauvé?

[Translation]

Mr. Gilles Prud'homme: Mr. Carrière didn't call me about the coat; Mr. Mailhot did. I never suggested that Mr. Mailhot call Mr. Sauvé.

In fact, I didn't even know that someone from the minister's office had called Mr. Sauvé before Mr. Sauvé said that here.

• (0955)

[English]

The Chair: Thank you, Mr. Regan.

Thank you, Mr. Prud'Homme.

Monsieur Lemay.

[Translation]

Mr. Marc Lemay (Abitibi—Témiscamingue, BQ): Thank you, Mr. Chair.

Good morning, Mr. Prud'Homme.

In 2007, 2008 and 2009, you were the president of the Conservative riding association in Bourassa.

Mr. Gilles Prud'homme: Yes.

Mr. Marc Lemay: I can respect that, no problem, but what do you do in life? Do you work in industry?

Mr. Gilles Prud'homme: I am actually a freelance writer. I do a little consultation for small businesses, writing documents. In 2007, however, I was at my mother's bedside full-time. I was not very active during that period; I only did a few contracts.

Mr. Marc Lemay: I see in fact that in 2007, the amount of funds collected for your riding was less than \$4,400. That fits well with the situation.

Mr. Gilles Prud'homme: You have to remember that my team joined the party in March 2007 because there were election rumours. Obviously there was talk of a minority government, but it didn't happen until October 2008.

Mr. Marc Lemay: In everyday life, you worked on contract, but what was the nature of the contracts?

Mr. Gilles Prud'homme: They were small writing contracts in the communications field.

Mr. Marc Lemay: For what kind of businesses?

Mr. Gilles Prud'homme: Sometimes it was as a subcontractor for communications companies. I helped my brothers, who...

Mr. Marc Lemay: ...who have businesses?

Mr. Gilles Prud'homme: That's right.

Mr. Marc Lemay: I am thinking of SNC-Lavalin or big companies of that kind, but you don't do communications contracts for organizations of that size.

Mr. Gilles Prud'homme: No.

Mr. Marc Lemay: It's more down to earth, everyday communications.

Mr. Gilles Prud'homme: Yes.

Mr. Marc Lemay: Do you know Mas des Oliviers?

Mr. Gilles Prud'homme: Yes.

Mr. Marc Lemay: Do you go there regularly?

Mr. Gilles Prud'homme: I go there about three times a year.

Mr. Marc Lemay: You know that it is regarded as the headquarters of the Conservative Party in Montreal?

Mr. Gilles Prud'homme: They are Progressive Conservatives and they are not necessarily on the good side of the Conservative Party, now.

Mr. Marc Lemay: Right.

Mr. Gilles Prud'homme: We former Progressive Conservatives have less influence than you believe.

Mr. Marc Lemay: That's the head office where Mr. Varin sits.

Mr. Gilles Prud'homme: I know that Mr. Varin is often there, but because I only go there three times a year, I couldn't tell you how many times he goes there.

Mr. Marc Lemay: So you are more progressive than conservative?

Mr. Gilles Prud'homme: Yes, but...

Mr. Marc Lemay: But you no longer have a membership card, is that right?

Mr. Gilles Prud'homme: If I don't have one, I would have no problem getting a renewal. In fact, it might be a mistake, because I changed addresses at the beginning of the year.

Mr. Marc Lemay: Is it you who fills out the form that has to be sent to the Chief Electoral Officer after fundraising activities are held? You know the form, the one that was sent for-2007, 2008 and 2009?

Mr. Gilles Prud'homme: The financial officer filed the annual report. I'm aware of the report and I was present when the financial officer and the auditor, Mr. Guindon, met.

Mr. Marc Lemay: There was \$30,000 transferred. Who was it transferred to?

Mr. Gilles Prud'homme: It was transferred from the party to the official agent. It was a loan from Ms. Allaire. It appears in the financial reports.

Mr. Marc Lemay: If I'm not mistaken, it is a loan that the party made to Ms. Allaire, who was in an election campaign.

Mr. Gilles Prud'homme: No. She made a loan to the party so we could cover the expenses of the election campaign. The refund for the expenses, because we got more than 10% of the votes, covered about \$20,000.

Mr. Marc Lemay: It was \$21,300.

Mr. Gilles Prud'homme: The purpose of holding the cocktail party was to get the \$10,000 shortfall.

Mr. Marc Lemay: Now I understand.

So this was the cocktail party that was held in January 2009?

Mr. Gilles Prud'homme: Yes, on January 19, 2009.

Mr. Marc Lemay: Do you know the people who attended the cocktail party?

Mr. Gilles Prud'homme: As I told you, I knew three people who were there: Mr. Sauvé, whom I had met on November 15, Mr. Varin—I knew who he was, and Roger Plamondon, whom I had met at other activities, at the time when I was active at the municipal level in the LaSalle region. Mr. Plamondon was close to former Prime Minister Paul Martin, who was then the member for LaSalle—Émard.

Mr. Marc Lemay: Did you sell or give away cards for that dinner?

Mr. Gilles Prud'homme: No, I didn't sell any. I also didn't give any away, except that we agreed that the candidate's family and Mr. Padulo's family, and people from other associations who were not contractors, would be there. I could have said that there were the mother, father, uncle or son of the restaurant owner, or that those people were from such and such an association.

● (1000)

Mr. Marc Lemay: If I'm not mistaken, you chose Mr. Paradis because he was the minister responsible for the Montreal region during that period.

Mr. Gilles Prud'homme: Yes. I intended to see whether, after the election, we could start the party back up in Montreal. Ultimately, since January 2009, I can see that isn't the case.

That being said, yes, he was invited as minister responsible for the Montreal region.

[English]

The Vice-Chair (Mr. Chris Warkentin): Thank you, Mr. Lemay. Your time is up.

Monsieur Gourde, and then Mr. Calandra.

[Translation]

Mr. Jacques Gourde: Thank you, Mr. Chair.

Like any good association president, you held cocktail party fundraisers to keep your association going. Today, we have virtually put the Conservatives on trial for the way they raised money to finance their activities in the riding of Bourassa.

What is of most interest to me, Mr. Prud'Homme, is the famous Liberal card. How did you buy your spaghetti dinner card? Where did you get it, and how?

Mr. Gilles Prud'homme: It was prominent Italian restaurant owner in Montreal North who made his contribution by buying tickets to have a table at the spaghetti dinner. Then he invited one of my acquaintances and myself. So we went to the event, and at his table he asked me to sign to show I had been at the event.

A few weeks later, I received, at my address at 10,185 rue de la Roche, a card from the Liberal Party welcoming me.

Mr. Jacques Gourde: I want to understand. One of your friends received two cards, and invited you...

Mr. Gilles Prud'homme: We were invited to go there. This man had tickets for the event. He had bought 10 places at \$20. It was a cheap, \$20 dinner. So he bought tickets for a whole table, one that was in fact fairly close to centre stage. We went and we took part in...

Mr. Jacques Gourde: The 10 people who were at the table undoubtedly all received their cards as gifts.

Mr. Gilles Prud'homme: I don't know. I'm speaking for myself, I can't speak for the others.

I know that others told me that when they went for dinner, they became members of the Liberal Party, and they were happy with that.

Mr. Jacques Gourde: And everyone is invited to sign their name to show they were present at the dinner and maybe to receive a membership card.

Mr. Gilles Prud'homme: I'm telling you what I was asked to do, myself. I don't know what others were asked to do.

Mr. Jacques Gourde: In the Conservative Party, under the Elections Act, we have to buy our membership card. We aren't entitled to receive it.

Are the rules the same for the Liberal Party of Canada? Is there a loophole I don't know about?

Mr. Gilles Prud'homme: You undoubtedly know the law better than I do.

I am only telling you what happened to me when I went to this event at the Renaissance buffet in Anjou.

Mr. Jacques Gourde: I'm really intrigued to know how it works. I think we will have to ask more questions, not necessarily from the president of the Conservative Party riding association, but maybe from the president of the Liberal Party of Canada riding association.

Mr. Gilles Prud'homme: This was an event for the big Liberal family and the mayor of the borough and the minister and MP for Bourassa—Sauvé were there. In fact, if there were candidates who weren't on the Tremblay team, at the municipal level, they were pointed out and they said not to vote for them.

[English]

Hon. Geoff Regan: Point of order, Mr. Chairman.

The Vice-Chair (Mr. Chris Warkentin): One moment, please.

Mr. Regan.

Hon. Geoff Regan: Mr. Chairman, I don't see the relevance of this line of questioning. The question of whether or not Mr. Prud'Homme recognized that what he was signing was a membership form, etc., and when he paid for it, is all very nice and interesting, but what does it have to do with the question of Mr. Sauvé's cocktail fundraiser and the construction projects around the West Block? I don't see that it has anything to do with it.

It appears that Mr. Gourde is short of real, substantial questions. If he is, we certainly have lots on this side that we'd be prepared to ask.

The Vice-Chair (Mr. Chris Warkentin): I think there's been a fishing expedition with regard to this hearing from its onset, so I

suspect that members have been given significant leeway to ask questions with—

Hon. Geoff Regan: You're not in your usual role. Your role is chair at the moment—

The Vice-Chair (Mr. Chris Warkentin): Absolutely, Mr. Regan. I'm going to rule on this.

Hon. Geoff Regan: You aren't here as the PS. At the moment, you're acting as chair.

The Vice-Chair (Mr. Chris Warkentin): I'm going to rule on this, Mr. Regan, if you want me to do that. I know that you're defending your colleague's honour, and I appreciate that.

Mr. Regan, what I'm going to say is that while there has been a significant parameter of questions undertaken by all sides, in the entire hearing, I encourage all members to consider the witness we have before us and ask questions that are relevant to our study. It's the responsibility of committee members to determine what is relevant to the study, as it has been thus far. I'd encourage members to ask questions that are relevant to the study.

Continue, Mr. Gourde.

●(1005)

[Translation]

Mr. Jacques Gourde: Mr. Chair, how much time do I have left?

[English]

The Vice-Chair (Mr. Chris Warkentin): You have about two minutes.

[Translation]

Mr. Jacques Gourde: Mr. Chair, I would like to say that my opposition colleagues asked Mr. Prud'Homme to testify here to get an explanation about how political fundraising works in the Conservative riding association in Bourassa. Mr. Prud'Homme has come to the committee and answered our questions. However, those questions led to questioning about fundraising by the Liberal Party in Bourassa. I think it is just as legitimate for the members on this side to ask Mr. Prud'Homme about what happened to him.

Mr. Prud'Homme received a Liberal Party membership card. He told us he had not agreed to sign the membership form. I have as many questions as the opposition party members have about party fundraising in Bourassa.

I thank Mr. Prud'Homme for the work he has done for the Conservative Party and I thank him for answering all the parties' questions in good faith. Maybe, on this side, we will need to call the president of the federal Liberal Party riding association in Bourassa so we can continue this study.

Thank you.

[English]

The Vice-Chair (Mr. Chris Warkentin): Well, that is the danger with a fishing expedition: you often end up in places that you didn't expect to.

Are you finished, Mr. Gourde? You have about 40 seconds left if you have additional questions.

Hon. Denis Coderre: I have a question.

The Vice-Chair (Mr. Chris Warkentin): Mr. Coderre, we'll give you five minutes.

[*Translation*]

Hon. Denis Coderre: We are going to move on to serious matters. Mr. Paradis said this:

Mr. Prud'Homme told him to call Mr. Sauvé, and Mr. Mailhot thought that Mr. Sauvé was a member of the board of directors of the Bourassa riding association. The conversation lasted 15 seconds and the issue was referred to Mr. Prud'Homme.

Are you denying that?

Mr. Gilles Prud'homme: Yes.

Hon. Denis Coderre: You are saying that what Mr. Paradis said is not true.

Mr. Gilles Prud'homme: I am saying that I did not tell Mr. Mailhot to call Mr. Sauvé. I did not speak to the Minister about his coat.

Hon. Denis Coderre: So Mr. Mailhot is a liar? Ultimately, everybody is a liar, according to you.

Mr. Gilles Prud'homme: I am saying what I did. I can't speak for the others. That's all I can do. I know that you are conducting an inquisition, but I am answering about what I did and not what others did.

Hon. Denis Coderre: Right.

So Mr. Sauvé is a liar and Mr. Paradis is not telling the truth.

You are also a municipal organizer, but we will come back to that.

When a minister's assistant calls ... That isn't just anyone, it's a government minister who attends a cocktail party fundraiser. We know that cocktail party fundraisers are very sensitive activities. You never asked Paul Sauvé any questions to find out who was going to be there?

Mr. Gilles Prud'homme: No.

Hon. Denis Coderre: You absolutely did not protect the Minister. You said to yourself that whatever happened, it wasn't a problem.

Mr. Gilles Prud'homme: I didn't think about it.

Hon. Denis Coderre: You didn't think about anything?

Mr. Gilles Prud'homme: Honestly, no.

Hon. Denis Coderre: You don't think? Right, you don't think.

You were an organizer at the municipal level. Is it true that you were the chief organizer for Cosmo Maciocia's campaign for mayor of Rivière-des-Prairies—Pointe-aux-Trembles, in 2005?

Mr. Gilles Prud'homme: Of the team...

Hon. Denis Coderre: Of Union Montréal.

Mr. Gilles Prud'homme: Of Team Tremblay, in Rivière-des-Prairies—Pointe-aux-Trembles, yes, I was the organizer.

Hon. Denis Coderre: Right.

Mr. Gilles Prud'homme: On the ground, the real person in charge of the campaign was the organizer in the region, Martin Dumont.

Hon. Denis Coderre: Were you paid in cash during that time? Were you paid by Mr. Maciocia during that campaign?

Mr. Gilles Prud'homme: Was I paid? No.

Hon. Denis Coderre: You received no cash during that campaign?

Mr. Gilles Prud'homme: No.

Hon. Denis Coderre: You have never been paid in cash for any political activity? You have sworn on the Bible.

Mr. Gilles Prud'homme: In cash, no.

Hon. Denis Coderre: You have never been paid in cash for a political activity at the municipal level?

Mr. Gilles Prud'homme: No.

Hon. Denis Coderre: At the federal level?

Mr. Gilles Prud'homme: No.

Hon. Denis Coderre: At the provincial level?

Mr. Gilles Prud'homme: No.

Hon. Denis Coderre: So you have never received any money in cash, that is what you're saying?

Mr. Gilles Prud'homme: To do political organizing or work, no.

Hon. Denis Coderre: You have been paid for what, then?

Mr. Gilles Prud'homme: I have been paid on several election campaigns. When I was younger, I was involved for the cause, because it interested me.

When I worked on Nicole Roy-Arcelin's campaign, I was a volunteer. When she won, I helped her to set up her office for six months.

When I worked on Mr. Vallerand's campaign, in 1999, I was a volunteer. When I did the Charlottetown referendum with Mr. Patenaude, I was a volunteer. On the campaign...

Hon. Denis Coderre: You have never received money in cash. Was there cash at the cocktail party in January? No money circulated?

• (1010)

Mr. Gilles Prud'homme: No.

Hon. Denis Coderre: Mr. Varin did not give you a sum of money in cash?

Mr. Gilles Prud'homme: No.

Hon. Denis Coderre: Mr. Sauvé did not give you a sum of money in cash?

Mr. Gilles Prud'homme: No.

Hon. Denis Coderre: Mr. Paradis says that if he had known, he would never have listened to you. What do you think about that?

Mr. Gilles Prud'homme: He's entitled to his opinion.

Hon. Denis Coderre: What is your opinion of Mr. Paradis?

Mr. Gilles Prud'homme: Mr. Paradis is doing a very good job as Minister. That's it. I don't associate with politics in Ottawa. So I don't know.

Hon. Denis Coderre: You do politics, but you don't associate with the ministers, is that right?

Mr. Gilles Prud'homme: I don't associate with the ministers. Name me someone who sees me and whom I call here, in Ottawa. In the offices in Montreal, I don't call anyone. Show me the records. I have not called any of them.

Hon. Denis Coderre: Regarding Mr. Duchesneau's case, is that a case of a proxy, or was it guaranteeing a loan?

Mr. Gilles Prud'homme: I signed a guarantee, as I explained to the CEO. In the report shown to me by Mr. Larocque, that the investigator had in hand, it did state that we were lenders and we received interest, but that is not the case.

Hon. Denis Coderre: On TVA, you gave the impression that Mr. Duchesneau acted illegally in that case. And yet on Radio-Canada you said that Jacques Duchesneau had nothing to do with those alleged embezzlements. Which of the two Prud'Hommes is telling the truth?

Mr. Gilles Prud'homme: It's the same person, I said the same thing both times.

Hon. Denis Coderre: You are saying that Jacques Duchesneau had nothing to do with the embezzlement?

Mr. Gilles Prud'homme: I am saying that Jacques Duchesneau had asked me to sign a guarantee that later became a loan. I said that I didn't think that was to recycle money that came from embezzlement.

Hon. Denis Coderre: You signed it at the National Bank, is that right?

Mr. Gilles Prud'homme: Yes, it was at the branch located at 600 de la Gauchetière.

The Chair: Thank you, Mr. Coderre.

Thank you, Mr. Prud'Homme.

Mr. Calandra, you have five minutes.

[*English*]

Mr. Paul Calandra (Oak Ridges—Markham, CPC): Thank you, Mr. Chair.

I know that you said your mother was sick, Mr. Prud'Homme. I hope she's doing well.

Mr. Gilles Prud'Homme: No, she passed away, but—

Mr. Paul Calandra: I'm sorry about that.

Mr. Gilles Prud'Homme: —we had the opportunity to give her two or three more years.

Mr. Paul Calandra: Oh, good for you. I can sympathize with you. I had the same issues with my mother before she passed away. I know that it's a very difficult thing.

I can also sympathize a bit with Mr. Coderre: I can imagine how difficult it would be to sell Liberal memberships. But at least he had the good sense to do it with a spaghetti dinner. Being of Italian background, I know that spaghetti is always a good way to get people to feel good about themselves. It must be very difficult to get them to feel good about the Liberal Party and getting a membership.

I wanted to walk you through some of the testimony we heard. I'll go back to Mr. Sauvé. He said in his testimony when he was before us: "Having witnessed the rigmarole of the Peace Tower in 1994,

and having gone back to Montreal with our tail between our legs, we had no choice this time around but to try something different".

What he was referring to there, of course, was his perceived corruption in the process under the previous Liberal government with respect to a contract to get work done on the Peace Tower, and his inability to get things done. So he felt he had to do something a little bit different.

Later in his testimony, he said that when meeting you, you presented yourself as an organizer in the riding of Bourassa, which it's clear to me that you were, and that you said fundraising would be a way of helping to boost Conservative coffers in the province of Quebec. I do the same thing in my area of the country. We raise money so we can win elections.

He then went on to say: "Mr. Prud'Homme had a small network. He suggested the names of a few people who came. I would say that most of them, with the exception of the ones who arrived unexpectedly in the course of the evening, attended as a result of the calls that I and others had made, to ensure" that people would be there.

Then, talking about Mr. Varin, he went on to say: "The fact is that, despite his huge networks, Mr. Varin doesn't deliver. We had major problems at Montreal City Hall. His contacts are not just enough. The same thing applies to Parliament Hill. If you ask me, it's a phony organization".

Despite all the attempts by the opposition to turn a fundraising event into some type of massive conspiracy, and despite their desperate attempts to tie Mr. Varin to something, it appears that Mr. Sauvé thought he was going to get something. He was going according to the Liberal process of the nineties. But then he ran into the Federal Accountability Act. He was a bit outmanoeuvred by Mr. Varin, but he admits that he got nothing out of anything that Mr. Varin did for him.

Do you have the power by virtue of being a fundraiser and a president to find your way into a sealed-bid process and make a change? Are you that powerful an individual that you, alone, can influence a contract at the West Block?

• (1015)

Mr. Gilles Prud'Homme: I'm not powerful, and nobody knows me here, so....

[*Translation*]

I am not known to anyone in Ottawa. I don't make calls. I am not familiar with procedures for inviting tenders, that's not me. I don't even keep up to date. It's not a subject that concerns me.

[*English*]

Mr. Paul Calandra: You're just a guy who volunteered in a riding association. You've been a volunteer in political campaigns a number of times to help get people elected, and you've been brought in front of Parliament now by way of a desperate opposition attempting to create a scandal where there is none, instead of focusing on rehabilitating the buildings that for years, under previous governments, have been allowed to languish and deteriorate.

With that, I'll pass it over to Mr. Warkentin.

The Chair: Mr. Warkentin, you have about a half a minute.

Mr. Chris Warkentin: Thank you, Mr. Chair. Maybe I'll get an opportunity to ask additional questions.

Mr. Prud'Homme, thanks so much for being here this morning.

It truly is a fishing expedition, what we've seen over the last number of weeks as we've had hearings on the issue at hand.

Witness after witness has come here with consistent testimony, bringing forward the facts: that no wrongdoing was undertaken, and that this cocktail invitation was simply that, an invitation to come and contribute to a respected political party with no anticipation of any political benefit. Can you confirm that this is a fact?

The Chair: Just very briefly, please, Mr. Prud'Homme.

Mr. Gilles Prud'Homme: Could you repeat the question?

Mr. Chris Warkentin: Maybe I'll get a chance to—

The Chair: You'll have to come back.

Mr. Chris Warkentin: I do apologize.

[Translation]

The Chair: Ms. Bourgeois, you have five minutes, please.

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

Mr. Prud'Homme, I would like to clarify something before asking you questions.

Did you say earlier that you had dinner with Mr. Duceppe?

Mr. Gilles Prud'homme: In the 1980s, we were both organizers for the RCM, Jean Doré's party: me in Montreal North, him in Rosemont. There were a lot of events. We organized conventions. Municipal district associations sometimes sold as many as 1,000 or 2,000 cards, so there had to be conventions organized. Everybody knew that they were running with Jean Doré, the time for change had come.

So I crossed paths a lot with Mr. Duceppe at that time.

Ms. Diane Bourgeois: In about what year was this?

Mr. Gilles Prud'homme: It was in 1985-1986.

Ms. Diane Bourgeois: I want to understand—and that is why you are here this morning: we want to understand what happened.

Mr. Gilles Prud'homme: I am pleased to be here, madam. Ask me all the questions you want.

I have never considered hiding, as some people have tried to suggest.

Ms. Diane Bourgeois: You told us earlier that it was Mr. Sauvé who contacted most of the guests and invited them.

Mr. Gilles Prud'homme: Yes.

Ms. Diane Bourgeois: But you are the president of an executive. Ordinarily, is it not the executive that should be in charge of a cocktail party fundraiser?

Mr. Gilles Prud'homme: We organized the cocktail party, and then he sold the tickets. Mr. Padulo sold some too. I contacted a few people who didn't come. It was done quickly. We may have neglected to make lists.

I have attended so many cocktail parties. Nothing happens at them. People think that in 10 minutes, because they have paid \$500 or \$1,000 or even more, sometimes... Previously, when Mr. Charest went to events for the LaFontaine riding association with Mr. Tomassi, there were about 800 people. There were 10 or so ministers, a dozen MPs, and him. Do you think that because he went around to the tables, people got a contract the next day?

We may have been negligent in that regard. Mr. Sauvé told me he wanted to help me. If he had told the Minister he wanted to do such and such, I think the Minister... In any event, when Mr. Mailhot arrived, a half-hour before the Minister, he said he was the only person coming with the Minister and they would not discuss anything important at that place.

When you are a political assistant, the Minister belongs to you. It's like me when I accompanied Jean Doré, the former mayor, when he was a candidate, or even Mr. Bourque after that. I was in charge, people put me in charge.

• (1020)

Ms. Diane Bourgeois: I want to be sure I understand correctly.

Mr. Sauvé came to this committee. Like you, he swore on the Bible to tell the truth. He told us that you were the one who had strongly suggested to him that he set up a cocktail party. Then Mr. Paradis came and told us as well that he received an email from Mr. Prud'Homme, a few days before the event, saying that everything was going well, that they had about 30 guests and things were taking their course.

Who is telling the truth in all this? I want to determine the truth.

Mr. Gilles Prud'homme: The email exists. I sent it with the intention of saying ... We had told the Minister there would be at least 20 people who would be paying. We weren't wanting to have the Minister travel just to come and meet four or five people.

Ms. Diane Bourgeois: So the Minister knew from the outset that there was a cocktail party fundraiser.

Mr. Gilles Prud'homme: He knew that the riding association was doing rather well financially. That was the objective of the email to one of his assistants.

Ms. Diane Bourgeois: If you sent the email, how is it that the invitations were issued by Mr. Sauvé, when you were the president of the executive? An executive is responsible for inviting a minister or an MP, it is also responsible for the people who are in the room.

Mr. Gilles Prud'homme: Because Mr. Sauvé told me there were 10 or so people. Mr. Padulo had said 10 or so people. That is why I...

Ms. Diane Bourgeois: You invited all these people to the Da Enrico restaurant. The Da Enrico restaurant is Mr. Padulo's restaurant.

Mr. Gilles Prud'homme: Yes.

Ms. Diane Bourgeois: Mr. Padulo comes up several times in different cocktail party fundraisers. Mr. Padulo is very close to you, if I'm not mistaken.

Mr. Gilles Prud'homme: He is a close acquaintance, but he is not someone that...

Ms. Diane Bourgeois: Did you know he was a close friend of the Rizzuto clan?

Mr. Gilles Prud'homme: The first time I knew that was when Rizzuto's son died and the young one, who was at the church, made a comment that he was a good person.

You know, the members of the Italian community all know each other. If you make easy connections, you could say that so-and-so knows so-and-so, and tarnish a lot of reputations. These people came with their families. Italians lived next door to me. There were 20 of them in a five-unit building. They all lived together. They knew each other. I don't know what they do among themselves.

[English]

The Chair: Thank you, Mr. Prud'Homme.

We'll go to Mr. Martin for five minutes, please.

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

I guess I'm still interested, Mr. Prud'Homme, in some of the testimony. In answer to some questions, you said that you're not a paid operative for the Conservative Party. You didn't accept a salary for your work as a riding association president.

Mr. Gilles Prud'Homme: I was not paid as president of the association. For some electoral campaigns, I may have been paid, but it's on the record.

Mr. Pat Martin: Yes.

Mr. Gilles Prud'Homme: My name is there as an organizer, with the amount of money I received, and an invoice is there.

Mr. Pat Martin: During the period of 2007 to 2010, though, you say that you dropped out of the workforce. You had no visible means of support.

Mr. Gilles Prud'Homme: I kept some little contracts to survive, but my main full-time...it was for my mother.

Mr. Pat Martin: You say that you did some drafting of documents, sometimes, for some companies, and that your brothers have some companies. What type of business are your brothers in?

Mr. Gilles Prud'Homme: One of my brothers is an accountant, and the other is an architect, but he's alone and has very small contracts. I don't know the people...

Mr. Pat Martin: For construction contracts—

Mr. Gilles Prud'Homme: I'm writing technical devices for him or some internal papers for him. I'm not involved in his....

Mr. Pat Martin: So he's a small, one-man contracting company, and he hires you.

Mr. Gilles Prud'Homme: No. He's an architect.

Mr. Pat Martin: I'm sorry.

Mr. Gilles Prud'Homme: He has a small one-man architecture—

Mr. Pat Martin: But he has to hire outside people to draft documents. That was your source of income.

Mr. Gilles Prud'Homme: I write his technical devices sometimes for him, and that's—

Mr. Pat Martin: Is that your background, sir? Are you an architect or an engineer or a construction...?

•(1025)

Mr. Gilles Prud'Homme: No, but I can rewrite. When you're a writer, you write things. I rewrite. He gave me the text and I wrote it for him.

Mr. Pat Martin: So he would write it in technical—

[Translation]

Mr. Gilles Prud'homme: He would give me the text he wanted and I would write it. Then he read it and made his corrections. If he wanted a doorknob of a particular size with a particular kind of keys, he wrote it. If he wanted a door of a particular colour, if he wanted a tile, he wrote it. Those are the things I did for him. It was small internal office jobs.

[English]

Mr. Pat Martin: Now, you've been placed right in the centre of the whole mess associated with West Block, in that—

Mr. Gilles Prud'Homme: So you say.

Mr. Pat Martin: Yes, well, so I say from reading testimony, etc.

Now, Mr. Sauvé, after he paid \$10,000 a month or sometimes \$15,000 a month to Mr. Varin, got the wonderful privileged access to a meeting with not only the executive assistant to Pierre Claude Nolin, Mr. Pichet, but with the executive assistant to the Minister of Public Works, Mr. Bernard Côté.

By some happy coincidence, immediately thereafter, he's successful in winning this contract. He would have had no business if there were any due diligence whatsoever in the Department of Public Works. Mr. Sauvé, with a record of bankruptcy and an association with the Hells Angels, would never have been on the pre-qualified list, except for the happy coincidence that in a restaurant he stumbled into the Minister of Public Works' own assistant.

Then, to show his gratitude for getting the contract, he's supposed to arrange a cocktail party on behalf of the Minister of Public Works. They had changed, then, by a matter of few weeks. Mr. Fortier was gone. Mr. Paradis was in. And at your recommendation.... In order to show your gratitude for getting these contracts, you pay your tithe at the front end—your bribe at the front end—and then you show your gratitude in terms of a kickback at the back end.

You know, I come from the construction business. I've worked for some of the biggest and best construction contractors in the country. To me, the picture is obvious. If that's how business is done in your part of the world, and you're right at the heart of it, with no visible means of support for those three years....

Well, we thank you for your testimony.

The Chair: Unfortunately, Mr. Prud'Homme, Mr. Martin has left you no time.

Mr. Gilles Prud'Homme: I'm not accepting that I'm involved in anything—that I was not part of and I—

The Chair: You'll have to work that in on a subsequent round because Mr. Martin has exhausted his five minutes.

Mr. Warkentin, you have five minutes, please.

Mr. Chris Warkentin: Thank you, Mr. Chair.

Mr. Prud'Homme, thank you again for coming.

I think it's important that I follow up on Mr. Martin's questioning. Number one, I don't think there's anybody at this table who would fault you for taking time off from your work to care for your ailing mother. I think anybody around this table who had the means to do so would undertake anything to care for one's own ailing parent. We appreciate that and I hope nobody around this table would castigate you or undermine the contribution that you made to your own family. I certainly hope I can speak on behalf of all members at this table when I say that we appreciate the sacrifice you made, and I'm certain that your family is thankful for it.

Today your testimony is another testimony consistent with everything we've heard throughout this hearing: that there was no inappropriate political intervention as a result of any fundraising efforts in Montreal or any other place. You bring us additional testimony that's consistent with that.

The one exception is Mr. Sauvé. He was all over the map. In parts of his testimony, he was stating that he had hired Mr. Varin to get him a contract. Later on, when Mr. Coderre was questioning him, Mr. Sauvé said: "The fact is that, despite his huge networks, Mr. Varin doesn't deliver. We had major problems at Montreal City Hall. His contacts just are not enough. The same thing applies to Parliament Hill. If you ask me, it's a phony organization".

He was referring to Mr. Varin's business, I guess.

Mr. Sauvé has contradicted himself. The facts have contradicted Mr. Sauvé's testimony and then again, your testimony, as well as that of many other people, has contradicted what we heard from him. We appreciate that, and I just want you to confirm again for this committee that no inappropriate political intervention was promised as a result of people attending the fundraiser that you organized.

• (1030)

[Translation]

Mr. Gilles Prud'homme: No, there was no promise. Nothing. I wasn't even aware of his case. I have no interest in that. It was not in return for anything or for a promise. It was a fundraising activity. He had offered to sell some tickets. He sold more.

It is possible, in light of events, that we were naive. In any event, we will still attend all the cocktail parties. Things do not happen during those events because people pay.

[English]

Mr. Chris Warkentin: I think it's important for the committee to be reminded that Mr. Sauvé was actually the low bidder on this contract. I can see that there would be a conspiracy theory, and it would be a believable conspiracy theory if somebody had given the highest bid, wasn't able to fulfill the contract, and still got the contract. But Mr. Sauvé's company actually came forward with the lowest bid.

Even his competitors.... I have quotes from the *National Post* from two weeks ago that have the competitors, EllisDon, saying that while this is an unfortunate incident, they don't believe any wrongdoing happened in terms of giving the contract. They believe that Mr. Sauvé underbid the contract and as a result of that is now paying the price in not being able to complete the project. But even the

competitors are saying that no inappropriate intervention has been undertaken by anybody. I think it's important for our committee to end the fishing expedition that we've been on.

Obviously your testimony is very interesting to us at a political level. Today we found out that the Liberal Party has a "happy meal" program like at McDonald's; you get a trinket at the end of buying the meal. But what we find here is that they're actually.... When I go to McDonald's, I buy the happy meal for my child because there's a promise of a toy. They love that happy meal. It seems as if the Liberal Party is using the meal to entice you to become a Liberal, so they have the reverse type of organization happening. But I think it's interesting to learn that the Liberals do have the Liberal happy meal.

But really, that is beside the point. That isn't what we've come here to discuss today. It's very interesting, but that is about the extent to which we've learned new information today.

Thanks so much.

The Chair: Thank you, Mr. Warkentin. Possibly there will be a motion to present a happy meal proposal for the committee at some point.

Mr. Chris Warkentin: Mr. Chair, we would be interested in learning a little bit more about this Liberal happy meal. I'm wondering if committee members would be interested in bringing in the president of Mr. Coderre's association in.

The Chair: Okay. Thank you.

Mr. Regan, five minutes, please.

Hon. Geoff Regan: Thank you, Mr. Chairman. I appreciate Mr. Warkentin admitting the irrelevance of his questions, and they aren't the only questions from his side that are irrelevant.

Mr. Prud'Homme, would you say that Mr. Sauvé was politically savvy, yes or no?

Mr. Gilles Prud'Homme: I don't know.

Hon. Geoff Regan: So you don't have a sense of whether he was politically savvy or not at all...?

[Translation]

Mr. Gilles Prud'homme: I have no idea what his motivations are.
[English]

Hon. Geoff Regan: All right.

Mr. Prud'Homme, you're a long-time organizer. How many campaigns approximately would you estimate you've been involved in over the years?

Mr. Gilles Prud'Homme: How many campaigns I was...?

Hon. Geoff Regan: Roughly. You know, 50, 100, 20, what would you say? And at all levels.

Mr. Gilles Prud'Homme: Maybe 15, I don't know. It may be more. I don't know.

Hon. Geoff Regan: Okay. But you've been involved at all levels, municipal, provincial, and at federal levels.

Mr. Gilles Prud'Homme: Not all the time, but sometimes.

Hon. Geoff Regan: That's fine.

Over that time, through that and other work, you must have developed a lot of community contacts. Is that correct?

Mr. Gilles Prud'Homme: If I...?

[Translation]

L'hon. Geoff Regan: You must know a lot of people in the community.

Mr. Gilles Prud'homme: Yes, I have met people, but...

[English]

Hon. Geoff Regan: Surely you would have been to many fundraising events over the years for the party. You would have seen the people who go there and you would have some contacts in the business community from those events.

•(1035)

[Translation]

Mr. Gilles Prud'homme: I was an organizer. I did it to help the candidates. That's it. It wasn't to help people get contracts afterward.

[English]

Hon. Geoff Regan: That's fine. I'm not talking about the construction industry; I'm talking about the business community generally. You would have seen who goes to these kind of events, the people in your community who support your party, and you would have known who a lot of those people were.

[Translation]

Mr. Gilles Prud'homme: I have met people, yes.

[English]

Hon. Geoff Regan: Okay. How many people were at the cocktail?

Mr. Gilles Prud'Homme: How many people were at the cocktail? Inside the restaurant, maybe 50.

Hon. Geoff Regan: Fifty? All right. Before this, had you done any fundraising for the party?

Mr. Gilles Prud'Homme: For the Conservative Party?

Hon. Geoff Regan: Yes.

Mr. Gilles Prud'Homme: I had one gathering at the other restaurant, the Piccola Italia, I think, with Mr. Blackburn. There were maybe around 10 people. At the Il Ritrovo restaurant, that was small—\$20, maybe. There were less than 100 people the first time at the Notre-Dame-de-Pompei church during the election. I would have to go back to the financial report to remember how many people were there, but—

Hon. Geoff Regan: But in spite of all your past activity and all the contacts you would have made over the years and the parties and seeing who supported the party, you weren't able to sell any tickets for the cocktail in question?

Mr. Gilles Prud'Homme: Yes, but the objective was if could get around the \$10,000 that was missing. So when Mr. Sauvé and Mr. Padulo told me that with them both....And I made a few calls and people were not able to come. They were not interested to be—

Hon. Geoff Regan: So you basically left it up to Mr. Sauvé and Mr. Padulo to sell the tickets.

Mr. Gilles Prud'Homme: Yes.

Hon. Geoff Regan: What you're telling us basically is that Sauvé just appeared, you met him once, and he offered to help out.

Mr. Gilles Prud'Homme: I learned a few months later that his company was in difficulty. I'm not close to Mr. Sauvé, so I don't know what he's doing.

Hon. Geoff Regan: Where did you tell Mr. Sauvé and Mr. Padulo.... I mean, you're the president of the riding association. You were talking about organizing this. You must have said to them who they would have people send cheques to. Where did the cheques go? Did the cheques go to you and then to the treasurer? Or where did they go?

Mr. Gilles Prud'Homme: The cheques were made to the riding association and they were brought to the cocktail by the people who were attending the event. Some may have come after, like all events.

Hon. Geoff Regan: So the cheques came to you? Or to whom?

Mr. Gilles Prud'Homme: Some were given to me and some to the financial agent. He was there at the event and everything was made—

Hon. Geoff Regan: In view of that, you would have to have a pretty good idea of which of the two people sold the tickets, right?

[Translation]

Mr. Gilles Prud'homme: No, because if someone comes in and gives me a cheque, I don't necessarily know who it is.

Afterward, we made sure that the people had given us personal cheques and that the addresses matched. That's it.

[English]

Hon. Geoff Regan: But you said earlier that Mr. Sauvé sold most of the tickets.

[Translation]

Mr. Gilles Prud'homme: At the entrance, I didn't ask who had sold the tickets. A person arrived, gave me their cheque, hung up their coat in the cloakroom and met the people they wanted to meet. I didn't follow each person who entered.

[English]

The Chair: Thank you, Mr. Regan.

[Translation]

Thank you, Mr. Prud'Homme.

[English]

I'm going to suspend for a moment while we go in camera.

I want to thank you, Mr. Prud'Homme, for making the effort to come all the way from Montreal this morning to visit with the committee. I thank you for your testimony.

Mr. Gilles Prud'Homme: I'm sorry

[Translation]

I apologize for arriving late. It isn't out of a lack of respect for Parliament, as was suggested. People should not take advantage of parliamentary privilege to say just anything about anybody. Words don't die.

[English]

The Chair: Thank you, Mr. Prud'Homme.

We'll suspend for one minute while the cameras get turned off and the room gets cleared. *[Proceedings continue in camera]*

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