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**Canada**

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**MPs unimpressed with Groupaction testimony**

*CTV News Staff*

Opposition MPs were unimpressed with testimony given Tuesday by two high-ranking bureaucrats formerly in charge of Ottawa's controversial \$40-million-a-year sponsorship program.

Pierre Tremblay and Charles Guite appeared before the public accounts committee of the House on Tuesday to answer questions on why the two awarded \$1.6 million to Liberal-friendly Groupaction Marketing Inc. -- a contract that Auditor General Sheila Fraser said "broke just about every rule in the book."

While the meeting was held behind closed doors, those inside couldn't hold in their feelings.

"I would certainly characterize Mr. Guite's testimony as unrepentant, evasive and completely defiant," said Tory MP Peter MacKay.

Sources said Guite told committee members that accounting rules were bent to increase the federal government's profile in Quebec at a time when Ottawa was at war with the separatists.

"I was quite disappointed to find that the prime minister's position of saving the country and damn the rules was more important than following the rules," Canadian Alliance MP John Williams, chairman of the Commons public accounts committee, said following the two-hour hearing with Guite.

However, it seems neither Guite, the former executive director of the sponsorship branch of Public Works, or his successor said much of anything.

"We were stonewalled by Mr. Guite so we didn't learn any more about what we know to be true, some sort of misuse of these funds with Liberal contracting firms," says NDP MP Pat Martin.

The Groupaction contract -- one of five Liberal advertising contracts being examined by an RCMP investigation -- was highlighted by one missing report and two almost identical reports for which the government was billed more than \$1 million.

The meeting is being held in private because the contracts are the subject of an RCMP criminal investigation and MPs don't want to jeopardize the probe.

Tremblay testified earlier Tuesday. The committee wanted to know whether then public works minister Alfonso Gagliano pressured him to hand out suspect contracts to Liberal-friendly communication firms.

"I don't want to comment. Sorry," he said.

This could be the final word. At least for now. The Liberal majority on the committee has voted to stop the hearings and call no more witnesses until after the auditor general and the RCMP finish their examinations of the scandal. That's likely to take at least 18 months.

"The Liberals have shut us down," said Martin. "It meant we were getting too close."

Tremblay and Guite were responsible for awarding the contracts and for authorizing the payment of invoices to Groupaction.

Guite has since retired from the civil service and Tremblay now works at the Canadian Food Inspection Agency.



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**Pierre Tremblay**

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The committee was trying to determine how the federal sponsorship program, which was created after the 1995 Quebec referendum to boost Ottawa's image in the province, turned into a scandal-ridden initiative complete with allegations of kick-backs into federal Liberal coffers.

"There's a growing body of evidence to indicate that what really went on here was a pre-meditated kick-forward scheme," Martin previously said.



The scandal dominated Parliament from May 8, when Fraser released her report, until Parliament was adjourned for the summer late last month.

Beyond the RCMP investigation, the controversy resulted in two cabinet shuffles, forced Ottawa to rush the introduction of new ethical guidelines for ministers, prompted Public Works Canada to drop ad agencies from the process of awarding contracts. The controversy inadvertently fueled the Liberal leadership rift between Prime Minister Jean Chretien and former Finance Minister Paul Martin.

At first, Guite refused to testify but the committee voted 14-2 to force him to appear. Tremblay agreed to appear when asked.

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