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The Hill Times, February 14th, 2005

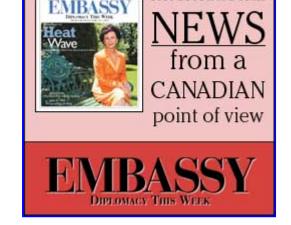
By F. Abbas Rana

**NEWS STORY** 

# Libs anxious about Gomery probe

'There are no winners. The losers? The Liberal Party. Chink in Liberal brand, arrogance': Gregg

Setting up the Gomery Commission to investigate the sponsorship program may not have been the best way to deal with



International

the \$250-million now defunct and scandal-plagued federal initiative, but it would be a mistake to pull the plug on the inquiry in the middle of its work, say Liberal MPs after last week's historic testimony by former prime minister Jean Chrétien and Prime Minister Paul Martin.

"I don't know if it was the greatest idea," said Liberal MP Pat O'Brien (London-Fanshawe, Ont.) in an interview last week. "I applaud the Prime Minister for pledging to get to the bottom of what happened. I fully support him on that. Whether it would have been better to leave this in the hands of the RCMP, or, at least, initially, or not, I don't know. I'm not a lawyer, but I think it's debatable whether that was the best choice. It was his [the Prime Minister's] judgment to call it and I fully support the determination of Prime Minister Martin to get all the facts and make it publicly known."

Declared Mr. O'Brien: "You have to let it run its course now. I'm sure that's what the Prime Minister will do. If there was any attempt to stop the work of this inquiry, I think the damage would be very devastating. I wouldn't support that."

The Gomery Commission of Inquiry into the sponsorship program and advertising activities was set up in February 2004, following Auditor General Sheila Fraser's scathing report on government advertising and sponsorship program. This program was established to advance national unity after the 1995 referendum in Quebec

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and was run by the Public Works Department, overseen by Alfonso Gagliano who was also former prime minister Jean Chrétien's once powerful Quebec lieutenant.

Ms. Fraser, in her audit report, pointed out that \$100-million was paid to a variety of firms in the form of fees and commissions for doing very little or no work.

After the release of this report, Mr. Martin announced the appointment of the inquiry.

Supporters of Mr. Chrétien's have argued that it was a big mistake to set up this inquiry as it's damaging the Liberal Party's reputation on a daily basis and could cost \$100-million in total.

Last week, former deputy prime minister John Manley, in an interview with CPAC, criticized Mr. Martin's decision to commission this inquiry, arguing that it was negatively affecting the Liberal Party.

"I don't think it is a terribly good idea to hold a commission like Gomery. I think it is perhaps better, if you have criminal acts, to have the RCMP do its work first. I find the cost of Gomery is too high for the loss of money which perhaps was involved," Mr. Manley told CPAC. "It is not good for the party, it is clear. It is not good to have the idea that politicians wasted money on ridiculous things."

Meanwhile, Transport Minister Jean Lapierre (Outremont, Que.) told The Canadian Press recently that this inquiry is like "water torture" and causing damage to the reputation of the party, especially in Quebec.

"The problem in Quebec is that there's a soap on TV every night. It's called Gomery," he said. "It's very difficult to have a positive message when every night the reputation of politicians is at stake, of Liberal politicians... Frankly, the brand is being affected in Quebec every night."

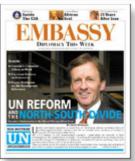
A poll conducted by SES research of 1,000 Canadians and carried by the Sun Media last week, revealed that the Liberals, nationally, have the support of 38 per cent of Canadians, down three points as compared to a survey conducted by the same firm last October. The survey also indicated that in the vote-rich province of Ontario, Liberals have lost 10 per cent of the support and are at 44 per cent.

The Conservative Party, however, has gained three points nationally and is now at 29 per cent; up six percentage points in Ontario and now has a support of 32 per cent of Ontarians.

In Quebec, however, federal Liberals have gained four points and are now at 36 per cent, but still behind the Bloc Québécois by nine points. The NDP, according to this survey, is maintaining the steady support of 17 per cent of Canadians, followed by the Bloc Québécois which is at 11 per cent.

Pollster Nik Nanos told the Sun Media that the most likely factors affecting Liberals across the country are same-sex marriage as well as the Gomery Inquiry.





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"It could be that the Liberals might be picking up support in Quebec because of their position on same-sex and then, maybe the Conservatives are picking up a few more points in rural and small-town Ontario [for their opposition on the issue]," said Mr. Nanos.

In a historic move last week, Mr. Chrétien and Prime Minister Martin appeared before the inquiry.

Pundits, who described Mr. Chréien's performance at the inquiry as "ballsy," came to the Old City Hall Building in Ottawa where the Gomery Commission was holding its hearings, accompanied by former senior aides and friends, including former senior adviser Eddie Goldenberg, Senator Jim Munson, former executive assistant Bruce Hartley and former senior PMO staffer Charlie Angelakos. Mr. Chrétien, in his testimony, mainly argued that the program was pivotal in promoting national unity after the 1995 referendum in which the Quebec separatists lost by a mere .5 per cent of the votes and added that he never micro managed this program.

The federal government's advertising had not been present in the province of Quebec since the 1980s.

At the end of his testimony, Mr. Chrétien took a shot at Justice Gomery for his suggestion that Mr. Chrétien was "small-town cheap" for spending \$1,200 on autographed golf balls. In answering a question from his counsel David Scott, Mr. Chrétien brought out a number of golf balls from his briefcase identifying U.S. presidents and vice-presidents' signed golf balls.

He also took a shot at the law firm Ogilvy Renault.

"I have one here by a very well-known group, Ogilvy Renault," Mr. Chrétien said, referring to the Montreal law firm where Bernard Roy, lead Commission counsel, former prime minister Brian Mulroney and Sally Gomery, Judge Gomery's daughter all practise law.

"You know, Mr. Roy, Mr. Mulroney and Mademoiselle Gomery are all members of that firm; you cannot call them small-town, and call them Westmount cheap--it will be an oxymoron."

Meanwhile, Mr. Martin also appeared before the inquiry on Thursday accompanied by his political aides, including executive assistant Jim Pimblett, legislative assistant Véronique de Passillé and special assistant-tour Monica Masciantonio. The Prime Minister's chief of staff Tim Murphy and Scott Reid, senior adviser and director of communications, were also there, but kept a low profile.

Mr. Martin, who was the last witness to appear in the inquiry before it moves to Montreal, argued that he had no involvement in the sponsorship program because he was not in Mr. Chrétien's inner circle.

The inquiry is likely to wind up its work on May 6 and release its report in December.

Meanwhile, on last week's *At Issue* panel on CBC TV's *The National,* high-profile pundit Allan Gregg said the sponsorship scandal has damaged the Liberal Party. Moreover, he added that the testimonies of Mr. Chrétien and Mr. Martin before the inquiry have given the impression that both of these leaders are "stewards of the status quo."

Said Mr. Gregg: "There are no winners. The losers? The Liberal Party. I've talked often about what a fabulous brand the Liberals have, in terms of having so many attributes associated with them that Canadians admire and look to in this aspirant government. The chink in the Liberal brand has always been arrogance. Both the specific performance of Jean Chrétien reminded people of why they were tired of him, in particular, but that also that the enemy of the Liberal Party right now is not the opposition; it's been in power for coming on 11 years and looking like they're old, arrogant, that they are stewards of the status quo, and I think these proceedings on an ongoing basis simply just reinforce that view. The biggest loser I think is government. I think this entire exercise creates a very wrongful impression that government is out of control, that no one knows anything, that corruption is rampant and sloth is the order of the day, and it's just not an accurate reflection of how governments operate."

Meanwhile, Mr. O'Brien, 57, who is also the chair of the House National Defence and Veterans Affairs Committee said that although this inquiry has caused divisions within the governing party--between the Chrétien and Martin camps--and is costing an enormous amount of money, it's still important for the inquiry to complete its work.

"There's a divided opinion in the party whether it was a good idea to do this or not. I guess that's a topic that [will] continue the divide," Mr. O'Brien said.

"You can't put a price tag on democracy. There was a national angst about this and people were making some pretty wild accusations both in the House of Commons and the country and we need to get to the facts. So, reluctantly, sometimes democracy can get pricey."

However, Mr. O'Brien said the scandal is causing serious problems in Quebec which always plays a key role in the outcome of an election.

Because of this problem, the Bloc Québécois won 54 seats in the last election where at one time, Liberals under Martin were expecting to win 70 out of 75 seats.

"In Quebec, it's a serious problem. In the rest of Canada, I wouldn't say if it's a huge problem, but it's definitely a problem and you can't underestimate the potential that it has to hurt the Liberal Party."

However, Liberal Caucus chair Andy Savoy (Tobique-Mactaquac, N.B.) denied that the Gomery Inquiry is negatively affecting the Liberal Party's fortunes or that it is dividing the party.

When reminded about the SES poll and Mr. Manley's comments on the issue, Mr. Savoy said: "Polls are funny, aren't they? Polls are a snapshot."

He declared: "I can't comment on Mr. Manley's comments. You'll have to talk to Mr. Manley about his own comments and why he felt that way. I feel, and a majority of Liberals across Canada feel, that the Gomery inquiry is a great idea and it's something that has shown aggressiveness by Martin... He didn't do it for the politics of the situation. He did it because it was the right thing to do."

Regardless of how much money it will cost, Mr. Savoy said it's important to get to the bottom of mispending in the sponsorship program so that similar problems do not occur in future.

"I think it's worth it in fact to get to the bottom of the situation and make sure they don't happen in future," Mr. Savoy said. "It'll allow us to plug the holes that existed for the problems that occurred."

Liberal Senator Mac Harb who was appointed to the Senate by Mr. Chrétien and is considered as an enthusiastic supporter of Mr. Chrétien said that although he was against the idea of setting up the Gomery Commission, it's too late to pull the plug on the commission.

"It's too late to comment on it now. It's there now and one of the advantages of democracy is that you are able to make mistakes and you are able to correct them. It's too late in the process now," said Sen. Harb.

Liberal MP Walt Lastewka (St. Catharines, Ont.), meanwhile, said it's inappropriate on the part of the opposition parties to throw accusations around, pointing out that they should wait for the commission to complete its work and come up with conclusions.

"Gomery needs to do his work and we are going to be very interested in what he concludes and it's very important that the sooner he gets to the bottom of everything, the better it's going to be," he said.

"I have great concern when somebody says that money was funneled right into my Liberal Party when they say that's the Liberal Party across Canada and it's got nothing to do with my riding and I can tell you that."

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