



HOUSE OF COMMONS  
CHAMBRE DES COMMUNES  
CANADA

44th PARLIAMENT, 1st SESSION

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# Standing Committee on Industry and Technology

EVIDENCE

**NUMBER 105**

Thursday, December 14, 2023

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Chair: Mr. Joël Lightbound





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Thursday, December 14, 2023

• (1110)

[*Translation*]

**The Chair (Mr. Joël Lightbound (Louis-Hébert, Lib.)):** I call this meeting to order.

Good morning, everyone.

Welcome to meeting number 105 of the House of Commons Standing Committee on Industry and Technology.

Today's meeting is taking place in a hybrid format, pursuant to the Standing Orders.

Pursuant to the motion adopted on November 7, the committee is resuming its study of the recent investigations and reports on Sustainable Development Technology Canada.

I'd like to welcome back our witness, Annette Verschuren, who is joining us by videoconference.

[*English*]

As you know, colleagues, our last meeting was abruptly interrupted due to technical difficulties. I know that for a lot of members on this committee, it was on your Christmas wish list to meet again before the end of the year, so this is nothing short of a Christmas miracle. We are back for another meeting. I'm happy to see you all.

With that, Madame Verschuren, we thank you for being here.

Members, we'll start where we left off at the last meeting. Mr. Sorbara was asking questions of the witness. He had about three minutes left. Without further ado, I'll let Mr. Sorbara resume his questions.

The floor is yours.

**Mr. Francesco Sorbara (Vaughan—Woodbridge, Lib.):** Thank you, Chair.

Good morning, everyone.

Going right into it, Ms. Verschuren, can you please explain to the committee what happened at the last meeting with the issues on the technology front?

**Ms. Annette Verschuren (O.C., As an Individual):** Yes. Absolutely.

I apologize—I really do—to the chair and to all the committee members.

My computer froze. I was working with Francis, who is a tech with this standing committee, to try to get back on. It was 25 min-

utes, and I couldn't get my computer.... I tried with my iPad, and I think I got on a minute after the chair closed the committee.

I really apologize for this. I'm sorry.

**Mr. Francesco Sorbara:** Thank you for that explanation, Ms. Verschuren.

Going back to the issue at hand in terms of your tenure as president of the board at SDTC and how recusals were approached in the governance structure at the board, can you elaborate on the recusals and how board members would approach you or others to recuse themselves from any decisions in which a perceived conflict of interest could be apparent or occur?

**Ms. Annette Verschuren:** Yes. Of course.

What would happen was that memos would go out, declaring the projects that were going to be reviewed at the upcoming project review committee. The board members would then indicate whether there was a conflict and write in response to that memo if they were in conflict. The material would not be sent to them—those who were in conflict or perceived conflict—and they would be excluded from discussions at these meetings.

In the case of the board meetings, the members who declared those conflicts would leave the meeting at the time the projects were reviewed and recommendations were made, and would come back into the board meeting when they were complete.

In all the cases when I declared a perceived conflict, I removed myself from the board meeting and came back in after the decision had been made and recommendations had been made to the board. This would happen with all board members.

**Mr. Francesco Sorbara:** The documentation relating to these recusals.... We've learned, through the third party investigation, that when there was a recusal, the documentation that was kept....

Was there documentation kept that said that this board member recused themselves from these matters—that would be my understanding—within the minutes of a board meeting?

**Ms. Annette Verschuren:** The material would never go to the board member who declared that conflict in the first place, so they wouldn't have that. That was a process that was very strongly adopted by SDTC.

In the case when I declared a perceived conflict, I wouldn't have received that information. That would not have been included in my board package. I wouldn't see what was said about what the recommendations were.

When the recommendations were made on behalf of the board to proceed with those projects, the board members.... In my case, I would leave the room and wait until I was called back, but the recommendation would have been made. I wouldn't know the result of that recommendation until SDTC, the following day, announced those funding projects.

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

[Translation]

Mr. Lemire, you have the floor.

**Mr. Sébastien Lemire (Abitibi—Témiscamingue, BQ):** Thank you, Mr. Chair.

Ms. Verschuren, thank you for being with us today.

You told the Standing Committee on Access to Information, Privacy and Ethics:

The allegations made by this small group of former employees are false, and we are here today to set the record straight.

Do you have any other facts to correct, or do you feel that everything has already been said at the meetings of the Standing Committee on Access to Information, Privacy and Ethics and the Standing Committee on Industry and Technology?

[English]

**Ms. Annette Verschuren:** I'll just clarify the question.

Is the question you're looking to ask me about whether there's anything more to say about the accusations against SDTC?

[Translation]

**Mr. Sébastien Lemire:** Yes, and I'd like to know if you want to add anything or respond to comments that have been made or questions that have been asked.

[English]

**Ms. Annette Verschuren:** I have a very professional relationship with the CEO. When these accusations were made in February and one of the board members was called, we very quickly realized that we needed to set up a three-person committee that did not include me. It did not include the CEO. The board took three months to review and analyze the accusations that were given to our board member. As a result of that, we found no wrongdoing and no misconduct. We received that report in about April or May. I think it was at that time.

[Translation]

**Mr. Sébastien Lemire:** From what I understand of Sustainable Development Technology Canada, or SDTC, and what's happened in the last few months, it seems pretty clear to me that human resource practices have been a problem there.

Perhaps it was the internal organizational culture or very rigid atmosphere that led some people to mobilize to shed light on the events and speak out against something.

The second problem may lie in the note-taking by the board of directors for the reports that have been produced, among other things.

As I understand it—correct me if I'm wrong—one of the governance issues identified for all the projects and companies that received funding from SDTC is that the projects had been approved several months or years before the fabled additional funding for COVID-19 benefits came into effect.

As a result, all board members who were in a conflict of interest withdrew. The projects have not been analyzed.

Several months later, once all the necessary checks were done and everyone who had declared a conflict of interest withdrew, the COVID-19 pandemic hit, creating an emergency context.

So they wanted to add tens, if not hundreds of millions of dollars to save the intellectual property of these companies. At that point, you took the advice of a law firm and decided to treat all the projects as a block.

Since conflicts of interest had been declared and no new analysis was conducted, with the additional funding being provided in the exceptional circumstances of the COVID-19 pandemic, you decided that it wasn't necessary to analyze the projects one by one and they were ultimately approved as a block. All the members were there.

Is that what happened?

In your opinion, does that constitute a conflict of interest?

• (1115)

[English]

**Ms. Annette Verschuren:** Look, it was March 20. It was the third week of COVID. Our young companies were in trouble. They really were. A lot of them were pre-revenue. The board met, and management recommended that an envelope of funding be proposed to help out these companies. All the declarations of conflict had been made already for these companies. We got an opinion—

[Translation]

**Mr. Sébastien Lemire:** You're talking about new companies that received new funding in the form of COVID-19 benefits. These are all companies that had been previously studied and analyzed for a particular project for which additional funding was granted, not new funding.

[English]

**Ms. Annette Verschuren:** That's correct, because the need was extraordinary. The borders were closed, etc. Most of these companies were pre-revenue. They really needed to continue to operate, otherwise we would have lost that amazing innovation towards commercialization opportunities that we're seeing.

We as a board and management recommended to move forward with this envelope, and I'm really glad we did. The timing was extraordinarily important. We saved many companies, quite frankly, in terms of having that additional stimulus to stay alive during that COVID period.

The CEOs of these companies were extraordinarily concerned, and we reacted. All these companies had been approved. In the case of the company that I was involved with, it was approved in 2017, so all these companies had been approved.

The advice from the legal firm was, "Look, this is a package, this is an operational issue, and this is an approach that we should take. We recommend that this become an envelope to be approved all together."

That's what happened.

[Translation]

**Mr. Sébastien Lemire:** Thank you.

My time is up.

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

[English]

Thank you very much.

Colleagues, just to inform you, our NDP colleague and friend, Mr. Masse, is having technical issues joining the committee, so I suggest that we keep his time for whenever he arrives.

In the meantime, we will skip to Mr. Perkins. The floor is yours for five minutes.

**Mr. Rick Perkins (South Shore—St. Margarets, CPC):** Thank you, Mr. Chair.

The Verschuren Centre, since you became the green slush fund chair, has received \$11.2 million of taxpayer money from other Liberal government departments. My understanding from looking at it, and from what you said, is that it incubates green technology companies and has some companies of its own.

Do you have a financial interest in any of the companies that it incubates?

• (1120)

**Ms. Annette Verschuren:** No, zero. I don't have any financial interest in the Verschuren Centre, and I don't have any financial interest in any of the companies that work with the Verschuren Centre.

**Mr. Rick Perkins:** Do any of the SDTC green slush fund directors have a financial interest in any of those companies?

**Ms. Annette Verschuren:** I don't think so. I can check that for you, but I don't believe so.

**Mr. Rick Perkins:** If you could check, and just send that in writing, I'd appreciate that.

**Ms. Annette Verschuren:** I will.

**Mr. Rick Perkins:** You obviously have read the SDTC act regarding the Liberal green slush fund.

**Ms. Annette Verschuren:** Yes.

**Mr. Rick Perkins:** Do you know what subsection 16(2) states?

**Ms. Annette Verschuren:** I don't, not off the top of my head.

**Mr. Rick Perkins:** It states, "[N]o member shall profit or gain any income or acquire any property from the Foundation or its activities." As a public officer holder during your time, you were subject to the Conflict of Interest Act for public office holders.

Have you read that act?

**Ms. Annette Verschuren:** Yes.

**Mr. Rick Perkins:** It says that no public office holders shall exercise their duty to further their private interests or those of their family and friends.

When you and fellow directors Andrée-Lise Méthot, Stephen Kukucha and Guy Ouimet voted \$3.7 million of COVID relief for companies that you had a financial interest in, was that not furthering your private interests?

**Ms. Annette Verschuren:** In the case of the NRStor project, this was a project. The way these things work is that you set up a limited partnership, so this limited partnership—

**Mr. Rick Perkins:** Look, with respect, I have limited time. It's easier if you actually answer my question. I don't need an explanation of the corporate structure of NRStor. It was a simple question. When you voted the money for NRStor and Hydrostor, which you had a financial interest in—

**Ms. Annette Verschuren:** I did not have a financial interest in Hydrostor.

**Mr. Rick Perkins:** —with other directors, and their interests in their companies, was that not furthering your personal interests? That's all I want an answer to, yes or no?

**Ms. Annette Verschuren:** It certainly was not advancing my personal interest, no.

**Mr. Rick Perkins:** When you own shares in a company—and you're the major shareholder and CEO of NRStor—when it receives money from the government, does that not benefit your ownership?

**Ms. Annette Verschuren:** In the case of the money, the \$217,000 that came to NRStor went into a limited partnership. That money was put into the assets of the Goderich energy storage facility.

**Mr. Rick Perkins:** You are the major shareholder.

When the board voted to give \$10.7 million in grants to companies that your fellow director Stephen Kukucha had a financial interest in, was that not personal gain for him? It's \$10.7 million to companies that he is an investor in.

**Ms. Annette Verschuren:** These companies invest in projects. These projects are all high-risk, innovative projects that—

**Mr. Rick Perkins:** My question is... He has a financial interest in those companies and you voted for \$10.7 million for them.

I'll go on to the next one.

When you voted \$3.8 million in grants for your fellow director Guy Ouimet, was that not furthering his personal interests? He had a financial interest in a company that you gave grants to.

**Ms. Annette Verschuren:** These board members invest in the future of our country. We invest in the future of green technology—

**Mr. Rick Perkins:** It's yes or no.

When you voted \$42.5 million in grants to seven companies that your fellow director Andr ee-Lise M ethot has an interest in, was that not furthering her personal interest?

**Ms. Annette Verschuren:** These investments are made to further opportunities in the Canadian clean-tech industry.

**Mr. Rick Perkins:** I'm interested—

**The Chair:** Mr. Perkins, please give the witness a little room for an answer. It would be appreciated.

**Mr. Rick Perkins:** If she would start with yes or no, that would make it helpful.

**The Chair:** Ms. Verschuren, the floor is yours.

**Ms. Annette Verschuren:** The Canadian clean-tech industry is extraordinarily important for the future of our country. I want to remind the members that 12 of the top 100 global companies are Canadian companies. Ten of them were supported by SDTC, and we are—

• (1125)

**Mr. Rick Perkins:** Thank you.

**The Chair:** Madame Verschuren, I'll let you finish your thought.

Mr. Perkins, you're out of time.

Madame Verschuren.

**Ms. Annette Verschuren:** The important point I'd like to make is that in the clean-tech sector, there are great growth opportunities in Canada and we need to grow them. In the United States, they have different ways in which they invest in new technology and clean technology. We have to compete with that, and we are punching above our weight. We really are, and it has a lot to do with what SDTC is doing. That, to me, is what's critical.

Our investments are being made to further these technologies. This is the normal course of business.

**Mr. Rick Perkins:** Oh, oh!

**The Chair:** Thank you, Madame Verschuren.

I'll now move to Mr. Van Bynen.

**Mr. Tony Van Bynen (Newmarket—Aurora, Lib.):** Thank you, Mr. Chair.

There are a couple of things that I'd like to clarify about the numbers raised in the previous conversation regarding investments made to other companies.

Did the individuals—where there was a perceived conflict—declare their conflict at the time those investments were made?

**Ms. Annette Verschuren:** Absolutely. We always declared conflicts. Those board members would have declared those conflicts, would not have been involved in the decisions, would not have received the material and would have recused themselves at the board when those projects were reviewed. That was how this organization worked. There was great discipline there.

The other thing that's very important to note is that, with these investments.... It is very critical to understand that there was great discipline at SDTC in terms of what it did, and great due diligence. These processes were closely administered and critically abided by. Remember, the act says.... We wanted to have board members who had experience in sustainable development and sustainable industries. These people around the table—amazing people at the board of SDTC—have that capacity in business, not-for-profit and—

**Mr. Tony Van Bynen:** I'd like to get back to the process, though. I think that's the issue we'd like to have a better understanding of.

You're saying to me that, for all those numbers previously recited, the individuals who had financial interests had declared their conflicts at the time those decisions were made.

Is that correct?

**Ms. Annette Verschuren:** Yes, that's correct.

**Mr. Tony Van Bynen:** Okay.

Let's go back to the one where there seems to be a question. That is the COVID payment.

Did you go through the same process? Why were those interests not declared? Why did they not get involved in the vote when that proposal was brought forward?

**Ms. Annette Verschuren:** This came forward as a package. All the conflicts had been declared on the 126 companies. We as management sought advice and received advice from a reputable legal firm to the effect that, look, by putting them together as a package, you wouldn't have to redeclare that conflict. You put it together as a package, recognizing that all those conflicts had already been declared. Not one of these companies was going to be treated differently. Not one of these companies was given anything different. It was 5% across the board.

That was the reason. We had confidence in the recommendation of the partner from the legal firm, who was saying that this could be done as a package because it was an operational thing. This was totally different from the analysis that would have been done to make the investment in that initial project—totally different. That was the difference.

**Mr. Tony Van Bynen:** I understand the interest in common. I was a mayor for 12 years. When there was the perception, at least, of a conflict of interest, we declared. We made the decision not to participate in that vote.

You're saying, though, that you had legal advice that said that because you had an interest in common and not a specific interest, it was appropriate for individuals to vote on the issue.

**Ms. Annette Verschuren:** Yes.

**Mr. Tony Van Bynen:** I'd like to get back to the routine processes. I'm familiar with establishing an agenda and circulating the agenda, but at the beginning of every meeting that I was accustomed to as a director for our hydro company and also a number of holdings for the municipality, there was always, at the very beginning, an agenda item that required a declaration of interest, so that it was part of the minutes.

• (1130)

**Ms. Annette Verschuren:** Yes.

**Mr. Tony Van Bynen:** Was that practice ever established?

**Ms. Annette Verschuren:** Yes.

**Mr. Tony Van Bynen:** When I see some of the background material, it says to me that the minutes could have been kept more accurately. What has the board done between then and now to improve those processes?

**Ms. Annette Verschuren:** The minutes reflect this. In the minutes it says that a certain director has a conflict. Those are declared. Those are declared in the meeting, and they're declared in the minutes.

Perhaps the minutes did not provide enough information specifically about our recusing ourselves and leaving the room. We're upgrading that. As part of the management response and action plan that the minister has asked the SDTC organization to exercise, we have tightened that up to make sure that we absolutely paper everything and have that clarity.

All the cases where I declared conflicts are in the minutes of the meetings that I attended.

[Translation]

**The Chair:** Thank you, Mr. Van Bynen. Your time is up.

[English]

Seeing that Mr. Masse has managed to join us, I will get back to him for his initial round of six minutes.

Mr. Masse, the floor is yours.

**Mr. Brian Masse (Windsor West, NDP):** Thank you, Mr. Chair. Thanks for that indulgence on the computer issues.

Ms. Verschuren, who is ultimately responsible for approving or disapproving the minutes of the meetings?

**Ms. Annette Verschuren:** It's the board of directors.

**Mr. Brian Masse:** When minutes come back from the previous meeting, do you go through the same process that I used to as a board member for charitable organizations? Do you approve the minutes of the meeting before?

**Ms. Annette Verschuren:** We do. The board approves the meetings, yes.

**Mr. Brian Masse:** How is it, then, that there was no understanding or appreciation of how deficient the minutes were? I've looked at the minutes of those meetings and they're bare bones. They deal with significant financial issues. They're much more involved with regard to companies than...even the minutes when I sat at not-for-profit organizations. They're rather shocking, in fact, in the lack of detail to them.

How is it that board members, sitting on so many boards, didn't actually come to the conclusion that your board minutes were basically a fraud?

**Ms. Annette Verschuren:** The board minutes were not a fraud. There are areas of the board minutes that I think we can improve and that I believe the organization is improving. I think we always have to reflect and improve and increase our standards.

Those meetings did reflect people recusing themselves from those projects. In my case, it recorded me leaving the meetings and other board members as well leaving the meetings and coming back after the project had been reviewed by the full board.

**Mr. Brian Masse:** During your tenure there, did anybody bring up to you how deficient the board meeting minutes were?

It's nothing short of shocking to me that you'd have people sitting on so many different boards and so many different places, and that would be the expectation.

Do you sit on any other boards that have minutes that are less than what this board had? Is that your experience?

**Ms. Annette Verschuren:** I do sit on a number of boards. The board minutes that are represented by SDTC are in the norm and recognize the activity of the board of directors.

**Mr. Brian Masse:** To me, this is a larger question about accountability in these organizations that are non-government...directly involved, semi-funded or fully government-funded. The lack of having minutes would never stand in the not-for-profit sector. I can tell you that from all the boards I've sat on.

Why do you think you're here, then? Why has the minister frozen the situation right now? What's your perspective of that?

You must have some reflection as to why this has caught the attention of the minister and Parliament.

• (1135)

**Ms. Annette Verschuren:** A fact-finding exercise was executed by the minister because of accusations made by former employees. This is where we are and why we're here, I suppose.

I personally don't understand.... Both the Osler study and the Raymond Chabot study said there was no wrongdoing and no misconduct. There were areas that we could improve, absolutely.

By the way, one thing I wanted to do before I left was provide that to the ministry with the management team. That has been delivered. There are areas where we can tighten up and define conflict in a better way. We had an ex-ethics adviser helping us there. Yes, there is room for improvement, and we have delivered that in that MRAP report.

**Mr. Brian Masse:** I have one last question. I'm almost out of time.

When I asked if the board members had social or other types of board relationships outside the board room, a previous witness indicated at first that there weren't, but later on indicated that there were social events and activities amongst board members.

Can you confirm or deny that board members were acting outside the board room in any type of social or other environment where they sat on other boards?

**Ms. Annette Verschuren:** I did not see that.

We are a very professional group of people. We would physically come together only twice a year. We were doing video even before COVID. We would get together as well at a big conference that would happen every year in Ottawa.

I didn't see that.

Look, I'm a business person, and I've been in business for 44 years, so I know a lot of people. Do I socialize with them and talk about projects? No.

I think it was a very professionally run organization with a very professional board.

**Mr. Brian Masse:** Are you aware of other board members picking up the phone and calling other board members?

**Ms. Annette Verschuren:** No.

**Mr. Brian Masse:** That includes yourself.

**Ms. Annette Verschuren:** No.

**Mr. Brian Masse:** Thank you, Mr. Chair, for your indulgence.

[*Translation*]

**The Chair:** Thank you, Mr. Masse. We will come back to you shortly, once Mr. Lemire has had the floor, as we resume the usual order of questions.

Mr. Lemire, you have the floor for two and a half minutes.

**Mr. Sébastien Lemire:** Thank you, Mr. Chair.

Ms. Verschuren, it's quite clear that there was a problem in the drafting of the minutes. Another aspect I want to talk to you about is human resources and coaching.

As chair of the board of directors, you were responsible for the hiring of the branch, the evaluation and for the follow-ups to be done.

What can you tell us about the work environment at SDTC? Has any action been taken to assess the work of the branch in terms of

human resources? What steps have you taken to better monitor, structure or protect the interests of SDTC workers?

[*English*]

**Ms. Annette Verschuren:** I wasn't responsible for the day-to-day operations of SDTC. The management team was absolutely doing that. I had a good professional relationship with that management team.

I did not see the concerns that I heard about from the former employees. We did things as a board. It was the responsibility of the HR committee to undertake performance reviews. We reviewed succession plans and did all of the things that were appropriate for a board.

What happened in February, when we heard from these whistleblowers.... We obviously took it very seriously. That's when we created that three-person committee. I was not involved in that, and neither was the CEO. That committee worked for three or four months to address those accusations and found that there was no real wrongdoing here. The MRAP discussion and study happened as well.

Again, I want to repeat that there were no wrongdoings and no misconduct. Are there areas that we can improve and that are improving? Absolutely. Boards always need to be refreshed. Boards always need to look at and improve on how they operate and their governance. I see this as a normal course of business.

I'm no longer chair, as you all know.

● (1140)

[*Translation*]

**Mr. Sébastien Lemire:** If I may, I will address one last point.

Is there gender parity on the board of directors?

Personally, I didn't take part in the invitation process for the people who testified before the Standing Committee on Access to Information, Privacy and Ethics and the Standing Committee on Industry and Technology.

Do you find it strange that virtually only women and Quebecers were labelled as troublemakers at Sustainable Development Technology Canada?

[*English*]

**Ms. Annette Verschuren:** The board is quite balanced. We're going toward BIPOC...fifty-fifty, or 30%. The leadership team is also very balanced.

I can't comment on why the women are targeted here. I don't understand it. It's really hard for me to comment on.

[Translation]

**Mr. Sébastien Lemire:** Thank you very much.

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

Mr. Masse, you now have the floor for two and a half minutes.

[English]

**Mr. Brian Masse:** Thank you, Mr. Chair.

I'll just follow up with regard to the board process. In your time frame, quite literally.... Say, for example, one of your submissions was in at the board. You already knew it was in, so you didn't need the paperwork on it at all.

You would then leave the room; the board would vote, and then you would just come back in. That is the process that would be followed.

**Ms. Annette Verschuren:** I want to be clear, honourable member, that there was not one project that I have invested in that came to the table in my four and a half years as chair, except for the project that happened in 2017. That was the compressed air project. I want to make that very clear.

I declared perceived relationships, always, because I was the chair and I recognized that I had a greater responsibility.

**Mr. Brian Masse:** That's actually normal procedure for all of the boards I've served on. If you have family members, friends or whatever, you do that. Perception is equal to actual direct conflict.

**Ms. Annette Verschuren:** Exactly.

**Mr. Brian Masse:** I'm just surprised that only the chair would be following that. Are you suggesting that other board members weren't following that?

**Ms. Annette Verschuren:** No. They do.

I was sometimes criticized for...not criticized. There were comments, and people saying, "Annette, you don't have to declare that," but I did anyway. These were people I know who were related to a project, etc.

That was done before. Letters would go out to the board. Projects would be described. Partnerships would be detailed and the board members would then have to declare whether there was a conflict. Those board members would never get that information. They wouldn't see the analysis done by SDTC. They would recuse themselves when a decision was being made at the board.

**Mr. Brian Masse:** They'd all know it was happening, though, and you're in the same room. They'd just be admitted, and then they'd have to....

Just try to walk me through this. They wouldn't know what you were saying, but they would know from the beginning, because they'd have to recuse themselves, so they'd know it was up for debate at that meeting, and they would all go to that meeting. Then, when it came up, somebody would just leave and then come back.

**Ms. Annette Verschuren:** That's correct.

The people who declared the conflict.... The project would be at the board level. The vice-president of investments would be making a recommendation. Those people would leave. We would all leave

that meeting when that discussion happened and that decision was made.

Then we'd be invited back to come in once the decision was made. We wouldn't know what that decision was until the SDTC announced those decisions the next day.

**Mr. Brian Masse:** That's fair enough.

Do you know, from all those decisions of conflict, how many were refused and how many were granted to members who had conflict during your time at process there?

**Ms. Annette Verschuren:** In the case of—

**Mr. Brian Masse:** I mean just in general... Maybe I'll pass that question to the chairs. Maybe we can find out how many conflicts of interest the boards members declared that were either accepted or rejected from the process.

I appreciate your testimony today. Thank you.

● (1145)

[Translation]

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

[English]

Your question is duly noted and will be passed to SDTC.

[Translation]

Mr. Barrett, you now have the floor for five minutes.

[English]

**Mr. Michael Barrett (Leeds—Grenville—Thousand Islands and Rideau Lakes, CPC):** Thank you, Chair.

During your opening statement, you said that all companies were treated equally in their payments through your COVID scheme in 2020 and 2021, but some companies received a 5% increase in funding, and others received a 10% increase in funding.

That seems to me to be unequal, but it also demonstrates that your opening statement is factually incorrect. This decision that was taken to increase that funding to those companies benefited you in a very real way. Not only did you move the motion; you voted in favour of it, and all of the votes taken were unanimous.

How long were these meetings? Concerning the meeting of March 23, 2020, when you voted to give yourself, your company, \$111,485, how long was that meeting in duration?

**Ms. Annette Verschuren:** I don't recall, but I can find out for you.

**Mr. Michael Barrett:** I'm happy to jog your memory with the minutes. It was one hour.

Concerning the meeting of Tuesday, March 9, 2021, when you voted to your benefit \$106,176, how long was that meeting?

**Ms. Annette Verschuren:** I don't recall. Do you have it?

**Mr. Michael Barrett:** I do. It was an hour.

In what amounts to a lunch break for most people, you benefited \$111,485 in one occurrence, and then, a year later, in an equal amount of time, another lunch break, you voted to your benefit \$106,176.

Is it still your contention that, though some companies were given a 5% increase and others a 10% increase, all companies were treated equally?

**Ms. Annette Verschuren:** At the first round, it was 5% across the board, honourable member.

I think, in the second round, the management team identified some companies in their analysis and developed these milestones that indicated that, if they could be given a little more money, 10%, that would help accelerate and sustain those businesses. It was work done internally.

I want to clarify one thing. The project that NRStor was involved with, the Goderich project, got 5% each time. I want to make sure of that.

**Mr. Michael Barrett:** That was not your testimony. You testified that they were all treated equally, but 5% and 10% are not equal. Neither was the amount of money that was paid out.

There are 229 companies in the SDTC portfolio, according to your testimony at the ethics committee. The RCGT report sampled only 22 companies and found \$40 million in misappropriated funds. The whistle-blower who testified identified up to \$150 million in misappropriated funds.

Are you confident that Canada's Auditor General will find that there were \$0 in misappropriated funds at the \$1-billion green slush fund?

**Ms. Annette Verschuren:** I think the Auditor General will find that the processes and procedures and discipline that we have in investing in the clean-tech sector are second to none.

As a matter of fact, that due diligence done by SDTC is often used by BDC, EDC and other organizations in Ottawa, because of the level of excellent work they do. There are 80 people who work there, who really understand this area of business—the clean-tech sector. They're experts—

**Mr. Michael Barrett:** I have less than a minute left, Madam.

Your answer was not that they would find zero dollars. You testified that you followed all ethics rules, that you've been following the highest standard.

Have you been cleared of having violated the ethics act by the non-partisan Conflict of Interest and Ethics Commissioner?

If so, I'd be interested to hear that. If not, how can you be sure that you didn't break ethics laws?

**Ms. Annette Verschuren:** If you're referring to the ethics investigation that is going on today for me, that is under way. We're in the process of reviewing that, and—

• (1150)

**Mr. Michael Barrett:** You can't be sure that you didn't break ethics laws.

**Ms. Annette Verschuren:** I am sure that I didn't break ethics laws.

**Mr. Michael Barrett:** The commissioner remains unsure, or you would have been cleared formally. Is that right?

**Ms. Annette Verschuren:** The application hasn't been received by the commissioner yet. I'm putting together the documentation to give that assurance and to have that discussion happen, but no, that has not happened.

[*Translation*]

**The Chair:** Thank you, Mr. Barrett and Ms. Verschuren.

I will now give the floor to Ms. Lapointe.

**Ms. Viviane Lapointe (Sudbury, Lib.):** Thank you, Mr. Chair.

Thank you for being here, Ms. Verschuren.

[*English*]

On Tuesday, when you were before the committee, you mentioned that you remained with SDTC until December 1, and you did so in order to implement the recommendations contained in their action plan from the fact-finding mission.

Can you please tell this committee how SDTC is addressing the issues raised, and about the work that is being done on the recommendations?

**Ms. Annette Verschuren:** Yes. I'm very proud of the work that SDTC has done since the fact-finding mission. I think the report was provided to us on October 4.

There were areas that we absolutely worked hard on to get greater discipline in terms of conflict of interest reporting, conflict of interest definition.... We have an ethics adviser who is working with the team now.

All of those new procedures throughout the organization have been updated. They have been approved by the board of directors, and they have now been delivered to ISED. From the project review committee to the distribution of funds, everything was looked at.

What we did, which I think is really proactive, is that we went through all of the areas of SDTC to make sure that we had the top procedures and policies in place. Good documentation of all of this and a real understanding of where the organization needs to improve and execute is happening today.

**Ms. Viviane Lapointe:** Thank you.

Can you tell the committee how the organization's human resources and ethics policies are being updated? I'd like to get some good details on both of those fronts.

**Ms. Annette Verschuren:** Yes.

As I mentioned, we now have access to an ethics adviser, who is really helping us develop all the conflict of interest procedures, really tightening them up, making sure that the documentation clearly indicates what's happening there.

In terms of the HR area, the hiring, all issues associated with good governance in HR have been reviewed and put together in a clear policy, as well as procedures and succession planning, performance reviews—everything. Really, there was a lot of detailed work, and the SDTC team really put their heads down and worked to get it done.

On November 30, my last day, I met with the board. We spent the day going through all the changes we're proposing, and the next day we presented it to the government.

**Ms. Viviane Lapointe:** Can you tell me how the board was being guided in this work?

When you say that you've reviewed and you're implementing some of these new frameworks, are you looking at best practices? Are you receiving external expertise to help guide the board?

**Ms. Annette Verschuren:** Yes. Deloitte was the chosen organization that was by our side as we instituted and made all the changes in the various governance parts of the organization. They were side by side with us, as we wanted an independent group of people with us as we did that.

We looked at best practices. Many of the practices in the organization were very good. We were very proud of the document that we produced. I'm sure that if you asked Simon Kennedy.... I think he is happy with the work we have done.

• (1155)

**Ms. Viviane Lapointe:** Have you had the opportunity or do you plan to share the changes that have been made with internal and external stakeholders? I'm thinking of employees as well as partners of the organization.

**Ms. Annette Verschuren:** Absolutely. Sharing internally is the most important. We have an enormous.... I shouldn't say "we", because I'm no longer there.

The management team is working very closely with all the employees in that organization to make sure we are following these new processes and developing the discipline to make sure there's a comfort level with the government, the board and the organization to make stuff happen. The ISED organization is working very closely with them. The management team and the board are working shoulder to shoulder to make sure that there is confidence, that there's discipline and that all of these upgraded procedures are executed.

[Translation]

**The Chair:** Thank you very much, Ms. Lapointe. Your speaking time is up.

Mr. Perkins.

[English]

**Mr. Rick Perkins:** Thank you, Mr. Chair.

Ms. Verschuren, on the COVID payments, management's original intent was to fund the companies that were pre-revenue and had an analysis done of the run rate of their cash, or how much cash they would have left. It would then fund only those that were in trouble.

Is that not correct?

**Ms. Annette Verschuren:** There were occasions when projects would be proposed by companies that were making revenue.

**Mr. Rick Perkins:** That wasn't my question, though. Please, would you answer my question?

The original proposal was to fund only those companies that were pre-revenue and that had a cash flow issue. Yes or no?

**Ms. Annette Verschuren:** I don't think that was the only criterion, no.

**Mr. Rick Perkins:** You don't believe that? Management has told me that. We'll have some management here in the future, perhaps.

The claim you made was that all of these were going to companies that needed the cash. Some of them had 100 months of cash on hand. Others, like Canfor.... Canfor pulp, which is a very profitable global company, got almost \$700,000 of COVID relief money.

Could Canfor pulp—and all of your revenue companies—not have applied for CEBA instead of being funded by the green slush fund?

**Ms. Annette Verschuren:** I don't have the details, but this was likely a clean-tech project in either the management of forests or the improvement of all the things we're doing to—

**Mr. Rick Perkins:** I didn't ask what the project was about.

I have the list. The list says you gave them \$652,500 in March 2020. They weren't struggling for revenue.

I'll move on. I don't understand why you're giving massive global companies COVID money, and why you thought you had to bail it out when the government already was.

**Mr. Peter Fragiskatos (London North Centre, Lib.):** I have a point of order, Chair. This has happened a few times, and it's just happened again. The witness is trying to give an answer, and she's cut off.

If we could just have the witness give that full answer, I think it would benefit the committee. I'm not here as a full member; I am substituting today, but I think that's just basic decorum.

**The Chair:** Mr. Fragiskatos, you are correct.

Mr. Perkins, it's important, out of fairness, to let the witness answer. I would let Madam Verschuren maybe take a—

**Mr. Rick Perkins:** On that point of order, if the witness will actually answer the question....

These are simple questions. She's a sophisticated business person. She understands what cash flow, balance sheets and income statements are. She can answer the question without trying to explain to us what the company is or what the project is. That has never been the question.

In the limited time, I would appreciate it if she would actually answer the question, or I will continue to try to get her back on subject.

**The Chair:** Mr. Perkins, I'll let you continue with the two minutes and 13 seconds you have left, but I would appreciate it if you left some time for the witness to answer your further questions.

Go ahead, Mr. Perkins.

**Mr. Rick Perkins:** I will move on.

Andrew Noseworthy, the ADM at the industry department sat in on all your board meetings. Is that correct?

**Ms. Annette Verschuren:** Yes.

• (1200)

**Mr. Rick Perkins:** What was his role in sitting in on the board meetings? What would he do? Would he participate at all?

**Ms. Annette Verschuren:** He was an observer. Yes, he would participate and talk more about updates at ISED, etc.

He saw all the proceedings of the board.

**Mr. Rick Perkins:** Did he make reports back, either to his boss—the deputy minister, Simon Kennedy—or to the minister, about what was happening?

**Ms. Annette Verschuren:** I'm not sure.

**Mr. Rick Perkins:** Outside of those meetings, did you ever have conversations with him about the role of SDTC and its relationship with the government and their priorities?

**Ms. Annette Verschuren:** On occasion I did speak with him. He and I would talk on the telephone. We would talk about proceedings, etc.

**Mr. Rick Perkins:** Was he relaying any of that? Would he say he was relaying that or talking to the deputy, or that it would get reported back at all?

**Ms. Annette Verschuren:** He didn't talk to me about that.

**Mr. Rick Perkins:** He didn't.

**Ms. Annette Verschuren:** During the time I was there, SDTC got increased funds because it was performing so well. We got additional funds—

**Mr. Rick Perkins:** I understand that. You got an additional \$750 million, I think it was, 35 months ago.

**Ms. Annette Verschuren:** That's correct.

It was on big topics like that—

**Mr. Rick Perkins:** I'm sorry, but I have limited time.

Did you as chair ever have chats with the minister or anyone in the minister's office about the fund?

**Ms. Annette Verschuren:** I did not with anyone in the minister's office.

**Mr. Rick Perkins:** What about with the minister?

**Ms. Annette Verschuren:** I did not with the minister, no.

**Mr. Rick Perkins:** Even though you were at a number of presentations and announcements with the minister on SDTC funding, you never talked to him about the business of the fund?

**Ms. Annette Verschuren:** He was extraordinarily interested—and I loved his energy—in the performance of the entrepreneurs. That's what we spent our time on.

He would come to the meetings and we would celebrate entrepreneurs and we would make announcements together.

**Mr. Rick Perkins:** I would say he appreciates these big photo ops. I agree that he's big on photo ops.

**The Chair:** Thank you very much, Mr. Perkins.

I'll now yield the floor to Mr. Sorbara for five minutes.

**Mr. Francesco Sorbara:** Thank you, Chair, and thank you to the witness for being here this morning.

Thank you to all my colleagues for their questions as we continue to analyze the issues at hand.

Ms. Verschuren, I want to follow up on some questions.

When you were attending the board meetings, specifically when decisions were made around COVID-19 funding.... I understand that at that time there were a lot of things going on in the economy and a lot of things going on with our health care system. A lot of decisions were being made, but obviously the governance practices and so forth always needed to be followed.

If I understand correctly, in previous testimony you stated that you had a legal opinion that justified your not having to recuse yourself in certain decisions. Do you stand by that advice and the decision you made?

**Ms. Annette Verschuren:** This was in respect to the COVID situation.

Look, Mr. Sorbara, you have to put this in context. This was a month after the announcement of this pandemic. Supply chains were a disaster. Many of these companies—most of them, quite frankly—were pre-revenue. It was scary for them. I talked to many of these organizations, and they were really....

It was in that context that management recommended...and we received an opinion, a holistic package, an envelope of funds. They're in the minutes of the board meeting. You can see them. Basically, the partner in a law firm made this assessment and recommendation to us, and we accepted it.

**Mr. Francesco Sorbara:** I understand the context of the period of time when the entire world was being impacted by COVID. Supply chains were being impacted. Businesses were being impacted. We all know that. We all know as MPs, all 338 of us, that that's what was happening in our ridings.

Fast-forward to today. We're in the position of, to my understanding, the fund's being frozen, and there are investigations under way that are looking at this. My perspective is that all the governance in place of any entity—especially and particularly entities where funds are provided to invest in companies, in this case by a government, so they are taxpayer funds—is followed, whether the context is COVID or not COVID. I think that, in my mind, is what I'm looking at.

Would you still stand behind your decisions in terms of being there when there's a potential conflict, or an appearance of a potential conflict, in your decision-making or any of the board's decision-making? Should that have happened?

• (1205)

**Ms. Annette Verschuren:** You know, I wouldn't have changed what we did, but in what we've done now in terms of taking a look at policies and procedures, if ever we get into another pandemic, if ever we get into another disaster, I think those are things on a forward basis that we should be looking at. There's no question about that.

At the time, Mr. Sorbara, I would have made the same decision again.

**Mr. Francesco Sorbara:** Following practices that are not “robust”—I'll use that word—is something that we all need to look at. Whether you're an MP filming videos using parliamentary resources or you're a director of the board such as you—

**An hon. member:** [*Inaudible—Editor*]

**Mr. Francesco Sorbara:** Yes. I'm speaking about the MP—the Conservative House leader, if I'm not mistaken.

In terms of the practices put in place, we need to always try our best to be what I would say is above board and even leave a big gap of space where you're even more above board, if I can say that.

I think in this case practices may have been followed that.... I haven't read all the minutes, as some of my other colleagues have done, but I've tried to delve in as much as possible. That is what Canadians expect. They expect it from their MPs. They expect it from individuals who are making decisions utilizing the funds of taxpayers, in this case in SDTC, to invest in Canadian companies.

The fact is that at SDTC the track record is actually quite good. I'm a finance person. I have read everything or have tried to read everything at SDTC. The track record of investing in Canadian technologies, especially your early-stage Canadian companies, is really, really good. It's really unfortunate that the practice on the governance side, whether the context was COVID or non-COVID, was not as robust as I would have liked it to be and so forth.

I will stop there, Mr. Chair.

**The Chair:** That was more of a comment than a question, Mr. Sorbara, but that's okay. It concludes the time you had for questioning the witness.

This concludes our time for today. I want to thank Madam Verschuren for taking the time to appear again before this committee.

I see that Mr. Perkins has a point of order, but you're free to leave, if you like. Thank you very much.

**Ms. Annette Verschuren:** Thank you, Mr. Chair.

To the committee, I thank you. Have a happy holiday.

**The Chair:** You as well. Take care.

Go ahead, Mr. Perkins.

**Mr. Rick Perkins:** Given the testimony that we've heard here and that almost \$60 million of taxpayer funds have been funnelled to the companies of four directors, I would like to propose that we need to hear from a couple more witnesses—the Ethics Commissioner and the ethics adviser at SDTC, the person who, as per a lot of the testimony we've had here, was giving them this advice.

Ms. Verschuren confirmed that the bureaucrats...that the ADM was at every board meeting and was having regular conversations with her inside and outside of the board meeting. In his testimony, Mr. Noseworthy didn't remember anything. He played Sergeant Schultz when he was before the committee, obviously misleading the committee, in my mind, when saying he couldn't remember anything he had ever done at any board meeting. He couldn't even remember whether he had gone to every board meeting.

Given that we have had contradictory testimony from the chair of the board herself on his participation, I propose that we recall him and the deputy minister as a witness as well. I would think that you could do all of that in one meeting.

• (1210)

**The Chair:** Mr. Perkins, you're basically moving a motion—

**Mr. Rick Perkins:** I'm doing that under a point of order, but—

**The Chair:** Well, you had the floor. I'm willing to entertain it if we're not going to spend too much—

**Mr. Rick Perkins:** The motion would be to have an additional meeting, one part of which would be the Ethics Commissioner and SDTC ethics adviser, who we've had lots of testimony about. The other part would be to recall Mr. Noseworthy and Deputy Minister Simon Kennedy.

**The Chair:** You mentioned, I understand, that you want it to be on December 24? Is that correct?

**Mr. Rick Perkins:** Sure.

**The Chair:** I'm just kidding.

We have the proposition by Mr. Perkins for an additional meeting. I think we understand the gist of the motion, so it's up for debate and hopefully for a vote shortly.

I will recognize Madame Lapointe.

[*Translation*]

**Ms. Viviane Lapointe:** Thank you.

[*English*]

From my perspective, it's a question of balance. We've heard some very good and important testimony here. We know that the ethics committee has also heard testimony on this matter. The balance for me comes on the important work that we need to do around Bill C-27.

I think that we need to focus on that important work on Bill C-27 at this committee. For me, the best use of time for us here at the industry committee is to wait until the AG report is completed. At that point, perhaps we can then revisit and see what it is we need.

My position is that we and ethics have done good work around this, and it's time for us to move forward on Bill C-27.

[*Translation*]

**The Chair:** Mr. Lemire, you have the floor.

**Mr. Sébastien Lemire:** Thank you, Mr. Chair.

The request for information is laudable, but I don't think we need to add a committee meeting to question this potential witness. We could ask that a written statement be sent to you for the committee's consideration. That way, we could achieve the motion's objective without having to add another meeting.

**The Chair:** Thank you.

Mr. Masse, you have the floor.

[*English*]

**Mr. Brian Masse:** Maybe we can get a report back from our advisers before we consider more time.

I think Mr. Perkins has a point. I'd like to see that as we start to draw up a report or get to that before we go to something else.

**The Chair:** Based on what I've heard, and I see Mr. Perkins wants to intervene, but maybe, Mr. Perkins, if you're at peace with the suggestion from Mr. Lemire and Mr. Masse, we could ask for the information and maybe, when the steering committee meets in January, decide on the next step, whether we want to have another meeting or not. In the meantime, we could get the information in writing, as Mr. Lemire has suggested.

I see Mr. Perkins.

**Mr. Rick Perkins:** The question I have with respect to the ethics committee is that they're not doing.... They had two meetings, and they're done, so this all rests in our.... They're done, because the Liberals voted against doing any more meetings on this in the ethics committee.

Going forward, the only way we're going to get to the bottom of some of this contradictory testimony is to have another meeting. We are the keepers of our own destiny, and we have the ability, as we have done here, either to add these on to Bill C-27 or to do separate meetings without doing any harm to our study on Bill C-27.

From our side, we're more than willing to put in the time, effort and work to get to the truth on this. If it requires more meetings outside of our normal schedule.... I understand MP Lemire's desire to find an accommodation, but the interaction and questioning is where it happens. Pre-set questions or some sort of report from a request from us doesn't allow us to have that interaction, either with the Ethics Commissioner or with the individual we haven't heard from, who's provided all this ethical advice to the SDTC board, which, in our view, is clearly totally against the Conflict of Interest Act and the SDTC act.

We haven't had a chance to question them, and we have, clearly, testimony from officials that was a lie about their participation—in

particular Mr. Noseworthy. There is absolutely no way he has sat on that board since 2017 and couldn't remember any of the meetings. There is no way he sat on that board and had conversations at board meetings about the government's priorities without having any recollection of that. There's no way he had conversations with the chair of the board outside of those board meetings and couldn't remember. That's why, for some of us of a certain age, there's Sergeant Schultz's line, "I know nothing." That was his claim, and that's a lie.

He needs to be accountable to this committee for misleading the committee on his participation, and the fact that our committee members here don't think it's a serious offence for a government official to mislead this committee is very disappointing.

● (1215)

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

If there are no more speakers, I'll just let it go to a vote, because I sense that there is no agreement on what you've proposed, Mr. Perkins.

[*Translation*]

So, Madam Clerk, I—

**Mr. Sébastien Lemire:** Before we vote, Mr. Chair, I'd like to know whether we're voting on the motion to add a meeting. Do I need to make an amendment to request that a written statement be submitted instead?

**The Chair:** If you move an amendment now, we can vote on it or debate it. It's up to you.

**Mr. Sébastien Lemire:** I'm moving this amendment because it could be a useful addition.

However, I don't need an additional meeting on this particular issue.

[*English*]

**The Chair:** Mr. Lemire moves an amendment that we just ask for the documentation to be sent to the committee via the clerk and that the discussion for another potential meeting be left to another—

[*Translation*]

**Mr. Sébastien Lemire:** We're asking the Ethics Commissioner to provide us with a written statement on any breaches that he may have observed. We're asking that he send us that information in a letter.

[*English*]

**The Chair:** It's that the information that is sought by Mr. Perkins is asked for, in writing, from the Ethics Commissioner.

Now we have Mr. Masse on the amendment proposed by Mr. Lemire.

**Mr. Brian Masse:** Thank you. I support that.

I have another amendment—just to make sure I get my point across in terms of having our analysts get to.... If there is contradictory testimony—and I believe there is, too—I'd rather have that come from the analysts pointing that out before I try to have people come here and pull the wool over our eyes, so to speak, again, if that's the case. I'd rather have that factually presented in front of me through the minutes.

**The Chair:** I'm not sure that requires an amendment to the motion.

We can just ask the analysts for that work, Brian.

**Mr. Brian Masse:** Thank you.

**The Chair:** We've heard what Mr. Lemire is proposing: that the discussion for another meeting, I guess, be left to the steering committee when we get those answers and see if there's a need, and that we seek the clarifications in writing in the meantime.

Is that correct, Mr. Lemire?

[*Translation*]

You're nodding your head.

Mr. Perkins wants to speak to the amendment.

Mr. Perkins.

[*English*]

**Mr. Rick Perkins:** I just want a moment to chat, please.

**The Chair:** Yes, you have one quick minute because....

**Mr. Rick Perkins:** Okay, we're good. That was quick.

**The Chair:** Yes. It's appreciated.

**Mr. Rick Perkins:** Thank you.

[*Translation*]

Do we have a consensus on this amendment, or do we need to vote on it?

We're voting on the amendment.

(Amendment agreed to: yeas 7; nays 4 [*See Minutes of Proceedings*])

• (1220)

**The Chair:** Is there any further discussion on the motion as amended?

Seeing none, are we voting on it, or is there a consensus?

**Mr. Sébastien Lemire:** I think there is a consensus, Mr. Chair.

[*English*]

**The Chair:** Is there a consensus for the motion as amended?

**Mr. Rick Perkins:** No.

**The Chair:** We'll go to a vote.

[*Translation*]

**Mr. Sébastien Lemire:** I'd like a clarification. Does that mean that this information is no longer necessary?

If the Conservatives want a clarification and we refuse to receive it, I find that inconsistent. However, if they no longer need that information, we don't have to put someone to work unnecessarily.

[*English*]

**The Chair:** Mr. Barrett.

**Mr. Michael Barrett:** The spirit of the main motion, Mr. Chair, was for there to be a meeting to solicit the information. Of course, we want the information. As I understood it, the recommendation that was voted on in the amendment was that the decision for a further meeting would be taken at the steering committee. That decision will be taken there, but the intention was for there to be a meeting to deal with this.

The information is both desired and required, but the manner in which it's being requested by the committee is not consistent with the original ask.

Yes, we do want the information. We'd like it done in the format of a meeting of the standing committee.

**The Chair:** The motion as amended calls for it to be requested in writing. We'll put it to a vote if there are no other members who wish to speak.

[*Translation*]

We're putting the amended motion to a vote.

(Amendment agreed to: yeas 7; nays 4 [*See Minutes of Proceedings*])

**The Chair:** I congratulate you, Mr. Perkins, because it was your basic motion.

[*English*]

**Mr. Rick Perkins:** I can't go a meeting without a motion.

**The Chair:** Yes, but you got all the other parties to do the work.

Before we adjourn, I want to wish everyone happy holidays, a merry Christmas and a happy new year. I look forward.... Well, I don't look forward all that much to seeing you in the new year, but I'll be happy to when that happens.

[*Translation*]

I'd like to thank the interpreters and the analysts for all their work.

**Mr. Sébastien Lemire:** Just a moment, Mr. Chair.

**The Chair:** Excuse me. I see that there's something else before we adjourn the meeting.

Mr. Perkins.

**Mr. Rick Perkins:** Thank you very much.

[*English*]

I put a motion on notice.

Hopefully, we can deal with this quickly.

Thank you, MP Lemire.

I'll read it:

Whereas the company Shenghe Resources, which is 14% owned by Beijing, is attempting to acquire significant holdings in Vital, a Canadian-owned—

It says “neo-lithium mine”, but it's a rare earth company.

—the committee call on the Minister of Industry to invoke a national security review under the Investment Canada Act over Beijing's takeover of Vital Metals.

It's just a vote.

**The Chair:** That's the motion you sent notice of.

**Mr. Rick Perkins:** Yes.

**The Chair:** Is there discussion on this motion?

**Mr. Rick Perkins:** The reason it's urgent is the decision by the company that will be made within the next week or two. If the minister is going to invoke section 25 of the Investment Canada Act, he has to do it very quickly.

**The Chair:** Would you mind reading it again, Mr. Perkins, to be sure that all members...?

**Mr. Rick Perkins:** Sure. I'll go a little slower. I asked a question in the House on this last week, I think.

The motion reads:

Whereas the company Shenghe Resources, which is 14% owned by Beijing, is attempting to acquire significant holdings in Vital Metals, a Canadian-owned rare earth company, the committee call on the Minister of Industry to invoke a national security review under the Investment Canada Act over Beijing's takeover of Vital Metals.

**The Chair:** We've heard the terms of the motion.

I'm conscious that there's a process for these to be called. I'm not sure the committee has much weight on this, but it can still be voted on. It's a valid motion, but I'm just not convinced, because the process is set up in the law.

Mr. Fragiskatos.

• (1225)

**Mr. Peter Fragiskatos:** I had the same question, Mr. Chair.

I'm not sure the committee would have the ability to do that, so I'm inclined to say no to my colleague—just to make that clear. I'm not sure the committee's in the position to do what he's asking.

**The Chair:** Thank you, Mr. Fragiskatos. I have the same question, because the way I know the act works, this committee has no bearing on it.

Mr. Lemire.

[*Translation*]

**Mr. Sébastien Lemire:** I think the motion is reasonable. In light of the previous studies we've done, it's important that this committee be able to weigh in on this kind of issue and ask for some form of accountability from the minister.

Would Bill C-34 make it possible to go further than the current legislation? However, it hasn't yet completed the legislative process in the Senate. In the meantime, I think committee members have a duty to make this request, if only to send a message to the minister that we're still concerned about the acquisition of companies. This shows the hegemony of China, which owns more rare resources, rare earths and lithium around the world.

So I would be in favour of adopting this motion. If that's not possible, it will be declared null and void. At least the committee members will have sent a message to the minister so he knows that we want this work to be done through the Investment Canada Act.

**The Chair:** I understand.

Thank you, Mr. Lemire.

Mr. Masse, you have the floor.

[*English*]

**Mr. Brian Masse:** I just want to be clear. Do we know where Bill C-34 is in the Senate? Will it get...? I guess we really won't know, over the next couple of days, whether it will get finished and out of the Senate. It would take care of that, but in the meantime it's still not in law.

**The Chair:** Mr. Masse, I'm informed by our vice-chair, Mr. Perkins, that it is at second reading in the Senate.

Mr. Sorbara.

**Mr. Francesco Sorbara:** I have a clarification question. If Bill C-34 is in the Senate, is there any particular Senate group holding it up?

**The Chair:** Truth be told, Mr. Sorbara, I haven't paid that close attention to what's happening in the Senate. It's just proceeding slowly.

Mr. Perkins.

**Mr. Rick Perkins:** I had a brief chat with the minister about it when we were having the 30 hours of votes. I asked him what was going on, and he didn't know. I said that it's at second reading. We agreed that we would both talk to our respective sides—of which there are lots of other folks in there—to see why it's not moving forward. I think it's only had the initial sponsor speech at second reading, so it's not even very far into the second reading.

They haven't made it a priority, apparently, in the Senate.

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

Mr. Masse.

**Mr. Brian Masse:** My bill is held up in the Senate, too, with several others. There are active negotiations, but I don't know whether this one is going to be included in it. There are a number of things that are being pushed around right now, but if Mr. Perkins is correct, then it's most likely not even going to get to the process that was.... There was an attempt to try to get some bills voted on before we broke and then just move them into committee. If that's not the case now, it likely isn't going to be the case in the next 48 hours.

**The Chair:** Okay. Just in the interests of time, colleagues, we've all heard the terms of the motion, and I don't see any more speakers. I'll call the vote.

(Motion agreed to: yeas 6; nays 5 [*See Minutes of Proceedings*])

[*Translation*]

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

[*English*]

**Mr. Michael Barrett:** Is there time for one more motion?

**Some hon. members:** Oh, oh!

**The Chair:** Please, no. I hope I don't get a 106(4) in Christmas week, Mr. Perkins. I'll be monitoring closely.

I'll continue where I left off.

[*Translation*]

I want to thank the interpreters, the analysts, the clerk and the support staff.

Happy holidays, everyone. Merry Christmas and Happy New Year.

The meeting is adjourned.

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