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# Standing Committee on Government Operations and Estimates

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Chair: Mr. Kelly McCauley





## Standing Committee on Government Operations and Estimates

Wednesday, February 1, 2023

• (1630)

[English]

**The Chair (Mr. Kelly McCauley (Edmonton West, CPC)):**  
Good afternoon, everyone.

I call this meeting to order.

Welcome to meeting number 49 of the House of Commons Standing Committee on Government Operations and Estimates, the mighty OGGO.

Pursuant to the motion adopted by the committee on Wednesday, January 18, 2022, the committee is meeting on the study of federal government consulting contracts awarded to McKinsey & Company.

We are going to start with a five-minute opening statement from Mr. Barton.

Mr. Barton, welcome. Five minutes are yours.

**Mr. Dominic Barton (As an Individual):** Mr. Chair and members of the committee, thank you for inviting me today.

At the outset, I want to be clear that I'm appearing voluntarily, as a private citizen, on my own behalf. I'm not here as a representative of McKinsey and, obviously, I do not speak on behalf of the Government of Canada.

I want to take a few minutes to tell you about my background and make three observations.

On my background, I started my career in 1986, at McKinsey's Toronto office, where I spent 10 years. I then moved to the South Korean office and stayed in Asia for 12 years. In 2009 I was elected global managing partner, in which role I served until 2018, having held three terms. As managing partner, my role did not involve the origination or oversight of paid engagements between the Government of Canada and McKinsey's Canadian team.

It has now been over three and a half years since I left McKinsey and sold all my shares. It has been more than 25 years since I was regularly involved in McKinsey's Canadian consulting engagements.

[Translation]

I'm neither a member nor a supporter of any political party in Canada.

[English]

I believe, though, in giving back to Canada. I have been an unpaid adviser to different Canadian governments a number of times. For example, in 2010 I was among a number of Canadians advising then finance minister Jim Flaherty, including attending a two-day retreat hosted by him.

In 2013 I was asked by then prime minister Harper to serve on the Canadian advisory committee on the public service, which I did for two years.

In 2016 I was asked by then minister Morneau to chair his advisory council on economic growth with 13 other Canadians. I believe that the growth council did important work for Canadians. Its recommendations included building more Canadian infrastructure, speeding up approvals for resource projects, cutting red tape, attracting foreign talent and capital, unleashing key sectors such as agriculture, and providing the basis for reskilling Canadians to deal with technological change.

In July 2018 I announced that I was retiring from McKinsey and began to build my next chapter, which included public, private and foundation board roles. To support my wife, Geraldine, in her career, I moved from New York to Hong Kong.

In August 2019 I was asked to become ambassador to China, where my primary mandate was to secure the release of Michael Kovrig and Michael Spavor. I then had to resign from more than a dozen roles I had recently taken on as part of my post-retirement work.

I want to make three quick observations that I hope will be helpful.

First, I want to be clear that I have had no involvement whatsoever in any awarding of paid work to McKinsey by the federal government since I relocated to Asia in 1996. In joining the public service as ambassador to China in 2019, I underwent a thorough conflict of interest process with the Ethics Commissioner to ensure that my prior roles with McKinsey and elsewhere would not conflict with my public service obligations. That included a full proactive recusal that screened me from dealing with McKinsey and, of course, any decisions made by the federal public service relating to McKinsey.

Second, federal procurement work involves a structured process. The procurements are not evaluated at the political level but by civil servants. Of the public sector engagement since 2015 reported by the media, McKinsey has publicly stated that the vast majority were the result of publicly tendered, competitive requests for proposals, independently evaluated by public servants based on objective point-rated technical and pricing criteria. The rest were through a national master standing order, which also follows a rigorous procurement process.

Consultants are often selected by governments in the private and social sectors because they are able to provide specialized expertise, innovation and insights from global experience, advice that is objective and independent, flexibility to help when and where needed without carrying those same costs at other times, and a deep bench to allow analysis to be completed quickly.

It's also important to separate the work of McKinsey from the times that I, as a private citizen, sat on several advisory councils as a volunteer at the request of then prime minister Harper, the late minister Flaherty and then minister Morneau. Those advisory councils made recommendations to elected officials. Sometimes they took them; sometimes they didn't. In these instances, advice came from a panel of volunteers convened by the government, not from McKinsey.

I chaired the growth council, and McKinsey supported the growth council's work by providing data and information to help the council on a pro bono basis.

Third, and finally, I will note here that the National Post recently reported that in the last full fiscal year, ending March 31, 2022, the Government of Canada spent at least \$22.2 billion on external consultants, of which McKinsey contracts represented \$17 million.

• (1635)

I appreciate your invitation today and look forward to taking your questions.

Thank you.

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

Colleagues, before we start, for this meeting we will be holding everyone precisely to our allotted times. Please keep that in mind.

Mrs. Kusie, we'll start with you for six minutes, please.

**Mrs. Stephanie Kusie (Calgary Midnapore, CPC):** Thank you, Mr. Barton, for being here today.

Would you consider yourself a friend of the current Prime Minister, Justin Trudeau?

**Mr. Dominic Barton:** No. I consider myself having.... I'm not a friend. I have a professional relationship—

**Mrs. Stephanie Kusie:** When did you first—

**Mr. Dominic Barton:** Excuse me, can I finish, Mr. Chair?

**Mrs. Stephanie Kusie:** Sure, briefly.

**Mr. Dominic Barton:** I respect him. I think he respects me. I don't have his personal phone number. I haven't been in a room alone with him.

**Mrs. Stephanie Kusie:** You've never been in a room alone with him.

**Mr. Dominic Barton:** Yes.

**Mrs. Stephanie Kusie:** All right.

When did you first meet the Prime Minister? When I'm referring to the Prime Minister, I'm always referring to Prime Minister Justin Trudeau.

When did you first meet him?

**Mr. Dominic Barton:** I think I met him, actually, in 2013, when I was going up to meet—

**Mrs. Stephanie Kusie:** It was before he was elected.

**Mr. Dominic Barton:** Do you know where I was going? It was to see Mr. Flaherty. I was in the elevator and someone introduced him to me, saying that this was Justin Trudeau. I didn't know what he looked like or where he was.

I was in the elevator, going to see Minister Flaherty.

**Mrs. Stephanie Kusie:** Did you ever meet with the Prime Minister or members of his staff while he was leader of the Liberal Party before the 2015 election, outside of that meeting?

**Mr. Dominic Barton:** I did not.

**Mrs. Stephanie Kusie:** Okay.

When did you first communicate with Justin Trudeau after he was elected prime minister?

**Mr. Dominic Barton:** It was in Davos, when the government requested that I host a breakfast so he could meet other international leaders. That's when I met him.

• (1640)

**Mrs. Stephanie Kusie:** He initiated it. All right.

When was the first time you communicated with the Prime Minister's Office?

**Mr. Dominic Barton:** It was through the growth council with then minister Morneau. That's where we would have our meetings with the Prime Minister. There were actually a handful.

**Mrs. Stephanie Kusie:** All right.

How many times did you meet with Justin Trudeau after his election as Prime Minister in 2015, would you say?

**Mr. Dominic Barton:** It was maybe a dozen times.

**Mrs. Stephanie Kusie:** Where did these meetings take place?

**Mr. Dominic Barton:** They took place in his office.

**Mrs. Stephanie Kusie:** Who initiated those 12 meetings, would you say?

Can you—

**Mr. Dominic Barton:** He requested updates on the growth council. I was with then minister Morneau when we would have those meetings. There were multiple people.

**Mrs. Stephanie Kusie:** Was that the sole subject of those meetings—only the growth council?

**Mr. Dominic Barton:** Yes.

**Mrs. Stephanie Kusie:** Okay.

How many times did you or McKinsey meet with the staff in the Prime Minister's office after his election in 2015?

You said it was a dozen for you. How many was it for other staff in McKinsey, other than yourself?

**Mr. Dominic Barton:** I would be surprised if any of them did. I certainly wasn't aware of it.

**Mrs. Stephanie Kusie:** You're not sure if any other...?

Would you say whether any of the other McKinsey staff members met with the Prime Minister or anyone in the Prime Minister's Office after that time?

**Mr. Dominic Barton:** I honestly have no idea.

**Mrs. Stephanie Kusie:** Okay. That's interesting.

You helped arrange for the Prime Minister to meet many world business leaders at the World Economic Forum in Davos, as you just made reference to. He initiated that meeting.

**Mr. Dominic Barton:** Yes, the Prime Minister's Office initiated the meeting.

**Mrs. Stephanie Kusie:** Who did you introduce the Prime Minister to at the World Economic Forum in 2016?

**Mr. Dominic Barton:** I tried to grab whoever I knew who might be available. It's very busy. It was done very much at the last minute. It was kind of a, "Can you organize a breakfast?" People are busy. I can't remember.

It was people—

**Mrs. Stephanie Kusie:** Are you aware of any contracts that would have come out of the introductions you made at that time?

**Mr. Dominic Barton:** No. Can I tell you something?

They were doing a favour to come there. There was not an interest in doing contracts. It had nothing to do with that.

**Mrs. Stephanie Kusie:** Would you consider yourself a friend of Chrystia Freeland's?

**Mr. Dominic Barton:** I knew Chrystia Freeland when she worked at the FT. I knew her from before.

**Mrs. Stephanie Kusie:** What year would you say you met her?

**Mr. Dominic Barton:** I can't remember. It was at an FT conference where she was moderating. She was a Canadian—

**Mrs. Stephanie Kusie:** Was this prior to 2015?

**Mr. Dominic Barton:** Yes.

**Mrs. Stephanie Kusie:** When was the first time you communicated with her after the 2015 election?

**Mr. Dominic Barton:** I can't recall. She's not someone I would be talking to regularly.

**Mrs. Stephanie Kusie:** Okay. That's interesting.

How many times would you say you have met with her?

**Mr. Dominic Barton:** It has been maybe eight or 10. I don't know. It's less than a dozen.

**Mrs. Stephanie Kusie:** What were the subjects of those meetings?

**Mr. Dominic Barton:** Well, the meeting I recall was when she actually convened a dinner at her house in Toronto—

**Mrs. Stephanie Kusie:** It was at her house.

**Mr. Dominic Barton:** —where she invited 12 other people. Ian Shugart was there—

**Mrs. Stephanie Kusie:** Who else was there?

**Mr. Dominic Barton:** There was someone from The Globe and Mail. I can't remember his name. Janice Stein was there. I think the former clerk was there; I can't remember his name.

**Mrs. Stephanie Kusie:** How many times did you or McKinsey meet with Freeland's staff, please?

**Mr. Dominic Barton:** I have no idea on McKinsey because I wouldn't be in those meetings; it's not of interest to me. If I was meeting, it was at her request.

**Mrs. Stephanie Kusie:** Okay. That's very interesting, because what you're painting here, Mr. Barton, is not a close relationship, yet I have here a quote from The Globe and Mail, quoting the Prime Minister at Davos, where he said:

"When I went to the World Economic Forum in Davos, just a few months after having been elected, I had the privilege of meeting a number of world business leaders," Mr. Trudeau said in the clip. "Who set that up? Dominic Barton.

You, sir.

"They all knew Dominic. I came to appreciate, maybe even envy, Dominic's contact list. So we recruited him."

Mr. Trudeau told the 2017 audience that he and his then-finance minister Bill Morneau offered Mr. Barton \$1 a year to lead an advisory council on economic growth.

"I don't think anyone can argue that we're not getting our money's worth from Dominic. In fact, it's probably the best dollar that the Government of Canada has ever spent," he said, describing Mr. Barton as modest, accessible, accomplished and "ridiculously humble."

That, sir, sounds like a quote from someone who you know quite well and who knows you quite well.

Thank you very much, Mr. Chair.

**The Chair:** That was exactly on six minutes. Thank you, Mrs. Kusie.

Mr. Housefather, please, for six minutes.

**Mr. Anthony Housefather (Mount Royal, Lib.):** Thank you very much, Mr. Barton, and thank you for being here voluntarily today. I appreciate it very much.

I want to start by saying that this committee has undertaken a study on outsourcing, and I think it would be a very valuable study to understand whether we spend too much money in this country on management consultants or other forms of contractors outside the civil service, and we should be doing that.

There have been allegations related to McKinsey's activities abroad. I'm sure you're going to be asked about that today. I think, again, one of the policies that the Government of Canada should be looking at is whether or not companies alleged to have committed misconduct abroad—certainly if they've been convicted—should not do business with the Government of Canada.

However, that's not why you've been brought here. You've been brought here because there are allegations being made that somehow there's an untoward relationship that has gotten McKinsey business through you—as has been characterized many times by Conservatives here and in the House of Commons—being a close personal friend of the Prime Minister.

I'm going to revisit the first question Ms. Kusie asked you.

Mr. Barton, would you consider yourself a close personal friend of the Prime Minister?

• (1645)

**Mr. Dominic Barton:** No, I'm not a close personal friend of the Prime Minister.

**Mr. Anthony Housefather:** Would you say he's one of your five best friends?

**Mr. Dominic Barton:** No.

**Mr. Anthony Housefather:** Is he one of your 10 best friends?

**Mr. Dominic Barton:** No.

**Mr. Anthony Housefather:** Is he one of your 25 best friends?

**Mr. Dominic Barton:** No.

**Mr. Anthony Housefather:** Is he one of your 50 best friends?

**Mr. Dominic Barton:** No.

**Mr. Anthony Housefather:** Do you have his personal phone number?

**Mr. Dominic Barton:** I do not.

**Mr. Anthony Housefather:** Do you and the Prime Minister exchange birthday cards every year?

**Mr. Dominic Barton:** No.

**Mr. Anthony Housefather:** Birthday presents?

**Mr. Dominic Barton:** No.

**Mr. Anthony Housefather:** Do you and your wife go out to dinner with the Prime Minister and his wife?

**Mr. Dominic Barton:** No.

**Mr. Anthony Housefather:** Do your kids socialize?

**Mr. Dominic Barton:** No.

**Mr. Anthony Housefather:** Do you exercise with him?

**Mr. Dominic Barton:** No.

**Mr. Anthony Housefather:** Have you ever, outside of a business relationship, had social contact with the Prime Minister?

**Mr. Dominic Barton:** No.

**Mr. Anthony Housefather:** Okay, so let's put aside the idea that he is your close personal friend. He doesn't even.... You mentioned the Conflict of Interest Act, which you obviously went through when you were named ambassador to China, and you would be aware of the definition of a friendship within the meaning of that act. Do you believe you even meet the definition of a friendship under the Conflict of Interest Act?

**Mr. Dominic Barton:** No, I'm not a friend.

**Mr. Anthony Housefather:** Perfect. Let's move to something else.

While you were in your very prestigious voluntary roles—which, again, I appreciate, and I think all Canadians, regardless of their political party appreciate your serving the country under successive prime ministers and volunteering your time—did you ever lobby the Prime Minister, Chrystia Freeland or anyone in the Prime Minister's Office for business for McKinsey?

**Mr. Dominic Barton:** I did not.

**Mr. Anthony Housefather:** Do you believe that there were discussions by others at McKinsey inappropriately lobbying for business?

**Mr. Dominic Barton:** I don't. There's a very strong set of practices and rules on that. I had no interest on the McKinsey relationship. I thought this was giving something back to Canada. It was an honour to be asked. It's an honour to be asked. When a minister or a prime minister asks you to do something, I think, as a Canadian, you do it. I was honoured to do it. I worked my tail off on doing that. It was zero to do with anything to do with contracts or things like that. Zero.

**Mr. Anthony Housefather:** One of the interesting questions I was looking at is about how the McKinsey business with the government increased rapidly in 2019, 2020, 2021. When we're talking about the \$115-odd million dollars, and I'm not giving you an exact figure for anybody who's...it seems to me that almost all of that business occurred in the last three years, after you were appointed ambassador to China and left McKinsey. Let me also understand this: When you left McKinsey, you sold your shares in McKinsey. Is that correct?

**Mr. Dominic Barton:** Yes.

**Mr. Anthony Housefather:** You no longer profited from any contract that McKinsey would have received from the Government of Canada or anybody else.

**Mr. Dominic Barton:** I got nothing.

**Mr. Anthony Housefather:** As ambassador, did you misuse your position to lobby for business, somehow, for a company with which you were no longer associated and from which you didn't profit?

**Mr. Dominic Barton:** There were extremely strict rules and protocols put in place. Basically, it was excommunicado. There were very strict processes and protocols followed. If anything ever came in, it went to the deputy head of mission or the deputy.

**Mr. Anthony Housefather:** I would assume, then, that anything that came in, with respect to McKinsey... As ambassador, you were completely excluded from this and had no part in any discussions.

**Mr. Dominic Barton:** That's exactly right.

There were also five others we put.... I voluntarily put on three of them, even though the Ethics Commissioner didn't think I should. I was just focused on what I had to do.

**Mr. Anthony Housefather:** That's perfect.

It's interesting that the business increased. If it were true that during your time at McKinsey you did so much lobbying of your friends for contracts, then you did a terrible job, obviously, because the business increased "way-fold" after you left.

**Mr. Dominic Barton:** I don't even care. I wasn't looking at that.

I would say again, though, look at what's happened with the other spend. There are all sorts of different analyses. You need a magnifying glass. It's a lot of money—don't get me wrong. However, compared to the others—the Accentures, the Deloittes and the KPMGs.... I think one should look at that, so—

**Mr. Anthony Housefather:** I agree. As I mentioned the other day, if I had a contract for \$100, and the next year I paid that company \$5,000, I would have increased my business with that company 50 times over, but it would be a minute amount of money compared to a total spend.

The same is true with McKinsey. There's been a drastic increase in McKinsey spending, but it is a drop in the bucket compared to what some other consulting firms made, which is why we need to look at the larger question.

Mr. Chair, do I have any time left?

**The Chair:** You have 30 seconds.

**Mr. Anthony Housefather:** I'll come back in other rounds, but I want to thank you again very much, Mr. Barton, for being here today.

**Mr. Dominic Barton:** Thank you.

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

Mr. Blanchet, welcome to OGGO. You have six minutes.

• (1650)

[*Translation*]

**Mr. Yves-François Blanchet (Beloeil—Chambly, BQ):** Thank you, Mr. Chair

Mr. Barton, I'm not going to ask you when your birthday is or whether you prefer creamy or traditional coleslaw.

I have nevertheless taken note of the fact that you are no longer with McKinsey. That's a considerable advantage for us because you are thoroughly familiar with that firm, and know it as few others do. You are free to speak, because it is no longer your employer and you are no longer associated with it. That's great, because we'll be able to ask you more specific questions.

In just a few words, how would you define a standing offer?

[*English*]

**Mr. Dominic Barton:** On a standing offer.... I've never been involved in the contracts, so I'm just reading what I saw. I've never

gone through a contracting process with the Government of Canada, so I don't know. I can read to you what I think it says—

[*Translation*]

**Mr. Yves-François Blanchet:** That won't be necessary, because time is short.

Just as the Prime Minister of Canada is accountable for everything that happens with his government, you, as managing director of McKinsey must have known how the company operates internally.

I will accordingly ask you a more general question.

Could McKinsey, under your authority, have awarded a contract whose terms and costs were unknown to the public, and which would only expire long after the death of anyone who might have read it? Is that a sound managerial practice for a private company or government?

[*English*]

**Mr. Dominic Barton:** Could you repeat that? I didn't understand the question.

[*Translation*]

**Mr. Yves-François Blanchet:** Our understanding of this standing offer is that the public does not know what it's for, now or in the future, or how much it will cost. It will not be zero dollars, as was written, or as the minister claimed. Not only that, but by the time the contract comes to term, if it continues until 2100, we'll all be dead.

Is that a sound managerial practice? As the managing director of McKinsey, would you have done that?

[*English*]

**Mr. Dominic Barton:** Again, Mr. Chair, I haven't been involved in those contracts. I don't know. I have no idea.

[*Translation*]

**Mr. Yves-François Blanchet:** As a manager, would you have done that? You are probably an outstanding manager. Would you have arranged a contract like that? As a client, would you have agreed to sign it?

[*English*]

**Mr. Dominic Barton:** No, I wouldn't.

[*Translation*]

**Mr. Yves-François Blanchet:** That's interesting.

My understanding is that you obviously don't know the Prime Minister of Canada very well at all. You'd have trouble recognizing him in an elevator if he was in there with you.

And yet you were appointed ambassador to China, a posting so important that you must have had detailed conversations with the Prime Minister of Canada about his expectations with respect to our relationship with China—and God knows things were not going well.

What was the nature of these conversations? Did they not lead to some close contacts between the Prime Minister and yourself?

[*English*]

**Mr. Dominic Barton:** That's a great question.

I want to clarify something. I didn't know who he was in 2013. When I was in that elevator going up to see Jim Flaherty, that's the first time I met him. I haven't been in Canada since 1996. I don't watch the news and everything that is going on, so I didn't know who that was. Someone then introduced me and said, "This is Justin Trudeau." That's why. That's the first time. Of course, after doing the growth council and so forth, I did know who he was, and recognized him.

In the run-up to my being ambassador, it was Ian Shugart, who is the clerk, who asked me to help. It wasn't the Prime Minister. It was Ian, because, just to explain, there was no communication with China. Nothing was happening. You know how bad it was.

They were looking for ideas, and I said, "Let's try a back channel route to try to get a communication going." That's the first time I had an interaction with the Prime Minister on that: How would we do it? We'd have to set this up at the G20. There were about six other people in the room. That's the first time we talked about it.

Ian Shugart was the main person who was interacting with me, and actually trying to convince me to do it. I'll be very honest. It was the greatest honour of my life to do that role, but I did not volunteer to do that.

[*Translation*]

**Mr. Yves-François Blanchet:** Mr. Barton, in view of the extent of our relationship, it's highly unlikely that I would be publicly praising your qualities. I don't think we are that close, which suggests something.

I'm going to bring up an entirely different matter, the matter of Canada with its 100 million citizens, and the greater Montreal area, with a population of 12.5 million. It's about a recommendation designed to make Canada's economy more dynamic.

You've been talking about a lot of numbers. Of these 12.5 million Montrealers, how many would speak French? To what extent will we have been able, as a country, to integrate, teach French to, and invite people to become a part of the Quebec nation, one of whose characteristics is the French language? Will this number not mean fewer people overall who will still be speaking French?

• (1655)

[*English*]

**Mr. Dominic Barton:** You're talking about immigration, and the numbers we're trying to get—

[*Translation*]

**Mr. Yves-François Blanchet:** Yes.

[*English*]

The Century Initiative.

**Mr. Dominic Barton:** Yes, the Century Initiative.

Again, that was a private initiative through which we were trying to say.... Laurier had an ambition for Canada to be a dominant country in the 20th century, which we were not. The hope was that we could be. That's where that idea came from. It's very important how people would be able to integrate. They have to integrate into our society.

**Mr. Yves-François Blanchet:** In what language should they integrate?

**Mr. Dominic Barton:** In English and French, as we are a bilingual country.

**Mr. Yves-François Blanchet:** We'll be back.

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

We'll go to Mr. Johns, for six minutes, please.

**Mr. Gord Johns (Courtenay—Alberni, NDP):** Thank you for being here.

Back when I was a business owner and I ran a chamber of commerce, we'd do a SWOT analysis: identifying strengths, weaknesses, opportunities, threats. I'm sure you've participated in this exercise many times at McKinsey. We know McKinsey's strengths. It's able to swing sole-sourced contracts and get money out of Canadians. Its weaknesses are scandal after scandal. We know that McKinsey sees any crisis, whether it be the opioid crisis or a pandemic, as an opportunity.

I want to ask you about the "t", about the threats. Maybe you can spill the tea a bit. What were the threats to McKinsey when you were there? Who were the threats?

**Mr. Dominic Barton:** First of all, that's a very biased SWOT analysis. It's not a very good one, so—

**Mr. Gord Johns:** I just want to focus on the threats. What were the threats? What was the competition that was the biggest threat to McKinsey?

**Mr. Dominic Barton:** It's a very competitive market. There's the Boston Consulting Group, Bain & Company and Accenture. It's a very competitive market.

**Mr. Gord Johns:** Okay, so you mentioned a couple. I was also looking at the numbers. You're right. In 2021, McKinsey got \$32 million in contracts. Deloitte got \$28 million back in 2011 under the Conservatives. It got \$173 million in 2021.

When we talk about the scale of things, this is pretty significant. In fact, PricewaterhouseCoopers got almost \$10 million in 2011. It got \$21 million in 2013, \$34 million in 2014, and \$44 million in 2015 under the Conservatives. You see where I'm going. Things started back in the Conservative government with outsourcing, and it got out of control. Now it's at \$93 million.



When we look at the overall totals, Deloitte got half a billion dollars in outsourcing in the last decade. PricewaterhouseCoopers got \$511 million. Accenture got \$211 million. Ernst & Young got \$107 million. KPMG got \$139 million, and McKinsey got \$68 million, not including 2022.

Why do you think this committee is not looking at all those companies? Do you believe that some parties really want to focus on McKinsey and you? Do you think they really want to get to the bottom of the outsourcing issue, and how to stop it? Right now, we're seeing millionaires getting richer on contracts off the public tax dollar when the public needs services the most.

**Mr. Dominic Barton:** I think your comments speak for themselves. I mean, my last point was, again, putting things in perspective, that I think it's good to look at the impact and what people are doing. I think we should look at the whole broad remit. I don't know why McKinsey...is the only focus. Those numbers also surprise me.

**Mr. Gord Johns:** I guess, back to the threats.... Why are these companies getting more money than McKinsey? What are they doing? Who do they know?

**Mr. Dominic Barton:** I have.... Look, it's like—

**Mr. Gord Johns:** Who does Pricewaterhouse know that it can have a 400% increase under the Conservatives and double under the Liberals? Who does it know?

**Mr. Dominic Barton:** Again, I believe there is a procurement process. I don't think it's about who it knows, but it is quite interesting to see the size of the—

**Mr. Gord Johns:** You don't think it's a “Liberal, Tory, same old story” kind of thing, like they're just there to help their friends and undermine the public service.

**Mr. Dominic Barton:** I don't believe that.

**Mr. Gord Johns:** Well, I do.

I'm going to move a motion at this committee later on to ensure that we expand the scope of this study, because I'm not here to play politics and pay one company over another. We need to look at the whole scope of this thing, and we need answers. We need all these companies before this committee, because they need to explain how they're getting these contracts.

I guess, you know, adding to that.... I mean, you know, you talked about giving back to Canada, and I appreciate your comments on that. What makes you the person the Prime Minister of Canada has to go to for free advice given out of the goodness of your heart?

• (1700)

**Mr. Dominic Barton:** You know, you should ask him, because I've been asked by other countries, I'll just say. This is why, again, I felt committed. I've worked with President Obama. I've worked in Colombia; I've worked in the U.K.; I've worked in Singapore; I've worked in South Korea—for leaders. They ask.... They just want to know what's happening in the world, how things are changing. I've never been asked in Canada, except for when Jim Flaherty asked me, and it was to understand how the world...what was going on. He wasn't asking, “Tell me what we should do.” It was just, “Give

me ideas.” By the way, there were often radically different views in the room.

It was more in that spirit. It's something that I'd been used to doing, and as a Canadian, I wanted to give something back. That's why.

**Mr. Gord Johns:** I appreciate your work on the Michaels. You talked about back-channelling. I think we're all appreciative to see them home. We're grateful.

You talk about back-channelling routes. Can you explain about domestic back-channelling?

**Mr. Dominic Barton:** I don't know what that is.

**Mr. Gord Johns:** Well, I think that, you know.... How is it that McKinsey can go from \$1.7 million in 2016 to \$32 million, literally skyrocketing year after year? What is McKinsey doing? Who does McKinsey know—

**Mr. Dominic Barton:** This is, again—

**Mr. Gord Johns:** —to have that kind of acceleration? There's no explanation.

**Mr. Dominic Barton:** Just like your SWOT analysis, you should also look at what's happening in the market. You can see from the numbers you just gave that there are even more mammoth increases for other firms, so—

**Mr. Gord Johns:** I think it's less the market and more about who their friends are and what their priorities are. Putting private sector over public sector is what's going on under both these governments.

**Mr. Dominic Barton:** I'm talking about facts, and the fact—

**Mr. Gord Johns:** That's a fact. They're prioritizing the private sector over the public sector; that's what both the Liberals and the Tories are doing.

**The Chair:** I'm afraid that's time, gentlemen.

Mrs. Kusie, you have six minutes, please.

**Mrs. Stephanie Kusie:** Thank you, Mr. Chair.

Mr. Barton, going back to your claim that you don't have a close relationship with the Prime Minister, I have another quote here, and the quote is:

So, I have known him for a long time. The Prime Minister knows him well, as well, and one of the things that is really important in this complicated job is to have someone doing it who can pick up the phone at any time and speak directly to the Prime Minister, speak directly to me, someone who has that personal connection and a personal connection built up over time. Dominic is a person who has that level of trust, first and foremost, with the Prime Minister and also with me.

She also said this:

I think one of the reasons David was able to be so effective is he was in such close and direct contact with the Prime Minister and with me. Dominic will enjoy the same direct access.

That was Deputy Prime Minister and Minister of Finance Chrystia Freeland talking about you, your relationship with her and your relationship with the Prime Minister. Mr. Barton, would you consider yourself a friend of former finance minister Bill Morneau?

**Mr. Dominic Barton:** No, I wouldn't.

**Mrs. Stephanie Kusie:** Okay.

When's the first—

**Mr. Dominic Barton:** I'd like to....

Mr. Chair, can I respond, at least, to the first comment, or is it just going to be a speech?

**The Chair:** Well, it is the member's time.

**Mr. Dominic Barton:** Okay.

**Mrs. Stephanie Kusie:** When did you first meet Bill Morneau, please?

**Mr. Dominic Barton:** I met him at the beginning of the growth council.

**Mrs. Stephanie Kusie:** What year would that be, please?

**Mr. Dominic Barton:** Whenever that...2016.

**Mrs. Stephanie Kusie:** It was 2016, so after the election. The entire context of the meeting was the growth council.

**Mr. Dominic Barton:** Yes. Paul Rochon was the deputy minister.

**Mrs. Stephanie Kusie:** Okay.

**Mr. Dominic Barton:** I remember he called me in New York and said, "Would you like to be a member of the growth council?" I said, "What is that? I don't know what that is." He explained it to me and I said I would think about it. He said that the minister, Bill Morneau, would be leading it.

**Mrs. Stephanie Kusie:** You never met with him prior to his being elected as a member of Parliament in 2015.

**Mr. Dominic Barton:** Not that I'm aware of; not at all.

**Mrs. Stephanie Kusie:** When did you first communicate with Bill Morneau after his appointment as finance minister?

**Mr. Dominic Barton:** It was during the growth council.

**Mrs. Stephanie Kusie:** Who initiated the communication?

**Mr. Dominic Barton:** I think it was Paul Rochon.

**Mrs. Stephanie Kusie:** What was discussed in the initial meeting?

**Mr. Dominic Barton:** It was what the objective was going to be for the growth council.

**Mrs. Stephanie Kusie:** How many times did you meet with Bill Morneau while he was the finance minister?

**Mr. Dominic Barton:** Oh, I don't.... It was over two years. I mean, that would probably be, again, maybe a dozen times.

**Mrs. Stephanie Kusie:** A dozen times.

**Mr. Dominic Barton:** Yes.

**Mrs. Stephanie Kusie:** What was discussed in those meetings?

**Mr. Dominic Barton:** The growth council.

**Mrs. Stephanie Kusie:** How many times did you or McKinsey meet with Bill Morneau's staff?

**Mr. Dominic Barton:** I can talk for myself—

**Mrs. Stephanie Kusie:** Okay.

**Mr. Dominic Barton:** —and about just my meetings with him. I didn't meet with his staff. I would meet with Bill Morneau, typically with Paul Rochon.

● (1705)

**Mrs. Stephanie Kusie:** Which staff in his office did you or McKinsey ever meet with?

**Mr. Dominic Barton:** I don't recall.

**Mrs. Stephanie Kusie:** Did you ever meet with Katie Telford?

**Mr. Dominic Barton:** Yes.

**Mrs. Stephanie Kusie:** How many times?

**Mr. Dominic Barton:** It was similar to the number of times I met the Prime Minister, because she was usually in the room.

**Mrs. Stephanie Kusie:** Did you ever meet with Gerald Butts?

**Mr. Dominic Barton:** Yes.

**Mrs. Stephanie Kusie:** How many times?

**Mr. Dominic Barton:** Fewer, because he'd left, but he was part of that group. When I'd meet the Prime Minister, the two of them would be there, often Bill Morneau, and maybe some other people; I didn't know who they were—

**Mrs. Stephanie Kusie:** Did you ever meet with Ben Chin?

**Mr. Dominic Barton:** Yes, a couple of times.

**Mrs. Stephanie Kusie:** This is a quote from Bill Morneau's book. "A month later, I revealed that Dominic Barton, one of Canada's most insightful and successful international business people, would serve as chair of the council. The council itself would be made up of 14 Canadian and international leaders from business and academia, including Mark Wiseman, Susan Fortier, Michael Sabia, Lisa Linn and Chris Rogan. Thanks to Dominic's role as CEO of McKinsey & Company, the global management consulting firm would assist the council and assess our current situation and future scenarios, as well as drafting recommendations. I also note that all the members of the council would perform their services for an annual salary of \$1 each. McKinsey committed to supporting us on a pro bono basis, working closely with the Department of Finance in what turned out to be a particularly effective partnership."

This is another quote from *Where To from Here: A Path to Canadian Prosperity*, written by Bill Morneau: "We developed a number of good ideas and concepts. They included setting immigration targets and expanding the number of scientists available to work on the new developments that could either support existing economic activities or inspire new ones."

Mr. Barton, McKinsey & Company provided the work on the economic advisory panel, of which you were chair, all pro bono, as you know. If McKinsey were to have invoiced the Government of Canada for that work, how much would they have charged?

**Mr. Dominic Barton:** I have no idea.

**Mrs. Stephanie Kusie:** What kind of information did McKinsey become privy to through the work on the economic advisory council?

**Mr. Dominic Barton:** They were providing information. They weren't getting information.

**Mrs. Stephanie Kusie:** Did your company have to go through any security or background checks, like they would have had to for a government contract?

**Mr. Dominic Barton:** I have no idea. I'm sure they did.

**The Chair:** I'm afraid that is the time.

**Mrs. Stephanie Kusie:** Thank you very much.

**The Chair:** Thanks very much.

Ms. Thompson, you have five minutes, please.

**Ms. Joanne Thompson (St. John's East, Lib.):** Thank you, Mr. Chair.

Welcome to the committee, Mr. Barton. I want to acknowledge that you're here as an independent witness and that certainly you've served under successive prime ministers. Clearly, I'm reading that we...and certainly part of the work of this committee is around a study on contracting and outsourcing. That's very important, and it clearly is where this is very quickly moving.

I have questions, but before I move into those, I would like to give you the opportunity to respond to Ms. Kusie's original question around a note, I presume, from Minister Freeland.

**Mr. Dominic Barton:** Yes. I can't speak to what Minister Freeland says about the relationship. I'm telling you about what my... I know what the relationship is with the Prime Minister, and I'm telling you that it was a professional relationship.

I'm honestly quite shocked at what I'm reading about in the papers. It's incredible. He must find it incredible, because it's simply not true. It was a professional relationship. There was respect. There were always people in the room. That's what it was. I don't know what people's definition of that is.

That's the part I find a little disappointing.

**Ms. Joanne Thompson:** Thank you, Mr. Barton. I promise I won't ask how many times you've spoken to the Prime Minister.

I would like to learn some of your perspective on transparency and the data metrics, because I think you have worked for multiple governments and other countries. I'd be really interested in hearing what it is we need to put in place to ensure that we don't end up, through successive governments, back in a place where outsourcing is this challenging and obviously worrisome when we look at the numbers.

**Mr. Dominic Barton:** This is where the civil service has to play a role, too, in terms of what it wants and what it finds frustrating. I've had two and a half years in the civil service, and I would say that I'm deeply impressed with the quality of people. Deeply. They work incredibly hard; they have high standards and they've been overwhelmed in the last five years. There's been a heck of a lot of stuff happening. The thing is to also ask them what we should be doing in terms of training.

My personal view is that the human resource systems are weak, if I'm blunt about it. They're weak in terms of the training, the career pathing and the mentoring that goes on, yet we have really good people.

We should be looking at how we can further develop their roles and what they do to build the capacity. That's fundamentally what I believe. I think we should involve them, because they will see where it is. Ultimately, they're making decisions, but I think the nature of the work has shifted over the last five years.

● (1710)

**Ms. Joanne Thompson:** Could you elaborate on that?

**Mr. Dominic Barton:** Sure.

First of all, just the number of issues that are being dealt with at any particular time.... I saw it in foreign affairs. You have to move 60,000 Canadians from different parts of the world. That's not been done before.

When I was there, we established a supply chain for PPE. That's not in the book. When you become a diplomat, it's not supposed to say, "You build a supply chain." We had to figure that out. That was from China. At one particular point, 93% of our PPE supply came from China. Deloitte helped. Deloitte played a role, but it was actually civil servants who were doing that. There were tons of other issues going on at the same time.

There's a huge workload that we need to look at. I think the speed with which information moves.... There's not time to be able to absorb and think. You have to react very quickly. There's not enough time to get ahead for the next issue that comes along.

You then have the whole digitization. This is something that's happening to every organization. Customers expect it. They get it from their retailers and they expect it from government, but frankly, we have some quite decrepit systems that have to be shifted. That's a lot of work to be able to do it.

We have to look at some of those elements that are putting pressure on the civil servants and their ability to do their job. I think that would be a very productive process.

**The Chair:** That's your time, Ms. Thompson.

**Ms. Joanne Thompson:** Thank you.

**The Chair:** Mr. Blanchet, you have two and a half minutes, please.

[Translation]

**Mr. Yves-François Blanchet:** I'll be brief. First of all, I don't want to refer to a specific contract because it has obviously been a long time and you've forgotten some bits here and there. Nevertheless, you were the CEO of McKinsey and you know how it works.

Within the overall relationship between McKinsey and the Canadian government, were you the contractee working to improve things or setting targets in areas like immigration?

[English]

**Mr. Dominic Barton:** I have two responses.

First of all, as the head of McKinsey, you don't get involved in contracts. You don't do client work. For nine years—

[Translation]

**Mr. Yves-François Blanchet:** But you know how it all works.

[English]

**Mr. Dominic Barton:** No, I didn't. I also didn't work in government. I worked in banking and consumer goods, not in the government process.

I'm sorry. What was your second point? It was setting targets.

[Translation]

**Mr. Yves-François Blanchet:** Yes.

[English]

**Mr. Dominic Barton:** What happened was the growth council recognized that one of the levers for Canada to be able to be prosperous in the future was labour supply. It was a big gap. The view was we needed to increase the amount of immigration that was going on.

There was a huge debate within the growth council. There were 14 members arguing back and forth. There were some who thought it should be way higher and there were some on the committee who thought we should be very careful about bringing in any more new people. It was a debate.

What we did was we made a recommendation, and then it was up to the government to decide whether to do it or not.

[Translation]

**Mr. Yves-François Blanchet:** That's very interesting, and it was pointed out several times that McKinsey didn't make decisions, but rather recommendations.

The Century Initiative provided advice to the government and the government decided whether or not to follow it. If recommendations were harmful to Quebec, for example, because there is nothing about maintaining a national identity in Quebec, McKinsey is not responsible. I understand clearly that it's Justin Trudeau and his government who are responsible for whatever is wrong in what they adopted from among your many proposals.

[English]

**Mr. Dominic Barton:** There are two things I would say about that.

First of all, the growth council made a recommendation. It's up to the government to do it. We made some other recommendations, by the way, that they didn't want to do. They said no, and we pushed—

[Translation]

**Mr. Yves-François Blanchet:** Nevertheless, the government accepted everything that amounted to interference in Quebec's areas of jurisdiction, which is something you may not have been aware of.

You could have said that you didn't want to go there to avoid interfering in Quebec's fields of jurisdiction, such as professional training and other areas. Maintaining a Quebec identity is important.

Was that taken into consideration? Did anyone express doubts at some point?

• (1715)

[English]

**The Chair:** Give a very brief answer, please.

**Mr. Dominic Barton:** There was debate on that. A recommendation was made. It was up to the government to decide how it wanted to do it—numbers, where, how, the integration. That was over to the government.

[Translation]

**Mr. Yves-François Blanchet:** So it's the government's fault.

[English]

**The Chair:** I'm afraid that's our time.

We have Mr. Johns, please, for two and a half minutes.

**Mr. Gord Johns:** In 2011 there was \$54 million in outsourcing. In 2015 that had doubled under the Conservatives to \$99 million. In 2021 it had gone up fourfold.

You've given voluntary advice to the government. You're deeply impressed with the quality of the civil service. So am I. Did you give any advice on how to stop the out-of-control outsourcing?

**Mr. Dominic Barton:** We didn't see that number. We were looking at how we could improve the average median income for the middle class. That was our focus. We were looking at macroeconomic issues; we weren't looking at the effectiveness of government.

**Mr. Gord Johns:** I'm sure you're aware that three out of 23 contracts awarded to McKinsey were subject to the competitive process usually required for such contracts. The remaining 20 contracts were sole-sourced.

For at least 18 of those, a spokesperson for PSPC said that this was necessary, because it was the only way the government could have access to a type of benchmarking methodology that McKinsey has exclusive rights to. PSPC said, "These services consist of functional tools, databases, and expert support to measure their performance against similar Canadian and international organizations in order to identify deficiencies and opportunities for improvement."

It sounds like a whole lot of words just to say "comparative analysis" to me. Can you maybe explain why this benchmarking methodology is so unique, and why it has the government convinced with absolute certainty—without any attempt to invite competition—that no other company could possibly provide a similar service?

**Mr. Dominic Barton:** The first thing I want to say is that I have different numbers from yours about those percentages. The numbers I saw from McKinsey were that 74% were done on the competitive request for proposal basis and 26% were done with a standing order process—where, again, there are a set of criteria.

The second thing is that it's up to the government to decide what those criteria are. McKinsey doesn't set that up. The criteria would have to include capability.

I might also mention that McKinsey's quite an expensive firm. I admit that. That means that if you're going to even be on there, then you'd better have something that's distinctive. When I was at McKinsey, the R and D budget was about \$500 million a year. That's \$500 million a year—

**Mr. Gord Johns:** It sounds like you're pretty motivated. You're getting government contracts like this off the taxpayer. It would motivate you to invest a lot in R and D, especially with the skyrocketing growth in contracts.

**The Chair:** Gentlemen, I'm afraid that's our time.

Mr. Paul-Hus, welcome back to OGGO. You have five minutes, please.

[Translation]

**Mr. Pierre Paul-Hus (Charlesbourg—Haute-Saint-Charles, CPC):** Thank you, Mr. Chair.

Good afternoon, Mr. Barton.

I have several questions to ask with a view to clarifying a number of points.

You were the global managing director of the McKinsey company from 2009 to 2018. The Trudeau government took over eight years ago, in 2015. From that point on, there was exponential growth in the number of contracts awarded to the company by the Government of Canada.

We would like to know how that came about.

When you were the managing director, you were no doubt involved in the relations. Even though you have said that it's not the case, Mr. Trudeau and Ms. Freeland claimed to be close friends. However, it's not unheard of to boast about being friends with certain people.

We'd like to know the nature of the discussion you had with the Trudeau government, whether with the Prime Minister, Mr. Morneau or someone else, about obtaining contracts that would get McKinsey involved in Government of Canada activities and make it a more active consulting firm.

[English]

**Mr. Dominic Barton:** As I was saying before, there is no relationship on that. I know it sounds like a good story, but there was no linkage between what I was doing and what McKinsey was doing. That's what I've been trying to explain.

[Translation]

**Mr. Pierre Paul-Hus:** Are you saying that you never had any discussions with the Prime Minister of Canada or with former minister Morneau concerning services that McKinsey could provide to help with the various government departments that were encountering problems?

[English]

**Mr. Dominic Barton:** I never had those discussions. Just let me put things in perspective. McKinsey is a very large firm. The work that's going on in Canada is very small. My objective was to not have anything to do with that work. That was up to the Canadian practice. I had no interest, and I had no conversation.

• (1720)

[Translation]

**Mr. Pierre Paul-Hus:** Rather than talk about your personal interests, let's talk about McKinsey.

What we're now wondering is what kind of advice the company was giving to foreign countries like Saudi Arabia, Russia and China.

Here in Canada, there are activities for which budgets are allocated to the departments of Citizenship and Immigration, Public Works and Government Services, National Defence, and the Canada Border Services Agency. There are problems in these four departments.

What we don't like is McKinsey developing a policy structure for the Canadian federal government and the ministers announcing a plan that seems to be coming out of nowhere. We can see that the plan came from McKinsey, but we don't know the exact contents and don't know whether the public service is able to implement it.

For example, the government tabled an immigration plan in November, in which we learned that Canada would be welcoming 500,000 newcomers as of 2025. We know that it was one of your recommendations, but the machinery doesn't appear to be able to follow through on it.

Does the usual practice involve you making recommendations to governments and them doing exactly what you suggest?

[English]

**Mr. Dominic Barton:** Mr. Chair, sir, as I said in my opening statement, we did not make policy. There were recommendations that came from the growth council to the government to decide what they wanted to do. As I said, they rejected a number of the ideas we had. That 500,000 figure did not come from the growth council. That's higher than what the growth council said—it's higher. We didn't have anything to do with policy.

The other thing I should make clear is that the growth council was 14 people. I was the chair, but all those people had input to it. There were people from civil society, and there were academics. I just want that to be clear. It's not—

[Translation]

**Mr. Pierre Paul-Hus:** Let's be even clearer.

What justification can be given for the federal government to give \$24 million to the McKinsey firm in connection with the citizenship and immigration department? What sorts of services or information will McKinsey be providing to the federal government for \$24 million? Can you give me an example?

[English]

**Mr. Dominic Barton:** Again, I wasn't involved in any of the work—

[Translation]

**Mr. Pierre Paul-Hus:** You worked with McKinsey for 30 years. You should therefore have an idea of the sorts of recommendations...

[English]

**Mr. Dominic Barton:** You'll have McKinsey come here, which is good. Ask the team that was working on that, because I honestly have no idea. I wasn't involved.

[Translation]

**Mr. Pierre Paul-Hus:** Without referring to this specific contract, can you give an example of a recommendation you would make to governments? I'm not asking for a specific example because that would involve a confidential document, but what kind of information do you give to governments? Do you design structures or ways for governments to do things?

We're trying to understand.

[English]

**Mr. Dominic Barton:** McKinsey never provides policy advice. They're executing what government wants to do. Just to give you an example, operations would be one, lean operations, anything that involves a lot of processing. It could be visas, or it could be passports. That's like running a Toyota factory, if you will. There are experts in lean manufacturing and operations. That's an area where you could be doing it.

The second one would be digitization of the business. How do you move from paper to the electronic side of things? How does that work? Those would be two examples of work that I'm familiar with in other countries. Honestly, I'm not trying to be difficult. I think you should challenge the McKinsey people.

**The Chair:** I'm not trying to be difficult, but that's our time, gentlemen.

We'll have Mr. Jowhari, please, for five minutes.

**Mr. Majid Jowhari (Richmond Hill, Lib.):** Thank you, Mr. Chair.

Welcome to our committee, Mr. Barton. Let me start by once again thanking you for coming here voluntarily, as well as for the great work that you did in getting the two Michaels released and, as I now understand, for helping us with the supply chain around PPEs during a very difficult time.

Mr. Barton, quickly, in 30 seconds, can you define what the role of the managing director of a global consulting firm is?

**Mr. Dominic Barton:** A managing director's job in a global consulting firm, which basically has 2,500 partners, is basically setting strategic direction in terms of where you want the firm to be in 10 years. It is in the managing of the organization, because it's a complex organization. You have offices, you have sectors like banking, retail and so forth, and you have functions, operations and marketing. That's a complex place. Then it's making appointments, appointing people into different roles.

I also spend a lot of my time recruiting. Recruiting is a very important part of what McKinsey is and where it is, so I was often recruiting. That's the level of what you're doing. You're not in the operations.

• (1725)

**Mr. Majid Jowhari:** Thank you. I appreciate that.

For the record once again, what year was it that you departed from and divested all of your shares in McKinsey?

**Mr. Dominic Barton:** I finished as managing partner on July 1, 2018.

**Mr. Majid Jowhari:** Thank you.

**Mr. Dominic Barton:** I'm sorry, but then I was retiring. Everything was gone as of August 31, 2019.

**Mr. Majid Jowhari:** Can you give us a sense of the revenue of McKinsey in 2018 and then when you fully divested in 2019?

**Mr. Dominic Barton:** We're a very confidential firm, but I could say it was \$10 billion.

**Mr. Majid Jowhari:** It was \$10 billion. Do you have any idea how much revenue from Canada and specifically from the Government of Canada was generated from that?

**Mr. Dominic Barton:** Again, with all respect, I love Canada. I'm from Canada, but Canada did not move the dial anywhere.

**Mr. Majid Jowhari:** I will help you. In 2018, the revenue to McKinsey from the Government of Canada was about \$3.4 million—so \$3.4 million compared to \$10 billion.

Did you, during that time as managing director, set a strategic way of trying to grow the business in Canada and specifically within the Government of Canada?

**Mr. Dominic Barton:** No.

**Mr. Majid Jowhari:** So now we know that between 2021 and 2022 you were completely divested and you were focused on another critical mission abroad. There were services around the immigration, procurement, defence and security industries that were provided by McKinsey.

Did you, while holding your position as part of the economic growth council group, provide any type of facilitation between McKinsey resources...or suggest that the partners get in contact with the Government of Canada, the PMO, the minister's office or the departments?

**Mr. Dominic Barton:** No, I did not.

**Mr. Majid Jowhari:** Do you think any of the recommendations that you were developing...? You were very clear on explaining that your role—and that of the group of 14—was not to develop a policy but a group of recommendations.

Could any of those recommendations in any way have been leaked to McKinsey, and could McKinsey have used them as a way of developing any type of operational, tactical or strategic initiative to secure a contract with the Government of Canada?

**Mr. Dominic Barton:** No.

Again, the contracting process is very rigorous. It isn't done on a relationship, like, "Hey, I know you. You go do it." It's a very strict process. It's even tougher than you would see on the private sector side.

There's competition there, and there are set standards that you have to follow. As I said, I had no discussion whatsoever.... I was not aware of the work that McKinsey was doing.

**Mr. Majid Jowhari:** Thank you.

Are you currently doing any—?

**The Chair:** I'm afraid that's your time, sir. I have taken two seconds away from you, but it's not enough time for a proper question.

Mr. Genuis, you have five minutes.

Welcome to OGGO, sir.

**Mr. Garnett Genuis (Sherwood Park—Fort Saskatchewan, CPC):** Thank you, Chair. I've found the testimony interesting today.

We have heard the Prime Minister speak very fondly and personally about you in public. You told us today that you're not even his friend; you didn't recognize him. However, he knew you were a Habs fan. I wonder if this is just one of those cases of unrequited affection.

Do you know Andrew Pickersgill, and could you tell us what your relationship was with him?

**Mr. Dominic Barton:** Again, with the Prime Minister, the first time I met him was in the elevator going to see Jim Flaherty.

Yes, I know Andrew Pickersgill. He was the office manager of McKinsey in Canada.

**Mr. Garnett Genuis:** Okay. What you're telling us is that you weren't involved in pitching the Canadian government on business opportunities. Presumably it would have been Andrew's role, as the lead on Canadian operations, to lead that sort of work.

• (1730)

**Mr. Dominic Barton:** I don't know. Again, I wasn't involved in any of those.... You should ask him.

**Mr. Garnett Genuis:** Okay.

What role did Mr. Pickersgill play in relation to the financial advisory council on economic growth?

**Mr. Dominic Barton:** What Andrew did was to ensure we had analysts to provide the data and information needed for the growth council to be able to help in terms of what we were looking at.

**Mr. Garnett Genuis:** Andrew was working with you on the growth council. His work on potentially pitching the Government of Canada on business is something you're not aware of either way. I want to note for the committee's sake—and maybe you want to comment on this—that I've accessed an email from a Kevin d'En-

tremont at McKinsey, obtained through ATIP, that's pitching the Government of Canada on contracts, offering to connect members of the government with Mr. Pickersgill, and noting in the course of that email the work he did with you on the financial advisory council.

You may not be the link, but it seems that Mr. Pickersgill, who was involved both in the advisory council and in being a vendor to the government, was involved in both aspects of that operation.

Do you want to comment on that?

**Mr. Dominic Barton:** I think you should ask him when he's here. My other comment is that there is a rigorous evaluation process to look at whether or not the work would occur.

**Mr. Garnett Genuis:** We know there have been many cases of sole-sourcing, but I appreciate that we've established...and Mr. Pickersgill, I think, would be someone worth bringing to the committee.

Mr. Barton, following the initial invasion of Ukraine by Russia in 2014 and during your tenure at McKinsey, McKinsey continued to work closely with Russian banks and state-affiliated companies, including those that were subject to western sanctions. McKinsey was doing work for National Defence in Canada and the United States and other western countries while it was also cultivating a close relationship with authoritarian powers—Russia, China and Saudi Arabia. Can you assure this committee that analysts working for National Defence did not also participate in any projects involving state-affiliated entities in Russia and China?

**Mr. Dominic Barton:** Absolutely. I have no idea about what was done in terms of what you're saying on the Russian military side, but I know there are very strict conflict requirements and standards in countries that you work in, so McKinsey would have to follow those.

**Mr. Garnett Genuis:** Would it ever have happened, for instance in the United States, that the same analyst did work for Purdue Pharma and for the FDA at the same time?

**Mr. Dominic Barton:** I don't know. I think—

**Mr. Garnett Genuis:** Would that be a conflict of interest if it had happened?

**Mr. Dominic Barton:** I think there is very good testimony from Bob Sternfels, who is the current managing partner, to a committee discussing that. I'm not familiar with that, but I know that—

**Mr. Garnett Genuis:** You were leading McKinsey at the time though. Is that right?

**Mr. Dominic Barton:** Yes—

**Mr. Garnett Genuis:** You led McKinsey through their advice to Purdue. It was around the time you departed that the relationship between McKinsey and Purdue ended. The New York Times has reported that there were analysts who worked for both the FDA in the U.S. and for Purdue Pharma at the same time.

You're telling us that McKinsey had stringent conflict of interest rules, but you had analysts who were simultaneously working for drug manufacturers and the FDA. Did that ever happen in Canada?

**Mr. Dominic Barton:** First of all, I want to answer that.

I think you should actually look at the testimony that was given—

**Mr. Garnett Genuis:** I can, but can you answer the question, sir? You were leading McKinsey at the time.

**Mr. Dominic Barton:** When you leave McKinsey.... As I said before, I'm not involved in—

**Mr. Garnett Genuis:** This is about your time, while you were there, sir.

**Mr. Dominic Barton:** On any given day, there were 3,000 engagements going on. That's not what I'm involved in. I didn't lead the pharma practice.

**Mr. Garnett Genuis:** Did you set the conflict of interest rules, though, and did you set rules that would have allowed someone to simultaneously work for the FDA and a pharmaceutical company? In Canada, if someone is working for a project for Health Canada and for a drug company, that's a problem.

**The Chair:** Mr. Genuis, that's your time.

Mr. Bains, it's over to you for five minutes.

**Mr. Parm Bains (Steveston—Richmond East, Lib.):** Thank you, Mr. Chair.

Thank you for making yourself available today, Mr. Barton, and for bringing your testimony forward.

I think you were talking a bit about the marketplace and you were cut off. Can you talk a little about that?

With respect to the steady growth of these contracts, how do you explain the increase? You were about to say something, but I think you were cut off.

• (1735)

**Mr. Dominic Barton:** It was really around the question of outsourcing, and what's happening.

I think we're in a time of immense change and pressure on organizations, not just the government, but also the private sector and social sector. The consulting industry has been growing very quickly. That's just the underlying shift that's going on. Yes, it's happening in government, and it sounds like a very large increase, but it has also been happening in the private sector and the social sector. That's what I was trying to get at. Again, there are things like digitization. That's a one-off that has to occur. The COVID situation led to all sorts of issues for organizations.

All I know is that most consulting firms were extremely busy. They didn't have enough people to be able to do the work. Again, you should ask others who come in here to talk about it. I wasn't working there, but that was my sense of it.

There was a very significant increase in the size of the consulting market.

**Mr. Parm Bains:** You indicated that the issue around human resources within government is that there needs to be more training and that governments may not be able to fulfill the labour pool for the skilled work that's necessary. We heard a little about this in the last meeting—about offering proportional salaries with the private

sector and the labour pool for skilled IT workers already being limited, particularly if you consider the government's language requirements and diversity goals.

This action would intensify the demand based on the market needs that you're mentioning there.

Do you think this would attract the skills the government needs, or is it more likely to cause private sector firms to increase their wages to retain their employees?

How are we going to compete for the necessary skill set?

**Mr. Dominic Barton:** We have to put more investment in training for the civil service, as I said, to build the capacity. These are all skills that you can learn, but we have to invest in people to be able to do that. That's what the private sector is doing.

I remember from McKinsey that for a lot of things we would be working on, five years later the companies were doing them. If I went to that same company and said we'd like to do this particular type of service, they'd say they were already doing it.

That's the sort of capability building we need to think about to help civil servants with the scale of issues that are coming up and to enable them to do it.

**Mr. Parm Bains:** With contracts with, say, McKinsey, what measures are in place to ensure that government information is not shared with other organizations that contract with McKinsey?

**Mr. Dominic Barton:** There are very strict rules on the data side, in terms of where that is. The data belongs to the company or to the organization you're working with. That's a very strict rule in the process.

**Mr. Parm Bains:** Do I have any more time, Mr. Chair?

**The Chair:** You have a full minute.

**Mr. Parm Bains:** Have you ever or do you know of an instance where McKinsey met with the Minister of Immigration on Canada's immigration targets?

**Mr. Dominic Barton:** I don't know that.

**Mr. Parm Bains:** How can government improve access to contracts that the government signs with consulting firms?

**Mr. Dominic Barton:** It could be perhaps this committee looking at it and doing some samples. You'd take a look at a sample of an actual contract and see what happened. How was the consultant selected?

That's what I would do if I were in here. I would take, say, five and look at the process of who was involved and how many competitors there were and then at the impact of what happened. Did the consultant—in terms of what they said they were going to do—actually make it happen? How did people feel?

I'd do a micro look at that and not just look at the macro.

**Mr. Parm Bains:** Thank you.

**The Chair:** That is your time now, Mr. Bains.



Next we have Ms. Vignola, please, for two and a half minutes.

[*Translation*]

**Mrs. Julie Vignola (Beauport—Limoilou, BQ):** Thank you very much, Mr. Chair.

Thank you, Mr. Barton, for being with us this evening.

I looked at the recommendation made by the Century Initiative, and at the recommendations from the Advisory Council on Economic Growth. You were saying earlier that the government didn't act on the Century Initiative recommendation to welcome 450,000 immigrants, and that it had decided to increase the number to 500,000 immigrants. The Century Initiative also suggested that by 2026, the target would represent 1.25% of the Canadian population, which would mean 500,000 people in that year. That amounts to saying that the government is taking things even farther than one of your suggestions. I am saying "your" because you were on the Century Initiative board of directors, as was Mark D. Wiseman.

I further noted that many of the Century Initiative suggestions ended up among those made by the growth council. I'd like to understand why. You, Mr. Wiseman and Mr. Andrew Pickersgill, who helped you, were all involved in the Century Initiative, and many of the people from that organization were also on the growth council. I would therefore like to understand the ties between the two bodies.

Lastly, why is the government implementing, and even going beyond, debatable measures in terms of the preservation and promotion of French?

• (1740)

[*English*]

**Mr. Dominic Barton:** There are a couple of pieces to the comments you've made.

One, the Century Initiative was separate, obviously, from the growth council. I think it was set up in 2011. A group of people worked on that. Mark Wiseman was a driver of it—

[*Translation*]

**Mrs. Julie Vignola:** As I recall, it was published in 2016, was it not?

[*English*]

**Mr. Dominic Barton:** Yes, but the Century Initiative started in 2011. I wasn't involved in the day-to-day, but I did give money to it. I thought it was a good initiative. Again, I wasn't in Canada, but I think it's a good thing.

Mark Wiseman was picked, but not because he was in the Century Initiative. He was the head of the Canada pension plan. That's why he was on there.

Everyone brings their own affiliations and views to the growth council. We had a very wide group. There were people on the growth council who did not want to increase immigration by very much. That was one debate that occurred. We gave the government.... We didn't say, in a single point, "This is what we think." We said that the majority of people believe we need to take it up to 450,000, eventually, over time. Colleagues said, "Let's be careful.

Do we have the ability to absorb them as they go through?" We gave a range.

There were also some people who were concerned about—

**The Chair:** I'm afraid I have to interrupt you again, Mr. Barton. Our time is up. These little rounds go by quickly.

Mr. Johns, you have two and a half minutes.

**Mr. Gord Johns:** Mr. Barton, you're well aware there's a toxic drug crisis—an epidemic—happening in our country. People are dying in my riding—people I know. Many people's first exposure to opioids is when they get a prescription from a doctor.

Are you familiar with any of the instances in which McKinsey & Company—either in Canada or in the United States—advised clients on how to boost the sales of opioids such as OxyContin, whether through communications strategies, media advisory services or other marketing advice?

**Mr. Dominic Barton:** As I said about the opioid situation.... I want to acknowledge where McKinsey did work on that, particularly with one institution—with Purdue. We did work on that. The work was lawful, but it obviously fell far short of the standards of what we did. I've acknowledged that I feel.... Didn't I just say I feel very badly about that?

We shouldn't have done it, but I think there's a difference between that issue—which is a mistake—and saying we were the architect of a broader program.

**Mr. Gord Johns:** Right now, you can look at the court decision where McKinsey agreed to pay \$600 million in a lawsuit because thousands of people died as a result of the cutthroat marketing of opioids.

My question to you is this. Do you think it's appropriate for the federal government of Canada to give millions of dollars of taxpayers' money in contracts to a company that is responsible for, or participated in, the deaths of thousands of people? Do you think that's ethical? Do you think those are values espoused by any government in this country—doing business with a company with that track record?

**Mr. Dominic Barton:** The first thing I would say is that, again, I acknowledge there was work done on the opioid side. I do not believe you can say that McKinsey is responsible for the whole piece, so—

• (1745)

**Mr. Gord Johns:** Here's a question for you: Do you think it's appropriate for a for-profit company to create medical advice that is counter to the needs of the public health care system? Give me a yes or no.

**Mr. Dominic Barton:** What you want to look at is the capability of the firm and what they do. The reputation of McKinsey is much broader than that—

**Mr. Gord Johns:** Is that even a question? It's a simple yes-or-no answer: Do you think it's okay for a company to give advice that is counter to a public health care system?

**Mr. Dominic Barton:** Look, I think you're trying to make it a simple question. I think there are many aspects—

**Mr. Gord Johns:** I think it's pretty straightforward.

**The Chair:** I'm afraid that is our time.

Mr. Johns, you'll have one more round after this, to continue.

Mr. Genuis, you have five minutes.

**Mr. Garnett Genuis:** Thank you, Mr. Chair.

I understand that McKinsey is a large company, and I get that as the big boss, you didn't necessarily know everything that was happening—every letter mailed, and so forth—but you must have known certain things. Certainly, you're responsible for the culture that existed at the company.

To follow Mr. Johns' questions, you've acknowledged that something happened that shouldn't have happened with respect to Purdue Pharma. I would like to know what you think happened that shouldn't have happened, and who you think is responsible for that.

When did you first become aware of the work your company was doing for Purdue Pharma?

**Mr. Dominic Barton:** I became aware of that work after I had left the leadership role in McKinsey. That's when I heard about that work. Again, that's not an excuse. I'm just saying that I heard about it when there was litigation beginning to occur. That's when I first heard about it.

**Mr. Garnett Genuis:** You left the leadership role, from what I understand, in 2018.

**Mr. Dominic Barton:** Yes.

**Mr. Garnett Genuis:** McKinsey started working for Purdue Pharma in 2004. Are you really telling this committee, on a file that literally dozens of senior partners were working on, that you as the managing partner had no idea about such a prominent and potentially controversial client that the firm had for 15 years?

**Mr. Dominic Barton:** I've explained before. There are 3,000 client engagements going on at any particular given time—

**Mr. Garnett Genuis:** That's right, but they weren't selling socks in southern Ontario. These were people who were doing billions of dollars in business, who caused the opioid crisis, who invented OxyContin and who invented modern pharmaceutical advertising. They were your client for 15 years. Are you saying you had no idea they were a client? Did you know any of your clients?

**Mr. Dominic Barton:** I don't know all of them, no. That's totally not.... I don't think you understand.

**Mr. Garnett Genuis:** If you had no idea that you were working for Purdue, then what did you do all day as managing director?

**Mr. Dominic Barton:** I think maybe you should spend some time and understand how a consulting firm works.

**Mr. Garnett Genuis:** I would love to understand how McKinsey works, because right now I'm very concerned. How could you as managing partner not know the name of a client, who, by the way, in 2007, pleaded guilty to misbranding its product?

Did someone at some point not think, "We're taking on this client that pleaded guilty for misbranding its product; we're offering to

help them sell more of that product, and we're making proposals that include paying bonuses to pharmacists for overdose deaths and that include proposals to go around traditional pharmacies by creating mail-in pharmacies"? All of these proposals were coming forward. Did nobody think that maybe they should loop in the managing director, given the reputational implications for the company?

Is that what happens at McKinsey, sir?

**Mr. Dominic Barton:** Well, in this case it did, and guess what? McKinsey has learned from that and figured out, precisely because of what you said.... This had been a long-term client.

There are very rigorous processes for becoming a client, whether it should work or not, and what was learned from that was that there should have been more challenge coming from the pharma practice. In a pharma practice, there are hundreds of clients.

**Mr. Garnett Genuis:** I guess one other way to put it is this: Were you aware of any clients involved in opioid manufacturing? J&J has been sued over this. Were you aware that there was a pharma practice, and did you maybe know some of the clients but not others?

**Mr. Dominic Barton:** I knew of the some of the clients in there, but as for the opioids and our being anywhere involved in that, I did not know that, and there are other organizations, like Walmart. There are many people who were involved, unfortunately, in this whole situation, and that—

**Mr. Garnett Genuis:** Bluntly, sir, I just don't believe you. I cannot believe that you led this company as the managing partner for a decade, worked for multiple different opioid manufacturers and worked for Purdue for 15 years, and that nobody said in passing.... It's on the record that dozens of partners were working on these files, and you had no idea they were a client. What does it mean to run the company, then?

● (1750)

**Mr. Dominic Barton:** There are 2,700 partners in McKinsey & Company, 2,700 partners. A managing partner can't know—

**Mr. Garnett Genuis:** Even if you were following the news, you would have known that McKinsey did work for Purdue. It was publicly reported on while you were leading McKinsey.

**Mr. Dominic Barton:** Well, I would suggest that you come, take a look and see how McKinsey and other consulting firms work, because I don't think you understand how the process works—

**Mr. Garnett Genuis:** I will just say in closing that however friendly you are or aren't with the Prime Minister, one thing you have in common with him, sir, is that you don't seem to claim responsibility for anything that happens under you.

**The Chair:** That is our time.

Mr. Kusmierczyk, you have five minutes.

**Mr. Irek Kusmierczyk (Windsor—Tecumseh, Lib.):** Thank you, Mr. Chair and Mr. Barton.

I want to pick up on a comment by the colleague beside me and an observation he brought forward about the comparative value of contracts that McKinsey has with the Government of Canada.

In your last full year as the head of McKinsey in 2018, the value of federal contracts with McKinsey was \$3 million. Again, compare that to the \$10 billion that McKinsey brings in globally.

The Library of Parliament, in its report analysis, looked at consulting contracts for the big six consulting companies: Ernst & Young, KPMG, Accenture, PricewaterhouseCoopers and Deloitte. When you look at the value of the contracts from 2005 to 2022, the value of the McKinsey contracts is about 3%, so the value of the McKinsey contracts is dwarfed by the contracts that are provided to Deloitte, Accenture and PricewaterhouseCoopers.

Can you speak to why that is and why, for example, other consulting companies are providing services on a much greater scale than McKinsey?

**Mr. Dominic Barton:** I don't know about that. It's maybe more fundamental to their practice. It's critical to what they do. The public sector practice, when I was at McKinsey, was 5% to 7% of a practice, and in some countries it was nothing.

If I might say so, working with the government is difficult. It's more difficult than working with the private sector, and that's not about the people. It's just a very complicated process, for good reason, in where it is. We have fewer...we have to think about the focus of the time and so forth.

It's a good question, though. I think it's a very good question for the committee to ask, and it gets to your point, if I might say so, which is to broaden it. There are other institutions that are doing well, growing, or however you want to say it. Why, and how does that work?

**Mr. Irek Kusmierczyk:** To your point, Mr. Barton, admittedly there has been a rise in consulting contracts for government, especially in 2020 and 2021. That's when you saw the contracts increase, but they increased across the board for all consulting firms, whether it's Deloitte, KPMG, PwC, Ernst and Young or McKinsey & Company, and I would even say that in the real raw numbers the increases we saw were greater for those companies than in McKinsey.

Can you speak to why you think there was such an increase in consulting services to the federal government in 2020 and 2021? What are some of those forces that the government was trying to deal with?

**Mr. Dominic Barton:** Again, I'm just coming at it from what I saw, but one is COVID. The amount of effort that had to go into

dealing with the problem on the health care front.... It was just like a nuclear bomb went off in terms of the scale of what was happening, so I think that has to be a chunk of it.

I saw a piece of it, just with the PPE supply chain that we had to build up from zero. It was a huge effort to get airplanes to be able to—

**Mr. Irek Kusmierczyk:** At the end of the day it was to keep Canadians safe.

**Mr. Dominic Barton:** Yes, and then I mentioned the digitization. This is a new phenomenon whereby organizations are digitizing themselves. That's a complex, heavy-duty piece of work that has to occur. That's also happening. COVID accelerated that, because people couldn't communicate, so you had a big advance on that side.

The other issue is the geopolitics and the supply chains. I think, actually, with the war you have all sorts of challenges relating to food security, supply chains, friend-shoring—whatever you want to call it—and that's a different landscape from what we've had before.

Those are just three things I could see. I'm sure there are more. As I said, again, the repatriation of 60,000 Canadians doesn't cost nothing, and there aren't resources to be able to do that. I remember on that one getting phone calls asking me to figure out who was the CEO of Air India, how we were going to be able to get people here on the cruise ships and how that works. These weren't relationships that consular affairs would typically have.

It wasn't in the playbook, so there were new playbooks that had to be built quickly and at scale, and I think that's when you ask for help. The organization I worked with, when it was Deloitte—and again it's not to make an advertisement for Deloitte—was very helpful. I'm glad they were in the PSPC, because they helped organize all the different suppliers that we were looking at and made sure we had our quality—

● (1755)

**The Chair:** Thank you, Mr. Barton. I'm sorry.

We're approaching our final round now.

It's back to you, Mr. Genuis, please, for five.

**Mr. Garnett Genuis:** Thank you, Chair.

I want to just start by clarifying the interactions involving Mr. Pickersgill.

Mr. Pickersgill accompanied you to meetings with the Prime Minister and with various officials, and he was responsible for coordinating the research associated with the work of the growth council.

Is that correct?

**Mr. Dominic Barton:** No, it's not correct. He did not come to meetings with the Prime Minister. The meetings with the Prime Minister were very few and far between, and they involved Mr. Morneau, Bill Morneau—

**Mr. Garnett Genuis:** From the McKinsey side, though, I'm asking.

**Mr. Dominic Barton:** The McKinsey side was me. There were no McKinsey people coming into the meetings with the Prime Minister.

**Mr. Garnett Genuis:** Mr. Pickersgill was supporting you in terms of the research and analysis, although you're saying he wasn't attending meetings.

**Mr. Dominic Barton:** He wasn't supporting.... The Prime Minister was not in any of the growth council meetings, not one, just as Prime Minister Harper, by the way, was not in any—

**Mr. Garnett Genuis:** Mr. Pickersgill was supporting the work of the growth council.

**Mr. Dominic Barton:** Mr. Pickersgill was saying that we, the committee—the whole committee, the 14 people—needed support with data.

**Mr. Garnett Genuis:** That's right. He was supplying that.

**Mr. Dominic Barton:** No. He provided people who supplied it.

**Mr. Garnett Genuis:** I have emails that I referred to earlier, where he is in the process of pitching the government on work that McKinsey could do for the government, citing his work in supplying people and in otherwise supporting you for the growth council.

That is consistent, I think, with your testimony, although you said he wasn't physically present at the meetings.

**Mr. Dominic Barton:** It's not consistent with my testimony. What I said was that I don't know what he was doing on that side.

**Mr. Garnett Genuis:** You don't know what he was doing on that side. That's another thing you don't know, then.

Is that fair enough?

**Mr. Dominic Barton:** I don't think that's a very fair comment.

**Mr. Garnett Genuis:** It's something you don't know. Is that correct?

**Mr. Dominic Barton:** Yes, and why should I know?

**Mr. Garnett Genuis:** All right.

I wanted to follow up on the issue of McKinsey's work for Purdue, aside from what you did or did not know. I would at least appreciate your opinion on one point.

McKinsey has been forced to pay hundreds of millions of dollars to compensate victims of the opioid crisis in the United States. However, to date it has not paid out any compensation in Canada.

Do you think Canadians who have suffered as a result of the opioid crisis should be entitled to the same compensation from McKinsey that was paid out in the United States?

**Mr. Dominic Barton:** You should talk to McKinsey about that. That was a settlement in the U.S. That was a settlement because—

**Mr. Garnett Genuis:** Canadians were victims of the opioid crisis as well.

Should Canadians not—

**Mr. Dominic Barton:** I think you need to talk to McKinsey about that.

**Mr. Garnett Genuis:** Do you not have an opinion on that, though?

**Mr. Dominic Barton:** I don't know the details. I don't know what role McKinsey played in that at all.

**Mr. Garnett Genuis:** Even if you didn't know about it at the time, weren't you sort of interested in reading about it afterwards to understand the fact that the company you led has been involved in causing this massive public health crisis that has killed, by now, probably hundreds of thousands of people?

**Mr. Dominic Barton:** There you go again, saying that we're responsible for the entire thing. I totally disagree with that.

• (1800)

**Mr. Garnett Genuis:** You paid \$600 million in compensation. That implies that there was some level of responsibility, surely. People generally don't pay that level of compensation if they're not.

**Mr. Dominic Barton:** We made a mistake.

You make a calculation—

**Mr. Garnett Genuis:** What was the mistake, then?

**Mr. Dominic Barton:** Can I just explain something first?

Maybe you're not familiar with how settlements work, but in settlements, there's a huge amount of litigation that could occur. We could have been in the courts in the U.S. government for a decade.

What we decided to do, I'm sorry to say that—

**Mr. Garnett Genuis:** You just said you made a mistake.

What was the mistake?

**Mr. Dominic Barton:** Hang on, I just want to finish what I was saying—

**Mr. Garnett Genuis:** No, I'm sorry. It's my time.

What was the mistake?

**Mr. Dominic Barton:** The mistake was not realizing what Purdue was doing in the system and, as you said, stopping work with that client. That's the mistake.

**Mr. Garnett Genuis:** Right. What were Purdue doing that you didn't realize they were doing?

**Mr. Dominic Barton:** I don't have the details on that. My understanding is that they were playing a role in broadening the use of opioids in the U.S.

**Mr. Garnett Genuis:** It was McKinsey that was advising them on how to turbocharge those sales. Turbocharging sales was in the title of the project you did for them.

**Mr. Dominic Barton:** There are a lot of sensational words in there. What I would—

**Mr. Garnett Genuis:** Sensational?

**Mr. Dominic Barton:** Yes, because—

**Mr. Garnett Genuis:** Say it's sensational to the families who have lost loved ones, sir. This isn't sensational; this is real life.

**Mr. Dominic Barton:** What I know is that in that settlement there was nothing done unlawfully.

**Mr. Garnett Genuis:** Hundreds of thousands of people died as a result of the illegal misbranding and overpromotion of OxyContin. This happened in a context in which McKinsey was advising Purdue on strategies to increase opioid sales and target pharmacists who were already prescribing at higher levels. You didn't know about that. You say something happened that was wrong. I don't know that you know what was done that was wrong.

What did McKinsey do wrong here, in your view?

**The Chair:** I'm afraid we have to end on that, Mr. Genuis.

We'll go to Ms. Thompson, please, for five minutes.

**Ms. Joanne Thompson:** Thank you.

I would like to just circle back to a conversation we were having earlier. It's come up in some of the back-and-forth. It is around the realities of moving into a 21st-century economy with COVID, where a world shut down and then at the same time opened up, and the reality of how challenging it's been.

Going forward and understanding that it's probably not going to turn in the next number of years into a very peaceful space in which we can methodically move forward in terms of managing the rate of change, how do governments, for example, work across sectors—including consulting firms—to bring preCOVID practices very quickly up to this very fast-paced reality in which we're finding ourselves?

Back to the transparency and data piece, how can we do this so that we don't continue to have these same conversations without having mechanisms that can give us assurances that things are indeed progressing in a way that is inclusive and ultimately allows governments to have workforces that are able to do much of this work?

**Mr. Dominic Barton:** I think there are a couple of aspects.

Again, I go back to the training and reskilling of people. This is happening in companies. You see the training budgets in Fortune 500 companies accelerating at a very high rate. People are doing fundamentally different things. What I'm doing now will probably be very different from what I do five years from now, so how do I help to do that? They're spending a lot of money on that. That can be done internally. Again, when I was at McKinsey, other than the R and D that I talked about, our biggest budget was training, because you have to do it.

More resources are needed to train the people we have, and we need to recognize that that's the case. I think there can be private sector organizations to do that, including universities. You don't go away for a year. It's a two-week program, or it's a part-time program. AT&T has done this. It's two hours a week, and you get a medallion certificate as a digital expert if you want to do it. It's done so you can work and learn, right? We need that.

There's a technology transformation that's needed in this government and in all governments. I don't want to be harsh about it, but

we're in the Stone Age. We have to spend the money. That will need a lot to be able to do it, but it will enable the organization to do more if we do it.

In my view, it's the training and technology. I think that having people go in and out.... Having private sector people coming into government and government people going into the private sector is good to broaden the mind.

The other thing I always keep in mind with these changes.... The average lifetime of a company in 1935, which wasn't a good year to be on the stock exchange, was about 90 years. The average lifetime of a company that's on the stock exchange today is about 14 years. It just shows you the rate of change. It's very difficult to keep up. Nothing is going to replace the government. You're not going to have a new government, but we have to have that mindset.

Personally, for whatever it's worth, I think it's the training and technology.

• (1805)

**Ms. Joanne Thompson:** I certainly appreciate that you have come forward, and certainly you have been quite open to the questions, be it they're very direct at times.

Is there anything you would like to put on the record that wasn't said at the end of a conversation round?

**Mr. Dominic Barton:** If I may make a personal comment, again, I'm finding this thing quite bewildering. I'm a Canadian who wanted to give back. I've been away from my country. I want to help. I think I helped. That's why I think the Prime Minister has said those nice things about me. It was not because we're friends but because of impact. I've been dedicated.

When I went to China to do that work, that was probably the most difficult professional challenge in my career. I've never had harder work. I feel like I've been trying to help. There's this scheme now that I'm somehow a puppet. I find it sad. I find it frustrating, because that is not who I am and what I do. It makes me sad—

**The Chair:** I apologize, Mr. Barton. I've been doing this to you a lot. I have to cut you off again, because we're going to our next member, Mrs. Vignola, for two and a half minutes, please.

[*Translation*]

**Mrs. Julie Vignola:** Thank you very much, Mr. Chair.

I'll begin with some very brief questions.

There's a lot of talk about McKinsey. Is withholding the client's name, and asking the client not to mention McKinsey when asked about the links between them, part of the culture at McKinsey?

[English]

**Mr. Dominic Barton:** Clients prefer confidentiality, because they don't want to let other people know that McKinsey's working there. They could be working on R and D. Usually, all of them have strict confidentiality requirements.

[Translation]

**Mrs. Julie Vignola:** Okay.

To whom should consulting firms working for governments be accountable?

[English]

**Mr. Dominic Barton:** They're accountable to the client. The client—the government, or whichever department it is—has made an agreement on what it is they'd be delivering, and they have to then deliver that.

[Translation]

**Mrs. Julie Vignola:** So they aren't accountable to citizens, only to clients.

[English]

**Mr. Dominic Barton:** Yes.

[Translation]

**Mrs. Julie Vignola:** I don't know what term I should be using for consulting firms, but are they also accountable to partners, associates or shareholders?

[English]

**Mr. Dominic Barton:** Do you mean to the shareholders of the company?

If a company hires us, it's the management team that will evaluate what's happening. The shareholders aren't aware. They're not into the details. Even the board wouldn't know the details.

[Translation]

**Mrs. Julie Vignola:** That's clear, but in the end, the work is also done on behalf of shareholders. So consulting firms are not accountable to citizens at all.

[English]

**Mr. Dominic Barton:** In my view, the similarities—

**The Chair:** Can you give a very brief answer, please, Mr. Barton?

**Mr. Dominic Barton:** There is a similarity between the two. The departments have to have.... Obviously, if they haven't done something right, they're going to be in difficulty, because the population will be upset.

**The Chair:** We'll go to Mr. Johns for two and a half minutes, please.

• (1810)

**Mr. Gord Johns:** Thank you.

The Prime Minister, in terms of the outsourcing, says it's "illogical and inefficient". Those are his comments on one of the contracts that went out. He tasked the Minister of Public Services and Pro-

curement and the President of the Treasury Board to look into it, to take a deep dive and look at what's going on with outsourcing.

He's deflecting. He's not taking responsibility.

You're here. You haven't had answers for a lot of questions. You said, "We don't know how it works." I have a pretty good idea how it's working. It's working for consultants quite well.

Who knows? Who knows how it works? Who has the answers to the questions we're asking?

**Mr. Dominic Barton:** The first thing I'd say is I'm not surprised at all that the Prime Minister's.... He wouldn't be involved in the contracts. As I said, these are done by civil servants. The Prime Minister has nothing to do with it.

**Mr. Gord Johns:** You don't know either. It seems like nobody knows the answers.

Obviously, you saw something. You saw a vulnerable Canadian government.... You and the six other big companies saw something here. You saw a vulnerable government, so you created a shadow government. You're even telling us that there are record amounts in research and development in these consulting companies.

There is a new phenomenon. You're absolutely right. The new phenomenon that's been skyrocketing out of control for a decade is of outsourcing. It has gone from \$50 million under the Conservatives. It doubled under them and has gone up fourfold under this government.

You love your country. How do we stop it?

**Mr. Dominic Barton:** I think that focusing on the training and the technology development in the civil service is there, but I also think it's the nature of the work. Consulting firms have consultants.

**Mr. Gord Johns:** No kidding. They're subcontracting out, and they're expensive consultants, charging expensive consultant money.

I guess my question to you is this: Do you think this is ethical?

**Mr. Dominic Barton:** I think consulting the government is ethical.

**Mr. Gord Johns:** You think making profit margins off subcontracting, like we saw with GC Strategies.... These guys are making between 50% and 30%. We don't even know. They're not sharing that information with us. They subcontracted out. These guys are making between \$1.3 million and \$2.7 million just on the Arrive-CAN app.

Do you think it's ethical that two guys who don't have an office and who have no staff—they could just have two stools at a bar—make that kind of money? They're not even tech guys.

**Mr. Dominic Barton:** I'm not familiar—

**Mr. Gord Johns:** It's who you know. That's really what it is.

**The Chair:** I'm afraid that is our time.

We're going to go to Mr. Paul-Hus, please, for five minutes.

[Translation]

**Mr. Pierre Paul-Hus:** Thank you, Mr. Chair.

I'm going to share my speaking time with Ms. Block.

First of all Mr. Barton, I'd like to tell you that you're a fascinating person. You've told us that you worked for the McKinsey firm for 30 years, and that for nine years, you were the global managing director, but that you have no recollection of what went on. That's rather intriguing.

I'd like to ask you a straightforward question. Can you tell me how things work when the McKinsey firm is giving advice to the Department of National Defence and Lockheed Martin at the same time? Don't you think that's a glaring conflict of interest?

[English]

**Mr. Dominic Barton:** Between which companies?

[Translation]

**Mr. Pierre Paul-Hus:** The example I gave was the Department of National Defence and Lockheed Martin.

Your company advises the government...

[English]

**Mr. Dominic Barton:** I'd like to make two comments. I said I don't know what's going on with the Canadian contracts at McKinsey & Company. I'm not embarrassed about that at all.

[Translation]

**Mr. Pierre Paul-Hus:** I'll ask the question hypothetically.

Suppose that a department of defence in a country like Canada signed a procurement contract with a company like Lockheed Martin. Would it be appropriate for your former company to be providing advice to both parties at the same time? Wouldn't that be a conflict of interest?

[English]

**Mr. Dominic Barton:** Yes, there's very strict conflict.... As long as there are strict walls in terms of the information...that those do not go between.... They can't. McKinsey & Company works with competitors in the industry. You have to have very strict walls in terms of who the people are who work in that particular industry, the data that's—

[Translation]

**Mr. Pierre Paul-Hus:** So McKinsey is aware of everything, but the partners on each side do not know what is happening on the other.

I have to give the floor to my colleague. Thank you.

[English]

**The Chair:** Go ahead, Mrs. Block.

**Mrs. Kelly Block (Carlton Trail—Eagle Creek, CPC):** Thank you very much, Mr. Chair. Thank you to my colleague for splitting his time with me.

I want to follow up on some of the questions that my colleague Mrs. Kusie was asking you. When it comes to pro bono work and the work that was pro bono when you were participating on the economic advisory panel—or when McKinsey was—is it common practice for McKinsey & Company to provide work pro bono?

**Mr. Dominic Barton:** Absolutely it is. McKinsey provides pro bono...to the United Way, to various different organizations. This is part and parcel of what they do around the world.

• (1815)

**Mrs. Kelly Block:** They're doing this pro bono work for the government. You clarified that in its pro bono work, McKinsey would not have been privy to any information that would have positioned it to procure future contracts. If that's the case, why does McKinsey do this?

**Mr. Dominic Barton:** It's because it's about being a part of society. Other organizations do that too. Corporates do a lot of pro bono work. It's a normal thing for all corporates to provide pro bono services.

**Mrs. Kelly Block:** What you are positing to this committee is that a consulting firm does pro bono work for a client and then ends up with some very lucrative contracts falling on the heels of that pro bono work. There is no correlation between the two of them.

**Mr. Dominic Barton:** Yes. I think you're missing the connection. To be able to get that work, a very rigorous process is gone through. Just because you know someone doesn't mean you will get the work. It's not about a relationship. You have to follow the criteria that are set, and they include the price. They include your capabilities, your track record, your references. I don't see that linkage.

**Mrs. Kelly Block:** Okay, so it's not who you know.

**Mr. Dominic Barton:** No, it's not who you know.

**Mrs. Kelly Block:** I just want to read a quote from a book, *When McKinsey Comes to Town*. This is quoting a senior partner from McKinsey. It says:

If there was an award for squeezing the most out of [our] clients, McKinsey might be the favourite to win it. A senior partner told young recruits that when he started at the firm, a McKinsey manager helped him by offering tips on building client relationships. "Wedge yourself in and spread [yourself] like an amoeba," he said. "Once in, you should spread yourself in the organization and do everything." In other words, he said, act like "a Trojan horse."

You would have us believe that the work McKinsey & Company was doing pro bono was very philanthropic, that it did not benefit in any way from contracts with the Government of Canada because of the pro bono work it did. It was not about being known to the Government of Canada.

**The Chair:** I'm afraid that is your time, Mrs. Block. Perhaps you can follow up on the next round.

We have Mr. Housefather for five minutes.

Colleagues, we started a couple of minutes late, but we've gone through very fast, so we're going to have a tiny bit of time left over. After Mr. Housefather, we'll do three minutes for the Conservatives, back to three minutes for the Liberals, one minute for the Bloc and one minute for Mr. Johns to bat cleanup.

Thanks.

Go ahead, Mr. Housefather, please, for five minutes.

**Mr. Anthony Housefather:** Thank you, Mr. Chair.

Mr. Barton, thank you for your patience today. Do you know what a corporate witness is?

**Mr. Dominic Barton:** No.

**Mr. Anthony Housefather:** It would be a witness in a litigation who testifies on behalf of the corporation, and they would be extensively prepared by the corporation's general counsel and outside counsel to come testify on behalf of the corporation. Are you a corporate witness here today?

**Mr. Dominic Barton:** I am not. I'm a private citizen.

**Mr. Anthony Housefather:** You're an individual who no longer is related to this company, who no longer has shares in the company, who no longer works for the company, who doesn't have access to the records of the company, who hasn't been prepared by employees of the company to go back and look at all the different things that might come up. Is that correct?

**Mr. Dominic Barton:** That's right.

**Mr. Anthony Housefather:** You're relying simply on your unaided memory of things that happened years ago.

**Mr. Dominic Barton:** Yes.

**Mr. Anthony Housefather:** I think—just to diagnose what's happened—the goal for some was to bring you here and to find out that you were a close personal friend of the Prime Minister and that the two of you had talked about giving contracts from the Government of Canada to McKinsey. When that didn't pan out, then we started turning to attacking you and attacking McKinsey.

Now, it might be that McKinsey does a lot of things that are inappropriate. That's neither here nor there; we'll get to it with the actual witnesses from McKinsey. For example, one of the witnesses I'd like to hear from is the chief compliance officer of McKinsey. Would you agree that would be an appropriate person—

**Mr. Dominic Barton:** Yes, absolutely.

**Mr. Anthony Housefather:** —who would talk to us about whether McKinsey was or was not respecting the Foreign Corrupt Practices Act and other acts across the world that would be of interest to this committee?

**Mr. Dominic Barton:** Including maybe the good question asked about the FDA and working with Purdue—ask them.

**Mr. Anthony Housefather:** Exactly. They would also be able to tell us what corrective actions the company has taken in order to prevent that from happening again. They would be the right person. Is that correct?

**Mr. Dominic Barton:** Absolutely.

**Mr. Anthony Housefather:** It's not you?

• (1820)

**Mr. Dominic Barton:** No.

**Mr. Anthony Housefather:** Okay.

With respect to a lot of the questions you've been asked, I want to ask, having come from the corporate world myself and having been the general counsel and chief administrative officer of a company that wasn't anywhere near as large as McKinsey—we were probably about one-tenth to one-fifteenth the size—how many overall contracts and how many overall clients did McKinsey have in a \$10-billion company?

**Mr. Dominic Barton:** I don't think.... Just take the \$10 billion and divide.... I mean, it's tens of thousands.

**Mr. Anthony Housefather:** It would be 10,000 customers.

**Mr. Dominic Barton:** Yes, it'd be a minimum of 10,000. I mean, there are 3,000 client engagements going on every day.

**Mr. Anthony Housefather:** Could anybody in the company, no matter who, be aware of all of these different clients and what was happening?

**Mr. Dominic Barton:** No. In fact, the way it's organized is that there are practices, as I mentioned before; there are sectors. The pharma practice is accountable and responsible for what it's doing. The banking practice.... No one in the pharma practice knows what's going on in the banking practice; they're not interested. There are sectors that are set up. There are functions. That's how a partnership works. That's where, again, the general counsel, the protocols that are in place to make sure people are following that, is very important.

**Mr. Anthony Housefather:** That would normally fall under the compliance officer and the general counsel, not directly under the managing partner.

**Mr. Dominic Barton:** That's right.

**Mr. Anthony Housefather:** Let's say the general counsel found, for example, that there was an inappropriate relationship such as may have existed in the OxyContin case. Would they then have reported that to you?

**Mr. Dominic Barton:** Yes.

**Mr. Anthony Housefather:** Did your general counsel ever come to you to report something like that?

**Mr. Dominic Barton:** No, they didn't.

**Mr. Anthony Housefather:** For example, some of the other things that McKinsey has been accused of, let's say, in the United States, include working on the Trump administration's immigration system and what I think most of us find is a very distasteful practice with respect to asylum seekers and immigrants. While you were there, did this come to light, and did your general counsel come to you about this?

**Mr. Dominic Barton:** No. That happened after I was in the management team.

**Mr. Anthony Housefather:** Again, with respect, now that we've moved to a different line—which is no longer the government's inappropriate relationship with McKinsey because that sort of seems to have disappeared—and we want to talk about whether McKinsey is or is not a company we want to do business with and whether or not we want to change our rules to say that certain companies should be excluded, the right people would be the corporate witnesses who are still at McKinsey, such as the chief compliance officer. Is that correct?

**Mr. Dominic Barton:** Yes, and the partners involved.

**Mr. Anthony Housefather:** Of course.

I want to thank you again for being here. I thought you were very forthright, and I appreciate your testimony, Mr. Barton.

**Mr. Dominic Barton:** Thank you.

**The Chair:** Thank you for giving a few seconds back to the committee, Mr. Housefather.

We'll do our three-minute rounds.



Mr. Genuis, please.

**Mr. Garnett Genuis:** Thank you, Mr. Chair.

Mr. Housefather has made a valiant attempt to help and defend the witness, but I want to clarify and underline our position, which is that there are not different lines. There is the same line. The line is that the witness, Mr. Barton, led McKinsey for about a decade, and during that time, McKinsey was involved in myriad ethical and moral scandals around the world, which the witness appears to have been largely unaware of on his testimony.

At the same time, he was working with the Government of Canada and advising the Prime Minister on a series of issues that would have had relevance to some of those same clients. The advice that he was giving to the Government of Canada would have had relevance to Chinese state-owned enterprises that McKinsey worked for, private sector clients, various companies that were regulated by the Government of Canada. It is not different lines, as Mr. Housefather suggests. It's the same line.

I obviously don't hold Mr. Barton accountable for the current activities of McKinsey or anything following his departure, but I think it is appropriate to hold the leader accountable for the things his company did or didn't do, which include providing advice to Purdue Pharma, advice that included paying bonuses to pharmacists for overdose deaths. That was something that came out of the culture that existed at McKinsey, sir, while you led McKinsey. However, you said you don't know about McKinsey's work on opioids, so let me ask you quickly a number of other questions about what you were or were not aware of.

Were you aware of McKinsey's work for the Saudi government during your time at McKinsey?

**Mr. Dominic Barton:** Yes, I was.

**Mr. Garnett Genuis:** Were you aware that the work included identifying the Twitter accounts of influential dissidents and providing their names to the Government of Saudi Arabia, or of the subsequent harassment that those people experienced?

**Mr. Dominic Barton:** That is an allegation, and the update is that the individual in particular went to court, sued McKinsey and lost, appealed it and lost, so you should be careful about saying "allegations". You should be very careful about that.

• (1825)

**Mr. Garnett Genuis:** Sir, first of all, I'm in a parliamentary committee, and you should know that. Second, Mr. Abdulaziz was told by the RCMP that his safety was at risk here in Canada after a McKinsey report to the Saudi government identified three prominent Twitter accounts that were negatively impacting perceptions of Saudi economic policy. What about that is disputed?

**Mr. Dominic Barton:** He took that to court and said that he—

**Mr. Garnett Genuis:** What about what I just said is disputed?

**Mr. Dominic Barton:** Number one, it's that the allegations—

**The Chair:** I'm afraid that's our time.

Mr. Kusmierczyk, you have three minutes, please.

**Mr. Irek Kusmierczyk:** Thank you, Mr. Chair.

Mr. Barton, I know you didn't get a chance to answer some of the questions and allegations made here by the MP across the way, so I just wanted to provide you with a bit of time, if you'd like.

**Mr. Dominic Barton:** Thank you.

I believe McKinsey is a very values-driven, principled firm that has done extraordinary work on Ebola, on MERS and on the development of the vaccines. It does a huge amount of work on getting unemployed youth to employment. It's a very large firm.

You're picking issues, and you're right on Purdue Pharma. It's a mistake, but there are very many other areas where it's worked well.

There's another thing I might just point out. It's interesting that today, for every position that's available in McKinsey, there are 300 people who are talented who want to join McKinsey.

Number two: McKinsey continues to grow and continues with clients it's working with on repeat work. That's what I see.

Number three: It's the most significant leadership factory that's out there. If you look at CEOs or people running organizations, that's where it is.

Your definition of McKinsey is an extreme view, and you love quoting the book. That book hasn't sold, and those were examples from it. There are some quite negative views of that, stating that it's a very biased view. It's an anti-capitalist view that puts McKinsey in the centre. Apparently, if you continue with that book, McKinsey was responsible for the financial crisis. I'm surprised that you haven't mentioned that, because we invented securitization, and therefore, the financial crisis occurred.

There are too many of those lines that are made like that, and I think they are exaggerated. Yes, McKinsey has made mistakes. It's a large firm. It has 40,000 people. All organizations have those challenges, but if you look at the impact that the firm has had around the world in many different places, it's very significant.

I just think you're coming at it from an extreme view. That is my view.

**Mr. Irek Kusmierczyk:** Mr. Barton, you ascribe the growth of the use of consultants to the fact that, especially in the last two years, we were in this extraordinary time of the pandemic, but there are other forces acting upon the government right now, whether it's AI, the need for digital transformation, cloud computing or remote work, for example.

Is there knowledge transfer that takes place whenever McKinsey or a consultant engages with a government?

**Mr. Dominic Barton:** Yes, there should be. You should ask the people who come in front how they do it, and ask the civil servants if that happened. Especially if they take lean operations, that is completely about skill building. You're training people to be able to do it: frontline people, security guards. They are not training top management; they are training people who are lower down the organization about new skills, and they can take that forward.

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

We have Ms. Vignola for one minute, please.

[*Translation*]

**Mrs. Julie Vignola:** Thank you, Mr. Chair.

Mr. Barton, you said earlier that you were concerned about the French issue.

In the Century Initiative and the growth council reports, which of the recommendations address the protection, development and promotion of French in Quebec and Canada?

[*English*]

**Mr. Dominic Barton:** I think the focus, again on the growth council, was just on economics. It wasn't thinking about the social context. It was on productivity.

What was said was that one of the advantages to Canada is that we are bilingual. We are multicultural, and it is important to enhance that. When we think about the recruiting of that talent, it is important that we be thoughtful about that and that we be thinking not only about France, but about French West Africa and other parts. That was it. Our focus was really on the number—

• (1830)

[*Translation*]

**Mrs. Julie Vignola:** Thank you.

[*English*]

**The Chair:** Thank you, both of you.

Before we go to Mr. Johns, I'm just going to intervene for a couple of seconds, because I think I know where Mr. Johns is going to go, and that's fine.

Mr. Barton, thank you for being with us today.

I just have a couple of questions. I'll use chair's prerogative. I want to follow up. I'm going to assume that you were not threatening Mr. Genuis, a member of Parliament. It sounded like you were going down that step. I just want to be very clear that was not your intent.

There was a question that was asked a couple of times. I didn't hear it, but I'm wondering if you could share with us.... When you became ambassador, you sold out your shares in McKinsey. I assume that a cheque was just cut for you. It wasn't in exchange for shares of other.... It was just that a cheque was cut and you ended your relationship with them.

**Mr. Dominic Barton:** Chair, forgive me, the last thing I wanted to do was threaten. It was more just a general commentary, but that hurts an institution to just throw words around like that. That's why I made that comment.

On the shares, no, those shares were sold, and that's it. There's no swapping on anything.

**The Chair:** A cheque was cut, and you ended your relationship.

**Mr. Dominic Barton:** Yes.

**The Chair:** Wonderful. Thanks very much.

Mr. Johns, you have one minute.

**Mr. Gord Johns:** Just to get to the bottom of this skyrocketing outsourcing problem, I think we need to include the whole \$100 million-plus outsourcing club and half-billion dollar outsourcing club.

Therefore, I move,

That the committee expand its study of federal government consulting contracts awarded to McKinsey & Company to include government consulting contracts awarded to Deloitte, PricewaterhouseCoopers, Accenture, KPMG and Ernst & Young by the Government of Canada, or any other Crown corporation, since January 1, 2011, examining their effectiveness, management and operation, including the value and service received by the government; that:

(a) the committee hold additional meetings to receive witness testimony from the most senior executives in Canada at Deloitte, PricewaterhouseCoopers, Accenture, KPMG and Ernst & Young and any other witnesses the committee decides to invite, and the parties shall each provide to the clerk of the committee, by 3:00 p.m. EST on Tuesday, February 7, 2023, their preliminary lists of additional witnesses, who the chair shall schedule in a manner that is fair to all parties; and

(b) the committee expand the orders to send for documents as stipulated in paragraphs (c) and (d) of the motion adopted on January 18, 2023, to include Deloitte, PricewaterhouseCoopers, Accenture, KPMG and Ernst & Young, and that this order follow the same deadlines and conditions that were detailed in the motion adopted on January 18, 2023, with the reference date for the deadlines beginning on the day on which this motion is adopted.

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

The motion is in order. Is there debate?

I'm going to suggest, perhaps, that we continue this on Monday at our committee, and if there are no objections we will adjourn for now.

Are you comfortable with that, Mr. Johns?

**Mr. Gord Johns:** I am, because I want it to pass.

**The Chair:** Okay, and the rest—

**Mr. Anthony Housefather:** Minister Jaczek is testifying on Monday.

**The Chair:** It will not be during her period.

**Mr. Anthony Housefather:** That's what I was wondering. Would she be able to go first, and then we could discuss this after her testimony?

Okay, thank you.

**The Chair:** Yes, I'm pretty sure Mr. Johns would accept that.

Thank you, colleagues. I appreciate it.

We are adjourned.







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