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Chair: Mr. John Williamson



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• (1105)

[Translation]

The Chair (Mr. John Williamson (New Brunswick South-west, CPC)): I call the meeting to order.

Welcome to meeting number 70 of the House of Commons Standing Committee on Public Accounts.

[English]

Pursuant to Standing Order 108(2) and the motion adopted by the committee on Monday, April 24, 2023, the committee resumes its study of the Pierre Elliott Trudeau Foundation.

Before I welcome our witnesses, I have Madame Sinclair-Desgagné.

[Translation]

Ms. Nathalie Sinclair-Desgagné (Terrebonne, BQ): I have a point of order, Mr. Chair. I'm looking for some confirmation from you and the clerks regarding this excerpt from the *House of Commons Procedure and Practice*:

Under normal circumstances, witnesses before House committees are not sworn in. It is generally accepted that witnesses have a duty to speak the truth regardless of whether or not their testimony is given under oath....

Although the testimony of a witness before a parliamentary committee is protected by parliamentary privilege, if a committee determines that a witness has wilfully lied or misled it, the matter could be reported to the House. If the House finds that the witness has deliberately misled the committee, the witness could be found in contempt of the House whether the witness is under oath or not.

Is that correct?

The Chair: The clerks are confirming that it is correct, Ms. Sinclair-Desgagné.

[English]

Thank you.

I'd like to welcome five witnesses today.

Anita Biguzs is a retired federal public servant. Graham Flack is currently secretary of the Treasury Board of Canada and a former deputy minister of Canadian Heritage. Daniel Jean is a former deputy minister. John Knubley is joining us by video conference and is a former deputy minister. Morris Rosenberg is a retired deputy minister.

Thank you all for coming.

I believe I'm expecting opening statements from two individuals, Mr. Knubley and Mr. Rosenberg. If others have opening statements, please let me know, and I'll be happy to include you. Please limit

your opening remarks to five minutes, although you'll find I'm a flexible chair, so if you do go over, I won't bang the gavel, because I don't like to cut off witnesses.

I'm going to begin with Mr. Knubley for five minutes, please.

Mr. John Knubley (As an Individual): Thank you for having me today. I was advised in advance of this meeting that I needed opening remarks; however, I will be brief.

My name's John Knubley, and I am a former deputy minister of industry in ISED. I served in that role from 2012-19. Of course, I'm speaking as an individual today, not as a representative of a department or government. I will do my best to assist the committee, based on my recollection of the facts.

The Trudeau Foundation is an agency that was, and I believe continues to be, part of the ministry's broad portfolio of organizations. During my time, the responsibility of monitoring its activities fell to the science sector, or branch, in the department, and I believe it still does. I believe I was always briefed that the foundation was designed at the outset in 2001 to be an independent, stand-alone agency, consistent with the Canada Not-for-profit Corporations Act.

The board, therefore, has responsibility for oversight of its own operations, with a fiduciary responsibility. The science sector at ISED, or Industry, derived its mandate for monitoring the Trudeau Foundation from its role in supporting excellence in universities, scholars and research activities across the country.

I understand the committee has questions about a meeting of deputy ministers and Trudeau Foundation scholars at the Privy Council Office in 2016. What I recall—and this is based on my memory—is that I was invited to the meeting; however, I also remember that I chose not to attend as other priorities arose.

I look forward to your questions.

The Chair: Thank you very much.

Mr. Rosenberg, the floor is now yours, please.

Mr. Morris Rosenberg (As an Individual): Thank you, Mr. Chair.

I served under both Conservative and Liberal governments for 15 years as deputy minister variously of justice, health and foreign affairs. Since retiring from the public service, I've served as president of the Pierre Elliott Trudeau Foundation, as an adviser on policy and on various boards.

I wish to first address my presence, when I was president of the foundation, at a meeting with public servants that occurred in April 2016 in what was then the Langevin Block. One of the reasons I agreed to serve at the foundation is my belief that there's a public interest in strengthening exchanges between academic researchers and policy-makers. Academic research should be known to policy-makers, and as a deputy minister I often reached out to and met with academics. It's equally important that academics be exposed to the practical realities of policy-making.

At the foundation, one of our fellows and one of our mentors had begun a project in early 2016 to determine whether there were economic benefits to diversity. I knew that diversity and pluralism were priorities for the government at the time, and I suggested to a deputy secretary at the Privy Council Office that a meeting with officials would provide an opportunity to share perspectives on this issue.

That's the genesis of the meeting that was reported on in the media. The PCO invited the relevant officials. The media reports emphasized the fact that the meeting took place in the Langevin Block, which they thought was unusual because the Prime Minister's Office is located there.

That building not only serves as the Prime Minister's Office but also houses the Privy Council Office, a part of the public service, and is a central downtown location for public servants and others to meet. Inviting people from outside government to meetings in this building is not unusual. Accordingly, there was nothing at all unusual about the April 2016 meeting in the Langevin Block.

Next I want to address two points that have been raised in relation to the 2016 donation issue. It's been alleged that the company to whom the tax receipt was issued, Millennium Golden Eagle (Canada) Inc., is a shell company. I've had a look at the Quebec government's Régistre des entreprises, and it points out that the company is a going concern in the business of hotels, inns and real property investment. I can provide you with that document.

Second, I wanted to provide some additional context to support the view expressed by Alexandre Trudeau at the access to information committee, by Ted Johnson and by me, that the donation has to be assessed from the perspective of relations with China in an era that's much different from the very negative one we're in today. In the mid-2010s, Canadian universities, businesses and governments all saw it as being in their interest to strengthen ties with China. I think Prime Minister Harper captured the spirit of the time well in 2013, when he welcomed two Chinese pandas to Toronto. He said:

Over the coming years these pandas will help us learn more about one another while serving as a reminder of our deepening relationship, a relationship based on mutual respect and growing collaboration.

It was a different time.

There's been much concern expressed by some committee members that one of the two donors was president of the China Cultural Industry Association, due to its association with the Chinese government. This was well understood at the time the donation was being negotiated. When the China Cultural Industry Association was established in 2013, Canada's ambassador to China wrote a congratulatory letter to the chairman and members of that organization.

I have copies of that letter that I can provide to the committee, but I'd like to cite three brief excerpts first:

It is fortuitous that, in many respects, your objectives and efforts align well with ours at the Canadian Embassy in China. In fact, last year, when Prime Minister Harper visited here, Canada and China agreed to hold a series of cultural activities in each other's countries in 2013 and 2014, in an effort to raise our bilateral engagement to a new level.

The second quote is as follows:

I'd like to note our deep gratitude for the CCIA's generous endowment to the University of Toronto's Faculty of Medicine via the establishment of the Bethune Fund.

Finally:

Given your strong commitment to cultural cooperation and exchange, the CCIA will certainly serve as a leading platform for expanded Canada-China cultural collaboration. We look forward to working closely with your association over the coming months and years.

We have confidence that our government's representative in China had Canada's interests at heart when he wrote this letter. The China Cultural Industry Association was viewed as a positive collaborator by the Harper government. These were, indeed, very different times.

Within this context of warming relations, we believe that the donors were motivated by a genuine desire to pay tribute to Pierre Elliott Trudeau's legacy and their willingness to support the foundation's program of policy conferences.

• (1110)

Conferences on the implications of the rise of China were consistent with our core themes of Canada and the world and human rights. The donors had no say on the content of these conferences, an important consideration for the foundation.

We never thought that a \$200,000 donation for conferences could or would influence any government. At no time did donors ask the foundation to connect them with government officials or anything else. The foundation never coordinated its activities with elected officials, either prior to or after the 2015 election.

Thank you.

The Chair: Thank you very much, Mr. Rosenberg.

I'll now turn to our first round of questioning.

Mr. Brock, you have the floor for six minutes, please.

Mr. Larry Brock (Brantford—Brant, CPC): Thank you, Chair, and thank you to all the witnesses for your appearance today.

Largely, Mr. Rosenberg, you're going to be the beneficiary of my questions today.

On May 2 you appeared before the ethics committee, and you were asked by a Liberal member of that committee at that time whether or not there had been any interference by the government and the Prime Minister in connection with the donation we're talking about.

Your response was:

I am not aware of any communication with the Prime Minister, his office, or other bodies within the government regarding this matter.

Further on, that same Liberal member.... Actually, it wasn't a Liberal member. It was an NDP member. Mr. Green asked you this question: "Ms. Fournier stated that she remembers reviewing emails between the executive director, Elise Comtois, and the PMO. Were you aware of these emails?"

Your response was:

I don't recall, but I will say, just to go back, that if there were emails and there were documents that raised questions about this stuff, why didn't the foundation management call me to at least get my view on it so I could see the stuff...

I just want to ask you a few questions regarding those statements, because personally I find it incredible that you would say to the committee that you weren't aware of any sort of communication between the foundation and the Prime Minister's Office, the PMO, specifically when Pascale Fournier had indicated that there were numerous emails going on between the foundation and the PMO.

Now, in terms of the organization chart, Ms. Elise Comtois was the executive director, and she reported directly to you as president of the foundation. Is that correct?

• (1115)

Mr. Morris Rosenberg: That is correct.

Mr. Larry Brock: Right, so I'm looking at one of those emails, dated November 24, 2016, from Elise Comtois directly to Zita As-travaz, an executive member of the Prime Minister's Office, and it starts off as follows:

Hi Zita,

As requested—

That means requested by the PMO.

—please find below the key facts that we have been providing to the media who have contacted us regarding the \$200,000 donation from Bin Zhang and Niu Gensheng:

You were saying to us, to the committee, then, as you're probably going to say to me now, that you were absolutely not aware of that particular piece of communication.

Mr. Morris Rosenberg: I don't believe that piece of communication was in the package—the access package. Certainly, I was not aware of it at the time that I gave this testimony. I think I said it was possible that there was communication, asking—

Mr. Larry Brock: I'm sorry. With all due respect, you didn't say it was possible. You said you weren't aware and that you were shocked and wondered why, if there was communication, it wasn't brought to your attention, so I'm asking the obvious question that everyone has here: Really, what is going on at the foundation that a person with the title of executive director, who has to report directly to you, is communicating directly with the PMO?

Let's remember: The Prime Minister is on record, as is his government, numerous times, stating in the House that there was a fire-wall at all times between him and the government and the foundation. This strikes definitely against that particular narrative.

Why was that happening, and why were you not aware?

Mr. Morris Rosenberg: First of all, this happened eight years ago.

Second of all, part of my answer was, if there were records at the foundation that demonstrated this, why, in the weeks leading up to the resignations, did nobody contact me?

Madame Fournier was not at the foundation while these events happened. I was, but I had no idea what was going on at the foundation, and I would have—

Mr. Larry Brock: That is negligence, sir, pure and simple. That's absolutely—

Mr. Morris Rosenberg: Well, that is your view, and I disagree with it.

I was at the foundation. Rather than deciding to resign—I don't know why they resigned—I think it would have been helpful if someone had called me and asked me to come in and talk about this, because I think there is a very innocent set of explanations for everything that went on in relation to this donation.

Mr. Larry Brock: Okay, sir, I have to move on. Thank you.

Pascale Fournier testified at the ethics committee. She said that her predecessor, Morris Rosenberg, told the National Post in December 2016 that the foundation didn't consider the donation to be foreign money, because it was made by a company incorporated in Canada.

She told MPs that this was actually a statement "in the annual report...when in fact the tax receipt itself mentions China." She said, "I think this is something that is misleading to Canadians."

Now, with respect to the documentation that this committee or other committees have received from the foundation, I was privy to a business banking statement from the foundation. This is from the Bank of Montreal in regard to the first installment that was received on July 25, 2016, and I would well imagine that your response is going to be, "Well, I'm the president. I didn't see these statements, so I took it at face value that this was a Canadian donation," when in fact it's clearly spelled out, Mr. Rosenberg, that on July 25 this was an international donation. It's clearly stated in black and white that it's an international donation credit to the credit of the foundation at the Bank of Montreal for \$70,000.

You're not aware of this particular banking statement. Is that correct, sir?

Mr. Morris Rosenberg: I'm not aware of this particular banking statement. I don't believe it was part of the package. There was an allegation of a discrepancy between the name on the tax receipt and the name that was put into the annual report, and I was basically accused of misleading Canadians in this regard. What's the nature of the deception?

We acknowledged that two wealthy Chinese businessmen, instead of a corporate vehicle, through which they made the payment, actually were instrumental in this. I think we did this in a way that was more transparent than if we had put the name of the Millennium corporation into the report. The annual report is very forthright about the fact that there are Chinese donors behind the donation—

• (1120)

Mr. Larry Brock: Did you share this document with CRA?

The Chair: Mr. Brock, I'm afraid that is your time.

Mr. Rosenberg, I think we're going to pick this up again. I appreciate it.

We're going to turn now to Mr. Sidhu.

Mr. Sidhu, you are joining us virtually. It's good to see you, sir. You have the floor for six minutes, please.

Mr. Maninder Sidhu (Brampton East, Lib.): Thank you, Mr. Chair, and thanks to our witnesses for taking the time to be with us here this morning.

Mr. Rosenberg, I'd like to start off by thanking you for your service to Canada. For those watching these proceedings at home, it's important to note that Mr. Rosenberg has served in very senior positions, as deputy minister and in other senior positions in both Conservative and Liberal-led governments, including as deputy minister of foreign affairs.

Mr. Rosenberg also received the Order of Canada in 2015 for his commitment to our country, and I know many members on this committee are grateful for his service.

Mr. Rosenberg, my question is directed to you. As someone who has been involved with the Pierre Elliott Trudeau Foundation for a number of years, would you be able to provide a summary of the foundation's mandate and how its mandate and operations have evolved over the years? I think it's important for those listening to know this.

Mr. Morris Rosenberg: The foundation has been in operation since the early 2000s. I believe that Mr. Johnson was at this committee the other day and said it has spent over \$90 million supporting Ph.D. scholars and academic fellows. It's a unique program that brings together some of the most brilliant scholars in the humanities and social sciences, senior academics, as well as people from outside of the academic world, so that you have a kind of intergenerational, intersectoral and interdisciplinary approach.

The way the foundation evolved...at least when I was there, I thought it was very important that while we gave out very generous scholarships that enabled these Ph.D. candidates to do well with respect to their studies, the value-add of the foundation would be their exposure to people from different walks of life and their exposure to Canada.

We made a very significant effort every year to get people out to remote places in the country to meet people who were not academics, to meet ordinary Canadians, business people, students. We had a program whereby we had scholars and fellows going into high schools, talking to students about their research in a way that they could understand and also as a way of getting some people to dream a little about what they themselves might accomplish.

A lot of our scholars came from very disadvantaged backgrounds. We had one who was homeless and almost landed in prison. He pulled his life together and became a Ph.D. student at the University of Toronto. I believe he was mentioned at another committee—Jesse Thistle.

There's another one whose family came from Ghana when he was eight years old and was very, very poor. He was living in social housing in Toronto. When he grew up, he ended up with a Ph.D. in history from Yale, taught at Harvard, is now teaching at McGill and has just won an award for the best teacher.

There are some really inspiring stories coming out of the foundation. I think it has done stellar work.

One of the other things we wanted to do was to ensure that the scholars we had understood how government worked. We had the opportunity to meet with public servants and with people in the Library of Parliament to learn how to engage with Parliament, for example, and to provide a rounding experience for them.

I hope that answers your question.

Mr. Maninder Sidhu: Thank you for that, and thanks for the details in your response.

You spoke about people from all walks of life. Now, when scholars are vetted by the foundation, are they vetted according to their partisan or ideological leanings? Is that taken into account?

• (1125)

Mr. Morris Rosenberg: Not at all.

Mr. Maninder Sidhu: That's good to know.

How many students have been supported by this foundation and the wonderful work that the foundation does?

Mr. Morris Rosenberg: I am not 100% sure. Mr. Johnson had the number at his fingertips last week. I think it is something like 290, but I'm not sure.

Mr. Maninder Sidhu: Thank you.

In terms of the \$125 million endowment, is that the primary source of the foundation's revenue? Are there other sources of revenue?

Mr. Morris Rosenberg: The primary source is indeed the endowment. Of course, the condition under which it receives the endowment is that the foundation can't spend the capital. It has to live off the interest.

Again, Mr. Johnson mentioned last week that the capital has now increased to somewhere around \$147,000, I believe. In addition, there are some donations, but not many. The biggest donation was one made by the McCall MacBain Foundation back in about 2016.

Mr. Maninder Sidhu: Thank you.

How big was that donation?

Mr. Morris Rosenberg: I think overall it was about \$3 million, but I'm not sure.

Mr. Maninder Sidhu: My last question, sir, is in regard to when the Pierre Elliott Trudeau Foundation was created. Did all political parties support the creation of this foundation?

Mr. Morris Rosenberg: I believe that all parties did, other than the Bloc Québécois.

Mr. Maninder Sidhu: Thank you very much.

Thanks, Mr. Chair.

The Chair: Thank you very much.

[Translation]

Ms. Sinclair-Desgagné, go ahead. You have six minutes.

Ms. Nathalie Sinclair-Desgagné: Thank you, Mr. Chair.

Good morning to the witnesses.

Mr. Rosenberg, do you recall signing tax receipts for donations that were received in several payments from the company Millennium Golden Eagle International?

Mr. Morris Rosenberg: I acknowledge signing them, but I don't recall the details.

I'm going to switch to English to explain, if you don't mind.

[English]

There are a lot of questions about why no red flags were raised when I signed the receipt with a Chinese address. From the documents that were released under access to information, it would appear that no concerns were raised by the employees preparing the receipts, and no concerns were raised by me either, so how could that be?

First, the foundation has controls in place to deal with this very administrative matter of signing receipts, and I rely on them, but second, the way the questions have been asked, it's as though there is an expectation that I would have blocked off a significant amount of time to examine the receipts from this donation. While I can't reproduce the exact circumstances, it was more likely someone saying to me, "Here's a pile of the correspondence for your signature," and I would have quickly gone through it, focusing my attention more on the content of letters that we were sending out, rather than on a receipt.

[Translation]

Ms. Nathalie Sinclair-Desgagné: Mr. Rosenberg, you're a lawyer. You know that you can't sign a document without reading it first. That's law 101.

Mr. Morris Rosenberg: I didn't say that I didn't read the documents. I said that, in an organization, you have to prioritize.

I acknowledge that other things were going on at the time. Did I take the time to examine every document in detail? Probably not.

Ms. Nathalie Sinclair-Desgagné: My next question is about just that.

According to the testimony given by Ms. Fournier, staff at the Pierre Elliott Trudeau Foundation were clearly instructed as to the names that should appear on the receipts. Did you—

Mr. Morris Rosenberg: I saw that in the documentation, and this is how I interpret it.

We already know that Mr. Zhang has ties to the China Cultural Industry Association. Mr. Zhang's employees were employees of

the association. I think it was about having someone who could communicate with us in English.

Two things happened. First, foundation staff corresponded with that individual in China to translate the thank you letter I sent to the donor. Second—

Ms. Nathalie Sinclair-Desgagné: You sent it in Mandarin, but the person spoke English.

In the course of your career, have you often had to send letters in Mandarin?

Mr. Morris Rosenberg: I didn't send the letter.

Ms. Nathalie Sinclair-Desgagné: You apparently signed it.

Mr. Morris Rosenberg: Yes, I signed it because I had been assured that the content was a faithful translation of what we had written in English. It was about sending the donor a document they would be able to understand. They didn't speak English, so there was correspondence regarding the translation and the address.

• (1130)

Ms. Nathalie Sinclair-Desgagné: Mr. Rosenberg, it's a Canadian company, not a shell company, as you pointed out in your opening statement. Why, then, send the company a letter in Mandarin? Usually, you would send a Canadian company a letter in the language spoken at the company.

Mr. Morris Rosenberg: No. I think the receipt was sent to the company. The letter was sent to Zhang Bin and Niu Gensheng.

Ms. Nathalie Sinclair-Desgagné: I agree with you regarding the tax receipts.

You're saying, though, that the donor is someone who speaks only Mandarin. The donation was made by Millennium Golden Eagle International. Forgive me, but it's not at all clear.

If the donation came from the Canadian company Millennium Golden Eagle International, why did you send a letter thanking a third party who speaks only Mandarin?

Mr. Morris Rosenberg: I think the issue may have come up in the committee that heard from Alexandre Trudeau.

My understanding is that it's not unusual for someone to ask a company they run to issue a payment. I think that's what happened.

I have to say, I'm getting a lot of questions about the donors' addresses and identities, but I can't tell you exactly what happened. Any concerns of that nature are precisely the kind of thing that an independent review or an investigation by the Canada Revenue Agency, or CRA, should look into. To do that, it's necessary—

Ms. Nathalie Sinclair-Desgagné: Do you agree that an independent public inquiry should be held?

Mr. Morris Rosenberg: I want to make a distinction.

On one hand, there's the whole issue of a public inquiry into foreign interference.

On the other, I think Blake Desjarlais asked Mr. Johnson the other day whether the Pierre Elliott Trudeau Foundation should be included in that.

Ms. Nathalie Sinclair-Desgagné: I asked you a very specific question. Do you agree? You just said that an independent public inquiry should be held.

You're a lawyer, and you spent 34 years in the public service, so you know that the appearance of a conflict of interest matters more than the actual conflict of interest. If there is the appearance that the Pierre Elliott Trudeau Foundation is being used for foreign interference, those doubts have to be dispelled to ensure that Canada's democracy functions smoothly.

Do you agree?

The Chair: I'll give you time to answer, Mr. Rosenberg.

Mr. Morris Rosenberg: I agree, but not necessarily about making that investigation part of the broader inquiry into foreign interference. Allow me to explain.

I think it's important for the Pierre Elliott Trudeau Foundation and its reputation that answers be provided sooner than it would take to set up a public inquiry. I know that the foundation has initiated a process with an independent law firm. The decision isn't up to me, but I hope the details surrounding the situation can be cleared up fairly quickly, because it's vitally important for the foundation.

[English]

The Chair: Mr. Desjarlais, you have the floor for six minutes, please. Over to you.

Mr. Blake Desjarlais (Edmonton Griesbach, NDP): Thank you very much, Mr. Chair.

I also want to thank the witnesses for being present, particularly Mr. Rosenberg. I apologize for not being there in person; I'm just getting over a bit of a sinus issue.

I want to follow up on the questioning by my colleague from the Bloc Québécois. She mentioned, and I'm sure you've heard this in the past, my questions for one of your former colleagues, Edward Johnson. I'm certain that you could probably anticipate some of my questions in relation to the public inquiry or the need for an independent inquiry, which I was pleased to hear you recommend in your answers to one of my colleagues. That's where I'll focus some of my attention.

Mr. Rosenberg, you've worked in the public service and you've worked for Canadians. I appreciate that service. I want to extend my thanks as well for that service. I want to get your advice, your knowledge and your experience in relation to how we combat this kind of perception of foreign interference. For example, my own perspective is that we need to have a public inquiry for the purpose of trying to combat the perception of a weakening democracy. I think it's something Canadians right across the country feel as well.

I'll focus my questions directly on the need to address foreign interference, on the role the Trudeau Foundation, or at least the me-

dia, has played in damaging the perception of our democracy, and on ways we can get past this in a credible way to ensure that Canadians can rebuild that confidence. I think that's an important project, one that is worthwhile and that I think this committee could assist in.

I asked your former colleague Edward Johnson just last week whether he would support a call by the Auditor General to investigate the Trudeau Foundation. He responded positively and said that he had actually sent a letter to the Auditor General at that time to request an audit. It was received by our committee, and we received a letter from the Auditor General that made it clear she wasn't able to do that. In reference to that fact, I tabled a motion that called on the CRA, the Canada Revenue Agency, to begin an investigation for this committee. It passed, and I was pleased to see that. I was pleased to hear your remarks in relation to this.

Do you still agree that the CRA should investigate the Trudeau Foundation?

• (1135)

Mr. Morris Rosenberg: The CRA decides what it's going to do. I saw briefly some of the testimony from CRA senior officials here. I think Mr. Johnson said, yeah, okay; if the CRA wants to look at the Trudeau Foundation, that would probably be desirable at this point, because there's been so much noise and so much smoke raised about this that there has to be some sort of a process to sort it out.

With all due respect, it's not going to happen at a parliamentary committee. There's just a lot of partisanship within a parliamentary committee. It's going to have to be another process.

The CRA is one way of doing it, and I'm not saying they're mutually exclusive. What the Trudeau Foundation is trying to do now with an independent forensic audit by a firm it has no association with, as I understand, is another way of doing it. There are ongoing discussions—I read the newspapers—between representatives of all the political parties on what the way forward is after Mr. Johnston's resignation.

I wonder, given some of the issues.... I'm not saying the Trudeau Foundation issue doesn't need to be looked at. It absolutely does, but there are a lot of issues that need to be looked at in terms of foreign interference: bullying and intimidation of expat populations, hostage diplomacy, trade sanctions and the kinds of censorship practices that are alleged to have been carried out by the Confucius Institutes. These are quite different from what we were looking at in terms of this "gift" to put on conferences. We could have put on a conference about Tiananmen Square, and these guys would not have had a word to say about it. It's a pretty weird influence operation, because it likely would have ended up embarrassing the Chinese.

They started off saying, “Let’s do scholarships.” Scholarships are a much lower-risk proposition than conferences. Even if the conferences had a benign name, I know the people in the Trudeau Foundation. They would not have let human rights go. They would not have let climate change go. You would have had a very robust discussion, and it’s not something the Chinese would have wanted to hear, so I thought this was actually great.

Mr. Blake Desjarlais: That’s interesting.

Mr. Rosenberg, those ideas aside, I think it’s important that a public, independent inquiry.... You mentioned an independent inquiry, which I agree with. I believe in a public, independent inquiry.

When I asked Mr. Johnston that question, he responded that he didn’t believe a public inquiry was something he would agree with.

Do you agree with Mr. Johnston about that?

Mr. Morris Rosenberg: My main point is that I would like to see whatever is done with respect to the Trudeau Foundation done quickly, because I think the Trudeau Foundation needs certainty to be able to move ahead.

We are discussing this in public. This committee—

Mr. Blake Desjarlais: With all due respect, Mr. Rosenberg, what the Trudeau Foundation needs is independent of what Canadians need, so your request for a quick time for that investigation doesn’t seem to me to be an important factor as to why this public inquiry is important.

I believe a public inquiry is important, but not because of the expediency required by the Trudeau Foundation in order to continue its business. It’s important because Canadians need to have robust confidence in our democratic system. That is why I believe in a public, independent inquiry.

I understand the work by Mr. Johnston to have his own commission on that, but it’s something I still believe is important. I will continue to ask you in my follow-up about why you believe a public inquiry is something that’s so different from an independent inquiry, and why you won’t agree.

The Chair: Thank you, Mr. Desjarlais.

Mr. Rosenberg, if you have a brief response, I will hear it, please.

Mr. Morris Rosenberg: I want to acknowledge that you have been very passionate about this. Virtually all of your questions to Ted Johnson were about this.

In the final analysis, it’s not the Trudeau Foundation that’s going to decide how this is going to go forward. The content of the large public inquiry is going to be decided in discussions between the representatives of all the parties.

We will see where it comes out. If it happens that it’s part of a public inquiry, then the Trudeau Foundation will deal with it.

• (1140)

The Chair: Thank you very much. I will turn now to our next round.

Mr. Brock, you have the floor for five minutes, please.

Mr. Larry Brock: Thank you, Chair.

Mr. Rosenberg, would you agree with me that the foundation prides itself on its highest ethical and moral standards?

Mr. Morris Rosenberg: Yes.

Mr. Larry Brock: Okay.

Would you agree with me, sir, that in the last couple of years, that perception has been rocked a bit? First, we had the Beijing influence. We have the questionable donation to the foundation. Most recently, we have a \$1.25-million lawsuit launched by a former scholar of the foundation, involving a mentor.

You would agree with me that this sort of compromises its overall image.

Mr. Morris Rosenberg: It’s certainly not helpful.

Mr. Larry Brock: No.

Mr. Rosenberg, I would like to ask you some questions.

This lawsuit was launched March 31, 2022. I understand that the foundation has yet to file a defence.

Is that your understanding?

Mr. Morris Rosenberg: I’m not sure, because I’m not a defendant in this lawsuit.

Mr. Larry Brock: I see.

To your knowledge, sir, is there a concurrent criminal investigation as well?

Mr. Morris Rosenberg: I have no knowledge of that.

Mr. Larry Brock: Okay.

Now I’m going to ask you some questions regarding some of the commentary within the statement of claim itself.

According to the plaintiff, she reported the harassment to the foundation and was immediately disbelieved.

Specifically, sir, she brought this to your attention on June 11, 2018.

You contacted her and requested to speak with her in relation to the allegation. On June 22, you spoke by phone. During the call, it’s reported that you accused the plaintiff of “blowing things out of proportion.” You questioned her about the incidents, “demanding to know if it was a ‘familiar squeeze’, a ‘sexual squeeze’ or a ‘caress.’”

Do you recall making that statement?

Mr. Morris Rosenberg: Are you reading from the plaintiff’s statement of claim?

Mr. Larry Brock: I am indeed.

Mr. Morris Rosenberg: No defence has yet been filed.

Mr. Larry Brock: I'm asking, do you acknowledge—

Mr. Morris Rosenberg: No, I do not.

Mr. Larry Brock: Do you acknowledge speaking with the plaintiff—

Mr. Morris Rosenberg: I do.

Mr. Larry Brock: —in and around that time frame regarding this allegation?

Mr. Morris Rosenberg: Yes, but I don't—

Mr. Larry Brock: You deny telling her that you did not believe her, or—

Mr. Morris Rosenberg: Absolutely.

Mr. Larry Brock: —questioning her with respect to the allegations.

Mr. Morris Rosenberg: I asked her, but I certainly didn't deny what she was saying.

Mr. Larry Brock: Okay.

Do you deny that the foundation, including several board members, pressured this plaintiff into signing a non-disclosure agreement, not once but on two occasions?

Mr. Morris Rosenberg: I can't speak to that, because I believe those things happened after I left the foundation.

Mr. Larry Brock: Okay.

During the time when you were the president of the foundation—because you signed the agreement between this particular plaintiff and the mentor—I understand that there was no sexual harassment policy in place at the foundation. Is that correct?

Mr. Morris Rosenberg: That's correct. There were no sexual harassment policies in a lot of organizations. As we started to learn more—

Mr. Larry Brock: I'm not talking about other organizations, sir.

Mr. Morris Rosenberg: Yes. I answered—

Mr. Larry Brock: With all due respect, I'm talking about the Trudeau Foundation—

Mr. Morris Rosenberg: I answered your question.

Mrs. Brenda Shanahan (Châteauguay—Lacolle, Lib.): On a point of order, Chair, this is outside the scope of this study. I think it's very inappropriate for this line of questioning to continue. This is not a courtroom. This is a committee, and I believe it's entirely inappropriate—

Mr. Garnett Genuis (Sherwood Park—Fort Saskatchewan, CPC): He's asking about sexual harassment.

The Chair: Mr. Genuis, thank you.

Ms. Shanahan, the questions are being asked forcibly but respectfully. Mr. Rosenberg is answering them. I'm going to allow Mr. Brock his line of questioning. As you know, I give members latitude to ask questions, provided they are respectful.

Mr. Brock, you have the floor again.

Mr. Larry Brock: Before I was interrupted, sir, on a point of order that was not really a point of order, I asked you about focusing your responses on the foundation.

Now, you signed the agreement. There was no sexual harassment policy for the scholar and no sexual harassment policy for the mentor. Is that correct?

Mr. Morris Rosenberg: There was no sexual harassment policy—that is correct.

Mr. Larry Brock: Do you acknowledge that the foundation is doing everything within its legal mandate to block this case from being heard? It was originally brought in British Columbia; then it was brought to Newfoundland, where the allegations allegedly are to have occurred, and now the foundation is suggesting that this be litigated in the province of Quebec. Do you acknowledge that the foundation is doing that to her as well?

• (1145)

Mr. Morris Rosenberg: I have not worked for the foundation since 2018, and I'm not familiar with all the strategies the foundation is using.

Mr. Larry Brock: Are you not familiar with the news stories that are coming out with respect to these allegations, sir? Have you not been privy to that?

Mr. Morris Rosenberg: Well, I have seen the news stories.

Mr. Larry Brock: You haven't been speaking to current board members about this allegation.

Mr. Morris Rosenberg: No.

Mr. Larry Brock: Okay.

During your tenure, sir, there was some questionable activity surrounding your dismissal. Was this in relation to how poorly you handled this complaint?

Mr. Morris Rosenberg: I addressed this at the other committee, so let me talk about this for a second, if you don't mind, because this really goes to my reputation. There was an intimation at the committee that I was fired. The chair of the other committee asked Madame Fournier whether I was fired. She said, gee, I don't know. I would suggest that she knows very well.

Here's what happened. I had a four-year contract with the foundation that ended in 2018. I lived in Ottawa and was commuting back and forth. In April 2017, more than a year before I was supposed to leave, I told the chair that I did not want to renew my contract. I had very good evaluations all through, and I gave him more than a year's notice because I wanted the foundation to have the opportunity to have a proper process to find a successor, which they did, and they found Madame Fournier to be the successor.

Madame Fournier and I then had an opportunity of overlap for several weeks, to get her accustomed to the foundation. I was absolutely not fired. There was a very nice going-away party for me, a very nice gift that I got from some of the directors—

Mr. Garnett Genuis: [*Inaudible—Editor*]

The Chair: Mr. Genuis, that's not necessary.

Mr. Morris Rosenberg: No. No, that's another gift.

The Chair: Mr. Rosenberg, I appreciate the answer, and I'm sure we'll come back to this.

I'm going to turn now to Ms. Yip.

You have the floor for five minutes.

Ms. Jean Yip (Scarborough—Agincourt, Lib.): Thank you, Chair, and thank you to all the witnesses for coming.

Mr. Rosenberg, did you want to finish any thoughts on the previous question?

Mr. Morris Rosenberg: I appreciate your asking, because sometimes there are questions that come right at the end and I can't actually finish answering.

I was not fired from the foundation. That is absolutely false. I chose the timing of my departure, and I tried to be as decent about it as I possibly could.

Ms. Jean Yip: In your opening statement, you seemed to mention that there was a donation in question that we're all talking about. It seemed positive, the intention, to really foster a relationship with the Canadian government, which was the Harper government at that time, through supporting post-secondary studies. Could you provide any comment on that, and could you provide that letter that you mentioned you would be able to give us?

Mr. Morris Rosenberg: Yes, I will provide a copy of the letter. I don't know what the procedure is in this committee—in the other committee I wasn't allowed to provide paper—but I will.

The letter came off the website of the China Cultural Industry Association. If you go to the website, you will find a lot of information. There are a whole bunch of congratulatory letters from people all over the world, but including a number of people in Canada—from the Government of Québec, for example, and others. I don't have a full list of them here. They were well known and I don't deny that they had links with the government in China. However, I think everybody understood that we were dealing with a Chinese Communist government.

From what I understand, whether it was Chinese state-owned corporations like CNOOC, which purchased Nexen Energy for \$15 billion—that's not an independent private corporation, that is a corporation controlled by the Communist Party in China—everybody had their eyes open to doing business with China. However, we all felt back then that it was worth the trouble, given that China was the rising superpower in the world.

I think slowly—and it was slowly—we started to realize that this relationship was very difficult. You started to see, in the mid-2010s, intellectual property theft, dual-use research that was being done, and questions about whether universities were being diligent enough in looking at these things. At the same time, we were still doing cultural things with China, even as late as 2017.

I found an article in University Affairs by the rector at the University of Ottawa, saying everybody should be doing research with China. In 2015, you had UBC announcing a major research project with China.

The penny really dropped for us with the hostage-taking of the two Michaels, and then we realized, boy, we're in a different world.

With the wolf warrior diplomacy, the way these people are treating the Uyghurs, the way they're dealing with Hong Kong, this is not what we thought we were dealing with. I think it changed our perception.

• (1150)

Ms. Jean Yip: Diaspora communities are unfairly stigmatized as a result of this debate, as people conflate Chinese Canadians and the PRC.

What can we do to make a clear distinction...and ensure that we are protecting all Canadians?

Mr. Morris Rosenberg: I agree that this is a problem.

First of all, there has to be an opportunity for these people to be able to tell their story. Whatever process comes out of these negotiations among the parties, I really hope that diaspora communities are given a voice. I know there's an association of people from Hong Kong who have been very vocal.

However, it's also true with respect to Iranian citizens and perhaps Indian citizens, and even expat Russians. Anybody who has family left behind in an authoritarian state may be vulnerable to harassment because of what can be done to their families. These things need to be understood and looked at.

We also want to find ways of protecting them. We protect them by being perhaps a bit more proactive than we have been, on the issue, say, of the Chinese police stations. Now the government has started to do that and started to expel them and expel some of the diplomats. We have to stand up for ourselves.

Ms. Jean Yip: I'd like to ask all of you, during your time at the foundation, were donations received from any other foreign countries, and how was that handled?

Mr. Morris Rosenberg: I don't think any of my fellow witnesses were at the foundation, so maybe I'll answer the question.

Well, there were other.... First of all, this was not a foreign donation, although we have a debate about that. The biggest foreign donation was from the chair of the foundation, John McCall MacBain, who is a Canadian living in Geneva. His foundation is a Swiss-based foundation. There were some other smaller donations, but nothing at all of this magnitude. Certainly, there were no other Chinese—

The Chair: Thank you.

I'm going to leave it there, because you answered the question and the time has expired. It's something that we can come back to.

[*Translation*]

Go ahead, Ms. Sinclair-Desgagné. You have two and a half minutes.

Ms. Nathalie Sinclair-Desgagné: Thank you, Mr. Chair.

I'd like to follow up on my earlier questions.

There's a major discrepancy between your testimony and Ms. Fournier's. At least you acknowledge that, which is a first step.

Ms. Fournier stated that people based in China and foundation staff were in contact regarding the information that should appear on the tax receipts. Did you know that?

Mr. Morris Rosenberg: Yes, I did, because some of the documents in the 160 pages provide—

Ms. Nathalie Sinclair-Desgagné: Did you know at the time?

Mr. Morris Rosenberg: No.

Ms. Nathalie Sinclair-Desgagné: You were the president and CEO, but you didn't know that your employees were taking instructions from Beijing.

Mr. Morris Rosenberg: No, I didn't know. As I said, the foundation had people who were responsible for handling the whole donation and receipt process. From my standpoint, we didn't have those discussions. In fact, it's clear from the documents that I wasn't even copied on the emails.

Ms. Nathalie Sinclair-Desgagné: Usually, you should know what your staff are doing. That's CEO leadership 101.

When there was—

Mr. Morris Rosenberg: I relied on my employees to carry out their role in the foundation. As the CEO of an organization that doesn't necessarily have a large staff and who has a huge workload, you have to decide where to focus your energy, so you rely on your employees.

Ms. Nathalie Sinclair-Desgagné: Very good.

The donation was made by two donors in Beijing, but a different name appeared on the tax receipt. You didn't know what your employees were doing, but had you known at the time, would it have been acceptable to you?

Mr. Morris Rosenberg: To be honest, I didn't have a chance to think about it at the time. The important thing to me was that the receipt was issued to the legal entity that made the donation. That is the only party—

Ms. Nathalie Sinclair-Desgagné: You think it's acceptable to put a different name on the tax receipt even though the CRA considers it wrong?

• (1155)

Mr. Morris Rosenberg: It's for the CRA to tell us that something's wrong.

Ms. Nathalie Sinclair-Desgagné: It's the law, and you know it. You can't take a donation from one person and issue the tax receipt to another.

You were the president and CEO, so would you have rebuked your employees for doing that?

Mr. Morris Rosenberg: My understanding is that the receipt was given to the person who made the donation, so the Canadian subsidiary of Millennium Golden Eagle International.

Ms. Nathalie Sinclair-Desgagné: However, the donation was made by donors in China.

The Chair: You're out of time, Ms. Sinclair-Desgagné. Thank you.

[English]

Mr. Desjarlais, you have the floor for two and a half minutes. Go ahead, please.

Mr. Blake Desjarlais: Thank you very much, Mr. Chair.

I also want to continue on something, Mr. Rosenberg, you mentioned previously regarding the relationship the foundation had, during your time there as CEO, and the nature of the government's intentions with China. You mentioned two examples that I think are fair to mention. One was former prime minister Harper's intention to invite pandas as a symbol of goodwill and a growing relationship. You also mentioned, of course, under that same regime of the Conservatives, the purchasing of Canadian oil assets. Those are two examples, especially under the Conservative government, that would of course demonstrate the will of both the Conservatives and the operating government now and their intention to further develop a relationship with China.

You mentioned of course that it was all turned on its head when the two Michaels became a situation. That was of course devastating to Canadians and may in fact have been devastating to many folks within the civil service. From your experience, especially when you were there as president and CEO, you mentioned it was part of the culture, let's say, of the government and that the Trudeau Foundation was participating in that culture of trying to build a relationship with China. You also mentioned in your first round of questioning that when the Trudeau Foundation accepted the donation, it could have hosted a conference on something like Tiananmen Square, for example. That's something you said in the testimony here.

Just in light of that, wouldn't it have been enough for the Chinese, at least for that project, to see that conference take place and then refuse to donate to the Trudeau Foundation in the future? Wouldn't that constitute a kind of jeopardization of the foundation's goals, particularly within the culture at that time?

Mr. Morris Rosenberg: That's a very hypothetical question, and I don't know, but I can tell you this. I would assume that the title of a conference would probably have been more neutral. We were doing this with the Université de Montréal law school. They were very interested in the rule of law. Let's assume we had a conference on the rule of law, a neutral type of—

Mr. Blake Desjarlais: You also said Uyghurs though, Mr. Rosenberg. I'm just confused. Your statement now seems to be a bit different in nature from what you were trying to make a statement about earlier.

Mr. Morris Rosenberg: Can I explain?

Mr. Blake Desjarlais: You may explain, but I want you to explain the difference between your two points here.

Mr. Morris Rosenberg: I will explain that you can have a conference with a benign title, but there's no way.... I know the people in the Trudeau Foundation, and if they were dealing with the rule of law, human rights would have come up. The Uyghurs would have come up. All sorts of stuff would have come up, and it would have resulted in the same thing. If somebody in China thought it was a good idea to build the Chinese brand in Canada to pay for these conferences, I think they were mistaken. I think this would have come out in a very different way.

The Chair: Thank you very much. That is the time.

We're turning now to Mr. Genuis.

You have the floor for five minutes.

Mr. Garnett Genuis: Thanks, Mr. Chair.

I think it's important to start by underlining why we're here. It's because so much of the public is concerned. We are deeply concerned in the official opposition that the Trudeau Foundation has a governance problem that led to it being targeted as a means of influencing the Trudeau government.

It's a matter of public record that the Minister of Industry, as well as the Trudeau family, had the ability to appoint members to the foundation, that this foundation is defined as a public institution in various statutes, and that there was a spike in foreign donations after the Trudeau government took office. It stretches credibility to think it was an accident unrelated to the fact that the foundation shares a name with the person who is Prime Minister, or that the Prime Minister continues to be listed as a member in the foundation's annual report, though identified as an inactive one.

I particularly want to drill down on the issue of the meeting in the Prime Minister's Office.

Mr. Rosenberg, you told us there's nothing unusual about this meeting. Meetings happen in the Prime Minister's Office all the time. It's no big deal.

I'll let you respond, but "the Prime Minister's Office" is actually the name of the building. It's called "the Prime Minister's Office" and a meeting took place there with the Trudeau Foundation. You said the PCO also has offices and that it's a central downtown location. I know the building fairly well. The Prime Minister's Office is a four-storey building. It includes the Prime Minister's private office, as well as other offices. The political arm of the PMO uses the vast majority of that building. There are some offices for PCO, but the building adjoins the 10-storey Blackburn building, which is, from what I understand, all PCO offices.

Even if the meeting had to happen somewhere between Sparks Street and Wellington, you have 10 floors with, presumably, boardrooms on all of them in the Blackburn building, and you have one floor used by PCO in the Prime Minister's Office. To say, "Well, all the boardrooms were taken in the Blackburn building; there was no space anywhere else in downtown Ottawa, and the only place available was the PMO," is just malarkey, isn't it? You must have known this meeting sent a message, and you must have intended it to send a message, sir.

Tell me why none of the boardrooms in the Blackburn building or anywhere in downtown Ottawa were available, and why you felt this was the most convenient place to meet.

• (1200)

Mr. Morris Rosenberg: There are a few things I want to say in response to your question.

First of all, I believe that, while this building is now called...I'm not sure what, exactly. Whether it's "the Prime Minister's Office" or—

Mr. Garnett Genuis: "The Prime Minister's Office" is what it's called.

Mr. Morris Rosenberg: —I think, "the Privy Council Office"—

Mr. Garnett Genuis: It was previously called "Langevin Block", named after Mr. Langevin—

Mr. Morris Rosenberg: Yes, but when was that changed?

Mr. Garnett Genuis: It was always "the Prime Minister's Office".

The Chair: Mr. Genuis, you're kind of... Why don't we hear from Mr. Rosenberg?

Mr. Morris Rosenberg: I think, at that time.... It was before.... There was an issue around the name of the building. I think it had something to do with the legacy of Hector Langevin, perhaps in relation to residential schools. I'm not sure. A decision was made to change the name of the building. I think it may have still been "Langevin Block" when I was there. That's one.

Two, I worked in PCO. They used two floors. The third floor is where you have the office of the clerk, the deputy secretary, plans and the deputy secretary, operations. The national security adviser is somewhere else. That whole floor is filled with PCO folks. The fourth floor has two very big boardrooms and a number of smaller boardrooms that are constantly in use by members of the public service.

Third, the genesis of it is this: I spoke to a deputy secretary—I believe it was of plans. I think he would have said, "I can't organize a meeting in the PCO." I would have said, "This is something you guys might want to know about," and he would have said, "Okay, I'll organize the meeting." Where do the deputy secretaries of plans organize meetings? They do it in PCO, and they tend to do it in boardrooms on the fourth floor of the Langevin Block.

Mr. Garnett Genuis: I'm going to jump in, as I have 30 seconds left.

Those boardrooms are used extensively by the Prime Minister's own staff, and they have priority for booking those rooms.

Mr. Morris Rosenberg: Well, that may be true today, but it wasn't true then.

Mr. Garnett Genuis: That's always been the case. You have 10 floors in Blackburn. Moreover, you have all sorts of other buildings.

Clearly, the public service is not unaware of the fact that, when meetings take place in the Prime Minister's Office, it sends a message. If you want to send a message that this foundation is closely connected to the Prime Minister and therefore donations to this foundation are appreciated by the Prime Minister, a great way to send that message is to have it in the relatively small building that is called "the Prime Minister's Office".

The Chair: Thank you, Mr. Genuis.

There was no question mark there.

Mr. Rosenberg, if you could keep it brief, I will give you....

Mr. Morris Rosenberg: I fundamentally disagree with that view. This is used by the PCO all the time. I don't think it sends any message, and we were not the only ones to have the opportunity to go there.

The Chair: Thank you very much.

Ms. Shanahan, you have the time.

Mrs. Brenda Shanahan: Thank you, Chair. I can see what the objective is.

This study, by the way, is taking place to look at the Trudeau Foundation precisely because it was created with \$125 million from the government at the time. I understand that not all of the parties were in agreement with it, but to see what is happening at this time—basically, a smear job on the Trudeau Foundation—I think is very shameful.

I would like to address those meetings at the PCO.

First of all, what is the difference between the PMO and the PCO, please, very briefly, Mr. Rosenberg?

Mr. Morris Rosenberg: It's the public service. It is the Prime Minister's department, but it is filled with public servants who generally have worked elsewhere to have a broader experience. They spend some time at the PCO, and then typically it is a path to more senior jobs in the public service.

I was the deputy secretary of operations in the PCO before I became the deputy minister of justice, for example. Before that, I was the assistant secretary of economic and regional development policy, starting under the Conservatives at the end of the Mulroney and Kim Campbell regimes.

• (1205)

Mrs. Brenda Shanahan: Now, you mentioned the Conservatives. Are there any criteria to be a member of one party or the other to be hired into the PCO?

Mr. Morris Rosenberg: No. In fact, one of the things, I would say, that's really interesting is that a lot of the people who became deputy ministers under the Liberals had been political staff under the Conservatives, and they're some of the best deputy ministers. I was always a big believer in hiring political staff. Under both different governments, I hired political staff from the other party.

Mrs. Brenda Shanahan: Why was that?

Mr. Morris Rosenberg: It was because I found that political staff actually had their feet firmly planted on the ground in terms of what's practical, in a way that sometimes public servants didn't.

Mrs. Brenda Shanahan: That's a very interesting observation.

Can I ask about that meeting in 2016? What was the context in which the Trudeau Foundation was discussed?

Mr. Morris Rosenberg: Well, the Trudeau Foundation wasn't discussed. What was discussed was...it was really the beginning of a project that was being done jointly with the Centre for International Governance Innovation at Waterloo—CIGI—on whether there are economic benefits to innovation.

We wanted to get a bit of sharing with the government and also to have the possibility for these researchers to speak to some policy folks in the government about their information. There was a study that was completed about a year later that really looked on a kind of industry-by-industry basis, because there were real distinctions from one industry to the other. That study is available online. I could provide it, but equally, you could find it.

Mrs. Brenda Shanahan: Thank you, Mr. Rosenberg.

I would like to ask Mr. Flack: I believe you were present at the time, at that meeting. Indeed, can you speak to that meeting concerning the Trudeau Foundation, if there were any other meetings about the Trudeau Foundation and what was discussed?

Mr. Graham Flack (Secretary of the Treasury Board of Canada, As an Individual): I would have been invited to the meeting as the deputy minister of Canadian heritage, which has, among other things, a mandate for pluralism. What I remember about the meeting is that it was a meeting with some academics on a project on pluralism.

I probably would have gone back to the department and asked the department if we had eyes on this, because there are many pluralism projects. The department works with the Race Relations Foundation and the Global Centre for Pluralism.

That's my recollection of the meeting.

Mrs. Brenda Shanahan: Was there any discussion whatsoever about dealings with China, favouring China, Chinese academic research or anything of that nature of any kind?

Mr. Graham Flack: I have no recollection of anything like that. What I recall is an academic project on pluralism, not unlike the ones we did with the Global Centre for Pluralism in Canada. The meeting was seven years ago. I think I would have remembered if there were something about China, but I don't have any recollection of anything like that. It was more a kind of standard academic conference that we were being made aware of and that the department had an interest in.

Mrs. Brenda Shanahan: Very good, and I'd like to direct a question to Mr. Knubley, then, concerning Industry Canada.

What is the mandate of Industry Canada vis-à-vis the Trudeau Foundation?

Mr. John Knubley: As I mentioned in my introductory remarks, the Trudeau Foundation is part of a portfolio of agencies in the department. Other agencies would include the Business Development Bank of Canada, the National Research Council, Space Agency Canada and the granting councils. It's a broad range of different types of organizations.

In the case of the Trudeau Foundation—

The Chair: I'm afraid you are over the time. That finishes our second round.

Going back to Mr. Genuis, you have the floor for five minutes, please.

Mr. Garnett Genuis: Thank you, Chair.

What's striking to me is that someone who has had such senior roles in the public service would think the public and this committee are such utter fools as to believe there was an interesting discussion about pluralism and economic growth. It was sort of an academic, open-ended, thought-provoking discussion, and it just happened to involve six deputy ministers and take place in the Prime Minister's Office.

There are a lot of think tanks in this country that are doing great work, and probably more sophisticated work on these issues than the Trudeau Foundation that aren't able to get six deputy ministers together in the Prime Minister's Office. The fact that nobody thought it was sending a message about anything to anyone is so bizarre that I'm surprised we are hearing that as testimony.

I want to move back to the very serious issue of sexual assault and harassment allegations against people connected with the foundation. My colleague, Mr. Brock, was raising these issues before a Liberal MP tried to shut him down on a point of order, and it is striking that Liberals don't want to hear these questions. They talk a lot about feminism and holding people accountable, but they didn't even want to let Mr. Brock finish his line of questioning on this, so I want to pick this up.

Mr. Rosenberg, in the case involving Cherry Smiley, did you testify in February in support of the Trudeau Foundation's desire to move that case to Montreal?

• (1210)

Mr. Morris Rosenberg: I testified in February, but not in support. I was asked to testify by their lawyers, but my testimony was—

Mr. Garnett Genuis: You were asked by which lawyers?

Mr. Morris Rosenberg: I was asked by the foundation's lawyers, but my testimony, if I recall it, was simply around factual issues as to where, for example, I would have signed the scholarship agreement for Ms. Smiley, where Ms. Smiley went to school, and where the events took place, which was Newfoundland. I just gave factual testimony. I wasn't advocating for anybody.

Mr. Garnett Genuis: Naturally, as a witness, your role wasn't to advocate, but is it reasonable to presume that, if the foundation's lawyers asked you to testify, they thought the testimony you pro-

vided would be useful to their desire to move the location of the case to Quebec?

Mr. Morris Rosenberg: Yes, I assume that's why they wanted me to. I'm not sure they would have found my testimony necessarily all that helpful.

Mr. Garnett Genuis: All right. Do you think the way Ms. Smiley has been treated by the foundation has been appropriate?

Mr. Morris Rosenberg: I can't say. I don't know, because I wasn't there. Most of this, as I understand it—the statement of claim—deals with issues post the time that I left the foundation.

Mr. Garnett Genuis: Okay, but they repeatedly sought a change of venue. Just on the face of that.... I can't speak to the particular facts of her claim, but the repeated efforts to move the venue to a place where these events didn't occur and that was least convenient for her.... Would you suggest that is not a great way of affirming the importance of survivors' coming forward and telling their stories?

Mr. Morris Rosenberg: Mr. Genuis, I am not going to opine on people's strategy in handling litigation.

Mr. Garnett Genuis: My next question is about a structural issue for the foundation around legal issues like this. Who pays for the litigation that occurs? Where does the money come from that the foundation uses, specifically for that litigation?

Mr. Morris Rosenberg: I guess it's from administrative budgets of the foundation.

Mr. Garnett Genuis: Is that donor money? Is that money interest on the endowment?

Mr. Morris Rosenberg: I don't think it's donor money, but I'm not sure, frankly. You could ask the foundation what the accounting is on that.

Mr. Garnett Genuis: I want to switch quickly to Mr. Knubley in the time I have.

The Minister of Industry is responsible for appointing directors to the Trudeau Foundation. Could you share a bit about the process that you follow when you're deputy minister at Industry regarding appointments to the Trudeau Foundation?

Mr. John Knubley: I have several comments here.

First, I believe there were changes, and I was briefed on this in 2013 regarding the role of the minister in terms of appointments. In 2013, under the Harper government, the foundation actually changed the appointment process in recognition of the fact that ministers would not appoint directors. The change, as I understood it, although perhaps—

Mr. Garnett Genuis: I'm sorry, but I am almost out of time.

I may have misspoken. It's appointing “members” to the foundation. The minister, according to the latest annual report, retains the power to appoint members to the foundation.

Are you aware of that, and can you tell us about the process by which the minister makes these decisions?

Mr. John Knubley: That is the case, that it is members.

I never participated in any appointment. As I understood it—I believe I am correct on this, although I am working again from my memory—no appointments were ever made by ministers Paradis, Moore or Bains.

• (1215)

The Chair: Thank you very much.

Mr. Fragiskatos, you have the floor for five minutes.

Mr. Peter Fragiskatos (London North Centre, Lib.): Thank you, Chair.

Mr. Rosenberg—

Mr. Morris Rosenberg: Could I take just 30 seconds of your time to answer an issue that Mr. Genius raised?

Mr. Peter Fragiskatos: Sure.

Mr. Morris Rosenberg: He said there were six DMs who went to this meeting. They're all here. I think the only DM who went to this meeting—it was not six, first of all—was Mr. Flack. I don't believe Mr. Jean was there. I don't believe Ms. Biguzs was there, and I don't believe that Mr. Knubley was there.

As far as the clout of the foundation to get deputy ministers to come to meetings, I'll tell you, if I had been a deputy minister and got that invitation, I probably wouldn't have gone either. Deputies are busy people. They tend to send people who are lower down in the organization.

I'm sorry, but I just wanted to make that point.

Mr. Peter Fragiskatos: Thank you for that clarification, Mr. Rosenberg.

We're well over an hour into this meeting. There have been a number of exchanges, and much has been said. I want to give you the chance to leave us with two or three key points that you want us to take away as members of this committee, which from your perspective are crucial to this entire issue.

Let's go back to basics, if I can put it that way.

Mr. Morris Rosenberg: If we're talking about the entire issue, are we talking about the donation? I have a few things to say about that.

Mr. Peter Fragiskatos: I mean with regard to the key points you want to leave us with. I leave that in your hands.

Mr. Morris Rosenberg: There are a couple of things that I would reiterate.

The donation bought no influence. We never thought that a \$200,000 donation would influence any government, as I said.

As for using the foundation to spread a pro-China message, that donation likely would have resulted in conferences that were not what the Chinese wanted to hear, as I already said. I think that's a key message. It goes to our motivation in terms of having thought this was not something we needed to be concerned about. We didn't see how this was actually going to influence us. Frankly, the idea that \$200,000 is going to influence any government, I think is absurd, but other people have different views.

Second, in terms of whatever happened with the receipting, it is so much against the interest of the Trudeau Foundation to do anything that would jeopardize its charitable status. Either we did it right...and if we didn't do it right, then the CRA should tell us we didn't do it right. However, as far as we were concerned, this donation was made by a company and the receipt went to the company.

I've already talked about the discrepancy between the annual reports and the receipts.

Our motivation in this, in dealing with the folks we were dealing with, is that they were known quantities. They had donated to the University of Toronto. They had been dealing with the University of Montreal for a long time. It was the U of M that brought us into this, and we didn't think there was.... The Canadian ambassador in China was the one who introduced the University of Montreal to Mr. Zhang.

We thought, from a due diligence point of view, that we had done our due diligence. This was a donation that accorded with our priorities and allowed us and our scholars to learn about probably the biggest geopolitical issue over the past 30 years, which is the rise of China and its implications.

Mr. Peter Fragiskatos: Mr. Rosenberg, the efforts made by Conservative politicians continue in terms of trying to paint the organization as some type of conduit through which China was trying to gain influence over the Canadian government.

I have not seen, and I don't think any member of this committee or any parliamentarian has seen, evidence in that direction at all. However, perception, as you well know, is everything, not just in politics but in terms of how the public perceives and looks at these issues.

We heard from you today, and we heard from Mr. Johnson the other day, about the very good work that the foundation has done in terms of supporting students and research. Do you think the foundation will survive?

Mr. Morris Rosenberg: I hope it survives.

I think this is a very fraught time for the foundation. I think, in dealing with the resignation of a president and the resignation of several board members, they have some work to do.

It's why, in answering Mr. Desjarlais's question earlier, I really hope we can clarify this. There have been a lot of allegations made; there's a lot of smoke there. I honestly believe that the foundation was operating in good faith and that it wasn't influenced, but I do understand that there are public perceptions out there.

The foundation cannot wait two or three years to have this clarified. It needs a quicker resolution.

• (1220)

Mr. Peter Fragiskatos: Thank you very much.

The Chair: Thank you.

[Translation]

Ms. Sinclair-Desgagné, go ahead. You have two and a half minutes.

Ms. Nathalie Sinclair-Desgagné: Thank you, Mr. Chair.

I want to continue along the same lines as before, Mr. Rosenberg.

We were talking about how your employees reportedly did something that could have cost the Pierre Elliott Trudeau Foundation its charitable status under the Canada Revenue Agency Act.

Mr. Morris Rosenberg: I didn't say that.

Ms. Nathalie Sinclair-Desgagné: No, I did.

Mr. Morris Rosenberg: I don't necessarily agree.

Ms. Nathalie Sinclair-Desgagné: You don't agree with the fact that the foundation wasn't allowed to take donations from one person and issue the tax receipt to a company.

Mr. Morris Rosenberg: The company made the donation, so the tax receipt was issued in the company's name. If there is any confusion about that, an independent person or the CRA should look into the matter.

Ms. Nathalie Sinclair-Desgagné: I'm asking you, Mr. Rosenberg.

Mr. Johnson told us that he would send us the documents, including the bank statements showing that the donations were received and the amounts of the donations, as well as the tax receipts. If you could push to have those documents provided to the committee as soon as possible, it may give the committee some clarity on what took place.

Mr. Morris Rosenberg: That is the responsibility of Mr. Johnson, the chair of the foundation's board. I don't have access to the foundation's documents.

Ms. Nathalie Sinclair-Desgagné: Yes, I understand that. You agree, at least, that the committee should be able to see them.

I repeat, here's what we've found: the donations received by the foundation were made by specific donors in China, but the tax receipt was issued to Millennium Golden Eagle International, as per clear direction from Beijing to staff members of the Pierre Elliott Trudeau Foundation. At this point, that's what we presume happened.

Mr. Morris Rosenberg: There are two ways to look at it. You can see it as a conspiracy, or you can see it as common practice. Unfortunately, I think there's a lot of confusion surrounding the matter, so the documents should be examined and a tax expert should determine what's what.

Ms. Nathalie Sinclair-Desgagné: Yes.

You can say it's a conspiracy theory if you want, but there's something called the law, which you are very familiar with as a lawyer. You are not allowed—

Mr. Morris Rosenberg: I'm not a tax lawyer.

Ms. Nathalie Sinclair-Desgagné: No, but the law clearly states that the name listed on the tax receipt must be the name of the donor. It's pretty straightforward. It says so in black and white. There's no conspiracy theory here, and for that matter, I would refrain from bringing up conspiracy theories given the allegations against you.

Now—

The Chair: You're out of time, Ms. Sinclair-Desgagné.

[English]

Mr. Desjarlais, you have the floor for two and a half minutes. Go ahead, please.

Mr. Blake Desjarlais: Thank you very much, Mr. Chair, and thank you to all the witnesses for being present here.

Mr. Chair, on a point of clarification—and I'm not sure if I can have my time restored—how many rounds are we having?

The Chair: I think you should get another one after this, Mr. Desjarlais.

Mr. Blake Desjarlais: Thank you very much, Mr. Chair.

Mr. Rosenberg, you mentioned in your answer to some of our Liberal colleagues the nature of some of your operations, both when you were the CEO of the Trudeau Foundation and, of course, when you were deputy minister. You spoke about some of the practices you engaged in as a deputy minister for the government, in particular in response to the question of partisanship of Conservative staff members and Liberal staff members. You mentioned that there was an aptitude for members of both of those parties to be affiliated with the government, even if they weren't part of the governing party, and that you hired them.

As part of our study here investigating the Trudeau Foundation, I believe it's important to talk about some of the corporate cultural practices. As a new member of Parliament, I find there is a great difference in the cultures of many parties. In particular, I have seen in the past, this tradition among both Liberals and Conservatives of having staff members—in particular, partisan staff members—go between the two and oftentimes between organizations they're also affiliated with.

During your time as the CEO of the Trudeau Foundation, did you also employ staff members of the Liberal and/or Conservative parties?

Mr. Morris Rosenberg: I don't think so, to my knowledge. It's not that I wouldn't have, but it wouldn't have been because they were Liberals or Conservatives. As far as I know, the staff at the foundation was pretty apolitical.

Mr. Blake Desjarlais: In terms of your work as a deputy minister, though, you've identified credibility in that assertion of hiring staff members from both the Liberals and the Conservatives, so understanding that—

Mr. Morris Rosenberg: It's a different job. Credibility in the context of the government—

Mr. Blake Desjarlais: Oh, it's not a different job, as a matter of fact, Mr. Rosenberg. You just heard testimony today—and you're in Parliament right now—regarding an investigation of foreign interference and the participation of the Pierre Elliott Trudeau Foundation.

Mr. Rosenberg, it's not out of the question or unreasonable to ask why or how members of the Pierre Elliott Trudeau Foundation and members of these parties are connected. To say they're apolitical, especially when you've just given testimony to the fact that, as a deputy minister, you did that....

Mr. Rosenberg, let me ask again, and I hope you can see how serious this is. I know you're smiling right now, but I need to have the credibility of your remarks to understand how the Trudeau Foundation and its culture and the connection it has with Canadian partisanship to the point that foreign interference could exist.... I need you to answer the question. If you don't know—

• (1225)

The Chair: Thank you, Mr. Desjarlais. I'm going to let Mr. Rosenberg provide an answer.

Mr. Morris Rosenberg: I'm not even sure of the question. Are you asking me whether staff at the foundation were politically affiliated? The answer, as far as I know, is no.

Mr. Blake Desjarlais: Thank you.

The Chair: Thank you very much.

Mr. Kram, you have the floor for five minutes.

Mr. Kelly McCauley (Edmonton West, CPC): It's me.

The Chair: Oh, I'm sorry, Mr. McCauley.

You have the floor for five minutes, Mr. McCauley. Pardon me.

Mr. Kelly McCauley: Thanks, Mr. Chair, and thanks, witnesses, for being with us today.

I want to chat quickly, Mr. Rosenberg, to follow up on Mr. Desjarlais's comments about the partisanship. Besides Chuck Strahl, how many known Conservatives are you aware of who worked for the foundation or were members?

Mr. Morris Rosenberg: Michael Fortier was a mentor. The original board had Bill Davis on it. I'd have to go back to look. There were also NDP members on it.

Mr. Kelly McCauley: It's pretty minimal, comparatively. I think what I'm saying is that I don't think anyone considers.... Well, there's no one from the Bloc, but I don't think anyone will look at the foundation and say that it's purely a non-partisan one.

I want to get back to the original donation. When the \$140,000—two payments of \$70,000—came through, the foundation was aware that some of it was coming directly from mainland China, was it not?

Mr. Morris Rosenberg: No, the foundation was aware that the cheque, or whatever it was, was deposited into the Bank of Montreal by a Canadian corporation, Millennium Golden Eagle International (Canada) Inc.

Mr. Kelly McCauley: No one was aware there was any link to mainland China or the PRC.

Mr. Morris Rosenberg: If anyone.... I think the people who were looking at the—

Mr. Kelly McCauley: I guess my next question is this: When was the foundation aware?

Mr. Morris Rosenberg: The whole issue of this link to the PRC.... We knew we were dealing with Chinese individuals, but we also knew that the...and this is where all the confusion comes in. My understanding is that people sometimes use corporations to make donations for them. People control corporations, and they'll decide, for whatever reason, to use the corporation.

Mr. Kelly McCauley: I recognize that. Was there no suspicion, no hesitation or feeling that this really doesn't...?

Mr. Morris Rosenberg: You know, we weren't suspicious. I guess that was partly because we didn't think there was anything to this that was asking us to do anything untoward. As I said, we basically had free run with what we were going to do with this money.

Mr. Kelly McCauley: No one was stepping forward before then, though, saying, "Here's \$140,000. Send the receipt off to China." It didn't happen until after....

Mr. Morris Rosenberg: It didn't really get picked up. If you look at the documents that are there, you will see that there's correspondence between two employees in the foundation without ever seeing me or even the executive director.

Mr. Kelly McCauley: At any time in your four years, did you have a feeling that maybe this didn't smell right?

Mr. Morris Rosenberg: I didn't, because of the nature of how we were introduced to these folks, their antecedence in having donated to the University of Toronto, the fact that our ambassador knew them, and the fact that these conferences.... The only right thing they had was that the conferences would bear their names. The content of the conferences was not up to them.

Mr. Kelly McCauley: Looking back, do you think you were naive or perhaps wilfully blind to this?

Mr. Morris Rosenberg: You know, I don't think so.

I know there are different.... People have said that there are perceptions out there. I appreciate that, and I feel bad about it because I think the foundation has been so tarred by this. However, in the grander scheme of things, with all the things we were doing, this was not a huge deal within the foundation. We were in the process of putting on these major conferences. Most of our energy was going into that and not into thinking through this.

There was a ceremony, and it was unusual to have a ceremony, but it was the Université de Montréal that wanted to have the ceremony, and we decided it would be appropriate that Alexandre Trudeau be there. It was just a slightly different way of doing things.

• (1230)

Mr. Kelly McCauley: In your tenure, were there any CRA audits done—as a charity?

Mr. Morris Rosenberg: I believe so, and I think the CRA actually answered that when it was here.

Mr. Kelly McCauley: No, it didn't. It was quite clear about not answering anything.

Commissioner Hamilton, if you're watching right now, that's directed at you.

You mentioned about the quote.... You said you wouldn't jeopardize the charitable status. Looking back, obviously there's the donation. However, there are also the CNCA requirements, which apparently were not done for years, as well as the disbursement obligations, which apparently were not done. Are these, perhaps, due to a disagreement in how the accounting should have been done?

Mr. Morris Rosenberg: As far as I know, the disbursement obligations.... Is it the percentage you're talking about there? When I was there, I believe we complied.

Mr. Kelly McCauley: I'm not trying to be difficult, but—

Mr. Morris Rosenberg: I'm pretty sure, but I can't say “definitely”, because I don't have the documents.

The Chair: Thank you very much.

We're turning now to Ms. Bradford.

You have the floor for five minutes.

Ms. Valerie Bradford (Kitchener South—Hespeler, Lib.): Thank you, Mr. Chair, and thank you to all of the witnesses for giving up your time today to appear before our committee.

Since a lot of the focus has been on Mr. Rosenberg, I want to make it worthwhile for some of the other witnesses who are appearing before us today.

Ms. Biguzs, you're retired from the federal public service. There hasn't been a lot of reference to that today, but their involvement.... When did you retire?

Ms. Anita Biguzs (As an Individual): I retired in June 2016.

Ms. Valerie Bradford: What was your role in the federal public service?

Ms. Anita Biguzs: My last position was as the deputy minister of immigration. I believe that is why I was invited to appear as a witness to this committee meeting today.

I had a 35-plus-year career in the federal public service, working in a number of different departments but also two central agencies, including the Privy Council Office and the Treasury Board Secretariat.

Ms. Valerie Bradford: Did you have any involvement with the Pierre Elliott Trudeau Foundation in your work?

Ms. Anita Biguzs: No, I did not.

Ms. Valerie Bradford: Okay, so you were probably somewhat confused as to why you were asked to attend.

Ms. Anita Biguzs: My understanding, when I received the invitation from the clerk, is that it was in relation to a meeting that took place in April 2016, two months before my retirement, and that my department or I had been included in that invitation for the April 2016 meeting. It was a meeting that took place seven years ago, and I do not recall, to the best of my knowledge, whether I even attended the meeting. It may have been something I delegated. Because I don't have access to documents or agendas.... I verified with former colleagues in my office—my chief of staff and associate deputy—regarding whether they could recall my attending the meeting or whether it was delegated.

To the best of my knowledge, I have no real knowledge of the meeting itself.

Ms. Valerie Bradford: Thank you for that.

Turning to Mr. Flack, what role does the PCO play in facilitating conversations between departments and organizations seeking research and other post-secondary funding?

Mr. Graham Flack: Normally, it wouldn't be the Privy Council Office playing a role in trying to seek funding for the organizations or facilitating that. I'd say the PCO role, particularly in the plans role—the deputy secretary, plans—would be on major issues confronting the country. It would be common practice to bring together external players—it could be from the business community or the academic community—to have a discussion with senior officials around those issues.

Ms. Valerie Bradford: You didn't have any involvement in facilitating the meeting that happened in 2016.

Mr. Graham Flack: It would have been the Privy Council Office that set up the meeting.

Ms. Valerie Bradford: Mr. Knubley, how do departments work with organizations like the Trudeau Foundation to provide post-secondary funding for research and other use?

Mr. John Knubley: I'm sorry. Can you ask that again?

Ms. Valerie Bradford: How do departments work with organizations like the Trudeau Foundation to provide post-secondary funding for research and other use?

Mr. John Knubley: I'm not sure I know the answer to that question.

What I can speak to is this: There is a relationship between the industry department, or ISED, and the Trudeau Foundation. They are part of the portfolio of agencies—there are many—in the department. Other departments, such as Heritage, for example, have large portfolios like ISED's. In the case of the Trudeau Foundation, they are obviously part of it because they are promoting scholarship and excellence in academic activity, which is a focus of, as I mentioned in my remarks, the science sector in the department.

There is a conditional agreement between the department and the foundation that specifies some of the issues to be discussed. The main one, which has been mentioned, is this issue of ensuring that the Trudeau Foundation spends only interest on its activities.

• (1235)

Ms. Valerie Bradford: Thank you for that.

Mr. Rosenberg, I don't want to ignore you completely.

During your time working with the foundation, did you witness any attempts to seek political patronage or influence through any donations to the foundation?

Mr. Morris Rosenberg: No.

The Chair: That is your time, Ms. Bradford.

We're going to try to get through one more round.

Mr. Kram, I believe you have the floor for five minutes, please.

Mr. Michael Kram (Regina—Wascana, CPC): Thank you very much, Mr. Chair.

Mr. Rosenberg, you were named president and CEO of the foundation in 2014, and then in October 2015 you found yourself with the foundation having the same last name as the new Prime Minister. Can you share with the committee any steps or safeguards that you put in place to limit any donations that could be or at least could be perceived to be a conflict of interest?

Mr. Morris Rosenberg: Well, first of all, Mr. Trudeau had not had any dealings with the foundation since before I became the president, and there was a letter from him that I believe came in December 2014, saying that he essentially recused himself. It kind of created almost like a blind trust. He wouldn't be involved for the rest of his time in politics.

There were no specific policies put in place, if that's what you want to know, but as his brother said when he testified at the access to information committee, we were very mindful of not doing anything with him. Even his own brother was very mindful of that.

Mr. Michael Kram: Okay, but there are two directors of the foundation who are appointed by the Trudeau family. Is that correct?

Mr. Morris Rosenberg: That's the structure that was put in place when the foundation was set up and when the funding agreement was put in place.

Mr. Michael Kram: You said earlier that you did not think that a donation of \$200,000 or a donation of \$160,000 could be used to buy influence. Are there any limits to donations to the Trudeau Foundation?

Mr. Morris Rosenberg: I don't think we ever got a donation that would have tested that.

The biggest donation we ever got was from the McCall MacBain Foundation. As I said, John McCall MacBain, who is probably one of the leading philanthropists in Canada, gave \$200 million to McGill, gave \$100 million to Oxford and gave us \$3 million. That's by far, many orders of magnitude bigger than anything else we'd ever gotten.

Mr. Michael Kram: Okay. Do you know what the limits are for donating to a politician's election campaign?

Mr. Morris Rosenberg: No, I don't.

Mr. Michael Kram: It's less than \$2,000 in this country, so I'm a bit surprised that you could imply that \$200,000 would not be significant enough to buy influence in the Canadian political system, given that when the MPs around this table are running for re-election we cannot accept.... It's actually less than \$2,000.

It's troubling that these checks and balances would not be in place for the Trudeau Foundation.

Mr. Morris Rosenberg: It's kind of apples and oranges, though, isn't it? There are individual campaign contribution limits for people running for office. Two hundred thousand dollars to the Trudeau Foundation on a base endowment of \$125 million that was growing was not that big a deal.

Mr. Michael Kram: Okay, but if someone wants to donate \$200,000 to Justin Trudeau's election campaign and soon finds out that the contribution limits are less than \$2,000, I think it would be pretty reasonable for someone to go to Google and say, "Well, what else can I donate to that has the same last name as the Prime Minister that could be used to purchase influence?" Wouldn't you agree that the Trudeau Foundation would come up pretty quickly on a Google search?

• (1240)

Mr. Morris Rosenberg: Honestly, I don't think so. I mean, I really don't think that the \$200,000 was going to buy either influence with us, for all of the reasons I've said, or influence with the government. If you want to look at influence with the government, look at some of the other bigger deals. Fifteen billion dollars...and I don't mean to pick on the Harper government, but there were these deals that were done—

Some hon. members: Oh, oh!

Mr. Morris Rosenberg: I don't.

The Chair: Order.

An hon. member: It's just a coincidence.

Mr. Morris Rosenberg: Well, these are facts, okay? If you want to talk about—

The Chair: Just wait one second, Mr. Rosenberg. I have a point of order.

Mr. Peter Fragiskatos: Chair, the witness is simply trying to finish his statement. Can you allow him to do that, in the interests of decorum?

The Chair: That's what I'm attempting to do.

Mr. Rosenberg, you have the floor. There are 40 seconds left.

Mr. Morris Rosenberg: There's so much politicization on this issue. Some of you guys talk about the Beijing-funded Trudeau Foundation. It's actually not the Beijing-funded Trudeau Foundation.

I could say the Beijing-funded deal to buy Nexen. I don't know. I honestly don't think that \$200,000 dollars is very significant in the greater scheme of things.

Mr. Michael Kram: I'll just wrap up a couple of things very quickly.

Prior to his becoming Prime Minister, there was the ongoing issue of Justin Trudeau's speaking fees at different charitable events.

Did the Trudeau Foundation ever pay Justin Trudeau a speaking fee to speak at an event?

Mr. Morris Rosenberg: It did not, to my knowledge. I'd be very surprised.

The Chair: That is the time, I'm afraid.

We turn now to Mr. Sidhu online.

You have the floor for five minutes. Go ahead, please.

Mr. Maninder Sidhu: My colleague, Ms. Shanahan, will be taking the floor.

Mrs. Brenda Shanahan: Thank you, Chair, and thank you, Mr. Sidhu.

I'd like to come back to a statement you made earlier, Mr. Rosenberg, concerning worrying signs of China's intentions in the 2010s.

Can you expand on that?

Mr. Morris Rosenberg: Yes. I'll try to, a little.

People may remember back to 2010, actually, when the former head of CSIS made some statements about foreign influence. Some of that may have been Chinese influence. It created a bit of a hue and cry. Certainly, the Liberals, who were in opposition at that time, were very unhappy about that. I think they even had Mr. Fadden at committee. Mr. Fadden didn't apologize for those statements. I think time has proved that he was right. I think the government of the day did apologize for Mr. Fadden. Mr. Fadden happily went on to have a very good career. He's very, very astute on matters of national security.

At that time, I don't think anybody or enough people were taking it that seriously. Subsequently there were things like this letter to the China Cultural Industry Association. They were doing a lot of PR, not just in Canada but all over the world. We were in a period of warming relations with China. Then a number of things started to happen. I think people started to realize that they were not playing fair. They were in the World Trade Organization, but they were actually using every loophole to their advantage.

Trade with China is not necessarily fair trade. There was criticism of some of the agreements that were entered into with China and concern, for example, that a customs agreement would have given them too much commercially sensitive information if they were interested in appropriating some of our information.

I think during the initial period, the concerns were more on the commercial side, the economic side, and on the dual use of technology side. With respect to the potential military uses of technology, on which you had Canadian universities working in collaboration with Chinese researchers, it took a while for us to get there. I think it's only fairly recently that universities have changed their policies on these things, with the encouragement of the granting councils.

Mrs. Brenda Shanahan: Mr. Rosenberg, how would you characterize the response of the government at the time? Would you say that Prime Minister Harper at the time was being naive?

Mr. Morris Rosenberg: No. Just to prove I'm not biased, I think everybody at that time was working in what they thought were Canada's best interests. The whole world was courting China whether businesses, academic institutions or governments, so when the Government of Canada entered into a customs agreement and a foreign investment protection agreement with China, it thought it was working in the best interests of Canada. When the ambassador wrote a letter to this cultural organization, he thought he was working in the best interests of Canada.

Were we naive? I don't know.

• (1245)

Mrs. Brenda Shanahan: Thank you for that.

I would like to turn to Mr. Jean.

Mr. Jean, you were a national security adviser. Can you talk about that time and the evolution of the Canadian response?

Mr. Daniel Jean (As an Individual): I'm happy to do so, and I think I can add some interesting facts.

For example, in 2012, we signed the Foreign Investment Promotion and Protection Agreement with China. We did not ratify it until 2014. It was not a major controversy when it was ratified. Some of

the reasons it wasn't ratified for two years were environmental and labour concerns, but there was also the whole concern around state-owned enterprises. When we go back to the Nexen deal, you have to remember that it forced us to come up with a policy.

In 2014, China—and we attributed it to China—attacked the National Research Council. A couple of months later, they were arresting two Canadians in a very arbitrary way, Kevin and Julia Garratt. They were detained for several months.

Several months later, Prime Minister Harper went to China. He worked on announcing the economic thing, but at the same time, he had the tough conversations about some of the things we didn't like about China. To go back to the NRC cyber-attack, remember that we attributed it to China the day before Minister John Baird was meeting with his counterpart in Beijing.

This evolution that Mr. Rosenberg described is very much so. It's not that they were naive or we're naive. More and more, we realized that under Xi Jinping, we were dealing with a very, very challenging country.

One very important fact is what Mr. Rosenberg described, what we call economic security or sensitive technology or research and all that. We were one of the first countries to start to invest heavily in protecting this.

With the statistics, when you look at the Investment Canada Act, the transactions showed that every year, and we were partnered with other countries, looking at that. It's an evolution.

When I appeared at PROC, I said this is not a switch that is on and off. It's not that you have no interference and then you have interference overnight. It's something that happens over time.

The Chair: Thank you very much.

I've had members from both the government bench and the official opposition signalling to me that the bells are ringing. I'm aware of this.

Members love throwing points of order at me that aren't points of order. This is a point of order, so I will raise it now. Anyone could have raised it at any time.

We have 19 minutes until the vote. If we hear our last four questioners, that will take 15 minutes. Do I have UC to proceed?

Some hon. members: Agreed.

The Chair: Thank you.

If you don't interrupt me, then I assume we have that, but you are, of course, free to raise that point of order.

[*Translation*]

Ms. Sinclair-Desgagné, you have two and a half minutes. Go ahead.

Ms. Nathalie Sinclair-Desgagné: Thank you, Mr. Chair.

Let's recap.

According to you, Mr. Rosenberg, the two people who made the donations—Niu Gensheng and Zhang Bin—didn't speak English very well. You even had to thank them in Mandarin.

Do you think those two people cared so much about the foundation's scholars and noble mission that they made donations to Canada through the foundation bearing the name of this former prime minister? Do you think they made the donations all for the good of the scholars?

Mr. Morris Rosenberg: That's what we thought because that is what they did with the University of Toronto, in honour of Norman Bethune.

Ms. Nathalie Sinclair-Desgagné: Just because others do something wrong does not mean you should too. That's not a good reason.

What you should have done is address the problem and not sign donation tax receipts that wound up going to another company. I repeat, that is not allowed under the Income Tax Act. As the CRA officials told the public accounts committee when they were here, doing that could cost the foundation its charitable status.

In any case, I have another question for you.

You were the foundation's president and CEO for four years. Do you think a charitable organization that uses 41% of its funding to pay its executives is properly allocating its resources to charitable activities, especially when that average is 14% in Quebec?

Mr. Morris Rosenberg: I don't have those figures in front of me.

Ms. Nathalie Sinclair-Desgagné: I just gave them to you. The foundation spends 41% as compared with Quebec's average of 14%.

• (1250)

Mr. Morris Rosenberg: I don't know. You're referring to an average. The proportion is higher for some organizations and lower for others. At this time, I can't say whether it's appropriate in the case of the Pierre Elliott Trudeau Foundation. When I worked there, it was a small organization, and I don't know whether that has changed since I left.

Ms. Nathalie Sinclair-Desgagné: I have just half a minute left, Mr. Rosenberg, and I have one last question for you. You seem to be evading the question about compensation, so I'll come back to the donations.

I'm not sure whether you asked yourself these questions. Although you thought that the two individuals who wanted to make donations to the foundation were well-intentioned, why didn't you take a closer look? Wasn't it your job as the foundation's president and CEO to protect its reputation and make sure that it didn't take

donations from people who were obviously using the Trudeau name to influence the newly elected Prime Minister?

Mr. Morris Rosenberg: You said it was obvious, but I completely disagree. Given the nature of the donation and the fact that there were no strings attached to the conferences that were to be held, we thought it was a good idea—not to mention the fact that Canada's ambassador in Beijing knew the donor and had introduced him to Mr. Lefebvre at the Université de Montréal.

The Chair: You're out of time, Ms. Sinclair-Desgagné. Thank you.

[*English*]

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

Mr. Blake Desjarlais: Thank you very much, Mr. Chair.

I want to address my questions to Mr. Jean.

In relation to your previous testimony and the facts you presented, there's a narrative here. It's the narrative of an experience that you and many of the witnesses here today have been able to piece together for us. I think it's an important piece to how we understand foreign interference, particularly by state actors like China, but even by other state actors like Russia.

In your experience, Monsieur Jean.... I know you served as intelligence adviser to the Prime Minister during a time when these policies may have been shifting very quickly. You mentioned the volatile movement of position. We heard from Mr. Rosenberg about how even civil society.... The Pierre Elliott Trudeau Foundation was seeking to get these donations from China and to find ways to participate in a better relationship. Mr. Rosenberg mentioned, for example, as the former CEO, that they were witnessing the government taking pandas and other items like that to try to build this relationship.

During your time, and during this kind of narrative, did you see this as a risk taken seriously enough, at that time, to call for a public inquiry then? Do you think that was something Canadians were even interested in, at that time?

Mr. Daniel Jean: That's something I covered at PROC quite in depth when I appeared. We were just starting to see signs of concern. We were seeing a lot more signs on the economic security side. I just spoke about that a few minutes ago, so I'll spare your time on this.

For example, in the summer of 2015, when I was deputy minister of foreign affairs, and just a few months before the election, we issued a diplomatic note to all diplomatic missions, advising them that they should not get involved in elections—knowing the election was going to come soon—as per the Vienna Convention. We were heavily criticized, a bit like Mr. Fadden was in 2010. A few people criticized us for doing that. They felt it was rude. We were seeing signs that some people from foreign countries were trying to intercede at the local level—not to the extent as described in those leaks you've been seeing, but enough to say that an ounce of prevention is worth....

We issued that diplomatic release. We did that. We worked very hard on the economic security side. I spoke to you about that. We first had an attack on the World Anti-Doping Agency in 2016 in Canada. Three months later, the same GRU officer carried out the attack on the U.S. election.

As is often the case in our society, the shiny object is always what's in the paper. A lot of the attention was on cyber foreign interference. We did a lot of work, and that's what led to a lot of the mechanisms you're reviewing in your work on this. We did a lot of work to say that foreign interference may happen in both the cyber and analog worlds, so you need to be equipped for both.

The Chair: Thank you very much.

Mr. Genuis, you have the floor for five minutes. I will be strict on the time for your and the government's last question round. Go ahead.

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

I think it's important to put on the record that the Harper government was extremely cautious on China. After the Nexen deal, they put additional limitations on investments. Throughout the Harper years, they were getting pressured by the then opposition Liberals to be less cautious and more full steam ahead.

I think it's fair to have a discussion about what aspects of those policies could have been different, but it's not as if there was no daylight between the Liberal and Conservative positions at the time. The Conservatives took a very different approach—a much more cautious approach. When the Liberals came into power, they were talking about not only free trade with China but also an extradition deal with China. That was after the arbitrary detentions of the Garratts, Huseyin Celil and others. I'm glad the detention of the Michaels ended up being a wake-up call. Frankly, it wasn't the first—nor will it, sadly, be the last—case of arbitrary detention. This Liberal government, coming into office in 2015, should have known better.

Mr. Rosenberg, you said something about the ambassador in China introducing these donors to the Trudeau Foundation. Could you share which ambassador that was and when that introduction took place?

• (1255)

Mr. Morris Rosenberg: First of all, he introduced the donor to the vice-rector, international, at the University of Montreal. It was the University of Montreal that approached the Trudeau Foundation.

Mr. Garnett Genuis: Which ambassador was that?

Mr. Morris Rosenberg: Ambassador Guy Saint-Jacques.

Mr. Garnett Genuis: Thank you.

We know that donors attended a cash-for-access fundraiser with Prime Minister Trudeau shortly prior to that donation going forward. Were you aware that those donors had attended a cash-for-access Liberal fundraiser?

Mr. Morris Rosenberg: I had no idea.

Mr. Garnett Genuis: Would it have given you pause if you had known?

Mr. Morris Rosenberg: Maybe.

Mr. Garnett Genuis: Okay.

Were there others at the foundation who were aware or should have been aware—such as the Prime Minister's brother—that these donors were present at that foundation?

Mr. Morris Rosenberg: The Prime Minister's brother testified, I think, that he and the Prime Minister did not talk about politics, so I don't think he was aware either. It was—

Mr. Garnett Genuis: If I remember rightly, he was aware of their attendance—at least he was when he testified.

You're sort of unwilling to commit one way or the other about whether the fact that these donors attended a cash-for-access fundraiser right before they gave this money... You're sort of unwilling to commit on whether that would have given you pause or...?

Mr. Morris Rosenberg: Well, look, we didn't know at the time. If somebody had told me that that had happened, I think it would have given me some pause. We certainly would have done further investigation. I'm not saying it would have scuttled the whole thing.

Mr. Garnett Genuis: Knowing what you know now, it does look like this was oriented towards trying to have an influence. Is that correct?

Mr. Morris Rosenberg: I'm sorry. I'm not going to agree with you on that, and I'll tell you why—

Mr. Garnett Genuis: They attend this fundraiser and then they give the donation shortly afterwards.

Mr. Morris Rosenberg: —because this donation had been negotiated long before this fundraiser.

Mr. Garnett Genuis: It was finalized—

Mr. Morris Rosenberg: It was ready to be announced in September 2015. It wasn't, because of a technical issue with the University of Montreal part of this, so I—

Mr. Garnett Genuis: There are just a lot of technical issues and convenience, aren't there, like the shortage of boardrooms in Blackburn, like it just so happened he was at this fundraiser before and it was a convenient time to finalize the donation afterwards? I don't think this is remotely credible.

In the time I have left, I want to go back to Mr. Knubley.

I was interested in the fact that you went from being a deputy minister to working for McKinsey, so I want to ask if there was a cooling-off period between your time in government and your time with McKinsey, and also if McKinsey has ever done work for the Trudeau Foundation.

Mr. John Knubley: Sorry, on the latter point, I have no idea. I have no knowledge of what McKinsey has done with the Trudeau Foundation, and it's inappropriate to speak of clients.

I think I'll start with a statement that I've followed with since leaving government—

Mr. Garnett Genuis: I'm sorry. It would be appropriate to speak of it, since you've been asked in a parliamentary committee. If you don't know, you don't know, but you do need to answer the question if you do.

Mr. John Knubley: I just said that I don't know.

Mr. Garnett Genuis: Okay. Thank you.

Mr. John Knubley: Then I was about to say that I followed all of the governing rules related to the Lobbying Act and the Federal Accountability Act, as required, in all my consulting activities. I joined McKinsey as a senior adviser in September 2020, which was more than one year after I left government in 2019. That is a requirement. I cannot—

Mr. Garnett Genuis: Did you advise them on how to get business with the Government of Canada, sir?

• (1300)

The Chair: That is your time, I'm afraid.

I'm turning now to our last questioner.

Mr. John Knubley: No, I did not, and I want to say that I spent 5% of my consulting time working with McKinsey and—

The Chair: Ms. Yip, I believe you have the last five minutes, please.

Mr. John Knubley: —the reason I left McKinsey in September 2022 was that—

The Chair: Mr. Knubley, we've moved on now. Thank you very much.

Ms. Yip has the floor for five minutes.

Thank you.

Ms. Jean Yip: Mr. Knubley, if you want to finish your sentence, please go ahead.

Mr. John Knubley: Yes, I just want to say two things.

One is that in my consulting work as a senior adviser, about 5% of my work time was with McKinsey, and I left because there was no work.

Ms. Jean Yip: Thank you. I would now like to turn back to what we are studying.

Mr. Rosenberg, we have heard from Edward Johnson about the governance measures in place at the foundation. Could you tell us the procedures in place during your time, and if there were any red flags raised by accountants or auditors regarding the donations?

Mr. Morris Rosenberg: As far as I know, I think PricewaterhouseCoopers was the auditor of the foundation, and I don't recall there ever being a red flag about it.

Ms. Jean Yip: You mentioned you were aware of a forensic audit being done. What would such an audit reveal?

Mr. Morris Rosenberg: I'm aware that....This is all based on what I heard here, from Mr. Johnson, so you may know as much as I do about that. I think you're better to ask Mr. Johnson about the content of that...or ask the forensic auditors themselves.

Ms. Jean Yip: You mentioned today that the foundation's issues needed to be reviewed very quickly. Can you elaborate on what the impact would be if those were not attended to quickly?

Mr. Morris Rosenberg: Well, I'm concerned at this point. The foundation needs to find a new president, and I think it will be challenging to find a new president until these issues are clarified. I think the same is true with respect to finding new board members. That's why I think it has to be done quickly. Like Mr. Johnson, I would hate to see the good work of the foundation—because I think it has done some fabulous work over the past 20 years—not be able to continue because of this.

Ms. Jean Yip: It would certainly impact the recipients.

Mr. Morris Rosenberg: Absolutely.

Ms. Jean Yip: What are some other ways Canadians can support the foundation?

Mr. Morris Rosenberg: Maybe I'll turn it around and say that there are ways that the foundation can support Canadians, and I have talked about this a bit. The foundation, under my time and I think, to some extent, under Madame Fournier's time as well, has done much more in getting its members out into communities, not only familiarizing themselves with what is actually going on but also familiarizing Canadians with the work of the foundation and allowing some young people, who otherwise might never have thought of it, the opportunity to dream that maybe they could do something like this too.

Ms. Jean Yip: Since we're near the end here, are there any other remarks or comments that you would like to make?

Mr. Morris Rosenberg: No. I think I've said enough.

Ms. Jean Yip: Thank you very much.

The Chair: Thank you, Ms. Yip, for yielding your time. That will give members a few more seconds to get to the votes.

I want to thank all the witnesses for appearing today and for responding to the committee's request that you attend, and thanks to Mr. Rosenberg in particular for all the questions you answered today.

On that, I will adjourn the meeting.

We'll see you all Thursday.

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