



HOUSE OF COMMONS
CHAMBRE DES COMMUNES
CANADA

44th PARLIAMENT, 1st SESSION

Standing Committee on Public Accounts

EVIDENCE

NUMBER 069

Thursday, June 8, 2023

Chair: Mr. John Williamson



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• (1540)

[English]

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

[Translation]

Welcome to the 69th meeting 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.

I'd now like to welcome our witness. From the Pierre Elliott Trudeau Foundation, we have Mr. Edward Johnson, chair of the board of directors.

Thank you for joining us today.

Mr. Johnson, before I give you your five minutes, I think I have a....

Yes, go ahead, Ms. Sinclair-Desgagné.

[Translation]

Ms. Nathalie Sinclair-Desgagné (Terrebonne, BQ): I have a point of order, Mr. Chair.

I'm going to read you an excerpt from *House of Commons Procedure and Practice*, and then I'd like you to confirm something for me.

It says the following:

It is generally accepted that witnesses have a duty to speak the truth regardless of whether or not their testimony is given under oath. The decision as to the swearing-in of witnesses is left entirely to the discretion of the committee. [...]

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.

Can you confirm to me that this would apply where appropriate?

[English]

The Chair: That is my understanding, whenever anyone appears.

I'll turn to the clerk. I'm getting the affirmative. That is correct. That is a standard rule or regulation that oversees all business before the committee.

On this same point of order, go ahead, Mrs Shanahan.

Mrs. Brenda Shanahan (Châteauguay—Lacolle, Lib.): I would like to review with the clerk, then, the usual procedure when witnesses are invited.

Is that not the kind of thing that's discussed with them, so it's clear that this is the duty of the witness when they come before Parliament? Could the clerk explain a bit about how witnesses are invited and how we do that in a respectful and professional manner?

The Chair: Wait one moment, please.

Instead of trying to repeat it, I will ask the clerk to state it.

The Clerk of the Committee (Ms. Carine Grand-Jean): Basically, when witnesses are invited to appear at the committee, they are coming with the will to say the truth. We are working on the basis that they are saying the truth.

The Chair: Okay. I think this is resolved.

Mr. Johnson, I apologize for that. You have the floor for five minutes. If you need a few more seconds, I allow witnesses to finish up their thoughts. I'm diligent with the clock, but I will endeavour not to ever cut you off.

It's over to you, sir.

Mr. Edward Johnson (Chair of the Board of Directors, Pierre Elliott Trudeau Foundation): Thank you, Chairman. I'll try to stay within that constraint.

The Pierre Elliott Trudeau Foundation is a non-partisan charitable scholarship foundation that was created in 2002 with broad cross-party support in the House of Commons. The first board of directors included Bill Davis, Roy Romanow and Peter Lougheed. It was granted a \$125-million endowment by the government.

Since then, it has spent some \$95 million on programs, plus approximately another \$20 million to \$25 million on delivering those programs, on the administrative side. In total, that's an amount that's pretty close to the original endowment. During that time, we have provided 295 doctoral scholarships, plus mentorships and fellowships—88 fellowships and 163 mentorships. We achieved that without touching the capital, which now stands at \$145 million. We have not asked for a cent of new money from the government in 21 years.

Today we rank up there with Rhodes, MacArthur and Fulbright as a sought-after scholarship. Many of our scholars say their involvement was life changing.

Our directors and members are all volunteers. The Trudeau family has no financial interest whatsoever in the foundation.

The foundation, over the past 21 years, is doing what it was supposed to do with the taxpayers' money. In tight compliance with our funding agreement, we deliver a very simple, four-point program: scholarships, mentorships, fellowships and a public interaction program. We are meant to make a significant contribution to the future of Canada, and we have delivered to the letter.

The foundation has been subjected to unwarranted and unfair attacks, which began in late February, revolving around a donation totalling \$140,000 from a Chinese Canadian entity. These put huge pressure on the board of directors. In this context, let me note on record for this committee that we were never offered \$1 million, and we never received any red flags from CSIS.

It's important that I respond to some earlier testimony by our former president and three former directors at the House ethics committee.

At no time did any director receive a legal opinion that they were in a conflict of interest involving the 2014 to 2017 Chinese donation.

In my case, I didn't need a legal opinion to tell me what I instinctively knew. I was on the board at the time of those donations, so I should not be involved in the oversight of any outside review of them, although my potential conflict of interest might have been purely perceived, not legal. At no time did I resist or attempt to narrow such an independent review.

Indeed, within 10 days of the first news story, I urged that we needed an independent review and that it should be overseen not by management and not by me, but by a special committee of three directors who had had no involvement whatsoever in the foundation in the years 2014 to 2017. I phoned every board member individually in mid-March and discussed this. On March 24, I remarked to our lawyers how supportive our directors were of our president and me in the trying circumstances of intense national attention.

I proposed oversight by an independent committee at the full board meeting on March 31. As to my eligibility to chair that meeting, there is no doubt that my interests aligned perfectly with the interests of the foundation. I wanted an independent review and so did the rest of the board. It was my duty, as chair, to preside.

There were two outside lawyers from two firms advising the board at that meeting. Both said that they had not given opinions on conflicts of interest. Neither they nor any director questioned my legitimacy to chair or to vote at that meeting. At no point was there a motion for any directors to recuse themselves, nor was there any refusal to do so by any director.

Over the subsequent week, by Easter Thursday, a consensus emerged among most directors, in my view, that indeed the outside review should be overseen by a special committee of three, as I had originally recommended, and that the review should not report to management. To my utter surprise and disappointment, the board resigned on Easter Monday—April 10.

• (1545)

Knowing that those resignations would stall any outside review for weeks, I wrote the Auditor General on April 14, three days after the board resignations, to ask her to investigate all aspects of the receipt and handling of these donations by the foundation.

Finally, for our scholars, mentors and fellows, I want to say a special word to them and to our marvellous team at the foundation and to our community. Looking ahead, the Pierre Elliot Trudeau Foundation will continue to provide its outstanding academic program. Thanks to the volunteers on our finance committee, we continue to be well financed. Our excellent team is working ahead on the announcement of our next cohort and planned leadership development events.

It's an exciting future heading into our 23rd year.

Thank you.

• (1550)

The Chair: Thank you.

My apologies for the alarm—that was not my intention—but I have a new stopwatch. I'm going to endeavour to fix that so I don't interrupt. MPs know that I will stop them when the buzzer goes, but I will allow the witness to finish answering the question.

Colleagues, my attempt this morning is to get through three or four rounds, so I will be watching the clock particularly closely. That takes us to just under the hour and 15 minutes that we have scheduled.

Without further ado, Mr. Brock, welcome to committee.

You have the floor, for six minutes, please.

Mr. Larry Brock (Brantford—Brant, CPC): Thank you, Mr. Chair.

Welcome to committee, Mr. Johnson.

You may or may not remember, but we had an opportunity to talk to each other just over a month ago.

I want to basically start off by completing the circle, so to speak. I left you to consider following through on a couple of undertakings. Do you remember the exchange that you and I had, sir?

Mr. Edward Johnson: I do indeed, and the foundation responded the next day—I hope, adequately—to the three requests.

Mr. Larry Brock: Okay, I haven't seen that correspondence. I'm not impugning your credibility or character, sir, by any stretch. It may have gone to the committee, but it didn't actually come to my attention.

Are you able to elaborate as to the details that I asked you to consider?

Mr. Edward Johnson: Yes, indeed.

If you'll allow me, I can read a relatively short email, which was in response to your questions.

There's a recital at the beginning to the clerk of the committee.

Please find below the information requested:

On March 1, 2023, upon the initiative of the President and CEO Pascale Fournier and with the approval of the Board's Executive Committee, the Foundation sent a cheque in the amount of \$140,000 to reimburse the donation that had been received by the Foundation in two \$70,000 tranches in 2016 and 2017. The cheque was signed by directors Bruce McNiven and Peter Sahlas, drawn to the order of Millennium Golden Eagle International (Canada), the Canadian corporation that made the donations, and sent via Canada Post....

I'm going to summarize because I know your time is limited. I'll just whip through some of these paragraphs.

The foundation issued a statement the same day declaring that it had been refunded, but on March 21, 2023, after three failed delivery attempts, Canada Post returned to the foundation the envelope containing the reimbursement cheque.

After the resignation of the president and CEO on April 10, 2023, the directors learned that in early April, the foundation staff reporting to the president had contacted the Bank of Montreal to confirm the origin of the two payments back in 2016 and 2017. The bank confirmed on April 23 that both payments were received by electronic transfer from the Canadian corporate entity listed on the CRA receipts that had been issued by the foundation, and that the two payments originated from its Montreal—that is the donor's—bank account, which was still open in 2023 and in good standing.

This information had never been provided to the board, which had recently been led to believe that one of the two \$70,000 payments may have originated in China and that the foundation's CRA receipts may have been improperly issued.

On April 12, 2023, the \$140,000 cheque that had been returned to the foundation by Canada Post was delivered directly to the donor's downtown Montreal branch of the Bank of Montreal. The cheque was provided to the donor's account manager at the branch, who deposited the cheque immediately and confirmed the deposit in writing.

The foundation is taking the appropriate steps with the CRA in regard to the above. The CRA receipts that were issued in 2016 and 2017 were both issued to the same Canadian corporation, Millennium Golden Eagle International (Canada). The first receipt was addressed overseas and the second receipt, approximately one year later, was addressed to the corporation's Canadian address.

• (1555)

Mr. Larry Brock: Did the latter part of what you just described to me, sir, come from the bank—that information?

Mr. Edward Johnson: Which part was that? The fact that the account was there...?

Mr. Larry Brock: Yes.

Mr. Edward Johnson: Yes, it was.

Mr. Larry Brock: Okay.

Was what you read out the information transferred to the ethics committee the day after your testimony?

Mr. Edward Johnson: Yes, that's correct. I'm reading from the memo to the clerk of the ethics committee.

Mr. Larry Brock: Okay.

There are a couple of issues I have with that.

From your perspective, sir, \$140,000 was redeposited electronically in the Canadian bank account of Millennium Golden Eagle International (Canada) Inc.

Is that correct?

Mr. Edward Johnson: I'm not sure it was done electronically. I think the cheque was delivered to the bank. The same cheque we attempted to deliver some weeks earlier was—

Mr. Larry Brock: Okay.

Did you receive any confirmation—

Mr. Edward Johnson: Yes.

Mr. Larry Brock: —from Millennium—

Mr. Edward Johnson: It wasn't from Millennium.

Mr. Larry Brock: —upon receipt?

I'm sorry. Could we talk one at a time, sir?

Mr. Edward Johnson: I'm sorry.

Mr. Larry Brock: Did you receive a receipt or some type of acknowledgement from Millennium that they, in fact, received \$140,000 directly into their bank account?

Mr. Edward Johnson: Not to my knowledge.... It was confirmed to us by the bank that the funds had been deposited into that account. To my knowledge, there was no response from Millennium.

Mr. Larry Brock: Did you exercise any due diligence, sir, to determine who the directors of that corporation are?

Mr. Edward Johnson: I did not, but I believe people at the foundation did. They determined who was in charge.

I know a letter was also sent informing Millennium...to Millennium's Canadian address. I don't believe we received a response to that letter.

The Chair: Thank you.

Ms. Bradford, you have the floor for six minutes.

Ms. Valerie Bradford (Kitchener South—Hespeler, Lib.): Thank you, Mr. Chair.

Thank you, Mr. Johnson, for appearing today and for your full-some opening statement that provides a lot of background.

Building on that, as someone who has been involved with the Pierre Elliott Trudeau Foundation since its inception in 2001, can you provide a summary of how the foundation was created, what its initial mandate was and how its mandate and operations have evolved over the past 22 years?

Mr. Edward Johnson: Thank you.

Its mandate was to essentially do what we're doing today, which is to provide a four-element program: scholarships, mentorships, fellowships and public interaction programs. We were to provide our scholarships as doctoral scholarships in the social sciences and humanities. The reasoning at the time was.... I believe it remains even more true today—we are awash in doctoral scholarships in the fields of applied science, technology, engineering and so on. However, what's lacking is adequate support in the social sciences and humanities, which are, arguably, the backbone of a democratic society and an advanced society: studying human rights, civil liberties, foreign policy and Canada's place in the world. These issues don't get studied in technology school.

That was the rationale behind it and essentially our program. Where's the value added? Why is a Trudeau scholarship different from any other? The big element is our leadership program, which takes scholars out of their comfort zone and introduces them, through mentors, fellows and other people, to aspects of Canada and the world that they would not otherwise be introduced to. We call that “engaged leadership”. We believe that adds a certain value to a Trudeau scholarship that isn't necessarily obtained in other cases.

We've done 295 of those scholarships. They're very substantial, very highly regarded and very sought-after. We had many hundreds of applications for a dozen openings last year.

• (1600)

Ms. Valerie Bradford: Can you expand on “very substantial”? Can you quantify that?

Mr. Edward Johnson: Yes, it's \$60,000, or \$40,000 in straight scholarship money. There's a travel allowance of, I believe, about \$10,000.

Here's another value-added aspect. There's \$5,000 to improve the scholar's language capabilities. Usually, scholars spend that in the official language other than their mother tongue. We've had some amazing results with that money. We have people, particularly those who are bilingual and didn't really need to do work in another official language.... One of them, I remember distinctly, was learning Huron, the indigenous language.

I think it's a testament to the quality of the people we are bringing in as scholars and to the value-added of our program.

Ms. Valerie Bradford: There are 12 of these scholarships awarded every year.

Mr. Edward Johnson: That's correct. We had 13 scholars in total, I believe, this past year, of which 12 were straight Trudeau scholars and one was under the Trudeau-Green scholarship program. A benefactor has agreed to sponsor one additional scholarship.

Ms. Valerie Bradford: Thank you.

To refresh our memories, did all political parties support the creation of the Pierre Elliott Trudeau Foundation?

Mr. Edward Johnson: There was no vote in the House, but there were statements of support. They were overwhelmingly in favour, but there was one party that, predictably, was a little lukewarm. The NDP, the Conservatives and the Liberals, etc., were very supportive.

Ms. Valerie Bradford: You've already stated that it's a non-partisan charitable foundation.

Mr. Edward Johnson: That's correct.

Ms. Valerie Bradford: Are the Pierre Elliott Trudeau Foundation scholarship recipients vetted according to their partisan or ideological leanings?

Mr. Edward Johnson: Absolutely not.

Ms. Valerie Bradford: What about the foundation board members? Are they vetted according to the—

Mr. Edward Johnson: No. Do you mean for political involvement?

Ms. Valerie Bradford: Or ideological leanings...?

Mr. Edward Johnson: No.

Ms. Valerie Bradford: What about the foundation staff? Is it the same situation?

Mr. Edward Johnson: No. No way.

Ms. Valerie Bradford: What is the relationship between the Pierre Elliott Trudeau Foundation and the federal government?

Mr. Edward Johnson: We have a funding agreement. Our connection—and our only connection—is through the funding agreement with ISED, or Innovation, Science and Economic Development Canada. As I mentioned earlier, we have been studiously pursuing compliance with that agreement over the 21 years, and we've delivered to the letter on the expectations set out in that agreement.

Ms. Valerie Bradford: You originally got—

The Chair: Ms. Bradford, I'm afraid that is the time, but we will come back to you. That was a good discussion.

[*Translation*]

Ms. Sinclair-Desgagné, you have the floor for six minutes.

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

I'd like to thank Mr. Johnson for being here today.

I'll begin with a comment about the context for our study. As you mentioned earlier, we in the Bloc Québécois have nothing against the recipients of scholarships and the potentially honourable principle of awarding scholarships to brilliant students. That's not at all where we're at. It is nevertheless important to specify that a non-profit organization, particularly when it has received funds from the government, has certain governance and transparency duties to the population. That's what my questions will be about.

In your opening statement, Mr. Johnson, you mentioned two gifts of \$70,000 each. I believe you said that both receipts were issued to the Millennium Golden Eagle International company in Canada.

Mr. Edward Johnson: The name of the company on the receipts is the name of the Canadian subsidiary of Millennium Golden Eagle International. One of these receipts also bears the names of the two individuals who held discussions with the University of Montreal.

I would remind you that the discussions surrounding the gifts began when the former Canadian ambassador to China introduced Mr. Zhang Bin to the University of Montreal. Our understanding is that he was the director or head of the company. He was the one who conducted the negotiations with the university, and it was the university that asked Alexandre Trudeau, who testified before another parliamentary committee a few weeks ago, whether the university could use Pierre Elliott Trudeau's name. The million dollar gift followed a \$400 thousand gift made two years earlier to the University of Toronto's faculty of medicine in memory of Norman Bethune. This time, the gift was in memory of Pierre Elliott Trudeau, who established relations between Canada and China, and who was also a professor in the University of Montreal's law faculty.

• (1605)

Ms. Nathalie Sinclair-Desgagné: Good. Thank you. I'll stop you there because my speaking time is limited.

You appear to be well informed about the gift to the University of Montreal. However, when you testified before the Standing Committee on Access to Information, Ethics and Privacy, you didn't appear to have very much information about the \$140,000 amount that was gifted by this company to you, the name of which I still hesitate to pronounce because I find it ridiculous. At the very least, I find it surprising that you would not have been aware of that gift, because you were sitting on the audit committee that very year.

According to standard procedure, the audit committee is responsible for ensuring that the Pierre Elliott Trudeau Foundation demonstrates financial transparency and monitors the independent audit process.

Mr. Edward Johnson: That is indeed the role of that committee.

Ms. Nathalie Sinclair-Desgagné: That's right.

I find it hard to believe, Mr. Johnson, given that you sit on the committee, that you're not aware of gifts received by the foundation.

How would you explain that?

Mr. Edward Johnson: It's important to remember the words spoken by the legendary Warren Buffett a few years ago:

[English]

“Audit committees can't audit.”

[Translation]

The role of an audit committee is not to study every expenditure, gift or detail.

It's also worth noting the difference between the role of the management team on the one hand, and that of the board of directors on the other. The management role is to propose measures and implement them. The role of the board of directors is to monitor and approve how things are being done.

The volunteers on the audit team can't be familiar with all the details of every gift in any given year. To my knowledge, that's not done by any organization.

Ms. Nathalie Sinclair-Desgagné: Okay.

Approximately how much did the Pierre Elliott Trudeau Foundation receive that year? If you have a monitoring role, then you should be aware of figures like that.

Mr. Edward Johnson: We were told that amount back then, but I can no longer recall it. I believe it was between \$1 million and \$1.5 million.

Ms. Nathalie Sinclair-Desgagné: That accounts for about 10% of what the foundation would have received, meaning that it's a fairly significant amount

Mr. Edward Johnson: No, in context, it was a very small amount. It comes to a small fraction of 1% of our endowment fund.

Ms. Nathalie Sinclair-Desgagné: Mr. Chair, how much speaking time do I have left?

The Chair: You have about 10 seconds.

Ms. Nathalie Sinclair-Desgagné: In that case, I'll return to these questions a little later.

The Chair: Thank you very much.

[English]

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

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

I also want to thank Mr. Johnson for being present with us today.

As I'm sure you're aware...because you've been to several committees at the House of Commons here. I understand you were at privacy and ethics as well maybe four weeks ago now.

Mr. Edward Johnson: Right.

Mr. Blake Desjarlais: Our committee, in correlation with some of the other committees, are taking on the work of trying to find the best way forward to ensure that Canadians have the kind of integrity and trust in the system that is most important to our country, our democracy. I want to attempt to ask you questions that will provide the most information against what is, I understand, a very politicized environment. I want to recognize that very important fact and attempt to find reason and good information from you to try to better the understanding, but mostly to better the attempt of Canadians to understand this in a better way.

Mr. Edward Johnson: Fair enough.

Mr. Blake Desjarlais: Agreed.

At the committee, my colleague from Hamilton Centre asked you this question:

Would you agree that one of the ways to best provide the most amount of clarity around this—because we've now sat through many witnesses, and I'm not sure we have clarity—would be to be included in a public inquiry, should David Johnston, at the end of his special rapporteur position, present that?

At that time, your response was, "I don't think that would be necessary in order to clear the name of the foundation."

Do you remember that exchange?

Mr. Edward Johnson: Vaguely, yes.

Mr. Blake Desjarlais: Over a month has passed since that moment. Of course, just recently we found that the special rapporteur did not recommend a public inquiry.

Has your opinion, given the situation that has presented itself across Canada, changed in that matter of fact, in particular around trying to build confidence in Canadians for how important our democracy really is?

• (1610)

Mr. Edward Johnson: I haven't really changed my view. I don't believe that sort of inclusion would be constructive or necessary. As I said in my opening comments, I have promoted the idea of an independent outside review of the donation. We're talking here of \$140,000 in a foundation whose current capital is over \$145 million. I don't believe it would be constructive or necessary.

Mr. Blake Desjarlais: In the sense that I believe it's necessary and that I believe it's important, perceptions are often as damaging as the truth. In fact, our democracy is something that oftentimes deals with opinion and perception together.

As responsible legislators, as responsible leaders in our community and as folks who want to attempt to uphold the most sacred practices of our institutions, it's to that effect that I believe a public inquiry is necessary. It's beyond the facts of making your foundation guilty or not. It's just the fact that it's a public concern now and weighs into the public consciousness as to the credibility of our democracy. Wouldn't you agree?

Mr. Edward Johnson: No, I'm sorry. I don't believe there's a lack of transparency on our part in any way. We've been quite transparent at the foundation about this donation and about the circumstances surrounding it. We've returned the donation. What's left to inquire?

Mr. Blake Desjarlais: I think the important piece—

Mr. Edward Johnson: If I may, I think what we should do that would be constructive would be an independent outside review of the circumstances—of all the circumstances, as I said in my note here.

Mr. Blake Desjarlais: What I did appreciate from your work thus far in order to try to clear the name of the foundation was the fact that you did ask the Auditor General to look into an investigation. In some ways, I do recognize that there has been some action, but in your contemplation of requesting that of the Auditor General, there has to be some admission that there is something of perception that is wrong.

Mr. Edward Johnson: There were allegations—

Mr. Blake Desjarlais: Exactly...perceptions.

Mr. Edward Johnson: —that were very unfair.

I must say, as I've said over and over again, this is very unfair. There was a donation and the receipt of a donation in 2016, negotiated in 2014 and 2015, received in 2016 and 2017—

Mr. Blake Desjarlais: Mr. Johnson, I'm sorry. I just want to get back to the important piece of my question related to your request to the Auditor General and why you felt it was important to send that letter.

Mr. Edward Johnson: Well, because there was a perception.

Mr. Blake Desjarlais: Exactly, so—

Mr. Edward Johnson: There was an argument. There were allegations—quite unfair allegations.

Mr. Blake Desjarlais: Yes, you've said that. I've heard that.

Would you agree, however, that...? We received the Auditor General in this committee to ask her the question of whether or not this would take place, whether or not she would investigate. At that time, she told us that it was not within her parliamentary power, so of course it was my motion at that time, which I thought was incumbent upon this committee, to look at other means to do it. The CRA, for example is one of those arms. It is independent. It has the power to look at and take on the kind of information related to this.

Would you agree that the CRA may be an important aspect of this investigation?

• (1615)

Mr. Edward Johnson: It would be up to them, up to the CRA, if it wanted to do that, but if I could finish my thought—

Mr. Blake Desjarlais: Would you consent to that—

Mr. Edward Johnson: I'm sorry?

Mr. Blake Desjarlais: Would you consent to the CRA?

Mr. Edward Johnson: Of course. If the CRA comes calling, any taxpayer pays attention.

Mr. Blake Desjarlais: Has the CRA contacted the organization?

Mr. Edward Johnson: I will say, though, that we've endeavoured to be compliant in all respects of the Income Tax Act and our obligations to the CRA.

Mr. Blake Desjarlais: Of course, I'm not making that allegation. I'm making the comment of—

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

Mr. Blake Desjarlais: Thank you, Chair.

The Chair: We'll turn now to the start of our second round and of course each round has six questioners.

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

Mr. Larry Brock: Thank you.

Mr. Johnson, I just want to clarify. It is your belief today, as I believe it was your belief when you last testified before Ethics, that the \$140,000 came from a Canadian corporation—is that correct?—the Millennium Golden Eagle corporation?

Mr. Edward Johnson: That is my belief.

Mr. Larry Brock: Okay.

Either, sir, you have not done enough research on this particular issue, or your handlers or someone within the foundation is not giving you the straight goods, because the foundation gave the ethics committee a series of documents. I'm looking at one particular document, which is a banking document from your institution, the BMO, which has the Trudeau Foundation as its customer. On July 25, 2016, the foundation received not a Canadian donation but rather an international donation of \$70,000. Were you aware of that?

Mr. Edward Johnson: No, I was not.

Mr. Larry Brock: Okay—

Mr. Edward Johnson: I'm not sure it makes a difference—

Mr. Larry Brock: I think it makes a big difference sir, with all due respect.

It makes a big difference because the committee members presented to you on May 9 a series of red flags that, for someone with your intellect and your business acumen, and the fact that you are a lawyer, the fact that you are the chair of the foundation, should have raised a number of red flags.

I know that you went into that committee, as you went into this committee, talking about “unfair” ungrounded allegations. Well, let's talk about facts.

We're not talking about simple intelligence. We're not talking about simple rumours. We're talking about an intercepted recorded conversation between CSIS and one of the donors, Mr. Bin Zhang, and a Toronto consulate, who was promised as follows. The donor, Mr. Bin Zhang, was told by the Communist Party in Beijing to offer the money in the hopes of influencing the new Liberal leader, Justin Trudeau, and—surprise, surprise—money flows in, the foundation reaches an agreement with Mr. Zhang and Mr. Gensheng, and within five months, both of those businessmen, those Chinese businessmen—not Canadian businessmen—were granted private access to the newly minted Prime Minister. That didn't raise a red flag to you.

Furthermore, sir, we have a real discrepancy when it comes to the tax receipts.

The first tax receipt I brought to your attention was issued to the Millennium Golden Eagle International Canadian-incorporated company, with an address in Hong Kong, and then Beijing interfered, contacted the foundation, contacted one of your employees and said, “Sorry, wrong address, send it to Beijing.” I told you, sir, that the address that Millennium Golden Eagle International (Canada) Inc. originally gave the foundation was fake. A reporter went to Hong Kong and knocked on the door. They'd never heard of the corporation and they'd never heard of Mr. Bin Zhang or knew Mr. Niu Gensheng.

That didn't raise any red flags to you as the chair of the board either—did it?

Mr. Edward Johnson: To be fair, we wouldn't have been aware of any of that at the time, but also, I must say the story—

Mr. Larry Brock: Hold on, sir. The foundation was aware of that because the foundation was contacted by Beijing to redirect the receipt.

• (1620)

Mr. Edward Johnson: I've looked at that—

Mr. Larry Brock: Sir, with due respect, you were aware of that.

Now the second receipt that came in 2017 lists the same corporation, this time to an address in Brossard, Quebec, and it lists Zhang Bin and Niu Gensheng, notwithstanding this particular address does not accord with the address the corporation was registered under, which is in Dorval, Quebec. Did you know that, sir?

Mr. Edward Johnson: I've heard that. Again, the difference between a registered address and a business address with many corporations is quite different.

Mr. Larry Brock: Sir, I think it's important, because your past CEO, Mr. Rosenberg, misled and in fact lied to Canadians, and I would probably suggest he misled the Canada Revenue Agency, by suggesting this was, in fact, a Canadian donation as opposed to a foreign donation—

The Chair: Thank you, Mr. Brock.

Mr. Larry Brock: —and that was the concern Ms. Fournier had.

The Chair: That is your time, Mr. Brock.

Ms. Shanahan, you have the floor now for five minutes.

Mrs. Brenda Shanahan: Thank you, Chair.

I would like to thank the witness for being here.

Mr. Johnson, please take this opportunity to respond to some of the allegations we heard from the other side.

Mr. Edward Johnson: Thank you.

I have a couple of points to follow up on what Mr. Brock has laid out. Number one, the story that I did read, and that started the ball rolling on February 28, alleged that a consular official at the Chinese embassy had been in touch with Mr. Zhang in Canada and had instructed him to give a million dollars to the Pierre Elliott Trudeau Foundation. The foundation was never offered a million dollars. The million dollars went to the University of Montreal, so I have difficulty connecting the allegation in that story with the facts. That story has never been confirmed, to my knowledge, by a government official or by CSIS. The amount I want to underline that was actually received by the foundation was \$140,000 over two years. The facts don't accord with the allegation.

The use of a Hong Kong address.... If I make a donation to the Red Cross and I'm going to be in Florida at tax time, I ask the Red Cross to send the receipt to me in Florida in a different jurisdiction. That doesn't make a difference. I'm a Canadian. I'm a Canadian taxpayer, and I made the donation. I've always felt that similar logic applies to the case of this particular donation. The donor was a Canadian corporation—Millennium Golden Eagle International (Canada). That's the donor, and the receipt was made out to the name of that Canadian donor. Frankly, the receipt would be of no value to a non-Canadian taxpayer—to an entity that's not paying Canadian taxes.

If I may just add one broader thought taken from 10,000 feet, I am concerned—deeply concerned—to see the receipt of a donation in 2016 being judged by the standards of 2023 vis-à-vis China.

Mrs. Brenda Shanahan: Why do you say that?

Mr. Edward Johnson: It's because the context has changed so much.

The years 2014, 2015, 2016 and 2017 were all material times in connection with this donation. Canadian universities were falling all over themselves to develop relations with China and Canadian corporations, ditto. The Government of Canada, in 2014, I believe the prime minister of the day visited China, as did the president of France and the chancellor of Germany.

The predictions were that China was going to be taking over the world economically by 2045. It was going to pass the gross domestic product of the United States. Canadians were working energetically to develop relations, and then, in the case of Canada, the two Michaels were kidnapped, and the world changed.

Today it's a fundamentally different world, and China appears to have done some very nasty things, some utterly inappropriate things, not only in Canada but in other western democracies. There's a serious threat there that must be dealt with, but that wasn't the case in 2014, 2015, 2016 and 2017.

• (1625)

Mrs. Brenda Shanahan: Thank you for that fulsome response, Mr. Johnson.

I'd like to come back to what this committee does. We are the standing committee, the audit committee, for the Government of Canada.

I very much enjoyed the remark that you quoted from Warren Buffet that audit committees do not go line by line, because, if

you've seen the public accounts, you know that there are three volumes.

Mr. Edward Johnson: Indeed....

Mrs. Brenda Shanahan: Thankfully so, because we have, of course, the very competent and professional—

The Chair: Ms. Shanahan, I'm afraid I'm going to have to interrupt. Your time has elapsed.

[*Translation*]

Ms. Sinclair-Desgagné, you have the floor for two and a half minutes.

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

I'm going to get back to what I was asking about earlier.

However, the information just provided by the colleague to my right differs considerably from what you just said, Mr. Johnson. He said that one of the receipts was sent to China, whereas you just told me that it was sent to Canada.

Mr. Edward Johnson: No, what I said was that the receipt was issued in the name of a Canadian corporation. As I explained in my hypothetical example, if I give \$100 to the Canadian Red Cross...

Ms. Nathalie Sinclair-Desgagné: There's no need for you to repeat it. My speaking time is very limited.

The information is still contradictory. Even though the company has a subsidiary in Canada, the receipt for the gift was actually sent to China.

I'd like to ask you a question about the potential conflict of interest you mentioned in your opening address. You said that you had never received a legal opinion, but did you ever receive an informal conflict of interest opinion?

Mr. Edward Johnson: If you mean an informal opinion from a lawyer, the answer is no.

Ms. Nathalie Sinclair-Desgagné: Did you receive an informal opinion from the foundation's management, for example?

Mr. Edward Johnson: No, I did not receive an opinion from the management or staff. However, I held discussions with at least one director, perhaps more, on the possibility that one of us might be in a conflict of interest position, or at least be perceived to be so.

Ms. Nathalie Sinclair-Desgagné: Ms. Dyane Adam, who testified before the standing committee on access to information, privacy and ethics, mentioned several times at various meetings that there was a potential issue about you and others being in a conflict of interest because you were sitting on the audit committee when the foundation received the gift.

Why do you think you weren't in a conflict of interest? It's only common sense, because you were on the audit committee at the time.

Mr. Edward Johnson: I don't see why that's inherently a conflict of interest.

Ms. Nathalie Sinclair-Desgagné: When members of management suggested that you were in a conflict of interest position, did you perhaps think it might be a good idea to resign?

Mr. Edward Johnson: I seriously considered it, but disagreed with them. For 33 years, I was the secretary and legal counsel for a major Quebec-based Canadian public corporation. My view was that I was not in a conflict of interest position, and certainly not in a legal conflict.

However, as I said in my opening address, it was nevertheless important for me not to be involved in an inquiry into the circumstances surrounding the acceptance of these gifts, because I was on the legal side...

• (1630)

The Chair: Thank you very much...

Ms. Nathalie Sinclair-Desgagné: And yet the perception of a conflict of interest is often more harmful than the conflict itself.

The Chair: Thank you very much, Ms. Sinclair-Desgagné.

[English]

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

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

Mr. Johnson, I'd like to continue on the important aspect of trying to find a way to see that this information you're sharing with us, the information that is shared by my Conservative colleagues and the information shared by even the Liberal colleagues and the Bloc.... You can see you're being asked questions from many different angles. Some questions are friendlier than others.

I'm most interested in trying to find a way, just like you in some ways, to have an independent but public inquiry because of this divergence of political opinion. I understand from your testimony today that you're opposed to a public inquiry.

Can you explain, given—

Mr. Edward Johnson: What do you mean by a public inquiry?

Mr. Blake Desjarlais: I mean a public inquiry in the sense that there would be officials that would be independent—

Mr. Edward Johnson: From government...?

Mr. Blake Desjarlais: Independent, but not in the sense that David Johnston was, for example. That is a question of perception. It was that he wasn't independent.

I'm saying that I want a public inquiry. Canadians would like a public inquiry where there isn't even a perceived conflict.

Mr. Edward Johnson: So do I.

Mr. Blake Desjarlais: I'm not talking about a legal conflict. I heard you make mention of that. As you know, especially in the legal profession, perceived conflicts are almost just as dangerous in particular when we're thinking of something so important, like Canadian democracy. We often don't have to think about it in a country like Canada. We often believe it's very secure.

In this case, Canadians are nervous. You made mention in your own comments to Mrs. Shanahan in questions about China, saying, "There's a serious threat there that must be" taken care of.

How does one take care of that when we don't have the co-operation, I'd say, of civil society to look at...? Even if they are not guilty—which is not what I'm saying—it's important to have an

independent public process that isn't an appointment by the Prime Minister, for example.

Mr. Edward Johnson: One that is appointed by Parliament, do you mean?

Mr. Blake Desjarlais: I don't mean appointed by Parliament either. I'm speaking more specifically of a public inquiry, which is more similar to the public inquiries we've had in Canada in the past, which look at experts, maybe even a judge that could do some of this work.

I need to understand what you believe is in the best interests of Canadians, considering you have admitted that the Auditor General should investigate.

There's a level of perception you've understood that needed to be changed.

Mr. Edward Johnson: I have advocated since early March for an independent, outside review of all circumstances surrounding the receipt of this donation.

At the foundation, we have established an inquiry with two wise persons from outside the foundation with no relationship whatsoever. They have been working over the last couple of weeks at beginning to pursue an inquiry along that line. They are overseeing the work of legal counsel who are doing the legal work in connection with the review of all circumstances surrounding the two donations and receipt of those two donations.

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

I'm going back to Mr. Brock.

You have the floor for five minutes, sir.

Mr. Larry Brock: Thank you, Chair.

Mr. Johnson, I understand that you know quite well our former governor general, Mr. David Johnston.

Mr. Edward Johnson: "Quite well" would be an exaggeration. I've met him a couple times. That's it.

Mr. Larry Brock: He's a foundation member.

Mr. Edward Johnson: He was a member of the foundation from 2018 until earlier this year.

Mr. Larry Brock: He left the foundation as a result of accepting the appointment as the special adviser to the Prime Minister.

Mr. Edward Johnson: I'm guessing that's the case—

Mr. Larry Brock: It coincided with the same day.

• (1635)

Mr. Edward Johnson: It's important to understand what the role of the members is. The distinction—

Mr. Larry Brock: I don't need to know the roles. Thank you. I just wanted to confirm the relationship aspect.

At any point in time prior to the release of his first report to Canadians, did he reach out to you in person, by letter, email or what have you to discuss the circumstances surrounding the foreign interference issue pertaining to the foundation and the origins of the \$140,000 cheque?

Was that discussed between the two of you?

Mr. Edward Johnson: No, I have received no such communication from him.

Mr. Larry Brock: Did any member of his team reach out to you to discuss that, sir? He has a very vast firm, full of lawyers and consultants and what have you. Did anyone, to your knowledge, reach out to a foundation member—

Mr. Edward Johnson: Not to the foundation. Not to my knowledge.

Mr. Larry Brock: You, personally, did not reach out to him to give your side of the story. Is that correct?

Mr. Edward Johnson: That's correct.

Mr. Larry Brock: Okay.

I understand that Ms. Fournier had some issues with respect to the donation that ultimately led to her resignation. She discovered that the Millennium Golden Eagle International (Canada) Inc. was, in fact, associated with Beijing's China Cultural Industry Association. She also found out that the industry association was communicating with Trudeau Foundation employees about admitting information on a donation tax receipt.

The website of that China Cultural Industry Association says it adheres to the "total leadership" of the China Communist Party and was formed with state approval. It lists Mr. Zhang Bin as its president. As per that association, Millennium Golden Eagle International (Canada) has Bin Zhang as the chairman, and it was created with the approval of Beijing, China.

Knowing what I know now, and what Pascale Fournier knew, about Millennium Golden Eagle, do you agree, sir, given your vast knowledge of corporate law, of corporations in general and of general governance, etc....? Would you agree with me, sir, that Millennium Golden Eagle International is, in fact, a shell company operated by Beijing, China?

Mr. Edward Johnson: I have no knowledge of any facts that would support that.

Mr. Larry Brock: Would you agree with me, sir, that they proudly and publicly take their marching orders from the government in Beijing?

Mr. Edward Johnson: Again, I'd have to say the same thing. I'm afraid I have no knowledge of what their relationship might be with their government.

Mr. Larry Brock: Were you aware that Zhang Bin, one of the donors, was a political adviser to the communist regime based in Beijing?

Mr. Edward Johnson: I've read that, yes.

Mr. Larry Brock: Was that known to you prior to your appearance, sir?

Mr. Edward Johnson: Today...?

Mr. Larry Brock: Yes.

Mr. Edward Johnson: Yes. I read about it a while ago. I can't say when.

Mr. Larry Brock: Was it known to you at the time the donation was made?

Mr. Edward Johnson: No, not to me. I must say—

Mr. Larry Brock: I'm having a really hard time understanding why Beijing is communicating directly with the foundation—not Zhang Bin, not Mr. Gensheng and not Millennium Golden Eagle situated in Canada, but Beijing—giving instructions to the foundation about how the donation receipt should be titled and where it should go. You, as the chairman of the board, just surprisingly had no knowledge of this.

Mr. Edward Johnson: I certainly had no knowledge at the time. I wasn't aware of the donation. I first learned about it a couple of years after it had been made.

Mr. Larry Brock: I would hope, sir, that these people are fired. This is a serious matter. It complicates the foundation and potentially exposes the foundation to legal risks with the Canada Revenue Agency.

Do you see that potential, sir?

Mr. Edward Johnson: I'm not convinced by some of these assertions and allegations. With great respect, I have my doubts about.... I have looked at the 160 pages of information relating to it, which I believe was every document that the foundation had, which was provided some years ago and—

Mr. Larry Brock: Pascale Fournier—

The Chair: Mr. Brock, your time is up. I allowed Mr. Johnson to answer the question.

We'll turn now to Mr. Fragiskatos.

You have the floor for five minutes.

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

I'll split my time with Ms. Shanahan, and I'll turn it to her first.

Mrs. Brenda Shanahan: Thank you very much.

I'm very interested in this question you asked of the Auditor General to come to audit the foundation, which strikes me as the action of a chair and a foundation that have nothing to hide. Of course, it's not in the scope of her work.

Mr. Edward Johnson: As it turns out.

Mrs. Brenda Shanahan: Does the foundation have auditors?

Mr. Edward Johnson: Yes.

Mrs. Brenda Shanahan: You have outside auditors. Has that always been the case?

Mr. Edward Johnson: Yes, it has been.

• (1640)

Mrs. Brenda Shanahan: Indeed, I would think it has, with \$145 million under administration.

Has it ever been the case that the auditors have come back with a less-than-clean audit of the foundation's financials?

Mr. Edward Johnson: Never. We've had a clean opinion every year.

Mrs. Brenda Shanahan: Were any red flags ever raised concerning donations—domestic, foreign or otherwise?

Mr. Edward Johnson: No, not to my knowledge, and I was chair of the committee for a number of years and on it before that. I recall no such allegations or concerns with respect to any of our donations.

Mrs. Brenda Shanahan: Thank you very much, Mr. Johnson.

Mr. Peter Fragiskatos: Thank you for being here today, Mr. Johnson.

Earlier... I don't think it was in your testimony, actually. I think it was in response to a question from Ms. Bradford, my colleague next to me. You tied the social sciences and humanities, generally, to democracy. The vision of the Pierre Elliott Trudeau Foundation takes very seriously the idea that the humanities and social sciences, in general, are central to the maintenance of democracy.

I wonder whether you could expand on that a bit.

Mr. Edward Johnson: I remember reading, a number of years ago, an exchange in which somebody said, "No, we should be shifting all our attention in education, particularly in higher education, to training people. Let's get out of teaching Shakespeare and Wordsworth. Why do we need to know Roman history? It's the age of technology. That's where the future is, and it's a waste of taxpayer money to be funding universities to do that."

Someone else wrote in to this exchange going on in the newspaper and said, "No, in a time of rapid change, you teach the things that don't change. Social sciences and humanities take us into areas where..." Of course, there are new developments and new knowledge being uncovered. However, they're the fundamentals of a democracy. They're fundamental and, as I said, the backbone of a liberal democracy—small-l liberal, I hasten to add.

Mr. Peter Fragiskatos: Of course. That's noted.

Mr. Johnson, the Pierre Elliott Trudeau Foundation has funded the research of students focused on a number of different subjects, obviously. It has done so for a number of years. Those students currently receiving support and, certainly, who have benefited from support, I'm sure, look at this situation with great regret, if not worry.

I have to ask you this: Where is the direction of the foundation going? This issue has become politicized from start to finish. What is the future of the foundation now?

Mr. Edward Johnson: I was at pains to say, in my opening remarks, that the future is solid. We have a bright future ahead of us. We hope very soon to be announcing our next cohort of scholars, mentors and fellows. If you want evidence of the solidity of the foundation and its programs, I think that will be it.

On top of that, as I think our current scholars would attest, we are continuing to work ahead on the various elements of our leadership program so that events are taking place over the course of the summer. For example, there are a number of gatherings of scholars, fellows and mentors in various places around the country, but also internationally. Our value-added program in, as I like to call it, "engaged learning" is going strong, so I hope scholars will take heart.

Thank you for the question.

Mr. Peter Fragiskatos: Thank you very much.

That's my time.

The Chair: Thank you very much.

We're going to get through the third and final round.

Mr. Johnson, how are you doing? Do you need a little break, or are you good?

Mr. Edward Johnson: I'm okay, thanks. I'm hanging in there.

The Chair: Okay. We'll keep going. We'll have you out of here in about 25 minutes, then.

We're turning now to Mr. McCauley.

You have the floor for five minutes.

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

The Chair: Mr. Brock is not in his chair, so the clock is running here.

Mr. Kelly McCauley: Mr. Brock is running back.

The Chair: All right, Mr. Brock. You have the floor for just under five minutes now.

Mr. Larry Brock: Thank you, Chair.

It's unfortunate, Mr. Johnson, that it appears your former CEO, Pascale Fournier, is the only one who has a strong level of honesty and ethics. When I listened to and reviewed the evidence of Mr. Rosenberg, he saw the same red flags that Pascale Fournier did and did absolutely nothing about it.

What I want to ask you, sir, though, is that I've looked at some correspondence from Pascale Fournier dated March 25, 2023, to a number of board members—you're listed as the top line in that particular email—and she outlines all of her discoveries line by line, paragraph by paragraph, event after event, literally almost but without using the word "fraud" in terms of her concerns about how you publicly stated this donation was a Canadian donation when it clearly was not. It was foreign from Beijing, China. I think what is concerning me and I want to ask you questions about, sir, is that she asked your legal counsel, the foundation's legal counsel, a number of questions. Who was your legal counsel on March 25, 2023?

• (1645)

Mr. Edward Johnson: It was the firm of Borden Ladner Gervais.

Mr. Larry Brock: Is that out of Montreal?

Mr. Edward Johnson: The Montreal office was our counsel. They're a national firm.

Mr. Larry Brock: Did you have a particular lawyer who oversaw the file?

Mr. Edward Johnson: Yes, let's see, we had Michael Grodinsky in the Montreal office who was involved with the file.

Mr. Larry Brock: She was going to send three specific questions to legal counsel. The first question was in relation to various tax receipts, the various names on the tax receipts, and the question put to legal counsel was this: “Is this consistent with the law, both Canadian law and our own Policy on acceptance of gifts? Is there anything we should be aware in terms of CRA and ISED compliance?”

Then the second question was this: “One of the tax receipts includes an address in China without the names of the donors, at the explicit request of the China Cultural Industry Association, while mentioning the Quebec-based real estate company. Is this consistent with the law, both Canadian law and our own Policy on acceptance of gifts? Is there anything we should be aware in terms of CRA and ISED compliance?”

Did legal counsel receive the request to answer those questions? What was their response?

Mr. Edward Johnson: I believe they did. The whole idea here was that these are issues that should be examined in detail.

Mr. Larry Brock: Examined by whom?

Mr. Edward Johnson: By legal counsel in detail.

Mr. Larry Brock: They looked into it and gave you an opinion.

Mr. Edward Johnson: No answer and no opinion has been received because, a few days later, President Fournier fired that firm from the file and replaced them.

Mr. Larry Brock: With a different law firm...?

Mr. Edward Johnson: With a different law firm.

Mr. Larry Brock: Did the different law firm receive the same questions?

Mr. Edward Johnson: I believe they did, but—

Mr. Larry Brock: What was the other law firm?

Mr. Edward Johnson: It was Miller Thomson.

Mr. Larry Brock: All right. Did you get a response from Miller Thomson?

Mr. Edward Johnson: No—

Mr. Larry Brock: Why?

Mr. Edward Johnson: There was no response because their involvement with that file terminated, because it was found that they had done some work for us. They were not independent of us.

Mr. Larry Brock: Did you go to a third law firm?

Mr. Edward Johnson: Then within a very short time, the board resigned, so—

Mr. Larry Brock: Did you go to a third law firm?

Mr. Edward Johnson: We have now gone to a third law firm in the last few weeks.

Mr. Larry Brock: To have these questions answered...?

Mr. Edward Johnson: To have those questions and others—a broad range of questions—answered.

Mr. Larry Brock: What's the name of that new law firm?

Mr. Edward Johnson: That is Norton Rose.

Mr. Larry Brock: When did you retain them to give you a legal opinion on this issue?

Mr. Edward Johnson: It would have been I'm guessing two to three weeks ago, two weeks ago, at least. I was out of the country and not aware at the time. I was not involved.

Mr. Larry Brock: Given the highly important matter before Parliament on this particular issue, are you prepared to give us an undertaking to release portions of that legal opinion?

The Chair: Thank you, Mr. Brock. That's your time.

I'll allow a brief answer, Mr. Johnson.

Mr. Edward Johnson: Yes, we're happy to tell the results of that inquiry and share them with whoever would be interested.

The Chair: Turning back to the government bench now, Mr. Sidhu, you have the floor for five minutes, please.

Pardon me, Ms. Bradford. You have the floor for five minutes.

• (1650)

Ms. Valerie Bradford: I can do it. I wasn't on the list.

Mr. Maninder Sidhu (Brampton East, Lib.): I can start.

Thank you, Mr. Chair. I will be splitting my time with Ms. Bradford.

Thank you, Mr. Johnson, for being here today with us.

I want to know more about the important work the foundation does to provide support for students and their education. Can you speak a little bit more about how many students have been helped over the number of years and what the impact has been on the youth across Canada?

Mr. Edward Johnson: I should point out at the beginning that we do doctoral scholarships. We have done 295 scholarships with a total of \$60,000 a year for each scholarship, and the scholarships last for three years.

In addition to that, we engage mentors. We have had 163 mentors since we were started in 2002, and we have also done 88 fellowships. The mentors and the fellows assist the scholars in their work and work at broadening their program outside the areas of their specific and often very narrow areas of study. They take them into other aspects of life in Canada and around the world in an effort to inculcate a leadership ability among these very high-flying scholars and to try to encourage them to be able to share their knowledge with the broader public in ways that are understandable to Canadians.

That's the essence of our program. On top of that, we have this public interaction program, which is precisely that, where they get out and see parts of the country and broaden their horizons beyond their narrow areas of study.

Ms. Valerie Bradford: Thank you, Mr. Chair.

Mr. Johnson, you started out with \$125-million endowment, and it has now grown to \$145 million.

Can you tell me how you fund and sustain these 12 scholarships of \$60,000 a year without having to touch any of that capital?

Mr. Edward Johnson: We use the income from the endowment. We have invested the endowment in an investment program. The asset allocation in that program is approved by the government, by the finance department and the ISED department, so we're pretty conservative investors, but the result is that we have been able to provide funds through those investments, dividend and interest income as well as the odd capital gain. That has been successful in funding our agreement in our activities.

Any excess, if we're lucky enough to have a year where we exceed, goes back into the endowment. That's why we're at \$145 million up from originally \$125 million.

Ms. Valerie Bradford: Can you give us a sense of the average rate of return you're getting on your—

Mr. Edward Johnson: The last six years or so, I think it's either 5% or 5.5%.

Ms. Valerie Bradford: What are some of the ways that Canadians can support the foundation?

Mr. Edward Johnson: They can donate. They're always welcome. I made a pitch back in November to encourage everyone, including members of our community, to support us and assist us because, I have to tell you, we need that help. There's a problem.

Yes, we built the endowment, but we're falling short of inflation. As inflation grows and as inflation gets ahead of us, we have a gap.

If we want to operate our same inflation-adjusted program we started out with in 2022, we think we should have something in the neighbourhood of \$170 million, so we have a gap to close there. That's what we have been working on over the years in our development program.

• (1655)

Ms. Valerie Bradford: What are the short-, medium- and long-term impacts of investing in students and their futures through scholarships, in your opinion?

Mr. Edward Johnson: Potentially, they are huge over the long run. We can count senior public servants, senior academics, people in the academic world and people in public office, for example, who have been through our program, and I would argue, have had their horizons broadened by it. Some have told us that it was life-changing for them.

I would commend a book by one of our scholars, an indigenous gentleman named Jesse Thistle, who has written—

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

[*Translation*]

Ms. Sinclair-Desgagné, The floor is yours for two and a half minutes.

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

I'm returning to what I was talking about earlier.

As you know, the appearance of a conflict of interest is often more harmful than the conflict itself. Several of your colleagues

testified before the Standing Committee on Access to Information, Privacy and Ethics, specifically Ms. Fournier, Ms. Adam, and Ms. Redfern, to the effect that they had told you they thought you were in a conflict of interest.

Why should your opinion, as you explained it earlier, take precedence over the opinion of these three women from the foundation?

Mr. Edward Johnson: It was...

[*English*]

I'm going to have to say this in English because my vocabulary is failing me at the moment.

As I mentioned in my opening remarks,

[*Translation*]

I didn't need that legal opinion.

[*English*]

I was already saying that I should not be involved, nor should President Fournier, in the oversight of any independent inquiry. That's why I proposed that we set up an independent committee of three directors who had not been involved with the foundation in any way in 2014 to 2018.

[*Translation*]

Ms. Nathalie Sinclair-Desgagné: To your knowledge, did the foundation invest any of its funds in Chinese companies close to the Beijing government?

Mr. Edward Johnson: One of the directors of the foundation who appeared before the other parliamentary committee last week, Ms. Madeleine Redfern, raised that issue two years ago. At her request, we arranged a special meeting to discuss it. Unfortunately, we were unable to attend the meeting, but we did find that there had been, I believe, two such investments. According to the information I have, our investment managers have since sold these investments.

Ms. Nathalie Sinclair-Desgagné: Now, given that you are on the finance and investment committee, don't you find it odd that you should have learned about these investments only two or three weeks ago? That's the first thing. Secondly...

Mr. Edward Johnson: No, no...

Ms. Nathalie Sinclair-Desgagné: So you knew about it already.

Mr. Edward Johnson: I was made aware of these Chinese investments two years ago, I believe.

Ms. Nathalie Sinclair-Desgagné: You knew it already and you thought it was okay.

Mr. Edward Johnson: No. We withdrew from these investments.

Ms. Nathalie Sinclair-Desgagné: Was that done two years ago?

Mr. Edward Johnson: I can't tell you exactly when it happened.

Ms. Nathalie Sinclair-Desgagné: Nevertheless, you had approved these investments.

Mr. Edward Johnson: We asked the investment managers to get rid of them. We normally don't know what's in the portfolio.

We have policies, including environmental, social and governance policies, which are based on United Nations recommendations. We inform our managers of these policies and expect investments to be consistent with them. We are satisfied with the work that was done. Every year, our managers give us presentations to confirm that investments comply with our policies.

The Chair: Thank you very much.

[English]

Mr. Desjarlais, we'll go over to you for two and a half minutes, please.

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

Mr. Johnson, I want to follow up on what I believe is the most important role for parliamentarians at this time. I hope you can indulge me with attempting to empathize with the role that parliamentarians are in when we're seeing this tremendously concerning situation across the country that puts into doubt the credibility of our institutions. That's a real fact. Whether it's true or not, the perception is damaging.

In order for us to clear the air and in order for us to have true trust in these institutions, I believe that a public inquiry under the public inquiries act is important. It would provide for an independent commission that would have the powers that your organization—although it could establish one—wouldn't have, which are the power to subpoena, second documents and do the very things that are contemplated in the public inquiries act. It's why we have a public inquiries act.

If organizations are able to just “independently” audit themselves, the perception doesn't go away. You're going to be back here next year if that happens. Trust me. It's going to be continuous. It's just going to go on and on until we have true trust in the process.

The outcome is important, but the process is equally important as well, which is why I do appreciate your attempt to involve the Auditor General. Of course, that wasn't going to be case. She said she wasn't able to do that. I made a motion here to have the CRA do that. The reality with the CRA is that they have to undergo their own processes. It's up to them as to whether or not they audit that, but it's a recommendation I have and it's the recommendation of this committee.

A public inquiry, I think, would go a long way to restoring not only the public faith that we have in our institutions, but also even in your institution. Wouldn't you agree?

● (1700)

Mr. Edward Johnson: Boy, things have changed in the intervening...in the last six or seven years. There's a lot to be very concerned about with China and with other governments.

Mr. Blake Desjarlais: Agreed.

Mr. Edward Johnson: Something has to be done. There are some really important and disturbing activities that have carried on, which are now being identified, particularly in the last few years. Whether that should be studied by a public inquiry is not something

for which I have an opinion. It's certainly not one that would matter.

Mr. Blake Desjarlais: Okay. That's actually beneficial.

The Chair: I'm afraid that is your time, Mr. Desjarlais. I apologize about that, but I'm under the clock as well.

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

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

Thank you to Mr. Johnson for being here today.

I was wondering if we could just tie up some loose ends with the time we have left.

You had indicated that you were poring through 165 pages of documents. Could you elaborate on what these 165 pages are for?

Mr. Edward Johnson: It's the 160 pages that were provided. I believe the ethics committee has them. We would be very happy to provide them to this committee, if that's requested.

Mr. Michael Kram: Yes, please. If you could please table them to this committee as well, that would be very helpful.

Mr. Edward Johnson: Okay. Will do.

My understanding is that it's everything we had on the donations back in 2014, 2015, 2016 and 2017, including the agreement, the receipts and all the relevant stuff—all the stuff. Anything that breathed about those donations is in that package—with a lot of repetition, I have to say.

Mr. Michael Kram: Okay.

You had indicated that you asked the Auditor General to audit the foundation, but it was also indicated that you have auditors that audit the foundation every year, according to the financial statements on the foundation's website. It's PricewaterhouseCoopers.

What did you suppose the Auditor General would find that PricewaterhouseCoopers missed?

Mr. Edward Johnson: The way auditors work is that they do random tests. That's how all auditors—PwC and everyone in that industry—does it. They can't possibly be expected to go through line by line. The cost of that kind of audit would be horrendous.

Their audit is not as thorough as a targeted.... They do a shotgun, but we wanted a rifle. I wanted a rifle. I wanted it focused on the specifics of the receiving of—to be clear—these two donations and the circumstances around them in 2014, 2015, 2016 and 2017.

I thought she'd do it. I thought we had a high probability that the Auditor General would accept it. We are a recipient of public money, so why wouldn't she? But she has said that we're outside her jurisdiction.

● (1705)

Mr. Michael Kram: I only have a bit of time left, Mr. Johnson.

When it comes to the donation from Millennium Golden Eagle and the circumstances around the address in Dorval or China, was any of that information withheld from PricewaterhouseCoopers when they did their audit?

Mr. Edward Johnson: To my knowledge, no, absolutely not. There would be no reason to withhold it.

However, it has to be said that it's the purview of management. I think it's very important to know and recall the differences between the roles of directors and management. That's why I wouldn't know about something specific like that. Directors are not involved in the day-to-day operations of the foundation, nor in dealing with the auditors on a case-by-case, file-by-file and line-by-line basis in the financial statements.

Mr. Michael Kram: At the ethics committee on May 9, you indicated that the foundation had bylaws, but you don't recall any specific bylaws that deal with foreign influence. You've had a month now to review the foundation's bylaws.

Do you have any policies or bylaws to prevent foreign interference at this time?

Mr. Edward Johnson: There's nothing in the bylaws.

We have significantly revised our donations policy. Somewhere back around 2020, we did an in-depth review of our donations policy. It was particularly in the wake of those donations in the news and the stories that were created, without any knowledge whatsoever of the so-called CSIS allegations.

We've resolved that. It covers those restrictions on donations. The examination of donations is strict enough to ensure we're not being unduly influenced by our donors.

Mr. Michael Kram: Mr. Johnson, I'm told I only have 30 seconds left.

I wonder whether you could table for the committee the old and new donations policies that the foundation now has.

Mr. Edward Johnson: Absolutely.

Mr. Michael Kram: I believe I'm out of time, Mr. Chair.

Mr. Edward Johnson: Mr. Chair, on a point of information, to whom should we send it?

The Chair: Send it to the clerk of this committee, who does great work for us. The clerk keeps us on track and our documents in order.

Mr. Edward Johnson: Very good. Okay.

The Chair: Thank you for asking so that it does get to us.

Now, turning back to the last question spot, I have Mr. Sidhu for a few minutes.

I understand you might split your time. That is your decision. It's all yours for five minutes.

Mr. Maninder Sidhu: Thank you, Mr. Chair.

Thank you, Mr. Johnson, for being here with us today.

When I think about Pierre Elliott Trudeau, I think about my parents who came to Canada in the early 1980s. I know what that

means to my father and my family. It was an opportunity to come to a country to build a future. That's something my parents will never forget.

Mr. Edward Johnson: They must be very proud of you.

Mr. Maninder Sidhu: Yes. It's an honour to sit here and represent my community and my family at this table.

What I want to ask is this: What does the Pierre Elliott Trudeau Foundation name mean to the students who have gone through the scholarship programs? Why does that name have such a significant value?

Mr. Edward Johnson: I hope it means something, at least to some of them, that would resonate. A lot of them weren't born when Mr. Trudeau was prime minister.

I think the values he stood for were human rights and dignity. He had a deep interest in foreign and social policy. His interest in the social sciences and humanities was an important part of his legacy. I hope—and I think it's probably the case—that most of our scholars would recognize the importance of his legacy and its influence on the foundation. That's particular, as I said earlier, to the social sciences and humanities.

Mr. Maninder Sidhu: Thank you for that. It's very important.

You spoke about the close to 300 scholars who went through this foundation. Where do these scholars end up? Are they across Canada? Are they imparting the Canadian message abroad? What is it?

Mr. Edward Johnson: Up to 20% or 25% of our scholars are non-Canadians. Most years, we have a significant non-Canadian element. There are graduates from our program—I think I can safely say—literally around the world. Our community is quite broad. The students are both here in Canada and...internationally.

The contribution.... Again, if you have a cohort of 12, 14 or 15 scholars, and two or three are from outside Canada, the exchanges are so rich. The changing of the lives of a number of our scholars has been invaluable, and it continues to be, I believe.

● (1710)

Mr. Maninder Sidhu: That's good to see that the Pierre Elliott Trudeau Foundation.... The name Pierre Elliott Trudeau represents opportunity for not only immigrants but also for scholars here in this country. It really provides that opportunity to grow, to give back and to share Canadian values with those who are like-minded.

I'm going to turn to my colleague to finish off the last minute and a half.

Mr. Peter Fragiskatos: Thank you very much.

Can I go back, Mr. Johnson, to my previous question in the earlier round? You said that the foundation will continue. You're quite confident in that. That's great, because the foundation has done very good work supporting students.

Let me challenge you on that a bit. We've seen other organizations where issues have become politicized. Their future has been thrown into real question and jeopardy. You are confident, then, that the organization will continue to be able to support students in the way that it has.

Mr. Edward Johnson: Very much so, and I have every reason to believe that there continues to be an enthusiastic interest in applying for a Pierre Elliott Trudeau Foundation scholarship. I think the proof will be in the tasting. I hope that we will be announcing our next cohort in the coming days, and I think that will be evidence of the vibrancy of the foundation and the continued success of its program.

As I was mentioning earlier, we're going to be also doing the value-added programs, the engaged leadership program, ensuring that our scholars continue to have that extra dimension to their scholarship.

Mr. Peter Fragiskatos: There was an indigenous student you wanted to speak about, but you didn't have enough time.

Mr. Edward Johnson: Yes, it's Jesse Thistle, who wrote a very moving book on his rise, *From the Ashes*, having done prison time and having had a very rough ride through life. He turned himself around, got a B.A. and an M.A., and then was given a Trudeau Foundation scholarship. He has said over and over again that it changed his life. I think Canada has benefited hugely from his experience from all dimensions of his very textured life.

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

Mr. Johnson, I do want to thank you.

[*Translation*]

Ms. Nathalie Sinclair-Desgagné: On a point of order, Mr. Chair, I'd like to have one specific very important clarification from Mr. Johnson.

Will the tax receipts and bank statements mentioned in your testimony be included in the 160 pages that are to be sent to the committee?

Mr. Edward Johnson: The receipts are included.

What was the other item you mentioned?

Ms. Nathalie Sinclair-Desgagné: I'm talking about the bank statements showing the gifts, where they are from, etc.

Mr. Edward Johnson: The foundation's bank statements are not included, but I could arrange to provide them.

Ms. Nathalie Sinclair-Desgagné: I would appreciate that. Thank you very much.

[*English*]

The Chair: Mr. Johnson, I appreciate your coming in today. Thank you. We might see you my way, if you're ever back for one of the meetings with the Atlantic Salmon Federation.

Mr. Edward Johnson: I expect good returns.

The Chair: I will suspend this meeting for a few minutes. We're going to go in camera, and we'll take up a few points up there. I know there are flights. We're going to talk about that right off the bat.

Mr. Johnson, thank you very much.

We will clear the room of people who should not be here; otherwise, you're welcome to stay, and we'll start up in about two to three minutes. Thank you.

[*Proceedings continue in camera*]

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