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• (1630)

[English]

The Chair (John Brassard (Barrie South—Innisfil, CPC)): I call this meeting to order.

Good afternoon.

[Translation]

Welcome to meeting number 16 of the House of Commons Standing Committee on Access to Information, Privacy and Ethics.

[English]

Pursuant to Standing Order 108(3)(h), the motion adopted by the committee on Wednesday, September 17, 2025, and the order of reference of October 28, 2025, the committee is resuming its review of the Conflict of Interest Act.

I'd like to welcome our first witness for today. From the Privy Council Office, we have Mr. Michael Sabia, Clerk of the Privy Council and secretary to the cabinet. Mr. Sabia, welcome to the committee.

Before we begin, I want to remind you, sir, to make sure you have your earpiece on for interpretation, if you need it, because we don't want any delays in the interpretation. I'm saying that this committee, historically, since this session has started, has been a franco-phone committee. I just want to make sure you're clear on that.

Mr. Sabia, I know that you've also asked for up to eight minutes to address the committee. I'm going to grant that, and I invite you to start now.

Go ahead, sir.

[Translation]

Michael Sabia (Clerk of the Privy Council and Secretary to the Cabinet, Privy Council Office): Thank you, Mr. Chair.

Thank you for inviting me to appear before the committee.

[English]

Mr. Chair and members of the committee, I think we all know that democracies around the world are under pressure from lots of different sources—social media disinformation, globalization and a string of health and financial crises. All of them contribute to that pressure.

That said, according to organizations from the OECD to not-for-profit organizations like Freedom House, Canada is doing very well

in terms of the quality of our democracy relative to the rest of the world.

Why is that? I guess there are many reasons, but at least in part, it is the result of a deep-rooted culture of integrity that we are lucky to have here in Canada—the integrity of public office holders and, of course, of the public service. That culture of integrity is the basis on which strong democracies are built. In my view, that's Canada.

While culture is hard to measure, as we all know, we do see proof of the quality of Canadian democracy everywhere. It's in our rules, in our laws and in our processes. For instance, all Canadian public servants are subject to a rigorous values and ethics code.

Most relevant for today's conversation, obviously, is the question of the Conflict of Interest Act, an act that plays an important role in reinforcing that culture of integrity. The work of your committee also plays an important part in that, because fundamentally, this is about Parliament ensuring that the Conflict of Interest Act is effective in upholding the transparency and accountability that contribute to Canadian democracy.

With respect to the Prime Minister's blind trust and the screen, like every other public office holder since 2007, the Prime Minister is subject to requirements under the Conflict of Interest Act. In addition, the Prime Minister and the Ethics Commissioner have agreed to and published a public declaration on agreed compliance measures, which include the screen and the blind trust. As you've heard already from the Ethics Commissioner, the blind trust and the screen are in place to promote transparency and public confidence in decision-making. In Canada, I think we're all pretty familiar with those screens. They've been in place for many years in public and private institutions and under governments of varying political stripes.

It's also worth remembering that the Conflict of Interest Act and tools like the screen are in place to enable government to attract people with diverse backgrounds, including from the private sector, while ensuring the integrity of decision-making.

How does it work? We've put in place a rigorous process to implement the screen, and that has been fully validated by the Ethics Commissioner.

As a first step, policy decisions that might trigger the screen are identified and reported to the senior management of departments and agencies as they arise. Then departments and the Privy Council Office conduct a very robust case-by-case due diligence examination. At that point, if there appears to be even a remote possibility that the screen may be needed, it is immediately put in place. Why is that? It's so that we always err on the side of caution.

To ensure that those principles underlying the screen are consistently applied, we've developed a comprehensive assessment tool that provides a framework to assist in the analysis. I'm happy to table that tool today for members of the committee.

Government officials receive rigorous training across the public service, especially in the most relevant departments. Both the assessment tool and the training materials have been thoroughly reviewed and validated by the Ethics Commissioner.

Following the work in departments and following work in the Privy Council Office, the deputy secretary for governance at the PCO then makes a recommendation on the screen's application. As an administrator of the screen, I review that recommendation and take a decision.

All the advice, as you know, from the public service on the full range of issues for the Prime Minister comes through the Clerk of the Privy Council. That perspective gives me a broad perspective, and that broad perspective is critical in my role as an administrator. I would like to say that I regard that role as an administrator as a very important duty.

• (1635)

Finally, decisions are shared with the Prime Minister's chief of staff—the second administrator—for concurrence and immediate implementation.

[*Translation*]

Although it is not mandatory under the Conflict of Interest Act to disclose the manner in which the screen is applied, I want to share as much information as possible with committee members and Canadians.

We decided to ask whether the screen should be applied to 13 situations. Every single one, without exception, was validated by the Conflict of Interest and Ethics Commissioner.

According to the principles underlying the assessment tool validated by the Ethics Commissioner, the screen did not apply to seven of the situations. Five of those seven cases did not involve any direct interaction with the companies subject to the screen. The other two situations pertained to tax measures on matters of general application.

The screen did apply to the six remaining situations. The Ethics Commissioner was clear: the Prime Minister cannot be informed of the matters before a final decision is made public. Otherwise, it would go against the very purpose of the screen. The Prime Minister is not aware of four of the six matters to which the screen applies. The other two cases are now public information, with a final decision having been made. I'm sure you'll have questions about those cases, so I would be pleased to discuss them.

In short, we believe we have established a very rigorous system that is applied with great care and attention. The public service is well aware of its responsibility to always ensure the integrity of the office of Prime Minister.

I would now be happy to take your questions and look forward to reading your recommendations.

• (1640)

[*English*]

The Chair: Thank you, Mr. Sabia.

Before we begin, I want to make sure for the sake of the interpreters that we're not talking over each other, so let the question be asked and let the answer be given.

I understand, Mr. Sabia, that you also said that you have the assessment tool, which I think I have in front of me, and that you would like it to be distributed now to the members of the committee.

Michael Sabia: I'd be happy to do so.

The Chair: We are going to start with our six-minute rounds. Mr. Barrett is going to begin.

Go ahead, Mr. Barrett, please.

Michael Barrett (Leeds—Grenville—Thousand Islands—Rideau Lakes, CPC): On what date did the ethics screen for the Prime Minister come into force?

Michael Sabia: Mr. Barrett, there are two stages in this process.

The screen that is in place now is the result of pretty exhaustive work on the part of the Ethics Commissioner with respect to the disclosure provided by the Prime Minister. That screen was put in place on July 10, I believe.

Prior to that, on an interim basis, a somewhat simplified screen was in place very shortly after the Prime Minister became prime minister, until the more fully elaborated screen came into place on July 10.

Michael Barrett: Are you able to articulate, perhaps in writing to the committee, unless you're able to do it now, the differences between that screen and the initial screen that followed very shortly after the Prime Minister assumed the role?

Michael Sabia: The principal change between the two, and it's pretty logical, is that after the disclosure of the Prime Minister to the Ethics Commissioner, a full overview of the assets of the Prime Minister was provided to the Ethics Commissioner. That enabled the Ethics Commissioner to develop a list of 103 companies, and that list is published on the site of the Ethics Commissioner. The principal difference between the two, even with some minor differences, is that the screen that's in place now contains the 103 companies that are the result of the Prime Minister's disclosure.

Prior to that, it was primarily focused around Brookfield and Brookfield companies, because while the Prime Minister had made disclosure, the Ethics Commissioner hadn't completed his work on it. That's the principal difference between the first one and the second one.

Michael Barrett: How will Prime Minister Carney's planned cuts to the public service affect the units responsible for the conflict of interest screening, as it's—

Michael Sabia: Those reductions will not affect this.

Michael Barrett: There are documents that show that the machinery of government secretariat vetted the guest lists for the Prime Minister's London and New York meetings. Would the vetting process be compromised, or would the structure of it be changed in any way by these cuts?

Michael Sabia: No.

Mr. Barrett, let's back up a bit.

The government has priorities, as you know. One of those priorities is the prudent and rigorous application of this screen. As we go about the task of continuing to right-size the public service for the future, clearly one of our jobs and one of our responsibilities is to ensure that the priorities of the government are always able to be implemented. This being one of those priorities, we will ensure that the workforce—the people who are responsible for the operation of the screen, etc.—continue to be able to discharge their responsibilities fully.

Michael Barrett: In a word, any reductions—

Michael Sabia: As you'll find, it's hard for me to give you a word—

Michael Barrett: —any reductions to the machinery of government, to the team that is currently being used to implement the screen, will not be affected by any cuts.

Michael Sabia: The answer is that we will continue to administer the screen fully and prudently. There will be no compromise or impact on the ability of the public service to operate the screen now, during or after the reduction.

• (1645)

Michael Barrett: If I may, sir, will the size of the team change?

Michael Sabia: My point, to be direct, is that it doesn't really work that way.

Can I explain?

Michael Barrett: Well, I have very limited time. I have a little less than a minute left.

Michael Sabia: Well, I'll give you the 30-second answer.

Michael Barrett: I'll give you 15 seconds, sir.

Michael Sabia: Okay.

The way this works is that it's embedded across the public service. It's embedded in the principal departments where there is responsibility for the sectors in which the screen is most likely to be applied, so it involves a highly decentralized system.

Yes, at the end of the day, it is overseen by the Privy Council Office and by me, but it's a mistake to think that there's just a small, dedicated group of people working on this. Like other priorities of the government, this is something that reaches into departments.

Michael Barrett: You sold your controlled assets, your shares in Brookfield, to avoid conflicts. Shouldn't the Prime Minister, or any

prime minister, do the same, to prevent influencing decisions that will have a direct benefit to their financial interests?

Michael Sabia: I think that you partially correctly and partially incorrectly characterize my thinking around my decision to dispose of my investments in Brookfield.

First off, as a matter of record, for good and reasonable reasons, my assets have been in a blind trust pretty much since 2009, when I started working at La Caisse de dépôt et placement du Québec—

The Chair: Mr. Sabia, we may have to get back to this. I have to give equal time to each member of the committee. I'm sorry, Mr. Barrett and Mr. Sabia.

Michael Sabia: If it makes you feel any better, my answers will be equally long for everybody.

[Translation]

The Chair: Ms. Lapointe, you may go ahead for six minutes.

Linda Lapointe (Rivière-des-Mille-Îles, Lib.): Thank you, Mr. Chair.

Mr. Sabia, welcome to the Standing Committee on Access to Information, Privacy and Ethics. It's a pleasure to have you with us. Thank you for being here to speak with the committee.

Can you talk a bit more about your role as Clerk of the Privy Council? What does it involve?

Michael Sabia: The Clerk of the Privy Council essentially has three responsibilities.

One, I am responsible for the entire public service.

Two, I am secretary to the cabinet, a role requiring that I work extensively with the members of cabinet, in other words, the ministry.

Three, I am deputy minister to the prime minister. That role consists of developing the public service and ensuring that it is better equipped for the future. Given how fast things around the world are changing, we must change. That requires me to work extensively with government ministers to ensure close co-operation and the smooth running of government. As deputy minister to the prime minister, I act as an adviser to the Prime Minister, and I am responsible for arranging meetings on the public service and Privy Council Office meetings.

Linda Lapointe: Thank you. That's helpful.

You may not know this, but I was an MP from 2015 to 2019. Between my two terms as an MP, I worked in the Prime Minister's Office.

Michael Sabia: You have a good grasp of the role of the Clerk of the Privy Council, then.

Linda Lapointe: It's helpful to hear about what you and your team do. Thank you.

In your opening remarks, you mentioned your role as administrator of the Prime Minister's conflict of interest screen. Can you tell us more about that?

Michael Sabia: As I told Mr. Barrett, we now have government-wide mechanisms to identify apparent conflicts of interest. My role as administrator is to work with the Privy Council Office team and the other deputy ministers to identify potential conflicts of interest and decide to put a screen in place to protect the Prime Minister and the office of Prime Minister from a possible or apparent conflict of interest.

• (1650)

Linda Lapointe: You said that you share the role of administering the conflict of interest screen with the Prime Minister's chief of staff, Marc-André Blanchard. Could you please explain the difference between your role and Mr. Blanchard's?

Michael Sabia: On my end, I am responsible for the public service. Our role, our responsibility, our duty, is to provide our professional advice, so the fruit of the public service's labour, to the government and directly to the Prime Minister. On his end, Mr. Blanchard is responsible for managing the political offices of the government.

I manage the public service and the advice we provide, whereas Mr. Blanchard fulfills those responsibilities on the political side. Together, those two roles provide the public service perspective and the political office perspective.

Linda Lapointe: Thank you.

Michael Sabia: With my role and Mr. Blanchard's, we have the full picture of all government activities, which is necessary in order to identify potential conflicts of interest.

Linda Lapointe: I have another question. If you don't have enough time to answer, you can finish later when you're answering my fellow members' questions.

The Chair: You have 20 seconds.

Linda Lapointe: Okay.

Mr. Sabia, can you explain how the Privy Council and the Prime Minister's office work together to ensure compliance with the conflict of interest screen?

Michael Sabia: There are two parts to my answer.

First, we each have our own set of responsibilities, so it's not a matter of negotiating between—

The Chair: Mr. Sabia, sorry to cut you off, but you'll have to come back to it later. I'm trying to make sure each member's time is respected.

[*English*]

Michael Sabia: No, it's all good. There's no problem.

[*Translation*]

The Chair: Thank you, Ms. Lapointe.

Mr. Thériault, you may go ahead for six minutes.

Luc Thériault (Montcalm, BQ): Thank you, Mr. Chair.

Welcome, Mr. Sabia.

You completed your conflict of interest declaration on November 3, and according to the report, you sold your shares in Brookfield. Why?

Michael Sabia: The first time I realized I was an investor in Brookfield was in the course of the process carried out by the Ethics Commissioner and his office. All of my investments have been in a blind trust for years, since I worked at the Caisse de dépôt et placement du Québec.

The Commissioner and his office informed me of the Brookfield investment on September 24, along with a number of other investments in my report. Obviously, I saw that I had shares in Brookfield, so my answer was simple. I decided to sell them immediately. In light of my role as administrator and the Prime Minister's positions, it was simpler and more practical not to be an investor in Brookfield. My job is to always endeavour to protect the Prime Minister and the office of Prime Minister from the appearance of a conflict of interest.

That is why I decided to sell my shares—to make things easier and to ensure a sounder administration of the conflict of interest screen.

• (1655)

Luc Thériault: It speaks well of you.

If I understand correctly, you were aware of a possible, or at least apparent, conflict of interest. Is that right?

Michael Sabia: It was not a conflict of interest, but the appearance of one.

Luc Thériault: It was easier, then, to avoid the whole thing.

When did you sell?

Michael Sabia: I'm not sure exactly, but I made the decision 15 or 30 minutes after I saw the name Brookfield on the list.

Luc Thériault: You're familiar with Bill C-5, which was rammed through the House of Commons. As you know, the bill lays out an economic development strategy for so-called national interest projects, projects that would open up business opportunities for Brookfield.

For example, Brookfield owns railways; a company that designs, builds and operates nuclear power plants; natural gas processing plants; and gas pipelines. The corporation is also involved in oil sands projects and port facilities. Bill C-5 covers all of those areas in which Brookfield has assets.

Is that why you sold your Brookfield shares?

Michael Sabia: No.

Luc Thériault: Was it because it would be simpler to manage the situation?

Michael Sabia: No.

I decided to sell my assets simply to better manage my role as an administrator for the Prime Minister. My decision was not related to Bill C-5 or other considerations.

Luc Thériault: However, do you agree that there is an appearance of conflict of interest, or even, if you don't act properly, a conflict of interest because of the role the Prime Minister played, and the assets and possessions of Brookfield, but also the government's economic policies? Otherwise, you wouldn't have sold your assets in Brookfield.

Michael Sabia: No, hold on.

Luc Thériault: The fact that the Conflict of Interest and Ethics Commissioner reported this to you and asked for a conflict of interest screen to be applied means there was an appearance of a potential conflict of interest in the future.

Michael Sabia: I'm repeating myself, but I decided to sell my assets because a conflict of interest screen protects the Prime Minister. I'm not involved in the Conflict of Interest and Ethics Commissioner's request. He didn't ask that a screen be applied to me.

I was well aware of the fact that the Prime Minister had assets in certain activities at Brookfield. To better manage my role, better protect the Prime Minister and better manage the conflict of interest screen, I decided to sell my own assets. So it was not to avoid a conflict of interest, but to simplify things, as I was well aware of the importance of Brookfield in my activities as administrator of the conflict of interest screen.

Luc Thériault: What does "simplify things" mean? Is it a matter of simplifying things in order to properly apply the conflict of interest screen that was required?

Michael Sabia: No.

Luc Thériault: What exactly did you want to simplify?

Michael Sabia: Given the Prime Minister's role in Brookfield a while ago, it was obvious that Brookfield would be a significant part of my activities as administrator of the conflict of interest screen. So the idea was to simplify my activities, since it was quite obvious that Brookfield would take up a large part of my time and would be at the centre of decisions on whether or not to apply the filter.

I decided that it was much simpler to sell in order to facilitate those decisions.

• (1700)

The Chair: Thank you, Mr. Sabia and Mr. Thériault.

We will now begin the second round.

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

[English]

Michael Cooper (St. Albert—Sturgeon River, CPC): Thank you, Mr. Chair. Thank you, Mr. Sabia.

The Brookfield Global Transition Fund I is a subject of the Prime Minister's ethics screen. Mr. Carney's disclosure states that he is entitled to carry interest payments from the Brookfield Global Transition Fund, which are essentially future bonus payments based upon the performance of the fund. What Mr. Carney's disclosure does not provide are the holdings within that fund.

Are you aware of what those holdings are, as the administrator of the ethics screen?

Michael Sabia: No, I am not.

Michael Cooper: Is the Ethics Commissioner aware, to your knowledge?

Michael Sabia: Yes.

Michael Cooper: He is aware of those.

You, not the Ethics Commissioner, are responsible for administering the screen, so how is it possible for you to make a determination as to whether the screen applies if you are unaware of what those holdings are?

Michael Sabia: The operation of the screen is such that, with regard to the 103 companies, we have identified a number of sectors where that fund is operating in certain of those sectors. When issues of that kind arise where—

Michael Cooper: Mr. Sabia, here's the situation with respect to that fund: Mr. Carney set up that fund. He registered it in the Cayman Islands. It's a multi-billion dollar so-called "clean energy fund". He picked the companies, and he knows what the holdings are. He knows the public policy decisions that might influence the fund's success and therefore his future bonus pay. How can you determine whether the screen is appropriately triggered if you're ignorant of what is behind the fund?

Michael Sabia: Mr. Cooper, that's for the simple reason that we check everything with the Ethics Commissioner.

Michael Cooper: Then what would you do with that? Explain what you would do with that.

Michael Sabia: When an issue arose, if we had—

Michael Cooper: How would you know if an issue arose? If you're blind to what is in the fund, you don't know.

Michael Sabia: It's because, as I said, we have identified a series of sectors, and we judge our activities and guide our activities partly based on those sectors and partly based on more specific information with respect to the operation of individual companies in the list of the 103 companies. If we have any question or uncertainty, we confirm all of that with the Ethics Commissioner, so we have the benefit of—

Michael Cooper: I'm not asking about the 103 companies—

Michael Sabia: No, you are—

Michael Cooper: I'm asking specifically about this particular fund.

Michael Sabia: No, Mr. Cooper, that's not true. You started your question by—

Michael Cooper: Well, how is it not true?

Michael Sabia: Mr. Cooper, you started your question by saying that this fund is on the list of the 103 companies—

Michael Cooper: It is, and I asked you then whether—

Michael Sabia: —and what I'm answering for you—

Michael Cooper: —you were aware of the holdings behind that fund—

The Chair: I'm going to need one at a time here—

Michael Cooper: —and you answered in the negative. I followed by asking you whether the Ethics Commissioner was aware of the holdings within the fund, to which you answered in the affirmative. Then I asked you how it's possible for you, as the administrator of the screen, to administer it when you don't have that information.

Michael Sabia: Well, now that we're playing replay, I'll just say what I said before: One of the reasons that collaboration between us and the Ethics Commissioner is important is that the Ethics Commissioner has access to a full range of information, and we check everything with them.

Michael Cooper: As the administrator of the fund, shouldn't you be privy to the full range of information? Why is it that you have only some of the information?

Michael Sabia: Well—

Michael Cooper: It doesn't make any sense. The Ethics Commissioner supposedly has a list of the holdings; why, then, wouldn't you ask for a list of holdings?

Michael Sabia: That's because, given our collaboration with the Ethics Commissioner, it's certainly, in my view, not necessary.

If there's any ambiguity—

Michael Cooper: Are you saying it's not necessary? When the Prime Minister stands to make tens of millions of dollars in future bonus pay, are you saying that you don't think it's necessary to have a list of the holdings?

• (1705)

Michael Sabia: No, Mr. Cooper. I think that is not the case. I think that's clearly not the case. We—

Michael Cooper: What's clearly not the case?

Michael Sabia: Mr. Cooper, as I said in my opening remarks, the moment we believe there is the potential for a conflict, a screen goes up.

The Chair: We're going to have to come back to this.

Ms. Church, you have five minutes. Go ahead, please.

Leslie Church (Toronto—St. Paul's, Lib.): Thank you very much, Mr. Chair.

Welcome, Clerk, and thank you for setting the stage for us today here at the committee by impressing on all of us the deep-rooted culture of integrity that Canada has shown its commitment to, and what you've described as a rigorous process, fully validated by the Ethics Commissioner, which I think satisfies many of the questions that we've had as a committee as we've looked into this act.

My question for you might start with the difference between the respective responsibilities of the public service versus the political arm of government when it comes to conflict of interest compliance.

Can you describe those two sides of the process?

Michael Sabia: Ms. Church, I think that they are in many ways very similar.

Within the public service, we do our work clearly and obviously on a non-partisan basis. We review these issues through individual departments and through our work in the Privy Council Office.

However, as you know very well, there is another aspect to government, which is the operation of political offices. There, there is quite a bit of business that transpires. I'm thinking in particular about the setting up of meetings and the management of schedules. There, there can be a case that a political office would be in the process of establishing a meeting with the Prime Minister or the Minister of Finance, or another minister, and they will have that information. That's why it's important to have the two levels—these two aspects of government, the public service side and the political side—doing their own work, because we each have our own responsibilities. They're sometimes joint, but sometimes they're separate.

It's also why it is important for us to share the information that we have, which we do, and that they share the information that they have, because the more information you have, the better you can make judgments.

Leslie Church: As I understand from your testimony, the Ethics Commissioner's office is also available to both sides of the equation.

Michael Sabia: They are more than available. I would say that the Office of the Ethics Commissioner is not just available: The Office of the Ethics Commissioner is an integral part of the process, in that the definition of the structure of the screen that was put in place and the nature of the blind trust that was put in place were essentially at the demand of the Ethics Commissioner. They were structured by the Ethics Commissioner and his office. That was step one.

Step two is in the day-to-day operation of the screen. We collaborate fully. It's almost—I'm exaggerating a bit—that the operation of the screen is a tripartite operation of the public service and the political level of government, through the Prime Minister's chief of staff, and the Ethics Commissioner. That kind of collaboration, as I was saying to Mr. Cooper, is a better way of maximizing information.

Leslie Church: Yes, and it's probably to keep tabs on any change in information as well, and ensure that any changes in information are clear.

Michael Sabia: Yes, of course.

Leslie Church: Clerk, from a machinery of government perspective, how common is it for the Office of the Ethics Commissioner to be working directly with the Prime Minister's Office or other offices to establish compliance mechanisms like a conflict of interest screen? You touched on this in your opening remarks, but maybe just for our benefit...

Michael Sabia: I think it's very common and very appropriate.

The Ethics Commissioner is, by nature, a different entity, because the Ethics Commissioner and that office are officers of Parliament. We are part of the government, part of the executive branch of the government.

Parliamentary oversight of issues like conflict and accountability and other things is fundamental to how our democratic system works. Having the Ethics Commissioner involved in structuring these for the Prime Minister, for other ministers and for other public office holders, as the Ethics Commissioner does, is the right thing to do, because, as an officer of Parliament, he is accountable to Parliament and accountable to the judgment of all of you—

• (1710)

The Chair: I have to ask you to wrap up.

Michael Sabia: —as elected parliamentarians. That is, in terms of accountability and transparency, the right thing to do.

The Chair: Mr. Sabia, we're over time.

I'm sorry, Ms. Church.

Leslie Church: Thank you, Clerk.

[*Translation*]

The Chair: Mr. Thériault, you have the floor for five minutes.

Luc Thériault: Mr. Sabia, during the leadership race, Mr. Carney developed a vision that can be found in Bill C-5. That is Mr. Carney's bill, is it not?

Michael Sabia: Yes.

Luc Thériault: To make things easier, wouldn't it have been simpler for Mr. Carney to do as you did and divest himself of his assets in Brookfield?

Michael Sabia: Mr. Thériault—

Luc Thériault: That's a question we're asking ourselves, as a committee, because we have to revise the act. Should we go so far as to differentiate the rules and requirements for the highest office in the land? It's important for the highest office in the land to set an example and demonstrate transparency. If the Prime Minister can manage things if a minister around the table deviates from something, who manages things for the Prime Minister?

It's you and the chief of staff.

Should he have done what you did? What you've done is exemplary.

Michael Sabia: That's exactly the role and importance of the screen. That's exactly why the screen exists.

Luc Thériault: Yes, we'll come back to that.

So your answer is no, as there is a screen.

Michael Sabia: That's my answer.

Luc Thériault: Okay. We're making progress.

Michael Sabia: Slowly.

Luc Thériault: I listened to you earlier, but I'll ask you the question again: Do you know what's in the blind trust?

Michael Sabia: Overall, I understand the disclosure made by the Prime Minister that is published on the Commissioner's website.

Luc Thériault: Do you have interactions with the trustee?

Michael Sabia: No.

Luc Thériault: You have no interactions at all. So you can't know how it fluctuates and what changes in that trust. To some extent,

you yourself are blind in the advice you can give the Prime Minister.

How do you apply the screen properly if you don't know what's in that blind trust?

Michael Sabia: I understand your question. In July, the Commissioner made a decision on the process of creating a blind trust and the screen. He made the decision that the content is essentially the content that exists at the time of disclosure or the design of the screen. At that time, the Prime Minister was aware of the elements of his disclosure.

Luc Thériault: So he was aware of the appearance of a conflict of interest.

Michael Sabia: No, hold on. He was aware of those elements at the time, but if his trustee decides to change things or sell something, the Prime Minister is not aware of it. As a result, the possibility of a conflict of interest disappears.

• (1715)

Luc Thériault: In your role as Clerk of the Privy Council, you said that you have to work with departments and agencies, but you also have to advise and support ministers and the Prime Minister in political decision-making. However, if you don't know what's in the trust, can you really apply the conflict of interest screen as effectively as possible?

Michael Sabia: Yes, for the same reason.

Luc Thériault: Okay, that's your answer. However, the Ethics Commissioner came to tell us that he wasn't interested in monitoring the application of the conflict of interest screen. He knows the content, but he told us he wasn't going to do that monitoring, since he would then be judge and jury. So that task falls to you.

How many times have you consulted the Commissioner in recent months, since your disclosure and since Mr. Carney came to power, to ask him whether you were providing appropriate advice, based on what he knew about the content and his view of the screen?

The Chair: Mr. Thériault, your time is up.

Luc Thériault: Has it already been five minutes? This is fascinating, Mr. Chair.

The Chair: I think our Liberal colleagues also need time.

[*English*]

I'm trying to be fair to everybody here. We may go over by a second. I don't need anybody yelling in my ear that it's time. I'm keeping time.

[*Translation*]

Mr. Hardy, go ahead for five minutes.

Gabriel Hardy (Montmorency—Charlevoix, CPC): Mr. Sabia, thank you very much for being with us.

The goal here is not to find culprits, but to ensure that the measures we put in place help preserve the trust of Canadians and Quebecers in politics. We also want to reassure those who follow our work, as politics and democracy are in a bit of a crisis. In your opening remarks, you said that democracy was under pressure. So, here in committee, we want to make sure that people can have confidence in our institutions.

I read a report by your predecessor, Mr. Hannaford, who was praised by Mr. Wernick, who also held your position in the past. In his report, which was exceptional, he said:

Public trust takes ongoing, sustained efforts to earn but can be lost quickly through ethical breaches, conflict of interest and service shortcomings, as we have seen recently in multiple jurisdictions. Even the perception of a breach is enough to undermine public trust.

Do you agree with that?

Michael Sabia: I think he was referring to the quality of services provided to Canadians.

Gabriel Hardy: His report covers a lot of elements, but he talks a lot about public trust in institutions and the responsibility of the government and politicians to ensure that decisions are always in the best interests of the people.

Do you agree with that?

Michael Sabia: Yes, but in this case, it was about improving the quality of services provided to Canadians.

Gabriel Hardy: What do you think of my last statement? Do you agree that the government and we politicians have a responsibility to ensure that people have trust in our institutions?

Michael Sabia: Yes.

Gabriel Hardy: We agree, perfect.

In a time of crisis when, as you said, democracy is under pressure, two things are extremely important: transparency and overcorrection. Those things are important so that people can see that we're really making an effort.

Do you agree with that, as well?

Michael Sabia: Yes.

Gabriel Hardy: Great.

Earlier, you said that when you took office you made the decision very quickly, in 15 minutes, to sell your Brookfield assets because you saw a problem with that in terms of the work you were going to be doing. You wanted to make sure that your approach would always be measured and thoughtful, without being influenced by something that could undermine your work.

Do you think the Prime Minister should have done the same thing before being appointed to such an important position, to apply the concept of overcorrection that I was talking about, in order to avoid problems for himself and his staff? He could have said, "I know I come from the private sector and I've made a lot of money in my life through stocks and all that, but now I'm going to put that aside to look after the country's interests."

Michael Sabia: I have two comments on that.

First, I'm going to repeat myself, but that's why we put a screen in place. We use it to protect the office of Prime Minister from potential conflicts of interest.

Second, in life, as you well know, we always have to strike a balance between things. Yes, we have a screen to preserve the trust of Canadians, which is obviously extremely important. However, we also need a system that works and that enables us, as a country and as a government, to continue encouraging very talented people, whether they come from the private sector or elsewhere, to join us in strengthening the Government of Canada. So it's a matter of finding a balance between those two responsibilities.

• (1720)

Gabriel Hardy: I'll follow up on what you said.

We're in a situation where democracy is under enormous pressure, and we have to overcorrect. So finding a fine balance is one thing.

The other thing is that Mr. Wernick, your predecessor, told us that politics is, most of the time, something very short in the life of a professional. They come into politics and then they leave. The Prime Minister himself, during his election campaign, said that he was only here to resolve the crisis. However, at a time when we need a response to this crisis, the Prime Minister, who has been extremely involved in the financial world, which has all kinds of ramifications, is putting himself in a situation that is causing Canadians to doubt our institutions.

Is it responsible to do that?

The Chair: Mr. Sabia, please answer in 10 seconds.

Michael Sabia: That's impossible.

Gabriel Hardy: All you have to say is that you agree with me.

Michael Sabia: One way to bolster Canadians' confidence is to ensure that the government is able to do things that are important to them and get the country out of the current crisis. That's important.

The Chair: Thank you.

[English]

Mr. Saini, you have five minutes.

Go ahead, sir.

Gurbux Saini (Fleetwood—Port Kells, Lib.): Mr. Sabia, can you walk the committee through how a compliance screen fits into the broader integrity framework of the federal public service and the Conflict of Interest Act?

Michael Sabia: For the process, basically, as you know, there are two big elements to this.

The first is the creation of a blind trust, such that any assets are in a trust run by others, where decisions are made by others, and such that the public office holder, me included, has no ability to see inside that trust or to make any decisions with respect to it. That's the first step, and that's obviously pretty important, because if you don't have knowledge, and if you're not making decisions, that helps deal with the circumstances of the real or potential conflict of interest. That's number one.

Number two is that, in this case, there's another layer, which is a screen on top of that, to further respond to points that have been raised with respect to the confidence of Canadians and the transparency and accountability. Given the obvious decision-making role of the Prime Minister, layering on a screen on top of that protects against another potential risk, which is that an individual may not know exactly what is in that trust and not make decisions with respect to it, but they still might have some knowledge of particular types of assets.

The screen protects against that, and the screen says that other third parties—Mr. Blanchard, the Ethics Commissioner and I—have a role in ensuring, for issues that could arise, that the Prime Minister is protected against those circumstances and that those decisions are taken by other ministers. Those are the two layers of protection here: the blind trust and the screen. The two working together, I think, create a pretty solid basis for ensuring that the Prime Minister and the Office of the Prime Minister are seen to be of high integrity.

• (1725)

Gurbux Saini: Thank you.

Can I ask you to speak to the safeguards that are in place to ensure that the conflict of interest compliance mechanisms are followed consistently across the government?

Michael Sabia: You've seen and we've distributed an assessment tool that is distributed across the government. In addition to the distribution and development of an assessment tool, and again, in co-operation with the commissioner, there is an extensive process of training so that individuals across the public service system have the same tool and the same training with respect to the operation of that assessment tool. That is an important element of how we build sensitivity across the public service system, not just in the Privy Council Office and not just in the Office of the Prime Minister, but also across the public service system and indeed across the system of political offices in departments across the system.

Our effort here is, in effect, to have everyone on the same page, to think the same way, to look for the same things and to raise the same flags. Those eventually percolate up into the Privy Council Office or up into the Office of the Prime Minister, where eventually the two administrators—the Prime Minister's chief of staff and I—take decisions as to whether or not the screen should be imposed.

I do want to reiterate something, though, and this is important. From the moment a flag is raised, a screen is imposed. It could be that when that issue comes to me or to Mr. Blanchard, or perhaps to the deputy secretary of governance of the Privy Council Office, we would say, "Wait a minute. It actually doesn't make sense. Yes, it's good to do that in an abundance of caution, but in fact, there's no

need for a screen." That has not happened, but it is conceivable, so that—

The Chair: Thank you.

Forty-two seconds over and nobody is yelling in my ear that we're over time. I'm shocked.

We're going to reset the clock to the top of the hour.

Mr. Majumdar, you have six minutes. Go ahead, please.

Shuvaloy Majumdar (Calgary Heritage, CPC): Thank you, Chair.

Mr. Sabia, you mentioned earlier that you divested your assets, your Brookfield assets, because it's simpler. You wanted to avoid the appearance...and you made the decision 15 to 30 minutes after you saw Brookfield appear on the conflict screen, on the list itself. What does it say that the Prime Minister did not apply the same judgment that you did?

Michael Sabia: Here we go again. I think there are two different circumstances here. My job is to operate the screen and to make judgments with respect to when the screen ought to be applied. When the screen is applied, the Prime Minister is not included in the decision-making. The screen applies every time there is an issue that could be put to the Prime Minister that could come to the benefit of the companies listed on the list of 103 companies—

Shuvaloy Majumdar: Right. Your screening—

Michael Sabia: —so because of that—

Shuvaloy Majumdar: If I might, it's my time.

You're essentially saying that you are removing yourself from being conflicted as an administrator of the screen because the Prime Minister is conflicted.

• (1730)

Michael Sabia: No. I don't think I'm saying that. What I think I'm saying is that to protect the Prime Minister and the institution of the Office of the Prime Minister, my role is to make final decisions on whether or not a screen applies. For me not to have divested of that I think would have raised questions in my own mind about whether I could actually function in that role.

Shuvaloy Majumdar: Let me take a different approach here. One of the items on the screen is the BGTF, the Brookfield Global Transition Fund. They hold specific portfolio assets. At no point is a screen invoked on those assets as a conflict in terms of what the Prime Minister is incited by. The Prime Minister is incited by the performance of the fund and its portfolio. Do departments across the government that work in this process have access to the portfolio components of BGTF?

Michael Sabia: Again, I would come back to my answer to Mr. Cooper on that. This is not about trying to track the various bits and pieces of what may or may not be in a fund. This is about understanding that the fund operates in a certain domain. By operating in that domain, that causes us to raise flags when we need to.

Shuvaloy Majumdar: In the broad areas of what that fund operates in, the Prime Minister is engaged in very serious discussions that affect the future of the country. He is incented by knowing what's in that fund and what his performance pay would be based on that fund. How is it possible that he's engaging those industries without the screen being invoked?

Michael Sabia: But the screen would be invoked.

Shuvaloy Majumdar: Based on the component assets of the BGTF?

Michael Sabia: Based on the sectors of operation. If we needed to, we would dig deeper. We would go, as I said, to the Ethics Commissioner, and we would get the information that was required if we needed it. Bear one thing in mind: We always err on the side of using the screen more broadly rather than narrowly. We always err on the side of an abundance of caution—always.

Shuvaloy Majumdar: However, there has not been an abundance of caution, because the portfolio components of BGTF, which are specifically articulated as part of the screen, are not being screened by the departments.

Michael Sabia: The sectors in which that fund would operate are cause for a screen to be imposed. If there's any doubt or question about it—I'm repeating myself, and I apologize—we have access to the Ethics Commissioner and we use it.

Shuvaloy Majumdar: Has the department or have you asked the Ethics Commissioner to understand what the components are of the BGTF?

Michael Sabia: We have not needed to up to now, because any time there was a perception of it, we put up a screen. That's been borne out by the Ethics Commissioner. It's been validated by the Ethics Commissioner.

Shuvaloy Majumdar: It comes back to the question I had originally. There are so many areas in which the Prime Minister is conflicted, based on his holdings. You made decisions to uphold the integrity of the office, but the Prime Minister has not made the same decisions to uphold the integrity of his office. How do you justify that scenario?

I ask this because across the institutional investment world, there are very strict screens, whether it's the CDPQ, Brookfield or the Bank of Canada, on how investments are intended to be structured, and if any individual investment team member is associated with it. The private sector, where you came from, has higher standards than what I see displayed in the tool and in the screen of the Government of Canada. How do you justify that?

Michael Sabia: Well, here's my answer to that. I ran what is now a \$500-billion investment fund—

The Chair: You're going to have to be quick, Mr. Sabia.

Michael Sabia: I ran a \$500-billion investment fund for 11 years. It was \$375 billion when I left.

We had lots of screens and ways of protecting against conflict of interest. We were able to do that successfully without any incident over the period of time that I was there, over that period of 11 years.

I would say that the operation of the screen here in the Government of Canada for the Prime Minister is every bit as rigorous as any screen I have seen in the private sector, pretty much ever.

• (1735)

The Chair: Thank you, Mr. Majumdar.

Mr. Sabia, I failed to ask as we moved into the second hour, are you okay?

We're on a roll. Do you need a break at all, or are you good?

Michael Sabia: It doesn't feel like a roll.

Voices: Oh, oh!

The Chair: Well, I mean, it is a kind of roll. People are asking questions. You're answering them.

Do you need a break, sir?

Michael Sabia: Not right away, but can I keep the option open?

The Chair: For minus 15 minutes before we're over, no.

Michael Sabia: No, seriously, can I keep the option open? Because if not, I'll take it now.

The Chair: If you need it, just let me know.

[*Translation*]

Mr. Sari, you have the floor for six minutes.

Abdelhaq Sari (Bourassa, Lib.): Thank you very much, Mr. Chair.

Thank you very much, Mr. Sabia, for being with us this afternoon. A number of the points you raised are very interesting and help to enlighten the opposition.

Before I ask my question, I'd like to come back to something you said in your introduction that I thought was brilliant. You were talking about democracy, which is experiencing some fragility, not only in Canada, but around the world. With the polarization of discourse on social media, this is becoming an increasingly important issue. More than ever, as elected officials and public figures, we have to be careful about what we say. That brings me to my question.

We sometimes hear comments such as that the conflict of interest screen hides information or prevents accountability. As Clerk of the Privy Council, can you clarify what the screen does and doesn't do?

Michael Sabia: Our system is doing well globally and, frankly, it is thanks to the Conservative government that brought into force the Conflict of Interest Act a number of years ago. I think that was a good thing because, when we compare our system to all the structures that exist in the world, we see that it is among the best, particularly because of the requirements of our legislation, including the Conflict of Interest Act.

Canadians should also be proud of the fact that, according to an OECD analysis, Canada ranks fourth out of 30 OECD members in terms of the quality of its democracy. In addition, according to Freedom House, an organization completely independent of governments, the quality of our democracy ranks us first in the G7 and fifth in the world. That makes me proud to be a Canadian because, as you said, democracy is under pressure globally, but Canada remains a strong democracy. All Canadians should be proud of this position.

Abdelhaq Sari: To go back to my question, can you quickly simplify, for the confidence of the Canadians who are following our work, what the conflict of interest screen does and what it doesn't do?

Michael Sabia: Essentially, the screen is a way to ensure that the Prime Minister, or any other minister, is not involved in making a decision that could create a conflict of interest. It's simply a way of excluding someone, such as a prime minister or a minister, from a circumstance where they would be responsible for making a decision that could serve one of their private interests.

• (1740)

Abdelhaq Sari: Let's say there's a problem related to the screen. Will that problem be redirected to the departmental channels or the appropriate services to manage it? Will the process to address that problem continue without being set aside or hidden? Sometimes we hear that it could be disturbed or hidden. Do you think the process is appropriate and ongoing?

Michael Sabia: I think the process is very appropriate. That's why I said it at the beginning of my remarks and why I talked about the 13 cases. We're not in a position to discuss some of those cases. As for the others, I think that, as much as possible, we are very comfortable acting transparently and presenting the facts of each of those circumstances.

I think that level of transparency will bolster everyone's confidence in our system because the system clearly works.

Abdelhaq Sari: Now let's talk about the impartiality of public servants. That obviously overlaps with compliance systems, such as the screen we just talked about. Are those mechanisms used across government, or are there services where they are not used?

Michael Sabia: It's across the Government of Canada.

Abdelhaq Sari: Is it across all departments?

Michael Sabia: Absolutely.

The Chair: Thank you.

Mr. Thériault, you have the floor for six minutes.

Luc Thériault: Thank you, Mr. Chair.

Mr. Sabia, how many times since the beginning of your mandate have you asked the Prime Minister to recuse himself?

Michael Sabia: Six times.

However, you chose certain words. It was not a request, but a decision by me and Mr. Blanchard to use a conflict of interest screen. We did not ask the Prime Minister to recuse himself.

Luc Thériault: So you required the Prime Minister to recuse himself six times.

Michael Sabia: Yes.

Luc Thériault: Which times? What was the issue?

Michael Sabia: I don't understand your question.

Luc Thériault: What were the decisions? What was involved? What was it about?

Michael Sabia: Okay.

Luc Thériault: While you're looking for the answer, maybe you can answer my other question. In Bill C—

Michael Sabia: I'm very comfortable answering your first question.

Luc Thériault: Go ahead.

Michael Sabia: We've used the screen six times, including four times—

Luc Thériault: Yes, but I want to know the subject.

Michael Sabia: Wait.

Luc Thériault: It's just that I don't have much time, Mr. Sabia.

Michael Sabia: It's a bit complicated. There are six circumstances. In four of those circumstances, the process is ongoing.

Luc Thériault: You said that earlier.

Michael Sabia: I'm not in a position to tell you the topics.

Luc Thériault: Okay.

Michael Sabia: In two other cases, the government made those decisions. To be very brief, it was basically because the circumstances were a bit complicated.

In one case, it was for highly technical adjustments related to our tax system in a cross-border context between Canada and the rest of the world. There were some adjustments. We determined that, in that case, it was possible for companies whose names were on the list—a hundred or so companies—to benefit from those changes. So we used the conflict of interest screen.

Luc Thériault: Okay.

Michael Sabia: In the other case, it was a small change to our tax system. So we did the same thing to make sure that the Prime Minister was not involved in that decision.

Luc Thériault: Could you provide the committee with a document indicating the topics in question?

Michael Sabia: Yes.

Luc Thériault: Bill C-15, an act to implement certain provisions of the budget, which was tabled in the House yesterday, provides tax credits for small nuclear power plants. This will help all small nuclear power plant manufacturers. The problem is that there are only five plants, including Brookfield's, which owns Westinghouse.

Was the Prime Minister involved in that decision, or did you require him to recuse himself?

• (1745)

Michael Sabia: The issue of tax credits is quite important, but—

Luc Thériault: Is that a no?

Michael Sabia: My answer is that these instruments are available to a large number of organizations. So, as the Ethics Commissioner said—

Luc Thériault: You are saying that it is a political decision of general interest and that you therefore do not agree that there can be the appearance of a conflict of interest or an actual conflict.

In a case where there are so few players, how many players do you need to switch from general interest to special interest?

Michael Sabia: Globally, there are several.

Luc Thériault: I'm talking about Bill C-15 and small nuclear plants. There are five potential companies in this sector, including Westinghouse. You may say that it's of general interest, but when there are so few of them, I wonder.

At what point does it switch from general interest to special interest? Don't you think that a political decision of general scope can still give rise to conflicts of interest?

Michael Sabia: This credit is not just for companies in the nuclear sector. It's available to a number of companies, mostly in the renewable energy sector, so there are a lot of them around the world.

Luc Thériault: However, the tax credits set out in Bill C-15 pertain specifically to small nuclear power plants.

Michael Sabia: No.

Luc Thériault: We'll look into that.

Michael Sabia: By all means.

Luc Thériault: So are you going to reverse yourself by sending a message to the committee pointing out that error?

Michael Sabia: The tax credit applies to the nuclear sector, among others, yes.

Luc Thériault: It's a sector where there are so few companies.

So you didn't ask the Prime Minister to recuse himself, then?

Michael Sabia: There's a wide range of companies around the world that are in that situation. The important question to ask is whether those companies could benefit disproportionately. In this case, the answer is no.

Luc Thériault: Even if your daughters own Westinghouse, you don't think that's enough. That's okay. I'm just trying to understand—

Michael Sabia: It could be serious.

Luc Thériault: Yes, it could be serious, and I think it is.

You can give me that answer, except that you said earlier that you took action and applied the conflict of interest screen as soon as you had any doubt. I look forward to seeing which two cases you decided there was a reasonable doubt on.

The Chair: Perhaps we could come back to those questions.

Luc Thériault: Am I way over my time, Mr. Chair?

The Chair: You're 15 to 20 seconds over.

Luc Thériault: I apologize for that.

The Chair: I'm sorry to interrupt you, Mr. Thériault.

[English]

Mr. Barrett, you have five minutes.

Go ahead.

Michael Barrett: I'm going to try to get through a couple of topics quickly, if I could, with you.

I'm hoping that you could undertake to provide in writing to the committee, for the period between the spring and now, how many discussions, decisions or votes were flagged under the screen, providing the details of each occurrence. Are you able to provide that to the committee in writing?

Michael Sabia: From when to when?

Michael Barrett: From when the screen existed until today.

Michael Sabia: I just did. It's 13.

Michael Barrett: What are the details of those? What are the reasons for the screen being invoked?

Michael Sabia: In some cases, the screen was invoked, and in other cases, the screen was not invoked.

Michael Barrett: Could you provide the details of why it was invoked and why the review was triggered?

Michael Sabia: I can, but there are four circumstances that are still under way. In those circumstances, if we release that information, we've defeated the purpose of the screen, because the Prime Minister will be aware of what those circumstances are.

Other than those, can we give you the details? Absolutely.

• (1750)

Michael Barrett: Would you be able to do it within a week from today?

Michael Sabia: Yes.

Michael Barrett: Wonderful.

Michael Sabia: That's subject to my caveat about the four.

Michael Barrett: Thank you.

Are you able to tell us, again in writing, who is responsible for assisting you and the chief of staff to the Prime Minister in administering or enforcing the screen?

Michael Sabia: Sure.

Michael Barrett: This is information that would generally be available through access to information requests. I'm not looking for any personal information about the individuals. I'm looking for who is pushing the buttons and pulling the levers. Would you be able to provide that?

Michael Sabia: Yes, absolutely. I can share more of what's here—

Michael Barrett: Okay. Thank you.

Michael Sabia: —for at least the senior ones in the Privy Council Office, if you want those, but we're happy to give you them in writing.

Michael Barrett: Okay. Again, would by this time next week be okay?

Michael Sabia: That is not a problem.

Michael Barrett: Terrific.

Would you be open to regularly providing public details of the instances where the screen is triggered, in as much detail as could be made public? I appreciate that it's not required under the act, but based on your willingness to discuss some of it today, I think you appreciate how it can enhance public confidence in this process.

Michael Sabia: Yes, I think we can try to do that within reason, as long as I don't have to come back here and do it all the time.

Michael Barrett: If we got the information proactively, we wouldn't need to send the invites, though you're welcome to join us for coffee down here any time, sir.

I have two more questions with two minutes left. The first one is a rehash.

I'm wondering if you can take one minute to tell me how, if you don't have the complete list of all of Brookfield's investments, you can guarantee that you're screening all the conflicts, because you don't ask the Ethics Commissioner in every instance.

Michael Sabia: We do ask the Ethics Commissioner.

Michael Barrett: You don't ask about everything that comes across the Prime Minister's desk.

Michael Sabia: With anything that comes across in the relevant sectors where, after examination of the file, we think there's a possibility, we do.

Michael Barrett: Okay.

Artificial intelligence, modular construction, heat pumps, home retrofits and many of the things in the Prime Minister's housing plan.... He is not blind to his future payments from things like the Brookfield Global Transition Fund: Even though his controlled assets are in a blind trust, the payments are going to happen anyway. Any decision he takes affecting any of those things I just listed—some of which he's made announcements about, including on housing and artificial intelligence....

Michael Sabia: Yes, but draw a distinction, Mr. Barrett. Saying that the Government of Canada wants to build modular homes or is interested in building mass timber industrial capability in Canada, or whatever.... Announcing a priority is not the same thing. It's very different from the Prime Minister's being involved in the specific allocation of government support or government contracting to a specific enterprise. That's where the conflict arises.

In those circumstances, if there was a risk or a possibility that it would be happening with one of the companies on the list, the Prime Minister would be screened out and not able to participate in that decision with respect to the allocation of federal funding, support or whatever to that specific enterprise. He would be screened out.

Michael Barrett: Or a sector.

Michael Sabia: You can't allocate government support to just a sector. It ends up going to individual entities and individual companies. When you get down to the project basis, as opposed to strategy and priorities.... Strategy and priorities are one thing, but specific allocation to projects is another.

The Chair: Thank you, Mr. Sabia.

[*Translation*]

Ms. Lapointe, you have the floor for five minutes.

Linda Lapointe: Thank you very much, Mr. Chair.

Mr. Sabia, thank you very much for all the details and clarifications you've been providing for a while now. It really helps us a lot in our current study.

Could you confirm to the committee that decisions regarding the scope or interpretation of a conflict of interest screen are made by the Conflict of Interest and Ethics Commissioner? How does it work? Do you think it's important to set up that screen with the Commissioner?

• (1755)

Michael Sabia: If I understand your questions correctly, yes, I think it is very important to apply a screen and to work in full cooperation with the Commissioner.

Linda Lapointe: How does that work so that he can intervene?

Michael Sabia: It was the Commissioner who suggested this collaboration. So he is always available. We and the Prime Minister's Office still have not only the right, but now also the duty to check things with the Commissioner and to ensure that the Commissioner is comfortable with all of our decisions.

So far, in the 13 cases I have mentioned, he has always been comfortable with our decisions. So far, we have not had any disagreements.

Linda Lapointe: Thank you very much.

Could you clarify whether the Privy Council Office plays a role in determining what issues are subject to a screen for the Prime Minister?

Michael Sabia: Yes, it is the Prime Minister's Office and us at Privy Council Office who are ultimately responsible.

However, I'm going to repeat myself now because it's not just the responsibility of the Prime Minister's Office, but in fact of the entire machinery of government, specifically about a dozen departments that still play a role in all of these activities, an important role in the process.

Ultimately, it's all of the activities of the departments that are involved. Their activities are submitted to the Privy Council Office and it is responsible for managing all of those activities. Centralizing all of those activities exclusively at Privy Council Office, however, would not be a good way of protecting the Prime Minister and ensuring that Canadians have transparency in government. That requires broad collaboration across government, so that's fundamentally our strategy.

Linda Lapointe: Thank you.

I would like to continue on this topic.

Basically, the public service sometimes advises political staff and management on conflict of interest screens. Is helping people in politics the role of the Prime Minister's Office, Privy Council and also of public servants?

Michael Sabia: Could you repeat that? I'm not sure I understood your question.

Linda Lapointe: Does the public service ever advise political staff on how to administer screens?

Michael Sabia: I don't think that's the right word. We work collaboratively, but the issue is not whether we make recommendations to the Prime Minister's Office, for example. We make our own decisions, and the Prime Minister's Office, specifically Marc-André Blanchard, makes its own decisions.

So there are two elements. Our decisions are independent, but they are made based on information that is the result of good collaboration. So there is an important distinction. We work to maximize our information and our ability to understand the totality of the circumstances, but at the end of the day, we make two independent decisions.

Linda Lapointe: Thank you very much, Mr. Sabia.

The Chair: Thank you, Ms. Lapointe and Mr. Sabia.

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

Luc Thériault: Thank you, Mr. Chair.

We'll come back to the tax credit issue, Mr. Sabia, because the government has decided to include small nuclear plants in the clean electricity tax credit. We'll talk about it again.

Michael Sabia: Yes, but the credit applies to a lot of people.

Luc Thériault: Yes, but you decided to include small nuclear plants, of which there is a small number: There are five companies that may be entitled to it, including Brookfield.

That being said, was it Mr. Carney who appointed you?

• (1800)

Michael Sabia: Yes.

Luc Thériault: It is also Mr. Carney who can remove you from your position.

Michael Sabia: Yes. Who knows if that's going to happen anytime soon? I don't know.

Luc Thériault: Does this position of subordination bother you, given the task you have of applying the conflict of interest screen?

Michael Sabia: Not at all.

Luc Thériault: Okay, perfect. Those are short answers.

Wouldn't you feel more comfortable if that screen was also managed first and foremost by the Conflict of Interest and Ethics Commissioner or an employee of his office?

Michael Sabia: That is already the case.

Luc Thériault: My understanding is that you have questions. How often do you have to report to the Commissioner?

Michael Sabia: Our teams are basically in constant communication.

Luc Thériault: Are you accountable to the Commissioner for the decisions?

Michael Sabia: As I say, it happens on a daily basis. There is constant collaboration between our teams.

Luc Thériault: I'm not talking about collaboration. I'm asking if, in administering the conflict of interest screen, you are accountable to the Office of the Conflict of Interest and Ethics Commissioner.

Michael Sabia: It's not necessary, because the collaboration is constant. There is full transparency.

Luc Thériault: There is full transparency.

Michael Sabia: Yes.

Luc Thériault: Explain.

Michael Sabia: We share, in a transparent way, information about all of our activities and our work on these issues, and the circumstances of each case. We share information about all of our activities with the people at the Office of the Conflict of Interest and Ethics Commissioner. I don't see how we could be more transparent than we are right now.

Luc Thériault: Okay.

When the Conflict of Interest and Ethics Commissioner appeared before the committee, we asked him about the administration of the conflict of interest screen. We asked him whether, objectively, there shouldn't be accountability and questioning, a duty on the part of those administering the screen, through the Commissioner. He told us that he couldn't do that because he would be both judge and jury.

Wouldn't it be simpler for you if someone was assigned specifically to questioning your decisions? The thing is that you ask the Commissioner if you're on the right track, but there could be things that you miss.

Michael Sabia: That could happen, but that's why we have our process, as well as another independent process with good collaboration. On the political side, we have good collaboration with Mr. Blanchard, and with the Commissioner. Given that there is engagement and collaboration among these three parties, I think the risk of error is very low.

That being said, Mr. Thériault—

Luc Thériault: The Commissioner is not involved in your decisions, though. He stays on the sidelines, and you advise him.

Michael Sabia: My answer is this: We are responsible for managing the current system as best we can.

Luc Thériault: Yes, we understand that.

Michael Sabia: That's the system that currently exists. You're responsible. If you have any other ideas—

Luc Thériault: We understand that. I don't have much time left, but I just want to say that we understand it very well.

However, we need to review the act, and we need to see whether additional rules need to be put in place for the position of prime minister to provide for accountability and decisions regarding the conflict of interest screen.

You've told us tonight that there are two cases, but we still don't have the exact wording, the subject matter and to whom—

Michael Sabia: You asked—

Luc Thériault: What I want to say is that transparency is necessary. Greater transparency would also be appropriate.

• (1805)

Michael Sabia: We're going to—

The Chair: Mr. Sabia, time is up.

[English]

I'm sorry.

[Translation]

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

Gabriel Hardy: Thank you very much.

Mr. Sabia, let's continue on the subject of structure. The Ethics Commissioner came to see us to say that, when a decision was of general interest to the public, there was no conflict of interest. Now, if I understand correctly, he is aware of what is held in trust. If he considers something to be of general interest, he won't say there's a problem and, when you go to see him, you won't have any discussions with him about a potential problem. So everything is okay. Is that correct?

Michael Sabia: In that circumstance, a general measure, by definition, is not something that could create a specific advantage for a company. So in that circumstance, yes, I agree with you.

Gabriel Hardy: That's in a specific way. However, Mr. Carney knew exactly what was in the trust before he got into politics six months ago. That means that he may have an idea of the extent to which, when he leaves political life, he will have benefited personally, and there may potentially be a general benefit as well. We agree. In fact, that is why he had the right to go to New York to meet with Brookfield management as Prime Minister: There was no problem because it was of general interest.

Michael Sabia: Mr. Hardy, I'm going to repeat myself. I would say that our role is to administer the rules that currently exist in the best way possible. These are general measures that are built into the current system.

Gabriel Hardy: I agree with you. Basically, you're acting in good faith and you've demonstrated that by selling your shares. But

you say you're managing according to the current measures and rules. For our part, we want to see if those rules need to be improved to make them even more transparent, and to ensure that someone who will be leaving politics does not benefit in a very personal way in the long term by providing a general benefit. That's what we want to do. Do you think the rules should be reviewed?

Michael Sabia: I would say that, basically, it is your decision, your responsibility. That's why you're here, to work and to look at how the current act works. It's not up to me to say that you should change X, Y or Z; it is up to you. My role is to find the best ways of managing under the current system.

Gabriel Hardy: That's great.

I'd like to compare the current system with what you know. You have a good track record and you've led a number of large companies and managed major funds, among other things. Would you say that it's normal to see employees who report directly to a director set the rules that apply to that director? Was that how it was done at the Caisse, Bank of Canada or Bell Canada? Are you aware of any direct reports to a director who have to manage their director's potential conflicts? Is that done anywhere else across the public administration spectrum, in businesses or in banks?

Michael Sabia: Honestly, I don't have knowledge of all those activities in the financial sector.

Gabriel Hardy: However, you were president and CEO, you held the top position at companies like Bell Canada, Hydro-Québec and the Caisse. You were the prime minister of those organizations. Did your employees have to tell you or be sure you didn't make any missteps, or did an external organization do that?

Michael Sabia: No, that would never be done by an external organization.

Gabriel Hardy: Never?

Michael Sabia: Never. However, from time to time, I have received guidance from a board of directors. I'm answering you based on my experience, which is limited; in my own experience, no external organization has ever been used.

Gabriel Hardy: Your experience is not limited, after all. You have good experience in the field.

How many hours do you spend per week analyzing and ensuring that there's no conflict, knowing that they have 103 companies, one of which is Brookfield, and it has trillions of dollars all over the place? Given your role, can you give us an idea of how long it takes to ensure that the Prime Minister doesn't make any missteps?

Michael Sabia: Are you asking for me, personally, or for the entire team?

Gabriel Hardy: I'll let you answer for both.

Michael Sabia: We have an entire team at the Privy Council Office and, as I said, we have teams across the Canadian government. So, overall, I can't give you any figures. However, we have a team at the Privy Council Office that is essentially dedicated to this task; most people on the team don't do it full time, but they almost do.

• (1810)

The Chair: Thank you, Mr. Sabia.

[English]

Ms. Church, go ahead, please. You have five minutes.

Leslie Church: Thank you, Mr. Chair.

Mr. Sabia, to pick up on the line of thinking of my colleague opposite, I think members have been focused on this question of reporting responsibility.

What I think is very interesting about what you've brought forward to the committee today is the notion that this is actually less about individuals and more about a process. Were you to fall out of favour with the Prime Minister and he were to replace the clerk, there would be a new clerk on whose shoulders this responsibility would fall.

Actually, it's the process that sustains the foundation of this conflict of interest regime across government. Is that a fair representation?

Michael Sabia: That is a completely fair depiction of how this works.

It shouldn't be, to function well, based on an individual. In fact, my responsibility is to ensure there is a process rooted in the breadth of the public service that's in place. When I think about my role as an administrator of this screen, my interpretation of that is to create a rigorous process and make sure it functions well, so that this is not rooted in the office of the clerk: It is rooted in the breadth of the public service.

On the breadth of the public service, we in the public service provide non-partisan and, I'm happy to say, fearless advice, from time to time, to the political leadership of the government, and that's as it should be, because that's our job. The reason it's important that this be rooted across the elements of the public service is to ensure that fearless advice, that non-partisan advice, that rises to the level, in some instances, of the Prime Minister. That's how you get this screen to function properly.

It's not based on my judgment as an individual. It's based on a process's judgment. It's much deeper than what any individual can bring to it.

Leslie Church: To that effect, maybe, at the beginning of this meeting today, you tabled a 10-page document, the "Assessment Tool on the Application of the Prime Minister's Conflict of Interest Screen", which, as I think you mentioned, is distributed across the public service.

Within this, it sets out an analytical framework for how to investigate, for how to decide on the different matters that may be coming forward in the Prime Minister's Office. I would almost hand it to you to say, is there anything in the document here that you would point us to, maybe to address some of the concerns you've heard about what constitutes a "general application" or a "broad class"?

Michael Sabia: Honestly, I think this document speaks for itself with respect to the care with which these issues of a conflict of interest screen are being managed. As you'll notice, this is pretty highly detailed. It provides a sequence of decisions that individuals

need to take. This is not just, "Oh, gee, gosh, you've got something going on there in real estate?" It's not that.

It's a structured list of, "Ask yourself this question first, and if yes, do this, and if no, do the other." I think a fair-minded person reading this document would read it and go, "This is a serious effort to structure a comprehensive process across the public service that assures this screen functions well and, I think, functions efficiently."

The reason I wanted to table the document—and, Ms. Church, thank you for raising it—is that I think it speaks to that, and I think your committee should have the benefit of seeing how it is that we are actually going about this work, because the almost paint-by-numbers approach here—do A, do B, do C, do D—speaks to how serious and careful we are being in the operation of this screen. We, as public servants, understand this question about the importance of the confidence of Canadians, and especially—if you can just give me a minute on this—now in the country's history.

This is a particular moment. The only reason I'm in this chair is that the Prime Minister asked me to take on this job, and I took it because Canada is at a particular moment, and this is a moment in which Canadians need to have confidence in their government. This is about providing that kind of confidence to Canadians.

• (1815)

The Chair: Thank you, Mr. Sabia.

Mr. Cooper, you have five minutes. Go ahead, please.

Michael Cooper: Mr. Sabia, I want to make I sure I understood your answer to a question posed by Mr. Majumdar, to which you, as I understood you, said that the ethical standards that apply within the Government of Canada and specifically to this Prime Minister are more robust than the standards that apply in the case of the institutional investment world. Did I get that right?

Michael Sabia: I would say that they're as good or better.

Michael Cooper: They're as good or better.

I want to ask you a follow-up to a question that Mr. Hardy asked you, to which you didn't give a direct answer. It's very straightforward.

Where in the institutional world is there a situation, an example, in which a subordinate screens their direct boss for conflicts of interest? Just give me an example, please.

Michael Sabia: I think you mis-characterize the relationship between, for instance, in this case, the head of the public service and the Prime Minister. The public service in Canada—

Michael Cooper: Mr. Sabia, you're a subordinate of the Prime Minister. You serve at his pleasure. He brought you in from the outside. You were not within the civil service. You were, effectively, a political appointment.

Michael Sabia: Well, wait a second. I do not regard myself as a political appointment.

Michael Cooper: You serve at the Prime Minister's pleasure.

Michael Sabia: You're entitled to your own conclusions, Mr. Cooper.

Michael Cooper: You just said before I opened my round that you're serving because Mr. Carney asked you to. Mr. Carney asked you, and he could fire you, couldn't he?

Michael Sabia: I look forward to whenever that happens.

Mr. Cooper, with respect—

Michael Cooper: You made an assertion that the ethical standard is higher—

Leslie Church: I have a point of order.

Michael Cooper: —as it applies to this Prime Minister. I just asked you to give me an example.

Michael Sabia: I said it's at least as good.

The Chair: I'm intervening here for interpreters. We have to go back and forth. Let's answer the question and then ask the question.

Michael Sabia: Let me answer the question.

The Chair: Go ahead, Mr. Sabia.

Michael Sabia: Mr. Cooper, you continue to make an error. This is not about me as an individual. This is about the engagement of the breadth of the public service in the administration of this screen. Those are two entirely different things.

Michael Cooper: Mr. Sabia, you sign off, ultimately, on whether the ethics screen is invoked or not. The buck stops with you.

Michael Sabia: Yes, but that is the result of extensive work across the public service by a set of engaged public servants acting in the public interest.

Michael Cooper: However, you ultimately make the decision, and you answer to the Prime Minister.

Michael Sabia: It is not the same thing.

The Chair: You have two more minutes.

Michael Cooper: Again, you haven't provided an example. Therefore, I would submit that your assertion that the standard is more robust simply doesn't hold water.

I want to ask you about the involvement of the Prime Minister's chief of staff, who is clearly a political appointee and clearly someone who answers and serves at the pleasure of the Prime Minister. He also signs off on the invocation of the ethics screen. When you make a decision—because, as I understand, you first make a decision—what role precisely does the Prime Minister's chief of staff then play with respect to that decision? As I see it on the form that you've provided, it also requires his signature. Do I have that right?

• (1820)

Michael Sabia: We are both administrators of the Prime Minister's screen.

Michael Cooper: Jointly?

Michael Sabia: Yes.

Michael Cooper: For example, if you made a decision, as you put it, and then passed that decision on to the Prime Minister's chief of staff and he disagreed with that decision, what would happen in that case?

Michael Sabia: In that circumstance, which has not arisen—if he and I disagreed about the application of a screen—the only viable course would be to go to the Ethics Commissioner and say, “Make a decision. We will abide by whatever your decision is.”

Michael Cooper: That hasn't happened, as you said.

Michael Sabia: That has not occurred.

Michael Cooper: That's not part of the process. That's just something you would do as a matter of practice, or so you say.

Michael Sabia: That would be the logical way to handle a situation of that kind, to go to an officer of Parliament and say, “We disagree. You make a decision, and we'll abide by it.”

Michael Cooper: Otherwise, there would be no involvement of the Ethics Commissioner.

Michael Sabia: No, as I said on several occasions, the Ethics Commissioner and his staff are included—

Michael Cooper: No, you've said that you sometimes consult the Ethics Commissioner—

Michael Sabia: No, I—

Michael Cooper: —but ultimately, when you make a decision—

The Chair: I'm going to have to finish it there.

[*Translation*]

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

Abdelhaq Sari: Thank you very much, Mr. Chair.

Mr. Sabia, once again, thank you for being here and for your patience.

I'm going to start by giving you an opportunity to explain further. You talked about the two verification processes being independent, namely Mr. Blanchard's team's political verification process and the public service team's verification process. Could you elaborate on the two verification processes being independent of one another?

Michael Sabia: Government decision-making is essentially based on two processes, one of which is led by the public service. We are responsible for conducting our own analysis and advising the government, whether it be the Prime Minister or other ministers. That's part of our job.

There's another process that operates somewhat parallel to the activities of the public service. This is the government's political interest assessment process. Each minister's office and the Prime Minister's Office are responsible for this process.

Government decision-making therefore essentially involves two perspectives: that of the public service and that of the political service. The combination of these two independent perspectives is the driving force behind government decision-making. It's exactly the same thing when it comes to managing the conflict of interest screen. There are these two perspectives.

Abdelhaq Sari: Earlier, you had a discussion with Mr. Cooper, but you were interrupted while answering. I'd like you to further expand your response to Mr. Cooper earlier. He was talking to you about your role.

Could you explain that further?

Michael Sabia: Remind me of the context.

Abdelhaq Sari: Mr. Cooper's question was on the conflict of interest issue. It was during the first round.

Michael Sabia: I don't recall my discussion with Mr. Cooper. I apologize.

Abdelhaq Sari: That's okay. I'm going to ask you another question.

When you started your current position, did you receive any training, assistance or support to fulfill your role?

Michael Sabia: Are you talking about training to manage the conflict of interest screen?

Abdelhaq Sari: Yes, exactly.

Michael Sabia: I would say yes, in the sense that I had several conversations with the Conflict of Interest and Ethics Commissioner on managing the screen applied to the Prime Minister, as well as several other conversations essentially with the commissioner's team on my own activities and affairs. Through those conversations, I think I developed a deep understanding of the nature of this work.

Also, I worked at the Department of Finance years ago, which is basically the same environment. The nature of the work is not exactly the same, but based on my experience at the Department of Finance and my conversations with the commissioner, I can say yes.

• (1825)

Abdelhaq Sari: I have the question that Mr. Cooper asked earlier: Are you not uncomfortable being both a subordinate and a manager of cabinet?

Michael Sabia: No, not at all. Honestly, in the conversations I had with the Prime Minister before accepting this appointment, I told him that I would always be very candid about my perspective and advice. I told him that I was sure he would completely disagree with my perspective in certain circumstances, but that I wasn't going to change that, because my role would be to give him the best advice I could from a public service perspective.

To me, telling the Prime Minister to impose a conflict of interest screen, even in a case where the Prime Minister may not agree with something—

Abdelhaq Sari: That leads me to my last question: Has the Prime Minister ever questioned your perspective?

Michael Sabia: Are you talking about political issues?

Abdelhaq Sari: Yes.

Michael Sabia: He does it every day.

Some hon. members: Oh, oh!

The Chair: Thank you, Mr. Sari.

Mr. Thériault, we will conclude with you and you have the floor for two minutes and 30 seconds.

Luc Thériault: It's quite a feat to finish in two and a half minutes.

The Conflict of Interest and Ethics Commissioner wants to reintroduce the concept of a perceived conflict of interest and wants it to be reported if necessary. I understood that you agreed with that.

This morning, Radio-Canada explained that, in the eyes of Prime Minister Mark Carney, the Gulf region is now a trading partner that could be as important as a number of Asian countries, just behind Europe. Also this morning, while the Prime Minister was there, Brookfield announced the launch of a \$100-billion global AI infrastructure program, in partnership with Nvidia and the Kuwait investment authority.

As Clerk of the Privy Council, do you see that as an annoying coincidence? What do you think taxpayers might see in the region being promoted? On the same day, the Prime Minister makes his statement and Brookfield, of which he owns shares and assets, announces that kind of investment. I guess these people mustn't talk to each other.

Michael Sabia: I don't think that's a problem at all.

Luc Thériault: Isn't there a perceived conflict of interest for someone watching from home?

Michael Sabia: In my opinion, no.

Luc Thériault: Do you see no perceived conflict of interest in that?

Michael Sabia: In my opinion, no.

Luc Thériault: The Prime Minister didn't do what you did, Mr. Sabia. He didn't divest himself of his assets.

Now, he's promoting a region, and on the same day—

Michael Sabia: He's promoting Canada.

Luc Thériault: Pardon me?

Michael Sabia: He's promoting Canada.

Luc Thériault: He's promoting Canada, but at the same time, he's promoting a company that's going to invest in a region, which he says the—

Michael Sabia: Outside the country, whether it's Singapore or the Middle East, he's trying to promote Canada. We need investment. The country's future depends on it.

Luc Thériault: Does the Prime Minister have any contact with Brookfield? If so, how many times has he been in contact since he became Prime Minister?

Michael Sabia: In my opinion, the answer is no. He's extremely vigilant about that.

Luc Thériault: Is that your understanding, or do you know for sure?

You say “in my opinion”, but might he have been in contact? Did you record that? Do you tell Mr. Carney that under no circumstances should he be in contact with Brookfield anymore and that he shouldn't even talk to Brookfield?

Michael Sabia: He's very conscious of—

Luc Thériault: Did you tell him that? You said that you forced him to do things: Did you force Mr. Carney not to speak to Brookfield anymore?

Michael Sabia: I didn't need to, because the Conflict of Interest and Ethics Commissioner told him exactly the same thing during their discussions several months ago.

I have something else to say about the Middle East and Singapore. We analyze the Prime Minister's agenda on a regular basis. He meets with people, and we look at whether there is a potential conflict of interest. We follow a rigorous process to analyze his entire agenda to avoid any conflicts of interest.

• (1830)

Luc Thériault: To you, it's a coincidence, then, isn't it?

The Chair: Thank you, Mr. Thériault.

[*English*]

Mr. Sabia, I have a question for you.

I've been keeping notes of some of your testimony throughout the course of these two hours. One of the comments you made was that you work within how the current legislation functions.

Herein lies the problem, sir, as it relates to the general application rule. The Conflict of Interest Act is so open to it that you can actually drive a truck through it, in terms of that general application rule.

You gave examples of how a policy decision is made on the part of the country, and then there are very specific layers that happen as a result of that. The problem is that we're in a situation right now where—and some witnesses who have come before us have said this—we've never had a prime minister as conflicted as this one.

For some of these major policy announcements—and Mr. Thériault referred to artificial intelligence, modular homes, heat pumps, small nuclear modular reactors and, for example, the lumber business—the problem is that within the Prime Minister's portfolio, which is being held, as we all know, in a blind trust, there are deferred stock units, options and bonus incentives related to that, notwithstanding the fact that there are stocks within there.

I know you said that you're making a serious effort. The difficulty is that, under the transition fund, there are many entities related to that.

This is for the sake of the confidence that Canadians have in their designated public office holders, whether it's the Prime Minister or the minister. You mentioned that you divested yourself of Brookfield assets because you did not want that to be perceived as a conflict of interest, real or otherwise.

Do you not believe, sir, that when a person runs for prime minister and is that conflicted, they should divest themselves of all the assets? It would ensure that we can have public confidence, restore public confidence, that the person holding the highest office in the land is not benefiting from decisions being made, even on a general basis, given the policy announcements that have been made. When you layer it down to the specifics, there is the potential for profit to be made.

I understand that there are tax implications, but we're talking about the confidence that Canadians have in the office-holder of the highest office in the land. Do you not believe, sir, that divestment should be the option?

Michael Sabia: Honestly, Mr. Chair, I come back to something I said earlier. To be blunt, I don't think it's that simple. Given the issues facing Canada today, this is a time when Canada needs to be able—and it's not just the Prime Minister I'm talking about, but also the ministers and other senior people coming into government—to access the best talent this country can provide.

That's fundamentally important, because this country faces a set of challenges the likes of which we probably haven't faced since the Second World War. That, I think, requires careful judgment about striking a balance. On the one hand, the very legitimate point you made with respect to confidence, accountability and transparency is what the screen is all about. It's why we are being so diligent and so careful about that screen, because I endorse 100% the importance of those principles in the eyes of Canadians. On the other hand, we also have to be able to get the best talent we can, because Canada needs it.

Therefore, I would urge you.... It's your decision. You folks were elected. I wasn't elected. It's for you to decide what that legislation should be.

My job, as I've said, is to run the system that exists today. Your job is to say what it should be and to ask if the current system is adequate. I would just urge you, in thinking that question through, not to create a set of barriers that makes it impossible for talented people to come to the aid of the country at a time when we need access to the best talent we can possibly have.

I can assure you this, Mr. Chair, because I live it. Attracting people into the Government of Canada today is not easy. There are many barriers, be they compensation barriers, post-employment guidelines, or X, Y or Z. It is not easy.

We work within those rules because those rules are important, and we do the best we can. I'll put it this way. To me, having access to the best talent this country has to offer seems to be an extremely important priority, because we have to get this country going and moving forward.

• (1835)

The Chair: I would submit to you, sir, that we can draw that talent without the backdrop of the individual who is in that office causing Canadians and parliamentarians to wonder whether they are personally benefiting from being in the position they're in.

Michael Sabia: That goes, Mr. Chair, to the rigour with which we run this this system. I can assure you.... If I've done anything in that—

The Chair: The rigour, Mr. Sabia, comes with complete divestment. It's the only way to deal with this. I don't want to argue this point with you, but Canadians have to have confidence that the person who is running this country is not benefiting from it.

The virtuous reason you say makes a person want to run as a designated public officer or to become the Prime Minister should be part of the backdrop of the decision-making process in deciding to run and come back—as you say—to save this country. That should be the number one consideration, in my view, in the decision they make to come back. They should come back for a virtuous reason, not to profit and not to benefit.

We, as a committee, are charged.... I agree with you on this, and we've heard from lots of witnesses who have talked about this loophole within the act that needs to be challenged and changed, and we are going to have a decision to make.

We're not trying to do this for any one individual. We have to do this in order to protect the integrity of the office of the Prime Minister and to assure Canadians that decisions aren't being made in the best interest of any individual but in the best interests of the country.

I want to thank you—

Michael Sabia: I think we both share the goal of protecting the integrity of the country and continuing to reinforce the confidence that Canadians have in the institution of the Government of Canada. I don't think there's any disagreement between me, you or other members of the committee that this is very important.

The Chair: The only way to do that is to change this massive loophole within the law as it relates to the general application rule.

Mr. Sabia, I want to thank you for the time you've spent with the committee.

Thank you, committee members.

I also want to thank the clerk and the analysts for today.

I have just a couple of notes I want to make. There are two things.

Number one is thanking the clerk again. The dynamics of trying to add another meeting to our schedule are much more difficult than anyone would think. Tomorrow, between 3:30 and 5:30, we have Mr. Blanchard coming. He is the chief of staff for the Prime Minister.

There will be a work plan distributed later today, or maybe first thing tomorrow, on the artificial intelligence study we're doing.

Finally, Mr. Beber from Brookfield has confirmed that he will be in front of the committee in person next Monday from 11 a.m. to 1 p.m.

That's all I have. I want to thank you again, Mr. Sabia, for being with us today.

Thank you to the committee members, analysts, clerks and technicians.

The meeting is adjourned.

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