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# Standing Committee on Access to Information, Privacy and Ethics

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Chair: John Brassard





## Standing Committee on Access to Information, Privacy and Ethics

Thursday, November 20, 2025

• (1530)

[English]

**The Chair (John Brassard (Barrie South—Innisfil, CPC)):**  
Good afternoon, everyone.

I call this meeting to order.

[Translation]

Welcome to meeting number 17 of the House of Commons Standing Committee on Access to Information, Privacy and Ethics.

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

[English]

I would like to welcome our witness for today.

From the office of the Prime Minister, we have Marc-André Blanchard, chief of staff to the Prime Minister.

Mr. Blanchard, I understand that you would like up to eight minutes to address the committee, so I'm going to give you that.

Go ahead, sir. Please start.

[Translation]

**Marc-André Blanchard (Chief of Staff of the Prime Minister of Canada, Office of the Prime Minister of Canada):** Thank you, Mr. Chair.

Thank you for the opportunity to appear before you today to discuss my responsibilities as chief of staff to the Prime Minister and, more importantly, as the administrator of the verification mechanism agreed to between the Prime Minister and the Office of the Conflict of Interest and Ethics Commissioner.

[English]

Last April, Canadians elected Prime Minister Carney in a moment of economic volatility, geopolitical realignment and growing pressure on democratic institutions. Canadians chose Mark Carney as Prime Minister because of his deep experience in both the public and private sectors. In fact, they did not elect him in spite of his vast global private sector experience but precisely because of it. Canadians understood that if we are to build a stronger, more resilient economy—one worthy of being the strongest in the G7—this experience is not optional. It is essential.

A key condition for this government's success is public trust. At the heart of that trust are the high ethical standards the Prime Minister set for himself and for everyone who works with him in his office and across government. Part of protecting that trust is ensuring that the ethics screen, agreed upon by the Prime Minister and the Ethics Commissioner, is implemented, always erring on the side of caution. An important part of my role as an administrator of the screen is precisely to ensure that the Prime Minister is not put in a situation of conflict of interest.

[Translation]

As you know, the conflict of interest screen is a compliance measure developed under the direction of the Ethics Commissioner, in accordance with the requirements of the Conflict of Interest Act. The fundamental purpose of the screen is to prevent conflicts of interest. It serves as a mechanism to identify, report and redirect issues that fall into the categories established by the Ethics Commissioner. It is an administrative and procedural mechanism based on the principles of transparency and integrity set out in the act.

Conflict of interest screens are frequently used in legal and commercial settings, and they are also an effective way to manage potential conflicts for individuals within the government.

• (1535)

[English]

In recognizing the reasonableness of the application of ethical screens in government, the Federal Court of Appeal confirmed:

This practice of publicly identifying the potential conflicts of interest of each public office holder before any problematic situation has occurred strikes me as an eminently reasonable way to ensure the furtherance of the Act's purpose

The Conflict of Interest and Ethics Commissioner determined that a blind trust combined with a conflict of interest screen is the appropriate measure for Prime Minister Carney. When appearing before you, the Ethics Commissioner confirmed that the Prime Minister divested himself of all his interest in a blind trust.

The Ethics Commissioner further added:

to avoid a situation where he would make a decision knowing that it would increase the value of one of the companies he divested...we set up this screen.

It is in this context that the Prime Minister and the commissioner agreed to a screen as a preventive and appropriate measure of compliance. The Clerk of the Privy Council and I, as chief of staff to the Prime Minister, are the administrators of the screen.

On this issue, I want to refer you to what the commissioner said to this committee in response to a question asked by Mr. Cooper.

The commissioner said:

Let's be practical. Anything that goes to the Prime Minister for a decision goes through either one of these men or both. They are in effect the keyholders of what gets on his desk and what he deals with. They are the logical ones to make sure he does not get involved in these things.

It is important to underline that my role is first and foremost about ensuring that conflicts are prevented. The administration of the screen is a responsibility I approach with utmost seriousness.

[Translation]

In practice, the Privy Council Office and the Prime Minister's Office are in constant communication. Although some meetings or events can be planned without the direct participation of the Privy Council, no official policy or government decision can be adopted without the participation of the public service and the political arm.

The screen is administered on a daily basis by the Privy Council Office. When a department or agency prepares a note, a policy proposal, an update or any other document for the Prime Minister, that document is first assessed using the assessment tool developed by the Privy Council with the assistance of the Ethics Commissioner. That tool enables us to determine whether the screen may apply.

Privy Council governance officials then perform due diligence, review the analysis and ensure that all relevant information has been considered. Their recommendation is submitted to the Clerk of the Privy Council for review and approval. Once the clerk has confirmed his position, his office sends it to me for review and agreement. When both administrators agree, the decision is referred to the Privy Council governance officials to continue implementation.

[English]

Today, all the recommendations from the public service have been jointly confirmed by the Clerk and me.

For negative determinations, where the screen does not apply, no further action is required by departments or agencies. For positive determinations, departments must clearly identify the material as subject to the screen. These documents are not shown to or discussed with the Prime Minister. The screen is applied on a precautionary basis. As soon as the analysis indicates there may be a triggering factor, access is restricted pending the final determination of the administrators.

[Translation]

I would like to point out that the system currently in place to prevent the Prime Minister from being in a conflict of interest is one of the most comprehensive and rigorous I have seen in my career. It is proactive and preventive and, above all, it is extremely rigorous because of the high level of awareness within the government.

Thank you, Mr. Chair. I look forward to questions.

**The Chair:** Thank you for your statement, Mr. Blanchard.

• (1540)

[English]

We're going to start with our first six-minute round.

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

**Michael Barrett (Leeds—Grenville—Thousand Islands—Rideau Lakes, CPC):** Has the Prime Minister provided you with a full list of all of his investments with Brookfield?

**Marc-André Blanchard:** No.

**Michael Barrett:** Do you have the list?

**Marc-André Blanchard:** As the administrator of the ethical wall, I am responsible for the administration of the wall as agreed upon by the Ethics Commissioner and the Prime Minister. The list that I obey is annex A of the public declaration made by the Prime Minister.

**Michael Barrett:** Do you have full visibility on all of the investments in the global transition fund and all of Brookfield's investments?

**Marc-André Blanchard:** As I said, the Ethics Commissioner and the Prime Minister have agreed that the appropriate measures for the Prime Minister upon his election were two things: He would divest of his investments through a blind trust and, as an additional preventive measure, an ethical wall would be set up. There's a list in annex A of the companies that, in a preventive way, could be the object of a wall, if necessary.

**Michael Barrett:** When Canadians hear that the Prime Minister has divested, I think they expect that there's been a sale of those controlled assets. I appreciate that within the laws, it's currently written that placing them in a blind trust satisfies that requirement. That's what the Ethics Commissioner has said.

However, funds like the global transition fund and future payments to Mr. Carney based on the performance of Brookfield create a scenario where, it seems to me, the only way you could effectively ensure the Prime Minister isn't making decisions that benefit Brookfield or himself financially would be for you to have the full list of the investments and interests in the global transition fund and in Brookfield's portfolio.

**Marc-André Blanchard:** I'll refer you to a comment made by Nigel Wright in front of this committee. Nigel Wright was the chief of staff to Prime Minister Harper.

Similar measures were applied in his case. He had to divest his assets in a blind trust. There were 40 companies that were screened in that context. They were kind of similar measures to what we see here.

At the time, Mr. Wright, who became the chief of staff to Prime Minister Harper, talked about his blind trust. He said that the "blind trust follows a form that was created and drafted by the Ethics Commissioner", as in the case of the Prime Minister here. He said:

I transferred all of my controlled assets into the blind trust in late October. The blind trustee is the legal owner of them all now, and I'm not to have any communication of any sort—no direction, no advice, no information about what's in there. I do not know and will not know what's in there. Once a quarter I'll be told what the value of it is.

He said:

There is a direct link between the Ethics Commissioner and the blind trustee so that the Ethics Commissioner's office will have the ability to know what's going on, but the purpose of the blind trust is to remove me and any knowledge I may have about my controlled investments and have them administered by a third party.

It's exactly the same kind of situation that you have with Prime Minister Carney.

**Michael Barrett:** If I may, sir, I appreciate that it may be similar, but the chief of staff to the Prime Minister is not the Prime Minister. The chief of staff to the Prime Minister does not have the ability to make decisions and does not have the influence that the Prime Minister has.

The situation also appears to be different, because with Brookfield's investments in all of the things that the government is committing major government spending to, whether it's artificial intelligence, modular housing or heat pumps, the Prime Minister's future payments depend on Brookfield's performance. That's not something that's going to be sold by the trustee; that's something that went in and something that's going to come out looking the same way.

The Prime Minister knows the investments of Brookfield from when he was chair of Brookfield Asset Management. He created the funds that he's going to benefit from based on their performance. Canadians are the ones who are in the dark about the decisions that the Prime Minister is taking and how they're going to impact his potential future compensation. It's a lack of transparency that gives rise to this concern.

My recommendation.... I don't come with a problem without a proposed solution. Would you not say that in this situation it would give Canadians confidence that decisions aren't being taken with the perception of personal financial gain, if anyone holding the office of Prime Minister were to divest their assets by selling them before taking decisions, instead of placing them in a blind trust where they would still be able to know what they put into it?

• (1545)

**The Chair:** We're going to have to come back to that, Mr. Blanchard.

Mr. Barrett, I invite you to ask that question again in a later round, or get a response to it.

Madame Lapointe, go ahead for six minutes.

I'm going to be sticking to the time. We want to make sure we get in as many rounds as we can.

[*Translation*]

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

Good afternoon, Mr. Blanchard. Welcome to our committee.

In your remarks, you mentioned your role as chief of staff of the Prime Minister and your role as one of the administrators of the Prime Minister's conflict of interest screen.

Can you explain to the committee why you chose to take on those roles and what they entail?

**Marc-André Blanchard:** Those roles were proposed to me by the Prime Minister and the Ethics Commissioner, and I accepted them for the reasons I mentioned in my presentation. The Commissioner is of the view that the screen is a preventive measure. The goal is to ensure that the Prime Minister is not in a conflict of interest. For the screen to be effective, the people responsible for applying it have to be aware of what's going on, both on the political side and on the public service side. That's why the Ethics Commissioner, when he came here, explained his decision by saying that this absolutely had to involve people who were aware of what was being put before the Prime Minister, so that they could screen that information. An outside person would not be able to play that role.

**Linda Lapointe:** To what extent have you had discussions with the Ethics Commissioner to ensure that he was satisfied with the conflict of interest screen that was put in place and its administration?

**Marc-André Blanchard:** There are regular discussions with the Office of the Conflict of Interest and Ethics Commissioner. In the beginning, when I took office, I had discussions with the Ethics Commissioner and the Clerk of the Privy Council. Afterwards, our respective teams also had many discussions with the Commissioner, and they continue to do that, as the Ethics Commissioner is there to advise us and confirm the directions or decisions that are taken with respect to the application of the screen.

**Linda Lapointe:** So far, is the Ethics Commissioner satisfied with the process that has been put in place? Does he feel it is sufficient?

**Marc-André Blanchard:** I can't speak for the Commissioner, but my understanding is that he is satisfied with the way the process is being administered. I'll give you an example.

The tool to assess the application of the Prime Minister's conflict of interest screen, which is used to assess every situation raised by members of the public service or my office, for example, has been the subject of extensive discussions with the Ethics Commissioner. He says he is satisfied with the tool we use to make the appropriate decisions. The goal is always the same: to prevent the Prime Minister from finding himself in a conflict of interest. This is important, both for the Prime Minister and for the office he represents and our institutions. So we strive to succeed and to comply with all the measures that have been put in place jointly with the Ethics Commissioner.

• (1550)

**Linda Lapointe:** Thank you. I assume that the tool you're talking about is the same as the one the Clerk of the Privy Council submitted to the committee yesterday.

**Marc-André Blanchard:** Yes.

**Linda Lapointe:** There's a part A and a part B, and if it doesn't work, you go to the end and tick a box.

**Marc-André Blanchard:** That's right. There are actually seven questions to guide us. The goal is to take a rigorous and systematic approach to our decisions.

When we talk about ethics measures, it's important to ensure that the people concerned remain informed and aware of the measures in place, and it's my role to ensure that. I am referring in particular to the deputy ministers of the departments concerned, the associate deputy ministers, the management of those departments and the political staff.

We also have to make sure that there is a way to identify and redirect the questions that correspond to the six categories in the assessment tool. Obviously, we have to make sure that we keep appropriate records and, throughout this process, obtain the advice of the Office of the Conflict of Interest and Ethics Commissioner and work with him.

**Linda Lapointe:** Thank you very much.

**The Chair:** Thank you, Ms. Lapointe and Mr. Blanchard.

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

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

Welcome, Mr. Blanchard. It's nice to meet you. It's always interesting to meet a chief of staff. I see that we have an audience today for a reason. For an MP, it's always relevant to meet a chief of staff.

Yesterday, I asked Mr. Sabia a question about Bill C-15, the budget implementation bill, which was introduced the day before yesterday in the House. I told him that there were tax credits for small nuclear plants, but he said there weren't. Regardless of what Mr. Sabia thinks, on page 91, there is a tax credit that has existed for two years, but that did not apply to small nuclear plants. Bill C-15 specifically provides for a tax credit for small nuclear power plants. In addition, on page 120, there is a new clean electricity tax credit, which will also apply to nuclear power plants.

There are five players marketing nuclear power in that area, and one of them is Westinghouse, which is owned by Brookfield. In your tool, which I consulted yesterday, it says on page 3 that those who have to apply it should pay particular attention to Westinghouse.

Was the Prime Minister involved in that decision? Did you apply the screen?

**Marc-André Blanchard:** You'll understand my answers given the nature of the discussions. Yesterday, the Clerk of the Privy Council made a commitment. Six decisions have been made to apply the screen since it was implemented and—

**Luc Thériault:** No, I'm not talking about that.

**Marc-André Blanchard:** Let me get to my point.

**Luc Thériault:** I'm talking about Bill C-15 and the credits that are being added for small nuclear plants.

I have something else to tell you about this issue. Perhaps I can ask my question in full. Then you can answer it. Okay?

**Marc-André Blanchard:** Ask it in full if you don't want me to answer it like this. You interrupted me as I was answering your question. Let's get to it.

**Luc Thériault:** You're talking about the six decisions, but that's not what I'm talking about.

**Marc-André Blanchard:** Go ahead.

**Luc Thériault:** The Clerk of the Privy Council told me that it was a general decision and that, because it was a general decision, the screen did not apply.

In your document, on page 5, we see the definition of "general application". It says, "If the decision or discussion applies to an undetermined group of people or companies, then the matter is of general application." I don't think five players constitute an undetermined group. I can even name them for you: NuScale Power, Westinghouse, General Electric Hitachi, AtkinsRéalis and TechnicAtome. On page 5 of your document, when it comes to whether the discussion applies to a broad class, it says, "If the decision or discussion applies to a small group, then the matter does not apply to a broad class." So there's a problem there.

Why didn't you apply the screen?

**Marc-André Blanchard:** In this context, Mr. Sabia told you yesterday that, in his opinion, these were measures of general application that did not require the application of the screen.

**Luc Thériault:** I'm asking you today. I assume I shouldn't repeat the question. According to your document, you are not applying the conflict of interest screen tool. You should have applied it to this situation.

**Marc-André Blanchard:** I respect that if that's your interpretation.

**Luc Thériault:** That's not my interpretation; that's what your document says.

**Marc-André Blanchard:** As you can see, the entire process put in place for the application of the tool is very rigorous. First, departments reflect on the work. In each case, they analyze the policies and measures that may be the subject of future decisions. Afterwards, they conduct an analysis to determine whether the screen should apply by answering questions. As you mentioned, the people who had to do this analysis initially decided that the screen did not apply. That's my understanding, contrary to your interpretation.

● (1555)

**Luc Thériault:** The least we can say is that you are having trouble complying with your document. You seem to have a lot of trouble applying your tool.

Can you table with the committee the analysis that was done and that led to the situation in which five players were deemed not to be of special interest, not a small class and not something that did not seem to be of general interest?

How much time do I have left, Mr. Chair, so I can assess whether I have time to ask another question?

**The Chair:** You have 35 seconds left.

**Luc Thériault:** Okay.

Mr. Blanchard, the Conflict of Interest and Ethics Commissioner wants us to broaden the scope of the act to include the appearance of conflicts of interest. Mr. Sabia agreed. Do you agree with that?

**Marc-André Blanchard:** I'm not taking a position, and I don't think that's what Mr. Sabia said yesterday. In any case, that's not what I understood. In that regard, I don't have a—

**Luc Thériault:** The Conflict of Interest and Ethics Commissioner agrees. He's the one who proposed that.

**Marc-André Blanchard:** That actually falls under the work of parliamentarians and the committee. I respect your work, and it will be up to you to draw your own conclusions.

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

[*English*]

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

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

Thank you, Mr. Blanchard.

Mr. Carney's conflicts involving Brookfield are vast by any objective standard. That is why the Ethics Commissioner saw fit to impose special compliance measures including the ethics screen that you, along with Mr. Sabia, administer, which includes, of course, 103 companies, most of which are Brookfield-related.

Mr. Sabia, in his testimony yesterday before this committee, referenced that the Ethics Commissioner personally told Mr. Carney that he should not be meeting with Brookfield. Yet, on August 11, only one month after the ethics screen was put in place, Mr. Carney was speaking with and taking photos with Sam Pollock, who is none other than the CEO of Brookfield Infrastructure, and who also just happened to serve on the board of Brookfield Asset Management when Mr. Carney was chair. Here we have the Ethics Commissioner telling Mr. Carney not to meet with Brookfield, and one month later, Mr. Carney is doing precisely that.

How do you explain that, Mr. Blanchard?

[*Translation*]

**Marc-André Blanchard:** The Prime Minister of Canada is well aware of his ethical responsibilities and he respects each and every one of them. After speaking with the Conflict of Interest and Ethics Commissioner, he agreed to take very strict measures to avoid conflicts of interest.

• (1600)

[*English*]

**Michael Cooper:** Mr. Blanchard, the Prime Minister was told specifically not to meet with Brookfield and there he is, meeting with Brookfield.

Back up before that to April 30, just two days after the federal election. According to the Registry of Lobbyists monthly communication report, Mr. Carney was directly lobbied by NorthRiver Midstream Incorporated. The lobbyists registry indicates that for NorthRiver Midstream Incorporated, the parent company is none other than Brookfield.

Again, we have the Prime Minister directly meeting, being directly lobbied, this time on energy policy, by Brookfield, and again not following the spirit of the ethics screen.

[*Translation*]

**Marc-André Blanchard:** There were measures concerning ethics in place at that time, between when the Prime Minister became Prime Minister in March and when the measures that are currently in place were adopted on July 10.

I am sure that the Prime Minister met his ethical obligations during the period you referred to and that, since July 10, the companies identified have been—

[*English*]

**Michael Cooper:** Mr. Blanchard—

[*Translation*]

**Marc-André Blanchard:** Can you please let me finish my answer?

[*English*]

**Michael Cooper:** It's my time. I'm taking my time back.

**The Chair:** Mr. Cooper, go ahead.

**Michael Cooper:** Then, on September 27, while in London, England, Mr. Carney attended an intimate working breakfast with Canada's High Commissioner to the U.K., Ralph Goodale, and eight international investors. Four of the eight investors present were from companies that have major connections to none other than Brookfield.

Is it just another coincidence? It seems to me to be part of a pattern—Brookfield, Brookfield, Brookfield.

[*Translation*]

**Marc-André Blanchard:** I think Canadians are extremely happy that the Prime Minister is able to meet with the biggest investors in the world. The investors you are talking about do not represent companies that are linked to Brookfield. Rather, they represent independent investment funds, which are among the largest investment funds in the world. We want to count them—

[*English*]

**Michael Cooper:** Mr. Blanchard—

[*Translation*]

**Marc-André Blanchard:** —among investors in Canada and that's—

[*English*]

**Yvan Baker (Etobicoke Centre, Lib.):** I have a point of order, Mr. Chair.

**The Chair:** You had equal time, Mr. Blanchard.

I'm going to go to Mr. Cooper.

**Yvan Baker:** Mr. Chair, I have a point of order.

**The Chair:** What's your point of order, Mr. Baker?

**Yvan Baker:** My point of order is that, as MPs, we need to allow the witness to answer the question.

**The Chair:** The witness had ample time to answer the question.

**Yvan Baker:** The member has asked a similar question multiple times and has not allowed the witness to answer.

**The Chair:** The witness had ample time to answer the question.

I didn't stop your clock. I'm going to add another 25 seconds to your time.

I gave Mr. Blanchard ample time to answer the question.

Mr. Cooper, it's your time. You have 45 seconds here.

**Michael Cooper:** We've heard various excuses, various explanations, offered. Technically the screen might not have applied in these cases. Technically there might not have been a direct conflict of interest. There's always some sort of explanation, but wouldn't it be better if the Prime Minister simply heeded the advice of the Ethics Commissioner and stayed the hell away from Brookfield?

Wouldn't that be better?

[*Translation*]

**Marc-André Blanchard:** May I answer, Mr. Chair?

[*English*]

**The Chair:** You have 15 seconds.

Go ahead.

[*Translation*]

**Marc-André Blanchard:** For each of the meetings in London, verifications were done to ensure that ethical measures were being followed. It was determined that there was no ethical issue in holding these meetings, as the participants were among the largest institutional investors in the world and had no connection to Brookfield.

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

[*English*]

Ms. Church, you have five minutes.

Go ahead.

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

Welcome, Mr. Blanchard.

Let me take you back to your earlier statement about the exchange with Mr. Nigel Wright before this committee.

Mr. Blanchard, would you be willing to provide a text of his appearance to our committee to be able to read it into the record?

**Marc-André Blanchard:** Yes.

**Leslie Church:** Would you be able to do that within the following week?

**Marc-André Blanchard:** Yes, I will.

• (1605)

**Leslie Church:** Fantastic.

My colleagues are interested in the notion of what constitutes a private interest and matters of general application and matters that affect a broad class of persons.

Could you explain for us a little bit more how you go about, when the screen is in operation, determining when there is a matter of general application?

**Marc-André Blanchard:** When there's a matter of general application, it actually applies to all Canadians or to all taxpayers or to all individuals. That's the very broad definition of this. When you look at the document—the assessment tool that was provided yesterday—they give you the tools and the threshold questions that are being asked in this context of the matter of general application.

If it's a matter of general application and the answer is yes, then the matter is of general application and the screen does not need to be triggered and no further analysis is required.

If the answer is no, then we go to the next question, and this is where we look at, if it's not of general application, whether it is of a broad class. If it is of a broad class, then we analyze whether the company involved has a disproportionate interest or benefit in this environment.

**Leslie Church:** What is the role of the Ethics Commissioner in working through this process with you, and how often would you communicate with the Ethics Commissioner and their office?

**Marc-André Blanchard:** The main day-to-day work of this assessment tool is performed by the deputy secretary to the Privy Council responsible for governance. Her office is in regular consultation with the Ethics Commissioner's office.

On our side, on the political side, this is why I was very happy to answer Mr. Cooper. For the meeting he was referring to in London, we had verified each and every one of those guests and whether they could be part of a screen or not. The answer was no, because none of them were related to Brookfield, and then we went and had a discussion with the Ethics Commissioner on these issues. This is how it works.

In the context of meetings, it's more on the political side that we maybe have the lead, because this is how the request for meetings or the organization comes in. Then, on the policy decision, it's largely done under the deputy secretary to the Privy Council responsible for governance.

**Leslie Church:** That's a very good segue to a question I have about the specific process for screening out meetings and decisions to ensure that the Prime Minister is in compliance.

Could you take us through that a little bit?

**Marc-André Blanchard:** When a meeting is thought of or is being requested, there's someone who works with me, and that person actually makes a first check whether that company is on the annex A list. If it's in annex A, then there's no meeting. We go further, and we say that for any meeting that occurs, we make sure there's no mention of any business between the government and any entities listed in annex A.

There's a double check. The first is the identity, and then, if it's a third party that comes in and wants to discuss a plan, an option or something like a project that involves one of the companies in annex A, then it triggers, and we say that the meeting cannot occur.

**The Chair:** Thank you, Ms. Church and Monsieur Blanchard.

[*Translation*]

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

**Luc Thériault:** Thank you, Mr. Chair.

Mr. Blanchard, as part of this review of the Conflict of Interest Act, I aim to restore people's trust in democratic institutions by establishing special rules for the Prime Minister and ministers, given the Prime Minister's objective attitude regarding his previous and current responsibilities. For MPs, it's already done, and Mr. Sabia agreed. He has spoken highly of this before.

I wanted to clarify that, because my goal is not to catch Mr. Carney out. My goal is to analyze this unusual situation. Rarely have we seen a Clerk of the Privy Council divest himself of his shares to protect his Prime Minister and publish a conflict of interest screen. It is clearly important to point it out.

I'll ask you the same question I asked Mr. Sabia yesterday: Do you know what's in the Prime Minister's blind trust?

• (1610)

**Marc-André Blanchard:** No, I don't, because I don't need that information to do my job. My role relates to the conflict of interest screen and the companies listed in schedule A. That's what I have to manage.

As I explained, and as Nigel Wright also explained in his testimony, the Conflict of Interest and Ethics Commissioner can find out what's in the blind trust if he wishes.

**Luc Thériault:** Only the Ethics Commissioner knows the full and detailed contents. That's what you're saying.

**Marc-André Blanchard:** I don't know what's in it. My understanding is that only the trustee and the Ethics Commissioner know.

**Luc Thériault:** What you're saying is that you feel you have the necessary skills to apply the conflict of interest screen. However, Mr. Sabia—

**Marc-André Blanchard:** I would say that I feel I have the necessary skills to do so, because that's the measure the Conflict of Interest and Ethics Commissioner chose to implement to prevent a conflict of interest. I'm comfortable with this measure.

The Ethics Commissioner is an officer of Parliament—

**Luc Thériault:** I don't need that part of the answer. My time is running out, and I want to talk about something else.

Yesterday, I asked Mr. Sabia if he thought he needed to be accountable to the Conflict of Interest and Ethics Commissioner as part of the implementation of the conflict of interest screen. He said no, since he works with the Commissioner every day.

It seems to be a rather complicated responsibility to manage the Prime Minister's interests if you have to be in contact with the Commissioner every day. Wouldn't it have been simpler for Mr. Carney to divest himself of his shares in Brookfield, as

Mr. Sabia did? That's his choice, but wouldn't it have been simpler to do that? We'll be looking at that option as part of our study.

**Marc-André Blanchard:** As the Clerk of the Privy Council told you yesterday, and as the Conflict of Interest and Ethics Commissioner told you when he appeared before the committee, we have to strike a balance between attracting the best political talents, and having the highest possible ethical standards. The ethics rules applied in Mr. Carney's case are recognized by the Organisation for Economic Co-operation and Development as being among the most rigid in the world. That is not insignificant.

Also, I mentioned in my presentation, Canadians elected Mr. Carney because of—

**Luc Thériault:** I got that. It was in your opening statement.

**Marc-André Blanchard:** —his business experience.

**Luc Thériault:** I didn't ask you about your opening statement. What I'm getting at—

**Marc-André Blanchard:** That's an important part of the answer.

**Luc Thériault:** Not really.

Here's what I'm getting at. Is it true that there are daily communications with the Conflict of Interest and Ethics Commissioner? I assume it's not with the Commissioner himself, but with someone from his office. However, if there is daily communication with the Office of the Commissioner, does this not mean that the Office of the Commissioner is part of your team?

**The Chair:** A short answer, please, Mr. Blanchard.

• (1615)

**Marc-André Blanchard:** The Prime Minister's Office is not in daily contact with the Office of the Conflict of Interest and Ethics Commissioner. It's more on a regular basis.

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

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

**Gabriel Hardy (Montmorency—Charlevoix, CPC):** Thank you very much, Mr. Chair.

Good afternoon, Mr. Blanchard. Thank you for joining us today.

We've been focusing on the details and the analysis of very specific things, so I'd like to go a little broader. Actually, I'd like to take a step back. Every witness we've heard from told us to make sure institutions regain the public's trust. They said democracy is under pressure, and trust has been lost. As you pointed out at the outset today, Mr. Sabia said the same thing.

The first thing to do in a crisis is to simply be transparent. There's been a lot of talk about that in this committee. The second thing is to do a hard fix of the situation by going to the other end of the spectrum. You talked about striking a balance. Do you think it's important for the public to feel that we've made a hard fix, and that we've worked hard to regain public trust?

**Marc-André Blanchard:** In my opening remarks, I referred to *Democracy Watch v. Canada* (Attorney General), a case that was heard by the Federal Court of Appeal in 2018 in which the Conflict of Interest and Ethics Commissioner was granted standing. Here's what I found interesting about the court's decision. I'll read an excerpt in English, because that's the language it was written in. At the end of his decision, the judge said:

[English]

“the publication of conflict of interest screens may well end up providing more information to the public than the publication of recusals.”

[Translation]

What seems to be emerging from this decision is interesting. The measures in place, and the list of companies listed in schedule A, are already very transparent, much more, in fact, than the usual measures used for elected officials.

**Gabriel Hardy:** Mr. Blanchard, you're giving me a politician's answer.

**Marc-André Blanchard:** No, Mr. Hardy. I'm giving you a rigorous answer.

**Gabriel Hardy:** The public is losing confidence in our institutions. Every time we ask questions, we hear about the comma or the period in the Conflict of Interest Act. People no longer trust the institutions. You said the goal was to avoid any conflict of interest for the Prime Minister. However, it appears to me the goal is to get the population to once again trust our institutions. Regardless of how good we think we are here, if people don't trust us, we'll have a problem, because it's by our actions that we lose their trust. We are here to represent them.

During his appearance here yesterday, Mr. Sabia said that to do an honourable job and avoid putting himself in a bad situation, he sold his shares. Everyone agreed he did the right thing.

In your opening remarks, you portrayed the Prime Minister as a virtuous knight who got into politics to save the country. If it was so important, why didn't he acknowledge that this was an exceptional situation which called for exceptional measures, meaning he had to sell his shares? Why did you allow yourself, the government, Mr. Sabia and the entire organization to be subjected to this pressure? Why let the public think the Prime Minister's getting richer?

**Marc-André Blanchard:** That's not uncommon. I gave the example of Nigel Wright who found himself in a similar scenario be-

fore. He had investments in a blind trust and in 40 businesses. He set up a system known as a “wall of ethics”. His situation was of a similar scale as the Prime Minister's. Those you're affiliated to said at the time that it was very simple and easy. In my experience, the process in place works very well and is not that complicated.

**Gabriel Hardy:** The current situation is not the same as it was 40 years ago.

**Marc-André Blanchard:** My point is that Canadians trust Mark Carney.

**Gabriel Hardy:** That is not what we are seeing. You are not working for a majority government. Most of the MPs in the House are not Liberals.

Yesterday, Mr. Sabia said that teams were working full time to make sure Mr. Carney avoids any missteps. How many people does that require? How much is that costing the government?

**Marc-André Blanchard:** As Mr. Sabia said yesterday, that's part of a lot of people's job. However, no one does that full time.

**Gabriel Hardy:** How many people are on the team? Are there two part-time people or 100? It's not the same thing.

• (1620)

**Marc-André Blanchard:** As I said in my opening remarks, the wall of ethics being applied to the Prime Minister is one of the most rigorous I've ever seen in my career. I've been a lawyer and head of a law firm. I've also worked for the Caisse de dépôt et placement du Québec, or CDPQ, an institutional investor. I've had to manage a lot of walls of ethics.

I think in this case the success of these measures will depend on how much they are communicated. People in government are aware. They know how important it is to report things that need to be reported. As a result, situations are managed efficiently and at a lower cost.

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

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

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

Thank you, Mr. Blanchard, for joining us.

My questions will focus more on explaining things in simple terms for the people tuning in. The goal is to help them better understand this conflict of interest screen and how it works. We consider this an important step in maintaining public trust.

In simpler terms, can you explain how you determine that a conflict of interest screen should be applied to a particular case?

What are the steps to follow?

**Marc-André Blanchard:** Before applying a conflict of interest screen, we must conduct an analysis. We contact the departments and agencies concerned to obtain contextual information on the companies subject to the screen, meaning the companies listed in annex A.

We study the different sectors of the economy. If we identify sectors where these companies are more active, we pay particular attention to them. We have a list of questions, a kind of decision-making lens that we apply to the situation in question.

First, the department comes to a conclusion. This conclusion is then discussed at the Privy Council Office. The Clerk of the Privy Council then makes a decision based on these facts and on the recommendation of the deputy secretary for governance. The deputy secretary will have held discussions with the Conflict of Interest and Ethics Commissioner.

**Abdelhaq Sari:** Once the process has been followed, is the government informed?

If so, how does this work?

**Marc-André Blanchard:** Yes, the government is informed. As I said in my remarks, as soon as a flag is raised, the deputy secretary to the Privy Council and cabinet, meaning the person responsible for governance, is informed. Measures are then taken immediately to prevent the conflict.

To put it simply, the Prime Minister divested his assets. It was agreed with the Conflict of Interest and Ethics Commissioner that, in the case of certain companies, the Prime Minister would avoid participating in meetings where the Government of Canada had to make decisions about them. The list of these companies was drawn up as a preventive measure. We established a system to ensure that the Prime Minister wouldn't run the risk of facing a conflict of interest.

It isn't a remediation measure. It doesn't mean that the Prime Minister is facing a conflict of interest. It serves to ensure that the Prime Minister doesn't end up in a conflict of interest situation.

**Abdelhaq Sari:** Mr. Sabia appeared before the committee yesterday. I would like to ask you the same question that he was asked.

How often do you and the Clerk of the Privy Council meet?

**Marc-André Blanchard:** Are you talking about me?

**Abdelhaq Sari:** Yes.

**Marc-André Blanchard:** I see him every day.

**Abdelhaq Sari:** I'm talking about your meetings to discuss the conflict of interest screen and the issue at hand today.

**Marc-André Blanchard:** We regularly discuss the conflict of interest screen. As I explained earlier, we're both familiar with the companies involved. We're familiar with the cases submitted to us. As soon as a flag is raised, we take the action described earlier.

We obviously hold follow-up meetings regarding the process, for example. However, on a day-to-day basis, it's different. We do things on an ad hoc basis, as we hold our meetings, have our discussions and make our decisions.

**Abdelhaq Sari:** My next question is perhaps more personal in nature.

You were Canada's representative to the United Nations, an executive vice-president at CDPQ and head of CDPQ Global. You were responsible for multiple regions, including the United States, Latin America, Europe and Asia-Pacific. You were also the chair and CEO of McCarthy Tétrault, a very large law firm.

Can you talk about your past activities and the areas where you have had to strengthen independence?

How do you approach governance while remaining independent?

• (1625)

**The Chair:** There are 20 seconds left.

**Marc-André Blanchard:** In my opinion, the rules, along with the corporate and group culture, are important. Rules are necessary and essential. However, it's also important to ensure that we develop a culture of ethics.

That's why I really like this mechanism and this tool. It helps to develop this culture within the government.

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

[English]

That concludes our first hour.

We're going to take a little bit of a break, and when we come back, we're resetting the clock. The time we're suspended adds to the time at the end, so let's make sure we get back as soon as we can.

The meeting is suspended for a few minutes.

• (1625)

(Pause)

• (1630)

**The Chair:** We're back. We're going to start the second hour with our guest.

I'm going to begin with Mr. Majumdar for six minutes.

Go ahead, sir.

**Shuvaloy Majumdar (Calgary Heritage, CPC):** Thank you very much.

I really appreciate your testimony today, sir.

I understand that politics and business can sometimes be a messy business, and the point of the ethics screen, ethics standards and the Conflict of Interest Act are to try to ensure that the public interest is best served, as you well know, and that public officials serve with integrity.

Some comments were made about Mr. Wright. I knew him a long time. He was one of the most ethical people we know. The firm he represented was much more narrowly focused than the firm that Mr. Carney came from, which is very broad and affects a variety of sectors across the country. I think it's a very different standard for a prime minister who decides versus a very senior adviser who advises.

In the United States, the expectation of public office holders is to force their officials to sell all their interests and give a very attractive tax rollover so that there would be no suspicion of conflict, which is something that the Clerk of the Privy Council did. The Prime Minister clearly had a different idea for himself.

In the context of what is the formal process for screen versus the informal process for screening, we're really trying to get, in this committee, down to the nub of where the general application ends and where a disproportionate interest begins.

I say this with great affection to those who serve, but Mr. Sabia, Mr. Carney, Mr. Hodgson and you, Mr. Blanchard, all know the same people. You come from the same investment world. You have many of the same friends.

Who's screening who here?

[*Translation*]

**Marc-André Blanchard:** Throughout my 30-year career, I've always held myself to the highest ethical standards possible.

[*English*]

**Shuvaloy Majumdar:** I was just curious to know who is screening who among all four of you.

[*Translation*]

**Marc-André Blanchard:** I can assure you that I apply the highest ethical standards possible in my government duties, as I have done in all my previous positions, including at the law firm and as Canada's representative—

[*English*]

**Shuvaloy Majumdar:** I appreciate the history that you bring to the table and the kind of value that you provide.

[*Translation*]

Excuse me. I tried to speak in French, but I speak only a bit of the language.

[*English*]

My apologies to the translator. Who is screening who among the four of you?

I understand that all four of you believe that you are serving the public interest. You've come from on high to serve the people of Canada. We should be grateful, but this is a very small world of investment institutions. They all operate on major sectors that are critical to the success of Canadian workers.

Among all of you, who's screening who?

[*Translation*]

**Marc-André Blanchard:** For each individual whom you referred to, my response was quite clear. These individuals have had impeccable careers, both in the private and public sectors.

These people have held themselves to the highest ethical standards possible, which—

• (1635)

[*English*]

**Shuvaloy Majumdar:** Okay, I appreciate that. Maybe now I can get a clear answer on who's screening who, rather than an advertisement on pedigree, which is really not what I'm interested in.

**Leslie Church:** I have a point of order, please, Chair.

**The Chair:** Go ahead, Ms. Church. I know what your point of order is.

**Leslie Church:** It's that the question was asked twice and on two occasions, the witness has been unable to answer.

**The Chair:** Okay.

Monsieur Blanchard, are you able to directly answer Mr. Majumdar?

[*Translation*]

**Marc-André Blanchard:** His question isn't related to the application of the screen. I'm happy to answer him. However, when he asks me who screens whom, I tell him that, in everything that I do—

[*English*]

**Shuvaloy Majumdar:** You're using my time, sir.

[*Translation*]

**Marc-André Blanchard:** —I hold myself to the highest standards possible.

**The Chair:** Wait a moment, Mr. Blanchard.

Mr. Majumdar, I stopped the timer.

Please ask your question. I'll now restart the timer.

[*English*]

**Shuvaloy Majumdar:** Thank you.

I asked a clear question about who's screening who, including the Prime Minister, so it's directly related to the topic here, but we didn't get an answer, twice.

[*Translation*]

**Marc-André Blanchard:** I gave you an answer, but you don't like it.

[English]

**Shivaloy Majumdar:** Duff Conacher, the head of Democracy Watch, has described this Prime Minister as potentially the most conflicted in Canadian history. He has over 100 conflicts of interest hanging over his head in every single decision he takes, in private, in cabinet, in meetings with public officials and in accountability with the public.

Every commissioner who has come before this committee has complained that the government hasn't resourced them enough to do their jobs. There's a cloud of uncertainty and corruption over the Prime Minister in massive decisions, from renewables to housing to energy to infrastructure, all things he has not divested himself from and in which we're not confident he is being appropriate with his disclosure.

Is he trying to have his cake and eat it too, or are we being unnecessarily silly about who's screening who, what, where, what's being listened to, without actually providing the kind of transparency Canadians deserve?

**The Chair:** Monsieur Blanchard, please go ahead.

[Translation]

**Marc-André Blanchard:** We're trying to figure out who said what. For my part, I can simply tell you that the Federal Court of Appeal rejected virtually all Democracy Watch's claims regarding a number of ethical issues. This decision was handed down in 2018. It's the one that I referred to earlier. Those are the facts.

We're now discussing the situation of the Prime Minister. The measures imposed in this case uphold and apply the highest ethical standards in the world. I repeat—

[English]

**Shivaloy Majumdar:** Thank you for that. Those standards, as you know, were established by Prime Minister Harper and, indeed, Nigel Wright.

I have a quick question. The Prime Minister declared on the floor of the House of Commons that he texts the American President. Who screens those texts?

[Translation]

**Marc-André Blanchard:** The Prime Minister holds himself to the highest ethical standards, the strictest ethical standards possible. In his communications with the President of the United States, I'm convinced that he—

[English]

**Shivaloy Majumdar:** Who is screening his communications with the American President in the context of an \$80-billion deal that was made with Westinghouse? Is there any way to actually understand what the Prime Minister did?

**The Chair:** We will have to come back to that, Mr. Majumdar. I'm sorry, but the time is up.

Mr. Fergus, go ahead for six minutes, please.

[Translation]

**Hon. Greg Fergus (Hull—Aylmer, Lib.):** Thank you, Mr. Chair.

Thank you, Mr. Blanchard, for joining us today. I'm grateful to you for taking the time to properly answer our questions.

You spoke about Nigel Wright earlier. He appeared before this committee when he was Stephen Harper's chief of staff. You spoke about the conflict of interest screen applied to him.

You told my colleagues on the other side a few times that Mr. Wright's situation was comparable to Prime Minister Carney's situation.

Can you talk about the similarities between these two cases?

**Marc-André Blanchard:** That situation involved the Onex company, which had a major impact on the Canadian economy. Mr. Wright was a senior executive in this company. His situation was similar to the situation being discussed here. There was a divestment of assets into a blind trust.

Following discussions with the Conflict of Interest and Ethics Commissioner at the time, we agreed to set up an ethical wall. To the best of my recollection, this involved around 40 companies operating in four or five sectors of the economy.

More or less the same type of measures are being implemented. Personally, I have a great deal of respect for Nigel Wright and for what he did. In this particular case, he supported the process. He felt that it was acceptable and normal under the circumstances.

I'm saying that we can draw a parallel with Mr. Carney's situation.

● (1640)

**Hon. Greg Fergus:** Since Mr. Wright's appearance, the same system has been in place to ensure that people who decide to participate in Canadian politics remain free of conflicts of interest. This is done either with the Conflict of Interest and Ethics Commissioner, or with the trustee.

This system has been around for over ten years.

Isn't that right?

**Marc-André Blanchard:** This system has been applied to many politicians, in one way or another, for well over 10 years.

The divestment measure is often applied in a blind trust for public office holders.

An ethical wall has also been implemented multiple times throughout the history of our governments, both Conservative and Liberal. These measures have proved highly effective.

**Hon. Greg Fergus:** Indeed, this system doesn't pose any issues. It works quite well. It's a preventive measure to ensure that the politician in question doesn't end up in a conflict of interest situation.

**Marc-André Blanchard:** Exactly.

That's why I referred to the Federal Court of Appeal ruling. Interestingly, we could have a recusal system that works more as a remedy than as a preventive measure, in some respects.

In this case, there was a divestment. The Conflict of Interest and Ethics Commissioner and the Prime Minister agreed to do more and to go above and beyond the divestment. A list of companies known to the Prime Minister was compiled. This list can be found in annex A.

We also introduced a preventive measure to ensure that the Prime Minister doesn't end up in a conflict of interest situation. This is important not only for the Prime Minister, but also for the institution that he represents and for the government. The goal is to ensure the government's success.

**Hon. Greg Fergus:** Mr. Chair, how much time do I have left?

**The Chair:** You have one and a half minutes left.

**Hon. Greg Fergus:** Good. Thank you.

How does your participation and the Clerk of the Privy Council's involvement in this mechanism strengthen the independence of the process in practical terms?

**Marc-André Blanchard:** You must be able to predict, you must see decisions coming and you must anticipate certain meetings if you want to ensure that you don't end up in a conflict of interest situation.

That's why the Prime Minister and the Conflict of Interest and Ethics Commissioner jointly mandated the Clerk of the Privy Council and the Prime Minister's chief of staff to carry out this work.

In my opinion, individuals are the ones who ultimately change things through their self-imposed rigour. When ethical standards are set, and when individuals abide by them, the desired results are achieved.

If you end up in a situation where one of these components is missing, you won't achieve a good result.

• (1645)

**The Chair:** Thank you, Mr. Blanchard and Mr. Fergus.

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

**Luc Thériault:** Thank you, Mr. Chair.

Yesterday, Mr. Sabia spoke of collaboration on a daily basis. Today, you're talking about frequent contact.

Do you see accountability as constantly asking the Conflict of Interest and Ethics Commissioner whether you're on the right track?

In this sense, does the Commissioner or his office participate in the administration of the screen?

**Marc-André Blanchard:** The Commissioner contributes to our analyses.

**Luc Thériault:** In a way, he's involved.

Isn't that right?

**Marc-André Blanchard:** Yes, in a way, he's involved.

**Luc Thériault:** This bothers me a bit, and it has been bugging me since earlier.

Yesterday, I asked Mr. Sabia how we could make the process even more rigorous, because I think that it needs to be. I also asked the Commissioner this question, and it still wasn't clear. So I'm asking you the same question today.

You spoke about Nigel Wright. However, he wasn't the prime minister in this situation. When the Prime Minister knows that a cabinet minister may face a situation involving an apparent conflict of interest, the Prime Minister can handle the situation. The Conflict of Interest and Ethics Commissioner won't be handling it.

That said, who will handle this type of situation when it comes to the Prime Minister?

All the measures that we've been talking about are in place.

When I asked the Conflict of Interest and Ethics Commissioner whether the accountability should go through his office, he responded as follows: "I can't be both judge and stakeholder. If my office is involved in the administration of the screen, I'm the one who must make a decision in the event of a conflict of interest."

In a sense, despite the process, not everyone has mastered this proximity and this tool, if we look at how people talk about the complexity of the administration of the screen.

I think that there are flaws. To correct them, you ask the Conflict of Interest and Ethics Commissioner whether you're on the right track. Basically, it's as if the Conflict of Interest and Ethics Commissioner were a full-time member of your team to ensure a rigorous administration. Isn't that right?

**Marc-André Blanchard:** I would say that the Conflict of Interest and Ethics Commissioner gives advice as we move forward with our work.

**Luc Thériault:** Is this tool the brainchild of the Conflict of Interest and Ethics Commissioner?

**Marc-André Blanchard:** No, the tool was—

**Luc Thériault:** Did he validate it?

**Marc-André Blanchard:** We discussed this tool with him. I gathered that he was comfortable with the idea of using this type of tool.

**Luc Thériault:** Indeed, if properly applied, the tool could meet certain criteria.

We'll be addressing the issue of proximity and the desire for somewhat more objective accountability with the Conflict of Interest and Ethics Commissioner.

Did you apply the conflict of interest screen to Mr. Carney's communications with the companies listed in his declaration?

Is Mr. Carney prohibited from communicating with the companies on the list?

**Marc-André Blanchard:** Mr. Carney knows his obligations—

**Luc Thériault:** Did you apply a screen?

Yesterday, Mr. Sabia said that you weren't asking him to recuse himself and that you were imposing decisions on him.

Did you prohibit Mr. Carney from communicating with Brookfield?

**Marc-André Blanchard:** Mr. Carney knows the list of companies in annex A. We don't need a screen for this. This concerns direct contacts.

**Luc Thériault:** How do you monitor that? Mr. Carney is very talented, and he's acquired a lot of expertise in the private sector, I agree.

That said, his address book is full of people who can call him directly.

**Marc-André Blanchard:** Mr. Carney sets the highest standard for himself.

**Luc Thériault:** So he applies the screen himself.

**Marc-André Blanchard:** Let me answer you.

I told you what we do for meeting and call requests submitted to the Prime Minister in his role and in his executive role in cabinet.

We use a system. We built an ethical wall. As I explained earlier, if it involves one of the companies listed in annex A, there can be no engagement. If there is engagement with third parties, it cannot be related to the areas in which the companies listed in annex A operate or to the Government of Canada.

**Luc Thériault:** So you haven't forbidden Mr. Carney from communicating with Brookfield.

Is that correct?

**Marc-André Blanchard:** In that context, the screen is implicit.

• (1650)

**Luc Thériault:** The screen is implicit.

Is that correct?

**Marc-André Blanchard:** Obviously it is, because the law requires it.

**Luc Thériault:** I'm a little surprised that Mr. Carney can answer to anyone. In fact, yesterday—

**Marc-André Blanchard:** That's not the case. I don't agree with the premise of your question and the comment you're making.

**Luc Thériault:** You have the right to disagree.

**The Chair:** Gentlemen, think about the interpreters. They're not able to follow your discussion when you speak over each other.

**Luc Thériault:** Yesterday, I asked Mr. Sabia a question about Mr. Carney's trip to the United Arab Emirates. That was on the same day that Brookfield announced that it's going to invest \$100 billion in AI.

I told him that was a strange coincidence. I asked him whether, as clerk, he considered it to be a coincidence.

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

**Luc Thériault:** That's unfortunate.

**The Chair:** It's unfortunate in everyone's case.

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

**Gabriel Hardy:** Thank you very much, Mr. Chair.

Mr. Blanchard, you said earlier that you had rarely seen such a solid structure despite your many years of experience. You have led a number of organizations, as has Mr. Sabia. Yesterday, I made a point of telling him that he had been the equivalent of the prime minister in a number of organizations.

Did the Caisse de dépôt et placement du Québec, of which you were a director, have the same kind of structure?

Did the employees reporting directly to management have a duty to ensure that their director didn't make any missteps?

**Marc-André Blanchard:** Usually, in all companies, the people responsible for administering the screen are part of the legal affairs department, and they report to the chief executive officer. They're the ones who administer the screens.

**Gabriel Hardy:** So they are direct reports.

Is that correct?

**Marc-André Blanchard:** In that context, they are direct reports.

**Gabriel Hardy:** Every day, you and Mr. Sabia are in direct contact with Mr. Carney. Yesterday, we were told there was complete independence from him.

How can someone be both independent from and a direct report to the same person?

**Marc-André Blanchard:** You mentioned the private sector. Typically, in the private sector, the chair of the board appoints the CEO, with the agreement of the board. In that case, does the CEO do the chair of the board's bidding? No, they do not. As CEO, they must fulfill their obligations to the company, not to the person who appoints them.

In this context, I was hired by the Prime Minister, and the same things applies.

**Gabriel Hardy:** No board appointed you; the Prime Minister hired you directly.

**Marc-André Blanchard:** As I said, the same thing applies here as well.

**Gabriel Hardy:** Except there's no board.

**Marc-André Blanchard:** The chair of the board appoints the chief executive officer. The CEO is independent of the chair of the board, even though they are appointed by the chair.

In the context of enforcing the ethical wall, I maintain that I am independent of the Prime Minister. I must first respect my obligations to the office of Prime Minister of Canada.

**Gabriel Hardy:** If we follow that logic, if Mr. Carney is not happy with a decision that's been made, he can fire you.

Isn't that right?

**Marc-André Blanchard:** My wife would probably be very happy about that.

**Gabriel Hardy:** We've heard that kind of response before.

As you said earlier, we often look at things in the present moment. Right now, we're doing everything we can to ensure that Canadians are protected. We all demonstrate good moral character. Mr. Carney is setting the bar for himself on the strength of his good moral character.

However, the role of this committee is to look forward. We want to make sure that, in the future, our laws will be able to support people other than you, Mr. Sabia and Mr. Carney. We want to make sure that we plan well for the future and we have an effective structure.

We're often told that we need more people of Mr. Carney's stature. However, we also have to make sure that we don't attract the wrong people. Mr. Wernick told us that politics plays a very temporary role in someone's life.

For the first time in our history, we have a Prime Minister who comes from a private sector with many ramifications. We don't know how long he's going to be here, but certainly when he goes back to the private sector after being Prime Minister, he'll be able to use the position to his advantage. So our job is to make sure that isn't something we see often.

Do you think our current structure attracts only the right people, or are there so many gaps in our legislation that it also attracts the wrong people?

• (1655)

**Marc-André Blanchard:** First, your comment about the Prime Minister is unfair.

Mr. Carney was a member of the public service of Canada. He was governor of the Bank of Canada. He was the first non-British governor of the Bank of England. He spent most of his life in the public sector, much more so than in the private sector.

Mr. Carney has extensive experience in the public sector. It's true that he worked in the private sector recently. However, he spent far less time there than he has in the public sector.

**Gabriel Hardy:** What difference does that make to the question I'm asking you?

What I'm saying is that I want to make sure that we attract the right people in the future. I'm not doing a full analysis of Mr. Carney. I want to make sure that the current structure is able to take in and, in a good way, monitor people who might one day intend to be prime minister, but have bad intentions.

Let's say the Prime Minister has the best intentions in the world. However, let's consider an ill-intentioned prime minister who makes his own rules, who can very well decide to dismiss people if he isn't happy.

Can the people be reassured in this context?

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

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

**Yvan Baker:** Thank you, Mr. Chair.

Thank you for being here with us, Mr. Blanchard. I have several questions for you.

For the benefit of Canadians listening to us, can you explain the purpose of the conflict of interest screen and divestment? What are we looking to accomplish with these tools?

**Marc-André Blanchard:** What we're trying to do is quite simple. The idea is to proactively ensure that the Prime Minister of Canada doesn't end up in a conflict of interest.

Ethically speaking, it's one of the recognized best practices in Organisation for Economic Co-operation and Development, or OECD, countries. The practice has been used multiple times in the Government of Canada. Mr. Carney is getting the same treatment as several other politicians before him did in Canada. There's no difference.

The machinery of government has experience in dealing with this. For that reason, I believe our practice meets the highest standard when it comes to managing conflict of interest situations.

**Yvan Baker:** Is the practice that was put in place consistent with the Conflict of Interest Act?

**Marc-André Blanchard:** It meets the conditions of the act in every respect. What was implemented for Prime Minister Carney was agreed on with the Conflict of Interest and Ethics Commissioner, an officer of Parliament independent from political parties.

The current commissioner has a long history in the public sector. He has a very solid understanding of all arms and all parts of government. He agreed with Prime Minister Carney on measures to comply with both the letter and the spirit of the Conflict of Interest Act.

[English]

**Yvan Baker:** You just spoke about the Ethics Commissioner, and what I'm hearing you say is that he is very comfortable with the design of the screen, the design of the processes that you have in place—

**Marc-André Blanchard:** Yes, that is my understanding. On the screen, it's not only my understanding, but I actually know this because I was in discussion with him on this topic.

**Yvan Baker:** Is he comfortable with the implementation of the screen?

**Marc-André Blanchard:** As far as I know, he is comfortable with the implementation of the screen. As I said, his advice, the advice of his office, is sought along the way to make decisions in the matter of processing the application of the screen. This is no different from any other public office holders. Everybody is treated the same. Mr. Carney is treated the same as any other person who holds public office.

• (1700)

**Yvan Baker:** That's a good segue to my next question. One of the members opposite, from the Conservative caucus, mentioned that the current law was actually brought in place at the time of Prime Minister Harper. In fact, during that time, there was a similar hearing with Mr. Nigel Wright, who was alluded to earlier in this hearing.

I want to cite some testimony from one of the Conservative MPs at the time in questioning Mr. Wright:

I just want to make a clarification, Mr. Chair, because there seems to be some misunderstanding in the way this has been debated by some members. On the term "private interest", I will quote directly from the process for establishing a conflict of interest screen:

"Private interest" does not include an interest in a decision or a matter that is of a general application.

This Conservative MP believed that when there were decisions of a general application, private interest did not apply.

This MP went on to say the following:

And as such, we have to recognize that there are going to be people in this public service world who come from different backgrounds and who the government interacts with, obviously. But that is a strength for our country. We look forward to inviting people from various sectors, in this case the business sector, but from all sectors, to make a future contribution to our country.

Do you know who that member of Parliament was, Monsieur Blanchard?

**Michael Barrett:** He sounds like a smart guy.

**Marc-André Blanchard:** I've read it. I believe it's Mr. Poilievre, the Leader of the Opposition.

**Yvan Baker:** That's right. If the current Leader of the Opposition believed that the law and the screen were appropriate in the case of the Harper government, should it not be good enough in the case of the Carney government?

**Marc-André Blanchard:** I will leave it to parliamentarians to debate this.

**Yvan Baker:** Okay. I believe it is.

Thank you very much, Mr. Chair.

**The Chair:** Thank you, Mr. Baker and Mr. Blanchard.

[*Translation*]

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

**Luc Thériault:** Mr. Blanchard, at the end of my last intervention, I said the problem with your comparison to Mr. Wright was that Mr. Wright was not prime minister.

As I said earlier, my concern is to ensure that we have differentiated rules.

Don't you think that if someone is in the top position in government, that implies they maintain the highest level of transparency and always behave in the most exemplary manner?

I think you're going to say yes.

**Marc-André Blanchard:** That's why Prime Minister Carney agreed with the Conflict of Interest and Ethics Commissioner to take these steps. He divested himself of all his assets, put them in a blind trust and agreed to an ethical wall.

**Luc Thériault:** He agreed to a screen.

**Marc-André Blanchard:** Yes. He made a list of companies he knew of in annex A. That list is quite extensive, because he feels that his obligations are important.

**Luc Thériault:** We understood that.

Do you know the trustee?

**Marc-André Blanchard:** No, I don't know the trustee.

**Luc Thériault:** Okay.

Is the Commissioner the only one who knows them?

**Marc-André Blanchard:** No, he's not the only one. As far as I know, the Commissioner and the Prime Minister made the choice together.

**Luc Thériault:** Okay.

The federal government's Registry of Lobbyists indicates that, from July 10 to date, 2,600 lobbyists have been registered to lobby, for the Prime Minister's Office alone.

In addition, 950 communications were registered between lobbyists and those in charge of the Prime Minister's Office, and 75 communications were registered between lobbyists and Mr. Carney.

Following all these communications with lobbyists, the Prime Minister had discussions with staff in the Prime Minister's Office.

After their discussions with lobbyists, how are staff members in the Prime Minister's Office monitored? Are their communications monitored?

**Marc-André Blanchard:** As I said earlier, a very thorough process was put in place for managing meetings with the Prime Minister. If a company listed in annex A requests a meeting, it won't happen.

In addition, during meetings, we ensure that no potential matters between a company listed in annex A and the Government of Canada are discussed in the presence of the Prime Minister.

• (1705)

**Luc Thériault:** There is no meeting, but you didn't see fit to set up the screen and prohibit Mr. Carney from communicating with these people. They can call him on his cellphone—

**Marc-André Blanchard:** Mr. Carney knows his ethical obligations—

**Luc Thériault:** That's a chief of staff's answer.

**Marc-André Blanchard:** No.

**Luc Thériault:** You play your role very well, but that's not a conflict of interest screen administrator's answer. I'm sorry, but that's my opinion.

**Marc-André Blanchard:** I respect your opinion, but I don't share it at all.

**Luc Thériault:** What is it that you don't agree with?

**Marc-André Blanchard:** It's because the rules and processes are in place. There are no meetings and there are no discussions. So the screen is in place in that respect.

**Luc Thériault:** You're telling me that he knows his obligations. However, your logic should have applied in the same way when you said that there had to be a blind trust. You could have said that there was no need for a blind trust. Since he knows his obligations, he would never end up in a conflict of interest. The logic you're using here should apply in the same way.

I'm sorry, but even if meetings are prohibited, the Prime Minister can use his cellphone. It must be said that he comes from a network that suits everyone, in the situation we're in. At least tell me you're keeping an eye on him for that, that you told him to be careful about that. What you're telling me is that it's not necessary, because he knows what needs to be done.

Do you really think that's responsible behaviour for a conflict of interest screen administrator?

**Marc-André Blanchard:** The process is very thorough, Mr. Thériault.

**The Chair:** You have 20 seconds left, Mr. Thériault.

**Luc Thériault:** Tell me how thorough you are about this.

**Marc-André Blanchard:** As I explained to you, there are no meetings, or when there is a meeting—

**Luc Thériault:** There are no meetings, but there are phone calls.

**Marc-André Blanchard:** —these things are not being discussed. At the Prime Minister's Office, it's administered by his executive office.

**Luc Thériault:** There are no meetings, but there are phone calls.

**Marc-André Blanchard:** People have received training on this to ensure that everyone complies with each of the obligations.

**Luc Thériault:** However, they're not on the other end of the line.

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

[English]

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

**Michael Barrett:** Mr. Blanchard, yesterday, the Clerk told us he sold his Brookfield shares within minutes because he couldn't oversee the Prime Minister's screen while he was still holding them.

Why shouldn't the Prime Minister meet that same standard and simply divest by selling his assets, instead of holding them and potentially continuing to benefit financially from decisions he takes in his role as Prime Minister?

**Marc-André Blanchard:** I believe that what has been set up for the Prime Minister is the highest standards of ethics. First, there's a divestment of all of his assets. Second, he has agreed with the Ethics Commissioner that for the list of companies in annex A of his public declaration, there will be the possibility, when needed, to establish an ethical wall.

This is very rigorous. As I've been explaining to this committee, we have a rigorous assessment tool. It is a rigorous process. It is working and it has been used in the past. I believe that this reflects the highest level of ethics, and that Canadians see it as a very transparent way of doing it. I've shown you that courts are in agreement with this and that this way of doing things is more transparent to Canadians than any other choices we could have made.

**Michael Barrett:** Do you think it's more transparent than if the controlled assets were sold before the Prime Minister had the opportunity to make any decisions?

Do you think having them in this process, which needs to be administered, is more transparent than him simply divesting them fully? That's the question.

**Marc-André Blanchard:** I think it's very transparent on the part of the Prime Minister—

**Michael Barrett:** But is it more transparent, sir?

**Marc-André Blanchard:** I think it's very transparent on the part of the Prime Minister to have gone through the divestiture of his assets, putting them in a blind trust and convening with the Ethics Commissioner, agreeing to set up an ethical wall for the companies listed in annex A and working with him to ensure that the process is well respected and that he respects the highest level of ethics.

It's a practice that the OECD recognized as being one of the best in the world on this matter.

• (1710)

**Michael Barrett:** You used the phrase “one of the best”. My question to you is about whether we can improve on it. I think that Canada has the opportunity...and that's the study we're undertaking at the committee right now. Can we improve on the system that we have? Are there concerns or loopholes? Are there things that are giving rise to Canadians' loss or lack of confidence in our democratic institutions? We have an opportunity to improve on it. It doesn't necessarily serve as an indictment against Mr. Carney, but is there an opportunity?

I appreciate your reference to how it has been used in the past and to the Federal Court ruling. That's important context, and it serves well to inform the evidence that this committee will have in taking recommendations forward to the House, but is this the best way? If a prime minister, if Mr. Carney owns controlled assets, even if they're in a blind trust, and if he knows what he put into the funds that he stands to benefit from, through interest payments in the future, and the decisions he and his government take improve that portfolio, Canadians understand that, well, he's going to profit from the decisions that he takes. If he owns it, the potential for him to financially benefit continues.

Wouldn't it be cleaner, simpler and improve the confidence that Canadians are able to have in the process if the requirement were for prime ministers and for party leaders, including the Leader of the Opposition, to sell all controlled assets? Then, if there were investments to be made, the discussion could be had about whether a trustee could make those, but perhaps they don't hold controlled assets while they're in office. Wouldn't that, just simply, eliminate the risk and thereby solidify and actually improve Canadians' confidence?

**The Chair:** Unfortunately, I'm going to have to take that as a statement, Mr. Barrett, because we're 15 seconds over. If you want to return to it later, then you're more than welcome to do that.

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

**James Maloney (Etobicoke—Lakeshore, Lib.):** Thank you, Mr. Chair.

Thank you, Mr. Blanchard, for being here. I'm sure you've had more productive uses of your time than being here for these two hours, from what I've heard so far.

I'm going to start with something Mr. Cooper said. He started by saying Mr. Carney's conflicts are vast, and then he ended by asking whether it wouldn't be better if the PM just heeded the advice of the commissioner. In your opinion, and in the opinion of the others who were involved in this process, has the Prime Minister heeded the advice of the commissioner and followed the rules?

[Translation]

**Marc-André Blanchard:** To the best of my knowledge, the Prime Minister has always taken advice from the Conflict of Interest and Ethics Commissioner, has always committed to it and has always complied with it.

[English]

This is one thing.

The other thing is this: I want to say that what has been agreed upon between...the Ethics Commissioner, who is an independent public office holder—he is an officer of Parliament—everything that he has proposed the Prime Minister has agreed with. We have a very extensive process to ensure that we prevent, as much as we can, any possibility of conflict of interest.

**James Maloney:** Thank you.

Something that Mr. Barrett suggested, other than this not being an indictment of the Prime Minister, when he asked his first round of questions—and he just did it again—was that you put these assets in the blind trust and then you could subsequently act to benefit the blind trust. The fact of the matter is that, when assets go into the blind trust, you no longer know what happens after. The assets and the structure of the trust could change because the trustee is now responsible for that. Is that right?

**Marc-André Blanchard:** Yes, it is. That's actually what Nigel Wright was saying in his testimony. This is why I quoted Mr. Wright, because I thought it was the assessment of the reality.

This is what is happening: Mr. Carney has divested of his interests in a blind trust. He doesn't know now. It's actually not up to him to make any decisions in relation to these assets. The decisions are made by a trustee. Then, on top of that, the Prime Minister has accepted this ethical wall to ensure that we prevent any possibility of a conflict of interest.

• (1715)

**James Maloney:** Thanks.

We know that Mr. Wright was always going back to Onex. In fact, he went back to Onex while Prime Minister Harper was still in

office. To try to distinguish the two is a bit of a false narrative, in my opinion.

Would you agree with that?

**Marc-André Blanchard:** It was certainly a difficulty for the ethics committee at the time, the fact that Mr. Wright wanted to go back. He was just on a *congé sans solde* from Onex.

In some ways, he kept a lot of his relationships with Onex, which is not the situation of Mr. Carney with Brookfield.

**James Maloney:** Thank you.

Mr. Majumdar suggested that there's a “cloud of uncertainty” and conflicts. I would suggest that's not true. In fact, there is just a flurry of allegations. If you look at this study, the original purpose of it was principled. It's to review the Conflict of Interest Act, including the conflict of interest rules. That's a noble, principled approach to what we should be doing as members of Parliament.

However, the reference from the House of Commons amending it suggests that it include a consideration based on the unprecedented extent of the Prime Minister's corporate shareholders' interests. I'm not sure what the word “unprecedented” adds to that. If you're talking about a Prime Minister who has had success...I don't understand.

I'm suggesting to you, and I would like to know if you agree or not, that this is purely a political exercise. We should be reviewing in this committee the Conflict of Interest Act, not trying to fire off random questions about the Prime Minister or any other member of Parliament in the hope of scoring some political points, which have not been made.

Would you agree with that?

**Marc-André Blanchard:** As I said before, I happen to agree with you, but I'll leave the political games to all of you parliamentarians.

**James Maloney:** Thank you.

I'll end with this. You were the CEO of McCarthy's, one of the biggest law firms, if not the biggest law firm, in Canada.

As a lawyer myself, I understand conflict of interest is important. As a multinational and multi-provincial firm, you were in a prime position to review the conflict of interest provisions in your office. If you're wrong, you get sued or you get sanctioned by the law society, so the last thing you want to do in that position, or as the chief of staff to the Prime Minister, is get into that situation.

Isn't that right, sir?

**The Chair:** Quickly.

**Marc-André Blanchard:** I totally agree.

**The Chair:** Mr. Cooper, you have five minutes. Go ahead, sir.

**Michael Cooper:** Mr. Chair, Mr. Maloney and Mr. Blanchard can say all they want that the Prime Minister has satisfied these threshold standards set by the Ethics Commissioner, but I would refer to the testimony from yesterday when Mr. Sabia, the Clerk of the Privy Council, was asked whether he would say to Mr. Carney that he can no longer speak with Brookfield. The answer from Mr. Sabia was that it wouldn't be necessary for him to do so, and that, in discussing things with the Ethics Commissioner a few months ago, the commissioner told him to do just that. In other words, don't talk to Brookfield. What did the Prime Minister do instead? He met with Sam Pollock, the CEO of Brookfield Infrastructure in Washington. He was lobbied by a company that is owned by Brookfield, and he had a private breakfast working meeting with four Brookfield investors in London. That's hardly following the guidance of the Ethics Commissioner.

I want to pick up on a line of questioning by Mr. Majumdar about who is screening who.

In that regard, do you screen Mr. Carney's texts?

[Translation]

**Marc-André Blanchard:** Mr. Cooper, I'd like to answer your question about meetings. I was given some information with respect to the meeting that I believe you're still referring to in your—

[English]

**Michael Cooper:** I asked you a question. Do you screen Mr. Carney's texts?

[Translation]

**Marc-André Blanchard:** I think it's important that I answer your question about the meeting. You said that in one of the first—

[English]

**Michael Cooper:** I asked you a question. It is a yes-or-no answer. Do you screen all his texts?

**The Chair:** I'm going to ask you, Mr. Blanchard, to answer Mr. Cooper's question, please.

[Translation]

**Marc-André Blanchard:** My answer is that the meeting Mr. Cooper is referring to, which allegedly took place between a subsidiary of Brookfield and Mr. Carney, did not take place.

[English]

**Michael Cooper:** Do you screen Mr. Carney's texts, yes or no?

• (1720)

**Marc-André Blanchard:** Mr. Carney, the Prime Minister, has set for himself the highest level of ethics—

**Michael Cooper:** I take it that the answer is no.

Do you screen Mr. Carney's phone calls?

[Translation]

**Marc-André Blanchard:** I would say that—

[English]

**Michael Cooper:** Yes or no?

[Translation]

**Marc-André Blanchard:** Mr. Cooper, my role—

[English]

**Yvan Baker:** I have a point of order, Mr. Chair.

**The Chair:** Mr. Cooper, you're going to have to give Mr. Blanchard a chance to answer.

**Michael Cooper:** These are yes-or-no questions.

**The Chair:** I would appreciate—

**Michael Cooper:** He's repeatedly obfuscated and quite deliberately so.

**The Chair:** Mr. Blanchard, please answer Mr. Cooper's questions.

[Translation]

**Marc-André Blanchard:** There's an office surrounding Mr. Carney. There are people working with him who have been trained to—

[English]

**Michael Cooper:** I take it from your answer [Inaudible—Editor]—

[Translation]

**Marc-André Blanchard:** Can you please let me answer?

[English]

**Yvan Baker:** I have a point of order, Mr. Chair.

**Michael Cooper:** I'm going to ask you this: Who screens Mr. Carney's texts and phone calls?

**The Chair:** It's a simple question.

[Translation]

**Marc-André Blanchard:** You know, people who work with Mr. Carney in his executive office have received training to ensure that ethics measures are enforced.

[English]

**Michael Cooper:** I don't have translation.

**The Chair:** Hang on for a second. We don't have translation so I've stopped the clock.

[Translation]

If I talk in French, can you hear the interpretation?

[English]

Okay, translation is back.

I'm going to get you to ask the question one more time.

I'm going to get you to respond, Mr. Blanchard. When Mr. Blanchard starts responding, I'm going to start the clock.

**Michael Cooper:** You don't screen Mr. Carney's texts. You don't screen his phone calls. Who does?

**Marc-André Blanchard:** I didn't say that.

**Michael Cooper:** You wouldn't answer yes-or-no questions. They were yes-or-no questions.

**Marc-André Blanchard:** I did not say that.

**Michael Cooper:** You refused to answer, so I'm inferring that you simply don't.

**Marc-André Blanchard:** I'm sorry, Mr. Cooper. It's not a yes-or-no question.

**The Chair:** Mr. Cooper, hang on a second.

Just let him answer the question, please, Mr. Cooper, and then we'll go back to you.

Go ahead, Mr. Blanchard.

[*Translation*]

**Marc-André Blanchard:** This—

[*English*]

**The Chair:** I have a point of order from Mr. Ferguson.

Go ahead.

**Hon. Greg Ferguson:** I think the translation is going off is because they are talking over each other. It would be very important for the questioner to ask his question alone and for the speaker to answer the question alone.

**The Chair:** I made that point earlier and I asked that it be respected for the sake of the interpreters.

When you ask a question, make sure that a clear answer is given and then you can go back to the question. Please don't talk over each other.

[*Translation*]

Mr. Blanchard, please answer the question.

**Marc-André Blanchard:** The answer is more than a yes or no. There are people around Mr. Carney who get calls and forward them to him. Those people have received training to ensure that the Prime Minister's ethical obligations are met. That's another measure that exists.

[*English*]

**The Chair:** Mr. Cooper.

**Michael Cooper:** You refer to training. You gave very vague answers to a very straightforward question, which is, who screens Mr. Carney's meetings, phone calls and texts?

**Marc-André Blanchard:** For the meetings—

**Michael Cooper:** No, I misspoke. It's phone calls and texts.

[*Translation*]

**Marc-André Blanchard:** I have told you and informed you that there's a team of executive assistants around Mr. Carney who have been trained to ensure compliance with the ethical measures that the Prime Minister has committed to follow.

[*English*]

**Michael Cooper:** There's no answer, so I take it no one screens his texts or phone calls.

Therefore, I would submit there is absolutely no assurance that Mr. Carney isn't in touch with folks from Brookfield, with which he has vast conflicts of interest, and others. You simply haven't provided any indication that anyone screens anything as far as his texts and phone calls go.

I want to ask you—

**The Chair:** You have 10 seconds.

**Michael Cooper:** Okay, I'm out of time.

**The Chair:** Mr. Turnbull, go ahead for five minutes.

[*Translation*]

I'll then give the floor to Mr. Thériault for two and a half minutes.

[*English*]

**Ryan Turnbull (Whitby, Lib.):** Mr. Blanchard, it's great to see you. I want to start by asking you a similar question to Mr. Maloney's about blind trusts.

Obviously, the Prime Minister, in order to be in a conflict of interest, must be able to make decisions to further his own private interests. The whole point of a blind trust is that he has no control over those assets. Essentially all of the assets that he has divested into that blind trust could have been liquidated and could have been reinvested somewhere else.

Do any of us really know what's held in that blind trust at this point?

**Marc-André Blanchard:** Outside of the trustee and the Ethics Commissioner, I am not aware of any other people who would know this. This is in accordance with the law and the obligations that are flowing from the ethics....

• (1725)

**Ryan Turnbull:** Okay, I appreciate that.

We've heard from the testimony, going back to Nigel Wright, that the whole point of it is that you don't know what's in there. We've heard from witnesses in this committee, like the professor from York University, who said that there was a public office holder who later found out, post holding office, that there were investment decisions that they didn't agree with and they were disappointed, but they didn't know. That's the whole point.

The other point of this is that it seems the process is blind on two sides, in a sense, because the Prime Minister himself also does not administer the ethics screen you've been describing for us. In fact, that screen is administered by you and the Clerk of the Privy Council and overseen by the Ethics Commissioner.

Is that right?

**Marc-André Blanchard:** Yes.

**Ryan Turnbull:** Essentially, every decision that the Prime Minister could make is something that you three review, or that the two administrators, the Clerk and you, review.

**Marc-André Blanchard:** Yes, by the virtue of our function, we have views over....

[*Translation*]

We see the process. We're fully aware of the process, and that's what enables us to take preventive action to ensure that the Prime Minister isn't placed in a conflict of interest.

[English]

**Ryan Turnbull:** Essentially, before making any decision, the Prime Minister is already covered and these potential conflicts have been screened out.

**Marc-André Blanchard:** Yes. This is the goal of the entire process.

**Ryan Turnbull:** This has been overseen by the Ethics Commissioner, who has been satisfied with the level of rigour of the implementation.

**Marc-André Blanchard:** Yes.

**Ryan Turnbull:** The Federal Court of Appeal has ruled that the conflict of interest screen was an appropriate measure.

**Marc-André Blanchard:** Yes.

**Ryan Turnbull:** Our Conflict of Interest Act has a very high standard, because it says not only that the Prime Minister must not or the public office-holder must not get into an actual conflict of interest but also must protect against a perceived conflict of interest.

In essence, with these two, both the blind trust and the independent administration of an ethics screen, as you've described, doesn't it make it almost impossible for the Prime Minister to be perceived of being in a conflict of interest?

**Marc-André Blanchard:** For any potential and real conflicts of interest, I agree with you.

**Ryan Turnbull:** I appreciate your testimony here today. It seems to me that this is a very rigorous process.

You said at the very beginning in your opening remarks that this was the most rigorous process that you've seen in your career. You were Canada's representative to the United Nations, you were the executive VP in charge of global division at CDPQ, and you were chairman and CO of one of the largest law firms in the country, and you're telling us that this is the most rigorous that you've seen.

**Marc-André Blanchard:** The reason I say that is the number of people and how pervasive it is in the system in the bureaucracy on the political side that so many people are aware of it, are sensitive to it and are raising flags at the right time. This is really what the rigour of this system is.

**Ryan Turnbull:** In my past, many moons ago, I worked in medical research ethics for a while. The highest standard in medical research ethics is something called a double-blind research trial.

This seems, to me, to apply to this moment, because there's essentially a double-blind here. On the one hand, the Prime Minister does not control the ethics screen and, on the other hand, he's not in control of the assets that he once held.

**Marc-André Blanchard:** He's not aware of when we screen something. That is a very important point.

**The Chair:** Okay. Thank you.

[Translation]

Next is Mr. Thériault for two and a half minutes. After that, the Conservative Party and the Liberal Party will each have two and a half minutes.

Go ahead, Mr. Thériault.

**Luc Thériault:** Thank you, Mr. Chair.

The Conflict of Interest and Ethics Commissioner wants to introduce the concept of apparent conflict of interest into the Conflict of Interest Act. I know you didn't want to get into that line of reasoning earlier, at the beginning of our discussion. However, I would posit that situations like the ones we have with the Prime Minister would be subject to more effective oversight or much more proactive measures than is currently the case.

In addition, as I continue to reflect on the highest degree of excellence and transparency for a prime minister, I'd like to give you the example of Paul Martin, who set up the Gomery commission regarding the Liberal sponsorship scandal. He seemed to have much higher standards than Mark Carney: When he was minister, he kept his boat company, but when he became prime minister, he sold it.

This goes back to my first question, which was also the first question I asked Mr. Sabia yesterday: Wouldn't your life be simpler if Mr. Carney had been as exemplary as Mr. Martin?

• (1730)

**Marc-André Blanchard:** I think Mark Carney is behaving in an exemplary way, since he divested his assets and put them in a blind trust.

**Luc Thériault:** It's a blind trust, but it's important to consider the scope of Bill C-5, which was passed under a gag order. In that context, someone who puts their assets in a blind trust doesn't know how much their wealth will increase, but they know for certain—especially if they're a businessman in the world of finance—that their wealth is increasing.

**Marc-André Blanchard:** I disagree with you on that, in the sense that the Prime Minister divested his assets, put them in a blind trust, then agreed with the Ethics Commissioner on an ethics wall that—

**Luc Thériault:** It's a screen; it's not a wall.

**Marc-André Blanchard:** He agreed to an ethics screen—which is a wall, in my opinion—that affects the list of companies mentioned in schedule A. As we've seen, a rigorous process is in place to ensure that this is implemented. I think that what Mr. Carney has agreed to do meets the highest standards.

**Luc Thériault:** It's a rigorous process, but it isn't without its flaws.

Will you ask Mr. Carney to recuse himself from the vote on Bill C-15?

**The Chair:** Please give a brief answer.

**Marc-André Blanchard:** The screen actually doesn't apply during the vote on Bill C-15. It's just at the level of [Inaudible—Editor].

**Luc Thériault:** Review your tool, sir.

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

[English]

Mr. Barrett, you have two and a half minutes. Go ahead.

**Michael Barrett:** With time for a response, I assure you.

My question at the end of my last intervention, was with respect to improving on the act as it exists now, improving the confidence that Canadians are able to have and simplifying it, if I may, by having prime ministers sell all of their controlled assets before they take any decisions.

The challenge that we see in this specific instance is that there are things that the trustee cannot trade away, like the carried interest that the Prime Minister is entitled to based on the performance of some of the Brookfield assets that were placed in the blind trust. Even if you set aside what the Ethics Commissioner said—that oftentimes there is very little churn in these trusts and that some things will simply be managed but not traded—do you think that...?

I understand that you said that you like the system and believe that the current system is effective. I appreciate that.

Do you think it would be an improvement on the current system to have prime ministers sell their controlled assets before they take decisions?

**Marc-André Blanchard:** Actually, I believe that, at the moment, this requirement that they divest from their assets and put them into a blind trust is a divestiture in itself. The Prime Minister has no knowledge of what has happened. At this time, he has no knowledge of what has happened to the assets that he divested himself from and put in the blind trust.

**Michael Barrett:** We have just about 30 seconds left.

There are things that are in the trust or future payments that the Prime Minister is likely entitled to—this carried interest that I mentioned, for example—so that benefit still exists, and that isn't resolved by the blind trust.

Again, my question is this: Wouldn't this be an improvement up on the system that we have?

[*Translation*]

**Marc-André Blanchard:** In that context, first, I'm not aware of what's in the blind trust. Even going off the premise of your question, we find ourselves in a situation where the Prime Minister has in fact divested himself from his assets. His assets were put in a blind trust. That system is recognized around the world as a good system for managing these kinds of situations that involve elected officials and ensuring that they meet their ethical and conflict-of-interest obligations.

• (1735)

**The Chair:** Thank you.

[*English*]

**Michael Barrett:** Thank you for your response.

**The Chair:** Ms. Church, you have two and a half minutes.

**Leslie Church:** Thank you, Mr. Chair.

Mr. Blanchard, one of the purposes of the act that is explicitly outlined is to encourage experienced and competent persons to seek and accept public office and to facilitate interchange between the private and public sector. It's in the very heart, the very purpose of the Conflict of Interest Act and the regime.

We heard from Mr. Sabia yesterday, too, that this is important from his perspective, not only for MPs and elected officials, but also for recruiting to non-partisan public service roles as well, at the highest levels.

In your vast experience across the private and now public sector, do you see this as an important purpose of the act? How does it contribute to being able to encourage people from diverse backgrounds and from private sector backgrounds to step up and undertake public service?

**Marc-André Blanchard:** I think it's a very good question.

If I may, being someone who believes that the public service is the highest form of service we can do—and I deeply believe that—I congratulate and thank every member around the table for doing this. It's a tough job. It's demanding, but it's so important, and I think it's going to become more important.

The situation we're going through at the moment is historical and it's unprecedented, like the Clerk said yesterday, since World War II, but important decisions need to be made. More and more, decisions involve the necessity to have the public service and the public sector work with the private sector and all stakeholders to make sure we can make things happen and we can deliver.

The biggest issue to me, in my mind, for our institutions is our ability to deliver what the citizens need in this environment. It's about delivering services to citizens. The biggest threat to our institutions is the perceived inability to deliver for citizens. This is where, whatever you conclude, Mr. Chair, in the work of this committee, I think you have to make sure we encourage the interchangeability and that actually happens more rather than less.

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

Thank you, Ms. Church.

Mr. Blanchard, on behalf of the committee, I want to say thank you for your time today. I know we had to work out the schedule, but we did.

I also want to thank the clerk as well. I know, Nancy, that putting this meeting together was difficult. I appreciate all the effort you did to get the technicians and everyone in place.

I have no other business.

This meeting is adjourned.





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