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Chair

Mr. Dan Ruimy

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• (1535)

[*English*]

The Chair (Mr. Dan Ruimy (Pitt Meadows—Maple Ridge, Lib.)): Good afternoon, everybody. We have a long session ahead of us, so we're going to start on time.

Welcome, everybody, to meeting number eight of the Standing Committee on Industry, Science and Technology.

First, I'd like to thank everybody for coming today. Today, we have several witnesses to welcome to our committee, along with a number of people in our gallery all the way to you guys in the back and Canadians who are watching live from home on their TV sets.

I would like to welcome the Hon. Bardish Chagger, Minister of Small Business and Tourism; the Hon. Kirsty Duncan, Minister of Science; and the Hon. Navdeep Bains, Minister of Innovation, Science and Economic Development.

Along with the ministers, we have several senior public servants, officials from each department. I'd like to welcome you all for appearing before the industry committee. I'd also like to thank everybody working behind the scenes as well who have helped get all three ministers here today.

The mandate of our committee is vast and covers all three of your portfolios. We're thrilled that logistically it worked out so that we could meet you all at the same time. In fact, three ministers for three hours may be a committee record.

As a committee, we understand that a question may not pertain to just one ministry. Please feel free to ask any of the ministers questions, or the ministers can have other ministers answer those questions too, if it crosses over. We have a lot to accomplish today. There will be a lot of great discussion and perhaps some tough questions asked today, but I expect that we can do so respectfully. Everyone is eager to learn what the goals and priorities of each of our ministers are within the mandates that have been given to them by the Prime Minister.

I know we're all eager to ask a lot of questions, so I will keep this brief and I will explain how we're going to do this. We're going to start off with the ministers. Each minister will have 10 minutes. At the end of all three ministers, we will begin our line of questioning and will go from there.

Go ahead. Who will go first?

Hon. Navdeep Bains (Minister of Innovation, Science and Economic Development): I'll start, if that's okay with the chair.

The Chair: Thank you, Minister Bains.

Hon. Navdeep Bains: Thank you very much, Mr. Chairman.

I really am pleased to be here in front of such esteemed colleagues and committee members. I truly do appreciate the opportunity to speak about my mandate letter, as you mentioned, and of course, about budget 2016 and the main estimates.

I'd like to take this opportunity to also acknowledge my colleagues here with me this afternoon: Minister Chagger, responsible for small business and tourism; and Minister Duncan, who is responsible for science; and of course my deputy minister John Knuble and my associate deputy minister Kelly Gillis.

[*Translation*]

Mr. Chair, I am here today as Canada's first Minister of Innovation, Science and Economic Development. As you know, this is a department that over the years has had different names, most recently Industry Canada. The new name underscores that innovation and scientific discovery are key drivers of economic growth across Canada.

[*English*]

Our new name is also a clear signal of this government's recognition that the global economy is changing and changing fast. The speed and scope is absolutely phenomenal. Thankfully, Minister Duncan is helping shoulder a great deal of responsibility for making sure science has a strong place in the business of government; and Minister Chagger is working to stimulate economic development for small businesses across the economy and particularly in the tourism sector, where we're seeing tremendous growth opportunities. Of course, all of us do this with a keen eye on encouraging innovation across the economy, Mr. Chair.

[*Translation*]

Since being appointed last November, I have had an opportunity to engage my colleagues as we tackle our mandate and work to deliver on our priorities. For the first time in Canadian history, our mandate letters were made public. Our government is about openness and transparency; about performance and results. We are focused on outcomes.

[*English*]

Immediate action was taken to address many items in my mandate letter, including my announcement on the first official day.

I must confess, Chair, that this was a point of pride. The first official government announcement was to reinstate the mandatory long-form census, coupled with ongoing work to update legislation governing Statistics Canada whereby we're reinforcing the institution's independence.

I must say I've been quite impressed with the breadth and talent within the portfolio, including that in our department, the regional development agencies, and regional offices. As minister, I've had the opportunity to travel the country and visit our public service. I want to take this opportunity to thank them for their hard work and to say how much we value their input.

When the Prime Minister decided to bring together all the regional development agencies under one portfolio, it made a lot of sense to me. I strongly believe that effective collaboration is one of the best ways to drive innovation. I happily accepted the responsibility of representing our RDAs at the cabinet table. Every year they invest close to \$1 billion in communities across the country, helping to develop and diversify our economy.

As you know, this is a new portfolio with a new name, and we're building on a solid foundation. It's clear to me that Canada is well positioned for success. We have world-leading research institutions, we have the most creative and innovative entrepreneurs, and we have businesses and incubators and accelerators that transform breakthroughs in the laboratory into products that enhance the lives of millions of Canadians. We make R and D investments for the development of leading-edge technologies, including in the most traditional Industry Canada sectors, which continue to make a vital and an important contribution to our economy in sectors such as automotive—I know Brian will be happy to hear that and I support it—aerospace, and defence.

Another important initiative that we are supporting is the promotion of a stronger engagement in the digital economy, including by continuing to expand and improve broadband Internet access across the country, and by providing computers for schools and not-for-profit organizations to better teach digital literacy.

We understand the importance of science, technology, engineering, and mathematics, or STEM. As a father of two young girls, I must say we must encourage more participation of more young women when it comes to STEM.

In terms of making investments, this is very key in budget 2016.

• (1540)

[*Translation*]

Ours is a forward-looking government. We know there is far more to do, as the Minister of Finance made clear on March 22 in our first budget.

We are taking a positive and optimistic approach to our future. That is why, in my first months on the job, I reached out to hundreds of CEOs from both small and large companies and in a variety of sectors. Fundamentally, they are looking for government to invest in people, in infrastructure and in innovation. And the response I received from them was very positive.

[*English*]

As I have told the CEOs, my number one priority is to build Canada as a centre of global innovation that is renowned for its science, technology, creativity, entrepreneurial citizens, and globally competitive companies. It's all part of our department's mandate.

I want to emphasize the word “our” because this truly is a team effort, and it's strongly reflected in the budget. The title of the budget 2016, Mr. Chair, as you know, is “Growing the Middle Class”. It is clear recognition that for Canada to succeed, our middle class needs to succeed and that we as a government can and must do more, not simply for those people in the middle class but for those who want to join the middle class as well.

For our part we're defining a bold new plan to help achieve that goal, our innovation agenda. Through this plan we will redefine how we support innovation and growth in the economy and this will be undertaken in collaboration and coordination with the private sector; the provinces, territories, and municipalities; as well as universities, colleges, and the not-for-profit sector, civil society. It truly will be a holistic approach.

I think most important for today's discussion is that we're looking forward to working with the members of this committee, which has a long history, a tradition of providing intelligent and insightful analysis on some of the most pressing issues that face our economy.

I note with great interest, Mr. Chair, that the committee will soon undertake—as you mentioned earlier today to me—a study of Canada's evolving manufacturing sector. As one of the largest investors in R and D annually in Canada, this is a sector that understands the importance of innovation and technology for its continued success into the future. What's more, manufacturing today is not what it was 30 years ago. New entrepreneurs, new approaches, and new markets—in other words, innovation—has reshaped the sector. I look forward to seeing the results from your work.

Beyond the manufacturing sector, Mr. Chair, I'd like to take some time to talk about how the government is taking action through the budget to help realize this vision of Canada as an innovation nation. For example, we are providing a \$2-billion commitment to enhance and modernize research and commercialization facilities on Canadian campuses.

Minister Duncan can also tell you that we are providing the highest amount of new annual funding for discovery research in more than a decade, through an additional \$95 million per year to the granting councils. This recognizes the fundamental role of investigator-led discovery research in an innovative society.

What's more, to promote clean technology and climate change adaptation we're providing over \$1 billion to encourage investment in clean tech in the forestry, fishery, mining, energy, and agriculture sectors. Clean technology is key to sustainable economic growth and will play a critical role in Canada's transformation into a low-carbon, globally competitive economy. By supporting clean tech, we're seeking to reduce the environmental impacts of energy production in a way that will create jobs and leave future generations of Canadians with a sustainable and prosperous future.

To bring new forms of these technologies to market faster we're investing \$50 million to support an organization new to the ISED portfolio, and that's Sustainable Development Technology Canada and its new SD tech fund. Specifically the money will go toward developing and demonstrating new technologies that address climate change, air quality, clean water, and clean soil.

We will also deliver on the government's priority of increasing high-speed broadband coverage by investing \$500 million for a new program to extend and enhance broadband service in rural and remote regions across this diverse and broad country.

Of course finally in this budget we have a mandate whereby we made a downpayment on one of the signature elements of our innovation agenda, supporting firms with an ambition to grow beyond our borders, ensuring they have the resources and support they need to reach their potential. Specifically we will invest \$800 million to support innovation networks and clusters, and we will boost the highly successful industrial research assistance program, known as IRAP, by \$50 million. This was really well received by small businesses.

• (1545)

[*Translation*]

I hope that it is clear that we have an ambitious goal of enabling innovation in all ways possible. This budget is right for its time, a time to be building our economy and investing in our future.

We believe a long-term approach will improve productivity and competitiveness across our economy.

[*English*]

I firmly believe that innovation is the key to the kind of sustainable and inclusive growth that we need to thrive in the global economy. That is why you see it at the core of our mandate and at the heart of everything we're doing across this portfolio. Ours is an ambitious set of goals, but I have every confidence in the capacity, ability, and talent of Canadians to work together to achieve them.

Again, Mr. Chair, thank you very much.

I'd like to thank the committee members for your time, and I'd like to thank my honourable colleagues, Ministers Duncan and Chagger, who will now say a few words.

I'd be happy to answer any questions following their remarks. Thank you very much.

The Chair: Thank you very much, Minister Bains.

We will move to Minister Duncan.

Hon. Kirsty Duncan (Minister of Science): Thank you very much, Mr. Chair.

I'd like to thank the committee for having us. It's an honour and privilege to be appearing today. Like my colleague Minister Bains, I'm really looking forward to working with you all.

Before I start, I'd like to acknowledge my colleagues Minister Bains and Minister Chagger, as well as John Knubley and Kelly Gillis, with whom we have the privilege of working.

[*Translation*]

I appreciate the opportunity to speak today on the occasion of the tabling of the main estimates.

[*English*]

Mr. Chair, I am part of a government, and part of a team within Innovation, Science and Economic Development Canada, that believes in science. We know that science and empirical evidence must inform government decision-making.

It is not common for a team to open its playbook to the public, Mr. Chair, but that is just what we did in sharing our mandate letters. We want to change the tone of how we communicate and interact with Canadians by being more open and transparent. Of course, there's no better example of openness than our immediate action to allow federal researchers and scientists to discuss their work. As Minister Bains said, our first announcement was to reinstate the long-form census, and the next announcement was to allow our federal scientists to speak freely.

[*Translation*]

But there is so much more to our commitment to science. Just take, for example, Budget 2016.

[*English*]

Budget 2016 invests up to \$2 billion to improve our research and innovation infrastructure at colleges, universities, and polytechnics. There's an additional \$95 million per year to the granting councils to support discovery research. I'm proud to say that this is the highest amount of new annual funding for this purpose in over a decade.

To ensure that federal support for research, including through the granting councils, is strategic and effective, budget 2016 announces that I will undertake a comprehensive review of all elements of federal support for fundamental science over the coming year. The review will ensure that the full spectrum of research, from basic to applied, is balanced and is fully supported. Our goal is to ensure that investments in science are strategic, effective, meet the needs of Canada, and meet the needs of our research community.

We will also be establishing a new chief science officer position. This position will be key to ensuring that scientific analyses are considered when the government makes decisions and that the work of government scientists is openly communicated. This is a top priority of mine. I have conducted significant consultations within the research community, sought views from all members of Parliament, and examined best practices. I will be providing advice to the Prime Minister, and hope to be launching a search for the chief science officer within the next few months.

Mr. Chair, as per budget 2016, I will also work with Minister Bains to establish two new Canada excellence research chairs in clean and sustainable technologies. To ensure that youth pursue careers in STEM, in science, technology, engineering and math, the budget commits \$73 million to help employers create more co-op placements for students in these important areas.

You will also see us focusing on encouraging the participation of under-represented populations, including women and indigenous peoples.

In budget 2016, we also committed to supporting Canadian leadership in genomics by investing \$237 million for genomics research and applications through Genome Canada. From space and brain science to clean technology, stem cell, and climate change research, and so much more, we are delivering on our mandate and supporting a real innovation culture in this country.

● (1550)

[Translation]

The Prime Minister made a commitment to Canadians to pursue our policy agenda in a renewed sense of collaboration.

[English]

This will involve a large degree of teamwork and partnerships. We will work with other members of the cabinet, with provinces and territories, with foreign governments and international forums, and of course, with Canada's excellent universities, colleges, polytechnics, and non-profit research organizations.

Science plays a central role in a thriving, clean economy and in providing evidence for sound policy decisions. To be successful in a highly competitive global economy, Canada must continue to attract and development highly qualified, talented people performing world-leading research and generating new breakthrough ideas.

[Translation]

We believe that Budget 2016 represents a great step forward in achieving these goals.

[English]

To my colleagues here, again, I thank you for having us and I look forward to your questions.

The Chair: Thank you very much.

Finally, we will move to Minister Chagger.

Hon. Bardish Chagger (Minister of Small Business and Tourism): Thank you, Mr. Chair, and members of the committee for inviting me to speak with you today. It is indeed a privilege to be

here. It's great to be here with my colleagues as well at the same table.

I just want to take a quick moment to recognize the same people that my colleagues have also recognized, as well as the teams that we come with. Any good work is done because of all the work that we do and the teams that help us do that work, so I sincerely appreciate all the efforts.

I'm pleased to be part of an ambitious team here today to discuss the government's commitment to innovation, science, and economic development. My goal, as our country's first full Minister of Small Business and Tourism, is to work with my cabinet colleagues to foster a climate of success for small businesses and engage directly with our Canadian entrepreneurs and tourism operators.

To that end, in the fewer than six months since being sworn in I have already met with close to 250 stakeholders, entrepreneurs, and small business owners. Whether it's one on one or a great discussion around a table, their stories are inspiring and help our government deliver on what they need.

[Translation]

I am pleased to be part of an ambitious team here today to discuss the government's commitment to innovation, science and economic development.

My goal is our country's first full minister of small business and tourism is to work with my cabinet colleagues to foster a climate of success for small businesses across this country.

[English]

Budget 2016 sets us on a path to reshape the Canadian economy for the 21st century. This is a budget for the middle class, and that means it is also a budget for small business. If you own a small business, you work for your money, and especially if you are starting out, what money you have often goes right back into your business, not to mention the time, effort, and personal sacrifices small business owners make trying to grow and expand. When small businesses grow, they hire more people from their communities. Ninety per cent of all Canadians working in the private sector are working at a small or medium-sized business. SMEs account for about 40% of the GDP. They are the backbone of our economy.

● (1555)

[Translation]

Budget 2016 sets us on a path to reshape the Canadian economy for the 21st century.

This is a budget for the middle class. And that means it is also a budget for small business. Entrepreneurs work hard for their money and, especially if they are starting out, what money they have often goes right back into the business.

Not to mention the time, effort and personal sacrifices small business owners make trying to grow and expand.

When small businesses grow, they hire more people from their communities. Ninety per cent of all Canadians employed in the private sector work in small or medium-sized businesses. SMEs account for about 40% of GDP. They are the backbone of our economy.

[English]

When small businesses succeed, middle-class Canadians succeed, and that's what our economy needs.

We are boosting funding to the industrial research assistance program, which helps SMEs access technical advice and research and development project financing. As my colleague said, it has been very well received.

The budget also proposes to help business accelerators and incubators develop much needed research into performance. This information is not only crucial in helping these institutions benchmark their success and drive improvement, it also helps companies to choose their best options for support and government at all levels to increase the effectiveness of public investments.

With research, knowledge, and innovation, SMEs are well equipped for the next crucial steps in growing their businesses: exporting to global markets. This is a task our government is committed to making easier by working closely with our international partners to open new markets, and with the tools such as CanExport, which we launched earlier this year, a program that helps small businesses research global markets and find buyers for their products and services.

In line with the innovation agenda's goal, budget 2016 proposes a new initiative to help high-impact firms scale up and further their global competitiveness. With entrepreneurs and small businesses at the centre of this approach, firms will be able to access coordinated services tailored to their needs at each of the crucial steps of research, development, production, and expansion.

[Translation]

With research, knowledge and innovation, SMEs will be well-equipped for the next crucial step in growing your business: exporting to global markets.

Our government is committed to making this task easier by working closely with our international partners to open new markets and providing tools such as CanExport, which we launched earlier this year.

[English]

Mr. Chair, the second but no less important part of my title is tourism. The tourism industry is an important economic driver for Canada. It is a \$90-billion industry sector.

Last year was an outstanding year for Canada's tourism sector. In 2015, overnight arrivals to Canada grew by 7.5% to 17.8 million, compared to that same period in 2014. If we consider that all international tourist arrivals globally grew by 4.4% in 2015, Canada is outpacing global growth. This is a tremendous accomplishment.

Canada needs to build on this momentum over the next year as we move toward our country's 150th birthday celebrations in 2017. This is an opportunity to showcase what Canada has to offer so tourists don't just visit, they keep coming back. It is an opportunity our government is seizing.

[Translation]

Last year was an outstanding year for Canada's tourism industry. In 2015, overnight arrivals to Canada reached 17.8 million. That's a 7.5% increase compared to 2014. If we consider that international tourist arrivals globally grew by 4.4% in 2015, Canada is outpacing global growth. This is a tremendous accomplishment. Canada needs to build on this momentum over the next year as we move forward towards our country's 150th birthday celebrations in 2017. This is an opportunity to showcase what Canada has to offer so that tourists do not just visit, they keep coming back. It is an opportunity our government is seizing.

•(1600)

[English]

Destination Canada continues to work with partners to enhance Canada's marketing in the U.S. It will also carry on its efforts in other international markets including China, the U.K., France, and Germany. What's more, the budget provides \$50 million to Destination Canada to bolster marketing initiatives in important international markets around the world. Global travellers want to explore, live a life less ordinary, and leave their cares behind. That's what Canada has to offer and that's what will keep them coming back long after 2017.

Mr. Chair, let me join Ministers Bains and Duncan in again thanking the committee for this opportunity.

We welcome questions at this time.

The Chair: Thank you very much to all three ministers.

I must apologize; in my haste to get right to the heart of it, I did not introduce our other two guests at the table. They are Deputy Minister Knuble and Associate Deputy Minister Gillis.

My apologies.

We will go straight into questions, beginning with Mr. Jowhari for seven minutes.

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

Minister Duncan, Minister Bains, Minister Chagger, deputy minister, and assistant deputy minister, thank you for making the time today. We are privileged to have you joining the committee and sharing your thoughts with us.

At the outset, I'd like to thank Minister Chagger for making a special visit to my riding, the riding of Richmond Hill. We had the opportunity to be able to showcase some of the capabilities we have in being able to help with the innovation and growth agenda. I would also like to invite the other two ministers to join us, because we would be able to showcase that we have the building blocks to be an active participant in the growth of research development and innovation, and the growth of the economy.

I would like to also thank the Prime Minister for sharing your mandate letters with us, which gave us the vision and the general direction that your ministries will be taking, along with the sense of collaboration among many different departments.

On that note, I would like to start with you, Minister Duncan, and ask two questions. One is on the sense of the priorities, which I'll touch on shortly. The other one is about one of the things I understand we share a passion for, stem cell research, as well as the collaboration between the ministries.

Let's start with the first question. You touched on the office of chief science officer. Can you give us an update, aside from your starting to recruit for this position, and perhaps give us the findings from all the consultations you did? I know you reached out to all the MPs' offices to ask for some feedback.

The second question is specifically around stem cells. Can you expand on the scope of stem cells and how you are collaborating with other ministries, specifically the Minister of Health, to be able to promote that across Canada?

Thank you.

Hon. Kirsty Duncan: I'd like to thank my honourable colleague for the question.

I'll start by talking about the chief science officer. You're correct that as part of my mandate letter I am to create this position. Over the last several months I have met with hundreds of stakeholders, and have been busy travelling the country. We also reached out to chief science advisers and chief science officers in other countries to get ideas of best practices—for example, in Australia, New Zealand, the United Kingdom, the U.S., and Israel. Our officials spoke to officials in other countries, and I spoke minister to minister. We wanted to see what was being done overseas that we might be able to incorporate.

We also did a large consultation with stakeholders across the country, with all our major stakeholders. What should a chief science officer position look like? What tasks should they undertake? What tasks should be undertaken first, and how should they engage with the research community? As you pointed out, I also reached out to all parliamentarians. I've been here for seven years, and I've never seen that.

We really wanted to get a broad consultation, and I'm pleased to see that those consultations are now complete. We're at the analysis stage—a term I don't use lightly. We are, after all, a ministry of science, so we're doing a real analysis. I hope to be starting a search in the coming months.

You also asked about stem cells.

For the committee, stem cells were really Canada's science. The breakthrough discovery occurred here in Canada in the 1960s by Drs. Till and McCulloch. Canada has led in this area. In the seventies and eighties they trained people who became international leaders. In 2001 these researchers came together to create the stem cell network, with 225 researchers and \$80 million. I'm pleased to say that in budget 2016, there's \$12 million for the stem cell network.

I think my colleague Minister Bains would probably like to talk a bit about stem cells, but I briefly want to say that there's so much promise. The reason the stem cell network is so important is that they are now ready to go to clinical trials. I know that for some people, stem cells are concerning. But people need to understand that today a skin cell can become a stem cell and possibly treat 75 conditions—that's the promise—from cancer to heart disease to immune disorders.

We do share, you and I both, a strong interest to support that research and hopefully one day to deliver on the promise of stem cells.

•(1605)

Mr. Majid Jowhari: Do I have time?

Can we go back to the CSO? Based on that study, if one thing stood out that you learned from all this consultation, what would that one thing be?

Hon. Kirsty Duncan: I'd like to thank you for the question. I was really pleased. We received results from 74 different groups, which is very big, and as I said, we're at the analysis stage right now. As a good scientist, I can't preclude those results.

Mr. Majid Jowhari: Fair enough. Thank you.

The Chair: Thank you very much.

We are going to move over to Mr. Nuttall. You have seven minutes.

Mr. Alexander Nuttall (Barrie—Springwater—Oro-Medonte, CPC): Thank you, Mr. Chair.

Thank you to Minister Chagger, Minister Bains, and Minister Duncan for coming today and spending the time with us. I know your schedules are incredibly busy, and it is an honour to have you at committee with us. We certainly do appreciate that. Thank you for the work that you're doing and the dedication to your country, to your government, and to this House. It is very noble and we certainly do appreciate it.

As well, to the deputy ministers, thank you so much for being with us today.

I would like to ask some questions to Minister Bains. I'm going to read a quick section from your mandate letter, if that's okay with you.

As Minister, you will be held accountable for our commitment to bring a different style of leadership to government. This will include: close collaboration with your colleagues; meaningful engagement with Opposition Members of Parliament, Parliamentary Committees and the public service....

It continues on.

Minister, in your mind, does “close collaboration” mean that you would value the input of members of the opposition to help inform your decisions for the best interests of all Canadians?

Hon. Navdeep Bains: Thank you very much for the question, and I want to thank you again for your lively engagement in question period. I can see you're very actively engaged in that very fine House.

You're absolutely right. This is actually unprecedented, and it really speaks to the Prime Minister's desire to be open and transparent. We have three ministers here before the committee for three hours, and that clearly demonstrates the fact that we're looking forward to the opportunity not only to listen to viewpoints of members of the opposition, but to listen to members of all political parties and to have an opportunity to really get your input and insight.

Obviously, input is important, but government is about making decisions. The goal for us is this. We articulated what those decisions were in the budget. We laid out what our priorities were. We determined what that was, so the whole idea is that we value feedback very much, and we look forward to the opportunity to work with all parliamentarians.

• (1610)

Mr. Alexander Nuttall: Thank you, Mr. Minister, so that answer I would take as a yes.

Do you value the input of the parliamentary committees?

Hon. Navdeep Bains: I'm glad you asked that question because I am confident I mentioned that in my opening remarks. I do very much value the input not only of parliamentary committees but of all key stakeholders. I've had the opportunity to go out there and engage with industry, from small businesses to large businesses across the country, in different sectors. I've had the opportunity even to engage civil society because we all want to play an important role in growing a strong and robust economy that creates jobs and helps the middle class. I've had the opportunity actually to work very closely with my provincial counterparts and municipal counterparts, so it's something that I think is very consistent with the DNA of this government.

Mr. Alexander Nuttall: Thank you. Then I assume that you would also value the input of this committee in regard to the Bombardier bailout request?

Hon. Navdeep Bains: Any kind of feedback.... I must confess there have been many articles written. Many people have written to me independently. Many people have pulled me aside in the House to provide me with their input. I must confess I receive a lot of feedback from a lot of people, and I have an open-door policy, sir.

Mr. Alexander Nuttall: Thank you, Mr. Minister, for your responses. It's encouraging, to say the least. I have enjoyed both seeing you in the hallways and being able to chat quickly on policy, but also seeing all of the articles written.

This committee has on a number of occasions now voted against holding any investigation, any report, any helpful opinion to the minister with regard to meeting with Bombardier, meeting with others who could provide assistance, and in that light, and since the minister has said that it is welcome, it is requested, it is accepted, I

would like to move the following motion: that the Standing Committee on Industry, Science, and Economic Development of the House of Commons invite representatives from Bombardier Inc. to speak with the committee about their current financial status and the request for funding from the Government of Canada at their earliest convenience.

Seeing that we obviously have all-party support for such a study to take place, I assume we can move quickly on this, get all-party support, and move on.

The Chair: I'm sorry, one second. Mr. Nuttall, are you giving a notice of motion?

Mr. Alexander Nuttall: Notice is not required, Mr. Chair, as I understand it because the matter is being discussed currently. The estimates allow for us to ask any questions and conduct any business related to the portfolios that are before us.

The Chair: Mr. Nuttall, as per the clerk, that is a substantive motion and therefore notice is required.

Mr. Alexander Nuttall: Mr. Chair, thank you.

I will go with your ruling and consider it notice three times. I would also like to go on the record and say that it's another example of this being blocked from a study taking place, and hopefully the minister will encourage his colleagues to conduct the business that the electors, the citizens of Canada, have asked us to conduct and also to ensure that all dollars in a potentially \$1.3-billion bailout are allocated effectively.

Mr. Bains, if I could continue on a separate line of questioning, on February 1 of this year you said that you have a plan. On February 3 you said you have a plan, and again on February 18, 23, and 25. Every time you said you have a plan to grow the economy, sometimes in regard directly to manufacturing and other times in regard to economic development as a whole. On March 7 and 8 you also said you had a plan, but in the budget it says through 2016-17 the government will define a bold new plan. On March 22 your budget document basically said your plan is to make a plan.

It seems like the plan you were talking about before the budget was a plan to make a plan to make a plan.

If I may, minister, what is your plan specifically, not talking points, and not answers from the House of Commons. What is your plan? Please tell me it's more than a plan to make a plan.

• (1615)

The Chair: We're well beyond the time, but I will give you a few seconds if you'd like to answer directly.

Hon. Navdeep Bains: Sure. I have two observations, if I may share. One is with respect to the motion regarding Bombardier. I want to make it clear that the committee is independent, and they control their own destiny. I think it is important that you guys work among yourselves to determine the path forward.

I know the committee is focusing on manufacturing and that covers many sectors. I suspect it will cover the aerospace sector as well. I look forward to the opportunity to get feedback on that matter.

With respect to the initiatives that we put forward in our budget, we've been very clear that we're making sound investments in different sectors to grow the economy and to focus on manufacturing. One area that we definitely highlighted, Mr. Chair, and I'll be very brief because I know we're tight for time, is the automotive sector.

We enhanced and expanded the automotive innovation fund for the next three years. This is a \$500-million commitment. We've also changed the profile to make sure the funds are more accessible to allow for greater investment, which is good for the economy and which is good for job creation. This was well received by many in the manufacturing sector and the automotive sector. This is a clear illustration of us taking action.

The Chair: Thank you very much.

Now we will go to Mr. Masse, and you have seven minutes.

Mr. Brian Masse (Windsor West, NDP): Thank you, Mr. Chair, and thank you for appearing before committee, ministers. It is a precedent and that's good; industry seems to set those precedents.

I will continue with the automotive. I understand there has been the continuation of funding and the plan has changed a little. My concern is that the fund still is greatly insufficient compared to other countries. In Canada, including with trade agreements, we've gone from number two in auto manufacturing in the world to number 10 over successive governments.

Where we're at now is what's really important. My concern is the lack of competitiveness that we have with our trade agreements related to other countries, when you look at what's happening in Mexico and also in the southern U.S. But I guess I'll finish with this so we don't get into arguments over numbers, because that's not helpful at this moment: what we have is what we have.

There's a commitment to continue to rehabilitate and get CAPC going, the Canadian Automotive Partnership Council. In earlier days when I had less grey hair, Minister Rock, at that time, included not only the CAPC, those that are applying for direct funding, but also the unions, the parts suppliers, the innovators, the third-party repair industry, and a series of others. We created at that time a red light being not good; a caution light meaning we needed to work on those; and a green light being things that were working. One of them at the time was the caution light for transportation being the Windsor-Detroit bridge, which was necessary and is now being built.

I'll conclude with this to let you answer. Do you have a commitment to reinstate that and provide that, especially given that we have comprehensive funds? They're not sufficient in my opinion but they might be for others. We still have to have the discourse and also a business plan moving forward as opposed to what we've been doing now, which is a Hail Mary pass at the last minute to see if we can get something done.

Hon. Navdeep Bains: Thank you very much.

Chair, through you, I want to take this opportunity to acknowledge Brian's advocacy and hard work when it comes to the Windsor region. I very much understand your concerns around the corridor between Windsor and Detroit.

But specifically around CAPC, if I may, I've had an opportunity to meet with members of CAPC. This was during my visit to the Detroit auto show where I met with global executives and OEM heads to speak to them directly about investment opportunities. I think the key part is this. How do we brand Canada? How do we create opportunities? How do we demonstrate that we're serious about investment in the automotive sector? And we are.

I think the point I made earlier is very relevant, because not only do we extend the automotive innovation fund by an additional three years. The profile change sends a clear signal that we were very serious about making sure that we wanted to be part of the production cycle for these OEMs going forward. Not only the OEMs, Minister Chagger and I had the opportunity in Kitchener a few days ago to make that investment in the automotive supplier innovation fund, and there were multiple companies from Windsor that received funding.

Again, the idea is to say, five years from now where is the industry going to be and where do we want to be? Because when I went to Detroit, it wasn't necessarily horsepower. It wasn't necessarily about how big the vehicle was. It was about software and it was about technology and it was the autonomous vehicle.

Rapid change is taking place in the industry, and we want to make sure that we're at the head of that game. We want to make sure of Canada's position as an innovation hub, so we're working very closely with the OEMs to say we're serious about it. One example is GM. I met with Mary Barra, the chair of GM, and we made it very clear that this is an area we have leadership in and we want to make investments in.

It's very important, because it's not simply about the OEMs, but it's the supplier base. If you look at the footprint in Canada, we have 700 suppliers that feed into the OEM. Then above and beyond that, we've created unique partnerships with universities and colleges, 40 of them, that do research directly with the sector.

We have this comparative and competitive advantage and it's focused around innovation. This is a priority for us and that's why the automotive innovation fund and the automotive supplier innovation fund are two really good tools that we're going to utilize. We're not simply announcing them. We want to make sure those funds are available for industry.

● (1620)

Mr. Brian Masse: I appreciate that, and I just hope that CAPC becomes a working group activist spot like we used to have. We hope you consider that.

I would like to move on to one of the programs. Your co-minister responded to a question I had in the House of Commons related to Auto21. It's being sunsetted after 15 years. We had testimony before committee just this week about the success of the program. Auto21 has done everything from improving baby seats to working with the police in Winnipeg, and it has lowered stolen vehicles by 90%. It is being sunsetted merely because of the 15-year duration of that research chair position. I'm just wondering if there's an opportunity to at least review it, because there's over \$1 billion of value-added work that they've done through patents and other types of work exiting the program. It has been the centre for many other centres. It has received around \$80 million in funding federally and it has also had \$70 million in investment from the private sector. I don't know of another 1:1 ratio like that.

I'll look forward to any comments, but also to seeing whether there could at least be a second glance at that, because an arbitrary date is closing such a good operation.

Hon. Navdeep Bains: Thank you very much, Brian, for raising that, I think your passion about Windsor and the auto sector is clearly evident. That's an initiative that we'll definitely take a look at.

If I may, I would also like to present different opportunities that are available to that region. One is the \$2-billion announcement that we made to build the infrastructure and capacity for post-secondary institutions. That's a significant investment. That's \$2 billion with the May 9 cut-off that Minister Duncan and I have talked about. That was in the budget. That's one area of opportunity.

The other is the \$800-million investment that we were talking about for creating clusters and innovation hubs, and focusing on accelerators. The whole idea with these incubators is to create models where we can bring the research and industry community together. I think Windsor can play a leadership role in that area, and this is an area where we're more than willing to work with you and the institution there. Of course, the granting councils always exist as well. We've increased the funding there by \$95 million.

Not only can we examine current program funding, but we've provided additional opportunities for that region and for the university to enable it to play a more meaningful role in looking at areas where they can really help advance the automotive agenda.

Mr. Brian Masse: Do I have any more time, Mr. Chair?

The Chair: Actually, no.

Mr. Brian Masse: Okay.

The Chair: Thank you very much.

Now we will move to Mr. Baylis. You have seven minutes.

Mr. Frank Baylis (Pierrefonds—Dollard, Lib.): Thank you.

My first question will be directed to Minister Chagger. First, I'd like to have an idea of how we define "small business". Then, could you elaborate on the steps that this budget specifically is taking to help small businesses? Could you look at areas of innovation and technology? I'd like to have an understanding of how the government sees small business and what concrete actions are in the budget to help move forward their opportunities for innovation.

Hon. Bardish Chagger: Thank you for the question. It's an excellent question.

I can start off by saying that small business is implicit throughout the entire budget. I've made the statement time and again that it's important that we recognize that middle-class Canadians are small business owners and are the people who work for them.

The commitment and investments we are making within the nation actually all help small businesses. We say they are the backbone of the economy, and this goes to prove that point. No matter who it is, everyone either knows a small business owner or knows someone who is related to a small business owner. We all have that in common.

As for what defines a small business, a small business is defined as having fewer than 100 paid employees. Medium-sized would be the next step up, having fewer than 500 paid employees.

My mandate clearly states that it's important that we help these small businesses grow through innovation and trade. We need them to be more productive. We need it to be easier for them to grow and be successful. I've said on several occasions that the success of small business is the success of the nation, and I wholeheartedly believe that.

Within the budget, there are many different places I can point to. I will start off, and Minister Bains may choose to step in as well.

The innovation agenda actually will be driving our economy forward. A healthy economy is good for small business.

If I can touch on the middle-class tax cut, the middle-class tax cut puts more money into the pockets of Canadians. One thing I hear time and again is that small businesses want to sell their products and services. How do we help make that happen? We help make it happen by allowing consumers to be strengthened. One way to do that is by allowing them to have more dollars in their pockets.

The Canada child benefit helps those same families who end up buying from local businesses. Anywhere I've had the opportunity to travel across this nation, I try to stay at a small business and I try to shop at a small business, because I know this not only helps them and their families but helps their community. It helps them create jobs within those communities. That is what will strengthen our nation.

If I can continue, not only will the historic infrastructure investment grow our nation but it will also support small businesses, because it allows us to get to work. A few weeks ago, I was in a riding and visited a market. At that market the number one complaint was that their trucks get stuck on the highway. Fresh produce can't get to their stores, they can't sell those goods, and they therefore sometimes lose the products or are not able to provide that service.

The \$500 million for broadband in rural and remote areas is a big deal. I do not believe you should not be able to do business because of where you live. We need our small and medium-sized businesses to be successful. We need all communities to be able to consider international markets. That commitment to broadband, in rural and remote areas especially, will be quite beneficial.

The industrial research assistance program has received very good news: the \$50 million in the IRAP program. It is an additional commitment, which allows us to invest into more businesses that need that support.

The \$4 million for Canadian technology accelerator initiatives will take us forward. It speaks to that innovation and commitment that we're making long term. We are not only trying to grow the economy for today but are trying to create jobs for tomorrow. That's part of it as well.

The list could go on, and I'm sure you probably have other questions, but if you'd like me to go on, I can.

Some hon. members: Oh, oh!

• (1625)

Mr. Frank Baylis: No, that's great. There's a lot there and I'm very grateful.

Do I have time to squeeze another question in here?

The Chair: You have two and a half minutes.

Mr. Frank Baylis: I have a question for Minister Duncan.

I know you've already been quite busy travelling up and down Canada, meeting with a lot of our universities, research centres, and all that.

I'd like to know whether you see particular areas of opportunity for Canada wherein we could excel.

Hon. Kirsty Duncan: I'd like to thank MP Baylis for the question. I think one of the greatest joys of this job is seeing the tremendous work that's being done in our institutions across the country. I'll highlight a few areas.

You have TRIUMF out at UBC. It had just celebrated its 40th anniversary when I was there. It was good to see the international co-operation; every person we met in that lab came from a different area.

The Perimeter Institute received \$50 million in this budget. It's one of the three most...theoretical physics institutes in the world.

We're also making major investments in clean tech and sustainable technology. Two new Canada excellence research chairs were announced in budget 2016, for clean tech and sustainable development.

But we have so many areas where our scientists excel. There's a \$237-million investment in genomics; \$32 million to the Canadian Centre for Drug Research and Development; \$20 million to Brain Canada; and then \$14 million to Mitacs. Mitacs is important because it's where academia and industry come together, those partnerships that are so important. We need that discovery research, but we have to have that continuum from the fundamental research. It is a continuum all the way to the commercialization of ideas so we can sell our products and we create jobs. It's not an either-or. It's a continuum, and we need those strong links.

• (1630)

Mr. Frank Baylis: Does Mitacs help do that?

Hon. Kirsty Duncan: Mitacs is a wonderful program. It has three programs. There's accelerate, elevate, and globalink. In budget 2016, Mitacs received \$14 million so that we could bring the best and brightest to Canada, but also to allow our students to have that international experience.

The Chair: Thank you very much.

We will now move to Ms. Gallant.

Mrs. Cheryl Gallant (Renfrew—Nipissing—Pembroke, CPC): Thank you, Mr. Chairman.

My question goes to the industry minister. I see that we no longer have a FedNor minister. We don't have separate ministers for the different development agencies. Were there no members of Parliament in your caucus from northern Ontario who could best, one on one, deal with the economic development issues in that region?

Hon. Navdeep Bains: Thank you very much for that question. I do appreciate the tone because I understand your concern.

One of the things I want to take this opportunity to highlight, and I mentioned in my opening remarks, is that this government is doing things differently. We really believe that we have a unique opportunity to bring all the regional development agencies together to really leverage them in a way that can bring about meaningful change when it comes to economic development.

As I mentioned, all the economic development agencies now have a collective portfolio of a billion dollars. We're focusing on innovation, clean tech, and scale-up, all key priorities to growing the economy. The idea is to share best practices, to leverage good will, to be able to design programs that also at a national level drive the agenda but meet the local needs.

I'm very happy to say that, when it comes to FedNor and the program we have there, we've been making meaningful investments in that region in aboriginal people, in the forestry sector, and in the mining sector. These investments are leveraging good return on investment with the private sector, with academia, and with local communities. It's really great to be able to collaborate together and to be able to leverage those government initiatives and government funds to be able to get a good return on investment, and it's creating good jobs. So far, the response has been very positive.

As I said earlier on, I have an open-door policy, so it doesn't matter where you live in the country, you can come and speak to me, my team, and my colleagues. My parliamentary secretary does a tremendous job as well in making sure we do a lot of outreach proactively. We have a tremendous team from northern Ontario who are punching above their weight, providing good input and good feedback, and making key investments for us. I'm proud to be part of that team.

I must say that economic development now has become more prominent with a portfolio that's better leveraged with innovation and science as well. I think that sends a clear signal that we have a more coordinated and collaborative approach when it comes to growing the economy and creating jobs.

Mrs. Cheryl Gallant: Well, knowing the players on the ground and allowing the FedNor minister to have the sole control over the decisions made in that portfolio has traditionally been the best way to ensure the dollars were spent in the best way possible.

The budget talks about green infrastructure and social infrastructure. In terms of the FedNor program spending, can you tell me the types of projects that will be funded through that type of infrastructure nomenclature?

Hon. Navdeep Bains: I'm glad you mention this, because with respect to FedNor and the investments we're making through infrastructure there are two different issues.

FedNor is a program that was through Industry Canada before and is still a part of ISED now, so we have monies allocated for it. It really focuses on business development, on investing in companies, and on investing in the region in different sectors—and in the community, of course, as well.

With respect to infrastructure, we have a different plan in place, a short-term and a long-term plan. We have a \$120-billion commitment that we have made over the next 10 years within our overall infrastructure envelope. In the budget we committed to \$11.9 billion: \$3.4 billion for public transit, \$3.4 billion for social, and \$5 billion for green infrastructure. The criteria are such that we're willing to partner up to 50%. We're willing to pay our fair share and make sure that we're engaged, but it's a bottom-up approach. We want the local municipalities, the local region, to really help develop priorities—

• (1635)

Mrs. Cheryl Gallant: With “green infrastructure”, what exactly is going to go up? The concern I have is that it's going to be more solar panels and wind farms, when throughout Ontario it has been shown that the highest input cost for industry and economic development is the cost of electricity. Every time a wind or solar farm goes up, eventually there's an incremental increase in the cost of electricity to consumers, both employers and residents.

I'm very concerned that this green infrastructure money is going to work backwards and hurt the people in northern Ontario, just as it's hurting the consumers of electricity across the rest of Ontario.

Hon. Navdeep Bains: To the contrary, I think the investments we're going to make are going to help stimulate growth, create jobs, help us with the low-carbon economy, and reduce the price for consumers. These investments, as I've indicated, are really a reflection of the local needs. It all depends on what local needs—

Mrs. Cheryl Gallant: Yes or no, are you putting solar and wind in this green infrastructure in northern Ontario?

Hon. Navdeep Bains: Again, it all depends on what the local needs are. It's not a top-down approach; we're not here to prescribe.

The Chair: We're way over time.

Thank you very much.

We're going to move to Mr. Arseneault.

You have five minutes.

[Translation]

Mr. René Arseneault (Madawaska—Restigouche, Lib.): Thank you, Mr. Chair.

I thank our guests, particularly the ministers, for coming to meet with us today. I know that your time is really valuable. It is an honour for us to be able to take advantage of the time you are giving us.

My first question goes to Minister Duncan.

In the innovation field, what is the difference between applied research and pure research in terms of their roles?

[English]

This relates to discovery-based science innovation.

[Translation]

Hon. Kirsty Duncan: Thank you for that question.

[English]

You've raised a really important question, and I want to be very clear to this committee. It is not either-or. You need basic and you need applied—you need both. We start here with fundamental research, and that's to have our new discoveries, whether it's of a new battery, a new BlackBerry, or a new therapy. Then we want to move it through a continuum to the commercialization of that idea and to selling that product and creating jobs.

We have to ensure that those links are very tight all along the way. In Canada we have suffered through the valley of death.

I also want to point out the role that our colleges and our polytechnic institutes can play. We have discovery research, which is often done at the universities. At the colleges and polytechnics, they do really important work. They are embedded in their communities. They can often do good social innovation projects, but they can also respond very quickly to industry's needs. A company, a small or medium-sized business, may come to a college with a problem that the college can respond to quickly.

I was out in Winnipeg for the annual meeting, and just hearing the work with which our colleges were able to help, whether for the wine industry or to help a small company out in Winnipeg....

Thank you for the question. We absolutely need both.

Mr. René Arseneault: Thank you very much.

Minister, last week you announced the launch of the post-secondary institutions strategic investment fund, a \$2-billion investment in infrastructure to Canadian universities and colleges. Can you discuss why this fund is needed right now?

[*Translation*]

Hon. Kirsty Duncan: Again, thank you for the question.

[*English*]

Thank you for your interest, and for the interest in our post-secondary institutions.

I was delighted to announce that \$2 billion. Minister Bains and I will be looking at it, because it's research and innovation.

If we look to some of our institutions that are now coming up to 50 years old, for example, in the college system, some of this infrastructure is 25 years of age. We want our students and our researchers to work on cutting-edge technology. When they go out to work, that's what they're going to be using. It's really important.

I want to make the entire committee aware that the fund is for research and innovation infrastructure, including commercialization spaces. It's for training at the colleges that respond to industries' needs. It's also for infrastructure that's linked to environmental sustainability.

The committee should know that if you have an institution in your riding, the due date is May 9. It's important. Not only is it going to help the institutions, it's also about local economic development across the country and jobs in our communities.

• (1640)

[*Translation*]

Mr. René Arseneault: Thank you.

I would not want to dwell on the question asked by my colleague, Mr. Baylis, but I am pleased that there is collaboration between colleges and universities. Polytechnic institutions are the future of the country.

Two days ago, we heard from representatives of a science and engineering agency whose exact name I forget. They told us that a real industrial revolution is taking place and it will be the fastest and greatest that we will ever experience.

I asked those representatives, as I am asking you as well, whether, in terms of the rest of the world, our postsecondary institutions are looking at a shortfall in any areas. My question goes to you, Ms. Duncan, as well as to Minister Bains.

[*English*]

Hon. Kirsty Duncan: I'd like to thank you for the question.

I want to make it clear. During the last decade, we really fell. We fell from third to eighth position in terms of investment in research and development.

I want to be clear. We have excellent researchers, but the investment fell from third to eighth for higher education. When it came to business, the funding of business research and development, it fell from 18th to 26th during the last decade.

What we heard from the three federal granting councils was that they were starved. That's why that \$95-million investment in the granting councils is so significant. It's the largest investment in more than a decade.

The Chair: Thank you very much.

We will now move to Mr. Dreeshen.

You have five minutes.

Mr. Earl Dreeshen (Red Deer—Mountain View, CPC): Thank you very much, Mr. Chair.

Thank you to all of the ministers and your officials who are here today.

I am going to perhaps take a little bit of a different tack. We also wish to speak about the main estimates here as well, and after spending four years on public accounts, it's something that I do have a certain amount of interest in.

Here are just a couple of the highlights. The Canadian Space Agency, there is recognition that 16.4% of its voted appropriations were not spent. This is a normal type of situation that occurs. These are things that do happen.

With the Social Sciences and Humanities Research Council, certainly some changes have been made there. It's a different request that you have, especially for SSHRC, in its requesting only \$1.9 million for specific projects in 2016-17. Of course, there's the Canada first research excellence fund, and how it is being split within the various participating agencies.

These are some of the things that we do see. In the main estimates, we look at what is involved with the Natural Sciences and Engineering Research Council with increases in various areas...

In some of the discussions that I've had with these organizations and, of course, as was mentioned by Mr. Arseneault, and also our colleges and universities and polytechnics there, they're looking at ways to make sure that the dollars that are being allocated are allocated in a manner that is going to help innovation. It's to make sure that we have the incubators that are there. I think when you have your discussions with those officials they'll be very pleased to be able to expand upon some of their concerns and issues.

Minister Bains, one of the things that you mentioned in your notes had to do with supporting clean tech. As someone who lives six miles from 53 windmills, I take a look at the energy that is actually used in order to produce them, and try to find out the information on just how many years that one windmill would have to spin before we actually pay for that. For someone that lives in the province of Alberta where we have the best, the cleanest technology in the world as far as our oil and natural gas is concerned, I don't see any mention about oil and natural gas.

What I see is clean tech, as though that is the only definition that this government is able to deal with.

I don't see it particularly in the budget, as I had gone through it. Again, you speak in the budget about how a low business investment is the biggest single drag on Canada's economic growth. This is one of the critical aspects that we have right now, where we have companies and businesses that are saying that there's no way we can invest in certain areas. The assumption is, well, don't worry. We have green tech. We have this tech; we have that tech. You'll have lots of places to put your money, but where's that money going to come from in the next few years?

These are the issues that we have. Of course, there are arguments that we have with regard to whether or not we should be able to get our natural resources to tidewater—these are critical components as well in discussions—recognizing that the oil used as people were driving here does not come from Canada. It is from countries such as Venezuela and Saudi Arabia and Iran. The dollars that are spent, the income that comes from those countries is not spent on the infrastructure that we need.

Therefore, if we can make sure that we have Canadian oil and gas industries treated fairly and looked at in a positive light rather than only this one direction, I think you'll find we'll do as we have always done, which is to lead the world as far as technology is concerned and lead the world as far as regulations are concerned. I believe we'll find there is going to be an extremely positive position from there.

I see you're very close to the button, Mr. Chair. When I get a chance later, I would then like to speak about some of the issues as far as Statistics Canada is concerned, and small businesses.

• (1645)

Thank you.

The Chair: I'm not sure if there was a question in there, but time is up.

Hon. Navdeep Bains: I can briefly, Chair—

The Chair: Okay. I will allow it.

Hon. Navdeep Bains: Again, thank you for the intervention.

To my colleague, I want to make one thing clear with respect to our government's position. We understand that technology prevails in every single sector, including oil and gas. The point I made in my opening remarks was that innovation is important for our success, and we need to embed that culture of innovation in every single sector. That's the only way we're going to be able to compete in the next five, 10, and 15 years. That especially includes oil and gas.

With respect to that sector, we make many different investments, and we have many different initiatives through the Western Economic Diversification portfolio. It's an area that we understand. We appreciate it. It's part of our economic mix, and it's something we do not undervalue or under appreciate.

The Chair: Thank you very much.

We're going to move to Mr. Arya.

You have five minutes.

Mr. Chandra Arya (Nepean, Lib.): Thank you, Mr. Chair.

Mr. Bains, as you know, we have launched a study on the manufacturing sector. I am a bit concerned about the status of manufacturing and the direction in which we are going in Canada. I would like to compare Canada with the oil-rich Arab countries. The only common thing we have is oil. The Arab countries also have oil, but there every single day a new manufacturing plant is coming up. It is not just adding value to oil. It is not just the petrochemical plants or the fertilizer plants or the power-intensive industries, but manufacturing companies in every segment. They don't have expertise. They don't have technology. They don't have manpower, and they don't have markets. We have all of these things. I'm a bit concerned that we are not looking seriously and going beyond the

auto sector or the aerospace sector now that we are talking of clean tech, which is good, but still we have a lot of opportunities in Canada, especially in Ottawa.

Many times talking about Ottawa, people forget that in Ottawa we have a larger number of knowledge-based companies than in Kitchener and Waterloo. We have the DRDC here, and we have a technology sector here. There are a lot of opportunities here to promote the C4ISR companies: the command, control, communications, intelligence, surveillance, and reconnaissance industries. The U.S. defence R and D project is around \$90 billion, and Canadian companies are considered U.S. domestic companies when it comes to U.S. defence acquisition. Maybe we are facing this problem because we don't have an industrial policy that will create a sort of road map on these kinds of sectors with ways to go and how to go.

What are your thoughts on that?

• (1650)

Hon. Navdeep Bains: Thank you very much for the question. I want to highlight a few key observations from the outset. One is that the manufacturing sector is still very important to Canada. Even though we've seen a sharp decline, it still represents 1.7 million jobs and 10% of our national economy. It's a significant player when it comes to economic success, presently and going forward.

I also want to highlight the fact that it usually doesn't get enough credit, but it represents 42% of Canada's total business R and D spending. A significant amount of research and development investments are done in the manufacturing sector.

I think the point you made—and I think we need to do a better job of branding it—simply doesn't apply to the auto sector, or it doesn't simply apply to the aerospace sector. It's prevalent in the agricultural sector, the forestry sector, the mining sector, the digital technology sector that you talked about, and life sciences. Manufacturing is prevalent in all of those different sectors. I think we need to do a better job of branding that, marketing that, and coordinating that.

With respect to your point about what the government's view is going forward and what kind of policies we're going to set, I say we have to be setting smart industrial policy. I think it's absolutely important. We're competing with jurisdictions that are doing the same thing. We will fall behind if we don't play an active role. ICT adoption is going to be critical.

You mentioned industrial and technological benefits. This is something that we take seriously with the national shipbuilding procurement strategy coming up. We want to make sure we have a strong value proposition that enables us to gain a strong footprint here in Canada with respect to the ITB process. That's important simply because we don't want to lose out on the opportunity of creating companies not only as a part of that process, but we want to gain the expertise, the skill, and the know-how so they can be part of global supply chains going forward. The idea again is to set ourselves up for the long-term success when it comes to industrial policy. This is an area that is a priority for us.

As you know full well, in our budget we talked about growing the economy. We have slow growth rates. Even though we go up, they're very modest. We have to understand that we want to create good quality jobs. The investments that we'll be making in ITB are going to be focused on the middle class and good quality jobs. It's consistent with our overall government economic agenda. We are committed to this and we made sound investments. I illustrated the automotive sector, for example, but we made sound investments in the budget and will continue to do so going forward.

Mr. Chandra Arya: On the ITB, the previous government changed the rules on ITBs. I believe that now if the defence contract is worth less than \$100 million, ITB is not obligatory. What are your thoughts on that?

There are billions of dollars' worth of ITB obligations outstanding. I think we should push these defence companies to fulfill their obligations under that.

Hon. Navdeep Bains: Once again you've done your homework, so thank you very much for your comments. You're speaking on a very important and substantive issue.

You're absolutely right. There have been about 125 contracts since 1986 up to the present, which reflect about 37.7 billion dollars' worth of industrial and technological benefits. There are approximately \$9 billion that are still in progress. We are monitoring that and are very engaged and very much on top of that because, as you know, as part of our industrial and technological benefit initiative, it's a dollar-for-dollar match. For any kind of acquisition we make, we want to make sure we gain the same dollar value in terms of an ITB footprint here in Canada.

This is something that is a priority for us in my department. We have a lot of capacity built within our team. As I mentioned, I have a tremendous department, a tremendous team across this country, and they fully understand and appreciate how important this is for economic success going forward. It is a priority for our department and for me.

Mr. Chandra Arya: Thank you, Minister.

The Chair: Thank you very much.

For the final question in the first round we'll go to Mr. Masse. You have two minutes.

•(1655)

Mr. Brian Masse: Thank you, Mr. Chair.

I'll wrap the questions together so that Minister Duncan can use most of her time. I'll make them quick, without a bunch of stuff to add to the importance of it.

On the new scientist situation with regard to muzzling, has there been an internal directive to make sure there is support and understanding that they can speak?

Regarding the new chief science officer, I know there was no money in the estimates for that and I just wonder whether this is going to be created through legislation, to ensure the independence of the new science officer.

Thank you.

Hon. Kirsty Duncan: Thank you, Brian, and as always it's a pleasure to work with you.

Let me start with the unmuzzling. As I mentioned earlier, in our first announcement as a government, my colleague here reinstated the long-form census because we want a government that's based on evidence, fact, and science, so that we can make good policy decisions.

The next announcement was to unmuzzle our scientists, again by my colleague, just two days after being sworn in. This is a really important issue to us. Scientists are free to speak in an official capacity where they have direct responsibility and expertise, and on scientific and technical matters related to their work. That was announced on November 6. There has been no change.

I'll give you an example. On November 23 we had two scientists briefing the Prime Minister and the premiers on climate change, which really speaks to the openness.

You've also mentioned the chief science officer. As I said, we are right at the beginning of that analysis so I'm not going to preclude it. You mentioned that there is no money in the budget. At some point we will be opening up a search for the chief science officer and it will be open across Canada and we will get the funding then.

Mr. Brian Masse: Thank you very much.

The Chair: Okay, this ends round one.

We will proceed to round two, where we'll again have four questions at seven minutes, followed by four questions at five minutes.

We will start with Ms. Mendès. You have seven minutes.

[*Translation*]

Mrs. Alexandra Mendès (Brossard—Saint-Lambert, Lib.): Thank you very much, Mr. Chair.

My questions go to Minister Chagger. So she will have the opportunity to speak.

On several occasions, the government has announced, that commitments to improve conditions for women and indigenous people are a major part of the government's mandate. It has put a lot of emphasis on this. I believe that small and medium-sized businesses are often a way for women and more marginalized members of society to succeed, to aspire to economic success.

Could you tell us a little about what you see being part of your mandate to improve economic access for women and indigenous people through small business?

Hon. Bardish Chagger: Thank you for that question.

I will answer in English because we do not have a lot of time. If we had more time, I could try to answer in French. Perhaps next time.

Mrs. Alexandra Mendès: Full marks for your efforts.

[English]

Hon. Bardish Chagger: To be quick and to maximize the time, part of the mandate is to go into under-represented groups. It is something that our nation is not doing well. When it comes to the potential of our nation, I think when it comes to young people, women, first nations and aboriginal people that's who we need to tap into.

The first, and I would say the overlying issue for our business owners, our entrepreneurs is that we need to make it easier for them to do business. That's what we refer to as the red tape or the administrative burden. That's something we need to reduce and we need to do a better job at. We need to increase access. That's one point, I would say.

When it comes to the programs and services that the government offers, what I'm finding as I travel across the nation is that oftentimes by the time they find out about programs and services it's too late. They've already had to face many challenges and difficulties. That is something I would like to see us do better, allow Canadians to know what programs and services are available.

Something that excites me is the RDAs, the regional development agencies, coming under one portfolio so that we're sharing best practices. Then we can allow ourselves the opportunity to share best practices as to what's working. What I'm finding is that there are certain regions that are better at communicating than others, and this is an obstacle that we'd like to see overcome.

I work closely with Futurpreneur. Futurpreneur is reaching out to our youth. Forty per cent of their clients, if I may, are women. We're learning from them. They want to do more. They're ready for the challenge, and I'm excited to see that kind of impact.

I am communicating closely with them as to how they are engaging those groups and what challenges they are facing. For every round table or every community I visit, one thing I ask for is always to do a round table with women entrepreneurs. Not only do I meet with our, I would say routine stakeholders who have always interacted with government, but I also try to make a point of tapping into people within that community and utilizing the resources of the department to ensure that there are many people around that table who have never been invited before, so that we can see where some of those challenges are.

You will see when it comes to the programs and the way that we're communicating, we're allowing those inclusive values to be shared. Something that this government has done very well is that our cabinet has gender parity. There has been this huge opportunity to empower women like we've not seen in a long time. The Prime Minister has taken a great leadership role as well to ensure that the role of a woman is actually within the workforce. They are job creators and we want to empower them.

There are other challenges that all people face. We're providing the ability to allow all Canadians to know that we need to work together and we need to collaborate to overcome those obstacles.

When it comes to women, I make a conscious effort to reach out to them. Just like Minister Bains and Minister Duncan, my door is open, and we are available to hear that constructive feedback. We've received a lot of constructive feedback. That's something I find when it comes to women especially, not to sound so biased. It's constructive feedback as to how we can make it easier and what is coming in the way. That's one step as well.

Then, on first nations and aboriginal communities, I feel that being given this role it's important for me to take that first step to reach out into those communities so that we are present. The government of the day cannot wait for Canadians to come to us with their concerns. I would like to see us take more of a proactive approach, and that's the style that I'm trying to go ahead with.

● (1700)

[Translation]

Mrs. Alexandra Mendès: That was an excellent answer to one part of the question.

In terms of the Canada Economic Development Agency for Quebec Regions, which clearly is the region I know the best, would there be a way for it to provide loan guarantees for women and indigenous people? For people in those communities starting out in business who have no experience in the area, could we look at specific support and loan guarantee programs? I am not talking about grants, but loan guarantees, so that people like that can gain a little confidence as they get into business. I often see that as a problem for groups of women, especially women in those communities. It particularly affects them.

[English]

Hon. Bardish Chagger: That is an excellent question. I will be quick. Sometimes I talk too fast, so you let me know.

My Canada includes Quebec. My Canada is a bilingual nation. That is why I love the fact that I speak French. One thing that my father was committed to when I was younger was that we would go to immersion school, and that meant going to a different school.

When it comes to programs and services, I would like to highlight the Canada Business Network. The Canada Business Network is a website that provides entrepreneurs with the resources and information they need about grants and programs. It is quite friendly to use. I have interacted with it myself. Do I see opportunities for improvement? Yes, but it is a great tool.

BizPal is another phenomenal tool that I am realizing is not well known. It is something that allows our nation to come together. We work with provinces, territories, and municipalities. You can say where you are coming from, and it lists every single regulation and permit that's needed, regardless of where you live in the nation.

I was in Vancouver not too long ago and we had our first first nation join BizPal. That was an exciting announcement because we know that's where the growth will occur.

I look forward to continuing that answer after. Thank you.

•(1705)

The Chair: Thank you very much.

At this point we are about halfway through, so I am going to suspend for 10 minutes for a health break. The cameras and the TV will be off. Let's make it quick, 10 minutes.

Thank you.

•(1705)

_____ (Pause) _____

•(1715)

The Chair: Welcome back, everybody. Now that we've had a nice health break, we are going to continue with this round of questioning.

Mr. Nuttall, you have seven minutes.

Mr. Alexander Nuttall: Thank you, Mr. Chair.

Right off the hop, Mr. Chair—and I'm going to respect your decision. I don't want this committee to break down into some sort of circus, but I want to state that the standing order moved by the Liberal members of this committee and approved by the Liberal members of this committee without opposition support says:

That forty-eight (48) hours' notice shall be required for any substantive motion to be considered by the Committee, unless the motion relates directly to business then under consideration....

•(1720)

The Chair: Mr. Nuttall—

Mr. Alexander Nuttall: —and, therefore, Mr. Chair—

The Chair: Actually you said you weren't challenging....

Mr. Alexander Nuttall: —it is my belief—

The Chair: Are you challenging my ruling?

Mr. Alexander Nuttall: I already said no, I'm not going to, but I do want the minutes to reflect that the standing orders of this committee allowed for that motion to continue, and I assumed that the—

The Chair: I have ruled that it was a substantive motion.

Mr. Alexander Nuttall: Mr. Chair, I believe I have the floor.

I will continue with what we are here to do, but I look forward to this committee's finally dealing with and moving on the Bombardier matter.

If I could, Mr. Bains, the last statement you made was that the committees are responsible for their own future, that they have their own independence. While I respect that, I would also remind you that at one point you were not invited to this committee, and it

required your public intervention to be invited. Therefore, I would say that, based on that, there is evidence that your colleagues look for your cue, your leadership on the matter, since between a Friday and a Monday all members of the committee from your party decided to flip-flop the other way and invite you, based on your words publicly in the paper.

Therefore, Mr. Minister, if we were to conduct a study on Bombardier, would you ignore it?

Hon. Navdeep Bains: Thank you very much, Chair.

I heard that this committee was a bit entertaining.

Some hon. members: Oh, oh!

Mr. Alexander Nuttall: I don't find it entertaining, Mr. Minister.

Hon. Navdeep Bains: I don't say that lightly, because I respect procedure, I respect this committee, and I respect my colleagues. First and foremost, I hold all members of this committee in high regard, both government members and opposition members. Secondly, with the chair and the clerk there is a certain process in place and I'm confident that the process has existed for a very long period of time to deal with the matters that you just addressed.

I also want to take this opportunity to say that you have three ministers before you for three hours, which is unprecedented, and this speaks to our government's commitment to being open and transparent. We welcome the opportunity to have an—

Mr. Alexander Nuttall: With all due respect, Mr. Minister, I asked you a question.

Hon. Navdeep Bains: —opportunity to engage with you and any questions you have. I would be glad to—

The Chair: Mr. Nuttall, let him finish.

Mr. Alexander Nuttall: Mr. Chair, this has nothing to do with the question that was asked—nothing.

Mr. Minister, I will ask again. Will you ignore a committee report regarding Bombardier, yes or no? It's a very easy question to answer.

Hon. Navdeep Bains: Again, as I said, the committee determines its own fate. Whatever procedures and processes and reports you have, I wish you all the best in that endeavour. I'm here now to take this opportunity to address any questions you have about the main estimates—

Mr. Alexander Nuttall: I just asked you a question, sir, and it's part of—

Hon. Navdeep Bains: —about the mandate, about the budget—

The Chair: I'm going to intervene for a second.

Mr. Nuttall, I would ask that you respect.... You're asking questions—

Mr. Alexander Nuttall: Yes.

The Chair: —and the minister is giving you an answer. Please tone down.

Mr. Alexander Nuttall: Mr. Chair, this is a legal proceeding. This committee is essentially on par with the courts. The questions that are asked need to be answered. The witnesses need to answer the questions

Mr. Bains, I guess the final question I would ask you—if you could, give me a yes or no, and if you don't want to, just say “I don't want to”—is: are you specifically opposed to this committee conducting a study and providing an opinion on the matter?

Hon. Navdeep Bains: Again, thank you very much for this opportunity, Chair, and to the member for talking about an important matter.

As you know, the issue with respect to Bombardier has been in the public for a few months. The company came to me on December 11 to request up to a billion dollars. We've been very clear since then that we are looking at the business case, that we're doing our due diligence, and that we will do what's in the best interest of the public.

I can say that we've been along that process, and if there's any feedback I receive from any source—

Mr. Alexander Nuttall: Thank you.

Hon. Navdeep Bains: —we welcome it. I have an open-door policy. I look forward to engaging this committee.

Mr. Alexander Nuttall: Thank you.

Hon. Navdeep Bains: If other stakeholders want to give an opinion, we welcome that. Again, it's part of our government's open and transparent process, and I look forward to any feedback that will help us in terms of our due diligence.

Mr. Alexander Nuttall: Thank you, Mr. Minister.

I would say it is unprecedented to have three hours with three ministers, and I congratulate you on that. My expectation is that when those ministers are here before this committee, they answer the questions that are asked of them.

Mr. Minister, there was an announcement yesterday of \$9.7 million related to the car of the future. First of all, let me say, on behalf of this side of the House, that we support the car of the future program. One thing that was missing in the announcement was how many jobs will be created using that \$9.7 million.

Could you tell me in a finite number specific to this contribution how many jobs there will be?

• (1725)

Hon. Navdeep Bains: Thank you, again, for the question.

The program you're talking about is the automotive supplier innovation fund. This is an announcement that Minister Chagger and I made in Kitchener. This pertained to our commitment to invest in innovation in the auto sector, particularly within the supplier community. We had up to 19.6 million dollars' worth of commitments. Of that, \$9.7 million was for the company Pravalva. If you look at the statement that we submitted, the backgrounder mentions the specific dollar amount for each of those initiatives, and in some cases the jobs depend on how the company proceeds going forward. But I can tell you one thing—

Mr. Alexander Nuttall: Please clarify, because I only have 30 seconds left. How many jobs?

Hon. Navdeep Bains: Again, if you look at the backgrounder—

Mr. Alexander Nuttall: It's not there, that's why I'm asking, because—

Hon. Navdeep Bains: That's the point I'm making. We've made the investment—

Mr. Alexander Nuttall: So no jobs?

Hon. Navdeep Bains: If you allow me to finish, I can answer that question.

The investment that we make allows these companies to be able to invest in people, processes, and products. That does create jobs, and those jobs can vary from five to 20. But the whole goal is not simply about jobs today, it's about creating success for them going forward. These are meaningful investments that do create good quality jobs.

Mr. Alexander Nuttall: Thank you, Mr. Minister. I know my time is done.

The Chair: Thank you. Your time is done.

I just want to point out that my role as chair is not to defend our ministers here. That's not what it is, but I will demand that we pay due respect. If you ask a question, let them finish answering their question, please.

Okay, we are going to move on to Mr. Masse. You have seven minutes.

Mr. Brian Masse: Thank you, Mr. Chair, and I appreciate this opportunity to follow up.

I'm going to ask a question with regard to asbestos, and then how it relates to our industry. Asbestos is actually estimated to kill around 2,000 people per year, and the exposure actually has been increasing: lung cancers, death. In fact, some of my family members...and one of them in particular was in a plant in Windsor where asbestos was the leading cause of death and illness.

It's on the rise. In 1992 there was 276 recorded cases related to asbestos, and 25 years later, they're up to 560. Despite the fact that Sweden, Iceland, Denmark, Singapore, New Zealand, Japan, Australia, and South Africa have banned asbestos, Canada still has asbestos not only in many of the products that we have here, but also we allow the importation.

A specific example where it relates to industry is the fact that we bring in, say, brake pads from other countries. It's against the law, for example, for Canadian manufacturers.... I worked on the right to repair bill. That was the automotive aftermarket where there was a.... I wanted legislation, but we got actually an agreement with the industry and the government at the time for that. Some Canadian companies could actually import asbestos brake pads for the use and sale. Meanwhile, those Canadian retailers in other small shops are only trying to do the right thing, and have to compete against that.

I know the Canadian Labour Congress is working on this issue as well, and I would be remiss if I didn't note Pat Martin's work on this, my former colleague here. I can't use his terminology the way that he used to, by any means, and I miss it on a regular basis, but he's not here for that.

I know the CLC is looking at a comprehensive ban. I know the government has announced that no new public buildings will have that, but also a national registry of our public buildings.... I think also what's most important for the industry in terms of fair competition is that we actually ban asbestos products coming into Canada so those that want to do the right thing don't have unfair competition.

I'll conclude with this and leave it open to everyone.

I worked really hard when I first got here with the government of the day. I think it was Minister Goodale who made the decision at the end of day. It used to be that you could have business fines and penalties as a business-related expenses and get up to 50% back at tax time for that. It actually held up the industry committee for a long time until we actually got that finished. For example, one case was a company with drug-marketing problems with a \$40-million fine and they got \$11 million at tax time. So we ended that.

Is there a way we can work toward, sooner rather than later, banning asbestos imports so that non-asbestos products can compete fairly?

• (1730)

Hon. Navdeep Bains: Thank you very much, Brian, for that set of questions and your advocacy on this very important issue.

I must say that you raised some good points about the positions we've taken with respect to the national registry. You raised some good points about competition and making sure that's fair.

I can tell you that we're more than willing to work with CLC on this matter to be able to address this issue. I can say personally that I don't support the use of asbestos. I think we need to move beyond that. I think the government is committed to that, and we're willing to work with CLC and you and others to make sure that we find a solution that helps the issues around competition, and of course, making sure that we identify all our assets, all of the different areas that have asbestos, and make sure that's part of the registry as well.

Mr. Brian Masse: I really appreciate that because what I found with some industries is that they felt they could take the shortcuts because the business-related expense was something they could actually incur in their operations, and they expected that, versus doing the right thing. Oil dumping, all those different things that took place.... I find the same situation here with asbestos.

If we're successful in that market, would it be too much to then look at a comprehensive business—especially with small business in the future—private sector registry? I think we really need to start at least thinking about that. The public sector is one thing we could immediately control, and then the second thing would eventually be a registry of all those buildings because I know this has affected a lot of small businesses that are trying to do start-ups. They often have to take older buildings and they find uncertain surprises. I don't know if anybody....

Hon. Navdeep Bains: I just would say very briefly on your point that we have to lead by example first, so we have to figure out from a public point of view what our policies are and lead by example. There's no doubt, then, that would send a clear signal to the private sector. But I think the first step is that we have to make sure that from our perspective, the public perspective, we show leadership.

Mr. Brian Masse: I don't want to forget about tourism here. I have to declare a conflict of interest in this one because I have a private member's bill, C-221.

Hon. Navdeep Bains: You're a tourist.

Mr. Brian Masse: I'm a tourist, yes.

I have that coming up for first debate. For those who aren't aware, Bill C-221 was passed in the House of Commons previously under a different incarnation. It's about single-event sports betting. The reality is that we have about \$10 billion of single-event sports betting going on in this country, which goes basically to organized crime, for the most part. There is \$4 billion that goes to offshore accounts that are unregulated, because they just do it with the click of a mouse, so to speak—or a tap on the screen now; I'm becoming dated.

This bill is coming forward to allow provinces the choice—only if they want to; it's not necessary. We have Ontario, British Columbia, Quebec, and others that are in support of this. It's a huge issue for our tourism sector. It will also bring revenues back to the province. It will finally be regulated, and some money will go toward the various public policies.

Is that something that is going to be analyzed? Is there a position of the government on that? I know it's a PMB, but I'd like to hear what type of stance you might have on it.

Hon. Navdeep Bains: With respect to private members' bills, there's a process that we have in place. We consult widely with our caucus members and cabinet colleagues on this. As you just mentioned, it has just been put up. We're looking forward to the debate and discussion. We at this time don't have an official position. I don't, on a personal level, and I believe many of my colleagues who will learn about it will start to have the discussion. At this point, we don't have an official position.

Mr. Brian Masse: You're getting packages in your office now—as we speak, actually.

Hon. Navdeep Bains: Thank you very much for that, Brian.

Hon. Bardish Chagger: I'll just reiterate the comments of the minister. Part of open and transparent government is actually having these debates and receiving that information. When we're going back to evidence-based decision-making, any insight and information that the member will be able to offer through the chair will be more than welcome. We look forward to that conversation.

Mr. Brian Masse: Thank you.

The Chair: Thank you very much.

We'll go to Mr. Arya.

You have seven minutes.

Mr. Chandra Arya: Thank you, Mr. Chair.

Mr. Bains, the strategic aerospace and defence initiative, SADI, is one of the best programs I know that Industry Canada manages. I know a bit about this program because I was involved with one of the recipients supported by the program.

One thing I noticed then, which has now been changed, is that the processing time required for small industries has been reduced to four months; however, this is four months after the application is accepted, which may take anywhere between two to three months. That's point number one.

Number two is that in this program the bulk of the money contributions that have been made are going to major companies.

I think we have to streamline this a bit so that it's much easier for the small companies to access this great program. What are your thoughts on this?

• (1735)

Hon. Navdeep Bains: Thank you very much for the question.

You raise a good point with respect to SADI, known as the strategic aerospace and defence initiative. It obviously helps firms develop new technologies—the ones that you described with your own personal experience—and attract and retain a highly skilled workforce and collaborate with universities and colleges. It's a neat initiative that really focuses on collaboration and R and D.

As of March 31, 2016, this year, SADI has approved funding for 39 projects, with total government support of \$1.3 billion. The key part, the exciting part, is the leverage. It's not simply about that investment, but how much it is leveraging, and it's leveraging close to \$2.7 billion.

I think the point you raise with respect to processing times is an interesting one. I haven't heard it much, I must confess, from our clients, but absolutely, we're more than willing to look at it, because the idea is, if they meet the requirements, to get them the funds sooner rather than later so that we can not only make those investments but can leverage the additional dollars that I alluded to.

Mr. Chandra Arya: Minister Duncan, we are investing about \$1 billion in NSERC, which deals with about 11,000 professors and about 30,000 post-graduates and post-doctoral fellows. Once again, in my previous life as a technology executive, we collaborated with some universities in the very high-end technology R and D development we were doing.

One challenge we faced was that, being located in Ottawa, we knew the research being done at Carleton University. We had collaborated with them. However, it was very difficult for us to know what sort of research is being done in, say, the University of Calgary or in Vancouver, Edmonton, or Halifax. With this huge investment of \$1 billion that we are making, how can we streamline the process so that the outcome of this investment is easily available to small companies across Canada?

Hon. Kirsty Duncan: Thank you for your excellent question, and thank you for the work you've done throughout your life.

I'd like to start by talking a bit about NSERC, which funds natural sciences and engineering research. I've talked about this \$95 million top-up and I'm going to briefly mention it again. This is the highest contribution in 10 years. There will be \$30 million to NSERC and \$30 million to CIHR, which is the Canadian Institutes for Health Research. To come back to Mr. Dreeshen's question, there is \$16 million now for the Social Sciences and Humanities Research Council. That's actually an increase closing the gap that existed, so

it's really positive news. There was also \$19 million for the research support fund.

You raised a really important question. I think this is why in budget 2016 I've been tasked with looking at a comprehensive review of federal support for science. We want to make sure we have the right support system for basic science, for an applied system—for that continuum that I've talked about—and this fundamental review is going to allow us to start answering some important questions.

For example, are we doing enough to help our young researchers? We're hearing that some young researchers are getting their first grants at age 41 or 42 or 43. Well, you can all imagine the difficulty of starting a job, trying to build a research program, and possibly having to balance family needs.

We want to ensure that we have the right investments. Are they effective? Are they strategic? Do they meet the needs of Canada, and do they meet the needs of our researchers?

Another example I'll give you is the Networks of Centres of Excellence, a really good program. I talked about the stem cell network at the beginning, and that investment, that \$80 million for 225 researchers. Is there something that needs to be available afterwards?

This review is going to allow us to start to ask a question like yours as well as other questions: do we have the right system?

• (1740)

Mr. Chandra Arya: In my riding of Nepean, we have lost quite a number of federal scientists. One complaint I heard was that under the previous government, because of the cutbacks, the opportunities for these scientists to participate in various conferences where the real knowledge-sharing and knowledge exchange occurs were quite limited. I hope that under your leadership things have changed.

Hon. Kirsty Duncan: Thank you for the question. We heard similar things as we went across the country. What the researchers said first of all is that the granting councils were starved during the last decade. I mentioned that we fell from third to eighth on higher education investment in R and D, and fell from 18th to 26th on business R and D. We heard at the institutions that there were real infrastructure needs across the country. We had one institution say that they have a billion dollars in delayed infrastructure needs in construction, maintenance, and repair.

We have been listening, and that's why we have this new infrastructure fund that is due on May 9. It's to take advantage of the summer construction season and it's to build local development in our communities.

The Chair: Thank you very much.

We will move on to Ms. Gladu.

You have five minutes.

Ms. Marilyn Gladu (Sarnia—Lambton, CPC): Excellent. Thank you, and thank you to Minister Duncan, Minister Bains, and Minister Chagger for being with us today.

My first question is for Ms. Duncan, and it has to do with the granting councils. I'm very pleased to see that the structure of the granting councils, which fund excellent applied research, was kept in place, but I'm looking for more detail on the breakdown of what percentage of the funding for them goes to agriculture, forestry, mining, natural resources, and clean tech.

Do you have any additional detail on how the money is spread out in those areas?

Hon. Kirsty Duncan: Let me begin by thanking my honourable colleague. I want to say it's been a pleasure to work with you. We have a really good working relationship and we talk very regularly.

You raise a really important point: applied research matters. Let me take this opportunity to recognize the work of the colleges and polytechnics in this area. Because colleges are so embedded in their communities—I'm proud to have Humber College in my riding—they know the communities well. They can thus do a lot of work on social innovation—we have a social innovation fund—but they also respond very quickly to industry's needs. I know that you're a former engineer, and you work very closely with your college. Industry can come in—a small business, a medium-sized business—and can get the answers they need very quickly.

You've also talked about clean tech. This is an area that's extremely important to our government. This is a government that believes in climate change.

Ms. Marilyn Gladu: Do you have percentages to help break it down?

Hon. Kirsty Duncan: This is an important area and there are investments in clean tech to take action on climate change, but I'd like to talk about an initiative that is very relevant to Minister Bains and myself.

We've announced \$20 million for the Canada excellence research chairs program. Currently, there are 26 excellence research chairs in Canada. For those of you who do not know about this program, it's to attract the best and brightest—

Ms. Marilyn Gladu: That's fine, thanks.

I'll switch gears. As you know, I'm the chair for the status of women committee and I'm interested in encouraging more women to be in science, technology, engineering, and math roles. I'm interested to know how much money in the budget is allocated to do that and what the strategies are that you're going to use there.

Hon. Kirsty Duncan: Ms. Gladu, thank you for the question.

You and I have talked, and this is an issue that is very important to us both.

I've spent the past 25 years of my life fighting prejudice, fighting so that young women coming up behind me didn't suffer some of the things I've experienced. It's been 25 years. We need more women in science, technology, engineering, and mathematics. Thirty years ago, the percentage was 20% and today it is 22%. That's not good enough in 2016.

In terms of investments we have programs like PromoScience. We have Mitacs, which I've talked about. There's a \$14-million investment in Mitacs, which is to bridge academia and industry.

There is also a \$73-million investment for co-op positions in budget 2016 to help more young people in under-represented groups, such as women and indigenous people.

Thank you.

● (1745)

Ms. Marilyn Gladu: There's a lot of speculation regarding the NRC after the president went on personal leave and the reorganization was cancelled. I wondered if you could comment on what the plan is there to reorganize and what costs are associated with that?

Hon. Kirsty Duncan: Thank you for the question.

Let me begin by saying the National Research Council is one of the research jewels in Canada. This is an institution and organization that has a proud 100-year history of scientific discovery. We've had Nobel prizes associated with it.

Whether it's measuring the distance between electrons or the distance between stars, we have to ensure that the NRC is successful going into the future both in basic and applied research. Currently it's about 47% and 53% between the two, but it is our job to ensure it's success.

As you rightly point out, president John McDougall is on personal leave and in his place is one of the vice-presidents. Her name is Maria Aubrey.

The Chair: Thank you very much.

We will now move to Mr. Baylis.

You have five minutes.

Mr. Frank Baylis: My question will be for Minister Bains.

I'm very interested in seeing how innovation is used to diversify our economy. I think the Canadian economy always benefits from being more diversified. The government has often mentioned an innovation agenda.

Can you expand upon how that is specifically going to help small start-ups? What is the plan for innovative small start-ups?

Hon. Navdeep Bains: I'll start off, but I suspect my colleague from small businesses will also want to speak to the subject matter.

Your first point is with respect to diversification. We've seen a sharp decline in commodity prices, and it has exposed our economy. We realize more than ever the importance of diversification. I think Canadians understand that, and different regions of the country understand it. Our government is committed to diversification.

Diversification takes place with the regional development agencies, the RDAs. We focus a lot on diversification in some of the regions. We as a government have made commitments to clean tech. Again, much of the focus through the RDAs on clean tech, for example, is on small businesses, because they're the ones taking the risks. They're the ones coming out with new ideas. We want to make sure they have the opportunity to succeed.

With respect to the innovation agenda, I want to take a step back. What we need to be mindful of when we say innovation is why we are talking about innovation. It's very important to realize that innovation is important to deal with some significant macro-level issues that we face as a country. One is slow growth. It's a challenge we see globally, but in Canada as well. The other is an aging population.

To deal with these macroeconomic challenges, we need good policies domestically to be able to address the issues. Innovation is key.

When we talk about innovation, we want to focus not simply on innovation traditionally through the ICT sector, but on social innovation. This is the basic thing. We want to find solutions to problems. That is a much broader definition.

Keeping this in mind, we've focused on an innovation agenda that was articulated in our budget. It has laid down the groundwork for the comprehensive agenda that's coming forward, but it started to signal very clearly the areas that are priorities for us.

One is the need for enhancing skills and entrepreneurship. It's about making sure we bring the best and brightest from around the world here and that we equip our local citizens to become entrepreneurs, to really create the culture of risk-taking. With innovation, you're not going to get it right the first time or the second time or the third time. You're going to fail a few times. How do we create the entrepreneurial spirit? We raised that as a key point of our innovation agenda.

Secondly, and this is really neat, it's not simply about jobs alone. It's about making sure that we continue to innovate and find new ideas that will create future jobs. Research is so critical. World-leading research is absolutely critical. This is why we made significant investments in the budget for our granting councils and to post-secondary institutions. This is very important for us.

The third one is innovation infrastructure. You want the right people with the right tools in the right environment in the right place.

Of course, the \$120-billion historic investment in infrastructure is absolutely essential for those who want to innovate, but specifically the \$2-billion investment for post-secondary institutions sends a clear signal that this is an ecosystem we believe in, the kind of arena in which industry and academia and small businesses come together. We really invested significant amounts in that kind of infrastructure.

The last, of course, is supporting a business environment for commercialization and growth. To speak to that point, we invested \$800 million on incubators and accelerators. I can tell you right now—I was at Ryerson University, a visiting professor there—the digital media zone is a great example of an incubator in which that magic happens. You have young people, and it's very important that we bet on young people—I think that's critical—who come together and to whom you provide an opportunity to take their ideas to market.

What's neat is that they have a business acumen there: the legal advice, the mentorship, the support system. That's the kind of investment we're making when we talk about incubators and accelerators. We want to invest in these start-ups, we want to invest in young people, we want to be a global hub of innovation, and we

want to help them scale up as well. That's where the accelerator part comes in.

These are some of the key areas we mentioned with respect to the innovation agenda that help small businesses in particular and will allow us to diversify. As I said, we have to grow the economy and we have to create jobs.

● (1750)

Mr. Frank Baylis: That leads me to a second quick question.

The Chair: I'm sorry; you're done.

We will now move to Mr. Albas for five minutes.

Mr. Dan Albas (Central Okanagan—Similkameen—Nicola, CPC): Thank you, Mr. Chair. I appreciate your having me here today.

Also, ministers, thank you all for attending and for your testimony here today.

Let me follow up on MP Baylis's last line of questioning, if I may. Regarding the innovation, you said that about \$800 million has been set aside. Is that something for which you're going to be the minister responsible, or is it something that innovators and incubators are going to have to apply for through the Minister of Finance? How does it work?

Hon. Navdeep Bains: In our platform we made a commitment that innovation is critical for our growth. There are three areas that we emphasized. We talked about infrastructure, we talked about helping the middle class, and we talked about innovation in our platform, but somehow during the campaign, innovation didn't get talked up as much. We got caught up in other issues, and other challenges came about. It is really great to see it emerge again in the budget that was presented on March 22.

The \$800-million commitment that we have put forward will be managed by ISED. The idea is to say that those monies will go toward accelerators and incubators for the purposes of investing in young people, creating jobs, allowing small businesses to scale up.

That is a key part that I want to emphasize. We do reasonably well when it comes to start-ups as a country, relative to our international peers. The area in which we do a poor job or in which we have an opportunity to really succeed is helping them scale up. There are going to be takeovers. There are going to be individuals who buy out companies, but we want, through this initiative, to help companies scale up and stay in Canada.

If we create these large, global, successful companies—not only in Canada but globally as well—they also then help with a supplier base. They help mentor other companies. Executive management members go out and start up other companies. It just creates a really neat ecosystem.

This is an initiative that I'm proud to say will be worked through, and the program requirements will be brought forward in a timely manner. It is something that our department will take a leadership role in.

Mr. Dan Albas: I appreciate the answer, Minister.

By the way, I would love to ask you about interprovincial trade, but that really isn't on the topic for today. I just appreciate the efforts—

Hon. Navdeep Bains: If you want to talk about it by the way, we're open to any question you have.

Mr. Dan Albas: No, I would just encourage you to continue, because that is a big aspect and I know it's a big challenge. I appreciate that you've been working with the provinces on it.

I'm looking at the forecast and planned spending for Industry Canada's transfer payment programs on page 2 of the document we were given.

If you look at the automotive innovation fund, the forecast for the last fiscal year was \$92.3 million. In what you presented, it says \$64.7 million this year, and it decreases the following year to \$54.9 million and then reduces to zero in 2018-19. Conversely, if look at the automotive supplier innovation program, you'll see that from the automotive supplier innovation program, you'll see that from \$7.6 million last year it will go to \$16.5 million forecast this year, to \$24.5 million the following year. In 2018-19, it's \$29.4 million.

To me, this sends the signal that it seems—

By the way, Jerry Dias came to this room in a pre-budget consultation and spoke about how competitive and innovative our automotive manufacturers are. But in the Trans-Pacific Partnership, some concerns have been raised around how our supply chain can compete. Are the two related?

• (1755)

Hon. Navdeep Bains: Which two?

Mr. Dan Albas: I mean the fact that we're drawing down the innovation fund and that we're seeming to ramp up the automotive supplier innovation program and according it more money.

Hon. Navdeep Bains: This is the challenge we have with the main estimates and when we present a budget. It is something that my colleague from Treasury Board, Mr. Brison, will help reconcile, because I think it's very important. The main estimates that you see don't reflect our budget commitment. In our budget commitment, we were very clear that we extended the \$500 million AIF program for another three years. You will see that extension for the AIF in the supplementary estimates.

ASIP is a very important commitment that we think is critical for our supplier base. As I mentioned, my colleague Ms. Chagger and I had the opportunity to make some meaningful announcements.

The member before was asking about job numbers with regard to Pravala, where we made an investment of \$9.7 million to the ASIP program that you're alluding to. That investment will create up to 50 jobs. We're very keen, then, to ensure that we invest in our supplier base in the automotive sector.

This was welcome news to Jerry Dias as well. He understands. This sends a clear signal to the OEMs that we're serious about investment, that we're serious about competing with Mexico and the United States, and that we're very serious about bringing any kind of opportunity that exists, particularly on the innovation side.

As I mentioned before, the auto sector is going through a major transformation, and it's about software. QNX, right here in Ottawa, provides 192 software—

Mr. Dan Albas: I only have about 10 seconds. I wanted to add on to this. The estimates show the automotive innovation fund going down. You say that there are going to be significant funds going up, so you're saying that the funds to that auto innovation fund will go up. Is that correct?

Hon. Navdeep Bains: We have extended the program by three years, so it's a commitment of \$500 million that will be available and that will be reflected in the supplementary estimates.

The point to note is not simply the extension of the program. I must confess it wasn't really well received before, because it was considered to be a repayable loan, and companies essentially said that this is not helping them out. We said we were going to change the profile of the funding to make the funds more accessible and to increase the limits to allow OEMs and others who want to make investments to say that they're serious about it. We have not only allocated the funds, but we're willing to change the profile to make sure that we get the investment to come here. That has really been a cornerstone of the AIF going forward. It's something we talked about in Kitchener a few days ago and that was really well received by the automotive community and the supplier base as well.

Mr. Dan Albas: Thank you.

The Chair: Okay, we will move to Mr. Jowhari.

You have five minutes.

Mr. Majid Jowhari: Thank you, Mr. Chair.

I'd like to take the discussion back to the plan, but before I ask a question of Minister Bains, I'd like to make a statement.

I believe we have a very clear plan and I'm proud of our budget 2016. I'd like to cite page 110 of our plan, which clearly lays out the innovation agenda. A copy of it is available, if any of my colleagues want to follow as I am asking the questions.

This plan is strategic, it is focused, and it is based on a number of pillars.

Mr. Bain, a couple of minutes ago you touched on those pillars. It has key drivers, it has enablers, and it is backed up with strategic investments. Let me ask you, sir, whether you could circle back and cover off an overview of the plan in this framework and tell us how this framework is going to help us shape the agenda we are planning to follow over the next year and how specifically these drivers and these enablers work hand in hand to give us the growth we need.

• (1800)

Hon. Navdeep Bains: Thank you very much for that question.

The one point I want to highlight is that innovation is not going to happen overnight. This is a long-term commitment that we made as a government.

Point two is that we have an amazing department. Not only do I get the pleasure of working with my colleagues, but we have StatsCan, the Canadian Space Agency, and all the economic development agencies. We have Destination Canada. We have the granting councils. We have BDC. We have 15 different portfolios that are going to be aligned as a whole-of-department initiative to really help drive this innovation agenda.

This is about the whole of government. This innovation agenda is saying that we as a government have a responsibility to our respective departments to drive this agenda. I will give an example on procurement. We procure in the billions of dollars. As I said before, we invest a lot in start-ups. We do a really good job. When they want to do business with Canada, however, with our government, we find every excuse in the book not to do it.

It's very frustrating. Ms. Chagger and I have talked about this, and she has raised this issue time and again. We've heard it at round tables time and again. These businesses that start up are looking for their technology, their innovation, to be validated. Why can't we provide some sort of demonstration program, or some sort of procurement initiative, to create an opportunity for them to go abroad and say yes, we do business with the Government of Canada?

That is an example of "whole of government". That same kind of mindset will prevail throughout the different departments. Our department will play a leadership role. We're going to work with our cabinet colleagues to help drive this agenda.

When it comes to strategic, as I said, it is not simply government. Industry is going to help drive this. Companies take risks. They're the ones that create the jobs. They're the ones that come up with the products. They have to put some skin in the game as well. If you look at the balance sheet for some of the large companies or some of the companies across the board, however, they hold about 11% in cash holdings right now. They're not investing their money in innovation, not investing their money in R and D. They're not taking risks. Why is that? The onus, then, is on them as well.

We spend money across the country. Different provinces and different municipalities have unique initiatives when it comes to the innovation agenda. Before, we talked about diversification. How do we better align this? How do we make sure we're not duplicating efforts? How do we leverage it?

I'll be working with my provincial and territorial counterparts, because we built such a good relationship during the agreement on internal trade, as was mentioned before. We said, that's great; if we're confident that we can overcome that and deal with that issue, what is the next item? The next item is slow growth and to deal with it is innovation.

Strategically, then, I think we understand the importance of this initiative. It is a big issue. It's going to require a long-term lens. It's going to require a lot of energy and effort from a lot of different stakeholders.

What I also want to highlight is that I don't want to spend too much time on analysis and reports. I want to focus now on an action plan and outcomes. People are looking for outcomes. People are saying they know what the issues are.

There might be some new areas in which we need to do analysis, such as around artificial intelligence or big data or the Internet of things. In those areas we would have to explore and do additional analysis and ask what kinds of disruptive technologies we are dealing with and how they will impact our innovative economy. However, we know what we need to do with respect to increasing R and D investments, helping companies scale up, really allowing us to become a global hub for entrepreneurship.

That is what I articulated before. It's really about putting forward an agenda that's meaningful. If you look at this budget and all its initiatives, as Minister Chagger mentioned, from the Canadian Space Agency to broadband to IRAP to the post-secondary institute infrastructure initiative to the cluster initiative, it is, combined, \$4.6 billion that we are investing in infrastructure. We're not just talking the talk. We are actually making significant investments to drive this agenda.

This is very important, because it sends a very clear signal to our partners, our allies in different levels of government, that we are serious about this and are very committed to it.

The Chair: Thank you very much.

We will move to you, Mr. Masse. You have two minutes.

Mr. Brian Masse: Thank you, Mr. Chair.

I had the opportunity to rise in the House of Commons on this and then follow up with the parliamentary secretary. Since we've had our health break, I want to talk gas—

Some hon. members: Oh, oh!

Mr. Brian Masse: —so we're clear on this one.

At any rate, one of the things that was brought forward by former member of Parliament Dan McTeague was the weekly publishing of a petroleum inventory report to be done in Canada, similar to the Department of Energy's "Weekly Petroleum Status Report" in the United States. We called for this to be done by a separate ombudsman officer to make sure that Canadians are protected at the pumps. At that time, Minister Goodale and Minister McCallum adopted it, but later on it was dropped by the next administration.

This way, they get the Friday publications and it's published on Wednesday. It provides some independence. This also fits within protecting and rejuvenating the independence of our civil servants for that. I know that the response has been about the Competition Bureau, and they have tackled a few things on that, but I liken that to attacking an elephant with a flyswatter.

I just put it to you, even if we don't do it at the Competition Bureau, is there any way to actually get a bit more consumer accountability for pricing with regard to the oil and gas industry? I want to give you time, so I don't want to get into the whole issue of why it's necessary.

• (1805)

Hon. Navdeep Bains: I know why it's necessary, because I heard it at the doors. The issue is not—

The Chair: You have 30 seconds.

Hon. Navdeep Bains: I'll be very quick, Chair.

I heard it at the doors. It was more prevalent when gas prices were high. It becomes less prevalent when gas prices decline, but the bottom line is that it's about competition and fairness, regardless of what the price level is. I want to quickly highlight that we'll take into account what you've said, but this is a real issue that impacts people. It's a pocketbook issue, and it's a meaningful issue that we can't take lightly.

You're right, in that the Competition Bureau does have a provision to look at this issue against price-fixing, etc. This was discussed in the late show by my parliamentary secretary, who did an eloquent job and can do a much better job of talking about this issue.... He highlighted, and I want to highlight too, that 33 individuals and seven companies have pled guilty under the Competition Bureau for these kinds of price-fixing problems. We've had \$4 million in fines and 54 months of total combined jail time for these individuals. There has been punishment given out for those who try to cut corners and take advantage of the system.

Mr. Brian Masse: Thank you.

The Chair: Thank you very much.

Here's where we stand. In the interests of time and being fair, I've reallocated. We're into our last rounds. If we keep it tight and stick to it, we could get through. We'll do three minutes for each question. Everybody will have three minutes. We should be able to get through with most of our questions answered if we keep it tight.

Ms. Mendès, you have three minutes.

Mrs. Alexandra Mendès: Thank you very much, Mr. Chair. I again have a question for Minister Chagger.

Tourism Canada is one of our most significant export services, or services exports, and represents close to 2% of our GDP, with 600,000 domestic jobs, yet we haven't had a national strategy in tourism since 2011. From 2000 to 2014, Canada dropped from the rank of eighth in world standings to 17th. Do you think there would be something coming from your ministry to develop and to help Canada's competitiveness in the tourism industry recover?

Hon. Bardish Chagger: This government is taking tourism very seriously. It is an industry that is really important in driving the economy forward.

To an earlier point, we talked about under-represented groups within the tourism sector. The majority of the jobs are going to people 35 years of age and younger. They're good jobs, and it's meaningful employment, so we are serious about a strategy moving forward. The budget showed a commitment of \$50 million over two years to Destination Canada, the crown marketing agency for the nation.

In the short time that I've been in this role, I've travelled to Boston for the *Boston Globe* show. When we were there I was excited because I love my nation, but my tourism industry partners were also excited because for the first time—I thought it was fascinating that it was the first time—Canada was in one pavilion. What's been happening in the past is that provinces and territories have had to represent themselves, but for the first time we have Destination

Canada, which I understand came to the committee and is actually working with all the provinces and territories to ensure they are represented.

The best brand we have within this nation is our nation's brand. It's Canada. That's where people come. People actually come to Canada to visit, and that's what will create those jobs and what will generate the revenues. The tourism industry is a \$90-billion industry. It's not a small deal. It's a big deal.

What we're also doing through Destination Canada is working with the border communities. The gateway communities—and please don't let me misrepresent this—are very important. The gateway communities actually bring people into our nation so that they can discover the rural and remote areas and so forth, but it's the border communities that actually bring in our number one trading partner, our cousins to the south, as I always say, so that they come to visit. They come to see Canada and they're able to recognize what we have to offer.

From travelling this nation, I know that the Canadian experiences we have are amazing. Canada is the only country in the world in which you can travel the entire world in one nation. You can eat food from around the world in one nation. You can hear languages from around the world in one nation. That's our strength. So yes, we will definitely be working on a strategy to ensure that we are present internationally.

● (1810)

The Chair: Thank you very much.

Mr. Nuttall, you have three minutes.

Mr. Alexander Nuttall: Thank you, Mr. Chair. Very quickly, I have one clarification for Mr. Bains.

Mr. Bains, are you the minister responsible for the Bombardier file?

Hon. Navdeep Bains: Chair, the request was made to my department on December 11 of up to \$1 billion with respect to Bombardier.

Mr. Alexander Nuttall: Thank you. That was \$1 billion U.S., I believe, right?

Hon. Navdeep Bains: Pardon?

Mr. Alexander Nuttall: That was \$1 billion U.S.

Hon. Navdeep Bains: That is correct.

Mr. Alexander Nuttall: Thank you.

Very quickly, I have two questions for you, Minister Chagger. I do want to say that you can tell there's some frustration around this committee table, because one of the largest issues facing your government has been blocked from being dealt with at the committee that's responsible for it.

Quickly, Mr. Chair, through you to Minister Chagger, yesterday you said in the House of Commons, Minister, that you've lowered taxes on small businesses. In your mandate letter, it says that you are to work with the Minister of Finance on the small business tax rate reduction to make sure it's implemented. That did not happen. There was previously approved legislation with timing to outline a reduction from 11% to 10.5% and eventually to 9%. The budget states that's being deferred.

The cost of that is roughly \$900 million Canadian. Do you think it's fair to small business people that they are not given the promised tax cut and that money then can be diverted to a large corporation like Bombardier Inc.?

Hon. Bardish Chagger: Thank you for the question, Mr. Chair.

As we know, this topic has been receiving a lot of attention. I have said time and time again that I am working closely with stakeholders across the nation. We are listening to Canadians. Small business owners want a strong economy and they want strong consumers, and we are helping to deliver that within the commitments we have made in the budget. October 19 was a great day for Canada and a great day for this government, because we did receive a majority mandate from Canadians, so I assure you this is the first of four budgets that we will be presenting.

On the point of—

Mr. Alexander Nuttall: But you did not follow through on the promises you made to the people in order to get that majority government, so why is that? How do you feel about the funds being diverted to other places instead of following through on those conditions, that contract you made with the people of Canada?

Hon. Bardish Chagger: Mr. Chair, the member speaks of tax savings. This actually isn't even about tax savings. It's about doing the right thing. This government is committed to working with small business owners. We recognize that there are certain loopholes that exist. We are not going to be delivering band-aid solutions. I'm working closely with the Minister of Finance.

This government is taking a whole-of-government approach. It's something that's not been seen probably within my lifetime, I would say, and it's something that's going to take us forward. We are looking to grow our economy. We're looking to strengthen small businesses. We know that they're the backbone of the economy, and I assure you that we will represent them well.

Thank you, Mr. Chair.

The Chair: Thank you very much.

Mr. Masse, you have three minutes.

Mr. Brian Masse: Thank you.

Before I move on to the Minister of Tourism, I do want to say that with regard to oil and gas, I hope the minister looks at some of the reporting that's taking place in the United States and how we can actually mirror that here. I think that was the question, to essentially get that in some way possible.

At any rate, I do want to move on to the border. You raised it, Madam Minister, and I'm not going to shy away from the border at

any point in time. In fact I could have a three-day filibuster on that. But right now I only have two and a half minutes—

• (1815)

The Chair: Exactly.

Mr. Brian Masse: —and I want to make sure I leave you some time.

Basically, in my riding 40% of international trade takes place on the Windsor-Detroit corridor on two kilometres, between a tunnel, a bridge, a ferry service, and now a new tunnel, with a second tunnel for rail. The frustration is high with regard to the western hemisphere travel initiative, the requirement of Americans to get Canadian passports to come into Canada and then get back to the United States. Many Americans won't do it for privacy reasons and so forth.

I've been literally begging for years to try to get some type of a program to support that Canadian stuff, including Americans getting passports. There have been some private sector pushes for that. I'll give you an example, and then I'll turn it over to you on how to bring American visitation to.... I have my ideas, but I want to make sure you have at least a minute.

Along this corridor, we don't even have a "Welcome to Canada" sign. As well, the Province of Ontario closed the tourism centre where you come into Canada, so the first thing you see, when you come across the Ambassador Bridge, is a rail track. It doesn't have anything else. That's how bad the situation is with regard to promoting Canada.

I wanted to leave you some time to lay out what you're doing for tourism from the U.S. coming into Canada.

Hon. Bardish Chagger: Thank you, Mr. Chair.

The connecting America program will help ensure that our visitors from the south are able to come. The nice thing about Destination Canada's marketing campaign is that we are targeting the communities who are wanting to come to Canada. Another point I would like to make—I believe the member and I would get along just great—is that the \$50 million into Destination Canada will be of benefit.

I will remind the member as well that this conversation does not need to take place only at the committee table. My office door is open. I welcome any feedback. I am here to work with members from all sides of the House. We know the tourism industry is a job creator. We know it is an economic driver. I assure you that not only are we listening but we're engaging. We're hearing perspectives from all walks of life. I welcome the opportunity.

I personally would love to see more Canadian flags across the nation. I would like to see more signs. I think our airports also have a role to play.

I'll go back to the point about the whole-of-government approach. You'll notice that even within our department we work closely together. We are constantly raising those issues that we are hearing and engaging. That's what I think is really important and will help address a lot of those concerns.

I thank you for raising that, and please fly that Canadian flag high.

Mr. Brian Masse: Pass my private member's bill and we'll have even more.

Voices: Oh, oh!

The Chair: Thank you very much. You're just under the wire.

Mr. Arseneault, you have three minutes.

[*Translation*]

Mr. René Arseneault: Minister Bains, since I only have three minutes, I am going to try to ask you two questions at the same time.

Canada is a large and wonderful country, but the fact of being large implies that there are lots of rural regions a long way from major centres. I come from New Brunswick, one of the Atlantic provinces, so I know something about that.

How does your department go about monitoring and providing assistance and support to businesses operating in remote regions—in fact, they are the lungs of those so-called remote regions—particularly in the Atlantic provinces?

Hon. Navdeep Bains: Thank you for your question. I am also going to answer it in English.

[*English*]

I'm glad you raised this question, because this is where the regional development agencies come into play.

ACOA is a very important platform for us to make those investments for diversification, particularly in rural and remote regions where there is very little or limited interface with the federal government. ACOA is the face of the federal government in those regions. That is why I very much support this regional development agency. It has a tremendous track record of making key investments to help communities transition when they get into difficult times, particularly in some of the challenges around seasonal workers.

We have different initiatives in ACOA to help businesses, from enterprise development to community development. We focus a lot on business development initiatives. The idea is that we work on small projects and also large projects, because we are focusing on helping these companies grow. We make the investment. If they need that bridge financing, if they need to be able to get to the next hurdle and BDC is not there, or if there is just a window of opportunity where we can make that investment, we will do that. We really work closely with the community. We work closely with our clients. We really have a good on-the-ground presence in these rural and remote regions.

The other area that I would like to quickly touch upon with respect to making investments in Atlantic Canada in rural and remote regions within that area and across Canada is the \$500-billion commitment that we made to broadband. This commitment speaks clearly to the fact that we want to make sure that we deal with the digital divide that currently exists in society, where you have this challenge in rural and remote regions where they cannot access the Internet. That has a tremendous impact on young people and their ability to get good-quality education. As Minister Chagger mentioned, it impacts small businesses. It has a profound impact

on individuals to be able to reach their potential and have the opportunity to succeed. That investment is absolutely critical as well.

So we have ACOA and we have broadband. They are two examples of how we are investing in rural and remote regions in Atlantic Canada.

Most recently we made announcements on the connecting Canadians program. This initiative is about investing in direct Internet connectivity to homes. The idea is that we will try to connect 300,000 homes by the end of the program. I think we're very close to hitting that target, if not already exceeding it. Again, it's focusing on the digital divide that's taking place. This ICT adoption, this connectivity to the Internet and accessibility, making sure it's reliable, is absolutely critical in rural and remote regions, particularly in Atlantic Canada.

● (1820)

The Chair: Thank you very much.

We have three more questions. We'll go to Ms. Gladu for three minutes, then we'll go back to Mr. Jowhari for three minutes, and Mr. Masse can take the last three minutes.

Ms. Marilyn Gladu: Thank you, Mr. Chair.

It was great to see that the knowledge infrastructure fund our government brought in was continued as the post-secondary infrastructure fund. Lambton College in my riding happens to be having a bio-renewable energy clean-tech lab upgrade going on, so I was looking at the requirements for the deadline of May 9. It seems that if you're going to spend \$2 billion, you should maybe allow more than 48 days for people to get their requirements in, because the requirements include engineering drawings, which I can tell you are not always instantly developed.

Is there already a list of people who had a project ready to go on the ground, or is the engineering drawing not really such a requirement?

Hon. Kirsty Duncan: Thank you for the question.

I do want to start by saying there is a difference between the KIP program and this new post-secondary institution strategic investment fund. One of the major differences is that this fund now includes environmental sustainability and KIP didn't. As well, there was the investment under KIP, but the difference, and you heard this across the research community, was that, yes, you invested in buildings but there was no investment in the researchers. That's why you see this time the \$2-billion investment in infrastructure plus the \$95 million in the researchers themselves.

The reason for the tight timeline is so that we take advantage of the summer construction season, and we get that economic development and jobs. If you go to the website, you'll see what the requirements are. What I can tell you is how they will be judged. Once we get in all the submissions, again due May 9, they will be reviewed by department officials along the criteria of merit, readiness, and support by provinces and territories.

Ms. Marilyn Gladu: That's excellent.

On the chief science officer position, how much money do you believe will be required for that and what resources will be given to support it?

Hon. Kirsty Duncan: Thank you for the question. As you know, this is a top priority of mine, and it's in the mandate letter to create it.

I explained earlier that we've received 74 submissions from across the country. We've reached out to all parliamentarians in the House of Commons and the Senate. That's never happened while I've been here. We talked to people internationally for best practices.

We are at the analysis phase, and I don't take that term lightly. This is the ministry of science. It should have a real analysis. When we go forward with reaching out to Canadians to advertise the position, that's when we'll announce that.

The Chair: Thank you very much.

Mr. Jowhari, you have three minutes.

Mr. Majid Jowhari: Thank you, Mr. Chair. This question goes to Ms. Chagger.

Quickly, I want to talk about scale-ups for high-impact firms. I have four questions. What characterizes a firm that is considered to be a high-impact firm? What qualifications do they need to qualify for the funding? What is the amount of funding? Are there any deadlines associated with it?

Hon. Bardish Chagger: I will say that what makes it high impact is basically what it is able to do. We're looking at management, at the potential, and at everything it has to offer. We're looking at the overall package.

As to where it can go, we recognize that the nation has potential. This budget is making a commitment to work with high-impact firms to scale up. As Minister Bains mentioned earlier, a point that I've been raising and that I've been hearing often is that we are not able to scale our companies. That's a challenge we're trying to take on. We're looking at solutions for that within the community as well. Any feedback is welcome.

We are going to do it right, so when it comes to a deadline, no, there isn't one. It will be part of the innovation agenda. That's a role that the innovation agenda plays. The feedback we've been gaining has been very valuable. I still welcome any feedback.

Do you have another question or can I make a point that I want to make?

• (1825)

Mr. Majid Jowhari: Go ahead and make your point.

Hon. Bardish Chagger: Earlier on, I didn't get to finish a point that I think is really important to know for everyone in this room and for anybody who is watching from home. When it comes to loans, grants, and opportunities for entrepreneurs, especially under-represented groups, we do have the Canada small business financing program, which has seen some great successes. We do have the BDC, the Business Development Bank. It's a development bank that is actually committed entirely to small businesses. It actually works fairly well.

The fact that we are coming under one portfolio, one department, I think will be beneficial to the nation, as there is strength within that

bank. The BDC filled a gap, and it's a gap that still needs filling. That's the good feedback that we're getting.

I just wanted to make sure for the people who are listening and the people who are here...we share those resources as well with them, because it is a great way to get in and get that idea to grow.

Mr. Majid Jowhari: On potential joint work between the EDC and the BDC to further strengthen our trade, is there anything you want to expand on there?

Hon. Bardish Chagger: That's an excellent question.

Having all these different programs and departments coming under one department is what's going to allow them to work together. Up until now they've been working in silos because they haven't had to communicate. Now they have to communicate. They have to collaborate. They have to work together. The success of this nation will actually be where competition meets collaboration. That is the secret to success. By bringing us all together under one department, that's where you'll see the EDC and the BDC working closely with the RDAs and the programs that exist.

I believe that we'll see some great successes moving forward.

The Chair: Thank you very much.

Mr. Masse, you can take us home for three minutes.

Mr. Brian Masse: Thank you, Mr. Speaker...oh, I mean "Mr. Chair". But maybe that's in the future.

Some hon. members: Oh, oh!

The Chair: I'm certainly getting a lot of practice.

Mr. Brian Masse: You can get a promotion from me, but I don't know what good it's going to do you.

I won't end on the BDC. I'd rather not.

I would like to turn it over to the ministers, though. One of the things that I don't think happens enough here is that you get a chance to mention what's important to you in your riding. You're parliamentarians first and ministers second, in my opinion, because this is the way the system works here. I would turn it over to you to hear what's important to you in your ridings.

Hon. Navdeep Bains: Wow, that's a very nice and thoughtful question. For me personally, my riding represents a very unique intersection with transportation, because there is Toronto Pearson International Airport and the 400 series of major highways, so there are a lot of infrastructure issues. That's a huge priority for us. There is a lot of gridlock in that area. To go from one end to the other end of my riding in a very dense and limited area takes up to 25 minutes. It's completely unacceptable relative to its small size. Infrastructure is a big challenge, and I work very closely with my local mayor to deal with and address it. I was really glad it was mentioned in the budget.

The food and beverage industry is another priority. It is a major employer in my neck of the woods. It's an area where there is a lot of innovation taking place. I didn't have an opportunity to speak about it, but as I said before, we think of innovation through the ICT lens or, traditionally, through clean tech, but a lot of innovation is taking place in agriculture, mining, and forestry. This is an area that I'm very passionate about, and I'm looking forward to promoting the innovation agenda in that sector, because there are tremendous growth opportunities, not only for my riding but for Canadians from coast to coast.

Hon. Kirsty Duncan: Thank you for a lovely question.

I get to represent the riding where I was born and raised. We're one of the most diverse ridings in the country and I'm so proud of that. You can literally travel the world within my riding. We have a large majority of newcomers and first generation Canadians.

One of the challenges is for our kids to obtain post-secondary education. They're smart and they're good at school, but sometimes they don't have those chances. Once they graduate, the challenge is to make sure they get the jobs. In our riding it's about jobs. Our families work so hard, so we need to support them. They have come to Canada to build a better life for their children.

• (1830)

Hon. Bardish Chagger: When I was talking about them all coming under one department, I should have said, "coming under the

whole-of-government approach". EDC is under Global Affairs Canada, and that's where that collaborative approach is taking place so that we can serve the best interests of Canadians.

I come from the riding of Waterloo. The Waterloo region has a great ecosystem that I think is definitely something the rest of the nation can learn from and see. We have a lot of learning to do as well. That's where working together as a nation is allowing us to continue to grow, and allowing other communities to grow and prosper as well.

I have two universities and a college within my riding. This is an area that has been close to my heart. I believe the best natural renewable resource is the brain. It is the human capital that we have in this nation. It is a matter of working with that talent, providing jobs for that talent, and ensuring that talent is not leaving our nation.

The Chair: Thank you very much.

We're actually one minute over 6:30. I want to congratulate everybody for helping us stay on track.

Some hon. members: Hear, hear!

The Chair: I would like to congratulate the ministers and their assistants for taking the time to be here. Three hours is a long time for everybody, but thank you very much again.

I declare this meeting adjourned.

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