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# Standing Committee on Industry and Technology

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Chair: Mr. Joël Lightbound





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• (1300)

[Translation]

**The Chair (Mr. Joël Lightbound (Louis-Hébert, Lib.)):** Good afternoon, everyone. Welcome to meeting No. 11 of the House of Commons Standing Committee on Industry and Technology.

Pursuant to Standing Order 108(2) and the motion adopted by the committee on Thursday, January 20, 2022, the committee is meeting to study the Mandate Letters of the Minister of Innovation, Science and Industry, the Minister of Rural Economic Development, and the Minister of International Trade, Export Promotion, Small Business and Economic Development.

Today's meeting is taking place in a hybrid format, pursuant to the House Order of Thursday, November 25, 2021. Members may attend in person or remotely using the Zoom application. I note that some of our colleagues are participating in the meeting virtually. Those who are here in Ottawa are familiar with the health rules in effect, and I encourage them to follow them.

I am pleased to welcome the honourable François-Philippe Champagne, Minister of Innovation, Science and Industry, the honourable Gudie Hutchings, Minister of Rural Economic Development, and the honourable Mary Ng, Minister of International Trade, Export Promotion, Small Business and Economic Development.

With them are Sara Wilshaw, Chief Trade Commissioner and Assistant Deputy Minister, International Business Development, Investment and Innovation at the Department of Foreign Affairs, Trade and Development, and Simon Kennedy and Francis Bilodeau, Deputy Minister and Associate Deputy Minister, respectively, at the Department of Industry.

Thank you for being with us today.

Without further delay, I yield the floor to Mr. Champagne, who will be followed by Ms. Ng and Ms. Hutchings.

**Hon. François-Philippe Champagne (Minister of Innovation, Science and Industry):** Thank you, Mr. Chair. I would like to say hello to my colleague Mr. Deltell of the Conservative Party, who has just joined the Committee.

It is a privilege and a pleasure to see you at this committee again, Mr. Deltell.

Mr. Chair, colleagues, it is of course a great pleasure for me to join you again to discuss...

[English]

**Mrs. Tracy Gray (Kelowna—Lake Country, CPC):** I have a point of order, Mr. Chair.

[Translation]

**The Chair:** Just a moment, please, Minister.

[English]

**Mrs. Tracy Gray:** I'm so sorry to interrupt you, Minister, but I just heard that, apparently, people online can't see the room. There's something not working with the video.

**The Chair:** I think the members who are online can see and hear us now.

• (1305)

[Translation]

Minister, you have the floor.

**Hon. François-Philippe Champagne:** Thank you. I will begin my speech again.

I was saying hello to our colleague Mr. Deltell who had joined the committee. It is a pleasure to see him again.

Thank you, Mr. Chair.

I am very happy to be with my colleagues once again to discuss my priorities as Minister of Innovation, Science and Industry of Canada. Since being appointed as Minister in January 2021, and since receiving my mandate renewal letter from the Prime Minister in December, I have worked above all else to create the conditions for the long-term economic success of Canada.

[English]

I'm also honoured to appear today alongside my two cabinet colleagues, Minister Ng and Minister Hutchings. I know they are equally engaged with our post-COVID recovery, which is why we are taking a collaborative approach to achieve our ambitious objectives and to use the tools at our disposal to support Canada's economic recovery and prepare us for the challenges and opportunities that lie ahead.

I would now like to highlight a few of the ways that we are supporting Canadian industry during this unprecedented time in our country.

Setting the right conditions for industrial success and economic growth requires everyone to look towards the future.

[Translation]

However, we understand that in order to stay competitive, the Canadian economy needs continuous investments in innovation and in all industries and, of course, in all sectors. That is why our government is continuing to support large-scale research and development in Canada's traditional industries, such as the auto and aerospace industries, natural resources and agri-food.

[English]

We also know that the entire international community is still currently experiencing supply chain issues related to COVID-19. This is why my colleagues and I have been working closely with our counterparts and allies around the world, particularly in the United States, Europe and elsewhere to enhance supply chain security for key commodities such as critical minerals, batteries and semiconductors, and in crucial sectors like life sciences, manufacturing, transportation and defence. I will continue to raise these issues as I did on my last trips to Washington, D.C., Mexico and Europe.

Just as we have had the backs of families, small businesses and workers since day one of this pandemic, our government has worked tirelessly to support our industrial community to move toward a resilient, inclusive and low-carbon economic future. We are doing this because we know that growing our economy and protecting our environment go hand in hand.

We will do everything we can to combat climate change—something I know, Mr. Chair, you care very much about—lower emissions and promote Canadian ingenuity as we accelerate the transformation to a net-zero future. At the heart of this is the net-zero accelerator, an initiative through which we are making transformative investments worth over \$8 billion to help decarbonize heavy-emitting industries, like steel and aluminum, and support innovation in net-zero growth sectors, such as zero-emission vehicles, batteries and clean tech. I'm sure members of the committee have seen this morning's great announcement from BASF to build a battery ecosystem in our nation.

I would also like to thank our officials. Mr. Chair, as you and all members know, we were able to deliver and help companies across the nation, thanks to the very dedicated civil servants and professionals we have.

This past summer, we made historic investments to decarbonize the operation of Algoma Steel and ArcelorMittal Dofasco, creating good jobs in communities like Sault Ste. Marie and Hamilton in the process. These investments will not only ensure that Canada's steel producers play a key part in our economic recovery, but they will also contribute meaningfully to our climate targets by reducing emissions equivalent to taking almost two million cars off the road. This is quite astonishing.

In 2018, we supported a joint venture between Alcoa and Rio Tinto called ELYSIS, which a number of colleagues will be familiar with. This will produce the world's first carbon-free aluminum right here in Canada.

• (1310)

[Translation]

Mr. Lemire, I think you are quite familiar with this initiative.

[English]

We are also supporting industry in their efforts to produce low-carbon concrete, so that Canada is a world leader in sustainable construction materials.

These efforts are just a few examples of a strategic, dedicated focus by our government to develop green supply chains that leverage our existing strengths and position us as a global leader in the green industrial transformation.

Canada will soon be a world leader in the production of green steel, green aluminum and green batteries.

[Translation]

Through these initiatives, we are positioning Canada to become a leader in the green industrial revolution that is sweeping the global economy.

[English]

We are also supporting the Canadian auto sector as it pivots towards zero-emission vehicle production. Through the mines to mobility initiative, we are building an entire new value chain and attracting anchor investments in critical minerals processing—again, this morning was a good example with BASF—battery cell manufacturing and zero-emission vehicle parts and assembly.

This is about the big picture. This is about the whole ZEV and battery ecosystem. This is about seeing where the market is going and positioning Canada in a leading role. This is about taking strategic, immediate action with a long-term vision.

[Translation]

I am very optimistic about our capacity to be that global leader. We have the necessary resources and we have the talent that is needed. We are a government that will continue to be ambitious and will seize the opportunity presented to us to secure a better future for Canadian workers and the planet as a whole.

[English]

Of course, all of these will be complemented by initiatives to help develop Canadian clean tech and to support small and medium-sized enterprises—like my colleague Minister Ng is doing every day with a lot of passion—that are active in the decarbonization efforts.

[Translation]

Colleagues, I would now like to talk to you about a subject we are all too familiar with in the wake of the global pandemic: the importance of bio-manufacturing in Canada.

While we are moving forward and leaving the COVID-19 pandemic behind us, we must also make sure that Canada is better prepared to deal with future threats and pandemics.

[English]

I know that your committee—I value the work of this committee, Mr. Chair. I want very much for everyone to know that—has already studied this issue and is well aware of that.

• (1315)

When this pandemic began, you will recall that Canada had no biomanufacturing capacity really suitable for a COVID-19 vaccine. From the first days of the pandemic, our government invested to quickly build up a flexible domestic capacity, and we have adopted a historic biomanufacturing and life sciences strategy. This has resulted in an investment of more than \$2.2 billion to reinforce Canada's world-leading capabilities in life sciences and biomedical research and grow a vibrant, domestic biomanufacturing and life sciences sector that now supports thousands of good, middle-class jobs.

We have secured a new private sector manufacturing investment with companies like Sanofi in Toronto and made major investments in manufacturing capacities with partners like AbCellera in Vancouver, Resilience Biotechnologies, Medicago in Quebec City, and BioVectra in Prince Edward Island.

We've also strengthened the government-owned manufacturing capacity with the National Research Council, because it was important for me to have a public facility to be able to support our efforts in the future. We will continue to build on this foundation in the years to come.

In addition, we are proud that we have landed one of the first Moderna facilities outside of the United States. We know we can't predict the next pandemic, and we are still finishing the fight against COVID-19, but we can make sure that in the future we are not caught unprepared. This is about ensuring the safety and security of Canadians for generations to come.

I would like to switch gears to focus on the parts of our economy that might be less tangible than steel, aluminum or vaccines, but that are no less important. We are making sure that Canada has the capacity needed to develop and maximize next generation technologies, such as artificial intelligence and quantum computing. We are doing this with initiatives like the pan-Canadian artificial intelligence strategy and the national quantum strategy, both of which build on Canada's strengths in these emerging areas.

We also know that the future of our economy is undoubtedly digital. I know this committee cares very much about the digital economy. That's why we are working aggressively to get all Canadians high-speed access to the Internet, which I'm sure my distinguished colleague, Minister Hutchings, will speak to you about, because this is about connecting Canadians.

[Translation]

For Canadians to be able to prosper and profit from the digital economy, we know that they must have confidence that their data is secure and their privacy is protected.

That is why I will be introducing a bill in this session of Parliament to guarantee that Canadians enjoy world-class measures to protect their privacy and their data and that actors who break privacy laws are held effectively to account.

[English]

Of course, our legislation will establish a modernized privacy framework that enables responsible innovation in the fast-changing digital economy of the 21st century.

Our government wants Canadians to make the most of the digital economy. To do so, we must foster a high level of trust. This will include ongoing efforts to combat cyber-risks and ensure the integrity of Canada's critical system.

We also understand that copyright and intellectual property are vital to Canada's creative, social and economic well-being. By helping Canadians to better understand, protect and access IP, we are making sure that Canadians, entrepreneurs and researchers will have the tools they need to take advantage of new opportunities.

In conclusion, in our response to the COVID-19 pandemic, we once again saw the tremendous vitality of the Canadian economy and the talent and ingenuity of Canadian workers across our nation. It is a fact I'm reminded of every day in my role as minister. This is why I'm so optimistic about our growth agenda.

In the very early days of the pandemic, when access to life-saving PPE was everyone's primary concern, manufacturers from coast to coast stepped up to retool their operations to help produce masks, gowns, face masks and hand sanitizer. When our focus shifted towards vaccines, we were able to make historic investments to help revitalize our long-dormant domestic biomanufacturing sector.

Even in the face of unprecedented uncertainty, our auto sector has started a historic pivot towards hybrid and zero-emission vehicles, and our booming tech sector continues to make Canada a world-class hub for knowledge and talent.

[Translation]

For these reasons and many others, Mr. Chair, I am very optimistic about our economic objectives and our economic program. We have the talent, the resources and the tools we need to succeed together.

Thank you, Mr. Chair.

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

Ms. Ng, the floor is yours.

**Hon. Mary Ng (Minister of International Trade, Export Promotion, Small Business and Economic Development):** Thank you, Mr. Chair.

[English]

I'm thrilled to be joining all of you in person to talk about the very ambitious mandate as the Minister of International Trade, Export Promotion, Small Business and Economic Development. It's terrific to be here with Minister Champagne and Minister Hutchings. It's terrific to talk to the committee about the mandate of our respective portfolios. Picking up on what Minister Champagne said, it is very much a team approach that we take, so it's terrific to be here.

My mandate is all about generating growth and prosperity through economic development and creating opportunities for businesses to start up, to scale up and to access those international markets all around the world, while anchoring that success in growth right here in Canada.

I'm working to expand opportunities through trade, while making sure that no one is left behind. This means opening access to new markets and championing opportunities for women entrepreneurs, Black and indigenous business owners, and under-represented entrepreneurs.

[Translation]

It goes without saying that over these last two years we have made historic investments to support small enterprises.

[English]

From the wage and rent subsidies, the CEBA loans, and the hardest-hit business recovery program to the recently extended lockdown supports, my mandate goes much further than this pandemic.

[Translation]

Despite an unbelievable and difficult year, the Canadian economy has grown by 4.9 per cent.

• (1320)

[English]

This is thanks to the resilience of our small businesses and to the strength of our trade relationships. Canada is a trading nation. Trade accounts for two-thirds of our economy and one out of every six jobs. We're the only G7 country with a trade deal with every other G7 country. Our 15 agreements give our businesses access to 1.5 billion customers and to over 60% of the world's economy. We are working hard to grow those opportunities.

Our trade relationships are made up of thousands of individual success stories, but let me just tell you about one that stretches from Nova Scotia to Virginia, U.S.A., demonstrating the strength of the relationship with one of our closest trading partners.

The company is CarbonCure. CarbonCure's groundbreaking technology injects carbon dioxide into concrete, taking harmful greenhouse gases out of the environment. It makes the concrete much stronger, which means that builders use less of it. CarbonCure's innovation improves quality, and it fights climate change by lowering the carbon footprint in every project. In Virginia, Amazon's HQ2 headquarters is being built, and CarbonCure is in that building.

This is just one of hundreds of construction projects across North America, indeed around the world, that's using this innovation. This is Canadian innovation, assembled on the east coast of Canada in Dartmouth, Nova Scotia, using parts that are sourced by an American distributor. The CO2 tanks used in CarbonCure's process are manufactured by multiple U.S. companies, including Helget Gas of Omaha.

This is the human dimension of trade. It's prosperity for our innovators, for go-getters, for business people, and indeed, for workers. It's stories, just like this one, all taken together, that are adding up to this past year's economic growth and recovery.

There is a reason that the Prime Minister created this position that combines international trade and small business, and to achieve economic development. It is to make sure that our small businesses are getting every opportunity to grow, to succeed around the world and here at home.

[Translation]

We know that in order for our enterprises to be able to do business, we have to help them develop and create jobs here in Canada. That is why we have made historic, essential investments in Canadian small enterprises.

[English]

Just yesterday in Ottawa, the Prime Minister and I announced the launch of the Canada digital adoption program, also known as CDAP. It's a \$4-billion investment to help Canadian SMEs grow their businesses online and to boost their business technologies. It's to help them be more competitive.

Let's take an example of an entrepreneur who owns a main street clothing store. This program is going to help that owner establish a digital store and bring the business online. It's adding the click to the brick. For those entrepreneur suppliers who manufacture those clothes in Canada, we'll support their digital transformation to help them develop and improve their order fulfillment system, or to digitize some of their production line.

CDAP is going to be a game-changer for many businesses, including those in rural Canada. I know my colleague will happily talk about what is being done in rural Canada for those businesses and entrepreneurs. It will help them access new customers in their communities across Canada and, indeed, help reach that global marketplace around the world.

This program will also support our goal to get young people into the workforce with the skills of tomorrow. It's going to create 30,000 job placements for young Canadians.

We know that when we grow our businesses, we mustn't leave anyone behind. When we do, our economy is at a deficit. We can't afford to miss out on the talent, diversity and innovation of our country.

This is why, since 2018, we've invested over \$6 billion in the women entrepreneurship strategy. This will unlock financing and resources and develop a supportive ecosystem to help women entrepreneurs succeed. To date, this program has helped 5,000 women start their businesses and over 7,000 women entrepreneurs grow their existing businesses, and there is still more to come.

We're also investing to remove systemic barriers faced by Black entrepreneurs and business owners through a \$265-million Black entrepreneurship program, developed with Black entrepreneurs for Black entrepreneurs to address the systemic inequalities that Black-owned businesses and entrepreneurs have faced for far too long.

[Translation]

When there are more prosperous Canadian entrepreneurs, our communities and our economy prosper.

[English]

In closing, the government understands that a successful and inclusive recovery depends on our communities and our small businesses, and our willingness and ability as leaders to do things differently and to adapt.

Thank you so much for having me. I look forward to answering your questions.

[Translation]

Thank you for having me. I look forward to answering your questions.

• (1325)

[English]

**The Chair:** Thank you, Minister Ng.

Minister Hutchings, the floor is yours.

**Hon. Gudie Hutchings (Minister of Rural Economic Development):** Thank you, Mr. Chair and honourable colleagues. It's wonderful to be with you today in this exciting committee.

[Translation]

I am honoured to appear before you as the Minister of Rural Economic Development, but foremost, as the member for Long Range Mountains in the magnificent province of Newfoundland and Labrador.

[English]

For those who don't know, my riding is what I call really rural. Believe it or not, it's the size of Switzerland and I'm honoured to represent over 200 communities. It even has amazing chocolatiers and I would argue they are way better than Swiss chocolate.

• (1330)

It's important to highlight this, as I understand the challenges rural communities face. However, more important are those communities' resiliency and strength.

Rural Canada makes up approximately 20% of our population and contributes nearly 30% of our country's gross domestic product, yet we know that Canadians living in rural and remote communities face unique realities, challenges and opportunities that must be considered when designing federal policies.

We have been listening to rural Canadians. We have heard consistently that the number one priority is to address the critical need for reliable and affordable high-speed Internet for all Canadians, regardless of where they live.

Since 2015, our Liberal government has made a total of \$7.2 billion available for broadband connectivity. This investment is more than all other previous governments' investments combined. We launched a universal broadband fund in November 2020, supported by \$2.75 billion to bring high-speed Internet to rural, remote and indigenous communities.

I'm proud to share with the committee that since 2015, we have approved programs and projects to connect 1.7 million Canadian households. By 2026 we will connect another 1.2 million Canadian families with better, faster and affordable Internet. We're investing in broadband projects in rural communities throughout Yellowhead County in Alberta, Eagle Ridge County Estates in Saskatchewan, and my home province of Newfoundland and Labrador.

I can assure members of this committee and all Canadians that we are on track to connect 98% of Canadians by 2026 and 100% by 2030. We know that high-speed Internet is essential for Canadians in rural and remote areas to connect with loved ones, use virtual health, manage their farm, do their banking, access online education, work from home or run their business.

I have also been tasked to lead the continued implementation of the rural economic development strategy. Our government will build on existing investments, improve community-level rural and data reporting and identify improvements that could be made to programs, policies and future investments all to benefit rural communities.

Simply put, we need to develop solutions that are outside the box and outside the Ottawa bubble. Our Liberal government is focused on building a stronger, more resilient and inclusive economy for everyone, from Canadians living in our smallest remote communities to those in our largest urban centres.

To that end, there is no one-size-fits-all approach. Through the enhanced GBA+, rurality is one of the indicators for consideration in development of federal policy now. We will continue to make this GBA+ analysis an even better tool.

We're making sure that our decisions, policies and programs are tailored to smaller and remote communities to address critical rural needs like connectivity, housing, climate change, health, tourism, community infrastructure, immigration and, of course, the workforce.

We are aware of the lack of rural data, so we have established agreements with Statistics Canada to improve the availability of information. With this, our government is better equipped to deliver results for rural Canada.

We are committed to ensuring that the services your federal government delivers reflect the needs of Canadians from coast to coast to coast. Specifically, I have been directed to focus on issues surrounding rural transit, mental health services and housing, and the visibility and accessibility of all these services.

Working with my cabinet colleagues, I'm confident in our ability to make real practical differences in the lives of rural Canadians. It's for those seniors living in small towns who are an hour away from the closest grocery store without access to public transit. It's for the parents of a child who needs to see a specialist and the hospital is 10 hours away, or for the newly arrived family in Canada who wants to settle in one of our small, beautiful towns, but can't find a place to call home.

I'm also working with my cabinet colleagues to ensure that Canada Post service better reaches Canadians in rural and remote areas. Working with my colleague, Minister Ng, I'm designing a new futures fund for Alberta, Saskatchewan and Newfoundland and Labrador, which supports local and regional economic diversification and employs place-based strategies.

All of these efforts are critical and timely as we all work together to end the fight against COVID-19 and build back an economy that works for everyone.

Rural communities are the backbone of our economy. When rural Canada succeeds, all of Canada is stronger.

*[Translation]*

To conclude, I welcome the opportunity to work with you as we strive to achieve progress for all Canadians living in the rural communities of our great and beautiful country.

*[English]*

I look forward to your questions, my friends.

Thank you.

**The Chair:** Ministers, thank you.

Before we start with the first round of questions, for the benefit of our witnesses and our new colleagues, I will let you know that I use this yellow card, which means there is one minute left, and this red card, which means there's no more time left.

I would also ask our witnesses to try to keep their answers proportionate, as much as possible, to the questions being asked.

Without further ado, we'll start with MP Gray for six minutes.

**Mrs. Tracy Gray:** Thank you, Mr. Chair.

Thank you to the ministers for being here today.

Minister Ng, you announced details on the Canada digital adoption program yesterday. Paul Wells at Maclean's reported that more than 50 not-for-profits applied to administer the grow your business stream, but there were fewer details on the boost your business stream.

Was there an RFP process to select the not-for-profit for that stream?

**Hon. Mary Ng:** We had a competitive process for service providers all across the country that will help our businesses go digital. Yes, the work we did was through a competitive process.

**Mrs. Tracy Gray:** Was that posted on Canada Gazette? Can you advise on where that might have been posted?

**Hon. Mary Ng:** We ran an open process that would have been posted on our website quite a number of months ago. The required due diligence performed by the department was exactly that. Transparency is something that we are very committed to, and to making sure that these service providers have come in through a competitive process.

**Mrs. Tracy Gray:** Do you know how many organizations were considered?

**Hon. Mary Ng:** I don't off the top, but I'm sure we can get that information for you.

**Mrs. Tracy Gray:** Okay. Perhaps you could table for the committee the organizations that were considered.

As well, what metrics and scoring criteria were part of the consideration of the process?

**Hon. Mary Ng:** Let me take a step back for a second. We saw in the pandemic, through Statistics Canada, a 110% increase in businesses going digital from 2019 to 2020. We saw more digital adoption by businesses in the last two years than the last decade. The real need to grow, and grow digitally, is what this program will do.

**Mrs. Tracy Gray:** Thank you, Minister. Again, perhaps the metrics could be tabled with this committee.

Yes or no, do you know if this was a sole-source contract?

**Hon. Mary Ng:** It was not.

**Mrs. Tracy Gray:** Okay.

Magnet was the organization that was selected. Yes or no, do you know if they've done a project of this size and scope across Canada to place roughly around 16,000 people?

**Hon. Mary Ng:** What I'm really thrilled about is that this program is going to provide 30,000 placements for young people to help Canada's businesses digitize and to boost their technology. I think there's a real win-win here in this program, where young people get the opportunity and businesses go digital.

**Mrs. Tracy Gray:** Thank you, Minister.

Do you know if Magnet also applied for the grow your business stream?

**Hon. Mary Ng:** I'm thrilled that Magnet is going to do the really important work of matching young people to those businesses that are looking for that talent to take their business and go digital to boost their technology. We launched it just yesterday. I'm looking forward to those great businesses coming back and telling great stories of that digitization.

**Mrs. Tracy Gray:** Thank you, Minister.

What is the dollar value of the contract with Magnet?

**Hon. Mary Ng:** Perhaps we can get you that information at a later time.

What I can say is that the foundation of this program is about 30,000 placements for young people, which, by the way, during the pandemic, it's been so difficult for—

**Mrs. Tracy Gray:** Thank you, Minister. I'll get back to my time here.

There are only two streams for this. You announced it yesterday, and you don't know the dollar value for one of the two streams, which is really surprising.

**Hon. Mary Ng:** I can tell you that 70,000 businesses for stream two will be able to boost their technology; 90,000 businesses will be able to take their business online, and 30,000 placements will give young people wonderful opportunities to help these businesses go digital.

● (1335)

**Mrs. Tracy Gray:** Right. For those 30,000 placements, what's the cost? What is the cost of the contract with Magnet? You don't know what the cost is for those 30,000 placements.

**Hon. Mary Ng:** This is a \$4-billion program, a very robust program, to take our businesses digital. We know how important it is for our businesses, and not only to grow in their community. I mean, how many times, when we walk along our main streets, do we see that we are now going to curbside pickup and we are using technology to—

**Mrs. Tracy Gray:** Thank you, Minister. You're not able to answer, really, any questions about this program today.

Are you aware that Magnet was co-created by Ryerson University in 2014?

**Hon. Mary Ng:** I think Magnet is a terrific organization that has come through a competitive process to be able to deliver this really important program, which ultimately will help businesses go digital.

**Mrs. Tracy Gray:** Minister, am I correct that you were executive director at the office of the president at Ryerson University in 2014?

**Hon. Mary Ng:** Yes.

**Mrs. Tracy Gray:** Minister, did you talk to the Ethics Commissioner prior to this contract being given to Magnet for the Canada digital adoption program?

**Mr. Han Dong (Don Valley North, Lib.):** I have a point of order.

**The Chair:** Madam Gray, just a moment as we have a point of order.

**Mr. Han Dong:** Mr. Chair, I'm respectful of my opposition colleague's time, but I think the direction of the questions is drifting further and further away from what we are talking about today, which is the minister's mandate.

**Mrs. Tracy Gray:** This doesn't cut into my time. I hope you respect that this doesn't affect my time.

**Mr. Han Dong:** No, it doesn't. I want to raise a point of order regarding relevance.

**The Chair:** I appreciate your point of order, Mr. Dong, but the mandate letters are fairly broad, so I'll be lenient.

I hear your point of order.

**Mrs. Tracy Gray:** Thank you, Mr. Chair.

Minister, did you talk to the Ethics Commissioner prior to this contract being given to Magnet?

**Hon. Mary Ng:** I would say that with respect to my mandate here, which is what we are talking about, what I'm really thrilled to be sharing with you and this committee is the importance of getting our businesses competitive—

**Mrs. Tracy Gray:** Minister, it was a yes or no question.

**Hon. Mary Ng:** —and getting them on that road to economic recovery. Given that the present and future economy is one that is digital, this is—

**Mrs. Tracy Gray:** Minister, back to my time, you're not answering yes or no.

Minister, did any representatives from Ryerson University or Magnet directly approach you regarding involvement in these government programs or other government programs?

**Hon. Mary Ng:** What I want to say is that every element of this program went through a request for proposal process. The language of the RFPs is absolutely available. The RFP was also assessed independently by the civil service.

**Mrs. Tracy Gray:** So you're not willing to answer the question of whether you contacted the Ethics Commissioner regarding this matter.

**Hon. Mary Ng:** This program went through an RFP process independently assessed by the non-partisan civil service.

**Mrs. Tracy Gray:** Minister, are you aware if Magnet had received other contracts?

**The Chair:** Thank you.

MP Gray, I'm sorry to interrupt, but that's all the time you had.

We'll go to MP Dong for six minutes.

**Mr. Han Dong:** Thank you very much, Chair.

It's really good to see the ministers. I don't see them a lot now, but I hope to see them more as Parliament normalizes.

My first question is for Minister Champagne.

About 30 years ago, the Clinton-Gore administration in the United States consulted with I think it was over 500 industry elites for a lengthy period of time, then came out and made a very deliberate decision to move resources from military research to civilian technology research. This set the tone, or the base, for IT research in particularly life sciences, as you know. That is so important. Looking back to 30 years ago, that was a very innovative and brave investment direction made by the government.

North of the border, the Canadian economy has often been characterized as risk averse. Many analysts believe we should take some risks and at least seek some high-risk, high-reward investments.

Your mandate letter, as well as the 2021 Liberal Party platform, reference a Canada advanced research projects agency to help in the development of such an ecosystem. Can you expand on what that means for Canadians and the Canadian research and innovation industry?

**Hon. François-Philippe Champagne:** I'm also very happy to see you. To be able to see colleagues in person is a great thing.

What I see are great opportunities to frame a new innovation and research ecosystem in Canada. You said it; DARPA in the United States, which you were referring to, is at the origin of the Internet and GPS. What we've been trying to think about in Canada is what in the ecosystem we can have as an organization that would support a moon shot type of approach to research.

If you look at the world today, we're faced with two existential challenges. One is COVID-19, and I think we've done great things to protect the health and safety of people. The other one is climate change. For me, we're going to create an agency or structure that would allow us to tackle some of these moon shot challenges of our generation. I think of climate change as one. Canada will be following in the footsteps of what we've seen there, but making it in a Canadian way, and one that will be integrated in the research and innovation ecosystem making sure we can support the work that's being done. I'll be creating a committee of advisers to make sure we do that in the best possible way.

I think it's an exciting moment, and I see a number of members of the committee nodding their heads. It's pretty exciting because this is at the forefront of the research and it's really thinking not about what's happening today, but how you position the country 20 to 30 years from now, taking immediate action with a long-term vision and really being at the forefront of the innovation and technology of the future. One that comes to mind is climate change.

• (1340)

**Mr. Han Dong:** I definitely think it's the right decision.

In my previous life as an MPP, the Ontario government invested in something called the Vector Institute, to launch research into AI and put us at the forefront of that technology.

Speaking of AI, quantum computing is fundamental for us to reach true AI. Last month, I presented a motion, which was supported by all colleagues of this committee, to do a study on quantum computing.

Can you speak a bit about the opportunity you see in that frontier of new technology and why it is so important for the Canadian economy and future employment opportunities?

**Hon. François-Philippe Champagne:** First of all, I welcome the work of the committee. I value the opinion of our colleagues. A lot of good things have come out of this committee in many ways.

Quantum is going to be changing the future, and I'm very excited. If you look at the building blocks of the future, you see AI, quantum and cybersecurity as the foundational blocks of future prosperity for the economy of the 21st century. I think we have done great things in AI.

I can tell you that in my first visit to Washington, my counterpart noted, as the first comment she made, that Canada had a head start when it came to AI. I said, "Madam Secretary, I intend to do the same on quantum." That's why we have a pan-Canadian quantum strategy.

I'll give you a very specific example of why it's helping the competitive advantage of Canada. There's a company called Xanadu, in Toronto. I invite members of the committee, if you do site visits on quantum, to visit them. It's a very Canadian story. It's a start-up, which now has the only quantum computer in the world—there aren't two; there's one in the world—that is focusing on battery chemicals and the recipe you need for the battery of the future. This is happening in Canada.

Every time I talk to someone in the battery ecosystem, I say, "You go visit Xanadu. Xanadu is at the forefront of the research in the world on the battery and the recipe you need." Some of them have told me, "Minister, what you've told us will probably save us two years of R and D."

This is a Canadian icon on quantum. I'm taking a very practical example, because of the people watching at home. When we talk about quantum, it's exciting.

The chair is asking me to leave it there.

[Translation]

**The Chair:** Thank you, Minister.

This is certainly a very interesting subject, and with a little luck there will be other opportunities to talk about it.

Thank you, Mr. Dong.

We will now move on to Mr. Lemire.

You have the floor for six minutes, Mr. Lemire.

**Mr. Sébastien Lemire (Abitibi—Témiscamingue, BQ):** Thank you, Mr. Chair.

We hope that many people at home will be listening to us.

I am going to start with the Minister of Innovation, Science and Industry.

Regarding the national critical minerals strategy, many observers in the mining community say that they have been impatiently awaiting the strategy. In fact, at the committee, we have brought up the subject through the study on the green economic recovery, during which we heard witnesses who explained why it is so urgent. Since then, we have felt that things were moving along. That is part of your mandate letter.

Guy Saint-Jacques, who came to speak before the committee, said the following in the *Journal de Montréal*: "What I would criticize would be more the absence of a national strategy to encourage the exploitation of these resources in Canada and make sure that Canada is able to play a key role in this sector."

Can you come forward and give us a date when this strategy will be tabled, and explain the commitments that the government will be making in this regard, Minister?

• (1345)

**Hon. François-Philippe Champagne:** Thank you for your question, Mr. Lemire.

First, I would like to say hello to Mr. Saint-Jacques, a former ambassador whom I know well, who served Canada for a long time and always has a strong presence.

To answer your question, I am working with my colleague, the Minister of Natural Resources. Clearly, a national critical minerals strategy is important.

You saw the announcement this morning. I think all of Quebec is celebrating today, if I may say so, since you come from the Abitibi-Témiscamingue region of Quebec. We have just seen a big European company, BASF, choose a piece of land in Bécancour, which means that the Centre-du-Québec region is kind of going to be the hub, not just for cathodes, but also for everything they are going to bring in terms of critical minerals and refining. As Canadians and Quebecers, we know that what we want to do is not just mining—and you come from a mining region—but also refining the ore here at home, to have the entire value chain located in Quebec and in Canada.

I am pleased with the announcement this morning because it shows that Quebec is making a comeback in the great 21st century auto industry. Historically, GM was in Quebec, along with other companies. I think Hyundai was also there at one point.

**Mr. Sébastien Lemire:** Thank you, Minister.

And that is consistent with the wish I had expressed earlier to see the mining paradigm change a bit, to see processing being done near the resource, where the people are, particularly in the regions. We must not turn them into simply resource regions, that being a development model that has been adopted too often.

In the most recent Government of Canada budget, the government proposed \$9.6 million in funding over three years to create a critical battery minerals centre of excellence.

At the committee, I recommended that the centre be in Abitibi-Témiscamingue, where there already is the Institut de recherche en mines et en environnement of the Université du Québec en Abitibi-Témiscamingue, UQAT, which is also associated with the Polytechnique Montréal. And there is the Centre d'excellence sur les minéraux critiques et stratégiques Éléments08 of UQAT, the Cégep de l'Abitibi-Témiscamingue and the Centre technologique des résidus industriels: the CTRI. In addition, there will be the Rouyn-Noranda mining innovation zone. We have had some good meetings on this with the government of Quebec this week. Obviously, this involves the whole enterprise collaboration culture.

Would you look favourably on the possibility of a centre of excellence like the one I have described being located near the resource, near lithium, in particular, in Abitibi-Témiscamingue?

**Hon. François-Philippe Champagne:** Mr. Lemire, you are an excellent advocate for your region, and I would expect you to be putting your region forward. I visit it often, and I know there is a lot of talent and expertise there.

Personally, I'm open to everything. We are currently considering various possibilities. People often ask us where we are at, in terms of the ecosystem for electric vehicle batteries in Quebec and in Canada. Today, this is just the beginning, because more good news is going to be announced in this regard.

I come from Mauricie. We talk about restoring value at home, and I think this is a fine example. We are certainly going to be working with the mining companies in your region, Mr. Lemire.

I want to say that you do a remarkable job of representing the people and industries in your region.

**Mr. Sébastien Lemire:** I participated in a meeting in Washington with your colleague Ms. Ng, and I know how important the development of these minerals is. It is part of the solution when it comes to our relations with the United States.

I would now like to talk briefly about the aerospace sector, one that is very important in Quebec. In fact, the Quebec aerospace sector is the third largest in the world. This industry needs a special investment fund and a long-term development strategy. We have to invest in research and development and offer refundable tax credits.

Do you intend to introduce a policy for the aerospace sector?

What is preventing you right now from responding to the industry's needs?

**Hon. François-Philippe Champagne:** We have answered the call.

I would like to say hello to Ms. Ng. You are entirely correct about critical minerals. What we have done with the United States, we are also doing with Germany.

I am going to come back to the aerospace sector.

We have answered the call. As Minister of Industry, one of my priorities is bio-manufacturing and the aerospace sector. I would point out that investments have been announced in connection with CAE Canada, Pratt & Whitney, and Bell Helicopter.

The big question that I asked the industries at the time was not whether they wanted 100,000 square feet to be added to their plants, but where the aviation sector would be in 20 or 30 years. That was when we talked about hybrid drive.

I recently spoke with Suzanne Benoît, the CEO of Aéro Montréal. If my memory serves, the premier of Quebec at the time said this was the biggest announcement in the aerospace history of Quebec.

Funds are still available. I would also like to have the benefit of the committee's expertise, because I actually am looking for projects. There is still money available to ensure that that the aerospace industry is at the heart of 21st century aerospace.

• (1350)

**Mr. Sébastien Lemire:** We have heard your request. The committee has already talked about the industry's need for predictability. There will be a report tabled shortly, in fact.

I would like to ask you one last question.

You talked about the Moderna plant in your opening remarks. As we know, traditionally, pharmaceutical industry expertise is in Quebec.

Can we expect that the Moderna plant will be built somewhere other than Quebec? I think it would be scandalous if it were built somewhere other than Montreal or Quebec City.

Can we get any news about this?

**The Chair:** I'm going to ask you to give a brief answer, Minister.

**Hon. François-Philippe Champagne:** I will be brief.

I speak with the CEO of Moderna regularly to get progress on this subject. They have chosen Canada, and I can say that yes, Quebec is in a good position in the discussions between the company and the various provincial governments.

As I said before, there will soon be good news about this.

**Mr. Sébastien Lemire:** Thank you, Minister.

**The Chair:** Thank you.

Mr. Masse, the floor is now yours for six minutes.

[English]

**Mr. Brian Masse (Windsor West, NDP):** Thank you, Mr. Chair.

Thank you to the ministers for being here.

On December 6, I wrote to Minister Champagne and Minister Ng about electric vehicles in the United States and what's taking place. That was on December 6. On December 14, in Washington, D.C., the Prime Minister was quoted in the Financial Post as saying, "There are a number of solutions we've put forward. One of them would be to align our incentives in Canada and in the United States, to make sure that there is no slippage or no unfair advantages on one side or the other. We are happy to do that."

For the ministers, is it the policy for Canada to align our incentives for EV vehicles, yes or no?

**Hon. Mary Ng:** Thank you so much.

It's always nice to see my colleague. It's too bad that we aren't here in person. You and I used to sit on this committee together in person a number of years ago.

The answer to the question is that we continue to find a range of solutions, because that's what we're trying to do here with the United States to make sure that our auto sector is—

**Mr. Brian Masse:** Thank you, but I have to interject.

Is that the policy or not? Is the Prime Minister saying that? I'm sorry to cut you off, but I need to know whether that's our policy or not. That's what I've asked before.

**Hon. Mary Ng:** We're exploring a range of options. Everything is on the table, that one included.

**Mr. Brian Masse:** Well, okay. Here's what I don't understand, then, and perhaps you could shed some light on it. I wish I were there in person with all of my colleagues—and I will be soon—who can appreciate this.

Right now, the United States has EV incentives on the Chrysler Pacifica, built in Windsor, Ontario, at \$7,500, which is almost \$10,000 Canadian, and you can get that twice. In the United States, you get that twice. In Canada, it's once, for \$5,000.

If the Prime Minister wants to prepare himself and also wants to be seen as, I guess, to a word.... Why has it been 81 days later and we don't at least do the same thing? Isn't it embarrassing or shameful that right now the U.S. actually has better incentives for the Windsor-built Pacifica versus that of the United States...? It's been 81 days. Why don't we make this happen?

**Hon. Mary Ng:** I appreciate the member's perspective, but here is where I will disagree.

What we have been doing is absolutely creating incentives to encourage our consumers to move towards the purchasing of electric vehicles. You just heard my colleague, Minister Champagne, about the range of investments we are making in order to build out the kind of investment and ecosystem—

**Mr. Brian Masse:** The investments are one thing, but we're talking about what the Prime Minister said. We're talking about a very specific example where the U.S. incentives are greater, almost by double, than the Canadian incentives. Right now the Biden administration, despite putting all the war drums on the table with regard to increasing EV incentives—and the Prime Minister said he would match them, but has not—is actually still doubling down on EV incentives built in Canada versus our own Windsor-made Pacifica. Isn't that embarrassing? Why can't that change?

**Hon. Mary Ng:** I would say to the member that our absolute top priority is to be sure there is competitiveness here in Canada...to that of our American partners. I was just in the United States on Monday. This work very much continues between the two countries. We've seen the largest trade volume between our two countries than we have seen in history.

Trade is absolutely working. It is absolutely happening between the two countries, and where we are very much aligned—

**Mr. Brian Masse:** I don't disagree, and I appreciate that—

**Hon. Mary Ng:** —is on the road to building back better and to climate change.

**Mr. Brian Masse:** I'm asking very specifically about an example here. If you don't want to answer, that's fine. I appreciate the work that you're doing. You've gone to Washington several times, which is very helpful. At the same time, we have a Prime Minister whose word has been often maligned in the House of Commons and other places, but goes to another country and talks about a very specific thing that he would do, but he doesn't do it, doesn't follow through, and we still have a problem here.

I don't accept excuses about how lobbying or incentives here...when we actually have a case where the Prime Minister says they would match it. Wouldn't it show some good faith to Americans that we're going to do that? What do you think they're thinking right now when we won't even match our only electric vehicle being produced in Canada, whereas they're doubling their incentives for their taxpayers versus Canadians? Don't you think that erodes the Prime Minister's trust and his word in Washington when we're not even doing the same thing that we could do right now?

• (1355)

**Hon. Mary Ng:** What I would say to the member is that what you've seen our government do time and time again is stand up for Canadian industries and stand up for Canadian workers. This is not different at all. We will continue to do that work as we have done. You've seen us not step away from—

**Mr. Brian Masse:** How is it standing up for Canadian workers when the U.S. is providing double incentives for the work that's actually done in Windsor, Ontario, right here, right now? That's not standing up for our workers. Standing up for our workers would be actually providing Canadian consumers, and also the actual workers, the benefit of having the same subsidy that Americans are getting right now.

I don't understand how it supports workers when a foreign government is actually attacking us with an EV policy that's very assertive, is still actually providing double the incentive, and twice versus once for Canadians, on the only actual hybrid vehicle manufactured and assembled in Canada.

**Hon. François-Philippe Champagne:** I'd say that I share the same passion as you do, Mr. Masse. As you know, I've been fighting like you, and all of us. I think it's a Canadian issue.

The only thing I would disagree with you on is that in speaking to the CEOs of all the automakers, I have never received as many calls in my life from people who want to install and increase their capacity in Canada. You will soon see new mandates being re-

newed. You will have seen this morning the BASF announcement, which is going to be starting—

**Mr. Brian Masse:** That's great, but I just met with the Canadian CEOs, and they want the incentive to be matched. They just told me. It's a simple thing you could do. I don't know why it takes 81-plus days to actually increase our incentives from \$5,000 to \$9,500, or the equivalent to the United States for an actual existence of a program right now. I don't understand why it takes that long.

I appreciate all the work that's being done, but I'm sorry, I'm not going to let this go.

**Hon. François-Philippe Champagne:** I appreciate that, and I know your passion. I saw you when we were building the new Ambassador Bridge. Trust me, I do know your passion.

I can tell you that what I hear from the CEOs is proximity—proximity resources, proximity to the assembly plant and proximity to the markets. To be honest, we are so competitive, Mr. Masse, that when you see the number of mandates we're renewing, I think you will look back and say that we have done something quite extraordinary. The workers in Windsor will benefit, because we are in touch with all the automakers. I've now received calls from European automakers who are looking at Canada. Never, I think, in the history of Canada have we see so much interest in building in Canada—

**Mr. Brian Masse:** That's fine—

**The Chair:** Thank you, Minister, and thank you, MP Masse.

**Mr. Brian Masse:** I appreciate that, but it doesn't answer the simple question.

Thank you.

**The Chair:** Thank you.

We'll now move to MP Gray for five minutes.

**Mrs. Tracy Gray:** Thank you, Mr. Chair.

**Mrs. Tracy Gray:** Minister Ng, did any representatives from Ryerson University or Magnet directly approach you regarding involvement in government programs?

**Hon. Mary Ng:** I appreciate this question.

As I said earlier, we're going to see some 30,000 student placements. What I would say is that officials opened up the search for organizations that could step up as partners to help these young people provide the opportunity to small businesses to digitize. They've done the due diligence and—

**Mrs. Tracy Gray:** Thank you, Minister. That was a yes or no question.

Has Magnet received any other contracts from the government since 2015?

**Hon. Mary Ng:** I know that they are going to be the successful deliverers to this contract.

**Mrs. Tracy Gray:** Could you please table for this committee any contracts that Magnet might have received since 2015, as well as the dollar values of those contracts and the content of the contracts?

**Hon. Mary Ng:** What I could say and share in response to an earlier question that you had is that there were 10 organizations that applied. Eight had completed applications, and four were short-listed. Magnet went through that competitive process as one of those that was shortlisted.

I don't know who gets selected before officials put their recommendation in front of me, just to clarify and provide you with that in response to an earlier question that you had.

**Mrs. Tracy Gray:** Thank you very much, Minister.

You've outlined the various organizations that went through the process. Can you table the scoring results for the not-for-profits that were being considered?

**Hon. Mary Ng:** I hope what you're asking me is how this program and service deliverer is going to be able to provide what is in my mandate, which is to help Canadian businesses grow through digitization. I'm very confident that we're going to see 30,000 youth placements. We're going to see some 160,000 businesses go digital, go online and boost their technology.

• (1400)

**Mrs. Tracy Gray:** Thank you, Minister.

The question is if you could table the scoring criteria and how those, especially the last four, scored in that criteria.

**Hon. Mary Ng:** I'm so happy to talk to you about my mandate, particularly to help Canadian businesses go digital. I'm thrilled that there will be terrific young people, who no doubt we're going to see contribute—

**Mrs. Tracy Gray:** I guess we'll read that as a no.

Minister, did you recuse yourself from any cabinet decisions involving Ryerson University or Magnet due to a perceived conflict of interest?

**Hon. Mary Ng:** I think what you're asking me, and I just responded.... Ten organizations applied. Eight had completed applications. Four were shortlisted. Magnet went through that competitive process. I do not know who gets selected before the officials put the recommendations in front of me.

**Mrs. Tracy Gray:** Minister, are you aware of any involvement or past work with Magnet by the Prime Minister, any members of cabinet or their families?

**Hon. Mary Ng:** I am not.

**Mrs. Tracy Gray:** Thank you, Minister.

The program seeks to train nearly 30,000 people to be advisers on digital adoption to small business. Will there be training for those applicants prior to connecting them with businesses?

**Hon. Mary Ng:** The digital adoption program has two parts. The first is to help businesses with e-commerce. Through that, there are service providers all across the country that have gone through a competitive process and will provide that e-commerce service, helping businesses get to that digital storefront. The second is for those businesses that really start with understanding what their digital capabilities are—so taking a DNA. Through that, we'll develop a plan and get access to—

**Mrs. Tracy Gray:** Thank you, Minister.

Part of the announcement is that these people will be advisers. They'll be experts/advisers who will be connecting with these businesses. Who will be administering the training to these youth who will become these expert advisers?

**Hon. Mary Ng:** Let me clarify this.

There will access to a roster of experts. Those experts will help businesses create their digital adoption plan. They're going to get up to \$15,000 in grants to do that. Those are expert advisers.

In addition, we're going to provide up to \$7,500 for the business to bring on a young person to implement or help them implement their digital adoption plan. That is how the program is designed.

**Mrs. Tracy Gray:** Minister, who will be administering the advisers?

In fact, there are a lot of small businesses that do this type of work. Now you have the government, which will have these advisers, directly competing with small businesses that do this type of digital work. It seems there's a crash course they're going to do in order to advise...employed by the government, yet they're going to be directly competing with small businesses.

**The Chair:** Answer very briefly, Minister.

**Hon. Mary Ng:** I think what would be helpful here because of time is to arrange a technical briefing on CDAP so that you can get the answers to the questions in a technical way from the officials.

**The Chair:** Thank you.

[*Translation*]

Thank you, Mrs. Gray.

Mr. Erskine-Smith, you have the floor.

You have five minutes, Mr. Erskine-Smith.

[*English*]

**Mr. Nathaniel Erskine-Smith (Beaches—East York, Lib.):** Thanks very much.

I want to start, Minister Champagne, with the net-zero accelerator initiative. Do you have a sense of how much of the \$8 billion has been allocated to date?

**Hon. François-Philippe Champagne:** The NZA is really our flagship program. It's more than \$7 billion. You've seen projects, for example. We've used part of the sums. I can give you the exact figure.

We've been using it so far mainly to decarbonize large emitters. You will remember the steel industry and the aluminum industry. You've seen the hydrogen project in Edmonton. We've used that also in the aerospace sector. We're going to continue to use that, because I would say that the NZA is probably one of the best ways for us to deliver on our vision to be a leader in the green industrial transformation.

**Mr. Nathaniel Erskine-Smith:** I did see the \$200 million for Algoma Steel, and I saw some smaller investments around decarbonization, including specifically around carbon capture and storage in the cement industry.

When I look at the purposes and overall strategy here, we have \$8 billion that is allocated towards initiatives to support projects to promote, among other things, the development of a Canadian batteries ecosystem. That's a really critical thing. We're looking at that initiative in the course of our study on critical minerals.

I wonder to what extent there's a concern and how you might respond to the concern. When we look at the buy American provisions doubled down on by President Biden in his state of the union address earlier this week, how do we navigate the fact that we are investing in a very targeted way at creating a battery ecosystem while managing the politics south of the border?

• (1405)

**Hon. François-Philippe Champagne:** I think that should be a concern for all the committee members, seeing Canadian competitiveness every step of the way.

I think the big differentiator is proximity. I'll take a very concrete example. There's a premium Japanese company that is looking at exactly whether they are going to go into the U.S. or Canada. The point we were making was proximity to resources, proximity to the markets, proximity to the assembly plant, the cost of energy, renewable energy, a reliable baseload and the talent pool that we have in Canada.

I can tell you that this morning I was inspired by what I heard from the Japanese colleagues who were in front of me saying they're looking at the world and they realize they need to bring their supply chain to Canada to succeed in the auto market of the future in North America.

Coincidentally, I'm meeting Sunday with Europeans, who are bringing a huge delegation from Europe to do exactly the same.

Yes, there was discussion at the time, but I can assure you that we are as competitive as any state of the United States. We compete with them every day. We've been winning, and we're going to continue to win.

**Mr. Nathaniel Erskine-Smith:** As you look to the critical mineral strategy, obviously there is collaboration with our American partners, and there is a need from our American partners for Canadian resources and rare minerals. Is there any sense of an ability to push back against buy American and say that if the U.S. is going to proceed with buy American and hurt our auto sector here in Ontario as a result, we're not going to be so collaborative on the critical minerals front?

**Hon. François-Philippe Champagne:** That's a smart approach. I'll give you a very practical example.

When I was in Washington, I met with my counterpart, and we were talking about the ecosystem. I'm doing that just as Minister Ng is doing. I said, "Madam Secretary, did you know there is only one cobalt refinery in North America?" There was a bit of silence in the room. I said, "Do you know where it is? It's in Cobalt, On-

tario. If we want to do anything, you have to work with us, because it took 10 years to permit, and there's only one facility in the whole of North America to refine cobalt."

The good news is that we're looking at expanding that and building a new refinery. We're going to be producing north of 10% of the lithium that is needed in North America. We're working on graphite and class one nickel.

I think there is an understanding, but more important is that the manufacturer understands that. They understand that they have to be on this side of the border to succeed in the battery ecosystem of the future.

The announcement this morning looked at BASF. If you're looking at a German company that is doing its homework, we were competing with U.S. states, and the company decided to go to Bécancour, Quebec.

**Mr. Nathaniel Erskine-Smith:** Last, when you talk about moon shots in the context of climate change, you point to CARPA. CARPA is many months away, many years probably, if we're being honest, and it's only a government endowment of \$2 billion, if we follow through on our platform. You have \$8 billion sitting there today in the net-zero accelerator. Have you turned your mind to taking a portion of that \$8 billion and directing it specifically to high-risk, high-reward moon shots?

I'll just give one example. A recent IPCC report identifies alternative sources of protein for food and feed. It says alternative protein sources for human food and livestock feed are receiving considerable attention. Lab or "clean meat" is one potential contributor to the human demand for protein in the future. That's obviously a high-risk, high-reward initiative. It's one that the U.S., Singapore and Israel are all pursuing. Canada is not, unfortunately, at the moment. Entrepreneurs are leaving the space in Canada, unfortunately.

I wonder if you would turn your mind to high-risk, high-reward research via the net-zero accelerator.

**Hon. François-Philippe Champagne:** Totally, and I appreciate the question. I'd like to be invited back to the committee to discuss that more. I'm seeing people nodding, so it may happen.

Think about superclusters. If you look at the protein superclusters in the Prairies, that's exactly what is being done. I agree with you. We should be a leader in forestry tech, biotech, clean tech, fin tech, and ag tech.

I totally agree with you and your colleague that we need to do more.

• (1410)

**The Chair:** Thank you, Minister. We're over time.

I'm sure the committee would be happy to invite you back sooner rather than later.

[*Translation*]

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

**Mr. Sébastien Lemire:** Thank you, Mr. Chair.

I hope you are going to invite the minister alone, because we can't give everyone time. So I'm going to take a bit of time with Ms. Hutchings.

I am very interested in the subject of building cellphone towers. Unfortunately, based on the answer you gave in the House just now, I have the impression that the development of high-speed Internet and of the cellular network are being looked at very differently, when they should be connected. Let's agree that wireless data transmission can be transformed into cellular transmission, and vice versa.

As industry critic, I have had the opportunity to visit a number of places, including Notre-Dame-du-Laus in Laurentides—Labelle, the village of Racine in Shefford, the community of Lac Souris in Berthier—Maskinongé, not far from Mr. Champagne's riding, along highway 167 in northern Quebec, near Chibougamau, in my home riding Abitibi-Témiscamingue, the community of Kipawa, or in Preissac or Rochebaucourt. They are all places where people would like to see investments to get a cellphone tower.

Unfortunately, the federal government is not offering any programs for building cellphone towers. Since telecommunications falls under federal jurisdiction, I think you should fund 50 per cent of building those towers. The government of Quebec could fund the construction, since it did so in my riding, Abitibi-Témiscamingue, in the Mobile A-T project.

My question is simple: could the federal government offer a program to build cellphone towers?

**Hon. Gudie Hutchings:** Thank you for your question.  
[English]

First of all, I want to thank the Government of Quebec, because it was the first to come to the table to negotiate a deal on broadband. Thanks to that, Quebec is going to be one of the first. We have four provinces now, and Quebec was the first to get it over the wall. I think it's just a matter of a couple of years that you're going to have all Quebec communities connected, so hat's off to that.

We also know the importance of cell coverage. Under the universal broadband fund, there's \$50 million that's been carved out for indigenous communities. We all know how important that is as we all walk the path of reconciliation. One project that's dear to my heart is the Highway of Tears in British Columbia, and I know you have some indigenous communities in your area.

The other thing is the CRTC. The CRTC broadband fund does have application availability there for wireless and cellular broadband.

I hear you. It's an issue I hear in my riding, as well. Once we get the country connected with broadband high-speed Internet, trust me, cellular will be next.

[Translation]

**Mr. Sébastien Lemire:** Unfortunately, it takes a lot of time to get answers. Yes, the government of Quebec had the right strategy. I think that all of the programs funded by the federal government have been transferred to Quebec, which then mapped out its territory in order to give answers.

I want to go back to cellphone towers. The Canada Infrastructure Bank offers an infrastructure program in which one of the solutions proposed is to make a change to its mandate letter so that it can contribute to loans for wireless, Internet or cellular infrastructure, in order to carry out projects. However, little money has come out of that program, as if it contained dormant funds.

Might that be a solution to consider?

[English]

**Hon. Gudie Hutchings:** There are many solutions to get everybody connected with high-speed Internet and, of course, with cellular service.

Under the universal broadband fund, nearly 2,000 applications have been received, and the department is doing an incredible job of assessing all of those. Some of them will touch on cell service and wireless, but my job is to get the country connected with high-speed Internet.

I can promise you, my friend, that cell will be next.

[Translation]

**The Chair:** Thank you, Mr. Lemire; thank you, Minister.

Mr. Masse will now have the floor.

Mr. Masse, you have two and a half minutes.

[English]

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

I'd like to return to Mr. Champagne and Madam Ng. It's not about auto, so it's okay. We're done with that. I'm just as passionate about supply chains.

You may not have a full answer on this right now, but I want to raise an issue and see what your response is in terms of where we can go. This is with regard to freight containers and inflationary prices. Before COVID, for a lot of retail and supply chains, getting freight containers from overseas accounted for around 25% of the cost. That's gone up to 198%. Also, I'm being told that Canadians are being charged around 30% more than their American counterparts are for steamship coverage.

Can you provide some insight as to what the government is doing? Has it been raised as an issue? How do we support especially medium-sized and small businesses that are being pounded by this increased cost, which is going to be inflationary to consumers and which will also disrupt supply chains?

**Hon. Mary Ng:** Thank you very much, Mr. Masse, for that. It is an issue that we are very seized with, because the cost of doing business, in particular for our small and medium-sized businesses which have less flexibility to deal with this, is something we are very much working on.

You may know that Minister Alghabra convened a supply chain round table which Minister Champagne and I were both on, working specifically with industry and across the system that will actually deal with transportation, industry, SMEs and labour. If you're talking to workers' representatives or industries, feel free to share those ideas with us, because we are very much working on solutions as we speak.

• (1415)

**Mr. Brian Masse:** Has there been any work done with the steamship industry itself? I've heard some raise claims of collusion and not price matching but that type of issue. Maybe collusion might be too harsh, but lack of competition, aging fleets and preferential treatment for other countries are some things I'm hearing right now. I just want to hear about that.

**Hon. François-Philippe Champagne:** I appreciate that, Mr. Masse. I would say that you may have seen that I directed the Competition Bureau to be on the watch with respect to the price of gas at the pump recently. We know it's largely influenced by global markets, but we want to make sure we give it extra attention at this stage.

If you have any insight on that or any instance that you see, I'm quite happy to seize the Competition Bureau with it and make sure we put an extra watch on this thing. I agree with you that we need to use every tool in the tool box to make sure life is affordable for Canadians, and I intend to use all the tools we have in the tool box.

**Mr. Brian Masse:** There was actually a price-monitoring commission in place that was defunded under the Harper government. It had been put in place by Paul Martin, and I have two motions on that. I'll forward that information. Thank you very much for your time.

**Hon. François-Philippe Champagne:** I appreciate your leadership.

**The Chair:** Thank you, MP Masse.

[*Translation*]

Mr. Deltell, you now have the floor for five minutes.

**Mr. Gérard Deltell (Louis-Saint-Laurent, CPC):** Thank you, Mr. Chair.

I would like to thank all my colleagues, whom I am happy to see here.

I want to say hello to you, Mr. Chair, you being my neighbour in the Quebec City region. I paid close attention to the recommendations you gave and I will pay particular attention to the red square you may well show me when the time comes.

I would also like to thank all members of the committee for their collaboration.

And last, I want to say that I am humbled to take the place of the hon. Ed Fast, the member for Abbotsford. Of course, I don't want to take anything away from anyone, but I would nonetheless like to mention something.

[*English*]

Everybody will recognize that the honourable Ed Fast has been a really great, if not the greatest, international trade minister in Cana-

dian history. Under his leadership, Canada signed 43 free trade agreements with 43 other countries. What a great achievement, and with a lot of modesty I'm following in his footsteps here in this committee.

[*Translation*]

I would first like to address a question with my hon. colleague from Shawinigan, whom I respect and admire. I listened very carefully to everything he said, particularly regarding investments in enterprises. We are both citizens of and members for Quebec, and, like him, I applaud the massive, long-term investment that will provide exceptional benefits for our province and our country over the next century.

However, when we look at the overall picture for foreign investment in Quebec and Canada, we unfortunately see that we are not at the top of the list. Canada is 30th out of 32 countries.

What does the minister intend to do to get us out of the cellar where we currently reside? We are 30th out of 32 countries, and that is not the Canada I love. I am sure the minister agrees with me.

I know he will rhyme off a litany of all the investments that have been made over the last six months, but our country, which was in a very good position, is now bringing up the rear.

What does the minister intend to do to increase foreign investment in Canada?

**Hon. François-Philippe Champagne:** Mr. Chair, I would first like to thank and say hello to my colleague from Louis-Saint-Laurent, for whom I have great admiration, as I say publicly all the time.

Mr. Deltell, I have great admiration for you, because you make your contribution as a parliamentarian. I know the figures you are thinking of, my friend, but I will tell you that the facts on the ground are different. I have never got as many calls from companies that want to invest in Canada.

I'm going to give you a few examples, and not read off a litany of them.

Dow Chemical has decided to build in Alberta. This is the first carbon neutral polyethylene plant in the world. A blue hydrogen production plant is also being built in Edmonton.

We are now seeing a battery industry in which things are going to be speeding up, my friend. You are seeing only the tip of the iceberg of all these foreign investments that are coming, and that will result in the creation of an industry that didn't even exist in Canada. We are building something that never existed before, but that will generate profits for the next 20 or 30 years. The same thing is happening in the aerospace industry.

I am aware of the figures. I can tell my colleague that in collaboration with the Minister of International Trade, Export Promotion, Small Business and Economic Development, I am doing everything possible to be present on all platforms, because I think that stability, predictability and the rule of law are very important today.

You will see that the 2021 numbers on attraction are going to be pretty impressive. You know, as do I, that the proximity of resources, green energy, renewable energy and workforce talent that we have, from one end of the country to the other, contribute enormously to attracting companies to Canada.

We need only think of BASF. I would point out to my colleague that the people in that company had their choice of going where they wanted. I went to meet the president of the company in Germany a year ago, and they decided to come to Quebec because of what we are able to offer.

• (1420)

**Mr. Gérard Deltell:** Thank you, Mr. Chair.

As predicted, the minister has read off a litany of good investments, which we do recognize. However, he is not the only one in the world whose phone is ringing. The phones are ringing as much, if not more, in other countries. So much the better, because there will never be too much investment.

I say bravo for today's investments! I am also very much looking forward to going to see Xanadu in Toronto. However, the reality is that the phone is ringing elsewhere also, and other countries are doing better than we are. That is not the Canada I want to see. I want to see Canada at the head of the pack, not bringing up the rear.

Just now, my colleague spoke about the possibility of an agency, or a structure, being created. Could the minister be more specific about this? Is what he wants to create really an agency or structure for the future?

**Hon. François-Philippe Champagne:** My colleague pointed out that there was \$75 billion in foreign investment in 2021, and that this is the highest investment rate in the last 15 years. So I think we are heading in the right direction.

To answer my colleague's question, I will say that we are still looking at what the best approach would be. What structure are we going to choose? It will depend.

We created a committee yesterday. You know that what is important to me is immediate action and long-term vision, and we want to be sure we benefit from the current situation. Industries are undergoing major transformations. The battery industry is one. The aerospace industry is another.

This structure, which will have an approach that will take us farther, is what I want to put in place as fast as possible. We are looking at which model will make it possible to get there.

**Mr. Gérard Deltell:** Yes, Mr. Chair, I know that the minister likes to be hands-on...

**The Chair:** Mr. Deltell, the red square...

**Mr. Gérard Deltell:** Ah yes, there it is. I knew that the member for Louis-Hébert's red squares would get me.

**Some hon. members:** Ha, ha!

**The Chair:** I will give you one. I have cards left from 2012, if you want some.

Mr. Gaheer now has the floor for five minutes.

[English]

**Mr. Iqwinder Gaheer (Mississauga—Malton, Lib.):** Thank you, Chair.

Thank you to the ministers for appearing before the committee.

My first question is for Minister Ng.

Minister, part of your mandate is to negotiate, as part of a new Indo-Pacific strategy, new bilateral and regional trade agreements, expand foreign investment promotion and protection agreements and build stronger economic linkages.

Could you speak a bit about which countries specifically are your focus in the Indo-Pacific region, and what work has been done on those files?

**Hon. Mary Ng:** Thank you so much, my wonderful colleague. This is the first time that we're at committee together. It's terrific to be here with you.

As Canada's trade minister, I often am able to tell Canadian businesses that they have unprecedented access to the world's economy. We have access to over 65% of the economy. We're the only G7 country with a free trade agreement with every other G7 country. We have important economic zones, whether it be here or in North America, where we successfully renegotiated the new NAFTA. We successfully concluded the agreement in Europe through CETA. We successfully negotiated a comprehensive and progressive high-standards agreement in the Asia-Pacific through the CPTPP. I've just announced that we're going to enter into negotiations with Indonesia—with hundreds of millions of new customers through that market—as well as the Association of Southeast Asian Nations, ASEAN.

These are very ambitious agreements that we want to absolutely make, but here's the thing: Agreements are only that. Agreements are only good if you can actually help your businesses grow and get into those markets.

Let me give you an example of a terrific female-led organization that recently, in 2019, expanded its warehouse by 5,000 feet. In 2020, she has now purchased a new warehouse. By the way, she has received support through the women's entrepreneurship ecosystem fund, and today she's exporting into countries such as Japan, Vietnam and Australia and experiencing growth.

When we talk about growing our businesses into those markets, it is absolutely being ambitious about negotiating free trade agreements, but it is also equally being ambitious to make sure that we are helping our businesses seize those opportunities and not leaving people behind, such as indigenous businesses, Black-owned businesses and women entrepreneurs. I can tell you countless stories like the one I just shared right now about successful businesses exporting.

• (1425)

**Mr. Iqwinder Gaheer:** Thank you.

We've also spoken personally about the relationship with India. Specifically, it is a big economic player. It has a massive population. There are great people-to-people ties between the two nations of Canada and India. What work is being done to pursue a greater economic portfolio with India?

**Hon. Mary Ng:** That is a terrific question.

I was just briefed a little earlier so that I can be ready to take a number of companies to India through a virtual trade mission that's starting on Monday. This is the fifth virtual trade mission organized by the Asia Pacific Foundation, which is a national ecosystem partner of ours. Their job is to help our businesses scale and grow into the international marketplace. I'm really pleased that we're going into India on a virtual trade mission, starting on Monday.

**Mr. Iqwinder Gaheer:** That's great. Thank you so much.

My next question is for Minister Champagne. This relates slightly to what Nate was talking about earlier.

The Canadian economy has been characterized as being risk averse, and many analysts believe that we need many high-risk, high-reward investments, the sorts of moon shot investments necessary for IP and for attracting international capital and talent and spurring economic growth. To develop this ecosystem, your mandate letter mentions CARPA.

Could you expand on the timeline we're looking at to establish CARPA and what this would mean for Canadian innovation?

**Hon. François-Philippe Champagne:** Thank you very much, and thanks for your work. That's a great question.

Listen, I would say as soon as possible. You know me; I have a reputation to be a bit impatient, so as soon as possible.

We're working now to put in a small group to advise on the best possible way to structure it. Obviously, we know about the DARPA model, how it is structured, the independence and the fact that it is very agile and looking very much forward. This is really about a moon shot type of approach, and this was really something that was missing in the ecosystem.

We're working very diligently. As you know, Canada has a smaller economy, so when you create something new like that, you need to make sure it ties in well with the superclusters we have and with the research ecosystem, the granting agencies and the National Research Council. I think we're investing the time now to go faster into the implementation, and I think this is going to be welcome.

Certainly, this was really a piece that was missing. If I look at where Canada is today on AI and quantum, I wonder what is the next technology. We're talking about 5G, so is it 6G, 7G or whatever may come next?

We really need to be talking about and thinking beyond the immediate horizon when you look at the geopolitics of the world. We didn't have the chance to say that all of us are thinking about the bravery and courage of the Ukrainians who are fighting for democracy and fighting for dignity and decency. I think supply chains around the world are being rethought. There are some economic blocs being formed, and certainly that will be an agent that I think will serve humanity and democracy well. We will queue up with

trusted partners to make sure that we can succeed together. Democracies will succeed in this new economy of the 21st century.

**The Chair:** Thank you, Minister, and thank you, MP Gaheer.

**Mr. Iqwinder Gaheer:** That's great. Thank you.

[*Translation*]

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

**Mr. Bernard Généreux (Montmagny—L'Islet—Kamouraska—Rivière-du-Loup, CPC):** Thank you, Mr. Chair.

I would like to give Nathaniel Erskine-Smith five stars for participating in the meeting while looking after his baby. He deserves to be Minister of the Family. I don't know whether he heard me, but that's okay.

**An hon. member:** Yes.

**Mr. Bernard Généreux:** Thank you for being there today.

[*English*]

Do they have a French version of Magnet in Quebec?

[*Translation*]

Are services in French also offered in Quebec under this program, Ms. Ng?

[*English*]

**Hon. Mary Ng:** Yes, indeed.

If given the opportunity, maybe I should explain Magnet a little further.

It's a consortium. While Magnet is one player, there are actually many players in this to make sure that these young people all across Canada, including in Quebec, will have the opportunity to participate. There's a consortium that includes organizations such as Bio-Talent, the Canadian Council for Aviation and Aerospace, the Excellence in Manufacturing Consortium, and so forth. It's really a consortium approach that will provide opportunities for young people all across the country.

● (1430)

[*Translation*]

**Mr. Bernard Généreux:** You may not know, but my partner and I own a company that employs 30 people in the communications industry. We do websites, printing, and all sorts of things. For our Internet services for social networks, for example, we have five full-time employees. We have six graphic designers, but five are dedicated to that area. We try to create jobs, but we are not able to find the young people you are talking about, so they can come and work in our firm at \$20 or \$25 per hour. So I don't know where you are going to get these 30,000 young people.

By my calculation, businesses will receive a \$7,500 subsidy to hire these young people, if I understand correctly. If that is the case, for an employee earning an annual salary of \$40,000, at 2,080 hours a year, or 40 hours a week, that would be the equivalent of about 15 weeks' pay.

Will these young people be hired to help the businesses set up their websites and so on, or will they be trained by the businesses to manage it?

What, exactly, will their role be?

[English]

**Hon. Mary Ng:** Maybe what would be absolutely terrific, because of the benefit of time, is to get you a more technical briefing so we can give you all the details. However, let me say that it is the business that is going to develop a plan on how it's going to move its business digital. It is the business that is going to determine that, through a roster of experts, experts separate from the young people, who will help it with this plan.

When it decides it's going to implement the plan, it can get access to a \$100,000 interest-free loan from BDC to implement this plan. It might be a new production line. Then it might choose—some might and some might not—that it wants to bring on a young person. When it does, it will have the help of a \$7,500 wage subsidy to do that.

[Translation]

**Mr. Bernard Généreux:** In all sincerity, I'm a bit skeptical.

When we see how things are going in the new technologies industry, whether for video games or artificial intelligence, for example, we see that businesses are competing among themselves to try to get the best talent everywhere in Canada, and even outside Canada, because there are no young people available in this field. It will be extremely difficult for businesses to get people, particularly with the money you are putting on the table for hiring them. It doesn't even give them 10 weeks' salary. That is not going to change the world.

In addition, the question of French in relation to this program is essential to me. I would also like us to be informed about the technical details of the program. At some point, we will have an information session.

Over the last two years, we have created websites and services for businesses because, with COVID-19, people did not have the choice of going online to sell their products. We helped dozens of businesses, with no subsidies. People invested in this because the government and all the government's partners, including the opposition parties, gave people and businesses money during COVID-19 to survive. We provided guidance for them in implementing those measures and people reinvested in this. So businesses still have a lot of money because of the subsidies you gave them.

So what need was there to spend \$4 billion, borrowed dollars at that, need I repeat, to enable businesses to make the switch to digital, when it was already possible to do it with no subsidy?

[English]

**Hon. Mary Ng:** Many businesses have and equally many businesses have not. When we look around the world at our competitors—you heard Minister Champagne talk about how competitive it is out there—it's Canadian companies being able to compete and to be more productive.

This is really an investment in the economies of our communities, of Quebeckers, of your businesses. That's why this investment is so important. It's to make sure that they can compete. In those areas where it is artificial intelligence, a CRM, back-office integration or automating their production lines, they're looking for this. Businesses have told us that's what they're looking for, and that's precisely why there's this investment, so we can help our Canadian businesses compete with others around the world who are competing with us.

• (1435)

[Translation]

**The Chair:** Thank you, Minister. Thank you, Mr. Généreux.

[English]

I'll now turn to MP Fillmore for five minutes.

MP Fillmore, the floor is yours.

**Mr. Andy Fillmore (Halifax, Lib.):** Thank you, Chair. I appreciate that very much.

Thank you, ministers Champagne, Ng and Hutchings, for your time today and for your work in these challenging times that we are living in. I very much appreciate it.

I would like to start with you, Minister Hutchings.

You and I have had the privilege of sitting together in the Atlantic caucus for about seven years now, and we have both been able to bring diverse perspectives to the issues of the day. You have been such an incredible advocate for rural communities. As you know, I am a city planner by profession, and what I think we have found is that people in rural and urban areas share many of the same needs, particularly around access to effective transit and housing, but the solutions and challenges are not exactly the same for urban and rural communities.

I wonder if you could talk to us about the challenges and opportunities for transit and housing for rural Canadians and the work that you're undertaking on those issues.

**Hon. Gudie Hutchings:** Thank you, my friend and colleague. It's always great to see you, and it's been wonderful spending these seven years with you.

First, I want to give a little history lesson. The previous government used to have a rural secretariat, and our government believes in rural so passionately that we now have a fully funded department of which I am honoured and humbled to be the minister.

You're right in that the one-size-fits-all doesn't work in rural and urban. We've developed so many programs and policies all throughout our government in various systems, and the ones that you've touched on are so true, like housing. The housing program of 1,000 units in downtown Toronto is not the same as a rural 10 units in my part of the world, so we need to make sure that the programs are tweaked and actually have that rural lens applied to them.

For transit, as you know, we've just announced a rural transit fund, and I think folks have until the middle of March to get their applications in. Rural transit is different. There's no Uber in my province. I have communities that have no taxis, and I have communities that have no bus service at all, which is typical of rural and remote areas. We need to take our time and develop programs and policies that will be effective to address the needs, especially with climate change, especially for aging communities, but especially for growing our communities. We need to make sure that people see, as I do, that rural has phenomenal opportunities.

I think one thing we've learned from COVID-19 is that people want to move. In your home province of Nova Scotia, you've seen a boom in your population. People are moving to rural areas, so we need to help them build these communities and have a strong, healthy infrastructure, which includes housing, transit, waste water, roads and connectivity. If you have high-speed, affordable Internet, you can work from anywhere. That's the number one priority in my department. That's my number one priority. If you have high-speed Internet, you can work from anywhere.

I challenge this committee when you're looking at other things to study and peruse to make sure you put a rural lens on it, please.

**Mr. Andy Fillmore:** Thanks for that, Minister, and you've provided a good segue.

Today in question period, you answered a question about the rollout of the rural broadband program. You only had 30 seconds, and I had a feeling you could have used a lot more time. What would you like the committee to know about how that program is going?

**Hon. Gudie Hutchings:** Thank you again.

You're right. I could go on and on about the universal broadband fund and connecting the country. As I said, since 2015, we've connected 1.7 million households. By 2026, we're going to connect another 1.2 million households.

We have many tools in our tool box, to use my colleague's term. We have the connect to innovate program. We have the CRTC broadband fund. We have the Canada Infrastructure Bank. Of course, we have the universal broadband fund and we have our low-earth orbit satellite. Between all those programs, we are going to get every Canadian connected by 2030 and 98% by 2026.

With the rapid response stream that we put out in response to the pandemic, we knew we had to get people connected. I'm so proud of the department. The first project went out within six weeks. As I alluded to earlier, they have just under 2,000 programs now and applications that they're assessing. We'll make sure that we put on the affordability lens, the best hardware that can be scalable as our speeds go from 50/10 and higher.

I'm proud of the work that's being done. I know that we are going to honour our commitments to get Canada connected, and I hope we can say it before 2030.

**Mr. Andy Fillmore:** Thank you for that, Gudie.

Chair, how am I for time?

• (1440)

**The Chair:** You have 28 more seconds.

**Mr. Andy Fillmore:** Minister Ng, in 20 seconds, what would you like to say to Canada's small businesses about the work you're doing to ensure their long-term recovery coming out of this pandemic? What's your message to them?

**Hon. Mary Ng:** My message to them is to grow and to grow internationally. Don't be afraid to do it.

We have lots of tools in place, from the trade commissioner service to the Business Development Bank of Canada and Export Development Canada. It's what I call the trade tool box. Let's help them and hold their hand to get into those markets.

Those agreements are only good if we can get them growing, and that's our plan. We're going to get them growing.

**Mr. Andy Fillmore:** Thanks so much.

[*Translation*]

**The Chair:** Thank you.

Mr. Lemire will now have the floor for two minutes and 30 seconds.

**Mr. Sébastien Lemire:** Thank you, Mr. Chair.

My next question will be for Ms. Ng.

Ms. Ng, as you know, I asked you in the House about the softwood lumber crisis and its impact on the forestry industry in Quebec. Can you quickly tell us more about the current situation and where we're at?

Regarding the matter I talked to you about in Washington, the question of benchmarks, could we distinguish Quebec's benchmarks from British Columbia's, for example? We can agree that the problems we are accused of are not the Quebec industry's problems.

[*English*]

**Hon. Mary Ng:** Thank you so much, Monsieur Lemire. It was really terrific to have us in Washington as team Canada, when we were down there before the end of last year, showing Canadian strength and how we are all working together for this very important sector. I know how important this is to Quebec and your riding.

What I would say is that we are going to continue doing that work, but I'll mention what else we are doing. My mandate is also about creating new markets and helping businesses diversify so that they can look beyond what is a good market south of the border and to new markets.

I think about this really terrific company in Sainte-Thérèse, Quebec. It's a producer of flooring and lumber products. Recently, back-to-back trade shows in Canada and India, through the good help of our trade commissioner service, resulted in an initial purchase and a shipment of rotary-cut veneer in 2020. That's an example of one company. It's important to make it about people, the companies, and what we are really doing.

This study is about my mandate. My mandate is to help our businesses diversify, find those markets and help our businesses—like those really great Quebec businesses in softwood lumber—to find those additional markets and diversify.

[*Translation*]

**Mr. Sébastien Lemire:** I do agree and I encourage you on this point, because one of the solutions is to not just send structural lumber, but also to enable the industry to go green by processing or adding value.

In my opinion, this should be done close to the resource, in the regions. I dream of seeing the creation of a Quebec IKEA at La Sarre, for example. Unfortunately, the programs, including Canada Economic Development for Quebec Regions programs, CED programs, are poorly suited to this type of infrastructure in the regions. The three ministers will perhaps enlighten us on this subject.

What is being done to help our businesses get infrastructure and get investment in the regions? For example, in agriculture, Abitibi-Témiscamingue wants a slaughterhouse. Des Praz is a company that can't do business with CED because there are no suitable programs. How can these companies be helped to make this transformation close to the resource?

[*English*]

**Hon. Mary Ng:** That's a very good point. Maybe what I'll do is draw your attention to how we're helping businesses, including those in Quebec, to take advantage of those international markets. It's not like they're going to go to Vietnam all of a sudden, for example.

We have this really great program called the trade accelerator program. Almost 1,000 businesses have gone through that. Some 30% of those businesses have seen actual increases in export revenue, and 18% have seen additional revenue growth to their bottom line. They've grown jobs. Half of the exports went to the United States, but they also exported to Latin America, Europe, Africa, the Middle East and the rest of Asia.

There are some other things that are really great about this. Women businesses make up 39%. Young entrepreneurs make up 24%. Visible minority businesses make up 19%. Indigenous businesses make up 4%. When we say that in 2021, GDP in Canada grew by 4.6%, that's because Canada is a trading nation. Trade makes one out of six jobs and two-thirds of our economy.

Helping them grow is absolutely essential. I have numbers—at least initial numbers—that tell us we're on the right track.

[*Translation*]

**Mr. Sébastien Lemire:** Thanks to all three of you for being here.

**The Chair:** Yes, thank you, Minister, and thank you, Mr. Lemire.

You certainly use your time to good effect. Every time you ask questions, I spare a thought for the interpreters, because you can put out a lot of words per minute.

**Mr. Sébastien Lemire:** Well, it's two and a half minutes. That's not a lot, Mr. Chair.

I could invite the committee to give us five-minute rounds, like the other ones. That might help us and help the interpreters, whom I thank again.

**The Chair:** We will resume this discussion.

Mr. Masse will now have the floor, also for two and a half minutes.

• (1445)

[*English*]

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

I'll follow up on that vein, because it's an important issue that this committee actually dealt with before in Bill C-25. It looked at the Canadian Business Corporations Act and the inclusion of women and visible minorities on boards of directors in Canada. We went with a model of “comply or explain” for the boardrooms of Canada to report on, versus mandates or percentages.

Could we perhaps get an update on how we're doing in that regard? That was about four or five years ago with the former industry minister. I want to know where we are with that. It would be important to get an update, especially with March 8 coming up.

**Hon. François-Philippe Champagne:** Thank you very much, Mr. Masse. You're always a leader on these issues.

I would say that one of the things I'm proud of—and I can take no credit for it, apart from the fact that it's our government—is that the previous ISED minister launched a 50/30 challenge, with 50% women in key decision positions in companies and 30% minorities. I think this is really transforming Canada in a very positive way. When I joined, we were below the 1,000 mark. We pushed that to well beyond 1,000 companies that are subscribing to this pledge.

For anyone who's been in business, Mr. Généreux and others, we know that diversity and inclusion make a huge difference. It's not only the right thing to do but also the smart thing to do if you just want to look at the bottom line. I'm very proud of that. We're going to continue to push it, because we know that this is one way to make sure we succeed in the economy of the 21st century.

I know that time is limited, but let me add one thing. The question I get the most is not whether we can financially support companies but whether we have enough talent to support their growth. This was exactly the same question the Japanese investor asked me this morning. It was not about the grant or the subsidies. He asked if we had enough talent for them to come to Canada. I think we need to use all our talent to succeed in the 21st century.

**Mr. Brian Masse:** Could we get your commitment, perhaps with the committee analysts, to get an update on where we are with that? I haven't seen it brought up very much. It's something that doesn't seem to get a lot of attention, but it was pretty important. Could we get that commitment? March is an important month for equality. It would be good to get at least some modern stats to see whether the model we went towards has been successful or not.

**Hon. François-Philippe Champagne:** Definitely. I will commit that to the committee. I was talking to the officials as you were asking the question.

Mr. Chair, these statistics are available. We'll make them available to the committee ahead of this very special date. I'm looking at the deputy minister.

I'd like to take the opportunity to thank the officials—I think all of the ministers here are nodding—because nothing is possible without them. I think as parliamentarians we should all applaud them for the outstanding work they're doing on this file and many other files.

**Mr. Brian Masse:** Thank you.

Mr. Chair, how much time do I have left?

**The Chair:** You're over by 45 seconds, so thank you, Mr. Masse.

**Mr. Brian Masse:** Thank you.

**The Chair:** I'm fair with everyone.

I'll now move to MP Gray for five minutes.

**Mrs. Tracy Gray:** Thank you, Mr. Chair.

Minister Ng, you said there was a process where organizations applied to oversee boost your business. This appears to have been a departmental selection process. Would that be correct?

**Hon. Mary Ng:** It is the departmental selection process. Yes.

**Mrs. Tracy Gray:** Great. Thank you, Minister.

Did you meet with Ryerson or Magnet representatives during the application process for this of July 8 to August 6, 2021?

**Hon. Mary Ng:** No, I did not.

**Mrs. Tracy Gray:** Well, we see on the lobby registry that Ryerson University met with you on July 16, 2021. What was the topic of discussion at that meeting?

**Hon. Mary Ng:** I will have to get back to you on that.

I can say to you that with respect to this process, there certainly was a selection process. It was a public and an open process. We can certainly provide a detailed accounting of that. As these processes go, they need to be open. They need to be transparent. They certainly are open for public inspection.

**Mrs. Tracy Gray:** You know, meeting with.... I know that, for myself, when I meet with different stakeholders and organizations, I at least recall the general topic of discussion. I think it's a little surprising that you can't recall even what the topic of discussion might have been at that meeting.

**Hon. Mary Ng:** I have many meetings with many, many stakeholders and certainly institutions across the country who have incubators and accelerators, where some of the really terrific companies are there, looking to scale or to ask questions about what the government may be doing in terms of how to help companies grow, and grow into those international markets. It would be very normal of many of the meetings that I do.

• (1450)

**Mrs. Tracy Gray:** Thank you, Minister.

What is a student incubator?

**Hon. Mary Ng:** It's an incubator attached to post-secondary institutions.

There are many of them across the country. The Creative Destruction Lab at the University of Toronto is an example. There is VentureLabs out of Simon Fraser University as well. There would be others out of HEC Montréal at Laval in Quebec. There are many across the country.

I think this is really what Minister Champagne was talking about, which is this incredible talent across the country that is being nurtured in post-secondaries overall. It is also where those great companies are coming from, the entrepreneurs.

**Mrs. Tracy Gray:** That's great.

Just so we're clear, you were lobbied by Ryerson, which founded Magnet, the university you led in the president's office, while the selection process was open for boost your business.

I'll ask again. Did you consult the Ethics Commissioner on the award of the boost your business contract?

**Hon. Mary Ng:** With respect to the Canadian digital adoption program, that program was put out to a selection process. That selection process was both public and open. Responses to requests for proposals came in, which the impartial civil service reviewed.

As I said earlier, I don't see those. What I see are the recommendations once that vetting and due diligence are done. Those recommendations come to me from our officials.

**Mrs. Tracy Gray:** Thank you, Minister.

Are you the person who makes the final decision on these types of applications and these contracts?

**Hon. Mary Ng:** I am the person who makes a decision on recommendations that come to me from the officials.

**Mrs. Tracy Gray:** Okay.

Are you the person making the decision and are you the final decision-maker?

**Hon. Mary Ng:** Ministers have accountability for their programs and ministers also follow the processes as would—

**Mrs. Tracy Gray:** So, you're saying that, yes, the buck stops there?

**Hon. Mary Ng:** Yes.

**Mrs. Tracy Gray:** Okay. That's great.

Thank you, Minister.

On another topic, I was surprised to see that interprovincial trade was not mentioned in your mandate letter. Small businesses looking to trade across provincial borders face a lot of barriers.

Can you point to one concrete action you've taken in the last year to help reduce interprovincial trade barriers?

**Hon. Mary Ng:** I think it's really important that barriers to doing business be removed all across the country. I know my colleague Minister LeBlanc is doing terrific work on that front.

The focus of my mandate letter is to help our businesses have the tools they need to grow and through that growth to do everything we possibly can to help them also grow and access the international marketplace. In order to do that, we have to make sure that we have very excellent trading agreements with many economies so that our businesses can grow into those economies.

**Mrs. Tracy Gray:** Thank you, Minister.

While you're working with Minister LeBlanc on this, because you're the Minister for Small Business, based on the conversations that you've had with stakeholders, have you given him any priorities on what you think some of those top priorities should be or what the key focus should be in the short or longer term?

**The Chair:** Minister, please give us a very brief answer.

**Hon. Mary Ng:** I'm very pleased to help Canadian businesses grow and recover from this pandemic, particularly by not leaving anybody behind. This includes women-owned businesses, youth businesses, indigenous businesses, Black-owned businesses, rural businesses and all businesses.

[Translation]

**The Chair:** Thank you, Minister, and you, Mrs. Gray.

Ms. Lapointe will now have the floor for five minutes.

[English]

**Ms. Viviane Lapointe (Sudbury, Lib.):** Thank you, Chair.

My questions will be for Minister Hutchings.

I thank you for joining us today at the committee meeting.

Northern Ontario is home to many rural communities. Minister, we recently had an opportunity to participate together on a rural panel for which we got to bring in and highlight some of the issues that rural communities are dealing with.

We know that the nature of remote communities means that access to services and, in particular, infrastructure is challenging. These challenges have been compounded by the COVID-19 pandemic.

As we head into postpandemic economic recovery, can you tell us how the government and, in particular, your ministry will ensure that rural communities can emerge stronger and more resilient?

• (1455)

**Hon. Gudie Hutchings:** Thank you, Mr. Chair, and I want to thank my colleague and friend for that.

At the numerous round tables around the country, every time there is a similarity of connectivity, housing, workforce, immigration, but then at each one you pick up other points, which, to me, tell the whole story of the opportunities in rural Canada.

One thing that we did with the rapid response stream was we put in place a pathfinder process. That was a program where the communities, the small Internet service providers, the large Internet service providers, not-for-profits, indigenous groups could reach out and get information to help them, because one thing we heard loud and clear from rural communities is that sometimes they have one or two workers in their...paid employees in their community building.... Sometimes they don't even have that, frankly.

This pathfinder service was a real light to show us how we can do better. The pathfinder service had over 2,000 inquiries. They did online webinars to help communities and Internet service providers get their application into the rapid response stream.

We hear loud and clear that the capacity in rural areas isn't there for them to avail themselves of the numerous government programs that are out there. That's something we're considering: how we can help with capacity.

We have done plenty in rural Canada. Again, it's making sure the rural communities have the tools they need to access all these various programs from coast to coast to coast.

As I talked earlier with my colleague on housing, I've spoken with Minister Fraser on immigration on how we can apply that rural lens on getting people into rural communities. That's how we're going to grow our population. The infrastructure.... I remember a story years ago. I had a round table with some municipal leaders and they were saying, "Oh my golly, we were \$10,000 short so we couldn't do one manhole." That \$10,000 meant more, or was as important, to the mayor of that small community than \$10 million to a mayor.... We need to get the scope in place, too.

That's why I'm so proud of the work we do with the regional development associations, with the rural infrastructure fund, because that is small community buildings. That's the bridge in your hometown. That's the playground that you need to keep your community safe. That's the waste water and roads.

We have lots of programs. We need to just help communities get access to them better to have healthy, green, vibrant, growing communities, because that's where people are going to want to move to.

**Ms. Viviane Lapointe:** Further to the response you just gave, your mandate letter has tasked you to contribute to the development of rural infrastructure, housing and transit priorities. I mentioned earlier how very important infrastructure is.

Can you expand on the type of infrastructure needs required by rural communities and how these needs will be supported by your ministry?

**Hon. Gudie Hutchings:** We've heard loud and clear that housing is an issue in rural Canada. Minister Hussen has done incredible work on the housing issue, but perhaps we need to apply a different lens in some areas of rural. Is there an abandoned school or a vacant business that we can...? We have funding in place. How can we repurpose that for housing initiatives? How can we come up with seniors housing so that the seniors can move out of their large homes and then we have homes available for transient workers who want to move permanently into these rural communities or immigrant families who want to move into these rural communities.

Transit, as I alluded to earlier, is an issue, too. As we turn to a greener economy we have to come up with solutions that fit rural Canada. We have \$250 million in a rural transit fund and that's going to discover the projects and programs that can work and the policies, frankly, for rural Canada that can help address that transit need.

On infrastructure, as you know, my friend, we have great bilateral agreements with the provinces where we partner with them on projects. However, it's up to us to make sure that we work with the municipalities so we know what projects the provinces are putting forth. Is it the bridge that's important or is it waste water that's important in their community? Maybe it's a new fire hall that's important in their community. We need to work with the communities on the ground from the bottom up, not from the top down, to see what they need to build healthy, vibrant, safe and growing communities.

Both of my colleagues have talked about the opportunities that are out there. Those opportunities are in rural Canada as well. When we get everybody connected, I can't wait until I can sit down with my colleagues at the table and announce that some of these programs on innovation and growing are really impacting the positive growth for our country. We need to grow that number from 30% GDP in rural Canada. We need to grow that. Connectivity is number one. Infrastructure, housing, healthy communities are numbers two, three and four. When we get that in place, look out, rural. We're ready.

• (1500)

**Ms. Viviane Lapointe:** One of the things that I hear from—

[*Translation*]

**The Chair:** I'm sorry, Ms. Lapointe, but your time is up.

[*English*]

I want to thank our ministers for being with us today. I think I speak on behalf of all colleagues when I say that there is no better way to end a busy week in Ottawa than to have a Friday afternoon committee meeting with not one but three ministers, so thank you kindly.

Thank you, colleagues.

Also, thank you to the officials who were present with us and to the interpreters.

[*Translation*]

Colleagues, I wish you a productive week in your ridings.

The meeting is adjourned.





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