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• (1530)

[English]

The Vice-Chair (Mr. Kevin Waugh (Saskatoon—Grasswood, CPC)): Good afternoon, everyone. Dr. Fry is away today, so I will be filling in as vice-chair for today and probably Monday as well. Apparently she had a minor accident at home playing with the grandkids. We wish her all the best.

I call the meeting to order. Welcome to meeting number 75 of the House of Commons Standing Committee on Canadian Heritage.

Pursuant to Standing Order 108(2) and the motion adopted by the committee on Tuesday, February 28, the committee is meeting to begin its study of the activities of Google in reaction to Bill C-18. We have had one meeting with Google officials. This is the second. It will be a two-hour meeting. We will have plenty of chances to question Kent Walker, president of global affairs, who has joined us by video conference. We also welcome Mr. Richard Gingras, vice-president, news, also by video conference.

Welcome. As I said, we'll have several minutes of questioning, several rounds, by the parties in front of you.

I also want to welcome Alexandre, who is our analyst here today. Gabrielle is out of the country, and we're in great hands with you, sir. As usual we have Mike MacPherson as our clerk.

Mr. Walker, go ahead for 10 minutes, please. The floor is yours.

Mr. Kent Walker (President, Global Affairs, Google LLC): Thank you very much, Vice-Chair.

Members of the committee, thank you all for the opportunity to appear today. As the vice-chair noted, my name is Kent Walker, and I am president of global affairs and the chief legal officer for both Google and Alphabet. I am joined today by Richard Gingras, vice-president for news.

Let me start out by just reiterating that Google is deeply committed to Canada. We opened our first office here more than 20 years ago, and today Google Canada employs more than 3,000 people in Toronto, Waterloo, Montreal and many other areas of the country.

We've been proud to support Canada's economic growth. In 2021, Google's products and tools helped provide \$37 billion of economic activity for Canadian businesses, publishers, creators, developers and non-profits. In the last five years alone, we have provided over \$16 million in Google.org grants to Canadian charities and non-profits, which have helped them expand the reach of innovative digital skills programming, empower Canadians to stay safe

online and build more inclusive economic opportunities for indigenous communities.

Our commitment to Canada includes engaging constructively on regulation and policy innovation, which sometimes means identifying challenges with proposals that we believe may not achieve their stated objectives or that could have unexpected negative downstream impacts.

We support thoughtful regulation and advocate across the globe for updated rules on important issues like privacy, responsible AI development and a balanced international corporate tax system. We also have a responsibility to be clear about the potential impacts of new technology regulation and to speak up for the interests of the people and businesses that use our products and services.

Throughout our time in Canada, we have collaborated closely with the news industry and provided billions of dollars globally to support the creation of quality journalism in the digital age. Through our programs, partnerships and products, Google is one of the world's biggest supporters of journalism.

We all recognize that the Internet has deeply changed the business models of news organizations. Technology companies, news organizations and governments need to collaborate to enable a strong future for quality content in ways that don't disrupt access to the open web.

For over a year now, we have been advocating for practical solutions to our main concerns with Bill C-18. Both Richard and I have been directly involved in some of these engagements. That's because Canada is important to us, and we believe a reasonable and balanced solution is not only necessary but achievable.

In our conversations with the government and members of Parliament, we have repeatedly offered specific and practical solutions to the issues we have identified. We believe that the legislation could be amended to support journalism and to provide consumers with a more diverse range of perspectives, delivered in innovative and accessible formats, without undercutting core principles that allow the Internet to benefit Canadians and people around the world.

There are also thoughtful alternatives we believe would be even more effective at achieving the underlying policy goals here, such as a fund to which Google would contribute but that would be independently governed. Proceeds from this fund would be distributed in a manner consistent with clear criteria, governed by an independent board of experts, in line with the approach already adopted by Canada through its journalism tax credit.

This is not the path that Bill C-18 is currently on, but it's not too late, and we do want to work with Canadian parliamentarians to get this legislation right.

I want to acknowledge that members of the committee were surprised by our product tests that sought to assess the potential impacts of the legislation, and we welcome the opportunity to address these issues today.

With that, let me turn it over to my colleague Richard to discuss Google's approach to news, our more specific concerns with Bill C-18 and our deep commitment to journalism.

• (1535)

Mr. Richard Gingras (Vice-President, News, Google LLC): Thank you, Kent.

Thank you, Chair. My name is Richard Gingras. I am Google's vice-president for news. Fifteen years ago I served as publisher of Salon.com, the web's first digital news offering. I have some appreciation for the evolving market conditions facing publishers.

For over a decade I've worked with journalists and publishers around the world to advance quality journalism. We collaborate closely with the journalism community. We've trained half a million journalists on subjects ranging from journalist security to audience development. We've developed tools to help drive subscriptions. We offer free tools to help journalists with investigative work. We've created funds to drive innovation around the world. Recently we announced a multi-year fund in Taiwan called the "digital co-prosperity fund" crafted with stakeholders across the spectrum, governed by outsiders and with the support of Taiwan's Ministry of Digital Affairs.

I have also worked closely with dozens of newsrooms and publishers across Canada, including both long-standing legacy publishers and emerging digital players. Canada has the most innovative digital news ecosystem in the world, from the award-winning efforts of The Globe and Mail to start-ups like Discourse Media and The Narwhal, to the remarkable profitability of Village Media's network of local news sites in more than 100 communities across Canada.

We and many others are concerned with the impact of Bill C-18 on the evolution of journalism in open societies. It would make it more difficult for digitally innovative, entrepreneurial journalists and publishers to help Canadians understand important issues in their communities.

Bill C-18 would make Canada the first country in the world to put a price on free links to web pages, setting a dangerous precedent that is contrary to the long-term interests of both Canadian readers and Canada's independent press.

Last year we sent more than 3.6 billion visits to Canadian news publishers, helping grow their audiences and make money through ads and subscriptions. This referral traffic was valued at \$250 million last year alone.

Putting a price on links, as Bill C-18 does, will naturally cause any company to reconsider how they use them. Take Google News, for example, which is a specialized aggregator and search service that I expect many of you are familiar with. It was created to help users discover multiple stories on diverse topics and from many sources.

Please understand that Google News, like Google Search, does not distribute articles from news publications. We provide only a link and a short snippet of text, often only the headline. Google News, like Google Search, is a newsstand that publishers don't pay to be on, quite different from the prior world of print. We send millions of visitors to their sites for free. Google News costs us millions to operate, yet it delivers zero revenue. If we had to pay publishers simply for linking to their sites, making us lose money with every click, it would be reasonable for us or for any business to reconsider why we would continue to do so.

Bill C-18 would subsidize large legacy organizations and broadcasters to a far greater extent than it would smaller, emerging and innovative organizations that provide quality local news to communities, placing them at a comparative disadvantage. It would incentivize the creation of clickbait content over high-quality local journalism and likely require Google to pay publishers for non-factual or misleading content.

If Bill C-18 is passed in its current form, it may affect our ability to provide products and services that Canadians use and enjoy every day. To understand that impact and our options, we ran tests based on the current wording of the bill. Those tests limited the number of news links for 3.3% of Canadian users, selected at random, for five weeks.

Many of you have questions about these tests. I hope to provide more clarity on what they involved and why we ran them. We are committed to enabling a sustainable future for news in Canada, but this bill threatens to create a situation in which everybody loses. We want to work together to ensure that doesn't happen.

We welcome your questions and look forward to continuing our engagement.

Thank you.

• (1540)

The Vice-Chair (Mr. Kevin Waugh): Thank you both, Mr. Walker and Mr. Gingras. As you understand, the first round of questioning goes for six minutes. We start with the Conservative Party.

Ms. Thomas, go ahead, please.

Mrs. Rachael Thomas (Lethbridge, CPC): Thank you.

Whoever wishes to answer can do so, unless I direct otherwise.

My first question here is whether or not you've done a similar test in other countries. For example, did you do a similar test in Australia before their legislation came into place?

Mr. Richard Gingras: We have, in various countries, performed tests with regard to how we might need to address regulation in those countries. As you might know, we do thousands of tests as we evolve our products, as we evolve Google Search.

Mrs. Rachael Thomas: I'm sorry, I'll be more specific. In Australia, did you do a test before that legislation was put in place?

Mr. Richard Gingras: We did a short-term test in Australia, yes.

Mrs. Rachael Thomas: What percentage of users did it impact?

Mr. Richard Gingras: I can't recall. I believe it was in a similar range as the test here in Canada, but I don't recall the specific number.

Mrs. Rachael Thomas: Would you be able to supply the committee with that information?

Mr. Richard Gingras: I don't see any reason why not.

Mrs. Rachael Thomas: Great, thank you.

Going forward with Bill C-18, once it's in place, will you use algorithms to refer or promote some content versus other content?

Mr. Richard Gingras: As you know, with Google Search and Google News, it is our objective to provide our users with sources of authoritative information relevant to the queries they ask us about. Indeed, as part of that process, we consider many signals as we consider them, to understand which sources we should provide.

As you know, our objective in all cases is to provide a diverse range of perspectives and sources on any of those questions, to be sure, again, that Canadian users, as with our users anywhere in the world, have the opportunity to decide for themselves which perspectives on issues they would prefer to consume.

Mrs. Rachael Thomas: Thank you.

You used a key word, and that was diversity. You stated that the algorithms are used to make sure that there are diverse sources provided. You're nodding your head yes.

With Bill C-18, you're going to have to enter into contracts with various news businesses. Now, my understanding is that you already have started that process by entering into numerous contracts. Within those contracts, are there any promises made to give preference to some new sources over others?

• (1545)

Mr. Richard Gingras: Thank you for that question. Again, that's a very important one.

No, we would never do that with any of the sources that we have relationships with. We are extremely careful in principle and protective of how we approach our ranking in Google Search or in Google News. That would preclude us from doing anything you noted there.

In fact, internally at Google, we have an honest results policy that doesn't even allow people like me to have a conversation with a publisher about how we rank their content individually. That would be contrary to the principles that we espouse and follow with Google Search and Google News.

Mrs. Rachael Thomas: Thank you.

Do I have your assurance then that no current contract and no future contract will use algorithmic preferences toward one news company over another?

Mr. Richard Gingras: Yes, indeed. We would absolutely subscribe to that notion that we would not enter into contractual agreements that commit us to rank a certain site in a certain way, commit to certain levels of traffic or anything that would come close to that notion.

Mrs. Rachael Thomas: Thank you.

There was a document tabled in Parliament a little while ago that showed that the current government pressured social media companies 214 times to remove content that it found embarrassing or didn't want the public to have access to. In a CBC article, it stated that Google also received numerous requests from the government to take down content.

Has Google ever taken down content based on the federal government requesting it to do so?

Mr. Kent Walker: Perhaps I could jump in on this one.

While I don't have the details here, we do publish a transparency report every six months, I believe. It provides a detailed list—broken out by country—of requests for removals that we've received from countries around the world. That would be most the authoritative source of information for this.

Mrs. Rachael Thomas: Thank you. I do have that. It does say that the federal government has in fact made that request, and I'm wondering if you can tell me the nature of those requests.

Mr. Kent Walker: I don't have that information available, but I would be happy to follow up on that.

Mrs. Rachael Thomas: Is that something you could follow up on with the committee?

Mr. Kent Walker: Yes, I think we can. There's obviously a range of different potential requests. I would be happy to get that to the committee.

Mrs. Rachael Thomas: Sure. I'd love to know the number of requests over the last eight years, and I would love to know the nature of those requests from the federal government.

Mr. Kent Walker: We'll see what we can do on that.

Mrs. Rachael Thomas: Thank you, Mr. Walker. I appreciate that.

I'm curious as to the results of the tests that you did here in Canada. What were the results?

Mr. Richard Gingras: As I mentioned earlier, we do thousands of tests to continue to evolve our products. Often, those tests are to help us in how we take and address misinformation or how we address our understanding of what our users see when they come to our sites. We do them constantly to improve what we do.

It is always important with such tests that we practise sound research methodology—for instance, randomizing the samples of people who see the tests. That is in line with what we also did in Canada. Our efforts in Canada were to understand the behaviours of our users with regard to the inclusion of sites that are referenced, as best we could tell, with the drafting of Bill C-18. For reasons of security, we don't release the results of such tests.

I can tell you, however, that at a very high level the tests confirmed several things. First of all, news queries are very small percentages to Google—less than 2% is typically the case—and there was no impact on our users with regard to non-news inquiries, whether that was seeking, for instance, information from academia, information from the government or, for that matter, how to find a local seafood restaurant.

The Vice-Chair (Mr. Kevin Waugh): Thank you, Ms. Thomas.

For the MPs in the room and also Lisa, I'll be a little more lenient with your time today because we have two hours here.

Mr. Gingras, along with Mr. Walker, I'm not going to cut you off in mid-sentence, but you know that this first round is six minutes long, so keep it in your head a bit. We did go over, but that's fine.

We go to the Liberal Party now and Mr. Housefather.

• (1550)

Mr. Anthony Housefather (Mount Royal, Lib.): Thank you very much.

Mr. Walker and Mr. Gingras, thank you very much for being here today. I think it really shows Google's respect for the Canadian Parliament and the Canadian system. It's noted and appreciated.

I have a number of rounds of questions today, and I'm going to set out what I would hope that we would achieve.

When I ask a yes-or-no question, I'd appreciate a yes-or-no answer. When I ask other questions, I'd appreciate that the answers be succinct, because I have a lot of questions. If you don't know the answer, please just say you don't know and I will move on. I'm not here to try to push you to say things that you don't know.

If I'm asking you questions, Mr. Walker, I'm well aware of your dual business/legal role and I'm not looking to get privileged information. I'm not looking to attack the attorney-client privilege. If you think anything I'm delving into is privileged, just say so. Also, if I'm asking about law, I know that there are a lot of issues going on around the world. I'm not qualified outside of North America. If I'm asking about the Sherman act or the Competition Act, I'm not asking about foreign news sources and foreign laws.

Mr. Walker, at our last meeting, the Google witnesses acknowledged that you were aware of the plans to perform the tests that

we're talking about in terms of preventing some Canadian users from seeing news. Approximately what percentage of tests at Google would you be made aware of in advance?

Mr. Kent Walker: I would just quickly say that we don't feel that we prevented Canadian users from seeing news. There are lots of different ways they could see news, but there was less appearance of news on our services.

I would say that I'm primarily made aware of tests that involve compliance with laws around the world. That could be the news sites in Spain, the Street View in Germany, the Australian situation or this situation. As Richard mentioned, we run thousands of tests every year, so it would be a relatively small percentage.

Mr. Anthony Housefather: I would estimate, given your position at Google in the C-suite, that it would be less than 1% of Google tests that anybody would think were important enough to escalate to you. Is that correct?

Mr. Kent Walker: Based on my knowledge of how many tests we do, that's probably right.

Mr. Anthony Housefather: Is testing ever discussed at in the executive or board meetings at Alphabet or Google?

Mr. Kent Walker: Well, again, the tests that I'm aware of are overlaid between law, legal compliance, etc., so I don't want to get into the substance of any of those conversations, but I would say that at a broad level we've been clear that we do tests on a regular basis, and that's a public record, and the general notion that we do tests for compliance with law I think is also widely known.

Mr. Anthony Housefather: Because just the way it came across at the first meeting—

Mr. Kent Walker: I'm sorry, sir; I lost the very beginning of your comment there.

Mr. Anthony Housefather: I was just saying that because of the way it came across at the last meeting, I want to now make clear that this testing was considered at the highest levels of Google and was one of the tests that would not be a normal standard test. It was something related specifically to Bill C-18.

The next question I have, Mr. Walker, is, did your team undertake any legal analysis to determine whether any Canadian law might be violated by the testing? I'm not asking for your advice: I'm asking only whether you undertook any discussion of that.

Mr. Kent Walker: I don't know the answer to the question. We have lawyers in Canada who are tasked with making sure we're compliant with Canadian law, and I don't recall any suggestion that there was a violation of Canadian law. To the contrary, we were trying to interpret this potential Canadian law to make sure we could comply with it and understand what the implications would be.

Mr. Anthony Housefather: For sure.

I think there have been various commentary that there might have been violations about the Competition Act and the Privacy Act. That's why I was looking to see if your team had done an analysis.

Do you know whether any outside counsel was retained to look into that before you undertook the test?

Mr. Kent Walker: I don't know the answer to the question. I can tell you that our belief has been that this is a normal business practice. When there's a tariff or a fee for a good or service, businesses will naturally look to see whether they should provide as much of that good or service.

Mr. Anthony Housefather: For sure.

Would you mind getting back to the committee on whether or not you did or did not seek that analysis? I want just a yes or no; you don't have to give me any further information.

Mr. Kent Walker: I understand. We'll follow up on that.

Mr. Anthony Housefather: Thank you so much.

In terms of the first answer that Mr. Gingras gave to my colleague Ms. Harder with respect to her question about the results of the tests, that was my next question and he answered that. Thank you.

One thing that Mr. Gingras didn't get into was one thing I imagine Google was looking at in this test: how much revenue Google might lose if it prevented certain Canadian users from seeing certain news.

My question is on whether one of the elements of this test to determine that if Google undertook this action eventually.... And we can call it many different things, Mr. Walker; I totally understand that we'll have different words for it. Was one of the things you were concerned about in the test regarding how much revenue you might lose?

• (1555)

Mr. Kent Walker: I don't believe that was the focus. I think it's an important point, though, because news has great social value, but in many cases it doesn't have that much economic value.

As Richard mentioned, it's perhaps less than 2% of the queries. They tend to be the least monetizable queries—in other words, the queries that are less likely to have an ad next to them. If you do a query for a digital camera, you will see a number of ads for that, but if you do a query for how tall Mount Kilimanjaro is or what's going on in the Canadian Parliament today, you probably won't see many ads, and very few people will click on them. It's just not a very strong signal of commercial intent.

News has never been primarily about economic considerations for us. It's more a question of how we can best provide a range of information.

Mr. Anthony Housefather: I understand. I think it was more a question of whether or not you'd lose ancillary revenue by people losing your platform because they didn't have access to news on the platform.

My last question in this round is for Mr. Gingras. I know I'm running out of time.

I know that Google has its concerns with Bill C-18. If the U.S. Congress adopted a bill that was identical to Bill C-18 and was signed into law by the President, would Google's actions be identical to the ones you would take in Canada, or would you treat the U.S. differently?

Mr. Richard Gingras: That's an interesting question. Frankly, if the facts were all the same, then our considerations would be similar, if not identical.

Mr. Anthony Housefather: Thank you both.

The Vice-Chair (Mr. Kevin Waugh): We'll move now to the Bloc Québécois, Martin Champoux, for six minutes.

[Translation]

Mr. Martin Champoux (Drummond, BQ): Thank you, Mr. Chair.

Mr. Gingras, the question from my colleague, Mr. Housefather, was not about whether Google had the same concerns about similar legislation in the United States. Rather, it was about whether the company would have taken the same steps that Google took or planned to take in Canada. I consider the nuance important.

Would your actions have been as bold? For example, could any other time have been chosen for the tests you did this spring? I must say that the timing was rather peculiar.

Would you have had the same attitude and taken the same actions if a bill like C-18 passed in the United States?

[English]

Mr. Kent Walker: I apologize; I'm not receiving a translation.

[Translation]

Mr. Martin Champoux: Mr. Chair, can we suspend the meeting to allow the witnesses to get themselves connected properly?

[English]

The Vice-Chair (Mr. Kevin Waugh): We'll start your six minutes all over. We'll wait for translation.

Ms. Lisa Hefner (Hamilton Mountain, Lib.): Chair, I don't have a problem with translation.

The Vice-Chair (Mr. Kevin Waugh): Mr. Walker and Mr. Gingras, there could be a button on the bottom of your screen. It looks like a little globe.

Martin, maybe say a few words here.

[Translation]

Mr. Martin Champoux: With pleasure, Mr. Chair.

Can everyone now hear the interpretation? Yes? Problem solved.

[English]

The Vice-Chair (Mr. Kevin Waugh): That's our fault. I probably should have started that at the beginning of the meeting. I'll take that one for the team.

Go ahead, Mr. Champoux.

[Translation]

Mr. Martin Champoux: Thanks again, Mr. Chair.

[English]

The Vice-Chair (Mr. Kevin Waugh): I'm not good with technology.

[Translation]

Mr. Martin Champoux: Mr. Gingras, my colleague Mr. Housefather asked you a nuanced question earlier, and you answered by evading it rather neatly. You talked about your concerns if this type of legislation were passed by the American government. However, my colleague's question was whether you would have acted the same way in such a case.

We could debate it here, but we found that the timing for conducting tests with 1.2 million Canadians this spring, by blocking their access to Canadian news content, was especially curious, if I may take the liberty of saying so.

So, Mr. Housefather's question was whether you would have acted the same way if the American government passed similar legislation, and if your intentions would have remained the same regarding Bill C-18. It's therefore not just a question of concern, it's a question of action. Would you have conducted the same tests at the same time if this had happened in the United States?

[English]

Mr. Kent Walker: Perhaps I can weigh in on this one. It's difficult to speculate, of course, but I would say that we have raised similar concerns about the proposals in the United States as we have fairly consistently in countries around the world. When faced with potential new regulations, we try to evaluate how those regulations would impact our services. In this case, the bill has been under discussion for some time. As it started to take shape and have clearer outlines, we did our best to review it and understand what classes of publications might be affected. That was what the tests were meant to understand.

• (1600)

[Translation]

Mr. Martin Champoux: I'd like to get an answer. I know you conducted tests, but you answered Ms. Thomas earlier, saying that you could not reveal the results of those tests. However, I think that Quebecers and Canadians subjected to those tests have the right to know what purpose they served.

Once Bill C-18 passes, do you intend to comply with it, or will you use the results of those tests to block news content? What is your intention in light of your recently obtained test results? Will you block content?

[English]

Mr. Kent Walker: We continue to be optimistic, but the Canadian Parliament has an opportunity to evolve the current file of Bill C-18.

[Translation]

Mr. Martin Champoux: Mr. Walker, let's imagine that Bill C-18 passes in its current form. Do you intend to continue opposing it and to attempt to block Canadian news content?

[English]

Mr. Kent Walker: We are continuing to raise concerns, but that's absolutely right. We think that there's a better model. We have not reached the final decision as to what business actions we might have to take.

[Translation]

Mr. Martin Champoux: That the clearest answer we've gotten so far. Thank you for your transparency.

Mr. Gingras, you are vice president of the news division. Google raised a concern fairly often about Bill C-18. This concern always makes me smile a little, because it alleges that the bill will jeopardize the quality of journalistic content.

You already signed agreements with news production companies, before Bill C-18 was even put forward. What are Google's criteria for quality journalism? Which criteria did we include in Bill C-18 that differed from yours? What makes your criteria better than what's included in our bill?

[English]

Mr. Richard Gingras: In entering the agreements we have entered into with publishers in Canada, the criteria we followed were very similar to the criteria used in Canada for the journalism tax credit, which is very thoughtful. In fact, we've used that to guide our publisher relationships not only in Canada but elsewhere. We think they were codified quite well.

It's not about quality; it's more about intent. We can't judge quality, and we don't judge quality. Our concern with Bill C-18, as we expressed, is that the definition of "eligible news business" is extremely broad such that we feel that the quality [*Inaudible—Editor*] in journalism that we believe is the stated object of the test will not benefit versus all other kinds of content that are not quality journalism for local communities.

[Translation]

Mr. Martin Champoux: I do find it strange, however, that you're telling me you have criteria for quality journalism, when you rely exclusively on criteria which, in fact, exclude any adherence to a code of ethics.

You say you have criteria for quality journalism, and that Bill C-18 will undermine journalistic content and quality news. However, we've added criteria to this bill that affect eligible companies; they must adhere to a code of ethics and a code to meet journalistic standards.

I therefore do not see why this threat to the quality of journalism is being raised again. On the contrary, Bill C-18 reinforces it. You should be satisfied with that, Mr. Gingras.

[*English*]

Mr. Richard Gingras: It is my sense, in my reading of the draft of Bill C-18, that the requirement for journalistic ethic standards does not apply across the various components or cohorts that are included as eligible news businesses in Canada.

Now, it is not for us, globally, to prescribe what those ethics are. As I say, we strive to provide diversity of view, diversity of perspective and diversity of source.

• (1605)

[*Translation*]

Mr. Martin Champoux: My time is almost up, Mr. Gingras.

I would simply invite you to reread Bill C-18 carefully and the clause on eligibility for businesses with which you may need to sign agreements. It clearly outlines that they must meet basic criteria, meaning current journalistic standards recognized almost unanimously by every news company in Canada, and probably in the United States as well. I'd like you to familiarize yourself with that clause. We may come back to it later.

[*English*]

Mr. Richard Gingras: Thank you. I will.

The Vice-Chair (Mr. Kevin Waugh): Thank you very much.

We'll go now to Peter Julian of the New Democratic Party for six minutes or so.

[*Translation*]

Mr. Peter Julian (New Westminster—Burnaby, NDP): Thank you very much, Mr. Chair.

While reviewing testimony heard a few weeks ago, it is very clear that the committee has not obtained the answers it wanted. Unfortunately, there is a very obvious link—a very clear similarity—with Hockey Canada during the first meetings we held with them. However, Hockey Canada ended up answering our questions, and we're really hoping to get answers today.

[*English*]

We certainly appreciate the witnesses being here. We hope that we will be getting answers that we didn't get from the initial session that we had just a few weeks ago.

Mr. Walker and Mr. Gingras, you spoke about the Australian test. In response to a question from Mrs. Thomas, Mr. Walker was saying it was roughly similar to Australia. It is our hope that you will provide the details around that test to committee.

I would like to know, how many commercial agreements were signed with Google in Australia after the legislation was passed in Australia?

Mr. Richard Gingras: With regard to the situation in Australia, we did have issues and concerns with the original proposed bargaining code. I will note that those concerns, at least in part, were

addressed and codified into law. However, I would also note that we were given fairly good guidance—

Mr. Peter Julian: I apologize, Mr. Chair, to the witness.

The question was, very specifically, how many contracts have been signed in Australia?

Mr. Richard Gingras: We've signed contracts covering, I believe, something in excess of 200 news organizations across Australia.

I will clarify that question because the first formulation of the question was how many agreements were signed after the code. The second formulation of the question was how many we have. I believe some agreements had been entered into before the code and of course the code has never actually gone into effect vis-à-vis Google.

We have been bargaining with awareness of the code, but not subject to it.

Mr. Peter Julian: It's 200 news organizations. Would that include collectives such as Country Press?

Mr. Richard Gingras: I believe it does, but again that was a long time ago. I'm quite sure Country Press was included.

Mr. Peter Julian: We're actually saying that the number of contracts would be far below 200 then. It may be with 200 news organizations, but could you reveal to the committee the number of contracts signed, please?

Mr. Richard Gingras: We can certainly follow up with that. I apologize for not having that number precisely.

You point out, actually, one thing that is often difficult, which is signing an agreement with an organization that may have many brands or an association that represents many brands.

Mr. Peter Julian: Yes. Thank you.

I will move on to Canada. How many contracts have you signed in Canada to date?

Mr. Richard Gingras: I honestly do not recall that number. I would think that with regard to the number of brands it is in excess of 100. I cannot, fairly, accurately recall the number of contracts.

Mr. Peter Julian: Is that something you could provide—

Mr. Richard Gingras: I know that it covers a range of publications, going from the very large, such as The Globe and Mail, to news organizations covering Yellowknife.

Mr. Peter Julian: My next question is around the tests that did cut off access to news information. The number we've been given is 1.2 million Canadians. How was the decision made internally? Who makes that decision? Who approves it?

• (1610)

Mr. Richard Gingras: Such decisions regarding tests are typically driven by several components of the organization—

Mr. Peter Julian: I'm asking specifically about this one. Mr. Walker was aware of it. I'm wondering who makes the decision and who approves it within the organization.

Mr. Kent Walker: Perhaps I can jump in on this one, Richard.

Mr. Richard Gingras: Feel free.

Mr. Kent Walker: As Richard was starting to say, I think the recommendations just come from the product teams—the search teams, the news teams, etc.—and then, in this case, would have been reviewed by a cross-section of our leadership team.

We're a relatively consensus-oriented company, so I can't point to a single person who said “yes” or “no”, but I think the recommendation was probably accepted, and we went forward with it for that five-week period.

Mr. Peter Julian: In relation to Mr. Housefather's question about the legal advice you receive, that of course would be very helpful to the committee. Was there any vetting on that decision around Canadian or U.S. privacy laws?

Mr. Kent Walker: I think I have the same answer that I gave to Mr. Housefather, which is that we believe, of course, that we are complying with both American and Canadian privacy laws. I'm not aware of a separate line of inquiry here, but I honestly don't know for sure.

Mr. Peter Julian: Thank you.

In terms of your initial presentation, you talked about this being a “random” test. Anecdotally, a number of journalists have indicated that they didn't have access through the news process. In the targeting, the algorithm that was set up to impede access to news—let's be frank—were journalists or news organizations considered as part of that overall thrust of the message that Google wanted to send?

Mr. Richard Gingras: As I have noted in regard to detail, when we do tests, we have to follow appropriate scientific methodology. It's important that those tests be random. The randomness was driven by IP address, which is not tied to any known individual by us. There was certainly no effort to target any type of profession or individual or organization in Canada in doing so, and I would expect—

Mr. Peter Julian: Thanks for that.

My next question, then, is—

The Vice-Chair (Mr. Kevin Waugh): Wrap it up pretty quickly, if you don't mind, Mr. Julian.

Mr. Peter Julian: My final question is this: Was there any geographical targeting of IP addresses?

Mr. Richard Gingras: Similarly, it is randomized, so the geographic representation would, if the mathematics work, be proportionate to the IP addresses or populations in those various geographies within Canada.

The Vice-Chair (Mr. Kevin Waugh): Thank you, Mr. Julian.

He is right on the 200 Australian news organizations. When the Murdoch News agency signed on, it was the first to sign on with Google in Australia, and the rest followed, but we would like to get the correct number from you. The Murdoch News agency is rather large, as you know, in Australia, and it dominates the news in that country.

In the second round, we'll start with Ms. Gladu.

Ms. Marilyn Gladu (Sarnia—Lambton, CPC): Thank you, Chair.

Thank you to the witnesses for being here today.

Originally, Bill C-18 was supposed to ensure local media would be sustainable. A lot of times, we've heard that it was modelled on the Australian legislation, but I think I heard you say in your testimony that we're the first country to put a price on links, so I assume that means Australia did not do that. I think you also said that you weren't subject to the Australian code. Is that correct? Could you confirm that?

Mr. Richard Gingras: Yes, that is correct. The Australian bargaining code does not apply to Google. We were not designated.

As to your question with regard to payment for links, it is true that Canada would be the first country to put a price on links. I would further note that the European Union went through an extensive and, I thought, thoughtful review of copyright in the digital age and reaffirmed the right to a search engine and others rights, such as the use of a link and a short extract of text.

Ms. Marilyn Gladu: The Supreme Court in Canada also confirmed that there shouldn't be a price on links, but I want to talk about the compensation that may happen as a result.

You have contracts with individuals, and there's a cost to sharing a link, so when the government asks you to take down a post, which, according to the evidence that we heard earlier, they have done, is there compensation of any kind going to anyone, that you're aware of, under the proposed model?

• (1615)

Mr. Richard Gingras: I am certainly not aware of anything of that sort.

I want to repeat that the contracts and relationships we have with publishers are not specifically tied to individual links or a quantity of links or the ranking of links.

Mr. Kent Walker: I would just add that this is one of the reasons we believe a fund model similar to what was adopted in Taiwan is a more durable, sustainable approach to news, because it doesn't incent improper behaviour, various websites putting up more clickbait content or extremist websites trying to be subsidized as part of this. You would have a framework in which you'd have clear journalistic standards, as you already do in the Canada Media Fund, that would promote the current system that so far, we believe, has been beneficial for Canadians and beneficial for Canadian publishers.

Ms. Marilyn Gladu: Just to confirm, in that deal with Taiwan, I think Google is giving, what, \$250 million to the local media to keep them sustainable without any government interference. Is that correct?

Mr. Richard Gingras: No, that number for Taiwan is not correct. The \$250 million that you refer to is what third parties have assessed as the overall value of our provision of 3.6 billion links—visits, I should say, to publishers in Canada, not the size of the Taiwan fund.

Ms. Marilyn Gladu: Thank you.

Let's talk a little bit about the test that was done. The Parliamentary Budget Officer had looked at what he expected to happen under Bill C-18 and said that 75% of the revenue would likely go to CBC, Rogers and Bell Media based on their having the larger-volume news content. Did you see a similar result in your test?

Mr. Richard Gingras: We have not analyzed the results in that regard, so I really can't say one way or the other. Not surprisingly, I would say, obviously publishers who produce large volumes of content will likely see more traffic to that content.

When it comes to news at Google, be it on search or in Google News, we strive to present results sources that relate to news topics, whereas it is our analysis that under Bill C-18, the links and the size of the eligible news business class would mean that compensation would go to content that's far beyond what we would call news topics or current event coverage.

Ms. Marilyn Gladu: I'm running out of time.

I have one last question and it has to do with a concern that my chamber of commerce brought forward. They were very concerned to see that we were demanding to see internal documents for private business that is considering how to respond to government legislation. Do you have any concern about that?

Mr. Kent Walker: It is something that we have thought a lot about. It's one of the reasons we are trying to comply with the committee's order for information, but we also recognize the importance of being able to maintain democratic conversations with a variety of stakeholders while protecting privilege, trade secrets and other forms of confidentiality. I believe the Canadian Chamber of Commerce and others have raised these concerns. To our knowledge, it's somewhat unprecedented, but we are making a good-faith effort to comply to the best of our ability.

Ms. Marilyn Gladu: Thank you.

The Vice-Chair (Mr. Kevin Waugh): Thank you, Ms. Gladu. You are right on time, actually.

The second round is about five minutes, and we'll go now to Ms. Hepfner.

Lisa, go ahead, please.

Ms. Lisa Hepfner: Thank you, Chair.

I would reiterate the thanks to our witnesses for being here with us today and for appreciating the importance of coming to speak to parliamentarians here in Canada.

First, I will be directing my questions to you, Mr. Walker, if you wouldn't mind answering.

We've touched on this topic already today in terms of the tests Google employed in Canada. A key question that I'm not quite sure we've heard an answer to is whether Google gives any individual user data to block users from accessing news sources. I guess the question is, please confirm whether user privacy was breached in any way while you rolled out these tests.

• (1620)

Mr. Kent Walker: I don't believe it was in any way. Other than the use of a randomly selected group of IP addresses, which some protection authorities would consider personal identifiable information, I don't believe there was any other form of user data that was used here.

Ms. Lisa Hepfner: Okay. That's fair enough. Thank you, Mr. Walker.

We've heard a lot about links today. You or a Google representative said that these tests were designed specifically to assess the potential impacts of Bill C-18 on how news is linked to Google Search and Google Discovery. We've heard this several times today. We heard this in previous testimony from Ms. Geremia when she appeared before our committee last month.

Please tell us how these tests could possibly be conclusive given that Google is moving away from traditional links in this search engine and instead towards AI features. We heard this from your CEO in an interview with The Wall Street Journal on April 6.

Please go ahead, Mr. Walker.

Mr. Kent Walker: I would say that Richard is absolutely the expert on these topics. I'm happy to undertake a high-level answer, but if you want details, he would be a more authoritative source. That said, I will give you my best answer to your question.

At a high level, I don't believe that we are moving away from links on the web. To the contrary, we believe that links to publisher content remain a very important contributor to being able to answer individuals' queries in different ways. It is also right that we are looking at different ways of complementing that experience through some of the new generative AI tools that we've been working on for some time and that others have brought to the market, but the linking experience continues to be an important part of a search on Google, and I would expect it would be for the foreseeable future.

Ms. Lisa Hepfner: Please expand on that, Mr. Walker. What does the future look like? Give us a picture of AI and what kind of impact that will play in terms of how we search on Google.

Mr. Kent Walker: We're very excited about the potential here, but we haven't landed on particular implementations yet. We are trying to harness the extraordinary creativity of generative AI models that allow you to create a poem or something—to respond to an email or whatever else it might be—and, in some cases, to summarize or distill content that's on the web, with the value of having a variety of content that people can go to directly.

You may have heard or read about the notion of AI hallucinations. In some cases, these generative AI models are predicting the next most likely word or words, but that doesn't necessarily mean they are grounded to underlying factual content, so a combination of those two tools turns out to be really quite important. One of the things we're looking to do is to understand how best to ground the models in a way that harnesses their powers of creativity and distillation but also draws on facts about the world.

Ms. Lisa Hefner: Thank you. It's very interesting to hear this from you.

We've also heard this afternoon that Bill C-18 can help to spread misinformation and propaganda in Canada. However, from my perspective as a former journalist, I would say that during the test that's exactly what Google did in response to our legislation.

When Google ran similar tests in Australia, it blocked access to fact-based news sources and instead promoted sources of questionable quality that were known for spreading misinformation and conspiracy theories. Please confirm for us whether Google has promoted those sorts of sources in its tests in Canada.

Mr. Kent Walker: As Richard was saying, we try very hard to do quite the opposite. We want Google to be known as a source of high-quality information whenever possible. That's why when we implement these kinds of tests—and again, we do thousands of tests a year—we are constantly looking for the value to users in response to a whole variety of queries.

Our concern about Bill C-18, and the reason for the test, is that it may well encourage more low-quality information websites that are trying to—

• (1625)

Ms. Lisa Hefner: Thank you, sir. I think my time is up.

The Vice-Chair (Mr. Kevin Waugh): It is up. Thank you very much.

Thank you, Mr. Walker.

We'll go to the Bloc and Mr. Champoux for two and a half minutes.

[*Translation*]

Mr. Martin Champoux: Thank you, Mr. Chair. Since I only have two and half minutes, and interpretation takes a few seconds, I'm counting on your largesse and your generosity.

Mr. Walker or Mr. Gingras, my question is for either one of you.

In this week's news, you may have seen a subject that attracted a lot of attention here. I'm talking about the label of "government-funded media" that Twitter slapped onto the CBC, Canada's public broadcaster. As a result, it created an association, without saying so outright, with media propaganda like that in North Korea, China, Russia and so on. What did you think of it?

[*English*]

Mr. Richard Gingras: We think it's important to give our users an opportunity to find background information about the sources they might find in Google Search, for instance. However, we don't label them in that fashion. What you would see if you used Google

Search is that next to every result is a small three-dot menu. From there, you can get further information about that result so you can make your own assessment—

[*Translation*]

Mr. Martin Champoux: Mr. Gingras, I have very little time. As I was saying...

[*English*]

Mr. Richard Gingras: I should add quickly, just to clarify the record, that I believe on YouTube we may label the CBC as publicly funded media. However, I'm not sure of that. You can check it on YouTube.

[*Translation*]

Mr. Martin Champoux: I referred to it to say that the somewhat malicious intent behind the label was to indirectly compare the CBC with propaganda media in totalitarian countries.

What I mean by this is that Google, which belongs to Alphabet, is a public company. Is it possible that one day, an individual like Elon Musk, or someone else who might be less rigorous about the quality of what's published or shared on these platforms, could end up as the majority shareholder of a business like yours?

[*English*]

Mr. Kent Walker: From the very beginning, we had a mission statement that is focused on organizing the world of information to make it universally accessible and useful. That is a core tenet of the company. When we provide background about individual sources, we try to do that in the most principled and rigorous way we can.

[*Translation*]

Mr. Martin Champoux: I understand that full well and I appreciate it. However, no company is safe from someone coming in with a completely different vision. That's why it's important to have legislation. In the bill we are currently debating, there are criteria we consider essential for our journalism.

When you propose a fund and other methods, it removes the opportunity for us here in Canada and Quebec to keep our own fundamental criteria for journalism. I think that Bill C-18 is good and important, even if you don't approve of the way it's written or the method we plan to use. It's still up to us to decide how we are going to manage this type of informational content.

My time is almost up, but we'll have time to come back to it later, Mr. Walker, because I think you wanted to respond.

[*English*]

Mr. Kent Walker: I would say quickly that we agree with that sentiment and we agree that Canada Media Fund adopts precisely the right set of criteria. We would encourage those criteria to be used as the benchmark for any fund distribution.

The Vice-Chair (Mr. Kevin Waugh): Thank you, Mr. Walker.

We'll move now to Mr. Julian of the New Democratic Party for two and a half minutes.

Mr. Peter Julian: Thanks very much, Mr. Chair.

I would like to reiterate that is indeed the problem. We saw Twitter basically go over a cliff, with a billionaire who has no respect for diversity of opinions, is promoting far-right, crazed conspiracy theories and has taken Twitter, which was a strong institution, literally a town hall for so many people around the world, and turned it into a garbage pit of conspiracy theories, hate and far-right propaganda.

This is the concern and why, as legislators, we have to put in place rules that companies, regardless of who owns them, who runs them, have to respect.

With that comment, I will now pass to questions.

To continue on the test and the impact that had in terms of Canadians, can you confirm that 1.2 million Canadians were impacted?

Mr. Richard Gingras: I can't confirm the precise number. As we noted, we look at IP addresses. It was roughly 3.3% of the IP addresses. IP addresses can be to a computer that's used by more than one person, so I would be careful about associating an IP address literally with a number of people. However, I think it's fair to say it's roughly in that order.

• (1630)

Mr. Peter Julian: How many IP addresses were impacted?

Mr. Richard Gingras: It was 3.3% of the IP addresses—

Mr. Peter Julian: I'm asking for a number.

Mr. Richard Gingras: I think the approximation of 1.1 million is probably fair.

Mr. Peter Julian: Thank you.

What kind of demographic matrix or other matrix was used for the formulation of this test? It was random in nature. You're saying journalists weren't targeted. There was no geographical targeting. What were the other criteria that were brought into this particular test?

Mr. Richard Gingras: There were no other criteria brought into the test.

Mr. Peter Julian: No geometric—

Mr. Richard Gingras: There were simply IP addresses randomized.

Mr. Peter Julian: There was no geometric criteria. You would know, based on the random test, how many of the IP addresses were impacted, for example, in British Columbia or Ontario.

Mr. Richard Gingras: I would suggest that, again, based on random methodology and statistical principles, the population of British Columbia would be proportionately represented in the test relevant to their population, with regard to the overall population of about 37 million Canadians.

Mr. Peter Julian: Share that information with us. Of the IP addresses, how many were impacted in each province, and how many were impacted in the territories?

Mr. Richard Gingras: We can certainly see if we can provide further information there.

I'm not sure how accurately we can do that, because that also includes mobile devices and people moving around.

Mr. Peter Julian: I think it would be helpful for this committee to know that. If you could provide it, as best you can, that would be appreciated.

Mr. Richard Gingras: We would be pleased to.

The Vice-Chair (Mr. Kevin Waugh): Thank you, Mr. Julian.

We'll move now to Mr. Shields of the Conservative Party. We have five minutes for Mr. Shields.

Go ahead, sir.

Mr. Martin Shields (Bow River, CPC): Thank you, Mr. Chair. I appreciate that.

Thank you to the witnesses for being here today.

Just to start with, having been around this issue a couple of times over the years with heritage, do you understand how important it is that you are here? In previous times, when we had other people but requested you, that set a tone that we could be very frustrated and angry. Do you understand the difference between sending people who we didn't request and having you come? Do you understand how that sets a different frame?

Mr. Kent Walker: We appreciate the point, sir. That's why we're here voluntarily today. We have traditionally looked to our country managers and to our people in the country who are most familiar with the issues to respond to various issues, but under the circumstances we felt it was appropriate for us to appear voluntarily today.

Mr. Martin Shields: I very much appreciate that it's voluntary, because this is a significant issue in our country. When we don't get the significant people who we believe have the answers that we more likely would like to hear, it creates a feeling of animosity. That's what you're dealing with. You've created that by making that choice. Do you understand that?

Mr. Kent Walker: Certainly, we have no desire to create animosity. It's quite the contrary. We hope to continue to work constructively with Parliament on a better solution toward a shared set of concerns.

Mr. Martin Shields: Thank you. I appreciate the effort for you to be here and to answer in that way.

You mentioned a couple of things. You talked about creating a fund. There are different numbers that pop up. We heard the number that you may have for Taiwan. We know the U.K. is looking at a number; it is looking at money. When you talk about a fund, what number would you talk about for Canada?

Mr. Richard Gingras: First of all, with regard to a fund, we think there are many notable advantages to that. I want to clarify—

Mr. Martin Shields: I understand those advantages, sir, but I'm looking for a number. You may not want to negotiate with me, but you're bringing it up. You're bringing up the fund, and you mentioned it many times. Put the number on the table.

Mr. Richard Gingras: It's not for us to set a number, nor has there been a number set for Bill C-18. I would hope and expect it would be a number that would actually be appropriate to our business interests and to how we can continue to properly run our business.

Mr. Martin Shields: I agree with that. Of course you're not going to give us hundreds of billions and I understand that. However, you keep referring to the fund. For us to have validity in what you're talking about, there has to be a number out there. We hear it's \$300 million. We hear it's 75% that you've already negotiated away.

I represent 13 weekly newspapers in my riding. Sir, frankly, I don't think they're going to get two cents out of this thing. You can say whatever you want. I meet with the owner-publishers of those papers. They know what the result is going to be, unless there is significantly more money in it that hasn't already been negotiated away.

• (1635)

Mr. Kent Walker: Maybe I could take a shot at this.

I think our approach to this would be consistent with what we've done in Europe and other countries around the world, to enter into agreements that reflect the benefit that newspapers and publishers get from traffic from Google but also recognize the contributions they are making. In Canada we're not looking to do something dramatically different from what we've done in countries around the world. Quite the contrary, we want to try to find a way that's sustainable for everybody here.

Mr. Martin Shields: Have you negotiated already for fund money for media in this country?

Mr. Richard Gingras: I—

Mr. Martin Shields: Have you negotiated? Are there deals you've made on the table already?

Mr. Richard Gingras: We have entered into arrangements with publishers in Canada as part of a program called Showcase. So, yes, the answer to that is that we have entered into such agreements.

Mr. Martin Shields: You must then have a number as a total you would use for that fund you're negotiating. Do you have a number you could give me, what your maximum would be to negotiate the total agreements?

Mr. Richard Gingras: I think, as Kent said, it would be important to reflect the total value of what we already—

Mr. Martin Shields: Thank you. If you're not going to give me the number, that's fine.

Could you break down in your analysis—because I know you do a lot of analysis—how many news links come out of weekly papers in this country?

Mr. Richard Gingras: I wouldn't know that answer at this time.

Mr. Martin Shields: Could you find that?

Mr. Richard Gingras: You mean out of weekly newspapers online? I guess it's theoretically possible. It would be, I think, quite difficult. It's not clear to us, when we simply look at sites what their publication frequencies are. We can take that request back.

Mr. Martin Shields: I would appreciate that, because that's a critical piece for the weekly newspapers. As I say, I don't have a daily newspaper in my riding. I have 13 weeklies. Those are the lifeblood of my communities.

Mr. Richard Gingras: I think what we might be able to do is give a better indication of local versus national, for instance, but we'll do our best to advise.

Mr. Martin Shields: I appreciate that.

The Globe and Mail put out a news article this week called "Google devises radical changes to stay on top". Are you familiar with this article?

Mr. Richard Gingras: I am not.

Mr. Martin Shields: When it first showed up you could find it using Google, but within hours, it disappeared. Do you know how long it takes to find that article since then? You buried it.

Mr. Richard Gingras: I'm sorry, sir. I'm not familiar with that, but we certainly do not bury articles.

Mr. Martin Shields: You did with that one. It's gone. Try to find it now. It was on your site and within hours, it disappeared. It's one that says, "Google devises radical changes to stay on top". It wasn't in support of what you do and it disappeared off your site.

Mr. Richard Gingras: With respect to the question, I'd be glad to hear further details, but I can assure you that is not a practice we would ever, ever enter into. We have never done such a thing. That's completely counter to our principles.

Mr. Martin Shields: You did.

Mr. Kent Walker: I can assure you that if you google Google, you will find a number of articles critical, a number of articles favourable, etc., but whether or not a given article or a publisher takes a position that is pro Google or con Google, that's not going to be a factor that enters into our—

Mr. Martin Shields: It was a Globe and Mail story and it disappeared off your Google search within hours. It's hard to find.

Mr. Kent Walker: We don't disagree with that. There may well have been changes in the way the website was being coded or picked up. There are a number of technological things that might have happened there. We'd be happy to follow up with your office.

Mr. Martin Shields: I hope you do, because it's frightening to me what you did with that one.

The Vice-Chair (Mr. Kevin Waugh): Thank you, Mr. Shields.

That was actually part of my question, because I saw the story in Monday's Globe and Mail, but I could not download it. The Library of Parliament could not give me the article because it was a competitor of yours stealing the Google search engines. At first you had it up high, and then we couldn't find it, so we had to go to the competitor to find that story. That's where we're coming from.

Thank you, Mr. Shields, for bringing that up.

He's right. When we went to Google to find that story, it wasn't there. It was on the competitor's site, and you had buried it way down. In fact, it never did come up on Google. We can provide that to you, Mr. Walker, and you will enjoy it.

We'll go to Mr. Bittle for five minutes.

• (1640)

Mr. Chris Bittle (St. Catharines, Lib.): Thank you very much, Mr. Chair.

It's disappointing to hear the same talking points that we heard last time. We heard you say you've given Canadian media \$250 million in free exposure and you're like a newsstand, but you leave out the part where your newsstand is a monopoly and has a stranglehold over digital revenue. But we'll leave that aside.

Mr. Walker, have you ever heard of the term “astroturfing”?

Mr. Kent Walker: I have.

To the first part of your question, obviously we believe—

Mr. Chris Bittle: No, no. My question was whether you are familiar with the term astroturfing. You said that you are.

Mr. Kent Walker: Yes, I am.

Mr. Chris Bittle: In a previous answer, you said “consistent with what we've done in Europe” in regard to something else. However, we've seen Google and other platforms engage in questionable lobbying practices here in Canada and internationally.

A leaked company document, entitled DSA 60-day plan update, laid out Google's strategy to weaken support for bills regulating big tech in the European Union. To jog your memory, I believe your CEO apologized to EU commissioners for some of its contents.

The document shows that Google planned to increase pushback on specific EU officials, erode support within the European Commission, use “academic allies” to “raise questions about...new rules” and attempt to seed a trade dispute between the United States and Europe.

Mr. Walker, are these Google's usual practices when it engages with governments on tech regulation?

Mr. Kent Walker: Our practices are to advocate for access to information and technology regulations that will benefit broad constituencies of users and publishers and advertisers, and to engage constructively with regulators, as we did with the digital services act.

That raised deep social and democratic questions about access to information and social responsibility. Those are not easy questions, and we want to engage with them and bring to bear the full benefits of our experience and sense of what has worked and what hasn't worked.

Mr. Chris Bittle: My understanding is that you and Mr. Gingras were in Canada lobbying parliamentarians a few months ago. Is that correct?

Mr. Kent Walker: Yes. I don't believe we were there at the same time, but over the course of the last few months, I believe we have both been in Ottawa.

Mr. Chris Bittle: I did a search in the lobbying registry, unrelated to your site. Are either of you registered to lobby within Canada?

Mr. Kent Walker: I don't believe that I am.

Richard would have to speak for himself.

Mr. Richard Gingras: I don't believe that I am either.

Mr. Chris Bittle: Okay.

Going back to lobbying practices, last July, EU lawmakers filed complaints against Google and trade groups over shadowy lobbying on EU tech laws. The complaint stated that tech giants like Google used front organizations to advocate for their interests without clear disclosure of their interests. A report shows that 73 European organizations and trade groups that lobbied on EU tech laws had been tied with the tech giants, with Google funding 36 of them. Some of these organizations are named in the European Union complaint on deceitful lobbying.

We know of at least one group here in Canada that was astroturfing, for example, taking money from one of your subsidiary companies.

Can you provide me with a list of the names of entities and individuals you're currently paying directly or in kind to advocate against Canadian legislation?

Mr. Kent Walker: I want to step back in answering that question. There's been a suggestion in several of the questions that in some ways we are not fully complying with Canadian or European lobbying laws. I believe that we are.

Mr. Chris Bittle: That's what I'm trying to find out. We already know of one individual and entity that is engaged in this practice. Can you provide me with a list of the other individuals?

Mr. Kent Walker: We support a variety of groups and organizations in Canada, North America and Europe, etc., and our various websites provide information about the groups we work with.

Mr. Chris Bittle: Mr. Walker, this is specific. We know of at least one individual and organization you provided...to do an astroturfing campaign. We discussed that, and you're familiar with that term. We already know of one. Can you provide me with a list of other individuals and organizations you seeded money to then engage in lobbying against the federal government?

This concerns me with respect to the Lobbying Act and our lobbying legislation. You seemingly have done it in other jurisdictions. I would like a list of the individuals and organizations that you've done this with in Canada.

• (1645)

Mr. Kent Walker: Your suggestion of what “this” is, I think is an incorrect premise. There's a suggestion that these were astroturfing campaigns. They were not. They were efforts to allow a variety of stakeholders, who had their own concerns about legislation, to have a seat at the table, to have a voice in a parliamentary conversation and—

Mr. Chris Bittle: Mr. Walker, if they're not registering with the lobbying commissioner and they're taking money from your organization, that raises some serious concerns. They're not providing that information to us. They're not providing it to regulators.

I think it's fair that this committee have a list. If you're not going to be open and transparent with respect to your lobbying practices.... I think it's fair and reasonable. I've asked the question, and I expect that you provide that information.

Mr. Kent Walker: I believe we are open and transparent with regard to our lobbying practices, and—

Mr. Chris Bittle: Then why are you hiding this information? You're not answering my question.

Mr. Kent Walker: Perhaps I could finish my sentence and then come back to your question.

For example, with regard to registering as lobbyists, my understanding is that Canada's laws, as the laws of most democracies—

Mr. Chris Bittle: Mr. Walker, can you provide that information—yes or no?

Mr. Kent Walker: A list of...? I'm not quite sure, sir, what your question goes to.

Mr. Chris Bittle: Who are you paying money to to advocate on behalf of your company?

Mr. Kent Walker: There's a variety of things there. In many cases, the support we have for a variety of different groups is to help them advocate in their own interest rather than on behalf of Google—

Mr. Chris Bittle: Is it in their interest or your interest, Mr. Walker? Why would you pay them if it wasn't in your interest to do so?

Mr. Kent Walker: In many cases, we have YouTube creators, for example, or small publishers who disagree with Bill C-18 because they don't think it would benefit them—

Mr. Chris Bittle: Why would you have to pay them if it was in their own interest to do so? Why are you paying them to push this forward? This doesn't make any sense.

Mr. Walker, can you please provide this committee with that list?

Mr. Kent Walker: Your formulation of paying them to lobby I think misconstrues what has actually happened here. We have provided seed funding for—

Mr. Chris Bittle: That's up for the lobbying commissioner to do.... Can you please provide us with that list?

Mr. Kent Walker: We're happy to follow up with regard to the nature of the lobbying we have done and the work we've done with our groups. That is in fact part of what's covered by the question—

Mr. Chris Bittle: We have laws with respect to lobbying. Provide us with the list, Mr. Walker. I don't know why Google wants to

hide behind others doing their work for them and engaging in astroturfing practices.

Mr. Kent Walker: We are neither astroturfing nor hiding, and we are complying with the lobbying rules of Canada. I believe the lobbying commissioner has actually ruled—

Mr. Chris Bittle: A member of Parliament has asked you, under oath, for that list. Please provide that list, Mr. Walker.

The Vice-Chair (Mr. Kevin Waugh): We're going to move on, if you don't mind. I've been very lenient here.

We'll begin the third round with the Conservative Party.

Go ahead, Ms. Gladu.

Ms. Marilyn Gladu: Thank you, Chair.

I'm a bit concerned about the tone coming from the opposite side, as if it was some sort of a hunt.

Let me talk about business practice. I was in for-profit businesses for 32 years. It seems to me to be common sense that if the government of the day decides that you have to pay every time there's a news link shared, a logical reaction to that by a for-profit business might be to say, “Well, then, we won't allow people to share.” Do you agree that it might be a logical business decision?

Mr. Richard Gingras: [*Inaudible—Editor*]

Ms. Marilyn Gladu: Yes. I see a nodding of heads.

I'm interested, then, in some of the deals you were talking about that have been made in other countries and other approaches that you think would be more in line with the goal of Bill C-18, which is to try to keep local news media sustainable.

Mr. Richard Gingras: I want to be clear about a couple of things. First of all, we are completely in support of our providing further to the news industry in Canada. We also have no desire to limit the kind of linking we do to diverse sources in a news ecosystem in Canada.

As noted earlier, we think there are better solutions and more constructive solutions. We do think a fund approach would make more sense. In doing so, by the way, I'm not suggesting that we craft the criteria. We shouldn't. I'm not suggesting that we should govern the criteria. We shouldn't. I've never been comfortable with Google being in a position to directly fund news organizations. In fact, one of my concerns is that I'm not sure why a government would want a private entity to be responsible for striking relationships to fund a significant portion of the news ecosystem.

We think there are better approaches—better approaches not only for the health of the ecosystem and not only to drive the necessary innovation we need so desperately, given how much our world has changed, but also to do so in a fashion that is appropriate to the expression of journalism in an open society. We'd love to work further on that.

Again, we think there are simply more constructive approaches to the stated objective of Bill C-18.

• (1650)

Ms. Marilyn Gladu: You've talked about the approach with Taiwan. Is there another example? I'm interested to know what has happened in Europe in terms of your relationships there.

Mr. Richard Gingras: In Europe there are several components. Again, these are obviously determined by the government. As you know, in Europe they did do a complete reassessment of copyright. That does reaffirm our ability to use a link and a short extract. We have entered agreements to support the use of further content beyond short extracts, because the law wasn't terribly specific about what a short extract was. We have entered into specific relationships with publishers in many countries in Europe as guided by the governments, or requested by the governments, and we have done so.

Ms. Marilyn Gladu: Are those the same kinds of relationships that you've entered into already with Canadian news organizations?

Mr. Richard Gingras: Yes, they're quite similar.

In fact, we try as hard as we can to exercise those agreements against that same common criteria. It's important for us that as we do that—and again it's not necessarily our preferred approach—we do it in a fair and equitable fashion.

Unfortunately, when a private company is in a position of doing that, it tends to drive suspicion, which isn't helpful. That is why we think an open approach would be more constructive and useful.

Mr. Kent Walker: If I could add to that quickly, there are European countries that have adopted approaches similar to Canada's journalism tax credit or Canada periodical fund, which establish criteria for journalistic organizations that have been useful benchmarks as we've entered into those agreements and have helped fund journalism.

Ms. Marilyn Gladu: Very good.

You made a comment earlier that Bill C-18 “eligible news” definition was too broad. Is there another country that has a definition that you think is a more accurate and narrow focus?

Mr. Richard Gingras: I don't think I have a good example.

Australia's, I believe, was certainly narrower than what we see in Canada.

Interestingly, for my first meetings with heritage close to two years ago, I had pointed out that in my assessment—and, again, my assessment may not be thorough across the globe, but that is very much part of my work—I was particularly impressed with the criteria established by the journalism tax credit, which focuses on organizations that are looking to provide comprehensive journalistic coverage for their communities.

We thought it was a solid approach such that we have in many regards tried to emulate it.

Ms. Marilyn Gladu: I'll go to my final question then.

You've got a lot of experience, Mr. Gingras, with news and being in the news world for years and years.

What is your expectation if Bill C-18 is put in place in its current form? What do you think the impact will be on local media in Canada?

Mr. Richard Gingras: Thank you.

As I've noted, I think there are several things that would cause concern.

One is that we think the disbursement of the funds would be disproportionately against the objective of the support of quality journalism for local communities.

Furthermore, what causes me concern... As I've mentioned, the emerging ecosystem of innovative digital players in Canada is the best I've seen in the world. I'm not just saying that. I work around the world. It's very good. As we proceed with these issues, I would encourage figuring out how we drive further innovation. Again, the world has changed. We need to be looking forward, not backward.

How do journalists evolve models that can win back the trust and sense of relevance of citizens in open societies everywhere? We think that's critical.

We have people in Canada who mention Village Media and many others, who are so passionate. They are the future of news in Canada. What concerned me was their expression that they feel they're not being heard in this debate. I think that's unfortunate because they are leading that charge, and they are incredibly passionate and inspirational in doing so. I think it would be so important and constructive to do everything we can to help them move forward.

• (1655)

The Vice-Chair (Mr. Kevin Waugh): I'm going to cut you off, Mr. Gingras.

We move to the Liberals for five minutes with Mr. Housefather.

Mr. Anthony Housefather: Thank you very much, Mr. Chair.

Coming back to you, I asked Bard what questions I should ask you, and unfortunately it didn't really give me very good questions, so I'm going to clean up a little bit on the testing that I still need to get to, and then I'd like to ask some Sherman act questions.

Let me start by asking you—this has not come up—for those Canadian publishers that you signed licensing agreements with already, were they exempt from this test? Did you not block those news outlets?

Mr. Richard Gingras: As noted, again, with the crafting of the tests we sought to emulate as carefully as we could the current draft language, which in some cases isn't as specific as it might be, but to emulate that language in terms of what would be an eligible—

Mr. Anthony Housefather: It's just a simple question, yes or no.

Mr. Richard Gingras: Were they left out? No.

Mr. Anthony Housefather: Perfect.

This is what is on everybody's minds. You did this testing in Spain. You did it in Australia. It became public. Everybody's wondering whether or not you did this so that it would become public—because everybody knows it would eventually leak and become public—in an attempt to intimidate parliamentarians when they were considering Bill C-18, because it's now before the Senate.

Can you just confirm for me that that was not your intention?

Mr. Richard Gingras: It was not our intention.

I want to point out several things.

First of all—

Mr. Anthony Housefather: You don't need to point out several things. I asked the question: Yes or no, was that your intention?

It was not your intention. What would be very helpful I think is the contemporaneous emails that will show us clearly that this was not what Google was thinking of when we received what the committee had requested. I appreciated that Mr. Walker mentioned that, hopefully, it's on its way at some point soon.

In retrospect, would you do anything differently? Given how all of this has turned out, are you in any way now contrite over doing this or do you at least think that it should have been done in a different way so that Canadians wouldn't have felt so unhappy?

Mr. Richard Gingras: I don't feel any contrition about the actions we've taken. I feel an extraordinary deep sense of responsibility about our work. If I were to look back at my own activities over the last two years, I'd simply say that I wish I were better at convincing key stakeholders in the government and in Parliament that there was a better way of approaching the problem.

Mr. Kent Walker: In the course of our conversations, we had indicated that we would be assessing various implications of the legislation. I recognize that there are concerns about the nature of the tests, but in a sense, we are trying to act as both a responsible business and a responsible contributor to society, and it raised red flags that—

Mr. Anthony Housefather: I understand. I have very few minutes here, so can I ask this question? Does Google structure its business related to ad servers such as DoubleClick for publishers, ad exchangers such as AdEx and its advertiser ad network such as Google Ads any differently in Canada than it does in the United States?

Mr. Kent Walker: I don't believe so. I would look to Richard, who may have more information on that.

Mr. Richard Gingras: I don't believe so either. I would further note, actually, that we're also very careful—

Mr. Anthony Housefather: That's what I wanted to establish. That's why I've looked at it, and that's what I think too.

I also think it would be fair to say that your market share in Canada is relatively similar to your market share in the United States for each of these products, right?

Mr. Richard Gingras: Which products would those be?

Mr. Anthony Housefather: Just DoubleClick, for example, the number of publishers using DoubleClick....

Mr. Richard Gingras: I would imagine that would be the case, but again, that's not—

Mr. Anthony Housefather: I know it's not your area, but I've looked at it, and my understanding is that it's relatively similar.

As you know, the United States Department of Justice, in eight states, including your home state of California, is right now suing you over the company's dominance in ad tech. I wanted to give you a chance to react to one of the things the Department of Justice had written in the lawsuit. The complaint says:

Google, a single company with pervasive conflicts of interest, now controls: (1) the technology used by nearly every major website publisher to offer advertising space for sale; (2) the leading tools used by advertisers to buy that advertising space; and (3) the largest ad exchange that matches publishers with advertisers each time that ad space is sold. Google's pervasive power over the entire ad tech industry has been questioned by its own digital advertising executives, at least one of whom aptly begged the question: "[I]s there a deeper issue with us owning the platform, the exchange, and a huge network? The analogy would be if Goldman [Sachs] or Citibank owned the [New York Stock Exchange]."

I just want to give you a chance to react to this lawsuit in a non-legal.... I'm not asking for your legal conclusions, but could you just explain to us why you disagree, perhaps, with the Department of Justice?

• (1700)

Mr. Kent Walker: Sure. At a high level, and obviously not directly related to the lawsuit, for the reasons you note, I would say that it has been a significant opportunity for publishers around the world to find ways to do a better job of monetizing their digital content. The services we provide in those cases would give them the large majority of the revenues that are coming from advertising. For major publishers, that number can be as high as 95% of the revenue that they keep.

The services we have, because they are integrated—by the way, most other advertising networks are also integrated—have a certain efficiency to them that allows for the matching of a viewer and a relevant ad and a relevant publisher in a way that actually increases the pie and creates more available revenue and advertising revenue to keep for publishers as they manage to transition into the digital age.

Mr. Anthony Housefather: Thanks.

The lawsuit says that you do take 30¢ on the dollar, though. It also talks about anti-competitive practices, which I'd like to get into if I get another opportunity. I really appreciate your frankness in all of these answers, Mr. Walker.

Mr. Kent Walker: I would very quickly say that many similar claims filed by state attorneys general have been dismissed in parallel lawsuits, so we'll see how it progresses.

The Vice-Chair (Mr. Kevin Waugh): We go now to the Bloc for two and a half moments with Mr. Champoux.

[Translation]

Mr. Martin Champoux: Thank you, Mr. Chair.

Mr. Walker, do think that Google has a share in the responsibility for major advertising revenue losses experienced by traditional media over the last decade?

[English]

Mr. Kent Walker: I believe that the evolution of the Internet has clearly changed the nature of the news publishing industry by commoditizing facts, by making them broadly available.

[Translation]

Mr. Martin Champoux: I'll take your answer for a yes.

In Quebec, traditional media lost \$850 million of advertising revenue between 2012 and 2020. I didn't even make the effort of calculating it right up to 2023, but you could use the rule of thirds and probably get those numbers. We're talking about \$850 million less in advertising revenue for traditional media, while advertisers invested \$150 million more in advertising during that period. Clearly, digital media got the lion's share of that amount.

You spoke earlier about 3.6 billion referrals to news content, and you estimated that this represented about \$250 million for the media. At the same time, you said that news content isn't worth anything to you, that it's a fraction of your income and a fraction of the clicks on your platform. If it's worth nothing to Google, but it's also lucrative and worth so much to news media, why is it a problem?

[English]

Mr. Richard Gingras: If I might address—

[Translation]

Mr. Martin Champoux: I'm listening.

[English]

Mr. Richard Gingras: If I might address the disruption of the newspaper business model, the Internet obviously changed everything. If you look at the primary sources of advertising for news organizations back 30 years ago, there were four categories that were dominant, representing more than three-quarters of their revenue. One was classified ads, which went online, as you know, and not to Google. Another was department stores, which have been a shadow of their former selves with e-commerce. Another was food coupons, which now are loyalty programs by supermarkets. The other was automotive dealers, which have also gone online. So unfortunately, yes, the Internet did, indeed, disrupt the business model. It also provided tremendous opportunities for small businesses. With Google, more than half of our advertisers are small businesses that can now afford to advertise to their markets—

[Translation]

Mr. Martin Champoux: You just answered my question, Mr. Gingras.

These small businesses used to invest in local papers, local radio or regional TV stations. They don't do that anymore, because the cost is too high compared to the prices that Google and other platforms can offer.

That's fine. That's the law of the market, but companies like yours still have a responsibility. That's why I was asking you earlier if you thought that Google had a responsibility in all this. And if it's worth nothing for you, but it's worth so much for the media, why is it such a big effort on your part to just sign agreements and make sure that journalism does indeed stay alive?

You're right to say that the news industry and news media can reinvent themselves, but Google, especially, plays a major role there. It's become unavoidable for information sharing. I have a hard time understanding why you're reluctant to participate in this change and to make sure that those who produce information stay healthy.

[English]

Mr. Kent Walker: If I could, we are not resisting participating. We are arguing in favour of having a fund administered by the government rather than a format in which you would have to pay to link, which we believe would have a number of unintended but negative consequences.

The general proposition is right, that digital advertising is more efficient for merchants. There was a U.S. department store owner who, many years ago said, "Half the money I spend on advertising is wasted; [I just] don't know which half."

Digital advertising solves that problem, but it spreads the money in different ways than traditional publications do, and we collectively need to work with governments to address that challenge.

• (1705)

The Vice-Chair (Mr. Kevin Waugh): Thank you, Mr. Walker and Mr. Champoux.

We move now to Mr. Julian of the NDP for two and a half minutes.

Mr. Peter Julian: Thanks very much, Mr. Chair.

I would like to say to both Mr. Walker and Mr. Gingras that regarding Mr. Bittle's comment about the funding Google puts into organizations for lobbying and advocacy in Canada, I repeat his request to Google to provide that information.

I also would like to know the global amount that Google spends each year on government relations and lobbying.

Could you make that information available to the committee, please?

My questions are around indigenous news outlets. How many contracts have been signed with indigenous news outlets in Australia and Canada?

Mr. Kent Walker: I could address the preamble to your question, and then perhaps Richard could address the question about indigenous things.

I want to stress that we do not make payments for parties to astroturf. We do not make payments to YouTube creators to lobby on our behalf. We have engaged, I think, in trying to promote a rich civic discourse around these very important questions in democracy.

Mr. Peter Julian: Mr. Walker, I don't have a lot of time. We just want the numbers. That's what we're asking for. It's a reasonable request. I won't use the term astroturf, but there are advocacy organizations that are funded by Google. Please make those amounts available as well as the global amount for government relations and lobbying.

Back to Mr. Gingras, how many indigenous news outlets have had contracts signed with Google?

Mr. Richard Gingras: I would have to address that in the following fashion. In our efforts, again, through the various methods I have mentioned and, I would hope, with any conclusive effort with regard to Canada, we address communities across Canada as we have to some extent today.

Mr. Peter Julian: Are you saying that there is no funding for specific indigenous news outlets?

Mr. Richard Gingras: I'm not saying that. What I am saying is that I don't know personally what the ownership is, for instance, or what the audiences are for those outlets that we do have relationships with.

Mr. Peter Julian: I want to come back to the issue of the test, because this committee substantially improved Bill C-18. After the PBO report that came out early in the fall, we enhanced access by community broadcasters, small community newsrooms and indigenous news outlets.

When you ran your test simulation, did it have an impact then? Did you take into consideration the amendments for small community news outlets, community broadcasters and indigenous news outlets when you ran the test?

Mr. Richard Gingras: If we were accurate in our assessment against the draft provisions in Bill C-18 with regard to eligible news businesses, then I would think so, though I would note that some of those that fall into those classes aren't online, so they weren't affected.

Mr. Peter Julian: You're not 100% sure, so that is something you would need to clarify.

I know the chair is signalling, but my final comment would be this. You have indicated that you are still looking at your options,

including running a similar test for the business response on the passage of Bill C-18.

Are you not concerned as Canadians seeing that again as a threat by an extraordinarily powerful and profitable corporation to say, "Well, we're still evaluating our options of how we're going to respond" when you have also not indicated that you're not going to do a denial of service test in the future?

Do you not understand why many Canadians would see that as a threat by a very profitable global corporation?

Mr. Richard Gingras: I would hope that Canadian citizens see what we have expressed in terms of our concerns as being quite responsible in our efforts to work with key stakeholders, with the government and with Parliament to find the most constructive possible approach to stimulate innovation and sustainability in journalism across local communities throughout Canada.

• (1710)

The Vice-Chair (Mr. Kevin Waugh): Mr. Walker, you were going to add to that.

I will give you 30 seconds.

Mr. Kent Walker: I think Richard largely covered it, but I would say generally our effort here is to try to be a constructive contributor to Canadian journalism. There is disagreement about the means to do that and the potential unintended consequences, but no there's no disagreement about the goals.

The Vice-Chair (Mr. Kevin Waugh): Thank you.

We move to a five-minute round. Mr. Shields is going to share his time.

Mr. Shields, go ahead for five minutes.

Mr. Martin Shields: Thank you, Mr. Chair.

Again, we appreciate the witnesses being here today.

If you put a number to the fund, I think that would make this game a lot more interesting in the sense that we would know what a big number was, and it may bring different consequences if you did, but you're not going to do that, so that's fine.

This is what I am asking for, and I know you have it. Could you tell us the amount of money that the federal government has spent on advertising with you from 2015 to the current date? Could you please give us the amount? I know you're going to have to look for it, but can you tell us the amount of money that the federal government spends on advertising with you?

Mr. Kent Walker: Let me look into that. The only constraint I can see is under SEC, the United States Security Exchange Commission rules with regard to disclosure. We traditionally don't do a lot of individual breakouts of sources of revenue, but it may well be that the information is public through the Canadian equivalent of Freedom of Information Act requests and the like, so we will look into it.

Mr. Martin Shields: Thank you.

The U.K., EU, Taiwan, U.S. and Canada have all been involved in the discussions and are dealing with Google on this. All those names have been brought up today.

Are there any other countries you're dealing with on this type of issue?

Mr. Richard Gingras: I couldn't give you the precise number. It's many more than we've mentioned today. It's very much a part of my role.

We have worked with the ecosystems and are working with policy-makers in countries throughout the world, in every region of the world, and we'll continue to do so.

Mr. Martin Shields: Could you give us the names of the countries that you're dealing with around this policy? If we have policy, we'd like to know what the policies are of the other countries you're dealing with as well.

Is that possible? Great. Thank you.

Ms. Marilyn Gladu: All right. I just want to help my colleague out.

I had a conversation with a local media journalist who was at a convention, who called me up and said that the federal government spent \$1.7 million last year on advertising with Google and only \$140,000 with local media. They were making the point that if the government wanted to help local media, it should advertise more there.

I have a question about a statement that you made. You said that when you did the test, news content was less than 2% of the total volume of information shared on Google.

Does that mean that 98% of the content that Canadians were viewing was not impacted by this test?

Mr. Richard Gingras: To be precise, I was referring to 2% of search queries. However, to your point, yes, I think it would generally affirm that 98% of the queries on the part of Canadians—as I mentioned, from academia to government information, restaurant information and so on—were certainly available to them, and we saw no changes—

Ms. Marilyn Gladu: Mr. Walker, I want to ask about the transparency report. Can you describe to me what the purpose is of the different categories that you're tracking there?

Mr. Kent Walker: We are trying to provide visibility into the nature of government requests for personal information, as well as for removal of content. We think it's an important part of the democratic process that people be aware of requests for removals, to the extent permitted by law.

There may be legitimate criminal or national security reasons for some of that information not to be public, but whenever it is legitimately public, we want to do our part in making that more accessible.

Ms. Marilyn Gladu: How does Canada measure up against the rest of the world in terms of the frequency of government requests to take down content?

Mr. Kent Walker: I honestly haven't looked into that, but the report has an area where you can break that down in a spreadsheet and do a fairly easy comparison.

Ms. Marilyn Gladu: Okay. Very good.

Rachael, do you have any final comment?

The Vice-Chair (Mr. Kevin Waugh): Okay. You're all good on this side.

We'll extend the Liberal side a minute or two.

Ms. Hepfner, the floor is yours for five-plus minutes.

• (1715)

Ms. Lisa Hepfner: Thank you, Chair. I will happily take those five-plus minutes.

I want to go back to the comment that you made earlier about your difficulty in accessing a particular news article. I just want to make the comment that when Google uses tactics like blocking Canadians' access to news sources and information, it fails to be a reliable service for consumers. I guess it's not surprising that we hear reports that companies like Samsung are considering dropping Google as the default search engine on their phones.

I wanted to make that comment and then turn back to my questions about artificial intelligence, its ability to and the likelihood that it will upend linking entirely. We've seen this with some of your competitors. They include artificial intelligence in their search engines. In some cases, the language model tools scrape data and content from behind paywalls.

We heard this from your CEO. He seemed to hint at it when the Wall Street Journal asked him if he sees link-based search as the dominant way people access information on the Internet in the future. His answer was, "I think the experience will evolve substantively over the next decade."

Mr. Walker, please tell us whether you will be following in the footsteps of some of your competitors and getting rid of links altogether?

Mr. Kent Walker: I don't believe we have plans to get rid of links altogether. As I said, as we were talking earlier, we believe that links directly to publisher content are an important part of the ecosystem. They're a complementary part because, again, these generative models are very creative, very interesting and very useful in a lot of different ways, but they're not necessarily completely reliable in every case....

It's an unsolved research problem—

Ms. Lisa Hepfner: That's a good point, thank you.

We know that links are just one way that news is accessed. If Google starts pivoting to AI, describe how users would access news.

Mr. Kent Walker: All of this is evolving quickly, so it's hard to have a clear, long-term perspective. For the relevant near term, my guess for the immediate future is that we will continue to look at a blend of traditional experiences with links going directly to publishers and advertisers, and it will be complemented by some of the new AI tools you're seeing. We will be thinking about new ways to deliver traffic to various original sources and the like.

For example, if you did a search on fun things to do in Ottawa during the day, you might get a generative AI list of topics, but each of them might have a link to a place to buy tickets, to get a tour, to get tickets to a museum or whatever else that might be.

You can see the model evolving over time. I think we and the entire industry are still working out what that might look like.

Ms. Lisa Hefner: That's an interesting point. When you're talking about how Bard develops and trains, is it using news content in its training?

Mr. Kent Walker: Most large language models largely trained on the open web. That's true of Canadian researchers at the University of Toronto, commercial competitors or other academic models out there. It's difficult to know exactly what was in or what was out, but the training is very broad.

Ms. Lisa Hefner: I imagine the Bard model can use news content with no attribution, and it's capable of writing convincing articles, but we don't know how accurate it is.

Mr. Kent Walker: As I said, we are continuing to research the science and engineering of how to increase accuracy and reliability. In a funny way, it's not directly using the content to return that content to the user. It's using it to determine the weights of billions, in some cases trillions, of parameters that allow it to make more accurate estimates as to what the next words in a response should look like.

Ms. Lisa Hefner: I'm not sure if I understand that entirely.

Tell me whether you think Bard could replace journalists, for example.

Mr. Richard Gingras: I'd be pleased to—

Ms. Lisa Hefner: No, please, I'd like to hear from Mr. Walker. Please continue.

Mr. Kent Walker: It's with a caveat that Richard might give you a better answer.

No, we think of this as a tool that will enable journalists to do a wider variety of things. It may make it simpler to do the rote tasks of journalism in the same way it makes it simpler to do the rote tasks of computer programming, of being a lawyer or of being a doctor. I think we all need to be thinking about how we could have a labour force evolution so that people are more comfortable using these tools to make themselves more productive and to provide more value. It could be extraordinarily powerful.

• (1720)

Ms. Lisa Hefner: A labour force evolution...that's interesting. Thank you.

I've heard from you that the news sector needs to innovate, and it needs to do a better job of monetization. I can tell you, in 20-plus years in journalism, it has never made money. It's never been about

making money. It's a public service. Here in Canada, we believe it's essential to democracy, and that's why we support it with government regulations.

Why would news organizations go to the trouble and the expense of digitizing everything and putting their content, which costs a lot of money and takes a lot of talent to produce, on a search engine that could just arbitrarily, by a company decision, whip away their ability to share their content?

Mr. Kent Walker: I'm very sympathetic with the point you're making. My wife, for many, years was a journalist. I was a journalist in college. Richard was a journalist for many years. We share the goal of trying to help newspapers and journalists evolve their business model at a time when there's more competition for news than ever before.

I think the answer to your question is that journalists traditionally tell stories that they want to be heard by as many people as possible. It's about how you can take advantage of platforms and dissemination techniques that will bring as many people into the tent as you can.

Ms. Lisa Hefner: I would counter and say that a lot of journalists tell stories in order to inform their local communities. This is part of the journalism that we really value in Canada.

As we've heard today, Google has already made a whole bunch of deals with news organizations all over Canada. Why make such a big deal and have tests in the face of Bill C-18 when you're already doing what Bill C-18 would accomplish here in Canada?

Mr. Kent Walker: That's a really important point, and I appreciate the chance to weigh in on it.

It's not about our payment of money to publishers. We are happy to do that. We are already doing it in Canada and around the world. It very much is the principle of the model that is being established here.

Ms. Lisa Hefner: That's exactly my point.

Instead of being good corporate citizens, and working with legislators, you're trying to strong-arm us. You're trying to intimidate us. You're not engaging thoughtfully in the parliamentary process like everyone else. I believe you've harmed Canadians with your tests that block news access.

Mr. Kent Walker: Yes. Certainly,—

Ms. Lisa Hefner: It's an attempt to intimidate Parliament, sir.

Those were my questions, thank you very much.

Mr. Kent Walker: May I respond?

The Vice-Chair (Mr. Kevin Waugh): Go ahead, Mr. Walker.

Mr. Kent Walker: Very briefly, we have engaged, in the last couple of years, with the government, and with a number of parliamentarians to express these concerns. We've also been public about it in blog posts and other statements.

Our goal has been to try to improve the quality of the legislation in a way that wouldn't result in harm to small, local journalism across Canada, or to the broader principle of an open web.

Thank you, Vice-Chair.

The Vice-Chair (Mr. Kevin Waugh): Mr. Walker, and Mr. Gingras, thank you.

We do look forward to receiving some information in a timely manner, if you don't mind. All parties and the analysts have asked you today, in the last couple of hours, for the transparency report, the information from Australia, and maybe even the Canada contracts that you have with 150 organizations. Timely would be in two or three weeks, if that's possible, instead of months or years.

I know there's pressure on your company, but there's pressure on us as we move forward with our study of Google, Meta and Bill C-18.

This two-hour session was a hell of a lot better than the first one we had. Gentlemen, I think you realize that in the first one, you should have been here. In the second one, you've cleared up a lot of things.

Thank you for being with us. You were frank, and we look forward to hearing further from your organization.

Mr. Kent Walker: Thank you very much for the opportunity.

Mr. Richard Gingras: Thank you for the opportunity.

The Vice-Chair (Mr. Kevin Waugh): Thank you very much.

Committee, are there any other thoughts? They can log off.

● (1725)

Ms. Marilyn Gladu: I have a motion to adjourn.

The Vice-Chair (Mr. Kevin Waugh): There's a motion to adjourn.

Mr. Anthony Housefather: You did a great job, Mr. Chair, and so did the witnesses. I really appreciated that. You guys were very good.

The Vice-Chair (Mr. Kevin Waugh): The meeting is adjourned.

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