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Chair: Salma Zahid



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• (1630)

[English]

The Chair (Salma Zahid (Scarborough Centre—Don Valley East, Lib.)): I call this meeting to order.

Welcome to meeting number 12 of the Standing Committee on Science and Research. The committee is meeting to study the private sector investment in research and development in Canada.

I would like to make a few comments for the benefit of the witnesses and all the members. Please wait until I recognize you by name before speaking. For those participating by video conference, click on the microphone icon to activate your microphone, and please mute yourself when you are not speaking. For those on Zoom, at the bottom of your screen you can select the appropriate channel for interpretation: floor, English or French. I will remind you that all comments should be addressed through the chair.

I would like to welcome our two witnesses for today's first panel.

We are joined by Michael McDonald, vice-president of external and member relations at Colleges and Institutes Canada, and also by Dugan O'Neil, vice-president of research and innovation at Simon Fraser University, who is joining us by video conference.

Welcome to both of our witnesses.

Each witness will have five minutes for opening remarks. After that, we will go to rounds of questions.

Before we begin, MP Baldinelli would like to say something.

Tony Baldinelli (Niagara Falls—Niagara-on-the-Lake, CPC): Thank you, Madam Chair.

It's just routine House measures that I'd like to introduce. All the whips have agreed on wording for the addition of "associate members". I'd like to seek unanimous consent that this occur.

The whips have all agreed to this. The wording is this:

That, notwithstanding the usual practices of the committee concerning access to and distribution of documents,

- a. up to three associate members of the committee per party be authorized to receive the notices of meetings and notices of motion and be granted access to the digital binder;
- b. that the associate members be designated by the offices of the whips of each recognized party and sent to the committee clerk; and
- c. that the provisions of this motion expire as of January 26, 2026.

That has been agreed to by all the whips. I'd like to seek unanimous consent.

The Chair: What is the will of the members? Do we have consent to adopt it?

(Motion agreed to)

The Chair: It's adopted.

Tony Baldinelli: Second, Madam Chair, I have also been speaking with my colleague Mr. Noormohamed, and I just spoke to my Bloc colleague. A number of us have additional witnesses who would like to appear for this study. I'm seeking unanimous consent to see if we could extend this motion of study for two more meetings. Can I seek the consent of the committee for that?

• (1635)

The Chair: Are the members good with that?

Mr. Blanchette-Joncas.

[Translation]

Maxime Blanchette-Joncas (Rimouski—La Matapédia, BQ): Thank you, Madam Chair.

I just want to remind you that, historically, we used to rotate the topics of study. I would also remind you that we started this Parliament by continuing a study that was supposed to be completed in the previous Parliament. It was a study proposed by the Bloc Québécois, for which my colleagues gave their support; I thank them for that. Then we did a study on antimicrobial resistance, which was proposed by the Liberals. We are currently conducting a study on commercialization, which was also proposed by the Liberals.

Personally, I'm prepared to listen to proposals and I'm open to compromise, but right now, we're once again extending the second consecutive study proposed by the Liberal Party. By my count, there isn't a lot of rotation if we're doing two studies in a row proposed by the same party.

It may be fairer to give all the parties that represent the committee a chance to propose topics for study. I am opposed to extending this study because of this principle of fairness and to enable the other parties to also propose topics for study.

[English]

The Chair: Thank you, MP Blanchette-Joncas.

MP Baldinelli.

Tony Baldinelli: Madam Chair, for the information of the committee members, my intent is to table the motion for a study on AI that we have placed on notice. My intent is to bring that forward on Monday.

I'm aware that my Bloc colleague has some amendments he'd like to propose. Having read it, the Conservatives are supportive of those amendments. We look forward to putting that forward on Monday, if that helps to assure my colleague in any way of what we will be moving to next.

The Chair: We do not have unanimous consent on this.

I will leave it up to the members. Would you like to debate this, or should we go to the witnesses and deal with the extension afterwards?

We don't have unanimous consent, so we will move to our witnesses, starting with Mr. McDonald.

Please go ahead. You have five minutes for your opening remarks.

Michael McDonald (Vice-President, External and Member Relations, Colleges and Institutes Canada): Madam Chair and members of the committee, thank you for inviting Colleges and Institutes Canada, CICan, to appear for this study.

CICan is the national and international voice of Canada's publicly funded colleges, institutes, CEGEPs and polytechnics across the country.

[*Translation*]

The message I want to convey today is simple: The college applied research ecosystem is an asset that is already deployed to support national priorities, support industries and communities in economic transition and stimulate the commercialization, productivity and competitiveness of Canadian businesses. This ecosystem has the potential to be one of the most important drivers of economic innovation in Canada.

As many have pointed out before this committee, Canada is at a turning point. We are facing complex and unprecedented social and economic challenges with significant impacts, including a lack of affordable housing, poor productivity performance and technological changes. Consider the development of artificial intelligence, for example. In short, our jobs and prosperity are at stake. At times like these, it is critical to find ways to take full advantage of Canada's research and innovation ecosystem to find solutions to these challenges. Our system is part of those solutions.

[*English*]

Due to their unique approach to partner-led research, which is moving at the speed of business and allowing firms to retain the intellectual property, colleges have a proven method for generating tangible economic and social benefits from research dollars for Canadians. Colleges offer one of the most accessible and open gateways to place-based R and D support for Canadian businesses, hosting close to 500 research centres and labs across the country. Every one of these centres has tailored expertise to meet the needs of its community and is working with businesses today. This makes

colleges essential players in local and regional economic development.

Colleges train the talent needed to support innovation in Canadian industry, with more than 28,000 students participating in applied research projects annually. We are also proud partners working with our colleagues in the university system.

Most importantly, businesses buy in to college research. Colleges attract \$1 of private sector contribution for nearly every dollar of federal funding in applied research.

These features have allowed colleges to punch above their weight in terms of their research impact. In the last year alone, colleges supported nearly 9,000 partners on over 8,500 projects in key economic sectors, resulting in close to 9,000 new products or processes in key sectors of the economy. Critically, 99% of this work was done with Canadian firms.

Despite these results, colleges receive less than 4% of federal research funding, and many tri-council programs, including impact-oriented programs, are either not open to the college system or the college system is not fully eligible for them.

That small proportion of funding and the success of a Canadian-built and Canadian-serving ecosystem are at risk. Budget 2023's three-year top-up investment in the college and community innovation program, which is the main funding vehicle for college research, is expected to expire in 2026. Without a commitment to sustain investments in this program and intentionally reimagine federal funding programs to better leverage our system's expertise, the support we provide to businesses and communities and the transition role we play with the university system across this country are in jeopardy.

To ensure that we can build upon the proven expertise and capacity of the college system, CICan proposes two recommendations.

First, the government should reinvest \$485 million over five years in the college and community innovation program and commit to establishing baseline annual funding for the program at \$215 million by 2030. This would enable the system to continue the work with thousands of new business partners during this critical moment in this country's history.

Second, the federal government should work with the tri-agencies and the Canada Foundation for Innovation to ensure full eligibility for colleges in all impact-oriented research funding programs, including emergent programs, to be supported by the new capstone organization.

The colleges and institutes system is here to support Canada's need for innovation at this time.

I want to thank you for your time, and I look forward to your questions.

• (1640)

The Chair: Thank you.

Now we will proceed to Mr. O'Neil for five minutes.

Please, go ahead.

Dugan O'Neil (Vice-President, Research and Innovation, Simon Fraser University): Thank you, Madam Chair and committee, for the opportunity to address you all today.

I welcome the chance to speak about how best to promote and grow private sector investment in research and development in Canada, with a specific focus on Canadian universities.

As many of you will know—

The Chair: Can I please interrupt? There is an issue with the interpretation.

We'll suspend for a minute.

• (1640)

(Pause)

• (1640)

• (1645)

The Chair: Mr. O'Neil, please start from the beginning.

Dugan O'Neil: Okay.

Thank you, Madam Chair and committee, for the opportunity to address you all today.

I welcome the chance to speak about how best to promote and grow private sector investment in research and development in Canada, with a specific focus on Canadian universities.

As many of you will know, Simon Fraser University is a leading research university based in British Columbia. SFU has more than 35,000 students across three campuses in Burnaby, Surrey and Vancouver. Since 1965, we have a demonstrated record of helping business and academia commercialize their great ideas.

At Simon Fraser University, we recognize that fostering collaboration among industry, government and academia is essential to strengthening Canada's competitiveness. Our innovation strategy serves as a national model for how universities can bridge the gap between discovery and commercialization. Our research partnerships enable companies to anchor and grow in Canada by leveraging SFU's expertise, infrastructure and talent.

At SFU, we recognize that the pipeline for scalable deep tech ventures begins in our research labs, and we purposefully bridge the research-to-innovation continuum with innovation education, IP support, stipends, incubation, and prototype and fabrication supports.

For example, our invention to innovation program, or i2I, now expanded nationally through the NSERC- and Mitacs-supported i2I network, equips scientists and engineers from across the country with the entrepreneurial and innovation skills needed to move ideas

from the laboratory to market. Alumni include founders of Ionmr, Photonic, Cloudburst and PINA Creation.

Our VentureLabs accelerator has supported more than 1,400 technology companies, contributing over \$600 million in capital formation and job creation across the country.

SFU also makes our world-class infrastructure available to academic and industry users across the country. For example, we are home to the Cedar Supercomputing Centre, which hosts Canada's most powerful academic supercomputer. This supercomputer empowers Canadian companies and public institutions to harness world-class AI infrastructure for dual-use purposes, while safeguarding our sovereignty, security and sustainability. It enables advances in artificial intelligence, clean technology, health sciences, cybersecurity and more. Capabilities like this are critical to maintaining Canada's digital and economic sovereignty, ensuring that Canadian data, innovation and intellectual property are developed and safeguarded at home.

Together, these initiatives demonstrate how sustained public investment in research, when aligned with private sector partnerships, delivers measurable returns for Canada's economy, global competitiveness and long-term prosperity.

We have three recommendations.

Number one is to establish national innovation priorities across government. The Government of Canada should invest in transformative innovation missions such as AI, quantum, and dual-use technologies. By establishing its national innovation ambition, setting milestones and committing significant funding over a multi-year horizon, the government sends a clear message to private capital to invest in specific high-growth areas and focuses the efforts of SMEs, industry and innovators.

Number two is to implement federal procurement targets for emerging technologies. The Government of Canada should dedicate a fixed minimum percentage of its procurement budget toward emerging technology solutions from Canadian SMEs. Strategically leveraging its purchasing power shifts government from being a piecemeal "first customer" toward guaranteeing an early market in priority emerging technology areas. This approach helps SMEs de-risk R and D investment and attract private capital by ensuring that a substantial government market exists, spurring sovereign and secure technology development and competitiveness, aligned with the buy Canada policy.

Number three is to seamlessly support the research-to-innovation continuum. The Government of Canada should advance a build-for-scale strategy to help researchers become powerful originators of value-creating companies and develop innovation champions. Better supporting the research-to-innovation continuum, as outlined in the Bouchard report in 2023, aligns researcher incentives with national innovation priorities through funding programs, entrepreneurial training, wet lab commercialization facilities, prototypes vouchers and de-risking process scale-up. Strengthening this continuum secures Canadian science leadership and enables researchers to scale innovations that drive economic growth and competitiveness.

• (1650)

I thank the committee members and the chair, once again, for the opportunity to address you today, and I look forward to your questions.

The Chair: Thank you, Mr. O'Neil.

With that, we will start our first round of questioning. We will begin with MP Baldinelli for six minutes.

Please go ahead.

Tony Baldinelli: Thank you, Madam Chair.

Thank you to the witnesses for being with us today.

I'm going to begin with Mr. McDonald.

On Monday, we had Marc Nantel, vice-president of research, innovation and strategic enterprises at Niagara College, appear. Niagara College is Canada's number one research college. On Monday, at the science and research committee, MPs learned how public institutions like Niagara College are turning research into real-world results, driving local growth and creating opportunities. In 2024-25 alone, Niagara College was able to leverage over \$9 million in funding from a variety of sources to accomplish many great things in our community and for businesses that came to it for help. It worked with 166 unique industry and community partners on a total of 235 projects.

With regard to the applied research approach that colleges and CEGEPs undertake, I find it to be more responsive and more community-based. As you indicated, it's punching above its weight, if you consider that it's receiving only about 4% of the tri-council funding.

Why do you think this is so, and what recommendations would you make to help better create an atmosphere, an ecosystem, where innovation in Canada leads to growth in job creation here in Canada?

Michael McDonald: That's a fantastic question.

Again, Niagara College is a flagship institution, being able to demonstrate how the college system is able to...through a very clear mission of serving its partners directly and serving their needs and questions. When you think about what a college applied research system is, at its core it centres a partner's problem at the research institution. If a business comes in and is experiencing a challenge, it's their problem at the forefront that is being tackled. This system is responsive to the critical needs that industry is encountering at

that moment, which allows for those vectors around commercialization or use to be really centred in the research initiative.

Now, this is an important part of the research continuum within the country, and it is one that, when anchored in other relationships.... Again, we've seen that there's real opportunity for requiring colleges and universities to have clear partnerships around commercialization opportunities and for mandating those kinds of opportunities. It's where we think we can provide even stronger results within a system.

Tony Baldinelli: Thank you.

As we were preparing for this committee, we were looking for background materials. We found, from Statistics Canada, this document that was released on September 29, 2025. It's the "Survey on Research Activities and Commercialization of Intellectual Property in Higher Education, 2023". In its findings, it states, "Colleges and CEGEPs more likely to provide support to small and medium-sized enterprises" and that "1 in 10 [research] partnerships (11.1%) and contracts (10.0%) were held with colleges or CEGEPs."

Again, only 4% of tri-council funding is received. You talked about the baseline funding that you would like to see and the additional funding provided in the upcoming budget.

What is kind of disappointing to me is that this report, which was released in September.... When you go to the website today, it says "Date modified: 2025-10-14" and "This release has been removed from our website." Do you have any idea why it may have been removed from the website by the government?

Michael McDonald: At this point, I would probably direct that question to the fine folks at ISED or Statistics Canada with regard to details. However, we think the original report really did highlight quite clearly the clear contribution role that the college system was playing in its communities in a really anchored and clear way to be able to establish the value of the system. We look forward to those results being released again, hopefully soon.

Tony Baldinelli: That's great. Thank you.

We heard in our earlier testimony, and we hear again today, that we have the talent and that we're providing about \$10 billion in public financing to support these efforts. However, we learned that only 12% of patents filed in Canada come from Canadians, while over 87% of our innovation is foreign-owned. Worse, only about 5% of patents created at Canadian universities ever become licensed, meaning that 95% of public research lies dormant in what we call the valley of death. This costs our economy nearly \$75 billion per year.

We own ideas, but we fail to commercialize them. How do we work to rectify that?

• (1655)

Michael McDonald: That's a fantastic question.

Within the college system, ensure that intellectual property development and the work that surrounds it stay anchored to the nature of innovators. We have fantastic researchers across the country, but being able to bridge the gap from being a researcher at a university or another research institution to being able to transition that, potentially, into a product or service with a clear economic return is an incredibly difficult ask across the full spectrum.

We need to recognize that bringing things into market by helping firms currently in the process of coming up with services and products is a core place where we know demand exists for that innovation. Anchor that effort to that specific point so we are able to help the small business owners who are, right now, dealing with a challenge. That is a way to shift much of our conversation to a place that has real, practical solutions for this. That's one of the bridges the college system provides so fantastically here.

At the end of the day, a lot of really smart people are going to have to go through this process. Make sure that those who are really talented—our entrepreneurs and SMEs—are the ones who are seeing their problems at the forefront of our research investments. It's important for communities across the country to see the returns and the value of research, and to make sure everyone in the country, no matter where they are, can see that return.

The Chair: The time is up.

We will now proceed to MP Noormohamed for six minutes.

Please go ahead.

Taleeb Noormohamed (Vancouver Granville, Lib.): Thank you, Madam Chair.

Thank you to the witnesses.

Mr. O'Neil, one thing we've heard time and again, including from some of the great tech minds at SFU, is that there is a real gap in terms of access to capital for projects that need commercialization. You have great innovation that doesn't get to see the light of day because early-stage capital is harder to get here than it is in other jurisdictions.

What do you think needs to happen in order to unlock, particularly in this case, private early-stage capital for researchers? Is it a question of making sure the capital is there? Is it also a question of making sure they have access to folks who know how to operationalize tech and build a business and an entire ecosystem around the research itself? What do we need to see? What are you hearing from professors and researchers, and where do you think we should invest the time and energy to make sure they have the supports they need to build these [*Technical difficulty—Editor*] today?

Dugan O'Neil: Thank you. That's a fantastic question.

We have lots of evidence of companies or great ideas that started in Canada but have not stayed. Indeed, one of the reasons they end up not staying is easier access to capital in other jurisdictions. In particular, we're very close to a very large jurisdiction with lots of money. Here on the west coast, we're not that far from Silicon Valley. There is a movement of Canadian companies relocating to the U.S. because of, essentially, holes in the Canadian system. We're not filling out the full continuum between having a great idea and

having a company that can scale up. Access to capital is definitely one of the keys.

To your point, it's a whole ecosystem that has to be built for Canadian companies so they can stay in Canada while they grow. That includes capital. It also includes access to infrastructure and various types of supports. For example, at Simon Fraser University, we have a laboratory where 200 companies come in on a regular basis to use equipment largely purchased with federal and provincial funds, which is shared among university academics and those companies. This accelerates the production of new products by those companies, but it also gives them a certain local stickiness that allows them to overcome some of the barriers they have.

Taleeb Noormohamed: Thank you.

I'm going to pre-empt what I suspect you will hear from my colleagues across, which is that this is the result of Liberal government policies. We know companies have been moving south regardless of who has been in power. It happened during the Harper administration. It happened during the last government. It happens all the time.

The question we all need to think about is, what do we need to do to ensure that this ecosystem exists?

I'm one of those entrepreneurs who had to build companies outside Canada because the capital was elsewhere. A lot of us have come back, because we believe in what this country can be. How do we make sure that entrepreneurs who have done this and want to contribute and come back with the research to support innovators in this country are able to do that? How do we work with those innovators? How do we work with those entrepreneurs to expose them to the amazing research and innovation happening so they can also help unlock the mentorship and capital required?

I think we all understand the problem. The question is, what would your researchers tell us they want to see from the industry itself, not just among the VCs out there but also among their fellow aspiring entrepreneurs?

• (1700)

Dugan O'Neil: I think there are a number of different things we can do. One of them I mentioned in my recommendations at the opening.

One of the things we hear about from companies, whether they are the companies that have moved or the companies that are considering whether or not they can stay in Canada, is the lack of a Canadian market for what they do. Our colleagues in the United States work to create a market for innovative ideas through their government procurement policies and through the way they do business in the United States. That creates a large enough market for those companies to know that they can sell once they finalize the creation of their product.

Quite often, companies that come to us are looking for research support. They also may be looking for a path to get their first customer, and we can be an independent place that validates the quality of the work they've done and the value of that product.

That piece, creating a Canadian customer for these companies, is a key missing thing from the system in Canada. In fact, I've even seen it be, in a way, prohibited by the way our.... We have many trade deals around the world that say we have to treat all bids that come from all countries equally. We need to have something that favours Canadian SMEs in this process.

Taleb Noormohamed: Thank you.

Madam Chair, I think my time is up.

Thank you very much.

The Chair: Thank you.

We will now proceed to MP Blanchette-Joncas.

Please go ahead. You will have six minutes.

[*Translation*]

Maxime Blanchette-Joncas: Thank you, Madam Chair.

I'd like to welcome the witnesses who are with us today.

My first question is for Mr. McDonald.

Quebec now has 59 college centres for technology transfer, commonly known as CCTTs, which are present in all regions, from Rimouski to Sherbrooke, Sept-Îles, Thetford and Montreal. These are key centres for regional innovation, technical training and partnerships with small and medium-sized businesses in particular, which are the heart of Quebec's economy.

In its 2025 pre-budget submission, Colleges and Institutes Canada wrote that new investments should address funding inequities between the CCTT network and technology access centres in the rest of the country.

Let me explain. Currently, the 59 college centres for technology transfer receive \$100,000 in grants from the Natural Sciences and Engineering Research Council of Canada. Technology access centres—more or less CCTTs' equivalents in the rest of Canada—receive \$350,000. That's a difference of \$250,000 per centre every year.

How long has that inequity existed?

Michael McDonald: That inequity has existed since the program was created in 2010 or 2011. The reason given was that Quebec was also responsible for research funding and support for these systems. The inequity must be corrected. It was partially addressed by the 2023 investments, but there are major risks if those investments are not maintained. If we lose these investments, we will return to a system that we have serious concerns about. That will do real damage in Quebec. That's one of our big concerns.

Maxime Blanchette-Joncas: Let's recap this using figures. The Prime Minister is an economist and does math, so we'll do math together.

If we multiply \$250,000 by 59 centres over 15 years, we see that the federal government owes roughly \$15 million to Quebec's college centres for technology transfer. I would like my colleagues and the government to understand the following: For 15 years, they have been laughing at us and not correcting the inequities, and that is unacceptable. At some point, we will have to take matters into our own hands and leave this federation, which has held us in contempt for the past 15 years, unless people start listening to reason.

Mr. McDonald, I hope you can understand my outrage. We have been laughed at for 15 years. What's really ridiculous is that college centres for technology transfer are the inspiration for technology access centres in the rest of Canada. The Canadian government drew inspiration from the Quebec model, and it is penalizing Quebec because the Quebec model existed before and then Canada created its own network. It's like saying that we are too good of a player for the system, so we are penalized.

Personally, I'm trying to understand the economic impact of this \$15-million shortfall in funding over 15 years. I don't want to get into a numbers war, but I tried to do the math, and I think you understand the impact of that \$250,000 shortfall per centre over 15 years. As a representative of Colleges and Institutes Canada, can you tell me how that limits commercialization, research results and the ability to make private investments over 15 years, among other things? What impact do you think that has on Quebec's economy?

• (1705)

Michael McDonald: The figures we presented clearly show that there is a relationship between the federal government's investments and research projects that lead to new products and local innovations. There are currently about 9,000 projects and 9,000 direct innovations in the system. We could come up with a formula to make an estimate, but it is true that we see an increase in innovation when there is more investment. The 2023 investments included a direct transfer to college centres for technology transfer to try to address this inequity, but there's still work to be done to get there. We have to find a solution to this problem.

Maxime Blanchette-Joncas: At the Natural Sciences and Engineering Research Council of Canada, where these funds for college centres for technology transfer come from, to my knowledge, they pride themselves on promoting the principles of equity, diversity and inclusion. So the granting agency that promotes equity values creates inequity. Do you see the hypocrisy of the federal government, which has been penalizing Quebec for 15 years and boasts about being fair? That is the truth. That's what we're experiencing.

I hope that our colleagues and people in the government are listening to us. I am proud to stand up for the people I represent because they pay their taxes, and 50% of those taxes go to the federal government. We have been laughed at for 15 years, and it is time for it to stop.

I commend Colleges and Institutes Canada for speaking out on this issue to start raising awareness within government. I hope to see something in the next budget, even though it doesn't look very good right now. When the minister who is supposed to represent science removes the word "science" from her title, it means that the government does not place as much importance on research and science.

Madam Chair, that concludes my first speaking turn, but I hope that some people have understood the message.

[English]

The Chair: Thank you.

We will now start our second round with MP Mahal.

MP Mahal, you will have five minutes for your round of questioning. Please go ahead.

Jagsharan Singh Mahal (Edmonton Southeast, CPC): Thank you, Madam Chair.

Thank you to both of the witnesses who spared time to come to this important committee hearing.

I will start with Mr. McDonald.

I want to ask a simple question about the funding. I listened to your testimony and your opening statement. You are in touch with the market on a more core level in the research you do, compared to universities and the research they do. How much funding do the colleges receive from the granting councils, and how does that compare with the universities, in your opinion, in simple math that common Canadians can understand?

Michael McDonald: As part of the research investment from the tri-agencies.... Again, research dollar expenditures in the country can be calculated in a few different ways, depending on the transfer. From the mainline transfers, colleges and institutes across the country receive less than 4% of the direct transfers. The college system receives about \$180 million in support across a variety of different federal programs, again, representing a little bit under 4% of research expenditures. You can map that money out, then, to other investments that obviously represent the lion's share of that.

We would say, though, that the main thing that has become critical for this discussion is making sure that the question we're trying to resolve remains centred, which is that, at the end of the day, there is a benefit from the research that is being done for Canadians in communities. That includes being able to leverage the international research that's being done to ensure that small businesses can thrive and scale and that we can have an economy that creates strong job numbers and good livelihoods through that.

We think that's one of the reasons the college system, through really anchoring the research question with our partner, is a fundamentally important part of a research ecosystem question. It's one that it's time for, especially right now, when it's critical for Canadian firms to be able to pivot, adapt and change in a challenging economic environment.

• (1710)

Jagsharan Singh Mahal: Thank you for the answer.

My next question is again for you. It is in response to something Mr. O'Neil said. You clearly heard him say there is a lack of a Canadian market, and one of the reasons is government procurement when it comes to funding the research so that it stays within Canada and the researchers who are educated or graduate with the help of Canadian taxpayers' money can stay in Canada so that Canadians at large can benefit. He made a comparison with another jurisdiction that provides more procurement.

Are you satisfied with the level of procurement that the current Canadian government provides, and do you see any avenues for betterment in that?

Michael McDonald: I'd say that what we're probably seeing right now is that the nature of what will be precious investments across any kind of sector.... It will become critical that we leverage them to the highest degree.

The college and institute system has put together a special network across more than 60 of our members to respond to the needs of the Canadian Armed Forces in terms of innovation and also on the talent pipeline side. That ability to stack and combine areas of investment and impact will, we think, be necessary. A system that wants to respond to the major challenges Canada is facing and adapt to them can provide us with a mechanism by which to ensure that the system aligns with federal initiatives, and that it also aligns with the needs of the country in general.

To the question about being able to find opportunity to work with federal procurement, there are sectors that work quite well through the college system, such as through the NRC and IRAP. We've also worked actively with Mitacs, which has provided clear benefits through the college system and learned how to operate in the college system. There's plenty more opportunity for that, especially because this system operates differently than other research systems in the country.

Jagsharan Singh Mahal: Given that answer, are you satisfied with the level of procurement the Canadian government is currently providing, whether it's to college research or university research, so the market can stay in Canada?

Michael McDonald: The key piece here, for us, is the ability to support the small businesses and community businesses that receive the procurement. Again, the partner-led component is so essential in making sure Canadian firms can access those kinds of opportunities and can come to us if they need that support.

Again, the system wants to be able to find those partners. We're looking for opportunities for those who may receive federal contracts in defence or in a bunch of other ways. Our system's role is to support them through those kinds of processes and to make sure the investment gets leveraged in the best way possible.

The Chair: Thank you. The time is up.

We will now go to MP Jaczek for five minutes.

Please go ahead.

Hon. Helena Jaczek (Markham—Stouffville, Lib.): Thank you, Madam Chair.

Thank you to both witnesses today.

Dr. O'Neil, Simon Fraser University appears to have had quite a bit of success, from the way you described the continuum from basic research through to commercialization, IP, etc.

In your recommendations, you mentioned national innovation priorities. How do you see these priorities being developed across Canada? I think you made reference to the capstone structure that is being developed. Could you elaborate a bit on how you see that process, in terms of looking across the country and developing those innovation priorities?

• (1715)

Dugan O'Neil: It's important to recognize that Canada has real strengths in some research and innovation areas, and that we have to do a better job as a country in capitalizing on those strengths. Identifying areas in which we are strong can be measured in a bunch of different ways. Certainly, on the academic side, if we're producing talent in our university system in a particular area and know that this talent can feed and grow industry in that area.... This is one piece of analysis that should be done.

I would also look for Canadian anchor companies—companies that could grow if given the right conditions. This doesn't mean they already have 5,000 employees. It means they have the potential to grow.

Looking at the system and choosing some areas in which we have built strengths—and where, with the right conditions, those strengths can lead to economic benefit—is the way I would do it. Different parts of the country have different anchor companies, different strengths and different research, so I would do an analysis of that type.

Hon. Helena Jaczek: Do you think it is a federal responsibility to establish those types of priorities?

Dugan O'Neil: I think so. The federal government would be working with provincial governments and others in order to do so. However, given that the federal government provides a significant fraction of research support funds for universities across the country, it has to take an important role in establishing those.

Hon. Helena Jaczek: Thank you.

Mr. McDonald, we've heard quite a bit about applied research, not only in the course of this study, but previously at this committee. I think we have all been—I can speak for myself—very impressed by some of the work that's being done, particularly at Niagara College, which was mentioned earlier.

To what extent do you see the collaboration...? We've heard about the funding situation, but to what extent could you work with the university sector to share some of that funding? I'm wondering if this is being done with any universities.

I'm familiar with York University having a very strong partnership with Seneca College, but I haven't heard whether there's collaboration on research and commercialization, etc.

Michael McDonald: That's a fantastic question. There are numerous different collaborations between Canada's university and college systems.

Marc Nantel, whom you had here last week, leads the SONAMI advanced manufacturing consortium in southern Ontario. It is a consortium of seven colleges and two universities, McMaster and Queen's, which are able to bring their expertise to that question.

This is part of the structure of how federal financing, through the capstone structure that will be brought forward, is able to tackle questions. If we decide that we're going to centre impactful research through certain programs, demonstrating who is best able to handle certain problems and challenges.... The university system in Canada brings great expertise to a variety of these challenges, but when it's leveraged with a college system that brings its own unique expertise, we can deliver on missions, whether they be on AI, defence procurement or other areas of challenge.

Homebuilding is a great example. There are opportunities in the nature of the fundamental research that is ongoing, making sure that it's transitioning in a variety of organic ways to market, to industry and into the hands of entrepreneurs and SMEs that are doing that work right now. That continuum is an active one, and we think that as federal programming comes forward, especially in the years to come and how we see the capstone rolling out, anchoring the core notion we want to achieve with that research—

The Chair: I apologize for interrupting.

The time is up for MP Jaczek. Maybe you can finish this in the next round.

We will now proceed to MP Blanchette-Joncas for two and a half minutes.

Please go ahead.

[*Translation*]

Maxime Blanchette-Joncas: Thank you, Madam Chair.

Mr. McDonald, I want to come back to what I mentioned a little earlier. Since 2010, Quebec has been deprived of approximately \$200 million in federal funding for its college centres for technology transfer, simply because it is subject to different rules from the rest of the country, not to mention the impact on our economy and our regions.

In your opinion, by underfunding what Quebec is doing best, isn't Ottawa reminding us daily that it would be preferable for Quebec to fully take back its collective development levers?

• (1720)

Michael McDonald: To answer your question, I think the CCTT network is an exceptional example globally. I actually attended a conference on this subject last summer in Montreal. Representatives from France and other European countries came to see the magic of the college centres for technology transfer system. They came to see a system integrated with the CEGEP system, a unique system that does not exist in other parts of the world. It is a unique system of innovation, collaboration and creation in Quebec. I think this initiative should be celebrated across the country. It must be recognized as a special project. It is important and deserves our utmost respect.

Maxime Blanchette-Joncas: Mr. McDonald, I'm not in the know, and I'm trying to understand. This has been going on for 15 years. This isn't the first time Colleges and Institutes Canada has talked about this. On a number of occasions, I even put questions to those who previously represented Colleges and Institutes Canada.

What are you hearing from the government? How can it justify such inequity?

Michael McDonald: This issue has been one of our priorities for the past few years. This is an inequitable situation that represents a significant problem for our college centres for technology transfer system, and we continue to point that out. I think the government has understood. This is a situation that we continue to call out to the government. I agree that no solution has been found.

Maxime Blanchette-Joncas: The government understands the inequity, but it doesn't want to correct it. Is that what you're telling me?

Michael McDonald: I think the fact that this inequity is problematic has been well exposed to several governments in recent years, but it persists.

[English]

The Chair: I'm sorry for interrupting. Time is up.

We will now proceed to Mr. Holman for two and a half minutes. Then we will end the panel with MP Rana for two and a half minutes.

MP Holman, please go ahead. You have two and a half minutes.

Kurt Holman (London—Fanshawe, CPC): Thank you, Madam Chair.

Thank you to the witnesses for joining us.

I just want to do a quick paraphrase of an overview from one of our witnesses on Monday. Mr. Ryan Williams, a gentleman from the Balsillie School of International Affairs, mentioned that Canada must double research and development investment by 2030, assert our sovereignty, establish venture capital and be competitive. Canada's digital economy is expanding. Artificial intelligence start-ups, financial technology and other technologies drive hundreds of billions a year, larger than agriculture and larger than forestry. We have almost no protection for it, though. We give our ideas, our intellectual property and our digital sovereignty away. We spend over \$10 billion a year in public research funding, yet approximately one-tenth of our patents in Canada come from Canadians. Approximately nine-tenths of our innovation is foreign-owned.

With that in mind, I also want to add that Liberal policies create high taxes, increasing costs, missed opportunities and delays, which damages Canada's ability to attract foreign investment or to keep Canadian investment here domestically.

Mr. O'Neil, how does this impact Canada's ability to promote and grow private sector investment in research and development?

Dugan O'Neil: There certainly is a need, as your previous witness said, to grow investment in research and development in Canada in order to capitalize on the strengths we have here. I think a number of reports have pointed in that general direction, including the Bouchard report in 2023. I think if we go in this direction, it will help grow the economy. It will help centre some of the inventions that you're referring to in Canada and have them go from being inventions that sit on a shelf to inventions that make a difference to the lives of Canadians.

Kurt Holman: In addition, Mr. O'Neil, why is Canada losing and missing out on investment? Do you know any causes of this?

• (1725)

Dugan O'Neil: As we were talking about a little bit earlier in the discussion, the availability of capital in Canada is limited relative to the United States in particular. Quite often, an inventor or a company will go where the money is and where the market is. The American market is close to irresistible for those companies.

The Chair: Thank you. Time is up.

We will now end this panel with MP Rana for two and a half minutes.

Please go ahead.

Aslam Rana (Hamilton Centre, Lib.): Thank you, Madam Chair.

Thank you to all the witnesses for their valuable time.

My question is for Mr. McDonald.

The scientific research and experimental development tax incentive program provides financial support to corporations, individuals, trusts and partnerships that conduct research and development in Canada. Between April 2024 and March 2025, a total of 220,738 SR and ED tax incentive claims were processed. This amounted to \$4.5 billion in approved incentive tax credits.

How have you interacted with this tax incentive?

Michael McDonald: It's a great question. Given that the nature of applied research differs, again, with the nature of the contribution, it will depend on the centre and its interactions there. At the current time, we don't have survey data from our system on the exact details of SR and ED use in the college system directly.

Aslam Rana: Thank you.

How effective is this program for long-term growth in Canada?

Michael McDonald: On this piece, I think what we would say is that, again, programs that are able to ensure that Canada's SMEs, especially in the regional areas, are able to access any area of research expertise, especially when that equipment or that expertise is outside their normal availability of resources, provide significant value. We think that's what the college research system is able to do.

Aslam Rana: Do you have any idea of what kinds of policies or funding programs would best connect academic research with industry and innovation in Canada?

Michael McDonald: We think there are a variety of different models. For instance, we would be very happy to explore further things like innovation vouchers to be able to access research and development opportunities at Canada's colleges and institutes. It's also about being able to demonstrate that there's clear market demand for these kinds of services and being able to channel that.

It would be those kinds of elements, as well as other features, that can help in commercialization services at colleges and support SMEs' access to federal services through a variety of different means. We think we're a good gateway for that, too, when SMEs come in the door, especially in a locality where the entrepreneur may not be particularly familiar with the federal granting system.

Aslam Rana: What helps or prevents Canadian companies from working with colleges and universities on applied research and development projects?

Michael McDonald: At this point, we would say it's the capacity of systems. Many of our systems are deeply oversubscribed, and a challenge is that they do not have the resources available to them to continue partnerships that they may want to persist and continue. We think it's a real opportunity, when it comes to expanded investment through federal support, to ensure that private dollars are leveraged to deliver real, tangible and clear results for Canadians.

The Chair: Thank you.

With this, this panel comes to an end.

I really want to thank both witnesses for their important time and important testimony.

We will suspend the meeting for a few minutes so that the witnesses for the second panel can come in.

As a request to all the members, just take two to three minutes maximum so that we can start the panel on time.

The meeting is suspended.

- (1725) _____ (Pause) _____
- (1730)
- (1735)

The Chair: I call the meeting to order.

I would like to make a few comments for the new witnesses. Please wait until I recognize you by name before speaking. For those participating by video conference, click on the microphone icon to activate your mic, and please mute yourself when you are not speaking. For those on Zoom, at the bottom of your screen, you can make a selection of the appropriate channel for interpretation: floor, English or French. This is a reminder that all comments should be addressed through the chair.

For this panel, we have two witnesses. We are joined by Luc Sirois, chief innovation officer of Quebec, representing the Conseil de l'innovation du Québec. We are also joined by the Council of Canadian Innovators, being represented by Mr. Benjamin Bergen, the president.

Welcome to both witnesses. Thanks a lot for appearing before the committee.

Each of you will have five minutes for opening remarks, and then we will proceed to the round of questioning.

We will begin with Mr. Sirois.

Please go ahead. You will have five minutes for your opening remarks.

Luc Sirois (Chief Innovation Officer of Quebec, Conseil de l'innovation du Québec): Thank you very much for hosting me today. It's a real pleasure and an honour to share some perspectives on these very fundamental questions for the future of the nation.

[*Translation*]

If I may, I will speak in French.

The Conseil de l'innovation du Québec—Quebec innovation council—was created to develop innovation within Quebec businesses and society. The chief innovator's mission is to focus on research, development and creativity in our industries. A number of the recommendations we are proposing today were designed for the reality of Quebec businesses, but we believe they could also apply to the Canadian reality.

According to Quebec's tax data, companies that innovate and conduct industrial research and development saw a 13% increase in their assets, a 25% increase in their sales and a 27% increase in their profitability over a period of five to eight years. Unfortunately, while the countries of the Organisation for Economic Co-operation and Development have experienced a 32% growth in research and development spending as a share of their gross domestic product since 2000, Canada has experienced a 32% decline in that spending, and Quebec has experienced a 25% decline.

To take action and stimulate industrial research and development by companies, product development, as well as the development of new services and solutions for integrating new processes, we have a variety of policies, which consist of tax measures, direct and indirect interventions—we've heard a lot about this in connection to support from universities and colleges—as well as non-financial contributions.

In terms of tax measures, compared to all the other countries or regions of the world whose data we have been able to examine, particularly Europe, our level of tax assistance is extremely competitive and very high. In Canada, it's at 67%, and in Quebec, it's at 73%, whereas in Europe, it's at 59%. So it's not a lever we can use.

In addition, businesses are asking us to simplify the process so that they can access incentives efficiently. In light of these findings and at the request of businesses to find zero-cost solutions, without additional funding, the Conseil de l'innovation du Québec is proposing a series of recommendations that we have submitted to the committee.

First, it would be a good idea to encourage businesses to invest more in research and development by redirecting some of the tax incentives for basic research activities to applied research, experimental development and innovation commercialization. This recommendation by the council was followed by the Quebec government's department of finance, which proceeded, in its last budget, with a fundamental reform of the tax approach and tax credits for research and development in order to create the tax credit for research, innovation and commercialization.

Second, the Grande enquête sur l'innovation québécoise, a large survey conducted by the Conseil de l'innovation du Québec of Quebec's and Canada's businesses, revealed that one of the main obstacles to innovation, experimental development and research is skills. It is therefore essential to propose measures to strengthen the skills of leaders in development, management and commercialization, as well as in innovation management.

In addition, unproductive businesses that have not undergone any digital transformation will not be able to make the necessary margins to invest in research and development. Therefore, significant incentives will have to be provided to them in terms of the digital transformation.

Last, priority will need to be given to certain sectors, as well as to support for certain businesses. The various players and organizations that provide support to businesses will have to be consolidated in order to simplify and strengthen their power and impact in strategic sectors. The capacity of the venture capital funding ecosystem will also need to be strengthened by developing the next generation, expertise and critical mass, and new ways to financially support innovation, other than through grants, will need to be explored. Think, for example, of forgivable loans or subsidies from royalties. Data will have to be generated to fully understand the situation and to simplify administrative processing processes and methods in order to reduce red tape, delays and opacity. Finally, access to the various programs will have to be centralized. When data is available, it is possible to assess a situation and determine its strengths and weaknesses, as well as the evolution of progress, so that adjustments can then be made.

In the current context, it is an essential strategic objective for us to help innovative, profitable and resilient businesses that are able to export and bring wealth to the country, wealth that we need in our social model.

● (1740)

I will stop here, but we have many other ideas to submit to you.

[English]

The Chair: Thank you.

We will go to Mr. Benjamin Bergen for five minutes.

Benjamin Bergen (President, Council of Canadian Innovators): Good afternoon, Madam Chair and members of the committee.

Thank you for the invitation. I'm grateful for the opportunity to discuss business R and D investment in Canada with you today.

My name is Benjamin Bergen. I'm the president of the Council of Canadian Innovators. We're a national business council representing over 175 of Canada's leading technology companies. All of CCI's members are headquartered here in Canada, with more than 52,000 employees across the country. They are market leaders in sectors as diverse as health care, financial services, agriculture and, of course, AI.

CCI was founded a decade ago on a simple but powerful idea: Canada's prosperity depends on the success of Canadian-headquartered companies. From day one, the council has championed unapologetically a domestic economic strategy, one that treats innovation and ownership as cornerstones of national sovereignty.

In the past year, it feels like the national conversation has finally caught up with us. It was good to hear Prime Minister Mark Carney recently say:

The scale and speed of these developments are not a smooth transition, they're a rupture.

They mean our economic strategy needs to change dramatically. And that your future will not be the same as my past.

Against that backdrop, the committee's study today is valuable work for Canada. We have been laggards in terms of productivity growth and corporate R and D investment. Why is that? It's not that we lack subsidies. The government spends around \$4 billion annually on the scientific research and experimental development tax credit, or SR and ED. This is support that technology companies from across the country very much appreciate.

The root of the problem is that Canadian companies look at their balance sheets, and every day they decide it's not worth it for them to invest. The CEOs I know are sharp and highly competitive individuals. If they're not spending on R and D, we should assume they have their reasons.

Moving the needle on business R and D means making investments worthwhile for firms. To do this, the government has to create the conditions that enable firms to scale and reap the profits from the R and D. Fundamentally, that means Canadian companies need to own and commercialize the ideas they generate through research and development activities. In short, Canadian companies need to own and defend their intellectual property, and the federal government has an important role to play in achieving that goal.

Too much of our economic policy is rooted in outdated ideas about how value is created, ideas that don't reflect today's reality. In a globalized intangible economy driven by software and technology services, productivity gains are derived from generating and owning valuable IP, such as patents, trade secrets, copyrights and data.

What's worse, so much of the economic value created from \$7 billion in annual existing federal R and D support is left undefended, because we don't prioritize the intellectual property protection and strategy for owning Canada's intangible assets. This approach is out of step with today's economy, where 90% of the value of the S&P 500 companies comes from intangible assets.

Owning IP also gives firms freedom to operate. It allows them the ability to grow and compete without infringing on someone else's rights or paying steep licensing fees. Without ownership, there is no freedom to operate, and without that freedom, companies can't earn a return on innovation, so they don't invest.

The rate of return on intangible assets appears to only be accelerating over time. Markets are increasingly dominated by winner-take-most dynamics or winner-take-all dynamics. Canadian firms need a savvy government that can lead with clear IP and freedom to operate strategies.

We have heard rhetoric from Prime Minister Mark Carney and his ministers that suggests they understand the seriousness of this moment. We are pleased with some of the reforms we're hearing about for SR and ED in the upcoming budget. The government's buy Canadian directive is a watershed moment for federal procurement and long overdue. This is the kind of support through government purchasing that can be a huge accelerant for the growth of innovation and innovation companies in Canada.

However, the missing piece in all of this is still the intellectual property and other intangible assets. A sharp IP strategy should be effusive on its ability to look at innovation funding programs. It should be a facet of government procurement. Intellectual property should be a lens for every aspect of government economic policy in the 21st century, because these intangible assets are the lifeblood of the innovation economy.

• (1745)

The CCI has proposed that Canada should establish an innovation asset bank—a public institution with a mandate to generate, assert and defend Canadian IP—to catch up with countries where IP has been the cornerstone of their economic strategy for decades.

The Chair: Can you please wind up? Your time is up.

Benjamin Bergen: Yes. Thank you.

Driving business R and D and innovation isn't about spending more money. It's about creating the conditions for investment.

When companies can own and profit from the ideas, they invest. When they can't, they don't. If we want to see more business R and D in Canada, we have to make it make sense for businesses to do so.

Thank you for the opportunity to be here today. I'm happy to answer your questions.

The Chair: Thank you to both of the witnesses for their opening remarks.

Now we will start our first round of questioning with MP Baldinelli for six minutes.

Please go ahead.

Tony Baldinelli: Thank you, Madam Chair.

Thank you to the witnesses for being with us this afternoon.

Mr. Bergen, thank you for being here. You did an interview with Digital Journal this past June. The article says, "Canada is struggling across core economic indicators, Bergen explains, including declining GDP per capita and a shrinking number of global headquarters."

In your opening statement, you mentioned that the CCI was founded 10 years ago on the idea that Canadian prosperity must be driven by "Canadian-headquartered companies" and an "unapologetically" Canadian economic policy as a cornerstone of our national sovereignty.

I want to ask you this question first. We talked earlier and mentioned some other things. Would you say that the Brookfield headquarters move from Toronto to New York last year fits into what you are identifying as a problem that we face here in Canada?

Benjamin Bergen: That specific example is obviously housed in business dynamics for that firm. I don't know if it fits into the exact rubric of what we're describing.

Where I would say we're really struggling as a country is with the public policies required to help firms scale and grow. We're really good in this country at what I call the invention of R and D. Where we really lack is on the innovation side. When we're looking at public policies to advance the actual investments into R and D, we have to figure out why they're struggling to commercialize.

For the example you're giving, I don't know all the details about it. That's really more of the framing that I would bring forward.

Tony Baldinelli: This is what was raised yesterday in the media, for example: Brookfield, which owns Westinghouse, along with Cameco—two Canadian companies—doing a nuclear announcement in the United States. Here, what we find is OPG working on an SMR, but again, it's based on GE Hitachi technologies.

You mentioned earlier that we're great at inventing, yet terrible at innovation. I'm wondering if you could elaborate a little bit on that.

Benjamin Bergen: I can, for sure. Where are there opportunities for us to help scale domestic firms here in Canada? One of the big levers that we look at is obviously around things like procurement. The government's buying of domestic solutions leads to the establishment of firms and adds strength and opportunity. They can do that and go out and get investments from those purchase orders.

When we look at how we're spending, let's say, our procurement dollars, are we actually procuring domestic solutions that are IP-generated and owned?

An example I'll very quickly give you, which is pretty analogous to this, is the Over the Horizon system that we committed to purchasing from Australia. Roughly \$4 billion or \$6 billion is where it all ends up. However, it turns out that there are two firms here in Ottawa that have been funded to the tune of \$30 million in R and D that weren't even brought into that process and that actually solved that exact problem.

Here is a situation where we have the Canadian government funding the R and D and support of a firm headquartered here, but then turning around with the other hand to buy technology and solutions that end up supporting Australia or an Australian company.

• (1750)

Tony Baldinelli: That Digital Journal interview also says, "Bergen links innovation and household prosperity, warning that Canada's economic position is slipping relative to peers." You are quoted as saying, "You might not think this impacts you, but it impacts you.... You're getting poorer because we're not figuring out how to do things more efficiently and more effectively."

The Financial Post reported today that the Governor of the Bank of Canada "warned that Canada must work to boost its productivity in the face of this weaker growth or face harsh economic consequences." He said, "Unless we change some other things, our standard of living as a country, Canadians, is going to be lower than it otherwise would have been".

You pointed out Canada's ongoing talent exodus, citing taxes, limited access to capital, and policy uncertainty—like the Liberal capital gains tax proposals. Can you please elaborate on how some of the current policies are hurting Canadian innovation and pushing companies, entrepreneurs and skilled workers elsewhere?

Benjamin Bergen: Yes. One of the things that I think are important in terms of some of the framing on this is that we have to understand that wealth and prosperity, as I mentioned in my opening remarks, are now captured in the ownership of IP and data-rich companies. That's no longer captured in traditional forms of things like labour. The overwhelming majority of it is now in who owns the ideas that are then able to power solutions.

Over the last 30 years, the economy has shifted, but our public policy hasn't matched. There's no silver bullet in this discourse. It is really about a system change, where we think more fundamentally about how an innovation economy is fundamentally different from, let's say, a jobs economy.

Let's take an example like the EV battery plant investments that were made. We warned the government that this is potentially a job strategy where you're supporting the building of R and D of foreign branch plants in southwestern Ontario. That will create some good jobs. We would never want to besmirch that, but at the end of the day, where the actual value is being captured isn't in Canada. We're merely a part of the supply chain. We're not part of the value chain.

Fundamentally, for us to get out of this economic malaise or decline, we actually have to put ourselves at the centre of the value chain and use the innovation and technology that are coming out of our fantastic academic institutions to the advantage of actually creating prosperity for Canadians.

Tony Baldinelli: Thank you so much.

The Chair: Thank you, Mr. Bergen.

Now we will go to MP McKelvie for six minutes.

Please go ahead.

[*Translation*]

Jennifer McKelvie (Ajax, Lib.): Thank you, Madam Chair.

My question is for Mr. Sirois.

In Quebec, there are many fantastic research institutes, such as the Institut quantique at the Université de Sherbrooke.

What more can we do to help Quebec universities move from research to market?

Luc Sirois: That is a great question. Solving that problem is really essential.

In Quebec, a new development and transfer company called Axelys has been created. We are in the process of devising a new strategy to accelerate development. In partnership with all Quebec universities, we counted the number of technological transfers to companies as well as the number of spin-offs that create value from research. For the moment, the efforts made on the ground are bearing fruit at a rate of 15% per year, but we still have a lot of work to do just to catch up with the North American and Canadian provinces averages.

We have to change the incentives we provide by way of support, particularly the incentives that reward research professors for their publications and the funding they obtain for their research work. A third leg would be providing support depending on how much their work is worth once transferred to entrepreneurs, something that is not valued enough today and is even somewhat penalized. Incentives must be created so that the criteria for granting research scholarships are based on success. We need carrots, so to speak, that encourage more collaboration and transfers to businesses, and we need to be able to register and patent the results of research when they are relevant.

It is very important to remember that basic research must not be overlooked. Research driven by curiosity is essential to the prosperity of nations. On the industry side, such mechanisms must be put in place that will structurally create incentives to increase value and transfers.

• (1755)

[*English*]

Jennifer McKelvie: You mentioned the research and innovation credit. Is it something new that you've implemented? Can you outline how it works and what some of the early successes have been?

[*Translation*]

Luc Sirois: Quebec has proposed to evolve the research and experimental development tax credit, first to make a broader range of business expenses related to development, experimentation, testing and validation eligible. The idea is to include expenses related to activities that are further downstream in terms of technological readiness, in other words, that are closer to the creation, approval and export of products than mere discoveries. Then there will be more depth. Some equipment-related expenses will now be eligible. So eligible expenses will be expanded to further encourage marketing and pre-marketing expenditures.

Since this new measure came into effect this year, there are no early success cases yet. It took courage to make such an effort, since it is an innovative approach that has not been tried very much in other countries. The Department of Finance is waiting for the results to make adjustments. Any innovative approach needs to be tried to see what works, and adjustments are then made to stay the course.

[*English*]

Jennifer McKelvie: I recognize that I might not have that much time.

The Chair: You have one minute.

Jennifer McKelvie: Okay. I have a question for the other speaker.

Could you send us, in writing, what that new innovation credit is and how it's working? I would love to have more details on it as it rolls out and you get those examples of early success. It would be great if you could share that with us.

Luc Sirois: Absolutely, it would be a pleasure.

Thank you.

Jennifer McKelvie: Thank you.

I'll squeeze in a quick question here.

Mr. Bergen, I was wondering if you could provide some recommendations or ideas you may have on removing barriers that are present for businesses as they try to scale up the commercialization they have in their R and D departments.

Benjamin Bergen: Fundamentally, some of the big ones are tech transfer offices with universities, similar to some of the items Luc Sirois mentioned regarding the success of Axelys.

One way we can really help SMEs get intellectual property and the freedom to operate that they require is by looking at how our universities interact with domestic scaling technology firms. Currently, it's often quite difficult for smaller firms to engage with the various offices that exist. Fundamentally, it's often large foreign multinationals that end up benefiting from the complexity and challenges, and—

The Chair: I'm sorry for interrupting, but time is up for MP McKelvie. Maybe you can send in a written reply.

We will now proceed to Mr. Blanchette-Joncas for six minutes.

Please go ahead.

[*Translation*]

Maxime Blanchette-Joncas: Thank you, Madam Chair.

Thank you to the witnesses for being here.

My first question is for Mr. Sirois.

Quebec is the only place in Canada where we have a chief innovator, and that is you. You and the chief scientist of Quebec, who has been in office for several years, coordinate the 2022–2027 Quebec strategy to support research and investment in innovation, a clear five-year plan with measurable outcomes.

In your opinion, does this cohesion in Quebec demonstrate that our model is already quite typical of a sovereign scientific state?

• (1800)

Luc Sirois: Of course, here, we are very dynamic and we have a particularly keen spirit of development. The national research strategies have evolved to include components that support innovation, investment and technological and scientific entrepreneurship. We have come up with a full cycle that includes support for creation and growth, the growth of start-ups and scale-ups. In Quebec, we think we can generate wealth that can then be harvested to fuel basic research, among other things. There has recently been a focus on businesses to have a detailed understanding of their practices, their impediments and the reasons why they limit their investments in research and development. Having data allows us to better understand where to invest and to better see the results of the various measures or programs. It helps us adjust. These are new measures.

As you said, the creation of the position of chief innovation officer makes it possible to demonstrate the importance of paying attention to the development of innovation, of knowing how to transform the results of research into tangible products that will be sold on the market, of creating wealth or of promoting discoveries in social innovation that can be implemented in society to solve major social challenges. We know about the challenges in terms of health, education, homelessness, rent costs, coexistence of various groups and transportation. However, different innovations are needed to meet social challenges. That is also the focus of attention. In Quebec, there is a kind of fundamental desire to have a positive impact on society. I think that is a desire that all Canadians share.

Maxime Blanchette-Joncas: The 2022–2027 Quebec strategy to support research and investment in innovation is a serious endeavour. This strategy proposes investments of \$7.5 billion over five years. It is a patient capital strategy that includes levers such as Investissement Québec and the Fonds de solidarité FTQ.

I am relying in particular on the report published in April 2024 by the Conseil de l'innovation du Québec. You said we had to stop sprinkling money. Meanwhile, Ottawa is scattering resources in dozens of isolated programs. There is no measurable performance plan. In your opinion, does this piecemeal approach by the federal government weaken the overall performance of Canadian innovation?

Luc Sirois: Based on the comments gathered from the members of the Conseil de l'innovation du Québec and during our consultations, I can say that there is a consensus against this kind of approach in Quebec. I assume that it would be the same across the country. We need to focus even more on businesses, on the strengths and sectors in which we have the capacity to be world-class players. My colleague from the Council of Canadian Innovators clearly illustrated the importance of supporting technological champions, innovative champions, who are capable of creating an enormous amount of wealth. That said, for the Chief Innovation Officer of Quebec, there still needs to be a component supporting exploration. We can never guess or predict which sectors will be the most strategic or suddenly start to grow exponentially. Sometimes, what creates tomorrow's wealth can be surprising. We need to reserve capacity and resources to explore and support other businesses, particularly in regions where they can develop wealth that will be reinvested locally.

Maxime Blanchette-Joncas: Mr. Sirois, Quebec connects training, research and innovation, from CEGEPs to universities, through college technology transfer centres and the Fonds de recherche du Québec, among others. It is also a matter of promoting research in French. The federal government allocates only 4% of total research funding to college institutions. Do you think that leaves out the most productive link in the innovation chain?

• (1805)

Luc Sirois: I am speaking to you today from the site of the annual symposium of college centres for technology transfer, which is a very effective mechanism for helping businesses, as the other witnesses mentioned.

I will go back to the previous question. We have quite a challenge in optimizing the integration of this mechanism throughout the chain and bringing more resources to support it, which promotes the transfer of technology, people, knowledge and skills in businesses so that they can perform well. In Quebec and across Canada, we have the opportunity to find ways to ensure that the entire chain is doing well and that, as a result, the funding granted to the last links in the chain, which focuses more on applied research and the actual problems of businesses, is increased.

[English]

The Chair: I apologize for interrupting. The time is up for MP Blanchette-Joncas. Thank you.

Now we will go to MP Ho for five minutes.

Please go ahead.

Vincent Ho (Richmond Hill South, CPC): Thank you.

My questions are for Mr. Bergen.

We've seen declining GDP per capita in Canada for a while now. Ours is the fastest-shrinking economy in the G7. We're seeing jobs and capital flee the country at record levels, and there's a shrinking number of global companies choosing to make Canada their headquarters. As an example, we saw Brookfield, when the Prime Minister was its chair, make the decision to move its headquarters from Toronto to New York.

Do you see this trend continuing, and does it sound the alarm for you?

Benjamin Bergen: I would frame this as a moment when we're seeing the economy and real GDP per capita declining or becoming stagnant. To pull back my earlier comments, we as Canadians have not understood how wealth and prosperity are now captured. They're no longer in the tangible economy, but in the intangible.

When you look at the firms and businesses that are currently locally headquartered, very few of them are IP- and data-rich. If we're going to begin to dig out from the last 30 years, this should not be pinned on just a blue team, a red team, an orange team, a light blue team or any other specific team. If we're going to look at the ways we have to think about how we use innovation dollars to strengthen and create global champions....

Let's take a firm in the health care space as an example. There's an amazing firm called Intellijoint that's based in Kitchener-Waterloo. It's conducting cutting-edge research in creating joints for hip replacements. It can sell to the United States and other countries, but it struggles to sell to our own health care system. Here's a Canadian technology firm that was created out of the University of Waterloo through R and D that was supported by taxpayers, and we cannot get it into our own health system because of the way the procurement system is structured—

Vincent Ho: It's all red tape. Canadians are getting poorer as a result.

I'll ask a different question to segue to the topic of the budget. In the last budget, in 2024, the Liberals flirted with the idea of and played around with hiking the capital gains tax, and then they walked it back.

What do you think the effects of this uncertainty in tax policy are on the business community and research and innovation?

Benjamin Bergen: One of the challenges with something like capital gains is that, in Canada, accessing capital is a challenge, so when you change that risk and reward dimension, it becomes more difficult to invest and attract capital. We heard from scaling technology firms that it is a challenge when there is such a delta and a difference in a jurisdiction south of our border. It's a problem and it makes it more difficult.

We were very pleased to eventually see Prime Minister Mark Carney come out against it and say it would be reversed. We were eventually pleased to also see the Leader of the Opposition, Pierre Poilievre, come out against it. If you remember, when the budget was originally being tabled, that wasn't a known guarantee.

Making sure that we have political parties, regardless of which side they're on, advocating for a growth and prosperity strategy that puts domestic firms at the centre is how we're going to get out of some of the economic challenges we find ourselves in now.

• (1810)

Vincent Ho: I want to talk about the strategic innovation fund that the Liberals established a while back. Are you seeing that money? That was funded by Canadian taxpayers. Are you seeing that money go to Canadian enterprises, or are you seeing it go to foreign-owned firms that just happen to have a small branch presence here in Canada?

Benjamin Bergen: That's a great question. The strategic innovation fund has, in some instances, been quite successful, but in others, there have been some real challenges.

Of every dollar from the SIF, 60% has ultimately gone to foreign, multinational firms. I think it's close to \$9 billion, and 60% of that has gone to foreign firms that just have offices here. A really good example is in the city of Vancouver. Mastercard received \$40 million through a SIF application. That ended up making it a lot harder for fintechs in Vancouver to hire highly skilled workers, because it drove up costs and provided a subsidy to Mastercard in that space.

When we're looking at—

Vincent Ho: [*Technical difficulty—Editor*] a start-up that isn't a multinational company like Mastercard.

Benjamin Bergen: That's correct. Is it strategic for us to be giving \$40 million to Mastercard, or should we actually be looking at how we support domestic players?

In that particular instance—

The Chair: I'm sorry for interrupting. The time is up for MP Ho.

We will now proceed to MP Rana for five minutes.

Please go ahead.

Aslam Rana: Thank you, Madam Chair.

Thank you to all the witnesses for their time.

Mr. Sirois, in your interview with McGill in August 2023, you talked about a decline in the R and D investment that Quebec needs to promote economic growth. What specific policy changes do you believe should be the highest priority for reversing that decline in the private sector?

Luc Sirois: I deposited with the committee our report of recommendations, which is called "*Vers un Québec innovant*" or "Towards an Innovative Quebec".

Number one is the shift towards providing support to applied sciences; testing more down-the-road types of activities in innovation, pre-commercialization and commercialization; and reducing tax rates on the benefits coming from the exploitation of IP and patents developed by Canadian companies through these investments.

There is a significant lack of know-how, personnel, ability and culture to deploy the proper practices and ways to manage innovation and manage R and D, so as surprising as it may sound, it is an area of training and skills development that could make a huge difference.

I could go on like this. Regarding incentives, as we've heard before from other people around the table, it's not more money that's going to make a difference in this case; it's making sure to provide more impactful incentives. Some of the most impactful ones are on the public procurement side, but also on the procurement and use of Canadian technologies, products and services from large anchor companies.

Aslam Rana: Thank you very much.

Canada's innovation ecosystem is spread across the provinces with variable resources and industry presence. From your work in Quebec, what would you recommend for national-scale coordination to ensure that regional innovation capacity is built and leveraged across Canada?

Luc Sirois: That's a very interesting question. It's critical here to have both central coordination and decentralized execution. Nothing is more powerful than local orchestration and a mobilization of the on-the-ground actors, the enterprises and the proper decision-makers. You need feet on the ground and to trust local leaders in stimulating that.

We've done that in Quebec with the regional innovation spaces and initiatives. La Zone Innovation Quantique has been mentioned. We have four innovation zones. There are examples like that across the country where local implementation is essential because it rallies the driving forces, individuals and leaders who will make things happen with a global coordination.

I would argue that you need a similar approach on a sectoral basis. Sectoral leaders from the industry are better placed than anyone to figure out where and how to achieve results. We've done this in Quebec with RSRI, Regroupements sectoriels de recherche industrielle, where, together with the groups of enterprises, they identify where to focus and provide investment.

It's a critical initiative to have this orchestration effort with dedicated data to see exactly, region by region and locality by locality, what's going on in which sectors, where productivity is happening and where it is draining down. How do you compare enterprises in the same sector, in different sectors and in sectors in the different regions? There's a whole architecture that I believe we can achieve in Canada that will drive results.

• (1815)

Aslam Rana: Thank you very much.

The Chair: Time is up for you.

We will now proceed to MP Blanchette-Joncas for two and a half minutes.

[*Translation*]

Maxime Blanchette-Joncas: Thank you, Madam Chair.

Mr. Sirois, Quebec already has everything to succeed: a chief scientist, a chief innovation officer, the 2022-2027 Québec strategy to support research and investment in innovation, the Conseil de l'innovation du Québec, strong players like Axelys or Synchronex, 59 college technology transfer centres, Investissement Québec, the Caisse de dépôt et placement du Québec, the Fonds de solidarité FTQ and, now, the innovation zones, as you just mentioned.

However, we see that the federal government retains a large part of the financial levers, while scattering resources in programs and imposing priorities that are often far removed from regional strengths and needs. Is this financial and structural dependence now hindering the full effectiveness of the Quebec model? For example, if our levers, our budgets and our innovation zones were entirely managed according to our own strategy, would the benefits for our economy and our regions be stronger and faster?

Luc Sirois: It goes back to focusing on areas where we are strong and able to succeed. Focusing financial resources also means focusing on some players on the ground. In Quebec, there is also a risk of having too many programs and too many organizations dedicated to the same causes. So it is essential to simplify all that to enable businesses to have a greater impact and have better support.

The diversification of organizations and programs is amplified by our system, since the federal and provincial governments are not necessarily coordinated. We did a detailed inventory of all the financial support programs for innovation in Quebec, and it is discouraging to realize that there are more than 200 of them. It is impossible for entrepreneurs to navigate provincial programs, federal programs, municipal programs, programs dedicated to specific populations, and so on. Something has to be done.

[*English*]

The Chair: Your time is up.

Now we will proceed to MP DeRidder for five minutes.

Please go ahead, MP DeRidder.

Kelly DeRidder (Kitchener Centre, CPC): Thank you.

Thank you, everybody, for coming and speaking at our committee today.

My questions are for you, Mr. Bergen.

As the MP for Kitchener Centre, Canada's innovation capital, something you said today really stood out to me. You talked about Intellijoint Surgical, which comes from my home riding, being an innovative joint replacement technology, but they can't monetize. They're having trouble scaling because of red tape bureaucracies. It's hard to scale here in Canada.

Also, there was an article that came out today from CTV that said, "Warren Lovely, managing director with National Bank Financial, told BNN Bloomberg...the private sector has already lost confidence in the federal government, and the country is dependent on the U.S."

Current policy, in the past 10 years, has not been in the form to create innovation and technology in Canada, and we've lost investor confidence in this country. This has been over the past 10 years. To me, these are policy and bureaucracy problems. You even said that it's not something to throw money at. It's how we create investment.

In terms of policy, what can we do to create investment here in Canada and to support our innovation and technology sector?

• (1820)

Benjamin Bergen: This really is about an orientation. It's how we think about how we support the innovation economy.

I'll break it down as simplistically as I can, and it sounds very simple: At the end of the day, when we look at public policy, is it generating IP? Is the R and D that we're spending money on creating the intellectual property behind it in order for us to monetize it? The second question is this: Is the public policy that we're implementing helping to commercialize that IP that's being generated here in Canada? The third piece is this: Are we able to retain and keep that IP that we're generating here in the country?

When you begin to orient all of your public policy around that type of narrative, it begins to correct itself.

Let's take an example, like SR and ED. It's roughly a \$4-billion-a-year program. It turns out that about 50% of every SR and ED dollar goes towards companies that claim to be Canadian, but it's in name only, meaning that we are subsidizing large, foreign multinationals in a space where unemployment is effectively zero. At some point, that's just philanthropy.

Huawei received \$100 million in SR and ED in one year, not too long ago, when we had already banned Canadians from using its technology.

Kelly DeRidder: This has to be a negative net return on Canadian investment right now.

Benjamin Bergen: Yes, we call those negative spillover effects. Not only are we subsidizing foreign firms, but we're also depriving our own domestic technology companies of talent. Let's take, in this city, Ericsson. They were given \$79 million through SIF. That is money that's going to help support a foreign firm that's hiring here in Ottawa in a sector where unemployment is effectively zero. What does that do to the labour market? It makes it more difficult for domestic firms to hire because of these types of subsidies.

When we think about the innovation economy, we have to think about how we are orienting it to support domestic firms so they can scale, grow and create wealth and prosperity. This is what all open small economies do. This is what they do in Denmark, in South Korea and in Japan. This is what they do in the United States as well.

Kelly DeRidder: It's all around IP ownership.

I want to clarify something you said. You warned the government that the current EV policies were just job-supportive and not technology-supportive in owning the intellectual property. To me, that means that \$31.4 billion, committed dollars, have gone to EVs, and we're losing the jobs and we've lost the IP. Can you verify that?

Benjamin Bergen: Just to be clear, the position that we as an organization have taken is that funding and supporting that type of economic development is not an innovation strategy. When the government of the time, whether provincially or federally, was saying that it was an innovation strategy, we were really clear in saying, "No. At the end of the day, who owns the IP that is creating those automobiles, whether it be through software in the technology or the EV batteries themselves?" The argument that we put forward was this: If Canada is going to benefit from the creation of these types of subsidies, how are we getting into the value chain? Are there ways for us to imbue our technology through public policy into those types of vehicles being made?

Kelly DeRidder: In short, no one listened to you—

The Chair: I'm sorry for interrupting, MP DeRidder. The time is up.

We will end this panel with MP Noormohamed for five minutes.

Please go ahead.

Taleeb Noormohamed: Thank you so much, Madam Chair.

Thank you to our witnesses for being here.

Benjamin, it's always good to see you, my friend.

You touched on this a little bit in terms of talking about SR and ED, SIF and all these other things. One thing that people often ask is whether we would be operating differently in terms of how some of these larger potential companies, larger growth companies, in Canada might be operating if the government were to invest and then take equity, make true investments rather than give out grants, having some opportunity, such as through an arm's-length fund, and having the ability to ensure that the ownership stayed in Canada and that IP stayed in Canada.

How important do you think it would be for Canada to have such a fund, whether it's a sovereign wealth fund, sovereign innovation fund or something like that?

• (1825)

Benjamin Bergen: Vehicles that help firms access capital are critical. A lot of the critiques of the organization that I run are really around where those dollars are ultimately being allocated. If you're creating a vehicle that is looking at how to redeploy the existing dollars that we already spend in the innovation economy towards that type of mechanism, I think it definitely would be something that would be welcomed. If you're investing in these firms and supporting them, especially reallocating dollars that would be going to, as I mentioned, things like Mastercard or Ericsson, there's a real opportunity there.

In the creation of that type of public policy, collaborate with industry to help make sure that it's aligning and finding its right placement. Really, as I said at the very beginning of my comments, our organization was created under the auspices of putting domestic firms at the centre of public policy.

The Chair: I'm sorry for interrupting. We have a hand raised by Mr. Sirois.

[Translation]

Luc Sirois: Madam Chair, I would like to add two points to my answer, if I may. First, I would like to address the comfort level of Canadians and Quebecers in relation to investment risk.

[English]

The Chair: I'm sorry for interrupting. It is MP Noormohamed's time, so he decides who answers his questions. I just wanted to check, because you raised your hand, if there was any interpretation issue or anything else.

MP Noormohamed, please go ahead.

[Translation]

Taleeb Noormohamed: Mr. Sirois, I invite you to give us a brief answer.

Luc Sirois: First, are Canadians and Quebecers prepared to live with the risks of making investments directly?

Second, there are creative ways to achieve what you want to do without using the nation's capital and funds, such as guaranteeing the capital of Canadian investors who will do it or providing them with incentives.

Taleb Noormohamed: Thank you, Mr. Sirois.

[English]

Coming back to Mr. Bergen, one of the things that you and I have talked about in the past is obviously access to early-stage capital, and the other is access to an ecosystem of mentorship and guidance and, of course, ensuring that those relationships between early-stage companies in this country and folks who have managed to be successful are strong and are there.

What do you think we need to see, not just from government—because government clearly can't solve every problem—but also from the private sector? Particularly here, I'm talking about larger innovators—particularly in tech, as well as PE and VC funds that are operating in this country—being more actively engaged in the ecosystem in a way that actually helps establish and strengthen the roots of a stronger ecosystem.

Benjamin Bergen: I think the big piece I would start with is, how do they relate? I often think of Timothy Snyder's quote that democracy is a verb, not a noun. It's that idea of how you begin to bring different members of the ecosystems together to actually communicate.

What I would say is that, for us as a council, engagement is that first level. The fact that we bring CEOs and leaders of tech companies to engage in public policy is a big way to help government understand some of those problems. The first thing I would say is that showing up is definitely a component of it.

Some of the other things that we've looked at, as a council... How do you create forums for our large telcos, banks and other players to actually connect with scaling technology firms? Source Canada was an event that was hosted two weeks ago. We did the underpinning of really supporting a lot of that work where we need our large domestic firms to actually buy solutions from these firms that are doing that type of R and D work and are really trying to scale and grow.

Taleb Noormohamed: One of the observations I would make, just to your last point... As you know, Web Summit Vancouver happened. It was a big deal. One thing that I observed was missing was the larger Canadian players being there. You had larger foreign companies and you had small Canadian start-ups, but the Canadian players, the larger Canadian players, weren't there.

One of the things that I think we should explore at some point—because I don't think we're going to have time today—is how we ensure that those larger Canadian players are actually doing their part to be part of this ecosystem, because we need them. We need them to do that.

I think that's probably my time.

● (1830)

The Chair: The time is up.

I want to thank both witnesses for appearing before the committee. Thank you, Mr. Bergen, and thank you, Mr. Sirois. If there is anything you want to bring to the committee's notice, you can always send in your written submissions, and those will be circulated to the members.

With that, I want to thank the witnesses.

MP Baldinelli.

Tony Baldinelli: Thank you, Madam Chair.

If I could have the indulgence of committee members, I'm going to follow up again on my request from earlier. I can propose a motion with regard to extending this study by two hearings. We will share that with everyone, but the wording is this:

That, in order to accommodate testimony from additional witnesses invited from all parties, the committee extend the current study on Private Sector Investment in Research and Development in Canada by two meetings.

The Chair: Okay. It is being circulated in both official languages to all the members.

MP Noormohamed.

Taleb Noormohamed: Thank you, Madam Chair.

We would support the motion from the member opposite, obviously recognizing that we also want to make sure that, as our friend from the Bloc has raised, there is the point about ensuring there is a good, healthy mix in where the studies come from. We recognize that and we respect that, and I look forward to whatever studies Monsieur Blanchette-Joncas will bring forward, so that we can also consider those, hopefully favourably.

My understanding is that the next upcoming study will be the study that Mr. Baldinelli intends to table. That's certainly something we would support, but I think that in the context of this conversation, Madam Chair, we have so much good that has been coming out of this, and we've had a remarkably low level of partisanship but a really high level of interesting conversation from everybody we've been seeing on this. It's a piece of work that will help the ecosystem.

I think that extending by a couple of meetings and ensuring that other witnesses whom Monsieur Blanchette-Joncas and others may want to bring forward have the opportunity to be heard would be a really good idea.

The Chair: Thank you.

MP Baldinelli.

Tony Baldinelli: I thank my colleague for his comments.

In fact, on Monday, I will propose the motion for the AI study. I know that my colleague has amendments he would like to make. I'm amenable to those proposed amendments. From that standpoint, we can then lock in the next study that will follow.

The Chair: Thank you.

Is there any further debate?

Go ahead, Mr. Blanchette-Joncas.

[*Translation*]

Maxime Blanchette-Joncas: Madam Chair, can you suspend for two minutes, please?

[*English*]

The Chair: Okay. We can suspend for two minutes.

The meeting is suspended.

• (1830) _____ (Pause) _____

• (1830)

The Chair: I call the meeting back to order.

We have a motion by MP Baldinelli. The floor is open for debate.

Go ahead, MP Blanchette-Joncas.

[*Translation*]

Maxime Blanchette-Joncas: Madam Chair, there was no notice of this motion, so I do not give my consent to debate this motion or to proceed to a vote. Perhaps my colleague is now giving notice of a motion, but it is not on the agenda of the meeting, nor is it related to today's study. I therefore think that this discussion will have to resume much later.

[*English*]

The Chair: Thank you, MP Blanchette-Joncas.

Yes, the motion has been brought in. It is related to the topic of the study we are in, so we can debate it based on its relevance to the study. The motion is in order, and we can vote on it.

Is there any further debate?

• (1835)

Tony Baldinelli: Madam Chair, call the vote.

The Chair: Seeing no further debate, we will have a vote on the motion brought by MP Baldinelli.

(Motion agreed to: yeas 8; nays 1)

The Chair: This study will be extended by two further meetings. I will work with the clerk on scheduling, and we will update you on Monday.

Thank you.

Is it the will of the committee to adjourn the meeting?

Some hon. members: Agreed.

The Chair: The meeting is adjourned.

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