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Chair: Mrs. Sherry Romanado



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• (1105)

[English]

The Chair (Mrs. Sherry Romanado (Longueuil—Charles-LeMoyne, Lib.)): Good morning, everyone. Welcome to the Standing Committee on Industry, Science and Technology, meeting number six.

Pursuant to Standing Order 81(5) we are studying the supplementary estimates (B) for 2019-20.

We have with us today from the Department of Industry Mr. Simon Kennedy, deputy minister, Innovation, Science and Economic Development Canada, as well as Mr. Douglas McConnachie, our assistant deputy minister and chief financial officer, corporate management sector, Innovation, Science and Economic Development Canada.

Gentlemen, you will have 10 minutes to present, followed by a round of questions. The floor is yours.

Mr. Simon Kennedy (Deputy Minister, Department of Industry): Thank you, honourable members.

I am pleased to be here today before your committee.

Madam Chair, you have already introduced my colleague Doug McConnachie, who is our department's chief financial officer.

This is my first time appearing before this committee in some years, and I'm pleased to be back in front of all of you to answer your questions.

Everyone at ISED appreciates the work your committee does on important matters of economic policy.

[Translation]

Everyone at Innovation, Science and Economic Development Canada appreciates the work your committee does on important economic policy matters.

[English]

Allow me to move on to what we're here to discuss today, the tabling of the supplementary estimates (B) for 2019-20. I hope to be able to support you in your work by clarifying these estimates, briefly discussing the department's priorities and answering your questions.

Madam Chair, I am happy to report that, despite a challenging global economic environment, Canada's economy remains resilient.

Our recent macroeconomic performance has been solid, with GDP growth expected to be second among the G7 countries for 2020 and 2021, behind only the United States.

[Translation]

Unemployment rates are near historic lows, and corporate profits are stable.

[English]

What's more, in addition to strong employment gains, wages have increased. At 3.4%, 2019 marked the strongest wage growth of the decade. Sustaining this employment growth and the wage gains will be crucial to supporting incomes for Canadian households.

ISED's objective is to support economic growth for the benefit of all Canadians through smart policies and investments to promote a more dynamic and innovative Canadian economy. Many of these investments are reflected in the supplementary estimates that we are here to discuss today. They support key government priorities, such as science, research, clean technology, tourism and women entrepreneurs.

These investments include funding for Canada's digital research infrastructure strategy, the women entrepreneurship strategy and the Canadian experiences fund. The estimates also include investments in the RADARSAT constellation mission to help provide a better picture of our planet from space and the sustainable development technology fund to support clean tech.

[Translation]

I will now discuss my department's priorities in support of the government's economic agenda.

[English]

Let me begin with the government's support for science and the application of new knowledge. Modern economies, as this committee would well know, depend heavily on the generation and application of new ideas, which make investment in science and research critical.

That is why our department has focused on applied and discovery-based science and on ensuring that we do everything we can to remove barriers that stand between research and commercial success.

Since 2016, the government has invested more than \$10 billion in science and research activities. This includes significant funding for key institutions engaged in the Canadian science enterprise, such as the National Research Council.

[Translation]

These new investments in science are being complemented by other federal efforts to strengthen industrial ecosystems across the country.

[English]

The innovation superclusters initiative is a good example. The aim of this initiative is to accelerate innovation and foster stronger connections among all players in the ecosystem, from large anchor firms to start-ups.

To date, the superclusters have enlisted more than 1,700 member organizations. They have also invested in 40 projects. To date, this initiative represents an \$85-million investment, which has leveraged \$143 million from industry and other partners.

Another of our major instruments to support innovation and job creation is the strategic innovation fund, SIF. Through the SIF, my department is making investments to strengthen and expand the role of Canadian firms in regional and global supply chains, supporting economic strategies and attracting investments to create new and well-paying jobs.

[Translation]

Since the program was launched in 2017, the strategic innovation fund has supported 65 projects, including 22 projects directly supporting the scale-up of Canadian-owned small and medium-sized businesses.

[English]

With a federal investment of \$2 billion, the SIF has leveraged more than \$43 billion in total investment and helped to create and maintain more than 67,000 jobs. Nearly \$1 billion of this investment will support 26 projects that contribute to the adoption and development of clean technology by Canadian business.

Clean technology is another important emerging area of strength for our economy, and the department is working to support the growth of Canadian clean-tech firms. Let me highlight one key program in the efforts to support the clean-tech industry: Sustainable Development Technology Canada, SDTC.

As of March 2019, SDTC has invested in almost 400 companies supporting more than 13,000 jobs. Estimates indicate that these companies have reduced greenhouse gas emissions by more than 18 megatonnes annually.

[Translation]

Beyond our major departmental initiatives, we are also making a sustained effort to improve Canadian entrepreneurs' access to our programs and services.

[English]

You will probably not be surprised to learn that some entrepreneurs have told us they have had difficulty navigating federal innovation programming.

In response, the department developed the Innovation Canada portal to make it easier and faster for Canada and its innovators and entrepreneurs to find the federal, provincial and territorial government programs that will help them grow and innovate. Since its launch just over two years ago, 1.5 million business people have received a tailored list of government supports through that website in less than three minutes.

We are also working to improve services for early stage innovators and high-growth firms by doubling the number of innovation advisers who, in partnership with other government officials, offer accelerated growth service, AGS. The AGS is a whole-of-government advisory service delivered directly in boardrooms, stores and plants in communities across Canada.

I mentioned the importance of supporting clean tech earlier.

• (1110)

[Translation]

To advance this aim, the government also launched the clean growth hub, a whole-of-government focal point for clean technology, in January 2018.

[English]

Since its launch, the clean-tech hub has helped more than 1,400 businesses and organizations at all stages of innovation and growth find the programs and services that fit their needs.

Finally, our department is working to support the government in its efforts to modernize the rules for the digital economy and ensure that Canadians can have confidence in the digital world.

[Translation]

Canada's digital charter is a principles-based framework that sets modern rules for a digital and data-driven economy. It is designed to rebuild the trust of Canadians.

[English]

I think it's obvious that Canadians need to be able to live, work and play safely and securely in the digital world, and our businesses must be able to take full advantage of the online economy. I am pleased to report the department is working towards changes that will help achieve those goals.

In parallel, to help ensure that Canadians have access to the digital economy in all parts of the country, our department is working to support the government in its effort to lower wireless prices. We will also continue to roll out programming to bring high-speed broadband coverage to Canadians in more rural areas.

Let me close by emphasizing that ISED is committed to working closely with industry, academia, other stakeholders and certainly your committee to build an innovative, prosperous and sustainable Canadian economy.

Thank you, Madam Chair and committee members, for your time and for providing me with the opportunity to highlight our priorities and to update you on what we're doing.

[*Translation*]

I would be pleased to answer any questions you may have.

Thank you very much.

[*English*]

The Chair: Thank you very much.

We'll begin our first round of questions at six minutes per person.

Our first round begins with Ms. Gray.

Mrs. Tracy Gray (Kelowna—Lake Country, CPC): Thank you, Madam Chair.

Mr. Kennedy, Innovation, Science and Economic Development Canada awarded a contract to Ernst and Young for \$1,001,998 for the development of an internal trade barriers index, which was supposed to be delivered by the end of 2016. In March of 2018, your department confirmed that the report was completed and was being used by government officials to identify regulatory reconciliation priorities related to the implementation of the Canadian Free Trade Agreement.

Can you table the internal trade barriers index today to this committee?

Mr. Simon Kennedy: Madam Chair, I'll have to take that request away and come back to the committee.

Mrs. Tracy Gray: Okay. When do you think you might be able to table it?

Mr. Simon Kennedy: I can come back to the committee with a response in, say, the next week or two. Certainly in short order we can come back to you with the response.

Mrs. Tracy Gray: Great.

Mr. Kennedy, can your department table the report showing how the federal government has assessed that interprovincial trade barriers are costing Canadians?

Mr. Simon Kennedy: Madam Chair, maybe in the same spirit, I think I'll have to....The member obviously has a keen interest in internal trade and the work we've done, and I'd be pleased to come back to the committee with a response along those lines.

Mrs. Tracy Gray: Great. Thank you very much.

Mr. Kennedy, as you're surely aware, there was an amendment to the Canadian Free Trade Agreement on January 15 of this year to allow parties to the agreement—and parties are defined as federal, provincial and territorial governments—to remove or narrow their own party-specific exemptions more quickly and efficiently.

Can you table the federal government's analysis of this amendment that was announced on January 15?

Mr. Simon Kennedy: I think, Madam Chair, what I might suggest is that, if there is a series of questions involving the free trade agreement and access to some of the data we've produced, I might take the request back globally and perhaps come back with an assessment of what we're able to share and some of the work we've been doing in this area. I would be happy to try to illuminate for the committee some of what we're doing.

The Chair: Thank you.

Again I will remind members that we are here to talk about the supplementary estimates (B). For requests that are outside the scope of them, as Mr. Kennedy said, we'd be happy to have those reports sent to you.

Mrs. Tracy Gray: Madam Chair, some of these questions are coming from page 2-50 of the supplementary estimates (B), where it is noted that \$175,000 from the Internal Trade Secretariat Corporation was reallocated. This falls under Vote 10b relating to the Department of Industry.

The Internal Trade Secretariat Corporation is funded through grants from Industry Canada, which sought more than \$67 million. The work of the Internal Trade Secretariat from previous years carries through into this year, so it's a matter of getting an assessment of why there's a difference in budgets, why there was a budget change and, if the work has been completed, what stage they are at—and also, of carrying through to this year.

That's where my questions are coming from.

• (1115)

The Chair: I'm not ruling it out of order. I'm just mentioning that he may not have the information with him.

Mr. Simon Kennedy: Madam Chair, the chief financial officer could illuminate this specific item in the estimates, if that's of interest to the member or to the committee.

Mr. Douglas McConnachie (Assistant Deputy Minister and Chief Financial Officer, Corporate Management Sector, Department of Industry): Certainly, Madam Chair.

The item referred to by the honourable member relates to a small internal reallocation that was made to cover an exchange rate difference. The agreement we have that you've referred to is actually paid in a foreign currency, whereas the authorities that are provided are in Canadian dollars. Therefore as the currency rates fluctuate from one year to the next, it's necessary to perform small reallocations to make up for that differential.

There is, however, no net change in cost for the initiative, other than that small differential.

Mrs. Tracy Gray: Okay, thank you.

Also, can you tell me whether work has begun on narrowing or removing any federal-specific exemptions? Again, this falls under the department and part of the budget. Can you table a report on which ones have been worked on?

Mr. Simon Kennedy: Madam Chair, to address the member's question, I would include this in a return to the committee. We certainly can look at what kind of response we could provide on the issue of internal trade and the work we've been doing.

Mrs. Tracy Gray: Okay. I have another question.

Mr. Kennedy, the federal government created a Regulatory Reconciliation and Cooperation Table work plan, abbreviated as the RTC—this is for 2019 and 2020—listing the targeted timing for agreements on various items.

Can you confirm what input your department had in creating this work plan?

Mr. Simon Kennedy: Madam Chair, I would have to come back on that as well. For the honourable member's benefit, we've been doing a lot of work on regulatory reform on a number of fronts. I would want to make sure that I'm answering the right one, because we are doing quite a bit of work on the regulatory front on a number of different tables.

Mrs. Tracy Gray: Are you able to table the report on whether the agreements that were targeted for completion in 2019 have been completed?

Mr. Simon Kennedy: Madam Chair, again I would probably come back, as part of my response to the committee generally, on that question.

Mrs. Tracy Gray: Since a lot of this flows into the budget for this year, I'm surprised that you don't have some of this information prepared.

The other question I have is this. There was a recommendation from the program directly under your department.

Can you table the report on whether those 23 early action recommendations have been completed or whether they are being carried over into 2020?

Mr. Simon Kennedy: Madam Chair, let me just indicate that there is obviously a lot of work going on in the ISED portfolio across many fronts. I am happy to take back requests on very specific questions about documents that may have been prepared and come back to the committee.

Mrs. Tracy Gray: What does fall under your department is a lot of regulatory reconciliation. I'll just say, Mr. Kennedy, that the provinces are getting ready to table interprovincial trade issues.

I know that Alberta, for example, and also many premiers, are committed to increasing the flow of trade within Canadian borders. Would you not then say that now is the time to work on this with your department to fulfill some of these regulatory reconciliations and move forward on what the provinces are working on? The provinces seem to be working forward on this, but the federal government is not.

The Chair: Unfortunately, Ms. Gray, that is all the time you have; my apologies.

Mrs. Tracy Gray: Okay, thank you, Madam Chair.

The Chair: Next we have Mr. Jowhari.

You have six minutes.

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

Let me start by welcoming you, Mr. Kennedy, to our committee. We look forward to working with you very closely.

In your opening statement you mentioned that the ISED objective is to support economic growth, and the way to promote economic growth is through a more dynamic and innovative Canadian economy.

You talked about a lot of the supplementary estimates we are reviewing today being focused on investments. Specifically you talked about some of the funding around the Canadian digital research infrastructure strategy and women entrepreneurship as well as the Canadian experiences fund.

I'd like to start by asking you to expand on Canada's digital research infrastructure strategy. How much funding is being allocated? What is the objective? How have we progressed?

Mr. Simon Kennedy: One of the key things needed by the research community, as members will know, is access to high-performance computing. People talk colloquially about super-computing, basically access to the computing firepower needed to conduct analyses and do research. That is fundamentally what the digital research infrastructure strategy is about. The effort is to develop a new and improved way to invest in and work with the research community to make available high-performance computing.

We've been consulting with the research community, and I'll just refer here to the specific amount. The strategy was announced in budget 2018, at five years and \$572 million. Most of the funding was accessed last year.

There is a remaining portion that is pending a decision on the winning recipient to become the new entity that will actually manage the strategy. That's what this funding in the estimates is about.

• (1120)

Mr. Majid Jowhari: As you said, most of the funding has already been, let's say—

Mr. Simon Kennedy: —made available to the institutions.

Mr. Majid Jowhari: Can you give us an example of some of the funding; to whom it has gone, and what the result has been?

Mr. Simon Kennedy: I can come back to the committee with that information

Mr. Majid Jowhari: Thank you.

You also talked about the government's launching the clean growth hub. In your preamble you talked about the innovation portal that we're using.

In many interventions in my riding, I often talk about the Innovation.Canada.ca portal and the great tool that it is. I say that this is a way for us to teach everyone, especially small businesses, how to fish, so that they can go in and look at the programs and funding available.

Can you give me an idea of what the clean growth hub looks like in comparison to the Innovation.Canada.ca portal?

Mr. Simon Kennedy: The best way to describe it would be to say that the Innovation portal is primarily accessed digitally. As the honourable member noted, you go online, you indicate what kind of business you're in, which province or territory you're in, and so on. As you go through it, when you get to the end you have a kind of tailored list of the sorts of supports that might be available to you, given the sector you're in and the area of the country you're in.

The clean growth hub has a physical location. It's here in Ottawa, in the building that houses the majority of ISED's employees in the national capital region. Businesses can come through the front door physically and actually sit down with an adviser and learn about the kinds of programming and supports that are available across the country.

Obviously, we can offer those supports as well online and through telephone consultation, but we have brought staff together in a physical location to provide a kind of one-stop shop. In the same way that you might go into a bank and find a variety of services available, there is actually a location for this.

It's designed, obviously, as the name suggests, to focus very much on clean tech. We work very closely in particular, by way of example, with Natural Resources Canada, which obviously has a very strong interest in clean technology, and we have linkages into other players, such as Sustainable Development Technology Canada and Environment and Climate Change Canada.

The clean growth hub, then, is very much focused on clean tech, it's a kind of partnership among federal ministries, and we have a physical location where we meet with a lot of companies. The Innovation portal, I would say, is bigger in scale, because it's reaching a much larger number of companies, and it's primarily a digital experience.

Mr. Majid Jowhari: Is there any plan for taking the clean growth hub also into a platform, because for many smaller businesses that are focusing on clean tech, it would be very challenging to come to Ottawa, because of their small size?

Mr. Simon Kennedy: Generally speaking, clean technology is a priority across our programming. The online service is part of the broader service offering. We have innovation advisers all across the country and we have the ability in various regions across the country to direct businesses to talk to our advisers who are locally located. When people come through the door or reach us online saying, "I have this kind of company and I'm really interested in what you can do for us." If it's a clean technology business, then we can direct them to the hub, but they don't need to be physically in—

Mr. Majid Jowhari: I want ask one final question.

Are the clean growth hub and the National Research Council in any way, shape or form working closely together—

The Chair: Mr. Jowhari, that is your time, unfortunately.

[Translation]

Mr. Lemire, you have six more minutes.

Mr. Sébastien Lemire (Abitibi—Témiscamingue, BQ): Hello. Thank you for your presentation and for making the effort to say a few words in French. We always appreciate that. I also want to point out that your priorities when it comes to initiatives targeting

innovation, growth and sustainable development seem to be at the forefront now. To me, that's an important point.

I wouldn't be sitting here today if I hadn't made access to the Internet and cell networks a key component of my election campaign. Inadequate access to broadband Internet service is a major problem in my region, Abitibi-Témiscamingue, and I believe a lot of rural regions have the same problem.

You mentioned that a lot of places, especially in rural regions, are lagging in terms of connectivity. I would like to know what concrete measures are being taken to bring them up to speed. There seems to be money allocated, but it hasn't been spent yet.

● (1125)

Mr. Simon Kennedy: Thank you for your question.

Let me start by saying that Internet access for all Canadians, including those in rural regions, is one of our top priorities.

In the past, we implemented a number of programs to expand Internet access in rural regions. Connect to innovate is one example. Over \$1.7 billion in new funding has now been allocated for broadband infrastructure. That investment includes the new universal broadband fund. We have already held cross-Canada consultations on how to proceed. I anticipate that, in the coming months, we will begin negotiations and spending to bring better Internet access to rural regions.

Also, it is probably important to note that the government has set a new access target. Five-bit download speed and one-bit upload speed is old news; we're looking at 50-bit and 10-bit by 2030. That is much faster. Our goal is to ensure this access for everyone. We now have the funding to start implementing that.

Mr. Sébastien Lemire: I'm glad the government isn't considering outdated technology just so it can say it's connecting people, but 2030 seems a little far away to me.

I'd like a better understanding of the mechanism. You're creating a program so companies can apply to set up the data and Canadians and Quebeckers can access it, but the latest programs seem to have been poorly adapted to regional realities, generally speaking. Let me give an example from our region. Businesses in my region have huge needs, but none of them have applied under this program.

What can your department do to make sure that, if the money's available, people can see that the money would benefit them and enable them to provide the service?

Mr. Simon Kennedy: Thank you for your question.

The final parameters have not yet been announced. It's not up to me, as a civil servant, to say exactly how things will work, but I do want to assure you that we are very sensitive to the fact that different communities and rural areas have very different needs. I should also note that a wide variety of groups can receive funding. There can be large cities and very small towns, indigenous groups, and so on. We want to be sensitive to the needs of various groups. We want to make sure there are no barriers for communities that aren't developed or don't have much capacity, for example. I know the minister is really sensitive to the importance of providing that access to diverse groups with varying capacities.

In terms of the timeline, we want things to move fairly quickly. Having said that, these are fairly large infrastructure projects, so the fact is that it's going to take some time, especially in very remote areas. For example, projects in the north or in more rural areas sometimes require a fairly large infrastructure investment. Also, the process takes a little longer in winter.

Mr. Sébastien Lemire: I understand those challenges. Thank you, by the way, for mentioning the needs of indigenous communities. I can share several examples from our own communities.

For example, the Winneway community wants a cell tower. This is a local initiative in which the federal government has not invested, but this new infrastructure will benefit the community in terms of connectivity and radio, among other things. These projects are under way.

I'm going to keep a very close eye on how this is rolled out, but I'm glad to see it's coming. I think we need to fast-track things.

I'm going to comment on the Innovation, Science and Economic Development Canada portals. I think it's a very good initiative. We also need to reduce red tape for entrepreneurs. I hear a lot about that from people.

Lastly, you want to tackle the cost of cell service, but how can a department like yours take meaningful action?

The Chair: You have 10 seconds.

Mr. Simon Kennedy: I'll have to let the minister give an answer about the government's exact measures, but I can say that we've invested \$1 billion in connecting Canadians, and there are other funds as well. The CRTC—

• (1130)

The Chair: I'm sorry, but you're out of time.

[*English*]

The next round of questions is for six minutes.

Mr. Masse.

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

Thank you for being here today.

Just going from your testimony, since 2016 the government has invested more than \$10 billion in science and research activities.

How much of that is grants, and can you list where that money went?

Mr. Simon Kennedy: In general terms there have been a number of investments.

Mr. Brian Masse: I'm looking for specifics that are not here in your notes.

Mr. Simon Kennedy: Well, I can give you specifics in the sense of the kinds of institutions the money has gone to. If the honourable member is looking for a specific accounting, we could return with it.

Mr. Brian Masse: Okay, we can do that.

I'm going to move on to the next question. I think this is important. When you come and present these numbers, they characterize many things.

You mentioned the superclusters, about which I get many questions. There are 1,700 member organizations involved. Who are they? You have compiled 1,700 and you have 40 projects and you've actually leveraged, you said, \$143 million.

Is that actual cash? Is it investment in kind, of services? What is it?

I'm looking for specifics of what you've presented here today.

Mr. Simon Kennedy: There are five superclusters across the country in a number of sectors. I'd be happy to elucidate which sectors and the types of investments.

They are required to receive class-matching. There are specific requirements around what is required when the supercluster makes an investment. Each supercluster has developed criteria for membership. Some have an open membership model whereby interested companies can apply; others charge a membership fee.

These are actually organizations that have applied for support from the Government of Canada. There was a competitive process, but they have an independent board and they manage their affairs.

Mr. Brian Masse: I have to interrupt you at this point.

I'm not trying to be difficult here, but you're presenting significant statistics in front of our committee. I'd like you to come back and back them up with specifics. I want the 1,700 members, the 40 projects. You're saying you have leveraged \$143 million; I'd like a list of where that \$143 million went and showing whether it was in-kind contributions or actual financial contributions. Those are specifics that I think our committee deserves.

Mr. Simon Kennedy: Madam Chair, I would say that the superclusters, under the—

Mr. Brian Masse: I thought I had the floor.

Mr. Simon Kennedy: I apologize, but did you wish to have an answer, sir? I just—

Mr. Brian Masse: Yes, just let me finish, because I want to deal with this too, so that you have it too in your next presentation on this, because it's all connected here, these three patches that you have. You have the 400 companies supporting more than 13,000 jobs. I'd like evidence of what those jobs are, where they are and which employers and companies you actually have. I want this information to come back.

If we're having information presented here, Madam Chair, that's what I am asking for. I am not trying to be hostile here at any point, but I want to dispense with those three things that we've been presented here in very specific terms about numbers and money that has been spent. I'd like it to come back to us at a certain point in time.

I'll let you finish and take the time you need to explain all that.

Mr. Simon Kennedy: What I would say with regard to the superclusters is that a condition of receiving the money was that there be transparency measures. The members of the superclusters are a matter of public record. The investments they make are a matter of public record; they have to actually disclose the investments. They produce annual reports.

The money that the Government of Canada invests through programs such as the strategic innovation fund is also a matter of public record—

Mr. Brian Masse: I understand.

• (1135)

Mr. Simon Kennedy: —and the information is available on our website, so I'm struggling a little bit to understand the specific extra detail, other than the—

Mr. Brian Masse: The specific detail is: think about the three statistics and talking elements that you have have related to them. I'd like you to come back with the evidence of those specific things that you came here to present to us. That's what I'm asking for.

I know they're all public. You've consolidated them, apparently—unless you haven't consolidated them and these are numbers that are just thrown out here—but I'd like to have the information that you have come here to this committee to present and the results the investments have had to be presented to us so that we know exactly what they mean.

I'll give a very specific example. You have 1,400 businesses and organizations at stages of innovation. I'd like to know how that number was actually calculated, how the data matrix was presented in front of us.

The same goes for the other ones you've presented here. I think it's a reasonable thing, when you come and present in front of us. When you're talking about 13,000 jobs, I'd like to know where those jobs have been created, in what regions, and in what specific things. We need to see what's working out there. That's why I'd like to see those things.

As for the 400 companies, I don't have time to go through and find those 400 companies. They are a matter of public record, but you have decided to present them here as evidence of work that's being done. We have to have that information consolidated for us.

Mr. Simon Kennedy: Shall I answer, Madam Chair, or how would you wish me—

The Chair: If you have an answer to Mr. Masse's question—

Mr. Simon Kennedy: Well, I was just going to say—

The Chair: —and any documents that he's asked you to table.

Mr. Simon Kennedy: Yes. As I say, I think all of this material is subject to proactive disclosure, so it is available publicly.

If I could conclude, I would just say that with regard to the jobs numbers, we are not in the habit of coming and throwing numbers around. Through such programs as the strategic innovation fund, when we reach an agreement with a company there are binding undertakings that the company makes; there are legally binding commitments.

The numbers I've cited are numbers from the various agreements that have been reached with the various organizations that have been invested in. This is an aggregation of quite specific information from the kinds of agreements that have been negotiated.

Mr. Brian Masse: Well—

The Chair: You have 15 seconds, Mr. Masse.

Mr. Brian Masse: That doesn't satisfy me. If you're presenting statistics and numbers and your actions with 400 companies, but can't tell me who those companies are and where public money has been spent, it's a problem.

We need to know whether these are good investments or not. We need to know who our partners are. If you're presenting that information in front of us, our committee should have the methodology by which you came up to present that information in front of us.

The Chair: Mr. Masse, unfortunately—

Mr. Brian Masse: You're talking about \$10 billion of Canadian public money.

The Chair: Mr. Masse, unfortunately that's your time. We'll have the clerk follow up with the request that you made.

Mr. Brian Masse: Thank you.

The Chair: Our next round, of five minutes of questions, goes first to Madam Rempel Garner.

Hon. Michelle Rempel Garner (Calgary Nose Hill, CPC): Thank you, Madam Chair.

Mr. Kennedy, would you be able to table a list, including the total value of loans, grants or contributions made by your department, any of the development agencies or granting councils, to any corporation with net earnings of \$10 million or greater?

Mr. Simon Kennedy: Madam Chair, maybe I could take that request away. I believe this information is largely available, so I'm happy to follow up.

Hon. Michelle Rempel Garner: So that's a yes?

Mr. Simon Kennedy: I'm happy to follow up. I'm not aware of any restriction, but I'm happy to take the request back.

Hon. Michelle Rempel Garner: Thank you.

Can you please also table the rubric your department uses to calculate the number of jobs created by grants and contributions, matching the list of grants that I just asked for?

Mr. Simon Kennedy: I will come back to the honourable member with that.

As I noted earlier, typically, through programs such as the strategic innovation fund, there are binding undertakings around the kinds of investments that will be made. That is generally where the numbers come from. To the extent we can illuminate them, I'd be happy to do so.

Hon. Michelle Rempel Garner: I'm just asking you to table the rubric on how you're evaluating the outcomes of some of those specific initiatives.

With regard to the supercluster initiative, can you table with the committee the rubric you use to measure the number of jobs created by investments in that fund?

Mr. Simon Kennedy: I can certainly come back to the committee with an explanation of where that number comes from. I could illuminate it now if you wish, but I'm happy to come back with a written explanation.

Hon. Michelle Rempel Garner: Basically what I'm looking to find out from that information is this. I know the government's stated objective was 50,000 jobs created. The number we've seen to date is zero. I would like to see the rubric that you are using to evaluate whether or not a job has been directly created by the outcome of that particular funding.

Thank you.

Similarly, can you also table the rubric your department is using to evaluate whether or not intellectual property that has been generated as a result of the supercluster initiative funding is retained in Canada?

Mr. Simon Kennedy: I can come back, Madam Chair, with an explanation of how we approach IP in our programming, including superclusters. It is a priority for us.

• (1140)

Hon. Michelle Rempel Garner: Again, that's not what I'm looking for. It's specific to the initiative. One of the stated objectives for this tremendous amount of public funds is that intellectual property would be commercialized and retained in Canada. I would like to see exactly how your department is measuring that particular aspect of the program.

Mr. Simon Kennedy: IP is certainly, Madam Chair, a priority for the superclusters initiative.

Hon. Michelle Rempel Garner: I'm just asking you, if you can, to table that rubric.

Mr. Simon Kennedy: I can come back with a response on that question, absolutely.

Hon. Michelle Rempel Garner: Thank you.

Can you also table with the committee the number of jobs that have been created and how you're defining that number as an outcome of the \$28-plus million allocated for the sustainable development technology fund?

Mr. Simon Kennedy: Madam Chair, I will talk to SDTC, and we can come back on that question.

Hon. Michelle Rempel Garner: Can you table with committee the number of jobs that have been created by the \$26 million allocated for the digital research infrastructure strategy?

Mr. Simon Kennedy: I can come back to the honourable member with that question as well, though I would note that the digital research infrastructure strategy is not a job creation program but a research program designed to expand supercomputing capacity for the research sector. It's not really about job creation.

Hon. Michelle Rempel Garner: That's good to know.

Can you also table with the committee the number of jobs created by the strategic innovation fund in the last five years and the rubric used to measure the number of jobs created?

Mr. Simon Kennedy: I can give an answer now on the strategic innovation fund. It's just over 67,000 jobs that have been created or maintained by the program. Again, just to reiterate, these are numbers that are coming from binding agreements that are negotiated with project proponents. There's a total of 68 projects. Every one of them has a binding agreement, and those numbers are derived from those agreements.

Hon. Michelle Rempel Garner: Last year, I'll note that the department said that 56,000 jobs were created by this particular fund, yet an access to information request showed that the program actually created 6,600 jobs. You'll forgive me, then, if I don't take that number at face value. I would like you to table with the committee the rubric you use to assess whether a job has been created under that—how you determined that 67,000 number.

Thank you.

The Chair: You have 15 seconds.

Hon. Michelle Rempel Garner: That's all.

Thank you.

The Chair: Thank you very much.

Our next five-minute round of questions goes to Madame Lambropoulos.

[*Translation*]

Ms. Emmanuella Lambropoulos (Saint-Laurent, Lib.): Thank you, Madam Chair.

I thank all the witnesses for being here to answer our questions.

I believe that climate change is an extremely important issue. Many of my constituents in Saint-Laurent agree.

The riding of Saint-Laurent is also an industrial hub with lots of businesses and a technopark.

[*English*]

It's an issue that we can tackle first-hand just because of the technology that exists within the riding and the companies that produce this technology. There are many start-ups and there are many partnerships, even, between universities and companies, in order to come up with these clean technologies and with research that would back them up.

Can you please let us know how the Government of Canada and how we through this department can support these start-ups and support the partnerships between universities and companies to help them produce technologies that would allow us to go into the future in a cleaner way?

Mr. Simon Kennedy: To reiterate, clean technology is a significant priority for the government, and it's certainly a significant priority for Innovation, Science and Economic Development. We have the clean-tech hub, which is specifically there to support companies that are looking to expand their clean technologies, to get into foreign markets and to be able to sell in Canada.

As part of our portfolio, we have Sustainable Development Technology Canada, which is a fund that directly invests in clean tech. Through Innovation Canada, we have advisers across the country. One of the priorities of that branch and of our funding generally, whether it's the strategic innovation fund or the other programs I've talked about, is in fact clean technology.

There have been a number of what you might call purer clean tech plays in the investments that have been made, and certainly, as a general rule, in the kinds of investments and support that the federal government has provided in partnering with business over the last number of years: clean technology, reduction of greenhouse gases, water and those sorts of things.

As a general rule, we are seeking to have environmental benefits in investments, even if those are not in a company that would be, strictly speaking, a clean-tech company. It's a generalized priority across our programming, but we have specific programs to support clean-tech companies.

I'll give you another example. A number of months ago, we worked with the private sector, and with the global affairs ministry, to have a clean-tech trade mission to India. We brought a number of emerging, very promising clean-tech companies to India because there are significant needs in the clean-tech sector there. My understanding is that it was a very successful endeavour.

We're doing a lot of work. I could enumerate all the many investments, but you might not wish to have me eat into too much of your time. I'll just say, it's a major priority and we take it very seriously. It infuses a lot of the work we do and we have a number of instruments focused exclusively on it.

• (1145)

Ms. Emmanuela Lambropoulos: You mentioned the women entrepreneurship strategy in your notes and it is part of the estimates as well. I saw that about \$10 million was invested in this strategy.

Can you speak to that and let us know what kinds of companies were invested in and how women can take advantage of these programs?

Mr. Simon Kennedy: The women entrepreneurship strategy is across government. This funding is for a particular piece of it. It was a top-up to funding that my ministry received as part of the broader cross-government strategy, but there are other ministries involved.

I'll give you some examples. The Business Development Bank of Canada is in our portfolio. As you know, this is a bank that lends funds to small and medium-sized businesses. It created a dedicated funding envelope of \$1.4 billion over three years for debt financing for women-owned businesses in order to expand access to capital for them. It created a \$200-million women in technology venture capital fund to invest in women-led businesses in technology, because, frankly, that has traditionally been an area in which the access to VC money for women has not been strong.

I'll stop there, because I know time is short. The approximately \$9 million we receive is just a top-up to an existing strategy that is significantly larger. I cited only one small example of some of the things going on.

The Chair: Thank you.

The next five-minute round goes to Mr. Dreeshen.

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

When you were speaking about the women's entrepreneurship strategy, I noticed that some of the money that went into that came from the Department of Western Economic Diversification. When did your government direct you to do that? That is under the Atlantic Canada Opportunities Agency. That's the first thing I'd be interested in knowing.

Secondly, you spoke about superclusters. In your testimony you talked about public record, things that are for the public record. Is the ownership of the IP also part of the public record, and what safeguards do you need as far as that is concerned?

That's the second part. I have five minutes, so I'll come back to other questions after you respond.

Mr. Simon Kennedy: I'll ask the CFO to answer the honourable member's questions, specifically on the issue of the transfer of funds and the women entrepreneurship strategy.

Mr. Douglas McConnachie: The \$3.4 million that is proposed to be allocated to Western Economic Diversification is part of the \$10-million envelope that is being spread across three organizations in the regional development agency portfolio. As Mr. Kennedy indicated, it is a top-up to existing funding of a program that has been in place for several years.

Mr. Earl Dreeshen: Did that come out of other economic development agencies as well—

Mr. Douglas McConnachie: No, it did not.

Mr. Earl Dreeshen: —or is it out of Western Economic Diversification?

Mr. Douglas McConnachie: No, the money is over and above funding that has already been allocated.

Mr. Earl Dreeshen: Okay.

My second question was about the superclusters.

Mr. Simon Kennedy: When I come back with the information in response to the previous question on this topic, that will cover the same grounds. I'd be happy to do that.

Mr. Earl Dreeshen: I'm not just looking at the process you use, but also whether the ownership of it is public record so that we can see how much of that is actually being transferred out of the country or being used for some of the other opportunities that might exist.

I notice also, in some of the parts that we have seen here, there's nothing for oil and gas, which had been part of the original documentation. Also, you had said, "As of March 2019, SDTC has invested in almost 400 companies, supporting over 13,000 jobs" and that "these companies have reduced greenhouse gas emissions by more than 18 megatonnes annually."

Are those the metrics that you are going to be using to determine what is really green technology? I think you'll find that, in terms of the tech funds, the extra carbon tax that Alberta has always had has gone into a fund. It is the reason we've been able to reduce the emissions for nearly every industry we have, to below international standards, and of course, that's really what we're looking for.

It would be nice to know whether, when we're talking about green tech out of your department, we are also looking at the types of advantages that the world has because of the technology we have in Alberta.

• (1150)

Mr. Simon Kennedy: On the issue of the member's question, I would just assure the member that when we're looking at clean technology, there are obviously a variety of metrics. Certainly, one of them would be the significant potential that the technology might have for export sales, and so on. The technology supported includes things such as clean water. There are a variety of objectives.

I wouldn't want to give that impression. I cited in my notes the very positive example of reduction in carbon, but it's not monolithic. That's not the only thing we're looking at.

There is another thing I will say. I did not mention it, but I'd be happy to speak about it.

There have been a number of very important investments in Alberta, as the honourable member noted, through the strategic innovation fund, including in the petrochemical and steel industries. We're working now with the Clean Resource Innovation Network on an investment in clean resources, which includes oil and gas. There has been some good activity there, too, and I'd be happy to speak about that if folks are interested.

Mr. Earl Dreeshen: The reason I mention that, of course, is that when you go through the minister's mandate, you never see anything in it about oil and gas. You talk about other industries that are associated with it, but for some reason, the mandate letter from the Prime Minister ignored that industry.

I thought I would want to let people understand perhaps where some of the thinking has been going.

Thank you.

The Chair: For our next round of questions, which is still five minutes, we have Madame Jaczek.

Ms. Helena Jaczek (Markham—Stouffville, Lib.): Thank you, Madam Chair; and thank you to the witnesses.

When I looked at the votes, vote 10b stood out for me. Though it's a relatively small dollar amount, I was really intrigued by the \$500,000 for the digital literacy exchange program that apparently is designed to improve Canadians' digital skills.

First, which segment of the population does this program target?

Mr. Simon Kennedy: It is designed to target what you might call more vulnerable groups, people whose digital literacy, for a whole variety of reasons, might be more challenged. That could include seniors and others who might have concerns around digital literacy.

It is meant to be targeted, and I would be happy to come back to the member with more specific gradations, but just off the top of my head, it would be groups that have, for whatever reason, a digital deficit. They might not have had access to this type of learning. They might be behind on skills in this area for a variety of reasons.

Ms. Helena Jaczek: Is this a program that is just being expanded, or is it new?

Mr. Douglas McConnachie: The allocation that you see in the supplementary estimates (B) is simply a re-profiling of funds that were not used in a previous year. They've been carried forward so as to maintain the integrity of the envelope of funds. It's not a net addition to the program funding but just a repurposing of funds.

Ms. Helena Jaczek: Can you give me any details on how you're going to operationalize this?

Mr. Simon Kennedy: Madam Chair, there have already been agreements reached with various organizations to disburse the funds in support of digital literacy. I don't immediately have access to the list of organizations, but this would have been a program in which people would apply or they would be invited to apply. They would get access to some funding support to work on digital literacy.

I'm loath to pull an example out of the air, but it might be a community organization that works with seniors, that sort of thing. It's meant, really, to be organizations working at the front line with some of these groups that would be getting funding support to work along these lines.

I think, as the CFO has indicated, we just want to make sure we don't inadvertently have money lapse that would otherwise be available to these groups to do their work. We've already actually concluded the negotiations. These funding allocations have been made.

• (1155)

Ms. Helena Jaczek: So, it will be direct federal funding to the local organization, no requirement for provincial cost-sharing or anything like that.

Mr. Simon Kennedy: Madam Chair, I'd have to get back to the committee with a specific answer, but my understanding is yes, this is federal funding to groups. I can't speak to the specific parameters of whether there might be provinces that have chipped in or whatever. I'm happy to try to come back on that.

Ms. Helena Jaczek: I'd be very interested in that, as a former Ontario minister of community and social services. This sounds like an excellent allocation of funding, but I just want to make sure that we get it down to the ground level.

I'm happy to give up my time.

The Chair: Is there anyone else? No. Okay.

The next round goes to the Bloc Québécois, Monsieur Lemire.

[Translation]

You have two and a half minutes.

Mr. Sébastien Lemire: Thank you very much, Madam Chair.

I just want to point out a few things. We have to consider the context. Teaching seniors how the Internet works is all well and good, but they still need access to the Internet. I think that's the whole issue. We must ensure that all Quebecers and Canadians have access to broadband Internet and the cell network. That is essential. I think the 2030 target is absurd.

How many of Quebec's small communities are actually connected?

There is a program, but it is a regional initiative. The region decided to tackle this with the Government of Quebec's help. The Constitution of 1867 makes it very clear that anything that did not exist at the time Canada was created is under federal jurisdiction. Telecom is therefore under federal jurisdiction. That means the federal government has to pay for projects in the regions, but we have a broadband provider in our region, GIRAT, and the government didn't put any money into its Mobile A-T project. That is a very concrete example.

Has there been any investment?

When I see that relatively little of the money has actually been spent, that makes me angry. I want to know how many small providers have received financial support to connect Canadians.

Mr. Simon Kennedy: Is your question about the number of small Internet service providers in the regions?

Mr. Sébastien Lemire: Yes.

I just want to comment that I feel the industry favours large providers, but large providers have no interest in setting up in the regions because it's expensive, as people have pointed out.

Is there anything we can do to make these programs attractive to small and large providers?

The goal, for me, the end result, is access to cell networks and the Internet.

Mr. Simon Kennedy: Certainly. I can tell you that we've had several programs in the past. The requirements were a little bit different and it all depended on the program.

Our goal is to connect everyone. In some cases, it was more efficient to work with a big player who made it possible to connect more people. Having said that, we're very sensitive to the needs of small businesses and small groups.

The goal of upcoming programs is to be sensitive to this reality and to work with indigenous groups and small communities. That's one of the minister's priorities. I'm sure we'll be sensitive to this in the future.

We've worked with both of these groups in the past, but that's one of the criticisms I've heard.

The Chair: I'm sorry, but you're out of time, Mr. Lemire.

[English]

We have two minutes remaining. I'd like to offer it to Monsieur Masse if he would like to finish up.

Mr. Brian Masse: Thank you, Madam Chair.

One thing I am concerned about, to build off my colleague's comment here, is this. As we move into digital services, how is Industry Canada working towards providing a level playing field for rural and remote areas. Perhaps you can shed some light on that work. It's one challenge. There is an objective to try to connect all of Canada equally. However, without rural and remote supports, we're offering services and economic development opportunities for some regions but maybe not for others. When we move to more digital works, it can be more complicated.

Mr. Simon Kennedy: I think the honourable member makes a very good point. Just to assure the committee, I think we are equally concerned about access to digital services and not having people inadvertently left behind.

I mentioned the \$1-billion universal broadband fund, but there are a variety of other investments. One would be the funding that's going into new low-earth orbit satellite capacity that will be particularly valuable in much more remote areas where actually laying fibre optic cable, and so on, might be difficult.

Certainly the objective is to deliver high-speed broadband to all Canadians. There will be an array of investments to that end, as I mentioned, in the next couple of years, and the specific objective is going to be to try to make sure there's access for people who don't currently enjoy it.

On a separate track, and I won't go on at length about this, we're also very mindful that our policy frameworks and rules have to be updated because they were built for a different era. The digital charter and the work to actually make the digital charter real are an important element of ensuring that there's a level playing field and that citizens and businesses can participate in the digital world in a way that actually is purpose-built for the 21st century.

There'll be more to come on that front, but that's just to say that we also need to think about the frameworks and rules, in addition to the infrastructure. We're working on both.

• (1200)

The Chair: Thank you for that.

That's unfortunately all the time we have for this panel.

I want to thank Mr. Kennedy, Mr. McConnachie and the departmental officials for being here today to answer questions. The clerk will follow up with you with respect to the various requests for documentation and additional clarification.

Mr. Simon Kennedy: Thank you.

The Chair: With that, we will suspend so that we can have the next panel come in.

• (1200)

(Pause)

• (1205)

The Chair: We will begin the second panel of the industry, science and technology committee.

[Translation]

Today, the Honourable Mélanie Joly is with us to answer questions about the supplementary estimates (B), 2019-20.

Madam Minister, you have 10 minutes for your presentation, and then we will go to questions.

You have the floor.

Hon. Mélanie Joly (Minister of Economic Development): Hello, everyone.

[English]

Madam Chair, esteemed members, thank you for inviting me to appear before you today for the tabling of the supplementary estimates (B), 2019-20. I'm here with my colleagues from the department.

[Translation]

In November, I took on the economic development portfolio. Our role is to ensure that our government's economic agenda reflects the daily reality of Canadians and the needs of workers and entrepreneurs in every region of the country.

[English]

Over the past three months, we've travelled across the country to get a better sense of Canadians' economic reality. We've asked Canadians, like Jon from Laval Tool in Windsor; Teresa from IMARK Architectural Metals in Edmonton; and Joanne from Lefebvre Industri-AL in Baie-Comeau, what is working, and most importantly, what we can do better.

While making sure we are always doing better for Canadian workers and entrepreneurs, we also took the opportunity to support local businesses to scale up their operations, increase their productivity and participate in the local economy.

In St. John's, Newfoundland, for example, we are partnering with the workers of Newco Metal and Auto Recycling. The work we are

doing there is a perfect example of helping local businesses thrive and create good jobs locally.

[Translation]

In Baie-Comeau, Quebec, I recently met Marc and Joanne Lefebvre of Lefebvre Industri-AL. Their family-owned SME has developed an innovative and non-polluting process to produce greener aluminum without greenhouse gas emissions.

In Rouyn-Noranda, which is in my colleague Mr. Lemire's region, Abitibi-Témiscamingue, we supported the growth of Manufacture Adria. Its general manager, Joël Baillargeon, told us that this investment will help increase productivity and production capacity as well as create 20 more jobs.

Another great project we're supporting is Montreal en lumière. Our investments will attract more international visitors in the winter. More visitors in the winter also means more revenue for tourism sector workers and a longer season.

• (1210)

[English]

In Windsor, Ontario, there is more than 100 years of auto manufacturing expertise. We're proud to help the sector evolve, innovate and adapt to new realities. Or how about in Sault Ste. Marie, where our support is helping the regional maple syrup cluster scale up? What could be more Canadian than that?

Earlier this month, we also announced support for indigenous youth fighting wildfires in the north. These are exciting and meaningful opportunities for employment.

[Translation]

No matter where we live in this country, no matter where we grew up, it's important to be able to work and raise our families in the place we call home. We know this and we're working to make it happen.

[English]

My travels also took me to Alberta and Saskatchewan, where we were exposed to some of the real economic challenges the provinces are facing these days. We know there is economic anxiety and that some workers and families are struggling.

[Translation]

We also know that the future of our economy depends on the ability of our entrepreneurs and businesses to be creative, to adapt, to innovate and to maintain their competitive edge.

We know that artificial intelligence is a great source of pride in Alberta, particularly in Edmonton. That's why our investment in GO Productivity will benefit more than 20 companies, helping them adapt to new market conditions and become more competitive.

[English]

Talking about the role of Western Economic Diversification Canada, I note that a number of my fellow MPs today are from Alberta and Saskatchewan.

MP Jeremy Patzer, for instance, we visited your province only a month ago and we saw the good work that WD has done to amplify and build on the dynamic economy of Saskatchewan. I know that you often tout the farmers of Saskatchewan and fight hard for them in the House.

Verdient Foods, in Vanscoy, is a great success story that capitalizes on the strong agricultural roots of the province. You have a lot to be proud of, a project in which Western Economic Diversification Canada proudly partnered with local entrepreneurs to make happen. We invested \$2 million in it for it to grow.

I know that you're also a great champion of the cattle industry in the province. In fact, I know you met with industry representatives on their most recent visit to Ottawa. WD is a proud partner of theirs, and I'm sure you will be happy to know that we invested, in conjunction with the University of Saskatchewan, \$4.7 million to build the Livestock and Forage Centre of Excellence near Saskatoon.

[Translation]

Even so, we're well aware that there is still much more to do. Our economy is strong, but we know that the path to economic prosperity really varies from region to region.

[English]

There is no one-size-fits-all to quickly build and diversify local economies. New partnerships are required, including with provinces, communities, indigenous organizations, industry and academia.

Western workers and entrepreneurs should know that we're an ally in helping businesses create good, local jobs. We're on your side, and always will be.

[Translation]

The bottom line is that we can't succeed unless everyone has an opportunity to benefit from economic growth.

As I work to carry out my mandate, I am supported by six parliamentary secretaries and six well-established regional development agencies.

[English]

The on-the-ground expertise that the regional development agencies provide is essential. We have witnessed this first-hand. With the benefit of regional insight, they help to create an environment where community businesses and innovators can grow, succeed and create good jobs locally.

[Translation]

They tailor national initiatives to fit regional needs and realities. They provide access to financial assistance for our entrepreneurs, bring together key stakeholders and contribute to regional economic development.

These agencies are perfect examples of what community-based government is all about. They ensure the presence of the federal government in our regions and they're often the first point of contact for entrepreneurs, workers and businesses.

[English]

Speaking of regions across the country, I would like to point out that the tourism sector has great potential for economic development. In fact, we believe this sector is capable of driving major economic growth in almost every part of the country.

[Translation]

We can be proud of last year's results. It was a record year for tourism with 22.1 million international visitors. This is an opportunity for exponential growth for the tourism sector, entrepreneurs and tourism workers.

That's why we've worked with stakeholders to develop a new national strategy.

• (1215)

[English]

It's a forward-looking plan with ambitious but achievable targets. It challenges and empowers our world-class tourism entrepreneurs to come up with new products and experiences.

On that, we're not blind to the current situation. We know it will not always be easy, and that sometimes we're subject to external realities.

[Translation]

I am in constant contact with the tourism industry. We know that people on the ground are worried right now. We hear their concerns. That's exactly why I am working toward getting thorough analyses.

[English]

Let me tell you that Canada's tourism sector is strong and resilient in the face of any potential issue. Rest assured that we will continue to work with Destination Canada and industry partners to monitor impacts and make sure our sector continues to grow. You know that the best thing we Canadians can do is to travel within our big and beautiful country.

I will conclude my remarks today with a simple message. To Canadians all across our country, we have your back, and we're by your side and always will be.

[Translation]

All Canadians, no matter where they live, must be able to enjoy the benefits of a strong economy.

[English]

With the support of our partners across Canada and, of course, of you, my esteemed colleagues, I know we can do it.

Thank you for your attention. I'm pleased to answer your questions.

[Translation]

The Chair: Thank you very much, Madam Minister.

[English]

Our first rounds of questions are for six minutes.

We have Madam Michelle Rempel Garner.

Hon. Michelle Rempel Garner: Thank you, Madam Chair.

I would just take issue with my colleague's characterization of how the Liberal government treats western Canada. You might have their backs, but it's with a knife in them.

I will start my questions related to expenditures related to ACOA. Earlier this year ACOA wrote off two multi-million dollar loans to Irving-owned companies.

The first one I will address is Atlantic Wallboard. The department said some amount of money under this loan was repaid. How much was repaid before it was written off?

Hon. Mélanie Joly: Maybe for a specific answer on this question, I can pass it to my deputy.

Mr. Simon Kennedy: Madam Chair, we can get you the answer to that, but I don't have it immediately available. It's readily available so we can come back.

Hon. Michelle Rempel Garner: Why was this loan written off?

Mr. Douglas McConnell: If I may, Madam Chair, as a normal part of government operations we do occasionally incur situations whereby, whether it's loans or grants and contributions, there's an inability to collect repayments. We have debt writeoff regulations that provide a facility for which to write down debts that are deemed uncollectible when all measures have been taken.

Hon. Michelle Rempel Garner: Will you table with committee all documentation related to the decision to write off this loan?

Mr. Douglas McConnell: All debt writeoff decisions are required to go through a departmental governance, and those records and decisions could be made available, I believe.

Hon. Michelle Rempel Garner: Is that a yes?

Mr. Douglas McConnell: I believe so. I would have to confer with my colleagues at ACOA.

Hon. Michelle Rempel Garner: You will table those documents with committee.

Hon. Mélanie Joly: We will look into the issue with my colleague and, of course, we will provide you with the information.

Hon. Michelle Rempel Garner: If we need to move a motion to compel the ordering of documentation, I will do that right now.

Mr. Simon Kennedy: I believe, maybe the CFO can confirm, but generally speaking, debt writeoffs are a matter of public record

and they get reported in the books of Canada. So, I think we can certainly come back with more detail on that for sure.

The other thing I would say is to assure the honourable members. On the number of businesses that go into default—I'm just looking at some of the statistics—the number of projects in recovery at ACOA is around 6%, which is roughly consistent with the historical averages of that agency across many years and many governments.

Hon. Michelle Rempel Garner: Madam Chair, I would like to move that the government table with committee all documentation related to the decision to write off the loans given to Atlantic Wallboard and Bayside Realties under ACOA.

• (1220)

The Chair: Is there any debate?

(Motion agreed to)

Hon. Michelle Rempel Garner: Thank you. I'm sure that will be illuminating.

I also note that the Department of Western Economic Diversification spent \$100,000 with the Canada West Foundation on a competitiveness research project. Is that project complete?

Hon. Mélanie Joly: On this particular issue, obviously, I will defer to my colleagues.

But just to go back on ACOA for a second, because your question is—

Hon. Michelle Rempel Garner: This is my time, and I—

Hon. Mélanie Joly: But I just want to answer your question—

Hon. Michelle Rempel Garner: No. This is my time and I'm—

Hon. Mélanie Joly: —because you asked me to come to the committee and, obviously, I'm the minister in charge, so I just wanted to have the time.

Hon. Michelle Rempel Garner: Minister, I do have control of the questioning time, so I would repeat my question.

Is the competitiveness research project complete?

Mr. Douglas McConnell: I'm sorry, I don't have that information.

Mr. Simon Kennedy: An MOU was actually signed between... I'm just looking at the details here, Madam Chair, if you want to get the answer.

This is a three-year project to look at issues critical to the competitiveness of western Canada. The run time is from 2019 to 2022. So, I think the—

Hon. Michelle Rempel Garner: Were the effects of Bill C-69 and C-48 included on the western Canadian economy? Was that included in the scope of this report?

Mr. Simon Kennedy: The project has three elements. One is looking at innovation and regulation, another is looking at trade agreements and the third is around trade with China. There are a number of elements. I'd be happy to get back to you with some details on what the project elements are.

Hon. Michelle Rempel Garner: Thank you.

Hon. Mélanie Joly: The other issue, also, in line with the funding of many of our projects is—

Hon. Michelle Rempel Garner: Thank you.

Hon. Mélanie Joly: —we can be proud as a government to make sure that we actually decided to—

Hon. Michelle Rempel Garner: That was an adequate response.

Hon. Mélanie Joly: —double the funding to—

The Chair: Madam Joly, Madam Rempel Garner has the floor.

Hon. Michelle Rempel Garner: Madam Chair, thank you.

Has any analysis been done within Western Economic Diversification on the impacts of Bill C-69 and C-48 on the receptor capacity in the energy sector in terms of adopting clean technologies that have originally been funded under the WINN program?

Hon. Mélanie Joly: I think that what we have done as a government is we recognize that there's anxiety and angst in western Canada—

Hon. Michelle Rempel Garner: I'm asking you a very specific question.

Hon. Mélanie Joly: —and, therefore—

Hon. Michelle Rempel Garner: I'm just reframing it, because I don't think you were getting to the point.

Has there been any analysis done within Western Economic Diversification on the impact of regulatory changes in Bill C-69 on the receptor capacity of the energy sector to adopt clean technology funded under the WINN program?

The Chair: Very quickly, please. We're out of time.

Hon. Mélanie Joly: Well, on these specific issues, of course, I would love to work with my colleague to make sure that she is provided with the right information—

Hon. Michelle Rempel Garner: I'll take that as a no, Madam Chair. Thank you.

Hon. Mélanie Joly: —and also, I had the chance to call her last night to see how we can partner—

The Chair: Thank you, Madam Minister.

Hon. Mélanie Joly: —and I'll always continue to do that—

The Chair: I'm sorry, we have to go to the next speaker.

We have Mr. Ehsassi. You have six minutes.

Mr. Ali Ehsassi (Willowdale, Lib.): Thank you, Madam Chair.

Thank you, Minister, for appearing before committee. Allow me to take this opportunity to congratulate you on the exciting new portfolio that you have been leading.

Hon. Mélanie Joly: Thank you.

Mr. Ali Ehsassi: It's quite obvious that you have been keeping a very busy pace. You have been travelling around. You've been to St. John's, Saskatoon, Sarnia.

Given, in your testimony, you were suggesting that it's important to understand, appreciate and reflect the realities on the ground in various communities across our country, what would you say are your most significant takeaways in the last couple of months?

Hon. Mélanie Joly: Obviously, Canada is a big and beautiful country and the economic realities are different. What we have seen is that we've been able to create great economic growth, more than a million new jobs since 2015, but they're not created across the board equally. I've seen that the big challenge of the federal government is that sometimes Ottawa is very far, thousands of kilometres away, from people's realities. We all know that as members. It is sometimes a challenge to be close to the ground.

What I've seen through my travels, but also through my work in charge of tourism, is that the best way to have our eyes and ears on the ground is actually through our regional development agencies.

From the great work that ACOA's doing, to the impact we can have to help workers in the west, this is really bearing fruit. For me, the regional development agencies are the governments of proximity of the federal government.

They're the convenors of many federal departments and they can help get some solutions when it comes to, for example, skilled workers and immigration. We're dealing with the immigration pilot program in Atlantic Canada. They can also help get the right investments while there are worker shortages in Quebec. We can be there in dire times, such as when there are B.C. wildfires. That's exactly what we did.

I think the reception is extremely good across the country. I think it's resonating. I'm supported by six parliamentary secretaries, one of whom is here, Terry Sheehan, who's from Sault Ste. Marie and helping me with FedNor.

Also, the Prime Minister has asked me to develop a new framework for economic development for these agencies, so while I travel across the country, I'm gathering more information to develop that new framework.

• (1225)

Mr. Ali Ehsassi: Absolutely.

Thank you for sharing your vision for the regional development agencies.

I'm curious. Given that you have six different regional agencies, how do you ensure that those communities are aware of the opportunities that are there and they're willing to partner with each one of these six?

Hon. Mélanie Joly: I think the awareness of the six federal development agencies is not the same, depending on where you are and the history of the given agency. Within a region, the awareness varies as well.

ACOA is really well known across the Atlantic. We know that. We have colleagues from the Atlantic and they always repeat to us how important it is. There are more than 500 people working within ACOA and more than 20 offices across the Atlantic. DEC, for example, in Quebec, is more known in certain regions, particularly Abitibi-Témiscamingue, than in Montreal, because the reality is that it supports a lot of the rural economic development. FedNor is way more known than FedDev in southern Ontario.

When it comes to the west, we can't see it as a monolithic block. Western Economic Diversification is present in Manitoba, B.C., Alberta and Saskatchewan, but its impacts are different and we need to acknowledge that.

CanNor, of the great north, is the face of the federal government at many levels. It is the federal convenor and is implementing many programs for federal departments that are not necessarily present there.

At the end of the day, when you look at WD, you see it's the only department headquartered in the west. It's the same for CanNor. It's the only department headquartered in Iqaluit.

The Chair: You have 15 seconds.

Mr. Ali Ehsassi: I know you're also very passionate about tourism and the Canadian experiences fund.

Hon. Mélanie Joly: Yes.

Mr. Ali Ehsassi: Do you have any estimates as to how many employment opportunities that will provide?

Hon. Mélanie Joly: I can talk to you about it a bit more later.

The Chair: Unfortunately you're out of time.

[*Translation*]

It's your turn, Mr. Lemire. You have six minutes.

Mr. Sébastien Lemire: Thank you, Madam Chair.

Thank you, Minister, for being here.

I'm a social democrat. I believe that the government has a role to play in stimulating the economy. I am also a sovereignist, and I believe that we must respect provincial jurisdictions.

You spoke about partnerships, in particular with the provinces, indigenous communities, municipalities and others.

How can we ensure that when working on any collaborative measure we respect provincial jurisdictions?

• (1230)

Hon. Mélanie Joly: In terms of economic development, we recognize that there are areas of shared jurisdiction. Ultimately, in Abitibi and across the country, people are looking for financial levers. They

are very pleased to see that Canada Economic Development, or CED, is present and that the federal government can help them, through CED, the Business Development Bank of Canada, BDC, and, in general, through all the levers available to our entrepreneurs.

I have a very good relationship with the Legault government. In fact, I speak with Mr. Fitzibbon, the Minister of Economy and Innovation, several times a week. In his role as minister, he is responsible for Investissement Québec. We must always be able to look for as many partners as possible to support our different businesses.

I would say that, like you, I am a progressive. For me—and this relates to the question my colleagues asked earlier—the vision for economic development, especially through regional economic development agencies, is based on the value that I espouse, that is, the importance of equal opportunity.

By playing a role through our regional economic development agencies, we will most certainly be able to tackle one part of the problem which is, in short, the lack of economic opportunities in our rural areas as opposed to those that exist in our urban centres.

Mr. Sébastien Lemire: The network of SADCs, or community futures development corporations, is one of these tools. However, funding for these corporations has not increased in 12 years. That has consequences. In a region like mine it is important because it allows them to carry out their mandate. They have been receiving less and less funding, not just for investments, but also for their administrative budgets.

Is any thought being given to providing additional resources?

The network would like \$42 million over five years, including \$10 million for Quebec, and five-year funding that is adequate, indexed and fair.

Does your department plan to do anything about that?

Hon. Mélanie Joly: Far be it from me to correct my colleague, but our government did increase the funding for SADCs in recent budgets. We recognized that the SADCs were important. We had to find other means of funding, not just through CED, but also through the funding provided by CED to the SADCs that finds its way to small communities. The funding was increased.

I recognize that it is not perfect and that we can always do better. I would be happy to have some serious discussions with you and other members interested in the SADCs.

Mr. Sébastien Lemire: I am pleased to see this willingness to make more investments.

The post-election period is always turbulent, which I am seeing and can understand. Businesses are also feeling these effects, which are connected to CED's new priorities.

Can you tell us more about the strategies? We hear a lot about growth and innovation, but how can we quickly provide support to our businesses so as to eliminate uncertainty?

It seems that relations with CED develop more slowly.

Hon. Mélanie Joly: This is what our government has done. For the first time in decades it has put in place a major industrial policy to support innovation. The objective was to foster innovation not only in our major centres, but also in all regions. For that reason, CED created a new program to support innovation.

Innovation is important to productivity and competitiveness. We spoke about this in another context. We know that we have labour shortages. Having the ability to invest in innovation creates new tools for our corporations and SMEs to purchase equipment and, essentially, to do a little more sometimes with less. That is why we wanted to launch this new program.

Ultimately, funding for CED has also increased. Generally, everyone should benefit. That said, if businesses are dealing specific issues, I would be pleased to work with them to address their concerns.

Mr. Sébastien Lemire: There are expectations. However, as I mentioned, there is a context of uncertainty.

You support the federal tourism growth strategy, and it is also mentioned in your mandate letter. To grow regional economies, we are talking about investing \$100 million to meet local needs of communities that depend on tourism.

How will that actually be rolled out in our regions?

How can we help our regional tourism agencies, among others, obtain this money?

My basic premise is that we pay half our taxes to Ottawa. How can we ensure that this money comes back to us?

• (1235)

Hon. Mélanie Joly: This past year, I had the opportunity to go to your beautiful part of the country on two occasions.

Mr. Sébastien Lemire: It was during the election.

Hon. Mélanie Joly: No, it was even before we implemented our new tourism strategy. After announcing this new strategy, some projects in your region received support, and I would be happy to discuss this with you.

Mr. Sébastien Lemire: I followed that with...

The Chair: I'm sorry, Mr. Lemire, your time is up.

Mr. Sébastien Lemire: Thank you.

[English]

The Chair: The next six-minute round goes to Mr. Masse.

Mr. Brian Masse: Thank you, Madam Chair.

I'm going to continue with the tourism discussion.

Has the member from Windsor—Tecumseh briefed you on the single-event sports betting issue with regard to the Canadian law?

Hon. Mélanie Joly: I had the chance to be in Windsor, in your neck of the woods two weeks ago, and I also spent some time with our colleague from Windsor—Tecumseh. Yes, he raised it.

Mr. Brian Masse: Good.

I've been on this for about a decade. For members who aren't aware, this is what I'm leading to, because the evidence is coming in. In Canada, it's illegal to bet on a single event, a game. It stops provinces such as Quebec, British Columbia and Ontario from offering a legal product, so \$10 billion goes to the underground economy or to organized crime.

New York State has already legalized it. Michigan could be doing that in a matter of days, or actually I think they just did it, as well as several other states. Therefore, there's an issue over tourism loss there.

You voted against changing that law in the last Parliament. We have a chance now. My colleague, Mr. Kevin Waugh, has tabled Bill C-218, which would actually allow the provinces to regulate this. It would be done on our phones, as it's done in Europe and the United States. Will you support Bill C-218, and if not, what is your cabinet going to do to support communities such as Windsor, Niagara Falls, Sault Ste. Marie and other places that are going to lose tourism?

The evidence is in from the industry that it is driving up tourism, so if you are not going to support the bill, what are you going to do?

Hon. Mélanie Joly: I understand the question has been put to Parliament. Since Parliament is seized with the issue, obviously we'll have the chance to debate it, and eventually cabinet will have to position itself.

Notwithstanding the fact that it is not necessarily within my portfolio, I'm willing to have good conversations with you, to hear your perspective on how we can create good economic development and good jobs. I know there have been issues in Windsor in particular, since the unemployment rate has been higher recently. We need to find solutions to make work for people, and there are good opportunities in tourism.

I understand also that my colleague at Justice will be working on this. I'm willing to be part of the conversations.

Mr. Brian Masse: That's fine. Thank you, and that's fair. It's just that time is evaporating on us in regard to this issue. The consequences are real and significant, and the opportunity has been lost.

We will send more information to you.

Secondly, thank you for visiting Windsor, but I do want to point out one of the challenges we face. It is nice to be invited as a member to events. Some ministers do it and some don't, so we still get the question about why we are at, or not at, events. I would welcome the invitation to attend with you when you come to Windsor so you see the full community.

One of the things I've asked this government for is a specific strategy to deal with the Detroit investment, which is upwards of \$10 billion in auto investments over the last number of years. Canada is lagging in the auto investment sector. I'd like your thoughts specifically as to why we don't have a separate strategy. Can we develop a separate strategy to deal with this massive investment?

General Motors recently closed its Oshawa plant, and now it has reopened a brand new plant in Detroit. We still have a chance to get within the supply chain. I'd like your thoughts on how we try to get some of that economic activity. I don't see a plan yet.

Hon. Mélanie Joly: There are two things. First and foremost, NAFTA is fundamental. We need to make sure that we can sign it and ratify it. As you know, we're convinced we were able to get a good deal for Canadians. Mexico has ratified it. The U.S. has ratified it. It's up to us to ratify it. I would like to commend you, my colleague, for supporting NAFTA ratification. Let's just do that. That's the first point.

The second point is that I see my role also as the minister of the supply chain of many industries. When I was in Windsor, I met with Jon Azzopardi, from Laval Tool.

• (1240)

Mr. Brian Masse: Yes, and he testified here at the committee, with David Cassidy as well.

Hon. Mélanie Joly: He wrote me about that.

When you look at the evolution of his business, he took it from his mom and dad. It's a company that for over 50 years has not only been part of the auto supply chain, but part of advanced manufacturing in general. He's now exporting his moulding expertise to South Korea and France.

That's why we were there, to invest in his business and create 40 new jobs, but also what we're trying to do is to make sure that, while we are invested in the supercluster of advanced manufacturing, while this is done within ISED, we are doing it within FedDev.

Mr. Brian Masse: What I'm after, though, is either a yes or a no. Will you create a specific strategy for the Detroit regional investment that's taking place? That's what I'm looking for.

The Canadian Automotive Partnership Council used to meet on a regular basis. They barely meet. We didn't follow Ray Tanguay's

guide. We paid for Ray Tanguay's auto strategy. He handed it off to the minister. We haven't done anything with it.

I'm looking for specific commitments to deal with this unique investment that's taking place and affects jobs all the way to Toronto, and even into Quebec.

The Chair: Mr. Masse, unfortunately that's your time.

The next round of questions is five minutes.

Welcome, Mr. Zimmer.

Mr. Bob Zimmer (Prince George—Peace River—Northern Rockies, CPC): It's good to be back. Thank you, Chair.

I have a question about an announcement that was made about the digital Northwest Territories initiative that received \$2.7 million to provide digital literacy resources across the Northwest Territories. This question is to the officials, not the minister, although I appreciate that the minister is here.

Specifically, it's \$2.7 million, and the description is, similar to what was said in the news release:

The digital Northwest Territories initiative will provide digital literacy resources and courses customized to the unique needs of Indigenous peoples and residents in the Northwest Territories.

The reason I'm here is that I am critic for northern affairs and Northern Economic Development Agency. That's why I'm borrowing this seat for a time.

As more specifics about the grant, the multi-year grant or contribution is dated 2018-19 to 2021-22. The recipient's operating name is Tides Canada Initiatives Society. The federal riding name is Vancouver East.

Essentially, that's my question and that's where I get a little concerned, because in representing the north, we see monies earmarked for the north and it triggered a little question: Why is it ending up in Vancouver East when it's earmarked for the Northwest Territories?

Here is a bit more, regarding the news release:

DigitalNWT will develop resources and courses customized for the unique needs of the people living in the communities across the territory. The initiative, a project on Tides Canada's shared platform....

Again, the concern is whether the money is actually going to get to the people of the Northwest Territories. I'm concerned about the specifics. I really have two questions for you. Regarding the group that is mentioned, Tides Canada, I'll use several sources. One source says:

U.S. tax returns and other documents show The Sierra Club of B.C. has been paid at least \$99,000...by Tides, including funds earmarked "to stop the Enbridge and Kinder Morgan pipelines, including working with First Nations."

Another source says:

Tides also paid \$373,835...to the Great Bear Initiative Society, led by Art Sterritt. That included funds specifically earmarked for responding to the media.

My concern is based on the affiliations of this particular group, Tides. I'll ask this in an official capacity, because I'm looking for more documents. Specifically, it hasn't really been said how this money is going to be spent. As we know, \$2.7 million is a lot of money. Based on, again, this group's prior initiatives, I'm very concerned that this money is going in a direction that not all in Parliament would support.

I would like any documents related to the funding approval. That's my first request. I'd be happy if you could provide those documents today, but I understand it might take some time.

My second question is one that you can answer today: Were you instructed by the government to disregard this organization's anti-development narrative when approving this funding?

• (1245)

Mr. Douglas McConnell: Madam Chair, we do not have the documentation with us, but we'll be happy to take the question back and see what we can find across our portfolio.

With regard to the second question, no, we would not have taken direction. Our role is to advise and allow the delegated officials to make their decisions.

I'd just like to address your previous question with regard to the funding being provided to an entity based in Vancouver whereas the ultimate destination is the north. This is not an uncommon phenomenon. It can happen on several occasions where the recipient of record may be in a different riding or location than where the funds are distributed. That may be because their legal entity is in that area.

It also may be—and I don't know if it's the case in this one—that in some instances funds are provided through third party delivery agents. Therefore, the official systems of record in our organizations would only record where we made the disbursement but maybe not where the final disbursement was made.

Mr. Bob Zimmer: When will those documents be forthcoming?

Mr. Douglas McConnell: We'll look at that in a reasonable period of time, within the next week or two.

Mr. Bob Zimmer: Thank you.

I'll cede the rest of my time to Ms. Rempel Garner.

Hon. Michelle Rempel Garner: Thank you.

Actually, Mr. Patzer, are you ready?

The Chair: You have 30 seconds.

Mr. Jeremy Patzer (Cypress Hills—Grasslands, CPC): Perfect. That's all I need.

I have a quick question for you, Minister.

Do you know who owns Verdient Foods in Vanscoy?

Hon. Mélanie Joly: I know some of the investors in Verdient Foods.

Mr. Jeremy Patzer: Are you aware that it is James Cameron, the film producer?

Hon. Mélanie Joly: I'm aware that James Cameron and his wife invested in this.

Mr. Jeremy Patzer: Yes, my point being, do you think he needed a \$2 million handout? Most people were quite—

The Chair: Mr. Patzer, unfortunately that's your time.

Mr. Jeremy Patzer: I appreciate it.

The Chair: The next five-minute round goes to Madam Lambropoulos.

Ms. Emmanuella Lambropoulos: Thank you, Minister, for being here with us today.

I was very happy to see that you took on this new portfolio because I know that you're a very fair minister. Regardless of where you're from, you take into account all regions across the country, and you do a good job of that. I speak from my experience with you in other ministries in the past.

Hon. Mélanie Joly: Thank you.

Ms. Emmanuella Lambropoulos: We know that Canada's economy is doing well overall, but it's not felt in all regions across the country. Obviously there are challenges going forward, and we are trying to transition to a cleaner economy. I was wondering if we have any strategies in place right now or going forward to help provinces across the country that may need more assistance with regard to transitioning or with regard job creation in these areas.

Hon. Mélanie Joly: I believe that this is exactly the vision we have and why the regional development agencies were created. When you look at the first one that was created, which was ACOA, in Atlantic Canada, it was done by Pierre Elliott Trudeau, at a time when a lot of people were heading to big cities, and there were economic challenges.

The idea for the regional development agencies—for ACOA at the time—was to make sure that there would be more fairness in the system and that, through government work, we could create these opportunities. That was acknowledged later on by the Conservative Party, in 1987, when Brian Mulroney decided to create Western Economic Diversification to help people in western Canada gain access to good jobs.

Also, it was later reaffirmed by the Harper government, following the economic downturns in 2009, with the creation of FedDev, the latest regional development agency, which is for the southern part of Ontario; FedNor being for the northern part of Ontario.

Now, concretely, what do we do? As I said to Sébastien Lemire, we are here to make sure to spread the innovation and innovation investments through different means across all our regions, not only in our big city centres. We're also here to support incubators and, sometimes, to link universities and post-secondary institutions with the business sector, in order for new research to be commercialized. I also think that, at the end of the day, we are here to provide more trust, more confidence and more hope through our work in our different regions.

• (1250)

Ms. Emmanuella Lambropoulos: Thank you very much. We know that in some of the regions one of the main sources for job creation is the tourist industry. I know you have a major focus on this in your portfolio as well.

[Translation]

Given that the Old Port of Montreal attracts many tourists and that several festivals on the Island of Montreal attract tourists every year, how will your new strategy help the tourism industry?

Hon. Mélanie Joly: For far too long, the federal government snubbed the tourism sector. Cities and regions were very aware of the impact of the tourism sector. There are more than one million jobs linked to tourism in Canada. However, Ottawa remained in its bubble. I believe that we did not pay enough attention to the tourism sector.

Therefore, I have worked hard on this issue over the past year. We proposed a new tourism strategy, one that recognizes that we must work on two issues in particular. First, most tourists visit in the summer. We should be able to extend the tourism season so that tourists come here in the fall, spring and winter. Also, tourists tend to visit our major cities. We should be able to attract them to all parts of Canada.

Therefore, we created a new \$65-million fund and a new strategy. When I have more time, I will be able to provide a more detailed answer to your question.

Ms. Emmanuella Lambropoulos: Thank you.

The Chair: Thank you very much, Minister.

[English]

The next five-minute-round question goes to Mr. Patzer.

You have the floor.

Mr. Jeremy Patzer: Thank you.

I'm just going back to what I asked about earlier. Obviously, in Saskatchewan we appreciate any investment that we get from the federal government into our province. I think most people were excited to have James Cameron, of all people, investing in Saskatchewan. That's a pretty exciting proposition. James Cameron's net worth happens to be \$700 million, so people in Saskatchewan, farmers who are struggling to get by, or small towns that are struggling to remain economically viable, see a \$2-million federal handout to a person who's worth \$700 million.... The feeling amongst people was, what do we have to do? This guy has all the money in the world. What does he need a \$2-million federal government handout for?

I'll offer a bit of an olive branch here. It would be great to have ministers coming out to places outside Saskatoon, further than Vanscoy. Vanscoy is just a stone's throw away from Saskatoon. If you want to come down to the southwest corner of Saskatchewan and see what small-town life feels like, and meet with people like that, I would be more than happy to take around anybody around this table, really, so they can see and feel the hurt and the pain that our producers are feeling right now. Whether it be blockades, the CN strike, or all of that, it's having massive impacts.

I'm just using the tourism angle here. I'll ask you a question. The name of my riding says it all, Cypress Hills—Grasslands. The Grasslands National Park is a huge, hidden treasure that we have. We're talking a lot about investing in broadband and rural network access here.

I'm wondering if you would be willing to elaborate more on what you're trying to do to get areas like Grasslands National Park, or even Cypress Hills, to be more connected going forward.

Hon. Mélanie Joly: Well, dear colleague, my goal is not only to go to Vanscoy or only to Saskatoon. It would be a pleasure to go to your neck of the woods because my job is to represent everybody across the country, particularly in places where, sometimes, people are more preoccupied and anxious. I think, also, that when we support different industries and different businesses, it's always through repayable loans—well, many times. We're partners, but we expect to be repaid at the same time, and that's why our colleagues and my officials are always following up on that.

I think the investment in Verdient Foods was good news for Saskatchewan. I met Ashleigh, from Vanscoy, who studied at the University of Saskatchewan. Because of the investment, she was able to have a job in her hometown. There's a lot of potential there. We're really investing in the protein sector now, and I don't understand why we need to send our resources elsewhere to be transformed. I think there's a lot of potential to do the transformation in Saskatchewan itself.

• (1255)

Mr. Jeremy Patzer: Yes, for sure. We are looking at ways that we can continue to further what we're trying to accomplish, especially down in the southwest corner.

Our family grew pulses growing up. An option like Verdient didn't exist then. To even try to get stuff up there, there's a lot of cost associated with that. Seeing government handouts to people who quite frankly don't need them was the frustrating part.

Hon. Mélanie Joly: Do you want me to answer your tourism question?

Mr. Jeremy Patzer: Yes, just briefly because my colleague Tracy has a quick question as well. I would like her to have a chance.

Hon. Mélanie Joly: Very quickly, the entire idea of the tourism strategy is to help local economies, towns, be able to diversify themselves, particularly in rural regions.

That's why we created the Canadian experiences fund and it's managed through WD. I must say that WD didn't do a lot of tourism projects in the past. By making tourism a priority for all the regional development agencies, we're actually pushing the needle in the right direction. If you have a particular project, it would be great to be able to talk with you about it.

There is more to come when it comes to our national strategy, to attract private investments, particularly where there are national parks. We could have that conversation.

Mr. Jeremy Patzer: Sure, thanks.

Tracy, do you have—

The Chair: Unfortunately, that's it.

We only have about two minutes left. I'd like to give Mr. Erskine-Smith two minutes, and then we will proceed with the votes.

Mr. Erskine-Smith.

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

I was also happy to see James Cameron come into Saskatchewan because I think plant-based foods and pulses will continue to increase in our economy going forward.

I want to pick up on Jeremy's question. Not to pick on any particular project per se, but when we look at corporate support or subsidies, whatever we want to call them, we see there are sometimes instances when federal support will mean leveraging private sector dollars. In other cases, federal support doesn't really leverage the private sector dollars because they would have been invested anyway. The jobs would have been created regardless.

My question can be for the minister or Mr. Kennedy. I would be curious about the framework and the metrics that you bring to bear to assess how we know that this investment isn't going to be made in the first place, and that it's a wise one.

Hon. Mélanie Joly: I can talk to you about the philosophy behind it.

We're in a global economy. Many countries around the world are trying to attract the best investments. In the protein sector, that's the case. We're in competition with other countries that grow different pulses. We know that we're a safe country, a country that is open for business, that wants to attract the best investors. Our way is to make sure that there are some levers that come from the federal government, that can also come from the provinces, to attract this capital.

Obviously, the federal government is not the one investing the most. The private sector is.

I also think this sector is still going through lots of disruptions while there are trade issues happening. Jeremy, my colleague, would be very much aware of that. At the same time, we need more and more not only to grow our different products, but also to be able to transform them here. That's why we're trying to work with the Province of Saskatchewan, with many places across the country, in order to create good-paying jobs. It's true that sometimes this

industry is cyclical. We can make sure that there's some more stability.

• (1300)

The Chair: Madam Minister, unfortunately that is all the time we have.

I want to thank you, *madame la ministre*, for your participation today, and Mr. McConnachie and Mr. Kennedy.

[Translation]

Hon. Mélanie Joly: Thank you, Madam Chair. It was a pleasure.

[English]

The Chair: We have some votes on the supplementary estimates (B), so I ask the members to stay for a moment.

Can I get unanimous consent to lump together the votes that we have to do today?

Some hon. members: Agreed.

ATLANTIC CANADA OPPORTUNITIES AGENCY

Vote 1b—Operating expenditures.....\$3,932

Vote 5b—Grants and contributions.....\$3,457,536

(Votes 1b and 5b agreed to on division)

CANADIAN NORTHERN ECONOMIC DEVELOPMENT AGENCY

Vote 5b—Grants and contributions.....\$500,000

(Vote 5b agreed to on division)

CANADIAN SPACE AGENCY

Vote 5b—Capital expenditures.....\$69,178,862

Vote 10b—Grants and contributions.....\$930,000

(Votes 5b and 10b agreed to on division)

DEPARTMENT OF INDUSTRY

Vote 1b—Operating expenditures.....\$2,696,570

Vote 10b—Grants and contributions.....\$67,926,793

(Votes 1b and 10b agreed to on division)

DEPARTMENT OF WESTERN ECONOMIC DIVERSIFICATION

Vote 1b—Operating expenditures.....\$49,043

Vote 5b—Grants and contributions.....\$5,524,559

(Votes 1b and 5b agreed to on division)

ECONOMIC DEVELOPMENT AGENCY OF CANADA FOR THE REGIONS OF QUEBEC

Vote 1b—Operating expenditures.....\$34,622

Vote 5b—Grants and contributions.....\$2,790,618

(Votes 1b and 5b agreed to on division)

FEDERAL ECONOMIC DEVELOPMENT AGENCY FOR SOUTHERN ONTARIO

Vote 1b—Operating expenditures.....\$46,519

Vote 5b—Grants and contributions.....\$4,434,631

(Votes 1b and 5b agreed to on division)

NATIONAL RESEARCH COUNCIL OF CANADA

Vote 5b—Capital expenditures.....\$1,375,185

Vote 10b—Grants and contributions.....\$5,560,708

(Votes 5b and 10b agreed to on division)

SOCIAL SCIENCES AND HUMANITIES RESEARCH COUNCIL

Vote 5b—Grants.....\$1

(Vote 5b agreed to on division)

The Chair: Shall the chair report the votes on the supplementary estimates (B) to the House?

Some hon. members: Agreed.

The Chair: Thank you very much.

The meeting is adjourned.

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