



HOUSE OF COMMONS
CHAMBRE DES COMMUNES
CANADA

44th PARLIAMENT, 1st SESSION

Standing Committee on Science and Research

EVIDENCE

NUMBER 065

Monday, November 20, 2023

Chair: Mr. Lloyd Longfield



Standing Committee on Science and Research

Monday, November 20, 2023

• (1555)

[English]

The Chair (Mr. Lloyd Longfield (Guelph, Lib.)): Welcome to meeting number 65 of the Standing Committee on Science and Research. Today's meeting is taking place in a hybrid format, pursuant to the Standing Orders. Members are attending in person in the room and remotely by using Zoom.

I will make a couple of quick statements. I will recognize you by name when you're speaking. If you're participating by video conference, just make sure your microphone is activated. If you're not speaking in the room or on Zoom, keep your microphone away from the earpiece, and keep it on mute. We are trying to make sure that we run a safe meeting, and that means making sure that our interpreters don't get feedback, so keeping your earpiece away from the microphone will help us to do that. Again, all questions should come through the chair.

Pursuant to Standing Order 108(3)(i) and the motion adopted by the committee on Tuesday, June 6, 2023, the committee is resuming its study of the use of federal government research and development grants, funds and contributions by Canadian universities and research institutions in partnerships with entities connected to the People's Republic of China.

It's my pleasure to welcome to our meeting the Honourable François-Philippe Champagne, Minister of Innovation, Science and Industry.

We've been looking forward to seeing you, and the day has come. It's great to have you here.

Mr. Corey Tochor (Saskatoon—University, CPC): I have a point of order.

The Chair: I'll come to that once I've done the introductions.

From the Department of Industry, we have Francis Bilodeau, associate deputy minister; and Nipun Vats, assistant deputy minister, science and research sector.

We'll go to a point of order, and then, Minister, you'll have five minutes for opening comments.

Mr. Corey Tochor: Chair, I'm very grateful that the minister is here today. We've asked for an hour. I just want to confirm that he will be here from 3:54 to 4:54.

The Chair: That's correct. We have the minister for an hour, and I see no problem from his side.

We do have a hard stop at six, and we have the second hour with the officials with no opening comments, so we should have plenty of time for questions.

Thank you, Mr. Tochor.

With that, we'll go to the five-minute opening remarks.

Minister, the floor is yours.

Hon. François-Philippe Champagne (Minister of Innovation, Science and Industry): Thank you, Mr. Chair, and I'm very happy to be here. Actually, I was one of the first members to show up for the committee, so you can see my level of enthusiasm to comment and speak with colleagues on a very, very important topic, and I'm happy, Chair, to add time. I think my remarks are five minutes or thereabouts, but if they're longer, I'd be happy to accommodate Mr. Tochor and stay for even one or two more minutes, depending on the speed I can go through that.

Let me just say good afternoon, everyone.

[Translation]

Thank you for welcoming me to your committee, which I believe is one of the most important for our Parliament.

[English]

It's a pleasure to appear in front of this committee again, this time to give you, colleagues, an update on our latest research security policies.

[Translation]

Collaborations with researchers across Canada and around the world are essential to ensuring that Canada's world-class science and research remain at the cutting edge of research and innovation.

To preserve the collaborative and open approach to science and discovery, our government continues to protect Canadian research and intellectual property from theft, espionage and, of course, foreign interference.

[English]

Colleagues will recall that in July 2021, the government launched the "National Security Guidelines for Research Partnerships", which were developed with universities and associations that represent academic institutions across our nation.

Under the guidelines, applicants to certain granting agencies programs, such as the alliance program, which is managed by NSERC, must identify possible risk associated with the nature of their proposed research and private sector partner.

To be clear, where the proposed project or partnership presents unmitigable risks, the applicant will be denied funding.

[*Translation*]

Between July 2021 and March 2023, a total of 1,743 applications for funding were submitted under the guidelines. Of these applications, 36 were rejected due to national security risks and 110 were rejected for administrative reasons related to the guidelines. This means that approximately 92% of all applications submitted under the guidelines received funding with risk mitigation measures in place.

We want to make sure we continue to facilitate science and research. Therefore, our approach has to be proportional to the level of risk analyzed.

[*English*]

The diversity of Canada's research ecosystem is our greatest strength. It allows for new perspectives, increased creativity and innovation. By adopting a country-agnostic approach paired with a case-by-case risk assessment process, the government is mitigating the possibility of racial profiling within the research community while at the same time bolstering Canada's research security policies to account for the threats that originate from anywhere in the world.

Our government's commitment to research security has been further affirmed. Colleagues will recall that in budget 2022, we allocated \$160 million to fully implement the guidelines by establishing a research security centre of expertise housed at the Department of Public Safety and providing direct funding to eligible post-secondary institutions to enhance their capacity to identify and mitigate risks.

I'm sure that colleagues would have heard at this committee that this was a demand by the community saying it's good to have guidelines, but you need to put resources where you want us to adhere to these guidelines and respect these guidelines. I think this is a concrete example of us following up on that.

To build on this momentum, colleagues will recall that on February 14, 2023, along with the Minister of Public Safety and Minister of Health, I directed Canada's research granting agencies and the Canada Foundation for Innovation to take an enhanced security posture. With my colleagues from Public Safety and Health, we have been working diligently to develop a robust implementation of the expanded research security measures, which were published earlier this year.

We have conducted a series of consultations, through the university working group to determine the best possible approach to protecting Canadian research and innovation, while maintaining an open and collaborative ecosystem for the benefit of all Canadian researchers.

In short, grant applications in sensitive research areas will not be funded if any researcher supported by the grant is either affiliated with or in receipt of funding or in-kind support from a research institution connected to military, national defence or foreign state security organizations posing a risk to Canada's national security.

The detailed parameters of the policy will be published soon to ensure that researchers have the guidance they need to prepare grant applications in a way that ensures the security of research on sensitive technologies.

The Chair: That was five minutes.

Hon. François-Philippe Champagne: Okay.

I had a lot of interesting things to add to that, Mr. Chair, but since you're the boss, I will stop there and happily take questions from colleagues.

• (1600)

The Chair: Thank you. We've had five minutes of your testimony and maybe we can work in the rest through the question rounds.

We'll be starting the first round with Michael Cooper, who's substituting for Gerald Soroka.

Also, we have Rick Perkins substituting for Michelle Rempel Garner.

Mr. Cooper, you have six minutes.

Mr. Michael Cooper (St. Albert—Edmonton, CPC): Thank you very much, Mr. Chair.

Thank you, Mr. Minister.

For years, CSIS has publicly warned that Beijing is threatening Canada's national security and intellectual property in five sensitive areas of research and development. Despite these warnings, your government, including through granting councils that fall under your purview as minister, funded research partnerships with Beijing in the five sensitive areas identified by CSIS, as well as with scientists connected to Beijing's military and intelligence apparatuses.

Canadians deserve to know how many such projects have been funded by your government.

Hon. François-Philippe Champagne: Mr. Cooper, first of all, it's nice to see you again. You seem to be following me from committee to committee. It's a pleasure to see you.

For Canadians who are watching, I would say it's a bit rich to look at our government for that. You will recall that we were the first government, starting in 2018, to really look at research security. Our work started in 2018 to make sure—

Mr. Michael Cooper: Minister, I asked you very specifically how many projects have been funded—just a number, please.

Hon. François-Philippe Champagne: I will tell you how many projects have not been funded. You can see—

Mr. Michael Cooper: That wasn't the question. The question was how many projects were funded.

Hon. François-Philippe Champagne: I'm providing an answer for you.

I can tell you that since we implemented the enhanced security protocol, the guidelines that were put in place have been making sure we protect the national security of Canadian institutions, and I will say—

Mr. Michael Cooper: Minister, since you won't answer my question—

The Chair: On a point of order, Mr. Turnbull.

Mr. Ryan Turnbull (Whitby, Lib.): I totally respect Mr. Cooper's time, but cutting the witness off when he's trying to answer his question is not abiding by the normal informal ways in which we operate in this committee.

I would ask, Chair, whether you wouldn't mind maybe reminding Mr. Cooper of how we operate here.

The Chair: Thanks, Mr. Turnbull.

For the minister and Mr. Cooper, if we can get the questions and answers in a timely fashion, we can continue on.

I've paused you. You have four minutes and nine seconds.

Mr. Michael Cooper: I'm waiting for an answer. How many projects have been funded?

Hon. François-Philippe Champagne: I would say that I'm happy to defer to the officials if you want the exact number of projects, but what I can say to you, Mr. Cooper, is that protecting Canadian research is a top priority. What I was explaining to you and to the Canadians who are watching at home today is that since 2018, we have taken a number of measures—

Mr. Michael Cooper: Minister, it's such a top priority, yet you can't give a number.

Hon. François-Philippe Champagne: —and I would say that we are the first government—

Mr. Michael Cooper: You have not given me a number.

Hon. François-Philippe Champagne: —to be taking steps to make sure that we have research security in Canada.

Mr. Michael Cooper: You didn't answer a straightforward question.

Frankly, if this is such a priority for you and your government, why is it that weeks ago, we learned there had been new patent applications published, listing Huawei as an owner with Canadian university researchers as inventors? In other words, Canadian universities are still very actively in collaboration with the likes of Huawei, despite the fact that 5G is identified as one of the five areas of sensitive research.

Minister, obviously your guidelines that you cite are not working.

Hon. François-Philippe Champagne: Well, I would say, with respect, sir, that I'm the one who issued the directive to the market to not have Huawei and ZTE be in telecommunications in Canada. You're talking to the guy who made it happen. You're not talking to some random person. You're talking to the person who made it happen in Canada.

What I can tell you is that since June 2021, there have been no federal grants to Huawei. What we did, Mr. Cooper, which I think

Canadians need to understand, is that we set the tone, because since then you will have seen—because I know you're a well-informed member of Parliament—that a number of universities.... Just for the record, as they're watching today, the University of Toronto, the University of Waterloo, McMaster University, Queen's University, the University of British Columbia and Western University have all adhered to our principles and stopped any collaboration with Huawei. That's part of the public record.

Mr. Michael Cooper: Minister, you have the power as minister to issue a ministerial directive banning federal granting councils from funding research partnerships with Beijing in the five sensitive research areas identified by CSIS. Why have you failed to do that?

Hon. François-Philippe Champagne: What I would say, sir, is that we've done more than that. We have issued guidelines to make sure that our programs, sir—

Mr. Michael Cooper: Minister—

Hon. François-Philippe Champagne: If you want an answer, sir, I'd appreciate—

• (1605)

Mr. Michael Cooper: Guidelines that [*Inaudible—Editor*] with collaboration with Huawei. Guidelines—

The Chair: Mr. Cooper—

Hon. François-Philippe Champagne: [*Inaudible—Editor*] my answer because you asked me a question. If you want me to answer, sir, I'm more than happy to. That's why I'm appearing here.

The Chair: Mr. Cooper and Minister, if we could direct the questions and answers through the chair, as we said at the beginning, so we don't get back into this back-and-forth and talking over each other, that would be appreciated.

Thank you.

Mr. Michael Cooper: Minister, guidelines that have resulted in ongoing collaboration between universities and Huawei, despite the fact that 5G is identified as one of the sensitive research areas, guidelines that have resulted in ongoing collaboration with Beijing's National University of Defense Technology, which has been blacklisted in the U.S. since 2015 because it was deemed by the U.S. to be a national security risk, and you're saying here, before this committee, that your guidelines are working. Minister, are you serious?

Hon. François-Philippe Champagne: I'm more than serious, sir. I made sure they would work. Like I said for the record, sir, you should look at the facts. Since June 2021, there have been no federal grants, but one thing you need to know....

We're not in question period here. Take a moment to listen to my answer.

What I'm saying to you, sir, with respect, is that not only did we do that, but you have to appreciate that we set the tone. Now we're seeing universities and provinces acting, again because my role as the federal minister is to set the principle. I would challenge you. In the Five Eyes, sir, we are among the best when it comes to that, because we actually work with our Five Eyes partners to put these—

Mr. Michael Cooper: Minister, I would submit that your guidelines are working very well for Beijing. They are not working well when it comes to protecting Canada's national security interests.

Hon. François-Philippe Champagne: Sir, I would say with respect that I think a number of experts in the field would disagree with your assessment, but I respect your view, sir, and I can tell you my mission and my commitment to Canadians. I have been on the record, sir, to be the minister who has denied a number of acquisitions that the government or entities related to the Chinese government were to make in Canada. I'm the one who defended our national security by making sure there would be no Huawei and ZTE equipment in Canada's telecom infrastructure in 5G.

Sir, you're looking at the person in front of you who has made sure that we protect national security at every step of the way.

The Chair: Thank you very much for the questions and answers.

We'll turn it over to Valerie Bradford for six minutes, please.

Ms. Valerie Bradford (Kitchener South—Hespeler, Lib.): Thank you, Mr. Minister.

Thank you to the other witnesses for joining us today. We really look forward to your testimony.

Minister, can you tell us about the importance of the independence of research?

Hon. François-Philippe Champagne: One of the things is that, and I think even our colleagues from the Conservative bench would agree, academic and institutional freedom is essential in Canada. I think the guideline we need to have is that our research must be as open as possible and as secure as necessary. That is really the framework in which we need to operate. Not only do we look at what we do in Canada, but, with respect to my colleagues, we are looking at what the Five Eyes are doing to make sure that at the same time we protect our research, which is key—we want to protect data, IP and knowledge—we also want to have, I would say, a research environment in Canada that is conducive to the work that researchers do, which is learning, knowledge sharing and making sure they can work collaboratively with different partners around the world to advance science, which is in the mutual interest of the researchers.

Our job is to identify and mitigate the risk. At the same time, I think that Canadians would be happy to see that we respect academic freedom and the autonomy of institutions. As I said to colleagues before, the federal government has a role to play. I am very happy to play it with you on behalf of this committee, but as we know, the research ecosystem is much broader than just the federal government, which has influence over the granting agencies. Provinces have a role to play. Academic institutions and researchers have a role to play. It's a whole ecosystem. We're trying to be open and to make sure that we lead in science, as we have always done in key areas. Mr. Cooper was mentioning AI, quantum, space, and I

could go on. We're leading but at the same time we need to engage with eyes wide open.

I can tell you that this is really the framework, to have a balance that puts the national and economic security of Canada first. That is what I've been trying to do.

We've done three things that I think are quite consequential. I think it was rich for my colleagues to criticize this government in any way, because in this country we really started to look at this issue in 2018. No government before that had really looked into it. We not only came up with the national guidelines, we also put money into the research security centre. Now we have an enhanced posture, which we announced at the beginning of this year, and we are going to come up soon with further guidelines and lists to make sure we provide tools, because institutions have been saying, "Minister, we hear you. We understand what you want to do. We know that this is what we need to do. Give us tools."

We will come up with lists of institutions and research areas, and if our researchers engage in research with entities on these lists, then funding will be denied. That's the role we can play: providing leadership; making sure we use all the tools we have available federally and at the same time, as you said, embracing the whole community to make sure they go with us on this journey of securing research in our country.

• (1610)

Ms. Valerie Bradford: What is the timeline, then, on these lists and enhanced guidelines? When do you anticipate having those?

Hon. François-Philippe Champagne: It should be very soon.

We've been working with our security partners. We decided to take a country- and company-agnostic approach when we initially set the guidelines. I would say to my colleagues that they've been focusing on one country, but, for the record, threats can come from anywhere at any time. Let's be honest. This is a world that, in terms of Joe Politics, has been changing quite rapidly. Risks come from all different sources now.

To your point, what we've been working on with our intelligence agencies is making sure we are as specific as one can be, because we want our researchers to do research. We don't want them to spend an unreasonable amount of time filling out forms to make sure they comply with rules. However, at the same time, I would say that these lists are forthcoming. They will come very soon. We've been working with Universities Canada, the U15, and the Government of Canada-universities working group.

None of that has been done, I would say, on a stand-alone basis. We work in partnership. To the earlier question of my colleague, Mr. Cooper, the rules we have put in place have been well thought through with experts, Universities Canada, U15 and our Five Eyes partners to make sure they work. People realize that if there are malicious actors, it's good that we are protecting Canada, but we also need to do that as the Five Eyes because the malicious actors will migrate to other jurisdictions, so we are very well aligned with our Five Eyes partners to make sure we are best in class.

Ms. Valerie Bradford: Could you elaborate? You did talk about how threats can come from anywhere. How have the threats to international security through research partnerships evolved over the last 10 to 20 years? You said we started worrying about those only in 2018.

Hon. François-Philippe Champagne: Well, in 2018, I would say our government started to take action. Like I said, this was really the moment when we saw the community coming together to make sure that we did better. That's why I thought it was a bit rich to criticize our government for that, because it was not done by the previous government.

That being said, I think the threat level has increased. We've seen regional conflicts operating. We've seen malicious actors trying to enter our networks. We've seen examples, well documented in the press, of the kinds of threat. Like I said, it's not only people trying to get our knowledge. What I'm very focused on is people trying to get our data and eventually our IP. We need to protect that and provide tools to the institutions. That's why, for me, the \$160 million we put in the Canada research security centre was key, because that provided funding to about 50 institutions across Canada. They told me that they understood the guidelines and wanted to follow them, but they needed resources, because this is complex work.

I think we did everything we could, and we will continue to do that. Like I said, the list of entities and research areas will be forthcoming.

Ms. Valerie Bradford: Thank you.

The Chair: Thank you, Minister.

Thank you for the questions.

Now we will go to Maxime Blanchette-Joncas for six minutes.

[*Translation*]

Mr. Maxime Blanchette-Joncas (Rimouski-Neigette—Témiscouata—Les Basques, BQ): Thank you very much, Mr. Chair.

I welcome the minister, who is joining us.

We are pleased to see you again, Minister.

We are holding this important meeting today on the national security of research. In February, you announced that you had guidelines and a plan. Normally, a plan includes timelines with dates. Today, however, you are telling us that there are no dates.

I have put questions to everyone who has appeared before the committee, including the presidents of the three granting organizations and the officials from public safety, but no one had a date. I would like to reassure those who are waiting for directives.

Allow me to quote other ministers from the provinces, including Quebec's Minister of Higher Education, Ms. Pascale Déry, who said that she was waiting for clear directives from the federal government.

She said: "I myself made submissions to Minister Champagne, but I did not receive a response. I am still waiting for one." This statement dates back to May. She added: "We need directives to be able to take further action and to define a more precise policy so that we are able to intervene in the right way. We need clear guidelines...after all, this is a matter of national security."

Minister, you said in February that you would produce guidelines. Those included a list of high-risk organizations. That was in February.

Now it is November—nine months later. When will this list be available to provide guidelines or, at least, clear instructions to the institutions and applicants who are waiting on a specific plan?

• (1615)

Hon. François-Philippe Champagne: That's a very good question.

As of November 20, 2023—today's date—I can tell you that it is going to happen soon. I work very well together with Minister Déry. Quebec is always a few steps ahead of the game, a leader in many areas.

I can explain why these guidelines have not yet been issued. I believe that, beyond the date, your question was really aimed at understanding why.

It's complex to present lists of specific entities. I have to give full credit not only to our teams, but also to the public servants and national security agencies. They worked with our colleagues from what we call the Five Eyes, expressly to come up with the most comprehensive list possible.

In fact, as soon as we have the list of entities, it has an impact. Canada will be one of the only countries in the world, I think, to have a specific list with the names of entities. It took a lot of work by our security agencies to come up with a list that will stand the test of time, so to speak. Obviously, we will adjust it over time. However, we can't forget that we are one of the first countries ever to draw up such a list.

Mr. Maxime Blanchette-Joncas: Thank you, Minister.

If I understood correctly, as today is November 20th, you can provide the Committee with that list today.

Hon. François-Philippe Champagne: As I said earlier, it will be soon.

Mr. Maxime Blanchette-Joncas: If I understand correctly, Minister, on November 20th you are saying: there will soon be a list.

Hon. François-Philippe Champagne: Precisely.

Mr. Maxime Blanchette-Joncas: That's not a publication date, those are words.

Hon. François-Philippe Champagne: It's a date along with a comment.

Mr. Maxime Blanchette-Joncas: Very well, but when will people get to see this list?

Hon. François-Philippe Champagne: They'll be able to see it soon. I want that as much as you do.

First, I want to salute your exceptional work. I want to get the list as swiftly as you do, but you'll understand that, as a minister, in complex cases of national security, we have to consider two things. We want to act quickly, and we want to do things well. Those are the two goals we strive to achieve.

I could ask the agencies to do this as quickly as possible. The list will be available very soon, so we'll be able to publish it. The reason it took some time is that our security agencies had to work with their counterparts in other countries to come up with the best possible list. In fact, the Canadian list will be used by other countries. As you can see, the work we're doing here is fundamental. To my knowledge, no other country has such a list.

Mr. Maxime Blanchette-Joncas: All right. Thank you for the clarification.

We will certainly be awaiting the list.

I still want to emphasize that the guidelines are not clear and that this is detrimental to the effectiveness of national security and coordination efforts in this area. In Quebec, for example, no subcommittee or working group on this issue has been created at the Bureau de coopération interuniversitaire, which brings together all the universities. Everyone is waiting.

Meanwhile, other Canadian provinces have taken action. In May 2021, Alberta's Minister of Advanced Education ordered its universities to suspend all partnerships with institutions linked to the Chinese government. Meanwhile, in Ontario, universities issued a joint statement last February announcing various measures to protect university research.

Minister, we expect leadership and clear directives from you, because right now, everyone is navigating in a fog, is unsure what to do and wonders if they're doing things for naught.

I hope you understand the urgency of the situation.

Hon. François-Philippe Champagne: This is my top priority. What's more, I'll tell you that Ottawa is providing leadership. The proof, as you said, is that each of the ministers refers to what Ottawa is doing. Leadership began with the publication of the National Security Guidelines for Research Partnerships in July 2021. That was the moment when we began working in concert with the scientific community.

However, I agree with you. I'm the first to want us to provide tools, to provide funding—we've done that—and to work with our provincial partners. I'm glad the provinces are involved, because the federal government's jurisdiction over research is largely limited to funding. However, the provinces have an essential role to

play. Universities and researchers also have a role to play. So, the ecosystem has to be in place.

That said, your message is loud and clear. We need to continue to play a leadership role, and that's what we want to do.

Mr. Maxime Blanchette-Joncas: Thank you.

[English]

The Chair: Thank you.

Now we'll go to Richard Cannings for six minutes, please.

Mr. Richard Cannings (South Okanagan—West Kootenay, NDP): Thank you.

Thank you, Minister, for being here today.

I'm going to follow up on what Monsieur Blanchette-Joncas was pressing on.

You spoke at the start about the number of funding applications that had been rejected because of concerns, but I think a more serious concern from Canadians would be.... You know, the fact is that most research in Canada is not funded by the tri-councils, or there is a tremendous amount that is not. It's this research that is of most concern, I think, because there is a concern that this research, in many cases, is funded by outside sources, in some cases, by other countries.

We hear stories of researchers who are caught sending trade secrets or industry secrets to China. There was one from Hydro-Québec a year ago.

What is the federal government doing to prevent those things from happening when there is so much pressure on researchers here, on students coming in from other countries, to be funded from outside? They kind of get entrapped by this and forced to send these results back, send things that really belong here.

I'll just leave it there, but I want to follow up with a question about why we're in that position. Why do we not fund our own research as much? However, first of all, what is the federal government doing to go after those situations where people are getting external funding?

• (1620)

Hon. François-Philippe Champagne: First of all, you raise a very interesting point, as always, Mr. Cannings.

The federal government and I have a role of leadership, and I think that's the primary role: to set the tone. That's why the guidelines have been the first moment in Canada where we have a framework and a research security centre. We have an enhanced security posture, and we're going to come up with a list. However, you're right. Not all the research in Canada is funded through federal grants where we have a direct way of influencing. What we've been doing is demanding and working with Universities Canada, the U15 and the Government of Canada-universities working group to say that we're all in this together. This is a nationwide effort. This is about national security. I may not have all the tools under the constitution to force them, but I think, as your colleague said before, people expect us to put in the framework. I think that's what we've done, and the list is going to be of great help.

You're quite right. We want the research to be as open as possible but as secure as necessary. To your point, I was very pleased—and I mentioned this to your colleagues before—when I saw universities that have voluntarily said that, for example, with Huawei, they would cease any partnership they had with them, and I insisted....

There are many ways to fund research in Canada. I think the Government of Canada is doing its fair share on that. The provinces are there as well. However, we need to make sure that we protect our research. I would say—and I'll finish there—that it's not only the research. I want to draw the attention of the committee to the data. We need to protect our datasets, as well, and the IP that comes out of those. That's why the ICA.... I just want to say that I'm pleased that the House voted on that because the ICA is going to give us more tools—we worked with Mr. Perkins on that—in the law to protect our IP when it comes to national security.

Mr. Richard Cannings: I just want to jump in and say that we are at the bottom of various lists of countries in terms of how much money the federal government puts into research. There have been a lot of suggestions out there, from the Bouchard report, that we should dramatically increase that funding. This would ameliorate the situation. This would stop researchers and students from going elsewhere for funding or even going elsewhere, period.

Someone got in touch with me yesterday about their son, who ended up going to Vienna for university because he had a scholarship that was worth twice as much as what NSERC would give him. He ended up going to Barcelona for a post-doc because they offered him twice as much as Canada would.

This is the funding draw that both researchers and students are finding. It would go a long way, I think, to stopping this flow of people going elsewhere—the research going elsewhere—who should be staying here in Canada.

Hon. François-Philippe Champagne: I hear you loud and clear. If all of the students, researchers and professors who are watching today.... Listen, I understand. I hear you loud and clear. We have always led when it comes to research and science in this country. I agree with you that funding is a key component of that. We always rank very...at the top of the list, but obviously we've seen, over the years, a sliding back.

We made the largest investment in science of, I would say, any government when we came into office. However, obviously, people would say, "Well, if you want to keep the high ranking, you need to

keep investing in science and research." I can tell you that we're very cognizant of that. We're trying to look at every possible way of how we can support our students, our scientists and our researchers because the work of this committee has highlighted that. The Bouchard report....

I want to personally thank Professor Bouchard for his work. It's key in making sure that we really understand the state of science and what we can do to support our young scientists and research in Canada, both fundamental and applied research.

● (1625)

Mr. Richard Cannings: I'll come back to you when I have my next round. However, I would come back to you and say that we don't rank very high when it comes to that federal government funding, and it's causing real, serious problems.

Hon. François-Philippe Champagne: We can do better.

The Chair: Thank you.

We'll leave that for the next round, which will be starting now with five minutes for Mr. Tochor.

I understand you're sharing your time with Mr. Perkins.

Mr. Corey Tochor: That's correct.

Earlier on in this study, Minister, we heard from experts from the Royal Military College that, starting in 2017, roughly, the PRC's activities started to pose an existential threat.

Do you agree with them, yes or no?

Hon. François-Philippe Champagne: I have not seen the report, so I'll let them speak for themselves.

Mr. Corey Tochor: Do you view the PRC's activities as an existential threat to Canada, yes or no?

Hon. François-Philippe Champagne: I would let the report stand for itself.

Mr. Corey Tochor: It's troubling, Minister, that you do not view the PRC's activities as an existential threat to our country.

Hon. François-Philippe Champagne: That I think the report I have not seen should stand for itself?

Sir, I'm a lawyer. I would rather read the report before I comment on the report.

Mr. Corey Tochor: You say that you've been trying to improve things on this front since 2018. It's been five years. Institutions are waiting for this list. In February of this year, you said that it would be coming out soon. We are now in November, Minister, and you've said that it's coming out soon.

Whose ministry is in charge of releasing that list?

Hon. François-Philippe Champagne: It's a joint effort, sir, as you would appreciate. It's not the minister of industry who is drawing that up. It's a number of federal agencies, intelligence agencies, and not only Canadian ones. This a Five Eyes effort that we're doing with our allied partners to make sure that the list is going to serve as a benchmark not only for Canada but for the Five Eyes countries.

Mr. Corey Tochor: Minister, we need that list.

Minister, right now, we have the fall application of funding passed. There are groups and identities tied to the PRC that your ministry is going to be funding because you have not released this list. How is this acceptable?

Hon. François-Philippe Champagne: I would disagree with you because we provided the guidelines. What we're looking at now is a very specific list.

Sir, if I may, again—

Mr. Corey Tochor: Answer one last question. Is it hard to make lists?

Hon. François-Philippe Champagne: I would say that it's not hard to make a list, but it's hard to make the right list when you talk about national security and making sure that it's the right list.

Mr. Corey Tochor: Mr. Chair, I'm going to pass my time to my colleague, Rick Perkins.

The Chair: Thank you.

We've gone through that a couple of times now.

Mr. Perkins, you have two minutes.

Mr. Rick Perkins (South Shore—St. Margarets, CPC): Thank you, Mr. Chair.

Minister, if I heard you correctly earlier, you said that the government started to take this issue seriously around 2018. Is that correct? Just give me a yes or no.

Hon. François-Philippe Champagne: Certainly. We came into office in 2015, and I would say that, when I look at the list of actions that have been taken—

Mr. Rick Perkins: I'm not looking for the list. I'm just looking.... You said 2018 in your testimony.

Are you aware that, in 2015, the National University of Defense Technology, which is the research and development arm of the Chinese government for the Chinese military, was banned and black-listed in the United States by Barack Obama?

Hon. François-Philippe Champagne: If you say so, Mr. Perkins. I always say—

Mr. Rick Perkins: Obviously, you're not aware of that.

Hon. François-Philippe Champagne: What you're saying as—

Mr. Rick Perkins: I guess you haven't been paying that much attention to it if you're not aware that almost nine years ago—

Hon. François-Philippe Champagne: Sir, with respect—

Mr. Rick Perkins: No, let me—

Hon. François-Philippe Champagne: —the previous Conservative government did nothing, sir. I won't take any lessons from you on that.

The Chair: I will interject as the chair.

Let's try not to talk over the person answering, and let's try not to talk over the person questioning. Please give each other some respect and some time to answer your questions and to ask questions.

Thank you.

Mr. Rick Perkins: Your answer indicated that you weren't aware, or you would have said yes. Over the past five years, the National University of Defense Technology—you said since 2018 you've been paying attention—has done 240 joint papers and research projects with Canadian universities.

It doesn't sound like your government was taking it very seriously.

Hon. François-Philippe Champagne: I don't know what the question is, in a sense, sir. We've been the ones who have been here. The previous Conservative government did nothing, so I'll take no lessons.

What I can say to you is that our government is the government that has put the security guidelines in place. Don't take it from me, Mr. Perkins. Take it from the experts. The experts will tell you. They came to see me and thanked me for what I've been doing in putting security front and centre.

Mr. Rick Perkins: Can you table a list of those experts who have complimented you? Thank you. I'd appreciate that.

Also, can you tell me if you have actually banned, as President Barack Obama did in 2015 in the United States, the National University of Defense Technology from doing research in Canada?

• (1630)

Hon. François-Philippe Champagne: I would say we've done more than that. We have issued guidelines that would cover—

Mr. Rick Perkins: That's a yes-or-no question.

Hon. François-Philippe Champagne: No, but sir, that's an answer. We've done more than that.

Mr. Rick Perkins: Have you banned them?

Hon. François-Philippe Champagne: We have done more than that.

Mr. Rick Perkins: That's not my question. Have you banned them?

Hon. François-Philippe Champagne: That's my answer. We have done more than that, because it's country and company agnostic and organization agnostic. Why? Because that's the smart thing to do, Mr. Perkins.

Mr. Rick Perkins: But you have not banned them.

Have you banned Huawei from doing research in Canada, since they still have patents pending and research going on in Canada?

Hon. François-Philippe Champagne: Better than that, sir, I have banned them from being in infrastructure network in Canada. That's even better.

Mr. Rick Perkins: You haven't banned them from research, though.

Hon. François-Philippe Champagne: What we've done, sir, is even better. We have provided a framework that would capture Huawei, sir.

Mr. Rick Perkins: You've not banned the Chinese government from doing research in Canadian universities.

Hon. François-Philippe Champagne: We've done more than that, sir.

Mr. Rick Perkins: No, you haven't, because you haven't banned China from doing research.

Hon. François-Philippe Champagne: If you look at it, even the universities have decided—

Mr. Rick Perkins: Guidelines are not banning individual companies. Why won't you ban those companies?

Hon. François-Philippe Champagne: What I'm saying is that it's even better, because we have a framework.

The Chair: That's the end of five minutes. I feel like I need a bell here.

Ms. Jaczek, you have five minutes, please.

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

Thank you, Minister Champagne and the officials, for being here today.

I think you made it very clear in your opening remarks that protecting our researchers and institutions from foreign state actors that threaten our national security is your top priority. I see you nodding, so you clearly agree.

You have established a working group to develop national security guidelines. We did hear at this committee some criticism about this working group, that in fact it was not consulting broadly enough and in fact failed to include domain experts who understand IP and national security, etc.

Could you reassure us on who exactly is working on the security guidelines? You alluded to the fact that it's been a very broad consultation. Could you, for the record, tell us exactly who is involved?

Hon. François-Philippe Champagne: Thank you very much, Ms. Jaczek, for the question.

In fact, we've been working a lot. We've been working with the U15 and we've been working also with Universities Canada. More

than that, to answer the colleagues before and some of the criticism, we have created what they call the Government of Canada-universities working group. Why? We want to make sure that what we put in is something that's fit for purpose and that we work collaboratively with universities, with experts and with intelligence agencies to make sure.

I would say that we've consulted broadly. When you talk to university presidents or associations, they will say that they welcome what we've done, because since 2021 you have, for the first time in Canada's history, despite what the Conservatives may say, national security guidelines. That's something the previous government failed to do. Now there is something, and it's a first for Canada. They should be applauding and saying thank God someone has been doing something to make sure we have national security guidelines in Canada.

We not only did that; to your point, we put in \$160 million for a research security centre. Why? Because the universities asked for help. They told us it's very complex out there. They need resources. They need people. So we did that.

This year we're going to have an enhanced security posture. It will apply to all the granting agencies. We'll come with lists to make sure it's easy for the researchers to be able to identify whether or not that's a partnership they should pursue. I would say that if you look at Five Eyes, which we and our colleagues around the world are working with, they will tell you that Canada, with the framework we have and the lists we'll be publishing, is going to be best in class.

Hon. Helena Jaczek: Could you just describe a bit more this research security centre that is housed within Public Safety Canada? What exactly is their role?

How do they assist universities in looking at grant applications? Have they been doing that? You referenced that a number have been rejected. Was this a result of consultation with this research security centre?

Hon. François-Philippe Champagne: Well, there are three missions. The money we've provided to about 50 institutions around the country is around hiring personnel, getting the software needed and making sure they can have the proper cybersecurity infrastructure in place. It is really about hands-on support.

When we launched these guidelines, it was a pilot in Canada. This had not been done before. What came out of it was that we need more tools and resources to make sure we can properly assess that.

I would say that what we will be publishing soon, the lists that are going to be following annex A and annex B in the guidelines, are going to be more specific than that. These are going to be really hands-on, I would say, to the question of colleagues before.... To draw up these lists is fairly complex, because now you are going to identify by name institutions that people should be worried about if they were to engage in certain types of research.

That, in my view, is kind of best in class. Like I said, research security is top of mind, because one of the key assets we have in Canada is our knowledge, our dataset and our IP. I think the framework that we have put, starting with the security guidelines, is kind of the umbrella. Then we're defining that with very specific tools to help institutions in the country.

• (1635)

Hon. Helena Jaczek: Will the lists be informed by the fact that certain grant applications were refused? Will there be an assessment of what the proposal was and if it was affiliated with a foreign institution? Will that lead to, in fact, composing the list? That information could be very useful.

Hon. François-Philippe Champagne: Totally, and that is why the criticism that was before, I think....

I'll defend the security agencies and the civil service. They have been doing extremely diligent work. I would say to colleagues, having been aware of some of the work, be careful of criticizing people who are doing extremely complex work. Even our Five Eyes partners would say that it is very complex when you do that, because you want to capture the right entity and make it as current as possible. This is very detailed work, but I think it's going to be welcomed by institutions and researchers in our country.

The Chair: Thank you, both of you.

Mr. Blanchette-Joncas, you have two and a half minutes, please.

[*Translation*]

Mr. Maxime Blanchette-Joncas: Thank you, Mr. Chair.

Usually we ask you tough questions, Minister, but I feel like asking you an easy one.

Can you name one thing that hasn't gone up in value in the past 20 years?

Hon. François-Philippe Champagne: I'm sure you're going to give me a clever answer it's taken you weeks to come up with.

Mr. Maxime Blanchette-Joncas: You're right, but it was seconds, not weeks, Minister.

I'm talking about the value of graduate scholarships awarded by the federal government. Their value has not gone up for 20 years, and it's had serious consequences, Minister.

As a result, Canada is the only G7 country that has lost researchers since 2016. Students are now living below the poverty line. Under the Canada graduate scholarship program, a master's level student receives \$17,500 and a Ph.D. student receives \$22,500.

I'm trying to figure out where the roadblock is. There is a consensus across the science ecosystem and among university officials.

What can you tell us? Are you going to do anything about it?

Hon. François-Philippe Champagne: I would say two things.

First, I want to point out that our government has made the largest investment in science of any government, and scientists will tell you that.

Should the government keep investing if it wants Canada to remain a leader? The answer is definitely yes. That is why my colleagues and I are looking at the different programs that support researchers and students. We have taken measures, and we will continue to do so. If you're asking me whether we should do more in order to remain a leader, the answer is yes.

I agree with you. That is the reason my colleagues and I are working to figure out what more we can do. As you mentioned, the Bouchard report was critical in helping us focus our thinking, with respect to not only funding, but also the way that research is organized in the country.

Mr. Maxime Blanchette-Joncas: Thank you for clarifying that, Minister. When the fall economic statement comes out tomorrow, I hope it will bring good news for the value of graduate scholarships.

Minister, you said that measures have been taken. You mentioned the creation of the Advisory Panel on the Federal Research Support System and its report.

I have the report here, and it makes some rather important points. It calls for the creation of a new committee to better coordinate programming across the granting councils. It also mentions support for master's and Ph.D. students, and recommends measures to support French-language research. In addition, the report sets out a timeline for implementing the recommendations.

In a month and a half, 2023 will be over. The report underscores the importance of creating a new body to administer and support strategic science funding.

What can you tell us about the proposed timeline in the report?

[*English*]

The Chair: I'm sorry, but we've run out of time. It's always the way.

[*Translation*]

Mr. Maxime Blanchette-Joncas: I will gladly accept an answer in writing from you, Minister.

Hon. François-Philippe Champagne: I won't be far. We can talk about it again after.

[*English*]

The Chair: Great, thank you.

Mr. Cannings, you have two and a half minutes, please.

Mr. Richard Cannings: Thank you.

I'm going to follow up and ask almost exactly the same question in English that Mr. Blanchette-Joncas just asked.

I think it's a shameful situation where the tri-council fellowships and scholarships haven't changed in value for 20 years. We have master's students who are asked to live on \$17,500 a year. That includes their tuition, which averages about \$7,000, so they're asked to live on \$10,000 a year. They're living below the poverty line.

These aren't just average students. These are the best students, the best and the brightest. I gave the example of someone who went to Europe because the European Union was offering twice what Canada was offering. This is not only shameful for how Canada treats its science and research ecosystem—you talked about how important it was that we help to nurture science and research in Canada—but it touches on the security issues as well.

I'm wondering, with the fall economic statement tomorrow, will there be news in that regard, especially for this low-hanging fruit of these scholarships and fellowships?

• (1640)

Hon. François-Philippe Champagne: I'll say, Mr Cannings, you've been consistent in referring to that. Like I said, I hear the students. For those who are watching—the teachers and the researchers—I want to thank them. I am fully aware of the issue. I understood the question before, as well.

We've been the government that has been investing the most in science, but to keep our leading position, we need to keep investing. I hear that. I've heard stories. I've met with students.

Trust me, if there's one thing that is top of mind for me, it's how we can help these students and how we can help the researchers. The research of today is tomorrow's economy. I'm very conscious of that. Whatever we can do to support them, I can assure you, sir, those are active discussions

Mr. Richard Cannings: I have 30 seconds.

You mentioned Dr. Bouchard's report. You commissioned that report. He's saying the same thing. When I talk to him personally, he expresses concern that this hasn't been acted on. There hasn't been any increase to those fellowships and scholarships, and to the research grants themselves, which help fund even more students.

We are really losing out here. We are falling behind. I hope there's some good news soon.

The Chair: Thank you, Mr. Cannings.

We'll go to Mr. Lobb for two and half minutes, and then we'll go to the Liberals for two and a half minutes.

Mr. Ben Lobb (Huron—Bruce, CPC): Thanks very much, Mr. Chair.

My first question is in regard to the research support fund. That's the \$25-million-a-year program for five years.

Have there been any decisions made in this calendar year on whether anybody should receive that money? If so, how much has been allocated?

Hon. François-Philippe Champagne: That's a good question.

Let me turn to one of my officials. I don't have the details of that, sir.

Dr. Nipun Vats (Assistant Deputy Minister, Science and Research Sector, Department of Industry): The research support fund is provided to institutions on the basis of a formula. Basically—

Mr. Ben Lobb: If you have maybe allocated some, you can submit it to the committee for the purposes of the report.

My second question is for the minister.

It is in regard to the assessment form. Somebody inside the university who is doing the research fills it out. Who looks at it and who verifies the information? It looks to me that every single project should be filled out by somebody at a university, based on the criteria.

Hon. François-Philippe Champagne: The researcher would do that, but we also have a system—

Mr. Ben Lobb: Who would look at the form once it's filled out to decide whether or not it needs to be further reviewed?

Hon. François-Philippe Champagne: Do you mean per institution?

Mr. Ben Lobb: That's correct—per application, per institution.

Hon. François-Philippe Champagne: I'm happy to have the officials answer that, sir.

Dr. Nipun Vats: Under the current guidelines, the way it works is that the institution first reviews what a researcher does.

Mr. Ben Lobb: I understand that, but who—

Dr. Nipun Vats: It then goes to the granting council. It goes to NSERC. NSERC then assesses it based on the information that has been reported. If they see that there is a potential security risk associated with a project, it's then referred to the—

Mr. Ben Lobb: Can I ask one quick question?

What particular training would they have to give them that level of knowledge to know that without help from the RCMP or CSIS or the military?

Dr. Nipun Vats: They've worked very closely with the security agencies on that initial stage of assessment to be able to identify where there are some potential risks. If they feel that there may be a risk, they would then refer it for a more detailed review by the security agencies.

Mr. Ben Lobb: Is there a fine or a charge if the form is filled out incorrectly? Would the researcher, if they filled it out incorrectly.... Is there a charge or a fine for anybody who tries to mislead?

Dr. Nipun Vats: There are institutional agreements, so the institution is endorsing these—

Mr. Ben Lobb: There are no criminal charges if they filled it out wrong.

Dr. Nipun Vats: Well, if they broke the law, yes, there would be a criminal charge.

In this case, there's a code of responsible conduct of research that institutions agree to with the granting councils. If they violate the terms of that, there can be sanctions on institutions with respect to the receipt of funding for research.

• (1645)

The Chair: Okay. Thanks. It's good to get that out there.

We'll now go to Ms. Lena Metlege Diab for the final two and a half minutes.

Ms. Lena Metlege Diab (Halifax West, Lib.): Thank you, Mr. Chair.

Minister, welcome. Thank you for being here bright and early for our committee.

Let me start by saying that I'm glad to hear your response to my colleagues across the way that helping students and researchers is top of mind. We had a number of studies here, and a number...who have been with us. I think all of us understand the challenges they're facing. I'm glad to hear that it's top of mind, not just for science but also for all graduate students in different....

Can you talk to the committee more about how your department is working with allies on multi-country dialogue, and how this supports increased security for research?

Hon. François-Philippe Champagne: Yes.

Ms. Lena Metlege Diab: I'll give you an opportunity, in whatever minutes I might have left, to conclude with whatever you think you would also like to share with us.

The Chair: You have about a minute.

Hon. François-Philippe Champagne: A minute.... Thank you very much for the question.

In fact, to go back to the colleague's question on why you need a proper process to draw up these lists, I think you touched on it. This is not just a Canadian-made list. This is a list that has been worked on with our Five Eyes allies to make sure it will be the benchmark you're going to see.

I want to take the opportunity to thank all those who contributed. Colleagues, I've been fair in mentioning that there are a number of intelligence agencies in Canada that have been contributing, because it is fairly complex work.

I know there are politics in these committees, but let's be clear. We're talking about national security. This is very serious stuff. This is not about politics. This is about the people who put names of institutions on the list, which will have legal consequences. This is very serious. You don't want to miss anyone. You want to put the right ones on there. This work is being done diligently. As I said, that's why we're going to publish it soon, on both the research side and the entity side. It's to make sure we protect our national security.

However, to your point, I think the fact that we work with our Five Eyes partners should give comfort to our colleagues on both sides of the aisle, in terms of this being serious stuff. Protecting Canadian research is our top priority. The fact that we took time to do this should also give comfort to the research institutions and Canadians. This is work we are undertaking seriously to protect our national security for decades to come.

The Chair: That's terrific.

Thank you, Minister. Thank you for coming early and staying late.

Mr. Corey Tochor: I have a point of order.

The Chair: We're going to excuse you, because—

Mr. Corey Tochor: I have a point of order before the minister goes.

The Chair: Sure.

Mr. Corey Tochor: Mr. Chair, we cannot conclude this report without the material the minister has committed to. I want to make sure the minister is very clear on the expectation that we will receive a list from him of the many experts who agree with the position of the government. We know the minister is having difficulty making lists, so I want it clear that we will have that list of all the experts.

The Chair: Yes. That's the next thing on my agenda.

As we're excusing you, we've asked for some written information that can come in through the clerk. We have some operating principles here, in terms of how the committee expects responses in a timely fashion. If those can come in.... This is our second-last meeting on this study, so getting the answers in is very important.

We'll let the minister go. We've heard from Mr. Vats a bit, and we'll hear from Mr. Bilodeau, as well, in the second hour.

Thank you very much.

With that, we'll suspend for a moment.

I'd like to thank the officials for being with us.

Pursuant to Standing Order 108(3)(i) and the motion adopted by the committee on Tuesday, June 6, 2023, the committee resumes its study of the use of federal government research and development grants, funds and contributions by Canadian universities and research institutions in partnership with entities connected to the People's Republic of China.

Again, it's my pleasure to welcome, from the Department of Industry, Francis Bilodeau, associate deputy minister; and Nipun Vats, assistant deputy minister, science and research sector.

We are going to continue on with questions. We had the presentation from the minister at the beginning.

We'll go to the first person for six minutes, who is Ben Lobb.

• (1650)

Mr. Ben Lobb: Thank you, Chair. I'll share my time with Mr. Tochor.

My first question, before I turn it over to Mr. Tochor, is about filling out that assessment form. There are a number of criteria. Food is one of them in the criteria.

Take, for example, a state-owned enterprise like Syngenta. Syngenta is an international agriculture megacompany. They'd have to check the box that it is a state-owned or state-controlled enterprise, and that it is food. If you look under some of the things they do, I think it's a fine company, but there's biosecurity, biohealth.... There are a lot of different pathogens that can be inside a livestock barn. There are all sorts of different things that can happen.

Would a company like Syngenta be eligible for a project? How would that work? Who vets it? Who determines...? How would you know?

It's a real-world question.

Mr. Francis Bilodeau (Associate Deputy Minister, Department of Industry): The starting point is not necessarily speaking to that company. The forms, as you've mentioned, would be filled out by the researchers. They'd be asked to identify a series of pieces of information, including their partners.

The point on this one is that it's intended to be a project-by-project or an initiative-by-initiative assessment. In this instance, there could be flags that push the NSERC folks to take a deeper look at it and seek input. If they were really concerned about it, as Nipun mentioned before, it would be reviewed by some of our security agencies, which might look deeper into this.

The fact that it is on a case-by-case, initiative-by-initiative basis allows us to weigh the risks with regard to individuals.

Mr. Ben Lobb: I have one quick follow-up, and then I'll turn it over to Mr. Tochor.

If you were a Chinese, PRC, state-owned enterprise, there's a chance that you would be allowed to have a research application approved, based on case-by-case, from what you just said.

Mr. Francis Bilodeau: Again, if you're a state-owned enterprise and you are in an area of potentially sensitive research, I don't believe that would be the case.

Dr. Nipun Vats: I think it depends on what the nature of the research is. If there's a risk associated with the research of exfiltration of sensitive data, for example.... When it comes to pathogens, there would be other biosecurity measures and limited access as well. We have rules around that as well.

It would depend on the specifics of the project.

The Chair: Thank you.

Go ahead, Mr. Tochor.

Mr. Corey Tochor: Witnesses, thank you for the public service that you guys do and the important work you do. It is very much appreciated.

I'm going to follow up on what my colleague, Ben Lobb, was talking about. Once the application comes in and you have some-one look over it.... I would assume that you would look over a lot of these applications. Would you have a list internally? It may not be public yet, but it's internal.

Is there a list so that it's easy to say, "Yes, we saw this one before. Scratch it"?

Mr. Francis Bilodeau: I'll mention two things. Part of the intent in creating a research security centre and funding it within the Public Safety organization and not within our department is to build a certain capability. As per any organization, it will be a learning organization.

That won't be within—

Mr. Corey Tochor: Is there a list internally? There must be a list internally that you can quickly check off so that you don't have to go through all that. This is a make-work project for government. The same entity repeatedly applies, you turn it down and it applies again.

There has to be a list of the ones you've declined. Is that right?

• (1655)

Mr. Francis Bilodeau: Again, that would be housed within Public Safety and research security, but not within ISED. We don't have a direct role in reviewing the applications.

Under the new process, there would be a combination list of potential research-sensitive areas and institutions that would serve as a basis for rejection.

Mr. Corey Tochor: Couldn't we have a list that isn't publicly known, but would exist behind the scenes? That would save thousands of taxpayers' dollars of bureaucratic waste when the application comes in. It can be flagged; it can be declined, and they can appeal it if they like—it doesn't have to be reported publicly why we declined it—and we can move on, versus setting up an application structure that is going to cost millions of dollars.

Let's have that list, say no and have an appeal process to potentially rule out some false, negative people being on that list.

Mr. Francis Bilodeau: It's a valid point.

Part of what we're trying to achieve, when we signal that there would eventually be a list of sensitive technologies and sensitive researchers would be exactly that. It's creating signals in the institutions.

I don't think we want to be a blunt instrument in saying "in all instances", but I think there is a signal to the community around institutions and sensitive technologies that will be refreshed and, therefore, create that signal to the system.

Mr. Corey Tochor: I believe the Four Eyes have now looked at Canada and want us to be blunt.

Mr. Francis Bilodeau: I think we want to be direct and transparent and yet still try to maximize the objective of open and—

Mr. Corey Tochor: Was it being blunt—and this is probably above the scale—when the Four Eyes banned Huawei and Canada didn't? It is bluntness that is needed when we are dealing with the PRC and foreign entities. Would you agree with that?

Mr. Francis Bilodeau: I think we are striving to have an approach that is transparent and that creates clear signals and balances a number of approaches.

Mr. Corey Tochor: Could you provide a detailed list—we're talking about a lot of lists here—of which ministers would have fingerprints on developing this list? Which ministers would be tasked with that?

The Chair: Thank you. That answer could either be a list or the reason why we can or can't do that, but we have asked the question.

Now we're going—and I'm not trying to give the answer—to Mr. Turnbull for six minutes.

Go ahead, please.

Mr. Ryan Turnbull: Thanks, Mr. Chair.

Thanks, witnesses, for being here. I appreciate the work you do, and this is an important conversation.

I think we've heard questions from colleagues here today that sort of imply that we should just ban research very broadly in a sweeping way, and there's this magical list they're talking about and referring to as if that would make things crystal clear and easy. This work seems to be more nuanced than that.

Can you explain how it's a lot more nuanced and how we have to really treat each research project on a case-by-case basis and do a thorough review and analysis of what security risks there may be attached to those specific projects?

Mr. Francis Bilodeau: Maybe a starting point for that is that within the national research guidelines we've identified some of our guiding principles, some of the things we're trying to weigh. Those include, obviously, academic freedom, institutional autonomy, freedom of expression, research in the public interest, integrity and collaboration but also securing the research to build that trust. In our approach as we attempt to build a system, we try to balance these elements with protecting the research and the researchers.

Nipun, would you like to add to that?

Dr. Nipun Vats: Yes.

Those are important signals, because as the minister said, you want to be as open as possible and as secure as necessary to be able to actually benefit from the exchange of ideas that enhance Canadian research.

You also have to be mindful of the signals that are being sent to certain communities within the country. This is not about Chinese Canadians. This is not about different groups. This is about the risks of specific research activities, and if you proceed in a way that

isn't sensitive to those nuances, you're potentially risking some unintended consequences with respect to—

Mr. Ryan Turnbull: Maybe I'll follow up on that.

What would those unintended consequences look like? To me, this is research that could be highly beneficial to Canadian interests that would not move forward and that would inhibit our ability to get the most value out of those research projects. Would you generally agree with that?

• (1700)

Dr. Nipun Vats: I think to the extent possible, you want to provide clear and transparent guidance, which I think is what we've been trying to do through the activities we've been doing through the working group, through the guidelines and ultimately through these lists.

You also want to be able to provide advice to the universities so they can actually identify risk. Any list you develop is not going to cover the full range of risks, so you need to have an ongoing dialogue with the research community and build that kind of trust with them in order to enable them to pursue those research partnerships that are going to be beneficial to Canada.

You do have to be careful how you proceed on these kinds of things.

Mr. Ryan Turnbull: Yes. I heard from the minister, which I was really happy to hear, that Canada, as it moves forward with its research security initiatives, will be building a robust research security ecosystem. The word “ecosystem” seems to me to be particularly important in this conversation.

I did work on the procedure and House affairs committee on foreign interference for many, many months, and we heard just how important it is to have an all-of-government approach and an ecosystem approach that covers not only government but actually other actors that are out there. This is needed in order to make sure the security system is sufficiently robust. I think that's really significant. Can you speak to how that plays into this work we're talking about today?

Dr. Nipun Vats: As the minister mentioned, there are many layers that need to be aligned in terms of how you move forward on this kind of work. The federal government, of course, provincial governments, institutions, researchers, they all need to understand the why, the what and the how of it all. You do need all those actors. That requires a certain degree of engagement.

We've been in multiple fora talking to researchers directly. We've been talking to institutions directly so that they have a better sense of the threat environment but also to build trust. We rely for our future prosperity on the research and the talent that comes out of the research, so you have to look at both sides of the coin when you look at these things.

Mr. Ryan Turnbull: We heard that out of 1,743 applications, I believe, 36 were rejected due to security risks. Obviously, those applications include only the tri-council, I would think, because they're applications within federal jurisdiction. Out of the 36 that were rejected, can you give me any sense of what kinds of things were rejected? Are there any sorts of patterns, conclusions or generalizations—without getting into specifics, because I know that would be sensitive—that you can draw from those 36?

The Chair: You have 30 seconds.

Mr. Francis Bilodeau: Overall, I can say quickly that the presence of state-owned enterprise was one, and that and the presence of sensitive technology, particularly in the digital space, were patterns that were reoccurring through those.

The Chair: I wasn't expecting such a succinct answer.

Mr. Ryan Turnbull: Can I have more time?

The Chair: Well, we're at 10 seconds, so thank you for your questions.

We'll go to Mr. Blanchette-Joncas for six minutes.

[*Translation*]

Mr. Maxime Blanchette-Joncas: Thank you, Mr. Chair.

Thank you to the witnesses who stayed on for the second hour.

The government mentioned the famous list we've been talking about for over an hour now. We've come to realize two things: we won't get that list today and we don't know when we'll get it.

That said, the government indicated that it was going to provide clarity around sensitive research areas. That, too, was supposed to happen this year.

Can the witnesses here today tell the committee whether that has been clarified and communicated to the people concerned?

Mr. Francis Bilodeau: The initial guidelines provided some information regarding areas of research that were determined to be sensitive. The next version of the list is being fine-tuned as we speak. It will be communicated at the same time as the policy.

Mr. Maxime Blanchette-Joncas: I want to be sure I understand. The famous guidelines have been in place since February. As of today, do they specifically lay out the sensitive areas of research?

Mr. Francis Bilodeau: The list isn't final. It provides information on areas that are sensitive, such as technology that could be used for military purposes or that could be excluded from being exported. There is information, but it's not a final list.

• (1705)

Mr. Maxime Blanchette-Joncas: All right. I see. Progress is being made.

Some clarification was provided initially, so there are criteria to follow. The much-talked-about list would certainly be helpful, but we don't have it yet. As many witnesses have pointed out, when people's applications are denied, they don't get any further explanation.

I'll refer to what witnesses have told us, so you have some real-life examples. We are talking about science, and we go by facts. Nigel Smith, the executive director of TRIUMF, Canada's particle

accelerator centre, said it would be helpful to have clarity on the threats in question.

David Robinson, a researcher and the executive director of the Canadian Association of University Teachers, said he didn't know why his association's application had been denied.

Representatives of the U15 Group of Canadian Research Universities submitted 48 applications to the Natural Sciences and Engineering Research Council of Canada, NSERC, and 34 were denied. They requested further explanation, but they didn't get any.

Researchers don't know what they are doing wrong, and the government isn't telling them what they need to improve in their applications going forward.

Mr. Francis Bilodeau: In theory, under the process, researchers are supposed to be given feedback as to why their application was denied.

I'm not familiar with the cases you are referring to, but I would be happy to take a closer look. Normally, researchers are supposed to be provided with feedback.

Mr. Maxime Blanchette-Joncas: I see.

What exactly was done? Were new measures or new processes put in place in an effort to provide rejected applicants with clearer answers and more specific information?

Mr. Francis Bilodeau: As I said regarding the 34 applications, the process allows for feedback, or at least the opportunity to provide feedback, as long as it doesn't involve the disclosure of sensitive information. We are able to provide feedback, then. It is already part of the process.

Mr. Maxime Blanchette-Joncas: Very well.

Research that concerns national security is the reason we are here today, but I would like to hear your comments on other issues. In particular, I'm interested in the "Report of the Advisory Panel on the Federal Research Support System". The panel was established at the government's request. The Bouchard report, as it's known, is a fine report. Earlier, the minister was not able to give me an answer, so I'd like to discuss it with you.

In the report, the panel proposes a clear timeline for concrete actions. The panel gives the government until the end of 2023 to set up the Canadian knowledge and science foundation, to increase funding for the three granting councils and to increase funding for graduate students and postdoctoral fellows to competitive levels.

Can you give us a clear timetable or plan today?

Mr. Francis Bilodeau: We can't give you a timetable as to when decisions will be made. We have both spoken to Frédéric Bouchard and are examining the significant recommendations that were made, but I can't give you a timetable as to when measures will be put in place.

Mr. Maxime Blanchette-Joncas: I want to make sure I understand, Mr. Bilodeau. The Bouchard report contains 21 recommendations and was submitted in March 2023. The report was commissioned by your government to make sure that Canada had a science ecosystem that was internationally competitive.

What recommendations have been put in place since the Bouchard report came out?

Dr. Nipun Vats: The recommendations in the Bouchard report are comprehensive and interconnected. They are complex, so it's important not to implement some of them without having a clear idea of the path forward for all the recommendations.

We are in the process of figuring out how to proceed. If we implement only certain things, we will have—

Mr. Maxime Blanchette-Joncas: Mr. Vats, can you get back to the committee in writing on the status of the 21 recommendations in the Bouchard report? In other words, which ones have been implemented, are being implemented or have yet to be implemented? That would be very helpful.

Dr. Nipun Vats: I can tell you that, as of yet, we haven't taken any concrete measures to address the recommendations.

Mr. Maxime Blanchette-Joncas: That means none of the recommendations has been put in place.

Dr. Nipun Vats: No, but the reason is that we have to examine them as a whole. We can't just implement some of them without clearly understanding how we are going to implement the rest.

• (1710)

[English]

The Chair: Thank you.

I think there's a timeline for reporting back on Bouchard.

We'll now go to Mr. Cannings for six minutes.

[Translation]

Mr. Maxime Blanchette-Joncas: Mr. Chair, I realize that 30 seconds isn't enough time for the witnesses to cover the 21 recommendations, but I do expect a written answer.

Mr. Francis Bilodeau: We can get back to the committee with that.

Mr. Maxime Blanchette-Joncas: Thank you very much.

[English]

The Chair: Yes.

Again, the written answer could be about the review period, if you're not able to give the specific details asked for in the question.

Go ahead, Mr. Cannings.

Mr. Richard Cannings: Thank you.

We've heard a lot about the research ecosystem, etc.

This may have come up previously in the study, so I apologize if you or other people have answered this question. What's the percentage of research funding provided by ISED in universities across Canada? I imagine it's mainly through the tri-council. Do you have...?

He has some pie charts, I see.

Mr. Francis Bilodeau: I would like to be very accurate when we respond to you in terms of funding. We can definitely provide you with a breakdown of federal funding by federal, provincial and other [*Inaudible—Editor*].

Mr. Richard Cannings: I think it's important, because we're talking about research, universities and risks for national security.

One of the few sticks we keep hearing about is pulling funding from research projects that we consider too risky to fund, in terms of national security. However, if federal funding is only a small part of that funding, it seems to me there are other sources researchers at universities could go to. Sometimes, these are perhaps funding sources we would rather they not go to. That's all.

Mr. Francis Bilodeau: I will say that when it comes to research in post-secondary around Ph.D.s, the federal government is a significant contributor, but maybe Nipun could speak to that.

Dr. Nipun Vats: To your more general point about the reach of our actions, I think it's true that there is a lot of research that goes on that isn't funded through federal grants.

The prohibitions on federal grants do solve some of the problem. They also send a very clear signal to the research community on where the security concerns are, but we also have, as the minister mentioned, the research security centre, and the funding we've provided institutions has allowed a lot of institutions to actually hire a director of research security so that there's a natural point of contact between the security agencies that can help to identify risks and someone who is responsible for managing those risks at institutions.

It is true that you're not solving the whole problem through prohibitions on federal funding, but there are other layers that have been implemented to try to address those broader risks.

Mr. Richard Cannings: Are the security agencies relying on the universities, then, to bring issues to their attention or do they have some direct oversight?

Dr. Nipun Vats: It works both ways.

I wouldn't call it oversight, because there's not a jurisdictional kind of accountability. If there's a security threat, the security agencies would act on that threat. If there is a concern about risks, there would be a discussion. There would be information shared with institutions where appropriate—where it doesn't compromise our security interests—but it is also about developing a relationship with institutions where, as they have questions or concerns, they have a place to go, a trusted source of expertise and advice they can use to better mitigate risks on their campuses.

Mr. Richard Cannings: If a security agency finds that there's a risk, how do they find out about that? Is it through—

Dr. Nipun Vats: You might have to ask them, but I'm not sure they'll be able to tell you.

Mr. Richard Cannings: Yes, I know.

Dr. Nipun Vats: There can be cases where, with this centre in place and with an improved security posture on campuses, someone may come to them and say, "Is this kind of transaction or behaviour something we should be concerned about or not?"

They could provide some advice on that, but you have to be a little careful. One of the advantages of having that kind of relationship is that you're not sending the wrong kind of signals to researchers, right? I think that having a focal point within an institution that can manage those risks actually means that you're not getting concerns from individual researchers about security agencies that could scattershot around. I think it is about a relationship.

• (1715)

Mr. Richard Cannings: I think this is important, because we're talking about national security here, which is a federal thing. We're talking about universities, which have a provincial jurisdiction. We have federal funding. There are all of these intersections, but I have the feeling that there's an awful lot of opportunity for researchers to go beyond NSERC or the other tri-councils to get that funding. That's where I think the real risk lies: where they're lured to take funding from agencies abroad that may or may not have the best interest of Canada in mind.

Mr. Francis Bilodeau: I take your point, and I think part of that has informed the approach to date. Part of that has had to, from our perspective, be about building the tools and capacity across multiple actors. That's why, for example, there was the new research support fund put in place to build up capacity.

Nipun mentioned that multiple universities are now creating positions within their organizations around research security. That's why we focus on providing guidance, building tools that can then be used by multiple actors and also building a common understanding of the threats, and building at the same time capacity within the Government of Canada through the research security centre.

I think your point that there are multiple potential vectors and we need to enable and support multiple actors in the ecosystem to be able to take a proactive position is the right one.

Mr. Richard Cannings: Thank you.

The Chair: If I might just extend that a bit, I've met with a couple of universities myself in my role, as well as some of the U15 German universities. They've hired security people from the national security agencies in both cases.

They were saying that they're looking at "threat basis" versus "country basis". I think that's an important distinction for the report we're writing, which is focused on China.

Are there any very brief comments? I'm taking a bit of committee time here.

Mr. Francis Bilodeau: Our approach has also been around threat basis. That threat basis has a number of factors. They include areas of research and the nature of the actors. We recognize, as well, that threat levels and the nature of threats will evolve, and so will those vectors. Part of the approach has included one around ed-

ucation and one around building in dialogue, building in the groups that are able to exchange and building in capacity across multiple.... Not to box ourselves into individual organizations and individual countries.... It's recognizing those threats evolve and that to be able to respond, we need an ecosystem that is more capable and educated.

The Chair: Great. Thank you very much.

Thanks to the committee for indulging my prerogative there.

Mr. Perkins, it's over to you for five minutes.

Mr. Rick Perkins: Thank you, Mr. Chair.

Along the lines of what the chair asked, the preference seems to be continuing with some sort of flexible guideline. Is that right?

Mr. Francis Bilodeau: The upcoming guidelines will include a list of institutions and a list of sensitive technologies. They're much more precise, but with the capacity to evolve over time.

Mr. Rick Perkins: However, they're still guidelines. They're not law. My skepticism, of course, is....

I'll give you a couple of examples through the Investment Canada Act and a few other instances.

The minister of industry in 2017 didn't perform a detailed national security review of the takeover of Norsat by Hytera. That company, Hytera, went on, in January 2022, to be banned by President Biden and charged with 21 counts of espionage. Yet, we still had nothing in the industry department about this company, to the point where the RCMP, nine months later, bought sensitive communications equipment from Hytera while they were banned and charged with espionage in the United States. Then, in November 2022, the current Liberal minister ordered three Chinese companies to divest their ownership of three critical minerals companies. However, only three months later, in January, Minister Champagne failed to follow his own guidelines when he fast-tracked the takeover of a Canadian lithium company, Neo Lithium Corp., by a Chinese state-owned mining enterprise. That's where he's got the law.

Does the minister have the power and law now in existing legislation to ban companies from doing business in Canada, as they do in the United States?

• (1720)

Mr. Francis Bilodeau: The ICA is a basis of law that would create a power for the minister to prevent investments and acquisitions. This is not the space we're talking about right now.

Obviously, the space of research is one that is multi-jurisdictional. The approach we have—or that is being presented—is one around guidelines anchored to the major lever the federal...has, which is funding for research.

Mr. Rick Perkins: Therefore, these are guidelines with no legal teeth.

The minister said, when he made the announcements on research funding, that he didn't control what provinces or universities did, beyond the granting councils.

Has the minister convened a meeting with his provincial counterparts to share with them that they need to stop doing this?

Dr. Nipun Vats: There has been communication with his counterparts about the policy. He has sent out communication to them. We've also had meetings at the officials level to discuss how we can ensure alignment of policies across the federal and provincial governments.

Mr. Rick Perkins: However, he has not told them to stop doing research with Huawei or the Chinese military's research arm.... He has not told the provinces directly to stop doing that, or asked them to tell the universities—which they fund and primarily control—to implement that.

Mr. Francis Bilodeau: In February, the ministers of ISED, Public Safety and Health Canada issued a policy statement, which asked the granting councils—our lever—to not fund anything with a researcher who could be affiliated with areas of concern, state-owned enterprises or potentially influenced by military or other state actors, in sensitive research.

The minister has provided guidance in that space.

Mr. Rick Perkins: I understand he's done that with the granting councils, but has he brought his provincial counterparts together—those responsible for transfers of money to universities—and asked them to respect those national guidelines and not do business with these entities?

Dr. Nipun Vats: He's called upon them to respond in kind, yes.

Mr. Rick Perkins: What does “respond in kind” mean?

Dr. Nipun Vats: He's pointed to the federal policy and said that provinces should move forward with similar actions.

Mr. Rick Perkins: Are they?

Dr. Nipun Vats: It varies by jurisdiction.

Mr. Rick Perkins: Can you provide a report to this committee of what jurisdictions are following them and what jurisdictions aren't?

Dr. Nipun Vats: We could give you a report on what they're doing.

Mr. Rick Perkins: Thank you.

The Chair: I guess we have some follow up there.

Thank you for the questions.

Now we'll go to Mr. Lametti, for five minutes, please.

Hon. David Lametti (LaSalle—Émard—Verdun, Lib.): Thank you, Mr. Chair.

[*Translation*]

Thank you to the witnesses for being here today. This is an important meeting.

I'll start by saying that I agree with Mr. Blanchette-Joncas and Mr. Cannings. I spent 20 years working as a university researcher, so I understand the added pressure of trying to find research funding and hiring master's and Ph.D. students.

If the Social Sciences and Humanities Research Council or NSERC decide not to fund your research idea, you have to look elsewhere for funding, so you're constantly under pressure. First and foremost, we need to make sure Canada's programming does a better job of funding researchers.

Is training available to researchers to help them figure out the risks, or is that something that needs to be put in place?

Obviously, it's important to work with the RCMP and other agencies. Some universities have research security advisers. Is research security training mandatory? If not, is there an opportunity to communicate with researchers whose projects are high risk?

Mr. Francis Bilodeau: As far as I know, there is no mandatory training.

The federal government has put together training material, a website and tools to support researchers. Universities also have funding to build their capacity, but there is no mandatory training.

● (1725)

Dr. Nipun Vats: As far as the federal government is concerned, there is no mandatory training, but some universities use our tools and online courses to develop mandatory training for professors and researchers.

Mr. Francis Bilodeau: Our approach has been to give universities tools. The requirement to assess the research security risks is in the hands of the federal granting councils.

Hon. David Lametti: Thank you.

Some universities have research security advisers. Is that an effective mechanism? Could the federal government do more to support them so they could do a better job of educating university researchers?

Mr. Francis Bilodeau: That's a great question. I think it's still a new problem.

Measures are in place, such as the federal government's guidelines and federal funding to support universities in their research security efforts. There is no doubt, though, that more can be done as we make progress and learn.

Hon. David Lametti: Thank you.

If a research project is denied funding or a party is excluded from a research project for national security reasons, can the decision be appealed?

I know there is a court challenge process for decisions involving foreign investment, so I was wondering whether a similar process existed in the case of NSERC funding, say. I'm really just trying to better understand how the process works.

Mr. Francis Bilodeau: Mr. Vats can correct me if I'm wrong, but I do not believe there is an appeal process.

It's not a court system or a contract dispute resolution process. It's a system for allocating grants and contributions. Nevertheless, the system is quite rigorous, with peer reviews and other processes that the three granting councils have in place. You may be more familiar with them than I am.

Hon. David Lametti: I see. Thank you.

I didn't know the answer, so thank you for that information.

[*English*]

The Chair: Sir, we have 10 seconds.

[*Translation*]

Hon. David Lametti: Someone else can have the 10 seconds I have left.

[*English*]

The Chair: I'm sorry, Mr. Lametti. I didn't want you to start what you couldn't finish.

We'll go to Mr. Blanchette-Joncas for two and a half minutes.

[*Translation*]

Mr. Maxime Blanchette-Joncas: Thank you, Mr. Chair.

I would like to continue the discussion with Mr. Bilodeau.

Thank you again for being here today.

The committee did a lot of work leading up to the release of its report "Revitalizing Research and Scientific Publication in French in Canada". The committee put forward 17 recommendations, based on the feedback of numerous witnesses, to end the agonizing state of French science and research in Canada.

The government released an 18-page response to the committee's report, a response which I took the time to read. It contains lofty principles and fine words, but I'd like you to tell us what tangible measures the federal government has taken to support science in French since the report came out.

Also, what measures are being taken in the short term?

Mr. Francis Bilodeau: I believe I spoke with the committee about research in French.

To date, our efforts have been delivered through the granting agencies. Some program funding is available specifically for advancing research in French. A clear commitment is also in place to ensure that committee members reviewing research applications are always bilingual. All three councils have adopted that approach.

The success rates and results for researchers applying for funding to work in French are actually about the overall average.

Nevertheless, there is no doubt that, like other countries, Canada is seeing a drop in the number of research funding applications. We

are examining the problem, but it's something all jurisdictions are struggling with.

• (1730)

Mr. Maxime Blanchette-Joncas: I see.

Allow me to highlight a few facts.

We noticed that a very significant proportion of funding was going to English research projects. Radio-Canada reporter Christian Noël wrote an article in May revealing that more than 95% of the funding awarded by the three granting agencies over the three-year period from 2019 to 2021 went to research projects that were carried out in English.

In its response to the committee's report, the government talked about the language proficiency of peer reviewers, the people on the review committees. You know that, currently, the language proficiency of evaluators is self-reported. This is an excerpt from the government's response: "Adding formal language proficiency or testing requirements would raise barriers to recruiting volunteers...".

If I understand this correctly, the government has no problem with a reviewer's inability to read or understand a funding application in French because requiring that they be able to do so could mean not being able to recruit enough volunteers to review applications.

We are talking about millions or billions of dollars for scientific research. It's hardly trivial that the government doesn't even bother to check the language proficiency of the people who sit on the review committees and decide whether a research project gets funding or not.

[*English*]

The Chair: We're over our time, but make a short comment, if you can.

[*Translation*]

Mr. Francis Bilodeau: We expect people who report being bilingual to be able to review research funding applications in French.

[*English*]

The Chair: That's great. Thank you.

We'll now go to Mr. Cannings for two and a half minutes, please.

Mr. Richard Cannings: Thank you.

I want to get back to the funding and the recommendations, for instance, in the Bouchard report. You were saying how...I'm not sure if the report was vast or the ecosystem was vast. Whatever.

As an ecologist, I know ecosystems can be complicated, but it strikes me that there are parts of that report that are so obviously correct and good advice that they could be acted on immediately. One of them is what we've mentioned here multiple times in this committee, which is making sure that those fellowships and scholarships are boosted. They haven't been increased for 20 years. We have our best graduate students living in poverty. Surely, that's low-hanging fruit which this government should change.

I wonder what efforts ISED has made to impress upon government—whether it's the Minister of Finance or any part of cabinet outside of ISED—that this is something that really should be done, very much as a preliminary first step. If we do anything, we have to do this.

Mr. Francis Bilodeau: Obviously, it's difficult for me to tell you what we've provided as advice or not. What I can tell you is we have very carefully tracked the funding levels. We're very aware of the historical and current funding levels and those of our partners. That is something we do analysis on and we understand.

We welcomed and worked with Mr. Bouchard and the members of that committee as they were formulating their advice. We had the opportunity to benefit from a number of discussions with them and others who made representations, some in the sense of what you're providing.

Mr. Richard Cannings: You said, “those of our partners”. What do you mean by partners?

Mr. Francis Bilodeau: We've engaged with universities. We've also engaged with the provinces and others to understand the funding realities in that ecosystem. The dynamics around the funding realities for students, researchers, etc., are the ones that we pay attention to. We do the analysis, and we share that information with the public and ministers.

The Chair: Thank you.

We have two more sets.

Mr. Cooper for five minutes, and then we'll go to Ms. Bradford for five minutes.

Mr. Michael Cooper: Thank you, Mr. Chairman.

Eight years ago, the U.S. administration blacklisted Beijing's National University of Defense Technology, which reports directly to the Beijing-based Communist Party's central military commission on the basis that it posed a national security threat. Eight years later and three administrations later, the NUDT remains blacklisted by the United States.

Incredibly, the minister in the last hour was oblivious to that blacklisting on the part of the United States, despite the fact that Canadian universities are collaborating with the NUDT. Granting councils, which fall under his purview, have provided funding out of taxpayers' dollars to projects involved in the NUDT to the benefit of Beijing.

Can the officials confirm that the minister has the power to issue a ministerial directive to block federal funding to projects involving Beijing's NUDT? Does the ministry have that power?

• (1735)

Mr. Francis Bilodeau: Are you asking does the minister have the capacity to block or to direct the councils not to provide specific funding to an institution? That is what will be done partly through the directives, so he has the power.

Mr. Michael Cooper: He has that power. Thank you very much.

He has not exercised that power, has he?

Mr. Francis Bilodeau: At present, the minister has issued guidelines to universities and to the research councils around considerations that are not institutional specific. The new guidelines will include a listing of institutions.

Mr. Michael Cooper: Thank you for that.

Those guidelines do not mention the NUDT. They do not mention the CCP. They do not mention the PLA. Is that correct?

Mr. Francis Bilodeau: The guidelines presently are not specific to countries and are not specific to institutions.

Mr. Michael Cooper: Nine months later, we're still waiting for the list of entities that he promised he would deliver expeditiously back in February. He said it would come soon. I don't know what soon is by the minister's definition.

Can you clarify that, consequently, there is no prohibition, nothing expressly in place, to block granting councils, which fall under the minister's purview, from funding or otherwise supporting projects that are working in collaboration with the NUDT which reports directly to Beijing's People's Liberation Army?

Mr. Francis Bilodeau: Current guidelines would preclude funding to a research project in a sensitive area and in areas where there's reason to believe that national security could be in play.

Mr. Michael Cooper: What's a sensitive area?

Mr. Francis Bilodeau: Some of them have been defined in annex A of the existing guidelines. Those would potentially include, for example, areas around nuclear, areas around weapons building, or areas of dual use that could be transferred that could result.... It would also include areas, for example, where personal information could be at play.

Mr. Michael Cooper: Yet, we know that despite those guidelines, as I reminded the minister, we have patents that have been issued to Huawei that involved Canadian researchers specifically in relation to 5G. This is one of the five areas identified by CSIS as an area involving sensitive research. It underscores that those guidelines have no teeth and are simply not working.

Dr. Nipun Vats: I'd like to comment.

When you talk about patents specifically, it's important to appreciate that the time between the research activity and the filing of the patent can be quite long. I don't know the specifics of these cases, but in some cases you could be talking about research that was done 10 years ago that's resulting in patents today. You just have to look at the specific case.

Mr. Michael Cooper: Sir, I take your point.

I think you clarified that the minister has tools at his disposal to block the funding of taxpayers' dollars to entities such as the NUDT, which is connected directly to Beijing's People's Liberation Army. He has failed to use those tools that are at his disposal, undermining Canada's national security in the face of very serious interference by the regime, which he refused to acknowledge is existential to Canada.

The Chair: We're over time.

Dr. Nipun Vats: Mr. Chair, could I just make a quick comment?

The Chair: I think we've gone through this before.

We're going to go over to Ms. Bradford for five minutes.

• (1740)

Ms. Valerie Bradford: Thank you very much.

Can you talk to the committee about the NSERC alliance program and the results from the pilot so far?

Dr. Nipun Vats: The NSERC alliance program is the main vehicle for partnerships between Canadian researchers and companies. There are other partners on those grants as well, but it's largely partnerships with companies. The funding goes to the researcher in each case, not to the company.

It was the first program that enacted the current guidelines on research partnerships. These are the guidelines that have been in place since July 2021. In that case, the way the process works, as we discussed a little earlier, is that a questionnaire is filled out by the researcher endorsed by the institution. NSERC staff, who have been trained to identify where there could be security risks, will then assess whether that needs to be brought forward for further assessment by the security agencies.

An important aspect is that the merit review of the research and the security review are separated so that they are not kind of conflating the quality of the research and the security risk. Otherwise, there would be a concern on the part of the researchers that the two are tied, rather than research being assessed on its merits.

During the pilot phase of that program, which went from July 2021 to July 2022, about 96% of the applications that were submitted were validated as not needing to have research security assessment. In that period, about 48 out of 1,158 were brought forward for further security assessment. A very small number then went to the security agencies. Of those, I believe about 36 were actually denied funding.

It's done in a way that tries to protect the privacy of the information that's shared. It also involves agreements between NSERC and the security agencies on how that information can be used, which protects the integrity of the research and the process.

It has actually been a pretty positive effort. It's now been expanded beyond the alliance program to biomedical research programs. It's expected that it will be rolled out across a broader range of programs over time.

Ms. Valerie Bradford: Can you elaborate on the process that the researcher goes through when a national security threat has been flagged with a proposed research topic? How does that happen?

Dr. Nipun Vats: The way it works is if NSERC identifies a potential risk, that information is provided to the Department of Public Safety. The Department of Public Safety then either conducts its internal assessment or, if it feels it needs more specific security analysis and depending on the nature of the issue, it would go either to CSIS or to the Communications Security Establishment if it's sort of signals-related information. That assessment goes back to Public Safety, which then conveys the relevant information back to NSERC within the scope of their policies.

Ms. Valerie Bradford: Can you tell us how we work with allied countries to share information on mutual national security threats? What process is in place for that?

Dr. Nipun Vats: There's a broader dialogue on security threats that goes through the security agencies themselves.

In our case, we're involved in a number of dialogues with both the Five Eyes and the G7, for example, on research security specific issues. There is a Five Eyes table. There's a G7 table, which we co-chair with the U.K., on research integrity and research security, to make sure that there's a consistency of approaches to the extent it's possible, and a sharing of information and best practices.

When it comes to security-related information, that would go through the security agencies specifically.

Ms. Valerie Bradford: Okay, great.

Education does fall under provincial jurisdiction, so obviously, it's difficult for the federal government to tell them what they can and can't do. I'm wondering how the provinces collaborate with the federal government on research security.

Dr. Nipun Vats: We have a dialogue with the provinces at the officials level to talk about our policies and how they do or don't align currently with the provinces, with the intention of trying to make them align as much as possible.

There is also the institutional layer. At the institutional level, we have a working group with universities. We have the research security centre, which works directly with the universities and also would liaise with the provincial governments.

There are different channels for that kind of engagement.

• (1745)

Ms. Valerie Bradford: Thank you very much.

The Chair: Thank you all for your questions.

Especially, thank you to Mr. Vats and Mr. Bilodeau for being here and giving us such great answers for our report on the security study that we're doing, and any additional information—I know I had to cut you off a couple of times—that can come to the clerk that will help with our study.

We have our last meeting on the study on Wednesday, November 22. At that study, we'll have Director Vigneault from CSIS, as well

as some supporting department officials. During the second hour of the meeting, we'll be looking at drafting instructions for this report. We'll also do version three of scholarships and fellowships, so that we can hopefully table that. Tomorrow I'll be tabling the IP report in the House.

With that, if there is a motion to adjourn....

Thanks, Richard.

Thank you, again.

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