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● (1635)

[Translation]

The Chair (Ben Carr (Winnipeg South Centre, Lib.)): Good afternoon, everyone.

[English]

It's wonderful to be back together with the entirety of our committee. I hope everybody had a very enjoyable summer.

[Translation]

I hope that you made the most of it with your family, friends and the people who voted for you. That's always good.

[English]

We have a lot of business in front of us. I'm going to call this meeting to order.

This is the second meeting of the House of Commons Standing Committee on Industry and Technology.

I have a couple of reminders. As we're talking about technology, if you're making use of your headset, please ensure that when it's not in your ear you have it on the sticker. This helps to reduce the amount of noise, which can be quite detrimental to the health and well-being of our interpreters, who work very hard on our behalf. I always like to give them a little wave and a thank you for the hard work they do to support us here at the committee.

[Translation]

As you know, our subcommittee, the Subcommittee on Agenda and Procedure, met a few days ago.

[English]

We had a subcommittee meeting a couple of days ago to try to get us to a place where we could be very effective and efficient as we start our affairs here at INDU for this session of Parliament. What I am going to do is read the report, which everybody should have a copy of and which simply summarizes the information that we reported back to everyone.

It reads as follows:

Your Subcommittee met on Monday, September 15, 2025, to consider the business of the Committee and agreed to make the following recommendations:

1. That, the first hour of the meeting on Wednesday, September 17, 2025, be reserved for discussion of the future business of the committee.

That would be right now. We will enter into that very shortly.

2. That, for the second hour on Wednesday, September 17, 2025, the Committee invite Matthew Boswell, Commissioner of Competition, Competition Bureau of

Canada, to appear before it to discuss the general mandate and other related matters.

That will be the second half of today's meeting.

3. That, on Monday, September 22, 2025, the committee invite... Vicky Eatrides, Chairperson and Chief Executive Officer of the Canadian Radio-television and Telecommunications Commission, to appear before it from 11:00AM to 12:00PM.

The only caveat here, colleagues, is that we've received word about the availability of the chairperson of the CRTC, which does not accommodate Monday. I believe that we're aiming to have that for Wednesday. It's confirmed for Wednesday.

Colleagues, depending on the direction we provide for ourselves today, we will use Monday of next week to begin the affairs that I imagine we will establish. Then, on Wednesday, we will take an hour out of whatever it is we decide we will be doing in terms of business for the committee to hear from the CRTC commissioner, and then we will resume whatever it is that we have set forth.

[Translation]

I hope that my explanations were clear. Are there any questions?

[English]

Are there questions about the path forward for the meetings today and next week?

Seeing none, we are moving into committee business. I see that hands are flying already.

[Translation]

Mr. Ste-Marie, I don't know whether you have a preference for the order of motions. I think that we could let Ms. Dancho move her motion after Mr. Bardeesy has spoken.

Do you agree? You're nodding.

[English]

Mr. Bardeesy, the floor is yours.

[Translation]

Karim Bardeesy (Taiaiaiko'n—Parkdale—High Park, Lib.): Thank you, Mr. Chair.

We had some good discussions at the subcommittee meeting and then some more afterwards. I tabled a motion and it was sent to the committee members yesterday. There's an English version and a French version. I'll read it in English.

[English]

This has not changed from what has been submitted. The motion reads as follows:

That pursuant to Standing Order 108(2), given the imperative for Canada's self-reliance in national defence and security, and the significant level of investment announced, the committee study the opportunity to use a defence industrial strategy to regenerate and further develop sovereign capabilities of Canada's industrial ecosystem and procurement opportunities for Canadian businesses. This includes areas such as aerospace, digital technologies, cyber security, vehicle and arms manufacturing, heavy industry, scientific research, advanced materials, and the bioeconomy; that the committee invite representatives from the Department of National Defence and the Department of Innovation, Science and Economic Development to appear on this study; that the committee hold a minimum of six (6) meetings on this study, to conclude no later than November 5th; and that the committee report its findings to the House.

[Translation]

Should I also read it in French?

The Chair: No. I believe that Mr. Ste-Marie has a hard copy in French.

[English]

Colleagues, we will always do our best to have motions provided in both official languages and, where possible, in advance. I think we've satisfied that in this instance.

Colleagues, this will be just a very quick reminder because we do have some new members around the table who may not be completely familiar with the process. Forgive me if I delve into the former educator in me to explain a little bit.

We are now entering a phase where we've had a motion moved, which means we can have debate on this motion. Once debate ceases, we move into a situation where we either move forward by consent or move into a voting situation.

With that, would anyone like to speak to the motion?

Ms. Dancho, the floor is yours.

Raquel Dancho (Kildonan—St. Paul, CPC): Thank you, Mr. Chair.

Given that it's my first opportunity to speak, I would like to say how honoured I am to be on this committee with all of you and to be vice-chair. I very much look forward to working with colleagues of all parties and have been encouraged so far by the collaborative discussions we've had. I hope that will continue and certainly set the tone for the weeks and months to come.

With that, I'd like to move an amendment to the Liberal motion. Given that it's fairly similar, I'll indicate where I'm amending it by raising my hand so folks know. In the past, I've found that's easier. It would read as follows, as amended: "That pursuant to Standing Order 108(2), given the imperative for Canada's self-reliance in national defence and security, and the significant level of investment announced, the committee study the opportunity to use a defence industrial strategy to regenerate and further develop sovereign capabilities of Canada's industrial ecosystem and procurement opportunities for Canadian businesses. This includes areas such as aerospace, digital technologies, cyber security, vehicle and arms manufacturing, heavy industry, scientific research, advanced materials, and the bioeconomy; that the committee invite ministers and

representatives from the Department of National Defence and the Department of Innovation, Science and Economic Development to appear on this study; that the committee conduct this study concurrently with a study on Canada's outflow of capital investment and productivity decline for a minimum of six (6) meetings each, should such a study be undertaken by this committee; and that the committee report its findings to the House."

That is my amendment as moved.

Mr. Chair, I would say two things.

The first amendment is to invite ministers to this study. Given that Canada is currently without a defence industrial policy, at least to the magnitude that I believe Mr. Bardeesy and the Liberals would like to see it brought forward, this would be quite a significant advancement in some ways, depending on what the content of the defence policy in this country is. I know that the minister has been quite vocal about her advocacy for the defence industry in Canada. We've seen that quite a bit on her social media. I would imagine that she would welcome the opportunity to come to speak to that and answer important questions. I would also say that without the testimony of the Minister of Industry and the Minister of National Defence, I feel that the report, in the end, would be lacking the content required to bring the prestige that I think is needed for a report recommending such a change in industrial defence policy, or to introduce it.

Then, on the second part, certainly we've had private discussions, and I think everyone is keen, as I said, to work collaboratively. That means that we have an air of compromise as well: Everybody gives a little and everybody gets a little. I think we've established that a little bit behind the scenes with writing our motions. Everyone seems to have adjusted them a bit from their original format, which I greatly appreciate. It is not always the case on committees.

That being said, the issue, I believe.... As we know, we have a motion that we want to bring forward. I know the Bloc has a motion that they'd like to bring forward. I think the sticking issue would not be our support for this motion or a motion of the Bloc, but just the order in which we would like to ensure they are conducted. Of course, Liberals would like theirs first. We would like ours first. A reasonable compromise would be—I've done this and had success in past committees—that we have the studies concurrently, as I mentioned in the amendment: that one goes one day, perhaps on Monday, and the other goes on Wednesday, that we have an equal number of meetings and that it continues for six weeks. Then it's fair. It's a compromise on both sides and everybody wins a little.

That is my proposal, Mr. Chair, with my amendment. I look forward to hearing feedback from members.

Thank you.

● (1640)

The Chair: Thanks very much, Ms. Dancho.

I had a few hands up over here of members who would like to speak. I had Mr. Guglielmin, followed by Ms. Borrelli, followed by Monsieur Ste-Marie, followed by Mr. Bardeesy.

The floor is yours, Mr. Guglielmin.

Ted Falk (Provencher, CPC): Excuse me, Mr. Chair—

The Chair: I'm sorry, Ted.

It was Mr. Falk, Mr. Guglielmin—not Ms. Borrelli—followed by Mr. Ste-Marie, followed by Mr. Bardeesy.

This is not the friendly Manitoba that I try to live up to, Ted.

Some hon. members: Oh, oh!

The Chair: I'm very sorry.

Mr. Falk, the floor is yours.

Ted Falk: Okay. Very good. Thank you, Mr. Chair.

It's nice to meet all of my committee members. I'm looking forward to working on industry. To have you as chair, Mr. Chair, I'm looking forward to that as well. I think we'll work well together.

Could I have that amendment read out again so that we all know what we're talking about?

The Chair: To be clear, Mr. Falk, you are asking for the amendment, as put forward by our colleague Ms. Dancho, to be either read again or—

Ted Falk: I'd just like it read again.

The Chair: You'd like it read again. Okay.

Well, Ms. Dancho, perhaps I can turn the floor to you, as you proposed it, and ask that you reread it for the benefit of Mr. Falk.

Raquel Dancho: Thank you, Mr. Chair.

The first change comes following the word “bioeconomy”, and it inserts that we invite “ministers”. That's the first amendment.

The second and last comes just at the end, after the word “study”. It says, “that the committee conduct this study concurrently with a study on Canada's outflow of capital investment and productivity decline for a minimum of six (6) meetings each, should such a study be undertaken by this committee”. Of course, as we know, that is the area of discussion we would like to study.

Thank you.

The Chair: Mr. Falk, does that satisfy what you were looking for?

Ted Falk: I am satisfied. I just wanted clarity on that. I think it's excellent. I think we do need the ministers here to give us insight as to where we are exactly in their respective departments but also to provide a bit of further guidance to us as to the direction in which they want to see their departments go. I think that would be helpful for us in our study, to help focus the study a little better.

I'm wondering if it would also be appropriate at this time to make a subamendment to the amendment.

• (1645)

The Chair: Well, in terms of whether it's appropriate or not, Mr. Falk, you are allowed to provide a subamendment, should you wish to. Just for your recollection, as I'm sure you're aware, should you put forward a subamendment, we would debate that subamendment until we come to an agreement, at which point we would go back to the amendment and then back to the whole motion.

Ted Falk: That's correct.

The Chair: It is your prerogative to move a subamendment, should you wish to.

Ted Falk: Yes, I would like to add a subamendment.

I would really like to include the Minister of Finance here as well, so that we can put things into a financial perspective. However, I'm going to limit my subamendment to clarifying that each of the ministers invited.... I don't have the wording for it, but it's that both the Minister of Industry and the Minister of National Defence come to this committee for a period of no less than two hours.

The Chair: Okay, Mr. Falk, for the benefit of the committee, it might be a good opportunity for us to have your staff provide in writing that subamendment so that we have it and can work off it. I think we've received the general direction you have in mind, but procedurally we can't move on to any other item until we begin debating that subamendment.

I'll look around the room. If colleagues feel they're ready to begin a conversation on the subamendment, we certainly can, but—

Ted Falk: I just want it to be more specific, Mr. Chair. I don't want us to just invite them, give them a 10-minute slot and then they're out of here. I want it to be clear that they're each coming for a period of no less than two hours.

The Chair: Yes, I certainly understand that.

Well, colleagues, do we feel we need to wait for that in writing, or do we feel we understand what Mr. Falk is looking to do?

Okay. With that, who wishes to speak to the subamendment?

I see a hand from Mr. Bardeesy.

The floor is yours.

[Translation]

Karim Bardeesy: Thank you, Mr. Falk.

[English]

I appreciate the subamendment. I would just observe that if we have each of those ministers for two hours and have only six meetings, that means we have four meetings for all other witnesses. I know we all love to hear what ministers have to say on topics of national importance, but I think that, in a project where we have the prospect of informing policy, the large balance of witness testimony should be from those who can actually inform us, who can then help inform our report and then inform ministers. This is a huge space and a somewhat new space, definitely, for new members of this House. I think hearing from as many experts and players in this sector as possible is a bit more important.

[Translation]

In short, I think that we always like to meet with the ministers. However, a topic of this nature requires expert testimony.

The Chair: Thank you, Mr. Bardeesy.

Mr. Ste-Marie, you have the floor.

Gabriel Ste-Marie (Joliette—Manawan, BQ): Thank you, Mr. Chair.

I would like to extend my greetings to all my colleagues.

First, the interpreters told us that, when amendments or subamendments are read out, they should receive a copy with a translation already prepared, if possible. This would make their job easier given that commas and specific wording are often discussed. I would like to acknowledge the work of the interpreters.

The Chair: Absolutely. Thank you for pointing that out.

Gabriel Ste-Marie: I agree with the original motion. It accurately reflects the collaborative spirit of all the parties in this committee.

I also agree with the proposed amendment. In my opinion, it reflects the discussions held at the subcommittee meeting to ensure that this study alternates with the study that will be proposed later.

I also agree with inviting the ministers concerned to come and share their vision. In principle, I would also agree with the subamendment. Too often, the government and ministers show little interest in the work of parliamentary committees. They come quickly or they don't come back. However, I believe that all parties must keep things balanced and continue to work well together. If there were unanimous support for meeting with the ministers for two hours, I would agree with the proposal. However, given that all parties must continue to work well together, I'm less inclined to support the subamendment.

In short, I support—

• (1650)

The Chair: Sorry to interrupt you, Mr. Ste-Marie, but there's a point of order.

[English]

Ms. Borrelli, what's the point of order? Is it your translation?

Kathy Borrelli (Windsor—Tecumseh—Lakeshore, CPC): I haven't been getting translation.

The Chair: I'm going to suspend for a moment just so we can get that sorted out.

• (1650)

(Pause)

• (1650)

The Chair: Colleagues, I believe we've resolved the technical difficulties.

[Translation]

Mr. Ste-Marie, you have the floor again.

Gabriel Ste-Marie: Thank you, Mr. Chair.

As I said, to ensure that the parties continue to work together, I'll be voting in favour of the motion and the amendment. I think that they reflect the discussions held. In addition, if there were unanimous agreement on the subamendment, I would also support it. However, to ensure that the different parties remain on good terms following the discussions held in the subcommittee, I won't be supporting the subamendment.

The Chair: Thank you, Mr. Ste-Marie.

[English]

Mr. Guglielmin, go ahead. The floor is yours.

Michael Guglielmin (Vaughan—Woodbridge, CPC): Mr. Chair, for clarification, as I am a new member, are we speaking only on the subamendment now, or the amendment?

The Chair: That's correct. Where we're at right now, colleagues, is that Mr. Falk presented a subamendment. Discussion will continue on the subamendment until we reach a point at which there are no further speakers. We will then vote on the subamendment. If it's adopted, we will then resume debate on the amendment as amended. Once we're done dealing with that, we will go back to a final vote on the motion as amended.

We are currently on the subamendment. Do you want to speak to it?

Michael Guglielmin: Yes.

The Chair: Okay. The floor is yours.

Michael Guglielmin: Thank you again, Mr. Chair.

On the subamendment, I do agree that we're going to need the ministers here for no less than two hours each, just because, given the severity of files like industry and national defence, I think it's important that the people who are in charge of those departments present themselves to this committee for an adequate period of time so we can question them appropriately. Arguably, there's not even enough allotted time in the two hours, so we need to take as much opportunity as we can get. This is a committee of transparency, with a lot of professionals around the table, and I know we want to proceed constructively as a group of people who are trying to act in the best interests of this country. I think that, collectively, we can all agree that the ministers should appear for the full duration, as introduced by my colleague.

• (1655)

The Chair: Thank you, Mr. Guglielmin.

Ms. O'Rourke is next.

Ted Falk: I have a point of order.

The Chair: Mr. Falk, go ahead on a point of order.

Ted Falk: I've sat here reflecting, and I think that, if we're going to spend a lot of time debating my subamendment, I would be just as happy to withdraw it. Let's pass the amendment.

The Chair: In order to withdraw it, Mr. Falk, as you may recall, we need unanimous consent.

Ted Falk: That's correct.

The Chair: I'm looking around the table. I see it.

(Subamendment withdrawn)

The Chair: We will resume debate on the amendment.

We ended, Mr. Falk, with you. Next on my list was Mr. Guglielmin, followed by Monsieur Ste-Marie, on the amendment that was proposed by Ms. Dancho.

[Translation]

Mr. Ste-Marie says that this works for him.

[English]

Mr. Guglielmin, do you want to speak to the amendment?

Michael Guglielmin: Yes. I'll just articulate again that the Minister of Defence and the Minister of Industry play key roles in shaping Canada's defence and industrial strategy, and their direct participation is essential.

As I said a few moments ago, we're willing to work in the spirit of collaboration. I think that studying these amendments concurrently is fair to both the Liberals and the Conservatives because both of us, as my colleague stated, would like to have our motions studied first. This is probably the most adequate way to do it.

I'll say again that we believe having these ministers appear will strengthen the study and demonstrate a commitment to transparency and meaningful oversight. We're open to co-operating in this process, but the attendance of these ministers must be included.

The Chair: Ms. O'Rourke, go ahead.

Dominique O'Rourke (Guelph, Lib.): Thank you, Chair Carr.

I'm delighted to join you all. It's my first time at the industry committee, and this is a critical issue for a city like Guelph.

A concern that I have around holding the studies concurrently is that.... The motion lists seven sectors that we want to explore in order to provide recommendations and a path forward in terms of an industrial strategy. My concern around having these be concurrent is that we would be looking at two very significant studies concurrently. I would prefer to have clarity, in terms of the one study, to move our experts from the sector and industry forward so that we have a holistic view in a condensed way.

It's my first time at committee, so I'm willing to hear from others about how that works. However, if we can have consistency in terms of what we're studying, so that we can arrive well prepared for the folks who are going to speak about these seven sectors, that's certainly my preference.

The Chair: Mr. Bardeesy, go ahead.

Karim Bardeesy: Thanks.

[Translation]

We could take a brief break before the vote so that I can consult with my colleagues. However, I would first like to express my support for the points raised by Ms. O'Rourke. In my opinion, this provides an opportunity to inform people about the government's public policy, which affects everyone. For this reason, the situation is rather unusual. Growth, in general, is quite important. We can carry out this study now or a bit later, but I think that it must be done. This is a new Parliament. I've been told by outgoing members and more experienced members that, if we have the chance to inform people about the government's public policy, it's really a worthwhile endeavour.

[English]

I'll also add that I used to run a think tank, and when we were trying to run a bunch of studies at the same time, we never wanted one person working on more than one study at the same time. I know that there is some stress, with our limited resources here with the Library of Parliament, so I'll just share that remark as well.

However, I want to contextualize this, finally, by saying that I agree with both MP Dancho and MP Ste-Marie that there has been a lot of collaboration and that we've been able to move things forward, generally, and these are really just some issues around the edges.

• (1700)

The Chair: Thank you, Mr. Bardeesy.

The request from Mr. Bardeesy is to briefly suspend. I'm going to grant that.

This is our first day here, colleagues. We have questions from folks about how procedure works. Clearly, there's a little bit more talking that needs to occur. We're at a bit of a stalemate, so I am going to briefly suspend to provide an opportunity for the parties to discuss. I hope that, when we come out of suspension, we will resume with some type of decision to direct us forward.

We're going to suspend briefly.

• (1700)

(Pause)

• (1710)

The Chair: Colleagues, I understand there may be a path forward here. I'm going to give the floor to Mr. Bardeesy, if he is prepared and ready to let us know what's on his mind.

The floor is yours.

Karim Bardeesy: Thank you, Chair.

We've had a nice conversation, a productive conversation—my appreciation for those who are supporting new members.

Can I just put a question forward, maybe to you and to the clerk? For motions that initiate studies, if there's a desire before the study is actually initiated, before a hearing is held, to make further amendments to the terms upon discussion with members, is that something that is required in a committee business portion, or is that something we can move at any time?

The Chair: I'm not sure I fully understand the question, Mr. Bardeesy.

Karim Bardeesy: Okay. I'm sorry. We have three substantive study motions on the table, including an amendment. We have awareness that other committees may be doing other work, but we don't know the results of those committee deliberations that are similar, in particular on defence industrial policy. There's a possibility that the Standing Committee on National Defence may be initiating a study. We don't know. Their deliberations are happening as well.

We have these motions in front of us with studies, with some terms under those studies. I guess the question is.... We can move these motions through. We have three motions on which there's a fair degree of alignment among the parties to go ahead, or perhaps we can table them and bring one of them back—say, the defence industrial policy study—on Monday. My question is whether it is possible that we just pass these motions, and then consider an amendment to the study motion we've initiated today, if we haven't actually initiated the study yet.

• (1715)

The Chair: All right. There's some clarity needed here. I'm going to suspend briefly.

• (1715)

(Pause)

• (1720)

The Chair: Mr. Bardeesy, the floor is yours, sir.

Karim Bardeesy: Thank you, Chair. Again, I appreciate this engagement.

I know we're on debate on the amendment here, but after some discussions with colleagues, including my colleagues across the way, I think at this point I would like to move to withdraw the main motion, with an intent to come back on Monday with some amended language.

The Chair: The motion is withdrawn.

Let me reset here.

Ms. Dancho, you were next in our order of business.

I will remind colleagues that we have just a couple of minutes before we are set to be joined by the Competition Bureau commissioner.

Ms. Dancho, the floor is yours.

Raquel Dancho: Thank you, Mr. Chair.

I would like to move a Conservative motion, as follows:

Given that Canada's longstanding weak productivity has been a strain on government finances and affordability; and

Given the unprecedented outflow of capital investment from Canada,

The committee undertake a study, of no fewer than six meetings, on Canada's underlying productivity gaps, and capital outflow; the Committee invite the Minister of Finance and the Minister of Industry (on separate panels), along with industry representatives, impacted stakeholders, experts, and other relevant witnesses, to analyze the causes of these challenges and potential solutions, including how the federal government can best collaborate with the private sector to boost Canadian productivity and competitiveness; and that the Committee report its findings and recommendations to the House.

I believe some of my colleagues may want to chime in, but I know that time is limited. We do want to share remarks on how important the study is to us and why we feel it's critical for this industry committee of Canada to study the unprecedented level of capital outflow in Canada to the United States, but I know that we're limited in time, so I will leave it at that for now.

It's over to you, Mr. Chair.

• (1725)

The Chair: Would you like to speak to this, Mr. Bardeesy?

Karim Bardeesy: I'd like to move an amendment.

I think there's a lot of alignment on this side of the table on this motion. I'd just like to amend the motion to remove the two clauses of the preamble, as follows:

Given that Canada's longstanding weak productivity has been a strain on government finances and affordability; and

Given the unprecedented outflow of capital investment from Canada,

My amendment is to remove those two clauses.

The Chair: Colleagues, are we clear? Are we able to move forward with discussion on the amendment proposed by Mr. Bardeesy without having the language provided to us?

[Translation]

Mr. Ste-Marie, I acknowledge that the amendment wasn't moved in French. Is that okay with you? You're nodding.

[English]

Ms. Dancho, the floor is yours.

Raquel Dancho: Thank you, Mr. Chair.

Just so you know, we're running out of time, so in brief, we made every effort to remove partisan language from this, but certainly the facts remain. It's sometimes difficult to read them. I am a bit surprised that this amendment is being moved by the Liberals. "Given that Canada's longstanding weak productivity has been a strain on government finances and affordability", that comes from Prime Minister Carney's mandate letter to ministers. I am surprised that Liberals are moving to remove, from a Conservative motion, Prime Minister Carney's own words, which I will read into the record just for clarity.

On May 21, 2025, the Liberal Prime Minister of Canada provided his mandate letter. It said as follows:

At home, our longstanding weak productivity is straining government finances, making life less affordable for Canadian families, and threatening to undermine the sustainability of vital social programs on which Canadians rely.

Again, those are the Liberal Prime Minister's words to his cabinet, which Conservatives have used in our Conservative motion. Now we have a situation where Liberals are not wanting to read that, I guess, not wanting it on the record and not wanting it in our motion or to really even set the stage for an important study in industry, despite the Liberal Prime Minister explaining and setting the tone for cabinet of why we need to work so hard.

I am a bit surprised, Mr. Chair. Again, these are the words of the Liberal Prime Minister that are being removed by Liberal members on the industry committee.

Perhaps I'll leave it to them to explain the rationale.

The Chair: Thank you.

Mr. Guglielmin, the floor is yours.

Michael Guglielmin: Thank you, Chair.

Thank you to my colleague Ms. Dancho for introducing this very important motion today.

As we all know, it's important to us because Canada is facing a critical economic challenge with billions of dollars leaving our country every single quarter. In June alone, a net outflow of \$8.3 billion in securities left the Canadian economy. This brought total capital flight in the second quarter to an astonishing \$43.7 billion. I believe that number is \$63.5 billion in the last five months. Investment that should be fuelling Canadian jobs, innovation and growth is instead flowing south of the border. Foreign investors and Canadian companies are sending money abroad rather than keeping it right here in Canada.

Again, I think it's very important that we include this language with the study because we just need to highlight the severity. I think we can all agree that, as Ms. Dancho said, this is an important issue facing our country.

The Chair: Monsieur Ste-Marie, did you want to speak?

[Translation]

Gabriel Ste-Marie: I have a point of order, Mr. Chair.

The Chair: We're listening, Mr. Ste-Marie.

Gabriel Ste-Marie: It's 5:30 p.m. and the people from the competition bureau are waiting. I expected all the motions to go through quickly, within an hour. We had plenty of time. I suggest that we postpone this until next Monday so that we can give our guests a proper welcome.

• (1730)

The Chair: Unfortunately, that isn't a point of order. However, I understand what you're trying to do. Give me a few seconds.

[English]

Colleagues, I understand that there is agreement from the parties to move forward with adopting the language of Ms. Dancho's motion as amended.

The first thing we have to do—and I'm trying to move quickly here, so I'm just looking for unanimous consent—is confirm that we are good to adopt Mr. Bardeesy's amendment to Ms. Dancho's motion, which removes the language that he referenced.

Are we good?

(Amendment agreed to)

The Chair: Seeing no speakers to the motion as amended, we need to vote on this. I'm looking for unanimous consent to speed things up.

(Motion as amended agreed to)

The Chair: Colleagues, I'm now going to suspend to allow us to prepare for the appearance of our colleagues from the Competition Bureau. At the end of that part of the meeting, I'm going to take an extra couple of minutes to just very quickly come back to this to talk about how we move forward with our next week of meetings, as this took a little bit longer than I had anticipated.

We're suspended for a few moments.

• (1730)

(Pause)

• (1735)

The Chair: Colleagues, we are resuming.

Mr. Vis has just joined us. Mr. Guglielmin, Mr. Falk, Monsieur Ste-Marie, we'll get going and enter the second half.

As per our discussion at the subcommittee, there was a desire for us to hear from our colleagues at the Competition Bureau.

We're going to provide five minutes, but if you need a bit more time, we're certainly happy for you to have it.

I want to make sure I get all the titles and names right, but I don't have the names of the specific positions, other than the commissioner's. I apologize.

With us from the Competition Bureau, we have Jeanne Pratt, Matthew Boswell and Anthony Durocher.

Mr. Boswell, I presume you will be providing the commentary but, of course, feel free to split the time with your colleagues as you see fit. We'll start with five minutes. Hopefully, you don't need too much more.

What will happen then, colleagues, is that we'll enter into a line of questioning. The way that will go is that we'll begin with six minutes for members of the Conservative Party, the Liberal Party and the Bloc, and then we'll reduce that and see how much time we have afterwards.

With that, Mr. Boswell, I pass the floor over to you, sir.

Matthew Boswell (Commissioner of Competition, Competition Bureau Canada): Thank you.

Good evening, Mr. Chair and members of the committee. Thank you for the invitation to appear before you today. It's good to be back before this particular committee, which we've been in front of a fair bit, albeit with many new faces this evening.

As the chair said, I am Matthew Boswell, and I am the commissioner of competition. I am joined today by my colleague Jeanne Pratt, who's the senior deputy commissioner of the mergers and monopolistic practices branch, and Anthony Durocher, who's the deputy commissioner of the competition promotion branch.

I would like to take my time this evening to provide a quick overview of the Competition Bureau's role and some of our recent work.

The bureau is an independent law enforcement agency that protects and promotes competition for the benefit of Canadian consumers and businesses. We administer and enforce Canada's Competition Act, a law of general application that applies to every sector of the economy, as well as three labelling statutes. Our enforcement of the act involves investigating and addressing abuses of market power, anti-competitive mergers, price-fixing, bid-rigging and deceptive marketing practices. We also advocate to all levels of government in Canada for pro-competitive government rules and regulations.

Competition is vital in our economy.

[Translation]

More competition means lower costs and greater opportunity for Canadians. It drives productivity, catalyzes business investment and helps ease cost-of-living pressures.

Over the past three years, Parliament passed three waves of amendments to the Competition Act.

These generational changes have strengthened the legislative framework to protect and promote competition in Canada. In particular, they have strengthened the competition bureau's investigative and enforcement powers, modernized merger review and created new tools to address emerging forms of market abuse that harm consumers and the economy.

• (1740)

[English]

The bureau is committed to using all available tools to prevent, identify and address anti-competitive activity with a focus on sec-

tors of the economy that matter to Canadians. In the past year, this included taking legal action against Rogers for allegedly misleading claims about unlimited data; taking legal action against DoorDash for allegedly advertising misleading prices; taking legal action against Canada's Wonderland for allegedly advertising misleading prices online; taking legal action against Google for allegedly abusing its dominance in online advertising technology services in Canada; and pursuing investigations into the use of property controls in the Canadian grocery industry, including monitoring Loblaw's recent commitment toward eliminating property controls in Canada.

In June 2025, the bureau published a market study report on airline competition in Canada. We outlined how changes to policies such as foreign investment restrictions and airline merger oversight could deliver more competition, innovation and choice to Canadians.

Also, just two weeks ago, we launched a new market study of competition in the lending sector for small and medium-sized enterprises in Canada.

We have also continued to engage in public consultations and release new guidance and updated enforcement guidelines to help businesses comply with the Competition Act following the recent amendments to the law.

The Competition Act is a foundational tool to protect and promote greater competition in Canada, but it is not the only tool.

[Translation]

To build on the progress made in modernizing the Competition Act, all levels of government in Canada need to examine what more can be done to address the regulations and policies that hold back competition in Canada, often unintentionally.

The findings that we published after an in-depth study show that Canada's competitive intensity has decreased over the last two decades. It will take a whole-of-government approach to turn the tide, with the federal government working alongside municipal, provincial and territorial governments.

[English]

In closing, Mr. Chair, I'd like to take this opportunity to note that we are at a critical moment for Canada's economy. We are facing global uncertainty, rising protectionism, technological disruption and growing affordability concerns. Competition is not a secondary issue in this context, but a foundational one. When firms and businesses face real competition, they are forced to innovate, invest and improve.

Before fielding your questions, I would note, as I always do, that the law requires the bureau to conduct its investigations in private and to keep confidential the information we have. This obligation may prevent us from discussing certain facets of our investigations or even the existence of certain investigations. We ask that you understand the limits that are on us.

Thank you very much. We look forward to your questions.

The Chair: Thank you very much. I appreciate that.

Colleagues, the first line of questioning goes to the Conservatives.

Ms. Dancho, the floor is yours for six minutes.

Raquel Dancho: Thank you, Mr. Chair.

Thank you to the commissioner and to senior staff from the commissioner's office for being here. On behalf of the people I represent in Kildonan—St. Paul, thank you for the hard work you're doing on behalf of Canadians. It's very important work.

Commissioner, I'd like to follow up on an area of discussion that you had with the Conservatives almost a year ago now concerning the issue of Interac. As you know, most Canadians use Interac every day; it's quite ubiquitous in Canada. As we know, Interac is not a neutral public utility; it's a private company dominated by Canada's largest banks, which profit from the system and help set its rules. From what I understand, until recently that meant that the banks that own Interac paid much lower fees for e-transfers, while smaller companies like credit unions, smaller banks and fintechs paid far more for the same services. Of course, you can understand that this would tilt the playing field in favour of the big banks.

The Conservatives raised the alarm on a number of these issues. In October 2024, my colleagues Michelle Rempel Garner and Adam Chambers wrote to you, outlining our concerns that Interac's tiered fee structure and governance created an unfair advantage for the big banks while keeping fees for consumers artificially high.

At our last meeting with you, you confirmed that your bureau had "launched a preliminary investigation" into these concerns. Then, on July 10, your bureau announced that Interac would end those "volume-based discounts" and move to flat-fee pricing, which I think could be seen as a big win. I appreciate the hard work from Conservatives, your work in response to that, and now Interac's move. However, I do have a few questions to see where the fairness is and perhaps what this past conduct means for Interac.

Now, in your response letter to Mr. Chambers and Ms. Rempel Garner, you explained, "Interac announced on June 4, 2025 that it is moving to a flat-fee pricing model starting November 1, 2025. I'm encouraged by this move because I believe it will help level the playing field for financial institutions of all sizes and create a more competitive sector."

Commissioner, would it be fair to say, then, that Interac and the banks that govern it were engaging in uncompetitive practices prior to this fee change?

• (1745)

Matthew Boswell: I don't think I can say definitively, or conclude definitively, that this was the case. We were investigating

their conduct and, as said in the letter to your colleagues, we appreciated their flagging the issue. We had a very good discussion about the issue here at committee. We were already investigating before the committee hearing, and we continued. Then, when they announced that they were going to change the practice in question.... The volume-based tiered pricing of wholesale Interac was the main concern we were looking at, and when they indicated that they were going to change to a flat-fee system that didn't have what appeared like a disparity of fairness for smaller institutions to be able to compete, we made the decision that we weren't going to continue the investigation and that we would monitor their commitment to change to a flat fee.

I understand that some people may not understand how law enforcement sometimes has to prioritize investigations, but that's what we have to do at the bureau all the time. We have to make decisions about which investigations to prioritize. In this situation, we felt that what they were moving towards addressed the key part of the problem, and we were going to monitor their implementation of that. That's where we're at. I can't say, though, that we definitively concluded that there was anti-competitive conduct.

Raquel Dancho: Thank you, Commissioner, for that response.

I just want to understand what you're saying, though. Are you saying that, had Interac not moved to a different fee structure, a further law enforcement investigation would have been conducted?

Matthew Boswell: It's always tricky to speculate on these things. What I can say very definitively is that we had an investigation going, and when there was a material change in circumstances, we assessed the investigation and decided that we would put it on hold, for lack of a better term, while we monitored the commitment.

Raquel Dancho: Okay. If I may just clarify.... I believe the Competition Act prohibits what's called an abuse of dominance, which, as you know, is when a company that already controls most of the market uses its power to tilt the rules against a smaller competitor. That seems to apply in this situation with Interac. Do you see that kind of conduct as potentially falling under the abuse of dominance, depending on the evidence?

Matthew Boswell: It certainly was the nature of the investigation and the nature of the discussion about Interac's market power in Canada and the conduct we were looking at, which was the volume-based tiered pricing that effectively benefited the big banks, which were the primary owners of Interac itself.

Raquel Dancho: Thank you, Commissioner.

Had your investigation continued and had it been found that there was an abuse of dominance.... Just so I'm clear, the potential penalties can range from \$25 million to \$35 million and can apply to cover the full period of that conduct. That is based on your comments at the last committee meeting when you were here in November. Is that correct?

• (1750)

Matthew Boswell: Yes. There are various remedies that we could seek in an abuse of dominance hearing, including the ones you mentioned, but only after a trial, if there wasn't a resolution in advance of a trial.

Raquel Dancho: Thank you very much.

The Chair: Thanks very much, Ms. Dancho.

Mr. Bains, the floor is yours for six minutes.

Parm Bains (Richmond East—Steveston, Lib.): Thank you, Mr. Chair.

Thank you, Commissioner, Deputy Commissioner and your team, Mr. Durocher, for joining us today.

I'm going to stay on the same theme as my colleague across the way, on the banking issue. I met with Canadian bankers today. A big issue is fraud and fraud prevention. In 2024, Canadians were scammed out of \$638 million in total. We know these funds get injected into criminal enterprises. Canadians are being approached through different platforms, such as digital, over the phone, WhatsApp and different applications.

Can you inform the committee about whether you've done any work on this? Have you looked at this and worked with the banks in any way to help people not be scammed?

Matthew Boswell: As I said in the opening comments, we pursue deceptive marketing and mass marketing fraud under the Competition Act. We've had criminal prosecutions for mass marketing fraud in the last several years that resulted in significant penalties, including jail for an individual named Terry Croteau.

We are also one of the three key partners in the Canadian Anti-Fraud Centre, located in North Bay, which does incredible work on a very small budget. If anyone is looking to provide it with additional funds, that would be great. The RCMP, the Competition Bureau and the Ontario Provincial Police run the Canadian Anti-Fraud Centre, which is primarily a call centre, taking in and gathering data on fraudulent scams and the scam of the moment, and trying to disrupt those scams.

The bureau also has a unit that is dedicated to disrupting mass marketing fraud—I won't get into all the details of how we do it—by using tools at our disposal and contacts that we have to try to disrupt frauds and scams that are getting under way.

What's interesting is that, unfortunately, the number you've probably heard is not even close to the actual number of dollars that Canadians are defrauded of every year. Of course, with the digital economy, it's becoming a bigger and bigger problem to police that type of behaviour, because it can originate anywhere and end up in a living room in Kelowna or Saskatoon, and be perpetrated by people on the other side of the world who are very difficult to track

down. This is becoming a bigger and bigger problem that we have to pay more and more attention to.

I hope that provides you with an overview of the work we do in this area. We investigate and refer criminal cases to the Public Prosecution Service of Canada for this type of mass marketing fraud.

Parm Bains: Thank you for that.

You talked a lot about previous investigations and the results of those. Can you share active investigations that are going on and that you're pursuing right now, and other challenges you're facing?

Matthew Boswell: I can't share active investigations, for a variety of reasons, including letting people who are being investigated know that we're investigating them, which is never a good idea in law enforcement. I can tell you that we do have active investigations. We have a dedicated team that looks at this particular aspect of deceptive marketing.

I don't have them with me, but I'm happy to share after the meeting some examples of recent convictions and recent action we've taken in the mass marketing fraud and deceptive marketing criminal cases. I'm happy to share them with the committee.

• (1755)

Parm Bains: Thank you for that.

My next question is about Bill C-59. In what ways has Bill C-59 equipped you with necessary tools to carry out your work more effectively?

Matthew Boswell: That's a very big question. There are a lot of things in Bill C-59. Let me turn to my notes. This answer could take most of the rest of our time.

Parm Bains: Well, maybe I can go to the ways in which the change allowing expanded private access to the Competition Tribunal for Canadians has been effective, maybe that area.

The Chair: Mr. Boswell, I'll assist you by telling you that you have about 90 seconds.

Matthew Boswell: Okay.

Yes, absolutely. We are the public enforcer. That's a very important role, and we're it for Canada. Bill C-59 and earlier amendments really expanded private enforcement in Canada, allowing for private lawsuits to be brought under deceptive marketing and under civil agreements between competitors. It also eases the test for private parties to get in front of the court. That is very positive, because we have finite resources. We have a mountain of complaints every year, as you know. There are way more cases than we can take.

If there's more ability for private enforcement—we're watching how it develops now, because it just came online in June—that is a great development for competition law enforcement in Canada.

The Chair: Thanks very much, Mr. Bains.

[Translation]

Mr. Ste-Marie, you have the floor for six minutes.

Gabriel Ste-Marie: Thank you, Mr. Chair.

Good afternoon, Mr. Boswell, Ms. Pratt and Mr. Durocher. Thank you for your work and for being here. You quickly responded to our invitation to join us today.

My first questions will focus on Mr. Bains' comments regarding the bill passed during the previous Parliament and the practical implications for you. The original bill was Bill C-56. I believe that it was included in Bill C-59, the budget implementation bill. It contained a number of changes that the Bloc Québécois had been requesting for decades.

How does this change your work in practical terms? For example, Mr. Boswell, you spoke about an initial change that makes it possible to compel a person to testify or provide records. Is this currently a useful tool for your bureau?

[English]

Matthew Boswell: Thank you, Mr. Chair.

[Translation]

Thank you for your question.

I'll respond in English, because I didn't hear the whole thing.

[English]

Bill C-59, as I've just said to honourable member Bains, was really quite a sea change in competition law in Canada. There were many significant developments, developments that for a long time we at the bureau had been calling for and that other people had been calling for.

Obviously, there were some changes that really captured the public's attention, but I would say that probably the most significant area in Bill C-59 would be the changes to the merger regime in Canada. It really took us from what my predecessor and other former commissioners have said was the weakest merger law among all our peer countries in the world, to being actually quite a strong merger law now that can really protect competition in Canada. Merger review is the first line of defence to prevent even more concentration in a very concentrated economy.

I hope that helps.

[Translation]

Gabriel Ste-Marie: Yes. Thank you.

This component was included in Bill C-59. Under the previous regime, a provision stated that a transaction had to be authorized if it led to an efficiency gain. I understand that the removal of this provision significantly affects your bureau's current work.

I would now like to get back to my first question. As part of your investigations, you can now compel witnesses to co-operate or provide records.

Has this been useful to you?

• (1800)

[English]

Matthew Boswell: Thank you, Mr. Chair.

Again, I apologize. I'll respond in English, if that's okay.

This was a very important change as well, giving us the power, when we're conducting what we call market studies, to look at competition in a whole sector of the economy and see what the competition issues are in that sector. Before these changes in Bill C-56 in 2023, we couldn't compel companies we were looking at in the market study to provide us with records. In the past, we had trouble getting fulsome co-operation from companies. Now, since Bill C-56, we have those powers to compel records during market studies. We've already used them in our study into competition in passenger air travel in Canada. We've used those section 11 powers. They've allowed us to get at more information and data about competition in the sector.

That is another of the many important changes to the law in the last three years.

[Translation]

Gabriel Ste-Marie: Thank you.

I'm delighted to hear your remarks on this topic.

Another component has changed with regard to Bill C-56. It concerns anti-competitive practices prohibited by the act. Now more practices can be viewed as indirect, such as entering into an agreement with a non-competitor in order to reduce competition. You're now able to use this other game-changing tool.

Is that right?

[English]

Matthew Boswell: That was Bill C-56 as well, which—and this is a very important point for grocery competition—effectively created a provision where the bureau could pursue agreements not between competitors. I think Minister Champagne even talked about it in the House of Commons when he came to speak to it, or perhaps it was in the Senate. These are what we refer to as property controls, where a grocery company will put in place a restrictive covenant on title so that no other grocery business, or that type of business, can locate on a property. They can put that in place and then leave, so there's no ability for a grocery store to open in some areas.

That amendment to section 90.1 of the act was very important. It was something that the bureau used and relied upon in an investigation that we initiated in June 2024 into the use of property controls in the greater Halifax area. We were investigating George Weston and Empire, the owner of Sobeys, in the Halifax area. Also, we were able to get a property control removed in the Crownsnest Pass municipality in Blairmore, which had been put in place by Sobeys and had effectively prevented anybody from coming into the only realistic spot where you could open a second grocery store in that mountain town.

Those are important developments in terms of helping advance competition in the grocery sector, based on that amendment.

[Translation]

Gabriel Ste-Marie: Thank you, Mr. Boswell.

The Chair: Thank you, Mr. Ste-Marie.

[English]

Thank you, Mr. Boswell.

Colleagues, we're going into our second round. I have five minutes for the Conservatives. Ms. O'Rourke will be second for the Liberals. Then I will go back to Monsieur Ste-Marie for five minutes. I'm not sure how our timing will track for a third round, but I'll keep an eye on it here.

Mr. Guglielmin, the floor is yours.

Michael Guglielmin: Thank you. I'll be splitting my time with Brad Vis. I'll be giving him two minutes right at the three-minute mark.

Thank you, Commissioner, for attending today and for all the great work you do.

I'd like to ask you about airfare in this country. Like many Canadians, when I'm travelling abroad in places like Europe or the United States and within those countries, I find it very striking how expensive it can be to fly within Canada. According to the International Air Transport Association, Canada ranks 101 out of 116 countries for the cost of air travel. We know from the study issued by the Competition Bureau on airline competition back in June of this year that government subsidies have not reduced the cost of airfare for Canadians.

I'm just curious to know what you would say is the cause of the increased price of airfare in Canada.

• (1805)

Matthew Boswell: I have lots to say on that.

What I'm going to do is ask Mr. Durocher, who is the lead of our market study into passenger airline competition in Canada, to provide his evidence-based thoughts.

Anthony Durocher (Deputy Commissioner, Competition Promotion Branch, Competition Bureau Canada): When we look at airline competition, as we did for close to a year, it's a concentrated market in Canada. Air Canada and WestJet have a combined control of anywhere between 56% and 78% of passenger share in most major airports in Canada. There have been inroads on competition, if we look at Porter and Flair, but if we look at the history, competition can be fragile.

We also know that competition matters for airfare. We did some data work that showed that when you have one more competitor flying on a given route in Canada, prices go down by 9%. Competition is very important, especially given concerns about affordability.

We provided 10 recommendations for tangible steps that governments can take to increase competition in the market. There are three broad categories. The first is prioritizing competition in federal aviation policy. The second is looking at lowering barriers to foreign investment in the Canadian industry so that we can tap foreign investment and experience to enable it to thrive. The third is looking at northern Canada and remote regions, and how we can take steps to prioritize contestability in these remote markets.

Michael Guglielmin: There's a recent Fraser Institute report that states that government- and airport-imposed taxes and fees comprise 25% to 35% of airfare costs in Canada. These charges have been repeatedly cited as major contributors to rising ticket prices and limited competition in the sector, as you just mentioned.

Given the government's role in setting these taxes, how much impact do you believe they have on airfare costs?

Anthony Durocher: Thank you for the question.

That's an issue that we discuss at length in our report. In fact, it constitutes a sizable portion of ticket pricing in Canada, to the order of 30%. From a competition perspective, what's important is that it can have a disproportionate impact on lower-cost airlines, which are very important in providing the disruptive competition that helps with airfares in Canada.

Michael Guglielmin: I'm sorry to interrupt.

I'm ceding the rest of my time to MP Vis.

Brad Vis (Mission—Matsqui—Abbotsford, CPC): Thank you.

On January 25, 2023, Ms. Pratt was before this committee and outlined that “the commissioner filed an application with the Competition Tribunal under section 92 of the Competition Act, seeking to block the proposed merger” between Rogers and Shaw. Ms. Pratt mentioned that it would negatively impact “millions” of British Columbians and Albertans. Today, we’re seeing the negative impacts of that merger. In fact, United Steelworkers Local 1944 in my riding is on strike because its members, who previously worked for Shaw, don’t have wage parity with the long-term Rogers employees.

When Rogers executives came before this committee, they made big promises, stating they would invest \$6 billion in rural infrastructure. They said there would be more jobs and prices would be lower. It’s a fact that prices went up and we haven’t seen those investments.

What can we do a better job of in this country to ensure that workers are protected in future mergers moving forward?

Jeanne Pratt (Senior Deputy Commissioner, Mergers and Monopolistic Practices Branch, Competition Bureau Canada): I will say that we fought that merger of Rogers and Shaw. We brought a case to the tribunal. We thought it was going to be harmful to competition.

In that case, we were under our old framework, which was before Bill C-56 and Bill C-59. We couldn’t consider labour directly under our old test, because job losses were actually an efficiency. That might have been a plus factor for the tribunal, to look at the merger as a good thing.

Brad Vis: The work we did on efficiencies can make a big difference now.

Jeanne Pratt: I can only say that I did not look at these issues under the old framework. Under Bill C-56 and Bill C-59, where labour was specifically added as a factor to be considered in the merger provisions of the act, we would be able to consider it in an investigation if that merger were before us today.

Brad Vis: Thank you.

The Chair: Thank you very much, Mr. Vis.

Ms. O’Rourke, the floor is yours for five minutes.

Dominique O’Rourke: Thank you, Chair Carr.

[Translation]

I would like to extend a warm welcome to the witnesses.

I really enjoy speaking with you about your impressive work on behalf of Canadians. Thank you.

• (1810)

[English]

I want to talk about grocery prices and competition in that really important sector. We know that many factors are driving prices up at the grocery store. It could be because of supply chain issues, climate change or scarcity, but competition is among the reasons.

In 2023, the Competition Bureau released a study of the Canadian retail grocery market. You had four recommendations to improve competition in the grocery industry, including the growth of independent grocers and the entry of international grocers into the Canadian market. What is the progress on those four recommendations, and how are you working with policy-makers and industry to implement those recommendations to improve competition in the grocery space for Canadians?

Anthony Durocher: Thank you very much for the question.

Yes, competition is fundamental when we look at grocery prices. We’ve seen good progress on some of our recommendations. I can name a few.

When we look at property controls, one of our recommendations was that provinces look to eliminate them. These can be very important barriers to entry or expansion for new grocery stores. There have been steps taken to amend the Competition Act to give us better tools to address this. There have been investigations launched as well, but provinces have also taken action. A recent move by the Province of Manitoba to eliminate property controls shows real leadership on this file.

We know that the government has actively worked to try to entice or promote the entry of a foreign grocery player in Canada. Internationally, we’ve seen that when foreign entrants come in, they can really shake up a grocery market and play an important role.

One of our recommendations was around pricing and to facilitate pricing comparison for Canadian consumers. We’ve seen the Province of Quebec take important steps with a bill to facilitate pricing comparisons for consumers.

We’ve seen important progress. I think work continues for the bureau in the grocery industry. It’s a priority sector for us. It’s one that’s deeply important for Canadians, and we’re on the beat.

Dominique O'Rourke: That is a wonderful thing to hear. Thank you. Taking a look at what's happening in the provinces so they can join us in advocating for more competition in the grocery sector and lower prices for Canadians, I'm thrilled to hear that and fascinated by the investigation into the property controls.

Do you have any additional investigations in terms of those? I suppose you can't say. I suspect that where I come from there were a few of those.

I want to shift to ask this: When you're taking into account the business growth and market competition, how do you consider improving competition in more entrenched industries and sectors to make sure that Canadians are getting the best deal? How are you implementing improvements for Canadian competition in other sectors? You've mentioned some for groceries, so regale us with your innovative and impactful solutions.

Matthew Boswell: First, to go back to your previous subject, you asked about ongoing investigations in terms of groceries. We are continuing our investigation into bread price-fixing where Canada Bread pleaded guilty in the summer of 2023, leading to a \$50-million fine for price-fixing with Weston bread. That investigation continues, and there are multiple companies under investigation. That's public, which is why I can talk about it.

Of course, our investigation in that area led to a class action that was just settled by Loblaws, in which they agreed to pay \$500 million to Canadian consumers. That's an aspect of the grocery market that we continue to investigate. We've obtained some results in terms of a guilty plea by Canada Bread and Loblaws admitting their involvement through our immunity program.

In terms of other sectors, perhaps I'll quickly say that we have two roles in the bureau: to protect competition, which is mainly our enforcement role, and to promote competition in Canada, and the act contemplates us making submissions to federal boards and tribunals. Of course, now the act specifically contemplates us engaging in market studies to determine what the competition issues are in a given sector of the economy. You've already heard that we've done that in passenger air travel, and we had done that in the grocery industry before we had powers.

On September 4, we launched publicly a consultation for our new market study, which is looking into the financing sector for small and medium-sized enterprises in Canada with a focus—at least right now in our consultation paper—on term loans. We engaged in that study because we saw some—

• (1815)

The Chair: Mr. Boswell, I'm sorry to cut you off. If you could just wrap up, we are tracking to be behind.

Matthew Boswell: I'm sorry.

The Chair: It's okay. I know you're trying to give fulsome answers, but I need to make sure I get back to other members as well.

Matthew Boswell: That's our new area that we're looking into. We are doing this all the time at different levels of government all across the country on different subjects, as much as our resources allow, and as much as Mr. Durocher's team has capacity to take on advocacy projects to advocate for more competition in the Canadian economy, because we desperately need it.

Dominique O'Rourke: I have no further questions, just a lot of thanks. Please continue your investigations into the grocery sector to make sure we're providing the best value and the most competition to Canadians.

The Chair: Thank you, Ms. O'Rourke.

[Translation]

Mr. Ste-Marie, you have the floor.

Gabriel Ste-Marie: Thank you.

Mr. Boswell, you may take all my allotted time to answer my next question.

I would like to understand the challenges faced by your bureau in dealing with the web giants. I'll give you two examples.

Last April, La Presse ran the following headline: "The Competition Bureau responds to Google." The article reported that your bureau "responded to Google in its ongoing lawsuit concerning the tech giant's advertising practices in Canada, accusing the company of seeking to conceal its alleged anti-competitive practices."

My second example concerns another article published in La Presse. On July 8, 2025, the article stated as follows: "The Competition Bureau obtains a court order." The article focused on Amazon's fair pricing policy.

In general, how can your bureau deal with the web giants?

Matthew Boswell: Mr. Chair, I want to thank the member for his question.

[English]

This is an issue that, as the honourable member points out, the bureau is very active in.

As the honourable member points out, we have three active public investigations into large digital platforms. As I said in my opening statement, we have initiated a lawsuit against Google at the tribunal. Our pleadings and all the information we've put forward to the tribunal at this point in time are available from the Competition Tribunal. It's best if I don't get into further details, but the case is before the tribunal and we're moving forward with that.

We have two separate investigations into Amazon's conduct in Canada. One is in relation to its pricing policies on its sales platform, and the other is with respect to fake reviews on the Amazon platform. I can't say much more about those, other than that they are proceeding.

We are engaging with Amazon in certain court matters as we move forward. These align with the bureau's priority to focus its efforts on areas that matter to Canadians and to become a leading competition agency among global competition agencies in enforcing the law in the digital economy, which really is the modern economy. We all interact with these platforms all the time, and it's very important that we're vigilant on the conduct going on on these platforms.

[Translation]

Gabriel Ste-Marie: Thank you.

The Chair: Thank you, Mr. Ste-Marie.

[English]

Colleagues, we have five minutes for the Conservatives and five minutes for the Liberals, which will conclude the amount of time we have for questioning today.

Mr. Falk, the floor is yours, sir.

● (1820)

Ted Falk: Thank you, Mr. Chair.

Thank you to our witnesses here: Mr. Boswell, Ms. Pratt and Mr. Durocher. Thank you very much for your attendance and the information you're providing.

I, too, was going to focus a bit on the grocery sector. As I look around in some of the communities in my riding in southeast Manitoba, I've noticed that a lot of the small grocers really struggle. Some of them close because they just can't seem to make it. I also noticed that the people who have to use a lot of the smaller grocery stores and outlets are people who have mobility challenges and can't drive to the big box centres. The pricing is always more expensive in the smaller outlets.

I'm wondering if it's not similar to the issue that Ms. Dancho asked about with regard to the financial institutions and whether there's an Interac funnel that needs to be addressed. My understanding is that a lot of the small grocers have to buy from a limited number of distribution centres, and these are often owned by the larger players in the industry.

Can you comment on that and on what can be done? The cost of food is something that everybody talks about.

Matthew Boswell: Absolutely. It's a very serious concern to all Canadians now, and it has been for some time. We saw in 2023 that grocery prices were rising faster than they had been in 40 years.

In our grocery market study report, where we did a deep dive on what was really going on and what the competition issues were in the grocery sector, one of the findings we made, and also what we heard from people we spoke to, was that independents, or smaller grocery stores, were finding it harder to compete. They relied on wholesale, which was owned by the larger incumbents. That really hurt their ability to compete with the larger incumbents. We also saw new models that were trying to emerge, which had no retail site and were strictly delivery, but the problem once again was that they would have to rely on the wholesales that are controlled by the larger players. That definitely presents a problem in Canada.

In terms of what you communicated about only smaller stores being in certain areas, that is also partially tied to the property controls issue. Where it goes even further, you have what are called food deserts—

Ted Falk: I think I have to cede my time here.

Matthew Boswell: I'm sorry.

Ted Falk: Thank you. I know that could be a very comprehensive answer, but I appreciate what you provided.

The Chair: Who are you ceding your time to?

Ted Falk: Ms. Borrelli.

The Chair: Ms. Borrelli, the floor is yours for two minutes.

Kathy Borrelli: Thank you.

Mr. Boswell, former minister Navdeep Bains wrote a letter to you back in 2019 as you assumed your new role as the commissioner of competition. Within that letter, Mr. Bains emphasized creating a competitive environment where small and medium-sized enterprises can thrive. Recent numbers have shown a 3.8% jump in insolvencies from 2024 to 2025. My riding alone has a rate that's one of the highest in the country.

Mr. Boswell, what concrete steps has the bureau taken to ensure that small and medium-sized businesses aren't squeezed out by the bigger companies?

Matthew Boswell: Thank you. It's a very important question. That centres generally on our abuse of dominance investigations, where big companies are using anti-competitive conduct to try to squeeze out or kill other competitors.

Obviously, we have active investigations in that area, but it's also an issue where we get a lot of complaints and we have only a limited amount of resources to advance those investigations. We do what we can. As I alluded to earlier or spoke about, we have to prioritize, but that is the role we can play—to be vigilant for anti-competitive conduct and to take action to the extent that we can, with the resources we have, to stop that anti-competitive conduct. I guess the caveat is that we are it for the entire country. We have about 450 people. We do as much as we can, but we can't be everywhere all the time.

That's probably not a good answer, but it's an honest answer.

● (1825)

The Chair: Thank you very much, Ms. Borrelli.

Mr. Bardeesy, you'll conclude with five minutes.

Karim Bardeesy: Thank you.

Thank you to you and those hard-working 450 folks who do that work.

I just want to ask a couple of questions about the new study you've initiated on financing for small and medium-sized enterprises. There's not a lot of current data on this phenomenon. Industry Canada does a study every two years, which you refer to in your framing paper. It notes, "SMEs appear to have received less new credit, while larger businesses received more. For example, in the second half of 2023, the number of new loans to small businesses dropped by 19%, whereas larger businesses have seen a rise of 14.4%."

I understand that, as you mentioned, this study is focusing on term loans. What kinds of sources of data are available to the Competition Bureau that will help inform this study?

Anthony Durocher: Well, I can speak right now to the motivations to launch the study itself, which were based on observations that you mentioned and studies, as well, that suggested that it's in the public interest to examine what's happening. It goes to the core of small and medium-sized enterprises in Canada. They are the backbone of the Canadian economy and are critical for productivity, for innovation and to bring competitive intensity in all sorts of markets across Canada.

Some of the data that we referenced and that you mentioned.... Another is just the disparity between the interest rates paid by small and large businesses. It appears—and this is based on a study cited by the OECD—that in Canada the disparity is bigger than in other countries. That is prompting us to ask why that is. We know that the financial sector is concentrated.

Right now, we're at the stage of our study where we're considering views of stakeholders for 30 days as to the scope of the study. That is going to inform the breadth of the issues that we're going to be examining, where we're going to get our data from, and stakeholders as well. We look forward to hearing from all interested stakeholders. From our perspective, this is a very important study, given the importance of small and medium-sized businesses to the Canadian economy.

Karim Bardeesy: Something that I've heard in my riding—and I think it is a common experience of others and perhaps even other members in their own past private lives—is that financing decisions that used to be taken more locally, at the branch level or the regional level, are now being more centralized in the head offices or in other centralized operations of the major financial institutions. Is there any qualitative evidence, or is there any examination of that issue as part of your work?

Anthony Durocher: That's an interesting observation, and I think it is exactly the type of information that we want to hear from Canadians right now to get to the heart of the issue as to how competition is working—looking at, for example, barriers to entry for new, smaller lenders, such as fintechs, to grab a foothold in the market and bring innovative services to offer a greater diversity of products and more financing options for SMEs.

We're also looking at switching costs. That's the ability for a small or medium-sized enterprise to expand or invest in new machinery, looking at its ability to play the competition off each other and to switch suppliers if it sees a better deal elsewhere.

Karim Bardeesy: Is there a study to look at the special financing needs of, or to look at whether there are any further disparities

within the sector for, minority-owned or women-owned SMEs, which might face even further barriers and where these statistics might be even worse than what you've already cited?

Anthony Durocher: I think that is an area we will be examining, and we hope to hear from Canadians on that very issue. We have certainly taken note of some data in that regard, about the lack of financing for certain groups. It also goes to the importance of competition to provide options and opportunities for all Canadians.

Karim Bardeesy: Okay, thank you.

• (1830)

The Chair: Thank you, Mr. Bardeesy.

Witnesses, thank you very much for appearing. We are going to conclude. We're going to continue briefly with a little bit of committee business that we have to attend to, so please feel free to just pack up quietly and be on your way. We very much appreciate your taking the time to present here.

[Translation]

Thank you for speaking to the Standing Committee on Industry and Technology. Have a good evening.

[English]

Colleagues, I'm just going to move us very quickly back into committee business.

[Translation]

Mr. Ste-Marie, you have the floor.

Gabriel Ste-Marie: Thank you, Mr. Chair.

The committee received two motions that I would like to move and have adopted. They reflect the status of the negotiations that took place in the subcommittee with the different parties.

I understand that the motion proposing a study on artificial intelligence would require further discussion. I'll move it at the next meeting. However, I would like us to quickly adopt, if possible, the following motion to invite the Honourable Mélanie Joly, Minister of Industry, to appear before the committee to share her vision for her mandate and the various potential studies and to answer our questions:

That, pursuant to Standing Order 108(3), the committee invite the Minister of Industry, Science and Economic Development and the Minister responsible for Canada Economic Development for Quebec Regions, Mélanie Joly, to appear before the committee for at least one hour on the topic of her mandate, including the subjects of the studies that the committee has initiated.

The motion was sent to the committee members.

The Chair: Thank you, Mr. Ste-Marie.

[English]

Ms. Dancho, the floor is yours.

Raquel Dancho: Thank you, Mr. Chair.

Thank you, Monsieur Ste-Marie, for bringing this forward.

Of course, we certainly support having the minister come to committee to talk about her mandate. That's quite a broad topic, and I think there's a lot we can talk about. I appreciate that you put "for at least one hour", so hopefully Minister Joly can give us two.

Our support for this is premised on the fact that we've also invited her for other things. I want to make it clear that our support for your motion does not mean that we no longer need her for other things, and this committee may agree to bring her in for other studies.

I just wanted to make that clear, but yes, we support it.

The Chair: Yes, Ms. Dancho, you or other members are free to invite any ministers or any other witnesses at a future date.

Colleagues, to be very clear, what we are speaking about right now is this specific motion that was just presented by Mr. Ste-Marie. My understanding—and I hope that understanding is still correct—is that we have agreement among the parties to adopt this motion. Rather than call a vote, I'm just looking for unanimous consent for the motion presented that's in front of us.

(Motion agreed to)

The Chair: Colleagues, thank you for a productive and interesting first meeting.

Right before I adjourn, I'll say that it's very important for the clerk and the analysts that as soon as we are able, we get them the names and contact information—highlighting, bolding and italicizing contact information, although the italicization might not add anything—so that they can prepare. If you have witnesses for the study we adopted through the motion that was presented by Ms. Dancho earlier, please ensure that you're getting them as quickly as possible to the clerk and to the analysts, and then I'll make a decision about how we go forward.

The current plan, colleagues, is for us to reconvene on Monday. You will have to wait until there's an official notice sent out, but the plan is for us to convene, at which point we will continue our discussion. We'll try to see if we can get some witnesses ready for Monday, but in the absence of that, we'll have to pivot.

As a reminder, Wednesday's meeting will include having the CRTC commissioner, who was unable to join us on Monday, for one hour.

Ms. Dancho.

Raquel Dancho: In the past, we were told how many witnesses we'd get, and everyone had a deadline. Did you want to talk about that off-line? I just wanted to make sure.

The Chair: In terms of setting a deadline for witnesses, that's going to require a bit of conversation. Given our time on the clock right now, I'd rather push that to next week, if everyone is amenable to that. Wonderful.

The meeting is adjourned. Thank you.

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