House of Commons
CANADA

Standing Committee on Industry, Science and Technology

INDU • NUMBER 043 • 2nd SESSION • 39th PARLIAMENT

EVIDENCE

Tuesday, June 3, 2008

Chair

Mr. James Rajotte

Standing Committee on Industry, Science and Technology

Tuesday, June 3, 2008

● (1110)

[*English*]

The Chair (Mr. James Rajotte (Edmonton—Leduc, CPC)): I call the 43rd meeting of the Standing Committee on Industry, Science and Technology to order. We are continuing our study, pursuant to Standing Order 108(2), of Canadian science and technology. We have with us here today six federal departments to discuss what they're doing with respect to science and technology.

From the first department, the Department of Agriculture and Agri-Food—and we were at the facility last week in Saskatoon—we have the director general of the research branch, Gilles Saindon.

From the Department of the Environment, we have the acting assistant deputy minister of the science and technology branch, Mr. John H. Carey. Welcome.

From the Department of Fisheries and Oceans, we have Jacqueline Gonçalves, director general of integrated business management. Welcome to you.

From the Department of Health, we have Ms. Karen Dodds, assistant deputy minister of the health policy branch.

From the Department of National Defence, we have the chief of staff, office of the assistant deputy minister of science and technology, Mr. René LaRose.

And from the Department of Natural Resources, we have the associate assistant deputy minister and chief scientist, Mr. Geoff Munro.

We have up to five minutes for an opening presentation for each witness here. Then we'll go to questions from members.

Members, we do have a motion from Madame Brunelle, which we will hopefully deal with in the last 30 minutes of this meeting. So we will go for about an hour and a half with the witnesses, and then we'll have the motion for 30 minutes at the end.

Mr. Saindon, we'll start with you and then work our way down.

[*Translation*]

Mr. Gilles Saindon (Director General, Research Branch, Department of Agriculture and Agri-Food): Thank you, Mr. Chairman.

I would like to give you an overview of the Research Branch of Agriculture and Agri-Food Canada. It is the main national research organization in agriculture and agri-food in Canada. We carry out research activities in 19 centres across the country, including 13 affiliated research stations where we have employees, as well as a number of real property assets. Last week, you visited one of our research centres, in Saskatoon, where we are working on oilseeds and biodiversity. We have a little more than 2,200 full-time equivalents across the country. The annual research budget is approximately $200 million. The budget associated with capital projects and equipment use is not included in that amount. Another division of the Department pays for that, which represents expenditures of about another $100 million.

[*English*]

The AAFC research branch has been engaged in a variety of collaborations over the years. We have staff who are embedded in university faculties. We have research centres that are located at the university campus. We have staff and facilities that are shared with other governments, so we have provincial governments co-located in some locations across the country. And we've done all kinds of collaborations from casual, ongoing collaborations that were established between scientists, to structured programs, such as the matching investment initiative. We still have that program, and it has been running for the last 12 years, where we've had over 3,000 projects.

In order to answer the challenge of the sector, AAFC held an extensive stakeholder consultation process in fall 2005, where we met with provinces, stakeholders, and other science providers. As a result of this, we developed our science and innovation strategy, which was released in May 2006, where we identified seven research priorities, which are basically these. We're working in the area of human health and wellness, in the area of enhancing quality of food and safety, and we're also working on the security and protection of the food supply. Other areas of research are enhancing economic benefits for all stakeholders, environmental performance of the agriculture system, understanding and conserving Canadian bio-resources, which was one of the elements you saw in Saskatoon, and also developing new opportunities.

So we have priority-based objectives.

We have to ensure that the science we do meets the criteria for excellence and also aligns with department priorities. So all of our research proposals are screened in two ways: first, scientifically, with an external panel of specialists who tell us the science is excellent; and we also have another management review within the department to make sure it fits with the priority of the department and the government as a whole.

In the area of collaborations, we've been working and developing new ways of doing collaborations. Last year we announced the agriculture and bio-products innovation program, a new program we issued for $145 million that is competitive and peer-reviewed, and it's targeting agricultural bio-products. It's available for industry, universities, and other government departments, including ours.

[*Translation*]

Given the need for cross-organizational interactions, promoting a strong culture of collaboration both within the Canada and with other countries is a must. So, the message I want to leave with you today is that, given the significant challenges we are facing, increased engagement of the Canadian private sector will be important for us, as part of a framework of renewal and collaboration, so that we can accomplish this with the private and public sectors at the same time.

Thank you.

[*English*]

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

We'll now go to Mr. Carey, please.

Mr. John Carey (Acting Assistant Deputy Minister, Science and Technology Branch, Department of the Environment): Thank you very much for the invitation to appear and talk about Environment Canada's science. I do have a written statement, which I'm not going to read. I'll just give some of the highlights of the statement.

Environment Canada, like a couple of the other departments at the table here, but not like some others, is primarily a regulatory department, although we do provide services to Canadians, such as weather service. Our science is aligned towards the needs of the department and, to a certain extent, because environment is a shared jurisdiction in Canada, to the needs of the provinces as well. Although there may be several reasons why the federal government would support and do science, including economic benefit or the advancement of knowledge, the primary motivation for Environment Canada is in health sciences, quality of life, the decisions the government makes, and the services we provide to Canadians.

I just wanted to emphasize that, because there are several roles for the federal government in science, and we have focused our science within the department on the role Environment Canada plays, as opposed to the advancement of knowledge, which is another group's business.

Another feature of our department is something we call related science activities. It's important to separate, in our view, research and development activities from what we call related science activities, because two-thirds of the science in Environment Canada falls within the category of related science activities. We have 3,500 employees in science and $600 million in expenditures. Two-thirds of those are in related science activities and one-third in research and development.

To give you an example, related science activities would be the analysis of climate data or temperature, etc., to produce weather reports. Environment Canada, of course, produces weather reports across the country. The meteorologists who do that have science backgrounds, science qualifications, but they do not do research and development.

Similarly, we have a large community. We work in partnership with my colleague to my right to do risk assessments and risk management under the Canadian Environmental Protection Act, for example. We have a large community of risk assessors and risk managers. All of them have scientific qualifications, but they do not do research and development. For us, it's important to draw that distinction. We employ scientists doing science who don't do research. In fact, two-thirds of the science community in Environment Canada, 2,400 people, fall within that category.

With respect to our research and development, we do research and development within the department. We have three broad goals. Our program itself, unlike the management of people, which we separate, is managed through a results framework with three priority boards: an environmental protection board, where our risk management and risk assessment take place; an ecosystem sustainability board; and the weather and environmental systems board. All three of those boards establish our broad results and our priorities, and the science is managed as a component of that rather than as a science program separate from the results. The scientific priorities set within each of those have broad results areas and are managed that way and are resourced through those boards.

Second, the point I'd like to raise is that we have scientists across the country. I don't know if during your visit to Saskatoon you visited our facility on the campus there, the National Hydrology Research Centre. We have scientists located at 35 locations across the country, many located in universities, where they work in strong collaboration. Our science, because it's focused on results and not on the generation of knowledge per se, requires us to make some priority decisions and to rely on collaborators outside, who do more broad general research, curiosity-driven research, which informs us. The strategy we have employed to do that is to establish collaborations. Most of our scientists are adjunct professors at universities. So we pursue these collaborations.

The other thing I'd like to draw to your attention is that Environment Canada is in fact the hub of Canada's environmental research network. We've done some metrics. With respect to peer-reviewed scientific publications, the environmental research literature, we are the most productive institution in Canada and we rank seventh globally. With respect to other organizations who collaborate, ten of the other fourteen most productive Canadian institutions collaborate with Environment Canada scientists. As I said, we work very closely in collaboration with other departments, etc.

● (1115)

My final point would be that because we manage people different from our results management system, we've produced a science plan about the way science is managed in Environment Canada. It's available on our website—and it's certainly available to this committee—and it talks about our broad, long-term directions.

Thank you very much.

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

We'll go now to Ms. Gonçalves, please.

Ms. Jacqueline Gonçalves (Director General, Integrated Business Management, Department of Fisheries and Oceans): I'm going to focus my remarks on a very brief overview of the Department of Fisheries and Oceans science agenda, and I'm going to focus on three specific things.

First of all, I'm going to give you a very brief overview of our mandate and our resources. Secondly, I'm going to describe our renewal agenda that we've put in place in the last couple of years. Finally, I'm going to touch more specifically on one aspect of that renewal agenda, which is our science human resources strategy. We've put that in place in order to deal with some very pressing challenges.

As some of you might know, DFO has a very broad mandate. Surrounded by three oceans and home to a very vast freshwater system, Canada is one of the foremost maritime nations on the planet. In addition to our primary internal clients, such as fisheries management, other departments rely on Fisheries and Oceans science for a wide range of scientific information. Some of our colleagues here today—Environment Canada, Natural Resources, Transport Canada, and CFIA, the Canadian Food Inspection Agency—rely on that information, and we work very closely with them.

Beyond the traditional fisheries clients, we work collaboratively with and provide advice to the various industry sectors, such as the energy sector. We provide direct products and services to Canadians, primarily hydrographic charts for navigation—tides and currents—for the use of shipping companies and the recreational boating community.

The science that's conducted at Fisheries and Oceans is very much regulatory in nature, as Dr. Carey indicated. In keeping with our mandate, and as stewards of Canada's oceans and freshwaters, our focus is on habitat protection, fisheries management, and safe and sustainable development.

Fisheries and Oceans has 1,700 staff, nationally, who work in and around science. They're not all research scientists, but they work in related fields, such as technicians, hydrographers, etc. Less than 10% of them work in Ottawa. We're a very decentralized department. We're situated in about 15 major institutes and laboratories across the country.

Over the last few years, funding for the science sector in Fisheries and Oceans has been stable, and in some cases it has been increasing in some targeted areas.

In recent years, like many other science-based departments and agencies, Fisheries and Oceans has faced delivering services in a more complex environment and with increasing demands for scientific information, advice, and products and services. In order to address these challenges, we instituted a full-scale review of the science program in 2002 and 2004. What resulted was a science renewal framework for the future, which we have since begun implementing. It focuses on guiding our modernization agenda, and it also seeks to ensure that the DFO science program is relevant, effective, affordable, and valued.

Some of the key pieces of that renewal agenda include the development of the five-year research agenda, which we now have, and an ecosystem science framework to guide integrated ecosystem-based management. We've modernized our service delivery by creating 12 centres of expertise, and ecosystem research initiatives as well, across the country. We've developed a human resources strategy. For our governance, we've established a science management board, and we've also developed an outreach strategy in order to get our message out about what we do for Canadians. Of course, all of these activities are aligned with our work in implementing the federal S and T strategy.

Given that the scope of the aquatic and marine science required to deliver our mandate exceeds our capacity within one sector, collaboration isn't only important, it's absolutely critical. Our approach to collaboration is multi-faceted, and it permeates every aspect of our research agenda. If you're interested in further examples of some of those collaborative efforts, I would invite you to read our latest annual science report.

In order to deal with our HR challenges, we've instituted a very detailed HR action plan. I'd be very pleased to provide you with additional details on that.

In closing, I would like to say that in the near future we're going to focus our attention on improving collaboration, building our capacity, strengthening our relationships, and working to implement the federal S and T strategy.

● (1120)

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

We'll go to Ms. Dodds, please.

[*Translation*]

Dr. Karen Dodds (Assistant Deputy Minister, Health Policy Branch, Department of Health): Thank you, Mr. Chairman.

[*English*]

I am pleased to meet with you to discuss the science at Health Canada.

[*Translation*]

I would like to begin with a brief overview of Health Canada's mandate and the importance of science to our Department.

Health Canada depends on a strong foundation of science and research to fulfill its mission to help Canadians maintain and improve their health.

● (1125)

[*English*]

The role that Health Canada has as a regulator impacts Canadians every day. We are responsible for many pieces of legislation, including the Food and Drugs Act, the Tobacco Act, the Pest Control Products Act, the Hazardous Products Act, and many more.

As you know, Minister Clement recently tabled two bills, one that proposes a new Canada Consumer Products Safety Act and a second that proposes amendments to the Food and Drugs Act.

In 2006-07, the department spent an estimated $330 million on science and technology. Science is needed for the department to develop policy, to define regulations, to evaluate products from prescription drugs to heart pacemakers, blood products, pesticides, and food additives, and to gather information on health-related issues.

Health Canada scientists, representing over 30% of the department's employee base, perform a variety of essential functions. They assess the health risks posed by contaminants in the environment, standardize methods for determining the level of things such as acrylamide in food, perform surveys on the levels of radon in houses, conduct research on the toxicological effects of chemicals of concern, develop nutrition policies, and promote healthy eating.

[*Translation*]

To ensure a solid science base for its decision-making, Health Canada partners with the Canadian Institutes of Health Research (CIHR) and other health portfolio organizations, federal science-based departments and agencies, governments in Canada and other countries, and international organizations.

[*English*]

We are active with the United States Food and Drug Administration and the Environmental Protection Agency, with the European Medicines Agency, and the UK Food Standards Agency. We have MOUs with colleagues in China and Australia.

We're active in the Organization for Economic Cooperation and Development work on chemicals with our colleagues at Environment Canada. The department also collaborates with scientists in universities, colleges, non-governmental organizations, and industry.

[*Translation*]

To further illustrate the science activities of the Department, I would like to briefly mention several current initiatives.

[*English*]

The contribution of science-based government departments and agencies and the importance of health are both underlined in the May 2007 federal science and technology strategy. Health Canada is collaborating on delivering on the federal strategy and on the three Canadian S and T advantages it emphasizes.

Health Canada advances the knowledge advantage by maximizing linkages and partnering opportunities. The department's increasing ability to make better use of the talents of existing scientific personnel and those of new graduates also contributes to the people advantage.

[*Translation*]

The Department is also contributing to Canada's Entrepreneurial Advantage by putting in place an effective, forward-looking and responsive regulatory environment that protects the health and safety of Canadians, while avoiding unnecessarily impeding innovation. For instance, federal regulatory approval times for new drugs have continued to improve over the last few years. We have streamlined our processes, applied project management techniques, and increased resources in the areas where they were needed, thus managing to significantly reduce our backlog.

Since Health Canada, like other federal science organizations, is challenged by an aging infrastructure and workplace, we are exploring new approaches to ensure that our Department is adequately resourced, effectively managed and focused on delivering results. For example, the Department is developing a plan to address the shortfall in laboratory infrastructure funding. Health Canada is also introducing measures to support greater employee recruitment and retention.

[*English*]

For example, we recently completed a coast to coast recruitment drive, visiting 13 universities. We were focused on scientific personnel, and over 1,500 students and graduate students were interested and spoke to us about possible employment. We were able to make some on-the-spot job offers.

In summary, Health Canada produces, accesses and uses excellent science in support of its mandate to contribute to a healthier population. The department is also aware that in the ever-changing global environment, we need to keep pace with science and technology developments.

Health Canada is committed to staying ahead of the curve, and through the science and technology strategy we are developing, we are putting in place a plan to ensure that we have the science we need to protect the health of Canadians.

● (1130)

The Chair: Thank you, Ms. Dodds.

We'll go to Mr. LaRose, please.

[*Translation*]

Mr. René LaRose (Chief of Staff, Office of the Assistant Deputy Minister of Science and Technology, Department of National Defence): Thank you, Mr. Chairman.

To begin with, I would like to present some of the facts contained in the written brief you have before you. I will give you only a brief summary of those facts.

[*English*]

First of all, I'd like to state that at Defence, science and technology is considered a strategic enabler for both the Canadian Forces and for the department itself. In recognition of this role, science and technology is overseen at the ADM level, an ADM of S and T, in this case, who is accountable to both the Chief of Defence Staff and to the deputy minister.

[*Translation*]

As the departmental chief scientist, the ADM is expected to ensure that an appropriate science and technology perspective is brought to the table during executive level decision-making. The Assistant Deputy Minister provides functional direction across the Department on the direction, delivery and implementation of the Department's science and technology program. The ADM is also the authority for Canada's national and international science and technology collaborations in defence S&T. In fact, the current ADM, Dr. Bob Walker, is in discussions with NATO allies today on cooperation programs, and is unfortunately unable to be with you today.

Cooperation with Canada's defence allies is a critical element of our approach, with some 500 collaborative activities underway at any one time, principally with our NATO allies, as well as with Australia and New Zealand.

[*English*]

The ADM is also the chief executive officer of Defence Research and Development Canada, known as DRDC. DRDC is the primary in-house S and T capability in the department, with other capacity resident at the Royal Military College and in the department's materiel and information management groups. DRDC also maintains a strategic relationship with other federal S and T organizations, most notably with the Communications Research Centre and the National Research Council, both of Industry Canada, which deliver part of the S and T program for Defence, but in the domains that are consistent with their own mandates.

[*Translation*]

DRDC employs some 1,600 staff, including some 1,200 science workers who are among Canada's best and brightest, and work in seven different sites located all across Canada. Our annual budget is about $350 million, and the Department has also agreed that renewal of DRDC's infrastructure will be a priority, with implementation expected over the course of the coming ten years.

Strategic direction to the Defence Science and Technology Program is provided by the Department's Defence S&T Strategy, which was released by the Deputy Minister and the Chief of the Defence Staff in 2006. Through this strategy, the Department has committed to an investment in S&T amounting to 2 per cent of the Defence budget, a number comparable to that made by Canada's principal allies. The investment is growing in absolute dollars, in step with the growth being realized in the departmental budget as a result of the Canada First Defence Strategy.

[*English*]

From this strategic direction, the ADM of S and T provides annual functional guidance to the department regarding the priorities for the S and T investment. Current priorities include delivering S and T solutions to pressing operational problems related to the CF operation in Afghanistan—for example, counter-IED; helping deliver a single integrated CF command and control system, which is a major project for the Canadian Forces; helping develop the appropriate strategies and policies to recruit, train, and retrain the CF personnel; and ensuring leading-edge technologies are positioned in industry to meet future procurement needs of the CF.

This program comprises some 200 multi-year S and T projects across seven broad areas of military capability. Approximately 40% of the program is aimed at short-term solutions, within five years, and 30% for long-term solutions, more than ten years. Each year approximately one-quarter of our program—20% to 25%—is renewed as projects end and new projects start.

A key feature of our department's approach is that approximately half of our program is delivered to our internal capacity, our DRDC centres, and half is delivered to external capacity. With this approach, DRDC and DND have a long history of success in being able to transition and position the technology industry to be able to satisfy the needs of both the Canadian Forces and the international community.

Finally, I would like to close with a few words regarding public security. Through an agreement between DND and Public Safety Canada, DRDC essentially functions as the S and T arm of public safety. To this end, DRDC coordinates a broad range of public security S and T activities that engage some 20 federal departments, agencies, industries, and academia. The whole program, when we include the partners,

● (1135)

[*Translation*]

amounts to some $80 million a year.

[*English*]

Within this short timeframe, this is the best I can do to give you a broad overview of what the incentive program is, both for defence and public security.

Merci.

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

We'll go to Mr. Munro, please.

Mr. Geoff Munro (Associate Assistant Deputy Minister and Chief Scientist, Department of Natural Resources): Thank you, Mr. Chair.

Like my colleagues, I'd like to provide a quick overview of NRCan and the S and T we do there.

Natural Resources Canada is a science-based policy and program department, so science and technology plays a critical role in addressing the challenges and opportunities in the resource sectors. We've organized the work within NRCan around three strategic outcomes: the natural resource sectors are internationally competitive, economically productive, and contribute to the social well-being of Canadians; Canada is a world leader on environmental responsibility and the development and use of natural resources; and natural resources and land-mass knowledge strengthen the safety and security of Canadians and contribute to the effective governance of the country.

Working to that agenda, we have the three major components of sustainable development, which is the driving force for Natural Resources Canada. Our goal is to provide our policies and programs based on strong research and evidence. S and T clearly is at the core of that evidence.

We are a significant science performer in the Government of Canada. Our S and T budget runs more or less, on average, at $500 million per year, with some 3,000 people in the department working on S and T, of whom 475 are actual research scientists. The scientists are fully engaged in the global science community, contributing new knowledge through significant peer-review publications and through work in their academic settings, where they're helping to grow the next generation of Canadian scientists.

I would note that two-thirds of our research scientists hold adjunct professorship status with universities across the country, and the dialogue box on the bottom of page 3 gives you a sense of Canada's long tradition of natural resources-based S and T.

The map that follows on page 4 gives you a sense of NRCan S and T happening across the country, literally coast to coast to coast. I would point out that these facilities act as important home bases, but that we have a significant contribution in the area of seasonal field camps, permanent survey plots, and other research outposts. So the NRCan S and T presence is felt right across the country.

We have a variety of research activities that are, for the purpose of discussion, broken down on slide 5: doing the actual development of new knowledge associated with natural resource-based activity; applying that knowledge to generate new use and activity in both the economy and by natural resources industries and the provincial government, given the dynamic of resource ownership in jurisdictional issues between federal and provincial roles; monitoring, which is a significant role; and then transferring new knowledge and new technologies to the industry for both commercialization and use.

We work with a variety of stakeholders.

[*Translation*]

If there is a key word as regards science and technology in Canada at this time, it is certainly “collaboration”. It is absolutely essential that we have partners and establish partnerships in order to implement the results of our science and technology strategy.

[*English*]

NRCan is fully engaged in the innovation system. We have well over 1,000 S and T collaborative arrangements. You'll notice on that slide that besides our $500 million, we leverage about another $300 million through collaboration every year. That's done both in kind and in cash. Whatever collaborative arrangements might be appropriate in a given circumstance are used. Many of those collaborations, indeed, are with my colleagues sitting here at the table.

As a final wrap-up slide, I've identified as examples four successes of the different components of our S and T program.

In innovation in forest research, I'd be happy to discuss, either today or at a future opportunity, the creation of FPInnovations, which is a partnership collaboration with the private sector institutes in forestry and with the government, whereby we have taken what we think is a bold step in creating a somewhat unique partnership to help that particular sector of the economy.

In carbon capture and storage, we are partnering with a number of public and private organizations in moving that whole idea and the whole technology to support it forward.

In the area of synergies in manufacturing research, I'm sure committee members are familiar with the move of one of our laboratories to McMaster. That is much more than a co-location; it is the opportunity to create a really dynamic, multi-partnered collaboration.

Concerning alternative supplies of natural gas, we've just been through a partnership with Japan, as a matter of fact, in terms of the proof of concept for producing natural gas from gas hydrates in Arctic permafrost. That too is an aspect of the work we're involved in.

This is just a sprinkling of some of the activities of NRCan's S and T.

Thank you.

● (1140)

The Chair: Thank you very much, Mr. Munro, for your presentation.

I thank all of you for your presentations. I know five minutes is a very short time to talk about everything your department is doing. We'll obviously have a question and answer session, but if there's anything further that you want this committee to look at, please feel free to submit that to us.

We'll start members' questions with six minutes for Mr. Simard.

[*Translation*]

Hon. Raymond Simard (Saint Boniface, Lib.): Thank you very much, Mr. Chairman.

Thank you to all our guests. My comments are addressed to Mr. Saindon.

First of all, I would like to commend you, as well as your Department. We saw some very impressive things in Winnipeg, such as the CCARM and your research centre in Saskatoon.

You said that you have about $200 million annually to devote to research. How do you decide where that money should be invested? Is there a departmental committee which determines with whom you should collaborate? Are those decisions made by the central government? That is my first question.

My second question relates to research on biofuels. When we visited Saskatoon, we realized that you are very well positioned to conduct research in that area. At the same time, we heard very little about your research efforts.

Are you conducting research on biofuels? People are questioning the science these days. It seems you would be very well placed to conduct research. Is that part of your plans?

Mr. Gilles Saindon: Thank you for your questions.

In terms of how we spend the $200 million allocated for research, the Department has committees in various branches—for example, market policy and development—which provides assistance in developing an investment strategy.

Once employees or infrastructure are in place, however, it is not quite so easy to move investments around as time goes by. However, we can, to some extent, influence the budgets allocated to research projects.

You referred to biofuels. In Saskatoon, we are trying to develop a different type of mustard seed—an oilseed not used in food production. That plant could be used to produce biodiesel fuel. There are other options as well.

Hon. Raymond Simard: There does not seem to be a focus on biofuels. Is that correct?

Mr. Gilles Saindon: We are making some effort in the area of agricultural substrata. Of course, Natural Resources Canada has the greatest involvement there.

[*English*]

Hon. Raymond Simard: *Merci*.

Ms. Gonçalves, you talked about renewable energies.

One of the things we heard, as a matter of fact, was from some people working with wave energy. We asked the question, is there the same collaboration between Fisheries and Oceans and their organizations, either university research organizations or the private sector, as there is with Agriculture and Agri-Food Canada?

The message was clearly no, there's not as good a collaboration, and Fisheries and Oceans doesn't seem to be at the same level when it comes to that kind of collaboration.

Could you expand on that, please?

Ms. Jacqueline Gonçalves: I'd say that the whole area of tidal energy, wave energy, is now on the rise. One of our centres of expertise that deals with oil and gas and other energies is now incorporating, as part of its mandate, wave and tidal energy as part of its research base, and of course that research is done in collaboration with universities and with industry.

That particular centre of expertise—the acronym is COOGER—is probably one of the most interconnected centres of expertise we have. They have very vast networks with industry in particular, but also with universities.

If you'd like, I can provide you with more specific details on that.

● (1145)

Hon. Raymond Simard: Is there something you would need from us, that this committee could recommend, basically, to bring it to the same level as the other departments? Am I mistaken in saying that maybe you're not at the same level or the focus hasn't been there?

Ms. Jacqueline Gonçalves: I think in the past the focus hasn't been there, but it has grown substantially in the last few years, and we're now faced with, obviously, specific projects coming forward. So I think that focus is there now.

Hon. Raymond Simard: Mr. Carey, you spoke about two different activities, research activities and related science activities.

I've had the pleasure of visiting the Environment Canada offices in Winnipeg on a regular basis, and what I find is that they are very innovative people. They're not working on the research side, but a lot of these people have developed their own software because they needed to. I'm wondering how you could tie in that R and D to these people who are working on the ground to make sure these new technologies are developed.

One of the scientists there had developed software to predict tornadoes, or something, that was world-class and is now being used all around the world.

So is there a disconnect between the people working for Environment Canada on the research side?

Mr. John Carey: Thank you for your question. It's one of the reasons I brought up that other activity. I tried to describe in my brief comments that there is no disconnect, because it's not managed as a research program separate from these others, for example.

We have three priority management boards, and under the weather and environmental services board, all of these activities are collectively managed so that we have the weather predictors. You talked about the regional science centres, as we call them, which is the group meant to take research and, as we say, “operationalize” it so that the weather predictors can use it. There are three separate activities all connected and managed with one common purpose, which is to improve weather prediction and to carry it out.

Hon. Raymond Simard: Thank you very much.

The Chair: Thank you, Mr. Simard.

We'll go to Madame Brunelle.

[*Translation*]

Ms. Paule Brunelle (Trois-Rivières, BQ): Good morning, ladies and gentlemen. I am very pleased to see you here today.

Mr. Carey, you make the following statement in your brief:

> The Science Plan identifies three strategic directions which will guide our efforts over the coming ten years:
>
> 1. Developing an integrated environmental monitoring and prediction capability;
>
> 2. Understanding cumulative risks; and,
>
> 3. Managing risks, optimizing opportunities and building resilience.

These strategic directions are broad enough to allow us to examine certain issues, but when, on a weekly basis, we see tsunamis, earthquakes, tornados and the like occurring all over the world, one has the sense that human beings need to work very hard. It is often said that these are “acts of God”. However, these risks are very real.

Are we equipped to deal with them?

I want to connect that back to what you said at the outset, which was that two thirds of your employees are involved in related activities, as opposed to research. Is that the proper balance? Is it enough? Both your plan and your strategic direction require a great deal of research. Did you say that to advise us that your Department does not have enough researchers?

[*English*]

Mr. John Carey: Thank you for your question, but that wasn't the point I was trying to make. Because of the way we've structured the management of our science—and it's very complex—in our department, as I mentioned, we have priority management boards that actually decide on the science projects themselves each year. We have found that while that is a very effective way of focusing our efforts on departmental priorities, it's not a very effective way of managing the people and the long-term capacity of the science within the department.

So we have a science branch that manages the people and we have results management boards that manage the results. Within the science branch that manages the people, we try to analyze. You are correct that these are broad areas, but the science plan indicates that we need to maintain and grow our capacity to do and to function in these broad areas.

So the science plan is meant to guide. I'm sorry I didn't bring it. I should have brought it and tabled it for the committee. It has a section on our priorities, and it talks about the priorities of the boards. It also has a section on how we manage our science, and how we will ensure we have the capacity in the future to meet the needs of the boards, which is done as a separate exercise through this science plan.

That's what I was trying to say with that last section. I had only very brief comments, and it's hard to actually get into details. Managing the science community as a community to ensure that you have the capacity, infrastructure, etc., to be able to carry out the job is quite different from managing for results in the short term. So we found that we had to separate them. The plan is meant to guide one and the results boards are meant to guide the other.

● (1150)

[*Translation*]

Ms. Paule Brunelle: Your statement raised a question, Mr. Carey. There are related activities. You talked about weather forecasting, among other things.

Is there any funding coming from organizations or industries that benefit from your services? One assumes that the media, for example, benefit from your weather forecasting services.

[*English*]

Mr. John Carey: Thank you.

In answer to your question, yes. For example, a very large contribution comes from Nav Canada, who are users of the weather. We provide aviation weather forecasts to them, and they provide forecasts to the various airlines who wish to fly, suggesting routes and other things. Nav Canada is a separate agency that was split off from the federal government. We provide aviation forecasts to them under a long-term contract. They pay for it. We have various other sources for resources, but they're nowhere near as big as the Nav Canada resource.

Our main client for our science is internal. Our clients for services, of course, can be broad.

[*Translation*]

Ms. Paule Brunelle: Mr. Munro, you have piqued my curiosity. I am from Mauricie, which is a forestry area. We are obviously experiencing major job losses. You talked about innovation in forestry research.

Could you tell me a little more about that, possibly giving me some hope, and say where all of this may be leading?

[*English*]

Mr. Geoff Munro: Thank you for the opportunity to speak to that.

The forest sector in the country has gone through a fairly dramatic struggle in the last five to seven years, driven by a number of different components, not the least of which are the issues—north and south—with softwood lumber and the change in the Canadian dollar. A number of components have had an impact.

What has happened is that the industry, working closely with both the provinces and the federal government, have gotten together and they've put together an organization that looks at the research and science and technology needed to transform the industry, right from the forest through to the production end—pulp and paper, solid wood products, innovative new products, bioenergy potentially, and other things.

We found, when we examined the situation, that we were quite fragmented. One organization was dealing only with pulp and paper. It was not looking at what the characteristics of the trees were in terms of what the company was trying to produce—high-quality paper, lightweight paper, coated paper, or whatever. And it was the same thing in all of the other components.

So the industry collectively, working with its funders—the private sector, the provinces, and the federal government—demolished the structure of the separate institutes and built this one. It is now the world's largest public-private partnership on R and D in forestry. Actual federal government employees are part of the institute. They act as a division within the institute.

What we have now is a partnership, working from the forest all the way through to production, that is looking at ways to make it more efficient, looking at alternative uses of the fibre, and looking at what that will mean in the near term and in the long term as the industry goes through its cycles in its revitalization.

● (1155)

The Chair: Thank you.

We'll go to Mr. Stanton, please.

Mr. Bruce Stanton (Simcoe North, CPC): Thank you, Mr. Chair.

Welcome to our witnesses today.

We've learned, of course, that in the realm of science and technology, the internal or the intramural part of S and T within government tags at about $2.2 billion. It's a pretty major investment on the part of the government. Our study is looking at how our investments in S and T can help enable the economy and advance knowledge, obviously, and other things.

I have a few questions. First, when you're conducting research and a discovery is found—you come across science that might potentially have an ability for commercial products, with some being inadvertent—is there a protocol in place that would allow the exploration of that discovery for economic purposes? Second, can you think of any examples of how, in a practical sense, that might have happened through one of our federal labs? And finally, what recommendations would you have to consider how those types of discoveries might be furthered along the path of developments that would create some economic advantage?

Perhaps we could start with Dr. Saindon and then go to anyone else who wishes to comment.

Mr. Gilles Saindon: Thank you for the question.

For us in agriculture, they mostly come in the form of crop varieties. Basically, those are the discovery innovations we come up with. When we do plant breeding, we come up with new varieties that are being used out there by producers. As a result, right now we have about three quarters of the acreage of wheat in western Canada seeded with AAFC varieties. That has a tremendous impact. Every time we increase the yield by 1% or so, there's something in the neighbourhood of $30 billion to $40 billion in returns to the producers, roughly.

Mr. Bruce Stanton: Is there a protocol to move this along to the...? You said in collaboration with others you could move this along.

Mr. Gilles Saindon: Yes, we do have it both ways. In some cases, it's issued publicly to.... The industry would like to commercialize the variety for us. In other cases, we have research arrangements with industry. They come very early on, in some areas, and invest in the research, and they may have first right of refusal to the varieties.

The way to improve this, maybe in the future.... What we always try to do is look at it from the angle of the output trades, like with the value-added. We may just add to the variety so that it could be used in a particular way and would provide an economic advantage to our producers. So that would be the way.

Mr. Bruce Stanton: Mr. Carey.

Mr. John Carey: Thank you very much.

I'd like to point out to the committee that it's one thing for a department that's meant to be supporting a sector. The response would be more direct. For a department that's basically a regulatory department, the answer to your question poses some potential problems.

I think of a research program we had, for example, with respect to cleanup of contaminated sediment in the Great Lakes. We developed new methods of cleaning up. That has been licensed now to a global company in Calgary, which has done the Boston harbour, the Hong Kong harbour, etc. Ironically, they haven't done the Great Lakes. But we always worry that if that company were to show up and want to do a major project in Canada, it would face an environmental assessment that our minister would end up having a role in, and technologies we developed could somehow be part of that. It puts the minister in a kind of a semi-awkward situation.

Mr. Bruce Stanton: So what should happen there then? That's what I was getting at. What are the protocols that should be followed?

Mr. John Carey: In fact, we follow protocols to license, but we try very hard not to get into the active promotion. It puts the minister in an awkward situation if she has to judge a project under the Canadian Environmental Assessment Act, or in the case of a chemical that may be regulated under CEPA, if we have developed applications for that. We try to ensure that private sector folks who may be interested in taking advantage of or capturing the opportunity are aware of it, without being active promoters of it. It could put the minister in an awkward situation.

So for regulatory departments, that's an important question.

● (1200)

Mr. Bruce Stanton: Any others? I have only one minute left, so....

The Chair: Ms. Dodds.

Dr. Karen Dodds: We're also primarily a regulatory department, when you're looking at our science and technology, so we have some of the same issues Environment Canada has.

But we certainly do look at, and have come up with, patents and intellectual property on many methods or parts of methods that help you in terms of things like detecting different substances in the environment or in food or in water that could pose harm. We have an intellectual property office. So anything that has the possibility of being patented or being intellectual property is looked at within the department. And we take the same strategy Dr. Carey talked about with licensing.

Mr. René LaRose: For defence, we have a slightly different reality, defence being a market on its own. But I would call it an insufficient market. So for us, the approach is more about the co-development concept we are using, where we are co-investing with commercial partners. We are looking at the applicability of this technology to the defence and security environment, while our commercial partners are looking at the broader market, where they will be able to explore the technology on their own. Our concept is based on being able to leverage, so our industry can win other markets, either international defence or the commercial market, with our technologies.

Mr. Bruce Stanton: Thank you very much.

The Chair: Thank you, Mr. Stanton.

We'll go to Ms. Nash, please.

Ms. Peggy Nash (Parkdale—High Park, NDP): Thank you to all the witnesses for appearing here today and for your presentations. I appreciate how difficult it is to give an overview of what you're doing in such a brief timeframe.

I'd like to ask my first question to Ms. Gonçalves, but perhaps others may want to add as well. It's a general question.

Are we doing enough as a country to invest in the scientific expertise that we need in all of your departments? I appreciate that you have significant budgets and that you already have significant scientific expertise. Are we positioning ourselves as a country to attract and retain the scientists we will need for the future?

I'm thinking, Ms. Gonçalves, of the point in your notes that 75% of DFO is composed of scientists and 30% are eligible to retire by 2013. That doesn't mean that 30% will retire. I assume working for DFO is a desirable job for a scientist, very interesting and challenging, and that people will want to stay longer.

But what are you expecting in terms of turnover, in terms of retirement of scientists? I see there is an HR strategy. Do you feel there will be a shortfall, or do you feel this transition is being managed effectively?

Ms. Jacqueline Gonçalves: Given the nature of scientific work, what we often find is that people in scientific types of jobs often stay longer in their jobs than, say, other public servants would naturally do.

Obviously we've been recognizing that this demographic crunch has been coming up on us for a number of years. So we developed our HR strategy in light of that. In terms of ensuring that we have the right people with the right competencies to carry on our mandate, what we've tended to focus on is not only work within the department, but also with our colleagues in the S and T community.

Essentially, what we've tried to do is, first of all, identify the competencies that we're going to need in the coming years in specific areas that we would call at risk, the very specialized knowledge that takes a long time to grow and foster. So the actions or the strategies we've put in place are trying to transfer some of the knowledge we are expecting will be walking out the door in the next little while, to ensure that the new generation of scientists have an opportunity to really gain from that expertise.

For example, one of the things we've instituted in the last couple of years is something we're calling knowledge transfer agreements. So a retiring scientist who's been identified as somebody who's going to be leaving in the next few years is essentially being partnered with an incoming scientist, somebody who's new in the area, and they have the opportunity to work together so that the knowledge is being transferred from one generation to the other.

We also have a very healthy scientist emeritus program. What that means is that scientists who are retiring are not leaving the organization; they're actually staying, being part of the organization, so that they can, in some instances, continue the work they've been doing or can mentor the new generation coming up behind them.

So I think we are taking steps to really ensure that we have the right qualifications, that people are coming in, and that we're doing the best we can to actually attract people from all over the globe, really, to come and work at Fisheries and Oceans.

● (1205)

Ms. Peggy Nash: Would any other of you like to comment on that in terms of the demographic change that's taking place?

Mr. Geoff Munro: I would start by saying ditto to what my colleague from DFO has said, and I suspect that's true across most of the witnesses here today.

But the one other thing I would like to note is that as we develop a more collaborative innovation system in Canada, the movement of scientists between the academic world and our world, either in an employment environment or in a collaborative environment, working on a common objective, will help us in two ways. One, obviously, is on the work, in that you get the different perspectives with the university world, potentially the industrial world, and certainly with government as that innovation system matures.

But the other key opportunity for us is this. By working closely with universities on the work, we expose graduate students and post-doctoral fellows to the opportunity to become employed in the government's science agenda. Just making them aware of the interesting careers, the opportunities that are there, has already had an impact for, I suspect, all of us.

Ms. Peggy Nash: And you've had no difficulties in competing with industry or with academia in terms of attracting the kinds of scientific expertise we need.

The Vice-Chair (Hon. Dan McTeague (Pickering—Scarborough East, Lib.)): The next question is for Dr. Dodds. You have about 30 seconds.

Dr. Karen Dodds: Thank you.

As my colleague said, in all our areas you see scientists who are in their jobs for their whole career in the same area. You can see the attractiveness. We recently posted one job at a biologist's classification, a level 3, and in 48 hours we had 500 applications. So the government is an attractive workforce at present. One of our issues is maintaining it. Certainly one of the things I think you could look toward is that increasingly it's hard to say what area of science is going to cause the advancement.

You asked a question about DFO and energy, which might before have been thought of as a Natural Resources Canada issue.

So things are crossing departmental lines, and we need increased flexibility in terms of our ability to respond, both from a financial perspective and a program management perspective, because it's very difficult. We work extensively with Environment Canada, but there's one environmental management stream, one financial stream, a health stream, and more and more we're crossing over in science and technology.

The Vice-Chair (Hon. Dan McTeague): Thank you, Ms. Dodds. Thank you, Ms. Nash.

I will now turn to Mr. Brison.

Hon. Scott Brison (Kings—Hants, Lib.): Thank you very much to all of you for being with us this morning.

I have a question focused on commercialization. In many ways our departments represent and have within them the same sort of research capacity that universities have. In fact, it's in an even more practical and applied sense, so there are advantages for the kinds of research you're doing in government departments because you have a particular application in mind.

Recognizing the relationship between universities and industry, particularly venture capital, biotech, cleantech, and all these various emerging industry groups, there wouldn't have been a Silicon Valley without a Stanford University. Across the country we have research facilities operated by government with applied research going on. What should we be doing to increase the linkage with the engagement of and the information sharing with the venture capital communities, for instance? They are identifying the cleantech industry and environmental technologies, and I'm thinking most specifically in terms of emerging areas of interest there. Some of what you're developing right now would be areas where I think it's safe to say private capital would be interested in partnering with government to invest and to help nurture and bring other investors to the fray to develop and commercialize those technologies. It strikes me as being sensible that we would engage them early as opposed to later.

What is being done to accomplish that? I'd really appreciate your views on that individually, as you may each have a perspective on it. Whoever feels compelled to comment....

● (1210)

Mr. Geoff Munro: Thank you. The example I'd like to give, to respond to the question you asked around what's being done, is trying to get a collaboration in place that gets the industry at the table at the outset of the technology development that is going on.

As I said in my overarching introductory remarks, the example I'd like to table with you is we're moving a laboratory that's doing materials technology from Ottawa to the McMaster University campus in Hamilton, in this particular example. The reason for that is that the lab needed an upgrade anyway. It wasn't as though it was at the leading edge. So we've engaged the manufacturing industry, the steel industry, and the auto industry in the development of the agenda right from the get-go and essentially said, put your money where your mouth is: come to the table with us; work with us; develop the collaboration among university, government, and industry so that the products can be commercialized in the context of those industries.

Not every example has that kind of opportunity to do it new, but building on that kind of a model gives us the opportunity to do exactly as you say.

The Chair: You have about a minute and a half.

I have Mr. Carey.

Mr. John Carey: Thank you.

As I mentioned earlier, it's slightly different for Environment Canada than for a resource department. We have adopted the philosophy of trying to ensure that the private sector is able to capitalize on the opportunities if they wish. I'm not sure it's necessarily the venture capitalists so much as the entrepreneurs who would take it and go with it. They obviously need the venture capital. It's the entrepreneurial community that needs to be aware of it and make those decisions.

In some cases, we have found that the decision was not to go ahead. For example, as my colleague from DND said, DND has a small clientele. Weather services has an even smaller client base. The actual market may be too small, but it's trying to ensure.... We've tried to do it systematically, but I think we don't necessarily do it well enough. Communication of the opportunities is the crucial thing we seem to not do well enough.

Hon. Scott Brison: Yes, if there could be greater information sharing of what you're actually working on, such that people on the outside could be engaged with it earlier, I think maybe that would be a healthy way to help incubate.

The Chair: We are out of time, Mr. LaRose. Do you want to say something briefly?

Mr. René LaRose: In our own experience, and I will reinforce what's just been said, the entrepreneur is the real key, because technology on its own is not that useful. Most of the technology needs to be integrated into something else to see the market. The vertical chain is a very challenging form. In our case, one of our most successful approaches is our technology demonstration program. We allow people to come in and demonstrate some of their elements of technology in a larger context, which gives people the awareness and allows them to connect the entrepreneurs with the larger market.

The Chair: Thank you.

We'll go to Mr. Van Kesteren, please.

Mr. Dave Van Kesteren (Chatham-Kent—Essex, CPC): Thank you, Mr. Chair.

Thank you all for coming.

Ms. Gonçalves, I don't know if you have this information, but I'd like to get it. Do you know the breakdown of what is spent in the Great Lakes area? The reason I'm asking this question is because we have a real situation there. What used to be known as drains now have become fish habitat. The minute anybody starts to do anything to a drain or anything, it's like there's radar on these people. They're descended upon and told to stop. I come from southwestern Ontario. This is a serious problem. This is something I really want to know about. I'm concerned that maybe the scientific part of it has gone overboard.

The same problem exists with bridges. Because our area is flat, the number one cost in the municipality is bridges. The cost of bridges has almost doubled as a result of the studies and everything else. That's just a quick note. Maybe that could be investigated, and again, I'd like to know how much money is being spent in that area.

On NRC, Mr. Munro, are there 22 centres? Is that how many you have?

● (1215)

Mr. Geoff Munro: It depends how you count. If you look at the characteristic of the major centres the government has, we have 18.

Mr. Dave Van Kesteren: Can they be amalgamated somewhat? Do you need 18 or 22 centres? Is there something you're looking at in the future? I don't need a lengthy answer. I'm just asking.

Mr. Geoff Munro: We are always looking at ways to be more effective and efficient, yes. But we are also distributed across the country, because much of our work is done in the regions on the ground, in association with the industry.

Mr. Dave Van Kesteren: Ms. Dodds, again, this is a tough question for you to answer. How many people work on Canada's food guide?

Dr. Karen Dodds: The way Canada's food guide was developed, it actually used two advisory committees that were external to the department. One was a scientifically based advisory panel and one had broad stakeholder input. I believe each panel had probably around 25 people. The staff within Health Canada who have the primary mandate for the food guide are in the office of nutrition policy and promotion. It's a fairly small office. It might have about, again, 20 people.

Mr. Dave Van Kesteren: Do you have a budget? Do you know how much that thing costs to produce?

Dr. Karen Dodds: I don't know specifically for the food guide what the budget is. The office of nutrition policy and promotion would have a budget, and there was a budget for translating. It's been translated now into I think about 18 different languages.

Mr. Dave Van Kesteren: Is flax on the food guide? It should be.

Dr. Karen Dodds: I would have to check.

Mr. Dave Van Kesteren: Can you find out for me? Can you find out for me how much you spent on that?

As a little footnote, too, as a kid growing up in a big family—we were certainly not a wealthy family—I remember taking that thing home to my mother and thinking "My Lord, I'm going to die of malnutrition." I remember going to the dentist when I was 16 years old and the dentist calling over his nurses because he'd never seen a 16-year-old without any cavities. Since that time, that has deteriorated somewhat.

My point is, I really wonder about Canada's food guide. I remember the cartoon about the theologian sitting on top of the mountain and the scientist climbing up, and he says, "I've been here all along". I remember my dad saying, too, that—I'm going to give you some Dutch—*Doe maar gewoan, dan doe je gek genoeg*, which basically means just be normal and you'll be crazy enough. I'm wondering if we don't simply need to introduce some normality into people's diets.

Finally, on national defence, I'm really surprised, and, believe me, I'm a proponent for national defence. I think we need to spend. I think we've shortchanged.... But I'm really surprised that we spent $350 million in scientific research. Again, I'd really like to maybe see some examples of our world-class defence products. But before you do that, isn't that something that manufacturers do? If you want to get a gun that shoots around a corner, don't you tell the manufacturer this is what you want? Isn't that something, rather than us paying the scientists to do it, the manufacturers would do?

The Chair: Thank you, Mr. Van Kesteren.

Mr. LaRose, you have less than a minute.

Mr. René LaRose: Thank you very much.

I would say that this question is often asked, and it's amazing how often we have to come back with a similar perceived answer: the context—being able to have the context in a department like Defence to make a decision.

You have the threat that is evolving very rapidly, you have the technology that is evolving rapidly, and there is the way the government uses the armed forces when you look at the type of conflict we're engaged in now as compared with the type of conflict of the past. So there is a huge need to understand the context, to be able to translate the context into how technology can really help.

Is $350 million a lot? I invite you to look at our S and T strategy, and I would also like to invite you to visit one of our centres. I think it would be very useful for a committee like this to have a deeper appreciation of the breadth of all that is involved in the ability to conduct operations.

I would also suggest that when you look at the ability of Canada to evolve in the current operation in Afghanistan, it has injected a lot of technology on the go in an operation. Having the capacity to understand the environment and the science has allowed us to save many lives through this conflict. So there are many dimensions to this.

When you look at $350 million, half of which is spent in industry to advance the concept, the ideas, up to the product—because we are not into the insertion of products into the services, the commercial world is doing that—I would say you correctly realize that it's probably reasonable; it's not that big of an investment for a domain like this.

● (1220)

The Chair: Sorry, Monsieur LaRose. We're well over time here, Mr. Van Kesteren.

We'll go to Monsieur Vincent.

[*Translation*]

Mr. Robert Vincent (Shefford, BQ): Good morning to all of you. It's nice to come in at the end, because you have a lot of information, although you can never have too much.

Mr. Carey, you said that some people give research mandates and that other people manage the results. Why are there some people requesting research and others managing it? Does that not lead to duplication of effort? It seems to me that the people giving the mandates should also be the ones managing the results.

[*English*]

Mr. John Carey: First of all, it isn't a different group; it's a single group with a sense of common purpose, but different people have different roles within the group. But the people who are setting the priorities—not the mandate, but the priorities—are the people who are the users of the information. We think it's important to get the view of the users of the information in setting the priorities, as opposed to scientific priorities that might be driven by curiosity or capacity.

We believe that having the clients and the users of the information...it keeps our information focused. As I said earlier in my presentation, the department is the main client for much of its science, and the science is related to decisions that the minister or the government must take. If you're going to influence those decisions, it needs to be timely and it needs to be relevant to the decision, not relevant to the general area. And those two need to be actively managed by science managers, which is quite different from what you would see in the academic sector.

[*Translation*]

Mr. Robert Vincent: Thank you.

Mr. Munro, you said that you have $500 million, a staff of 3,000, and that you found an additional $300 million in services and cash.

Could you explain what the cash is?

[*English*]

Mr. Geoff Munro: The $500 million I spoke of is the normal annual S and T budget. It includes the salaries of the—

[*Translation*]

Mr. Robert Vincent: I'd like you to talk specifically about the cash. You said that you had $500 million to begin with, but that another $300 million would be added to that in services and cash.

I would like to know what the source of that cash is.

[*English*]

Mr. Geoff Munro: It's from our partners. It's the leverage we get through working with provinces, with other federal departments, with industry, and with academia. The total S and T activity equals around $800 million, of which we spend $500 million, and we get $300 million from others, either in cash or in kind. So it's a leverage measure that I was trying to give.

[*Translation*]

Mr. Robert Vincent: My most important question is addressed to all of you.

We visited a number of places over a three-day period, and the biggest problem, as far as I can see, is that, even when there is money available and even when research is being done and results in an actual product, there is no one who can commercialize it.

How do you intend to commercialize these products? Ms. Dodds, you talked about intellectual property earlier. It is all well and good to have patents, but if no one is commercializing these products, what are we to do? It seems to me that every department's priority should not only be to see how the money is being spent, but also how this research can be used to increase company profits or create new jobs.

Would you not agree that it is essential for you, in your respective areas, to find a way to commercialize this research?

[*English*]

Mr. John Carey: As I mentioned earlier, for us, the client is not the economy. There are three or more roles for the federal government in supporting research. Obviously one is economic benefit. Another one is to improve the quality of decision-making within government. For us, that's the primary reason we do our research, but we try to capitalize on opportunities. So, yes, we patent, and then we have licensees. We have licensees, for example, for sediment remediation, but also for technologies we've developed for groundwater purification. We rely on the private sector to do that, and we protect them by protecting the technology so that their investments will be protected.

● (1225)

[*Translation*]

Mr. Robert Vincent: Ms. Dodds, I would like to hear from you on this.

Dr. Karen Dodds: It is no different for us, at Health Canada, than it is for our colleagues at Environment Canada.

[*English*]

We are not primarily doing research for commercial application; we are doing research to support our role in Health Canada as a policy-maker and as a regulator. Where there is the possibility to be opportunistic, we take it, but our reason is really to protect Canadians and to help them support a positive sense of health.

I might give you one example I know of from my colleagues at Agriculture Canada. Canola, which most of us know—canola oil—was a variety developed by Agriculture Canada scientists, and it is now marketed around the world. One of the reasons it's marketed around the world is because it has a good profile of fatty acids in it as an oil. So Agriculture Canada has been supported by Health Canada scientists in taking that message around the world, that canola oil is one of the healthiest oils for people to consume.

The Chair: Mr. Saindon, very briefly. We're about a minute over the time.

[*Translation*]

Mr. Gilles Saindon: I would just like to add that canola is a very good example. We worked on it in partnership with the University of Manitoba in Winnipeg. Varieties are clearly the best vehicle. We also have the Investment Cost-Sharing Program with industry. By getting a partner involved in the innovation chain early in the process, we can also involve it in commercialization. Many small- and medium-sized businesses in Canada have been able to commercialize some of our innovations directly in the laboratory, be they varieties or other types of innovations.

[*English*]

The Chair: *Merci, monsieur Vincent.*

We'll go to Monsieur Arthur.

Mr. André Arthur (Portneuf—Jacques-Cartier, Ind.): *Merci, monsieur le président.*

When Air Canada or WestJet buys a new airplane from Airbus or Boeing, or Embraer or Bombardier—Bombardier is my exception—the Government of Canada has the courtesy of recognizing that aviation experts in the United States, Europe, the United Kingdom, or France are competent enough that when their own industry makes a new aircraft it will not be subjected in Canada to the same rigorous testing that the aircraft has been through in the United States, if it's Boeing, or in Europe, if it's Airbus.

Why do we need to start from scratch, Mrs. Dodds, testing new medications, vaccines, coming from countries where their scientific tradition is at least as good or better than the one in Canada? If a vaccine has been invented in France, the United Kingdom, the United States, or Germany, how can we justify to the taxpayer that your little scientists will start from scratch trying to define if it is useful or dangerous? Why don't we trust the other countries and stop spending money on research that doubles what people sometimes better than us have already done?

Dr. Karen Dodds: First, we don't require additional testing in Canada. It is essentially common testing required for a pharmaceutical product around the world. The information is then submitted to the different regulators around the world. Increasingly, in the area of human medicines, we are looking to collaborate with colleagues. I mentioned the United States Food and Drug Administration; I mentioned the European Medicines Agency. In the area of pesticides, for example, we are now doing joint reviews with the United States Environmental Protection Agency. So we share the information that comes in. We schedule the Canadian people who are going to review this part and the Americans who are going to do this part. In pesticides we've also done a number of global reviews, which have involved Canada, the United States, the U.K., Europe, and Australia.

● (1230)

Mr. André Arthur: You share the research but not always the conclusions.

Dr. Karen Dodds: No, each country, to this time, has maintained the authority to make their own decision.

Mr. André Arthur: So from the same research a product can be authorized in the States and be unavailable in Canada. How can you justify that?

Dr. Karen Dodds: It's our experience in pesticides, where we're doing joint reviews, that every country has come to the same conclusion.

Mr. André Arthur: Okay.

We learned from the agriculture people in Saskatoon that they are doing extraordinary research around flax. They are this far in the research from being able to say that flax has a definite, positive effect as far as countering diabetes is concerned. Yet, if those scientists find that, your scientists will not allow them to say it in public because it's not right to have something that comes from agriculture or is a natural product. It does not come from the pharmaceutical industry and it has not gone through all your little researchers' testing. You are not allowed to claim a health benefit from something natural in Canada.

Are you talking to each other?

Dr. Karen Dodds: We are talking to each other. If something is a natural health product you can make a health claim. It has to be substantiated by evidence, and you can make health claims for certain foods. Again, it has to be substantiated by evidence.

Mr. André Arthur: So when flax was included in some cereals that are sold to the consumer in the United States, thanks to their research, they are able to say that it can have a good effect on such and such a thing. But in Canada the same cereal cannot be sold. Why not?

Dr. Karen Dodds: The same cereal could probably be sold—

Mr. André Arthur: Not under the same claim....

Dr. Karen Dodds: —but without the claim. The United States has a different regulatory system.

Mr. André Arthur: What made us think we would be more clever than those people in the States and that we needed to pay salaries to people who want to double-check everything?

Dr. Karen Dodds: When we developed the products for natural health products, which was quite some time ago, and then there was a review done just over a year ago, the majority of stakeholders were very supportive of the current regulatory environment, because they recognize that it gives credibility to the claim.

Mr. André Arthur: Thank you.

The Chair: Thank you.

Merci, monsieur Arthur.

We're going to be going to the motion in about five minutes, so I have time for a few brief questions.

I want to start with Ms. Dodds. In your presentation you said that federal regulatory approval times for new drugs have continued to improve over the last few years. That's certainly what I've heard, that the times have been improved. But I have heard—and this is just anecdotal evidence, so I'm going to ask you about it—that there is quite an approval backlog for natural health products.

Can you give us some figures or facts, either here or later on, that would indicate what the approval times are for natural health products and whether they are getting better or getting slower?

Dr. Karen Dodds: I don't have the specific numbers here with me today. We can provide them to you.

One of the challenges we've had with natural health products is I think pretty evident: these are products that were marketed long before the regulations came into force in 2004, so there was a backlog before we even started regulating. We have received resources and have been making attempts and have seen the times for review coming down.

The Chair: Okay. If you can provide some information, we'd appreciate it.

Secondly, Mr. Carey, with respect to Environment Canada, there was an article, I think within the last few months, that said that some scientists at Environment Canada were concerned that somehow there were limits placed on the publication of their research. And yet you stated in your presentation that 80% of your scientific publications have been co-authored with researchers external to the department. I assume that's at research institutions.

Is there an issue with respect to scientific publications or data not being made available through publications or otherwise to the public? Is that an issue we should be concerned about?

● (1235)

Mr. John Carey: Thank you for your question. It's an important question.

There are two aspects to that issue. One is that our scientists, while they are in universities in the academic community, learn a set of scientific values, which we all learned. But within government, of course, we have a set of democratic values as well, and you have to recognize that you're civil servants and there are certain aspects of behaviour that civil servants have to conform with to respect those values.

First of all, we encourage and expect our research scientists to publish in the scientific literature. That is an expectation, and in fact we judge them and promote them based on those publications in part. So we do not try to stop them or in any way hamper them from doing that.

We do, however, review their publications and the language in them to ensure that there aren't statements such as, “the federal government ought to do this”, or that they inappropriately step out of their role as public servants.

The Chair: Do you review that before the publication is published?

Mr. John Carey: Yes, we do; we review it before it's submitted. But that is not the same as a scientific peer review, which the publications do.

The Chair: So it would be in terms of avoiding any prescriptive advice to the government, but in terms of the science they are studying and want to publish, the government is not interfering?

Mr. John Carey: No, sir, we are not.

The Chair: Okay, I appreciate that.

One of the challenging questions you may all want to think about and get back to us on is how we allocate resources to in-house research that the government does and to research done at institutions.

Some facilities I've seen, such as the NRCan facility in my riding, which seems to marry very well, with the University of Alberta and NRCan and the provincial government all working together.... I know it's a very big question, and you may want to get back to me, but does someone want to challenge it now, as to how you decide where you allocate resources? Do you allocate more to the granting councils, to have more research done through the institutions, or do you allocate more in-house?

Mr. Carey.

Mr. John Carey: I mentioned an important feature earlier; that is that if you want to influence a decision, it's important that the information be available when the decision is being taken and that the information be actually relevant to the decision. That requires, in our experience, a greater degree of priority-setting and of influencing of scientific priorities than exist external to government currently.

There is a certain type of science that's best done through granting councils, in curiosity-driven research. However, for the type of science that Environment Canada needs for at least part of its business, which is the risk management/risk assessment that we do in partnership with Health Canada, it's a very risky strategy to hope that someone will become curious about an issue and produce the information you require in time for a public decision. We believe that needs to have a strong in-house component, and that's why we do it in-house.

The Chair: That distinction is helpful for us, I believe.

My time is up, Monsieur Saindon, but I want to ask you a very tough question. Was canola created in Manitoba or Saskatchewan? When we were on our trip, in Manitoba they said it was in Manitoba, and in Saskatchewan they said it was in Saskatchewan.

Mr. Gilles Saindon: The only thing I can say is it was a beautiful example of partnership.

Some hon. members: Oh, oh!

Hon. Dan McTeague: That's going to be the title of our report.

● (1240)

The Chair: Thank you all for being here. Unfortunately, our time is up. If you have anything further to submit to the committee, please do so. We appreciate your time here.

We will deal with item two, but I first want to make a very brief announcement about the services sector report. We have an updated version in which very small changes were made, so we'll pass that out. Then my hope is that we will adopt the services sector report on Thursday at about 12:30 or 12:45. This is essentially the same report you've had for two weeks at least, so go through it one more time with your staff if you want. We will adopt the services sector report on Thursday.

The only thing we have to do with that report is find a title.

Dan, perhaps we can email the list of possible titles.

Mr. Dan Shaw (Committee Researcher): I made copies.

The Chair: Now we'll go to the motion by Madame Brunelle.

[*Translation*]

Ms. Paule Brunelle: First of all, Mr. Chairman, I would like to know whether the steering committee will be meeting soon? Did I forget a meeting?

[*English*]

The Chair: We do need to have a meeting. Do you want it on Thursday morning?

[*Translation*]

Ms. Paule Brunelle: No, I do not necessarily want there to be a meeting, but I would like to know exactly where we are at this point, because since the trip with the Committee, I have been feeling a little lost.

[*English*]

The Chair: Perhaps the members of the subcommittee can indicate to the clerk what would be a good time for them.

[*Translation*]

Ms. Paule Brunelle: Yes.

So, Mr. Chairman and colleagues, as I was making my way here this morning, I was wondering how to present this motion and possibly convince you to revisit your decision. In actual fact, I am not the one asking to expedite passage of the competition bill; rather, the people of Canada are.

You know as well as I do that, in our ridings, everyone is having problems. Whether it is because of increased prices for food or other goods, everyone is experiencing difficulty because of the spike in the cost of gasoline. I am not naive enough to think that the Competition Act will solve all of our problems, but it is certainly a tool and a beginning.

An emergency debate was held in the House last Monday, and I realized, in light of what I was hearing as people spoke about the bill, that there wasn't really any opposition to it. The discussion was really between the Conservatives and the Liberals and had to do with a carbon tax, and so on.

So, it seems to me it would be very positive signal to send to the people of Canada that the Standing Committee on Industry, Science and Technology is a committee that is working hard in a non-partisan spirit. It often submits reports, but at the same time, it is often lacking in terms of concrete actions. This, however, would be a concrete action—a way of telling people that we are not just a group of MPs on the Hill who forget about what is below the surface, who forget about the people. In my opinion, it would send the right signal, and you could go back into your ridings with that decision from the Standing Committee on Industry, Science and Technology, which could be very positive.

So, the motion basically says that the Committee would hold an additional meeting on Monday, June 9. We would proceed with clause-by-clause consideration of the bill at that time, with a view to completing it no later than June 10.

That is my motion. I would be interested in your feedback.

● (1245)

[*English*]

The Chair: *Merci, Madame Brunelle.*

We'll go to Mr. McTeague, please.

[*Translation*]

Hon. Dan McTeague: I just want to say that I fully understand the intent behind Ms. Brunelle's motion. It is important to let the public know that we are making progress and that we are looking at what is a very important issue for the vast majority of Canadians. It is no accident that, when we were in the Prairies, we saw that prices are much higher there than in Ontario, Quebec or British Columbia. And yet, these are the oil-producing regions of the country.

So, I think the Committee could certainly look at this, even though I believe there is an even more important matter we have to act on.

[*English*]

If I could be permitted, Chair, and I won't be long on this, many of the proposals in Bill C-454 were ones that I have fought for over the years. That's also one of the reasons why those are near and dear to my heart.

The reality is that the current price structures we're seeing go through the roof—not just for oil and natural gas, but for all sorts of other commodities—are very much the product of a problem at the investor end, the stock market end. It is not at the downstream at this point; we can deal with that.

But I think if you want to give real expectations and give an answer to consumers, to Canadians, on why the prices are where they are and where they're going, if anything, this committee should be spending every spare minute it has—and I don't think it has any—looking at the question of energy market manipulation and at how commodities markets have been used, not in a malicious way, but certainly as the focus for numbers that consumers now have to pay, with no end in sight.

My colleague Mr. Eyking had a Maclean's magazine, and on the front cover it said, “Life at $200 a barrel. You won't be able to eat, travel or live as you do now. Say goodbye to the age of plenty.”

This is not to quash what Madame Brunelle has said, but as I suggested before, there is a bigger issue here that we are going to have to confront one way or another. It is that the excuses of supply or the problems around the world can now be magnified and distorted beyond recognition.

I'm suggesting to the committee, as I have...and Madame Brunelle, I think I made this available to several of the members of the committee in their travel last week. These are the inventory stats from the United States, which consumes 52% of all the transportation fuel of the world. Add Canada to that and it's 58% of the world's transportation fuels. Supply has been in a fairly good position over the past five years and demand is down. On that basis alone, normal commodity markets would reflect that and the prices would be at $75 a barrel, not $125 or $126, whatever it was just a few minutes ago on Bloomberg.

I'm not quashing the idea, but I think the idea that you have in your bill here is a little late, and having fought for many of those things, I'd suggest that if the committee wants to do something pragmatic and deal with something that is contextual to the problem today, the actual problem, if we're going to spend any time, we ought to be looking at the concerns that are being raised about the adverse effects of an unbridled futures market in which capital investors who have no business being there...when neither producers nor consumers are driving the price up beyond oblivion.

Where does Canada stand in that regard? That's a good question.

Are the pension funds that are being accumulated in this country at unprecedented levels part of the problem? Are the mutual funds that are being generated in this country and around the world part of the problem? Those are questions we would have to address.

I'm suggesting to Madame Brunelle that I won't support this, simply because I don't think it is proper and I think it gives false expectations to Canadians that this is going to somehow help address the more fundamental issue of a stock market...of energy markets that are now the subject of speculation. If we don't address that, we're going to continue to talk about tinkering at the other end.

The problem is not the downstream. The problem is even before the upstream; it is those who are distorting the markets. I would suggest that this committee—and I want this on record—at its earliest opportunity do give consideration to the far more fundamental and crucial part.

I know I've said a lot, Mr. Chairman, and colleagues, thank you for this. But I think it's important that we get this on the record and that at least someone who is out there listening recognizes there is a far more fundamental problem that we have to tackle.

The Chair: Thank you, Mr. McTeague.

We'll go to Mr. Stanton, please.

Mr. Bruce Stanton: Thank you, Mr. Chair and Mr. McTeague, for certainly an interesting issue, which we would clearly have to take a look at as to how we might proceed in the future. I think it's a separate issue but one that might be deserving of this committee to consider.

However, the item in front of us is the proposal that has been put forward, really, to give Bill C-454 essentially one day of review, line by line, on a bill that has potentially broad-reaching implications on an act that is a fundamental piece of legislation for business in our country. In the interests of trying to simply do something quickly to somehow satisfy an expectation that Parliament is responding to the particular circumstances that gas prices happen to be fuelling—sorry for the pun—and the angst that has been created in society about gas prices, I think it would be misleading to suggest that a one-day review of this bill would in any way satisfy that. At the same time, it might have the potential, without proper time to review it, to have other unintended consequences for business, and we would be stepping into that trap by doing so, so quickly.

I similarly don't favour doing this as the motion has suggested, with the greatest of respect. I suggest we continue to get our study wrapped up, continue to forge ahead on S and T. All of these other suggestions for committee business in the future I'm sure the subcommittee will take in stride and bring forward some suggestions as we move ahead into the fall.

● (1250)

The Chair: Thank you, Mr. Stanton.

We'll go to Monsieur Vincent, Monsieur Arthur, and then Ms. Nash.

[*Translation*]

Mr. Robert Vincent: Thank you, Mr. Chairman.

With all due respect for Mr. McTeague, who has been a member of this Committee for quite some time and has participated in many of the studies it has conducted—and I believe the Conservatives agree with the one he is suggesting—we may as well just start our own TV program and call it “Talking For The Sake of Talking”. In fact, speculating about speculation is not going to change a thing. Just because people say that a barrel of oil should cost $75 does not mean that pension funds will not be investing money to make profits when the price of a barrel of oil hits $200.

If Mr. McTeague or anybody else believes that, through a study such as this, the Committee will discourage people from thinking about making money, well, we will be wasting our time for months on end. In my opinion, there is absolutely no point in carrying out such a study, because ultimately, it will change absolutely nothing.

Second, the only way for us to really change things is to take action in our respective areas of jurisdiction. And, what is our area of jurisdiction? Well, we have the Competition Bureau.

Let me give you a specific example. In 2006, the price of a barrel of oil was $83 and gas cost $1.05 a litre. The price of a barrel of oil then went down to $70, but gas was still selling at $1.05 a litre. That is a problem. Why is the profit margin the same when the cost of a barrel of oil goes down? Because the profit margin for refining has gone up. It went from 7¢ to 28¢. If there isn't collusion happening between oil companies when the price of fuel remains the same, even though the cost of a barrel of oil has dropped… That's why we have to give some teeth to the Competition Bureau, so that it is in a position to investigate.

Why are all the oil companies increasing refining costs? Could someone explain that? If you are able to explain that to me in two minutes, we won't need to ask the Competition Bureau to conduct a serious investigation into this. If you convince me, I will support you. On the other hand, if you are unable to convince me and you tell me that the Competition Bureau has already done investigations which yielded absolutely nothing, my reaction will be to say that this is perfectly normal, since the Bureau has no power. Yet we are here to give it power; we are here to make changes.

From what I can see, no political party is interested in changing anything at all. Yet, all the political parties are saying that the cost of gas is horrendous. They all go into their ridings bemoaning that fact and telling their fellow citizens they will do something, although in actual fact, they don't do a thing and are not interested in doing anything. I'm telling you, you are going to be raked over the coals, and it won't be pretty!

You want to sit here at this table, but have no interest in taking concrete action to help the people you represent. People are mistaken if they think that speculating about the price of oil will result in anything useful. If you have reasons for saying that you don't want to intervene in an area where it could make a difference, where we have some influence, where we can do something at the Committee level and for Canada as a whole, then tell us what we can do to try and resolve this problem. At the very least, let's give the Competition Bureau some real powers, so that it can do something. However, if you are saying that you are not interested in taking any action, then say so publicly rather than just sitting back on your chairs and making those comments in Committee. If you say publicly that you, Conservatives and Liberals, are not interested in taking any action to bring down the price of gasoline, then I will support you, but just say it. Don't stand up in the House of Commons and say you want to lower the price of gasoline and that you are tackling the problem head on. We're not talking about the same thing; we're not speaking the same language.

Thank you.

● (1255)

[*English*]

The Chair: *Merci, monsieur Vincent.*

I have three more. I have Monsieur Arthur, Ms. Nash, and Mr. McTeague, and then hopefully we can take the vote.

Monsieur Arthur.

[*Translation*]

Mr. André Arthur: Thank you, Mr. Chairman.

I would like to begin by thanking Ms. Brunelle and Mr. Vincent for their candour. Indeed, they expressed exactly what they are feeling. We go into our ridings, and because people are fed up, we feel we have to do something, or at least, show them we are doing something.

There is a politician in Quebec by the name of Mario Dumont. He wants to show people he is doing a lot. He spends all his time talking about things he knows little about, and he ends up disappointing people.

The US government has just announced that it intends to conduct an investigation into energy price manipulation in North America. If we are so nonchalant as to believe that we can show leadership in this area, when this is a global problem, then we run the risk of disappointing the voters, who have high expectations of us. My feeling is that, when we start to see the results of the US investigation, we may realize that unacceptable behaviour has taken place in Canada and that US investigators are the ones who brought it to light. And, it won't be the first time that has happened. A fellow by the name of Conrad Black broke the law in Toronto, but is in prison in the United States. It will not be the first time that an American investigation has allowed us to find out what is going on in Canada.

However, I believe that it is our duty, because this matter is of interest to all of us, not to make people believe that we are going to resolve the problem. In my opinion, the only honest thing we could do at this time is to admit that we are powerless. Our duty is to closely monitor the work that is starting in the United States. As soon as we hear about things that concern us, we will have to pursue them mercilessly.

However, trying to make people believe that the House of Commons, or even the Standing Committee on Industry, Science and Technology, can reassure the voters with respect to the cost of energy is pure fiction, as far as I am concerned.

Thank you.

[*English*]

The Chair: *Merci, monsieur Arthur.*

The list keeps growing. It is one o'clock. As chair, I could end the meeting now. I'm going to allow Ms. Nash, Mr. McTeague, and Monsieur Vincent—you can have less than a minute—and then I'm going to call the question.

Ms. Nash.

Ms. Peggy Nash: First of all, I'd like to thank the Bloc for initiating this bill and the motion, and for their passionate concern about issues of competition. We of course all share the concern about the price of oil and gas. None of us is insulated to the concerns of our constituents, who are very concerned when they fill up a gas tank or are concerned about what's going to happen next winter with heating costs. It is something we share, in terms of our concern.

The Competition Act is a significant piece of legislation. It's a complex piece of legislation that deals with competition, not just in the oil and gas sector but throughout industry, and as such we need to be careful that in trying to solve one problem we are not creating more problems. We don't know at this point whether we would be or not. And while I am completely sympathetic to the goal of Madame Brunelle in taking action, I don't want to be limited to saying we can only examine and debate this bill for one day.

I would be open to an amendment that, while it expresses urgency, allows some flexibility in the clause-by-clause examination of this bill and says that once the examination is completed, there would be a report to the House.

I don't want to say that I disagree with the intent; I just don't want to be in a position whereby, in saying we can only examine a complex bill and a complex law for one day, somehow we're opposed to examining and taking action on oil and gas prices. It's not so.

So I would welcome an amendment by the Bloc to give us a bit of flexibility in looking at this bill, with a view to achieving the same goal, but not tying our hands behind our backs and perhaps creating problems that at this point we can't anticipate.

● (1300)

The Chair: Thank you.

I'll just make a point for the members that the bill has to be reported back within 60 sitting days, just for your information, which would take us to October 26 or 27. There is a possible 30-day extension that the committee can ask for.

I'm going to go to Mr. McTeague and Monsieur Vincent, and I'd like comments cut to about a minute, and then I'd like to go to the vote.

Hon. Dan McTeague: Chair, I appreciate the passion that Monsieur Vincent has brought to this, and I would certainly agree that giving powers to the commissioner is a good thing. But if you don't amend the Competition Act in its entirety, as I specified years ago, there's no point in giving powers for the commissioner to do something he can't do. But I think it's fair to say....

[*Translation*]

I am going to say this in French. The cost of a barrel of crude rose from $18 to $129 over a four-year period. That is an increase of about 60¢ a litre. Rather than looking at amounts of 2¢ or 3¢ a litre… The Competition Act did nothing to prevent the refining industry's capacity from becoming non-competitive.

[*English*]

The essence of what our consumers are looking for, and what Canadians are looking for...they're going to say, “What is causing the prices to rise? How did it go, Mr. Vincent, Mr. McTeague, from 35¢ a litre as crude, as part of the makeup of a litre of gasoline, to 89¢ in Quebec and Montreal today?”

That disparity of 53¢, 54¢ a litre is what we should be looking at. And on the very day that Madame Brunelle proposed this motion, the U.S. acting chair of the commission on futures trading decided they were going to not only undertake an investigation, Chair, but, as you will know, I believe there had to be more transparency to see what effect this has had on distorting the prices.

I suggest this is possible, if the Bloc will accept it, to try to address that mysterious 55¢ that's been attached to the price of gasoline and home heating fuel—and wheat and soybeans, and everything right across the spectrum. If we see what the Americans have, since they trade most of the commodities here, along with a few others, we might actually get a solution that the people of my riding and his riding actually want, and that is to put a spotlight on these activities, because they're distorting the market and they're driving the price beyond anything.

If it can be $130 a barrel this year, Chair, it can be $250 next year. Until we address that fundamental point, I think we are leading a fool's errand, and we are deceiving our constituents in trying to tell them that by having this kind of conduct or this activity, or this kind of investigation or discussion for three days, we're somehow going to give them some kind of an answer. It's false hope. I want to deal with what's current. I want to deal with what we need to deal with.

The Chair: Thank you, Mr. McTeague.

We'll go, finally, to Monsieur Vincent.

[*Translation*]

Mr. Robert Vincent: Thank you, Mr. Chairman.

I believe I misspoke earlier when I talked about pretending to take action or something along those lines. That is not what I meant. We can take some concrete steps. The Competition Bureau is an organization that exists, and we can ask that organization to take certain specific actions.

In my opinion, that is something that is done and that we can do. There is a bill. I don't know whether Mr. Arthur read Bill C-454 or whether he has looked at the references to the Competition Bureau. Mr. Arthur will be the first to ask why we, in Canada, are not capable of doing things on our own. The impetus always comes from the United States. I have regularly heard him serve up that line to this Committee. Today, however, he is making the opposite argument, saying that we should wait to see what they do in the United States before jumping on the bandwagon and taking action on our own. Are we not capable of doing something ourselves? Are we not capable of deciding something by ourselves? Why do we always have to wait for someone else to do it?

At the present time, we have a major problem, and when we find ourselves faced with that problem, all we do is sit around the table and wait for the price of gasoline to go up again, saying that it's a terrible thing and that we really don't know what to tell the people we represent. So, we just sit and wait until the price goes up to $2 a litre. And we wonder what caused that increase. But whether it's Peter, John or Jack, it won't change a thing in our own lives, because the price of gas is going to continue to go up.

The point is not to find out who is responsible for the rising price of gasoline, but rather, to look at what we can do to stabilize the price.

Can it be stabilized? Would it be possible to bring down the price of a barrel of oil? Could we do something to ensure that, at the refining stage, at the very least, the price does not go up further, so that a litre of gas at the pump does not cost even more? The only way that could be accomplished is with the Competition Bureau. It simply isn't possible for the price to increase by 28¢ a litre overnight. That's my own view, and I think the most effective way of dealing with this would be to work with the Competition Bureau. That is the only concrete tool we have at our disposal, and yet we are not using it, because there is no interest in doing so.

Thank you.

● (1305)

[*English*]

The Chair: *Merci, monsieur Vincent.*

We will go to the vote on the—

[*Translation*]

Ms. Paule Brunelle: Will I be able to make a final reply, Mr. Chairman?

[*English*]

The Chair: You do, Madame Brunelle, but if the committee wants to continue this, we'll continue it on Thursday. The committee could continue this debate, but I've already extended it past one o'clock. So the option is, do we want to continue this debate on Thursday or have the vote now?

Madame Brunelle, do you want the vote now or do you want to continue—

[*Translation*]

Ms. Paule Brunelle: Let's vote on it now.

[*English*]

The Chair: Vote now? Okay.

All those in favour of the motion?

(Motion negatived)

The Chair: We did have a question about travel. We will talk about travel on Thursday, after the services sector report.

Thank you. The meeting is adjourned.

Published under the authority of the Speaker of the House of Commons

Publié en conformité de l'autorité du Président de la Chambre des communes

Also available on the Parliament of Canada Web Site at the following address:
Aussi disponible sur le site Web du Parlement du Canada à l'adresse suivante :
http://www.parl.gc.ca
