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**EVIDENCE**

**Thursday, October 5, 2006**

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**Chair**

**Mr. Rob Merrifield**

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Thursday, October 5, 2006

• (1535)

[English]

**The Chair (Mr. Rob Merrifield (Yellowhead, CPC)):** We'll call this meeting to order.

I believe this is our fifth meeting on childhood obesity. We have a strong panel in front of us, and we are looking forward to hearing the presentations of the witnesses to the committee on this important issue.

Before we get into introducing our panel and hearing from them, I'd like to make note of a group here from the country of Tanzania. If you would stand, I want to welcome you to Canada and the committee.

**Some hon. members:** Hear, hear!

**The Chair:** Thank you for joining us. I know you have to be away sometime in the middle of this, and that's fine. But we hope we'll be functional, so we will give you an opportunity to see how the Canadian Parliament works.

Now we turn to our first group, from the Department of Finance. We have Geoff Trueman, Katherine Rechico, and Alex Lessard.

**Ms. Katherine Rechico (Special Advisor, Personal Income Tax Division, Tax Policy Branch, Department of Finance):** Good afternoon. We are very pleased to have this opportunity to appear before the House of Commons Standing Committee on Health representing the tax policy branch of the Department of Finance.

The role of the tax policy branch is to develop and evaluate federal taxation policies and legislation in the areas of personal income tax, business income tax, and sales and excise taxes. We understand that the committee is currently studying childhood obesity and that witnesses appearing later this afternoon will discuss a range of issues pertaining to the potential use of economic instruments to affect health and lifestyle choices, including diet and physical activity.

Our appearance before the committee will allow us to provide some information on taxation initiatives that have been taken to date, and also to provide a sense of the process by which any future initiatives might be considered or evaluated. We will be pleased to answer any questions from the committee at the end of our presentation, and we look forward to remaining in the audience to hear the ideas that are advanced by other witnesses scheduled to appear later this afternoon.

Our presentation this afternoon will cover two main items. First, with respect to specific taxation-based initiatives designed to address the issues of health and fitness of Canadians, we will provide an

overview of and update on the children's fitness tax credit, which was proposed by the government in budget 2006, as well as provide a brief overview of other credits related to medical expenses in the personal income tax system. Secondly, on a more general note, we will provide an overview of the analytical framework and the key parameters that are used to evaluate and consider diverse proposals for taxation-based economic instruments.

Turning to the children's fitness tax credit, budget 2006 proposed a new measure to promote physical fitness among children. Studies show that regular fitness activity has a positive effect on children, including balanced growth and development and improved physical fitness. At the same time, the escalating cost of organized sports makes it difficult for many families to afford these activities. Accordingly, budget 2006 proposed a tax credit of up to \$500 on eligible fees for programs of physical activity for each child under the age of 16. This credit will begin in taxation year of 2007.

At the time of budget 2006, a working definition of an eligible program of physical activity was established. It is as follows: "An ongoing program suitable for children in which substantially all of the activities undertaken include a significant amount of physical activity that contributes to one or more of cardio-respiratory endurance, muscular strength, muscular endurance, flexibility and balance."

On July 31, 2006, the government appointed a small panel of experts in health and physical fitness to provide advice on the definition of programs of physical activity that should qualify for the credit. The definition needs to reflect the broad range of activities that are engaged in by children in the pursuit of physical fitness, while at the same time ensuring that eligible programs meaningfully contribute to children's fitness. In particular, the expert panel is considering whether an eligible program should necessarily include an element of instruction or supervision and whether any changes in the eligibility criteria are required to accommodate programs for children with disabilities. The expert panel will also need to ensure that the definition is clear and sufficiently comprehensive to provide guidance to the Canada Revenue Agency in determining the eligibility of specific programs and activities.

The panel consulted extensively throughout Canada with national, provincial, and grassroots organizations and has received considerable feedback. The panel is currently reviewing submissions and is expected to report back to the Minister of Finance later this month in order to have the credit implemented on January 1, 2007.

More generally, the personal income tax system has a number of credits that reflect a person's reduced ability to pay tax because they have incurred non-discretionary expenses. The purpose of these credits is not to create disincentives or incentives. Although no credits are specially targeted to reduce child obesity in this context, there are certain credits that could be claimed under particular circumstances on behalf of obese children.

For example, the medical expense tax credit recognizes the effect of above-average, specific, itemizable medical and disability expenses on an individual's ability to pay income tax. Eligibility for the METC is limited to expenses for prescribed items that are designed for and used exclusively by persons with a medical condition. Certain expenses may be claimed on behalf of obese children under certain circumstances.

• (1540)

In the same way, the disability tax credit improves tax fairness by providing tax relief to individuals who, due to the effect of one or more severe and prolonged impairments in mental or physical function, are markedly restricted in their ability to perform a basic activity of daily living or would be markedly restricted were it not for extensive therapy to sustain a vital function. This needs to be certified by a qualified medical practitioner. Similar to the METC, the DTC may be claimed on behalf of obese children, but we would expect that to be under very limited circumstances.

That, in a nutshell, provides an overview of one specific tax measure, as well as a broad description of how health-related costs are treated in the personal income tax system. I hope it also highlighted some of the considerations that shape policy and legislation, especially in regard to the fitness tax credit. There are certainly many more ideas that have been advanced around the globe concerning diet, health, and activity.

What we would like to do now is provide the committee with an overview of the framework and some of the key factors that we would use within the Department of Finance to evaluate taxation-based economic instruments.

In order to do so, I will turn the microphone over to my colleague Alex Lessard.

[*Translation*]

**Mr. Alex Lessard (Tax Policy Officer, Sales Tax Division, Tax Policy Branch, Department of Finance):** Good afternoon.

It goes without saying that using the tax system to promote public policy objectives must be done judiciously. For a particular objective, using the tax system must be weighed against other strategic instruments such as regulations, expenditure programs or subsidies.

The principles of sound public policy require that the government have a series of instruments, including tax measures, of course, that will contribute as far as possible to achieving these objectives at the lowest possible cost for the government and for the economy and in the fairest and simplest way possible. In addition, these initiatives must be undertaken in the context of a commitment toward a balanced budget and sound financial management.

The proposed new tax measures can be evaluated using the following criteria—and I hope you have all received a copy of the chart I distributed—: efficiency of achievement in the public policy goal, the legal and financial impacts, economic efficiency, fairness and simplicity. I would also mention that these proposals were evaluated individually, and that the weight given to each criterion may vary depending on the measure involved.

The first criterion, efficiency of achieving public policy goal, may be broken down into four aspects: targeting, consumer and producer responsiveness, experience in other jurisdictions and results measurement. There are two important factors involved in the first aspect, targeting. First, we must maximize the correlation between the products affected by the tax measure and the public policy objective. Second, we must choose the tax instrument to be used correctly. By tax instrument, I mean the individual income tax system, the sales tax, the excise tax, and so on.

In the case of the second factor, consumer and producer responsiveness, we have to determine whether the latter will change their behaviour as a result of a new tax measure, such as a tax, and to what extent they will do so.

A third very important factor is the experience in other jurisdictions, either provinces or countries. We have to analyze the context that existed when they were implemented and the results achieved compared to the objectives that had been set.

Results measurement is the fourth criterion, and it is very important to properly assess the government's ability to measure the results of a tax measure. That makes it easier to re-evaluate the measure and to take the necessary action.

The second main criterion is the legal and fiscal impact. The measures may be incentives or disincentives. Each of these measures will likely have an impact on government revenues. Of course, an incentive, such as a tax credit, will probably reduce the government's revenues, while a disincentive, such as a tax, should increase them. In both cases, in the context of a balanced budget, these increases or decreases in revenue could have an impact on other taxes or on government spending.

The second factor under this heading is indirect fiscal impact. In this context, it is important to evaluate the impact of a tax proposal on the income tax base, the GST base or the HST base. Any change of this type could have a financial impact on the provinces.

The third aspect is the precedents. It is important to bear in mind that some incentives targeting a particular industry could give rise to similar demands from other industries and, thereby, increase pressure on the government's fiscal framework.

Finally, it is essential to ensure that any tax measure put forward does not run counter to any agreements between Canada and other jurisdictions or to the Constitution, which of course includes the Canadian Charter of Rights and Freedoms.

I come now to the criterion of economic efficiency. In addition to an overall cost-benefit analysis, we will try to check the few criteria regarding the tax measure. For example, will it promote more productive use of resources or stimulate innovation? Or will the measure rather have some perverse effects such as creating a black market? Another possible perverse effect would be that by increasing a tax too much, the measure could become prohibitive and reduce revenues rather than increasing them. Consideration must of course be given to the impact of any measure of this type on competitiveness at the provincial or international level.

The administration costs of a measure are an aspect that should not be neglected. This is an integral part of any public policy, be it an expenditure program or a tax measure.

Finally, the adjustment costs change the behaviour of tax measures, and measures lead to new adjustments on the market, and in turn, result in social or economic costs. For example, if we put a tax on a particular product, it is possible that companies will experience a drop in sales and decide to close down some plants. That could lead to job losses, and so on.

It is important to estimate the fairness of the tax measures because they could result in a disproportionate burden or benefit for certain groups. This could be true of certain regions or industries as well.

The simplicity of the design, administration and compliance of a tax measure is the final criterion. A tax measure is more efficient if it is relatively simple to implement and easy to understand by the taxpayers it affects. However, if the targeting of the measure or adjustments to it over time require complex rules, this advantage may disappear. In such a case, there is a danger that the tax system may become too complicated with respect to the design, the administration or the compliance with the tax measures.

In conclusion, I would just like to say that the government has a range of strategic instruments it can use to meet its public policy objectives. They include economic instruments, and, of course, tax instruments such as consumption taxes or tax credits.

Any proposed tax measure may be evaluated using the five basic criteria we have just outlined. Whatever the objective, the government must take into account all of the strategic instruments available and select the solutions that can provide the best results at the lowest cost and of course in the simplest and fairest way possible.

We are now ready to answer your questions.

● (1550)

[English]

**The Chair:** Thank you.

Before we ask you to answer some questions, we'll ask you to retreat from the table and then return when we get into the question and answer period. It is really difficult with our time constraints to open up a round of questioning when we don't have the other presenters.

We'll ask our other presenters to come to the table: from the Centre for Science in the Public Interest, Bill Jeffery, national coordinator; from the University of Alberta, Dr. Sean Cash, assistant

professor, Department of Rural Economics; and from Nova Scotia Agricultural College, Dr. J. Stephen Clark, associate professor of economics, Department of Business and Social Sciences.

We'll start with the Centre for Science in the Public Interest. Bill Jeffery, the floor is yours for ten minutes.

**Mr. Bill Jeffery (National Coordinator, Centre for Science in the Public Interest):** Thank you, Mr. Chair. I appreciate the invitation to appear before the committee.

The Centre for Science in the Public Interest is a non-profit consumer health advocacy organization, specializing in nutrition issues, with offices in Ottawa and Washington, D.C. Our health advocacy is funded by over 100,000 subscribers to the Canadian edition of our monthly *Nutrition Action Healthletter*, which is read by more than 1,000 residents in most federal ridings. CSPI does not accept funding from industry or government, and *Nutrition Action* does not carry advertisement.

Diet-related disease is an urgent public health problem in this country. Most Canadians consume too many calories and too much saturated and trans fat, salt, refined flour, and added sugars, and not enough vegetables, fruit, whole grains, and legumes. Every year, diet-related cases of cardiovascular disease, diabetes, and certain forms of cancer prematurely end the lives of tens of thousands of Canadians and rob the Canadian economy of \$6.6 billion, according to Health Canada, due to health care costs and lost productivity. These numbers describe real avoidable deaths and financial losses, both on a grand scale, yet the Government of Canada has done little to help reduce them.

Health Canada could use its nutrition expertise to help provincial education authorities develop school curricula for health, nutrition, and cooking courses, and nutrition criteria for school food service offerings. The federal government could also use its spending power to become the last OECD country to publicly subsidize a national school meal program, so that every child, regardless of means or region, is fed a nutritious meal suitable for optimal health and learning. By comparison, in 2005, the United States federal government spent the equivalent of \$11 billion Canadian in subsidizing school meals.

Parliament should revisit advertising rules in the Food and Drugs Act and the Competition Act to ensure that they adequately protect children against a barrage of commercial advertisements promoting nutrient-poor foods and products that promote sedentary living, such as video games and television programs. Parliament's prompt intervention is preferable to years of test case litigation that might determine that all ads directed at children are inherently misleading and therefore illegal, because of children's unique susceptibility to manipulation.

Rather than resting on the laurels of mandatory nutrition labelling for most prepackaged foods, as have some of the government witnesses, we hope the government, members of this committee, and their caucus colleagues will support the expansion of existing nutritional labelling rules when Bill C-283 comes to a vote in the House on November 8.

Current regulations are predicted to reduce the burden of diet-related disease by approximately 4%, by producing \$5 billion in cumulative economic benefits in the coming two decades at a non-recurring cost of about one-fifth of one percent of food sales for a single year, during the phase-in period—a minimum of 2,000% return on investment.

Children and adults generally eat the same foods manufactured by the same companies and restaurants, and live in the same physical and social environments. As population health experts says, they swim in the same stream. So restricting remedies for childhood obesity to settings such as schools, where children can be targeted exclusively, would produce only partial success.

Many of our recommendations are echoed in the World Health Organization and the pan-Canadian healthy living strategies. But the federal government has made little progress in implementing the policies or funding programs recommended in these two strategies, despite having endorsed both.

Health Canada's scientific clout could also be used to urge food companies to reduce the amount of salt added to processed and restaurant foods, which are the sources of three-quarters of the sodium in our diet—as the United Kingdom and France are now doing, and as the World Health Organization is actively encouraging at a technical meeting in Paris this week, which starts today.

Extrapolating from a U.S. study, a 50% drop in the sodium intake in Canada would cut heart attack and stroke deaths by more than 15,000 annually. Ridding the food supply of trans fat could avert hundreds and possibly thousands more premature deaths.

•(1555)

Recommendations to reform food taxes have been advanced by expert reports published by—and I won't list them all—the Canadian Institute for Health Information; the World Health Organization; the Chief Medical Officer of Health for Ontario; and the U.S.'s Institute of Medicine, with two reports. Notably, the federal-provincial-territorial *The Integrated Pan-Canadian Healthy Living Strategy*, which was supported by ministers of health of all political stripes, recommends that Canadian governments “undertake [a] feasibility study on fiscal measures to encourage healthy living (i.e., tax credits/penalties, subsidies, price supports, etc.)”.

Our recommendations involve both taxation and tax relief, depending on the nutrient profiles of food. The federal government now collects GST from about one-third of all food expenditures, drawing about \$2 billion in tax revenue annually. At present, the Excise Tax Act appears to partly acknowledge the importance of nutrition by imposing taxes on soft drinks, candy, and snack food, but promotes unhealthy diets by taxing low-fat milk and vegetable dishes when sold in restaurants, as well as club soda, salads, vegetable fruit trays, and small bottles of water when sold in retail stores.

Meanwhile, many unhealthful foods sold in retail stores are tax-free, such as sugary breakfast cereals, trans-fat-laden shortening, high-saturated-fat cheese, chicken wings, coffee, cream, and even unhealthy luxury foods such as salty caviar.

The federal government should consider whether economic disincentives to choose healthy foods and tax relief on health-eroding foods comport with this or any government's commitment to reduce the burden of chronic disease. Quite frankly, tax incentives should be smart, not dumb. They should help prevent disease and promote efficiency, not prevent efficiency and promote disease.

A British epidemiologist estimated, in a study published in the *British Medical Journal*, that applying his country's 17.5% value-added tax to a few categories of food that are high in saturated fat would reduce saturated fat intake enough to prevent between 1,800 and 2,500 heart attack deaths per year in the United Kingdom. Researchers examining conditions in the United States, Denmark, Tanzania—coincidentally—China, and Norway have lent credence to the potential of tax price incentives as a means to help achieve population-level dietary change. Even researchers critical of food tax reform predicted similar effects on dietary fat intake, but failed to appreciate the huge numbers of lives that could be saved by such dietary changes.

Like the successful Canadian experience with tobacco taxes, sensibly designed food tax incentives could help internalize the cost of food choices and promote nutritious eating. Moreover, the effects of adding GST to nutrient-poor foods could be amplified by requiring manufacturers of taxable foods to indicate on the label that the product is subject to GST. This would send both information and price signals to consumers and create incentives for manufacturers to reformulate foods by, for instance, including less added sugar and salt, more whole grains, fruits, and vegetables, or replacing saturated fats with unsaturated fats.

The average Canadian now spends about \$56 per year paying GST on food purchases. In 2006-07, the GST credit reimburses \$354 to the average single individual earning \$20,000 per year and \$708 to a family of four with the same income. These rebates could be increased by a few dollars per person to offset further regressive effects, if any, of GST reform, or increased even more ambitiously to help reduce food insecurity.

In conclusion, plainly policy-makers can't turn the clocks back to a time before obesity rates began to rise. They must consider the causes of the causes of childhood obesity and other diet-related diseases and then focus on solutions that the best available evidence indicates will protect population health benefits.

● (1600)

Some food and media companies defend their behaviour by wagging fingers at poor parenting or overstating the capacity of children for sound judgment by embracing notions like “kid power”. These are efforts to shirk responsibility and excuses for doing nothing. In reality, dramatic national—indeed global—changes in sales tax policies, government dietary advice, food manufacturing and marketing practices, school curricula, and the unprecedented growth of sedentary media and computer technologies used for marketing, entertainment, and work have likely all contributed to eroding environments for children and adults. Governments should actively develop programs and policies to repair and prevent the adverse health and economic effects of these major societal transformations.

Thank you.

**The Chair:** Thank you very much.

Now we'll move onto the University of Alberta. Dr. Sean Cash, the floor is yours.

**Dr. Sean B. Cash (Assistant Professor, Department of Rural Economy, University of Alberta):** I would like to thank the members of the committee for providing me this opportunity to address you today.

I'm a health economist at the University of Alberta, and I'll be focusing my comments today on food price interventions, because that's my area of expertise, but I don't in any way mean to suggest that other forms of intervention shouldn't also be considered.

As you know, obesity and dietary-related diseases have come to be viewed as some of the greatest ever threats to public health in Canada. Obesity-related diseases are estimated to cost the Canadian health care system billions of dollars annually. A particularly disturbing trend is an observed increase in childhood obesity, as highlighted most recently in the findings just published by Statistics Canada from the Canadian Community Health Survey.

Both policy-makers and the general public have been discussing whether government interventions are warranted and, if so, what measures should be undertaken. Tax policy has been proposed as a possible instrument for reducing the incidence of obesity and dietary-related non-communicable diseases. This has become popularly known as a fat tax approach, and I'll use fat taxes to discuss taxes on a wide variety of food items.

Several versions of fat taxes have been proposed. The most commonly discussed approach is actually not a tax on fat content per se, but rather a tax on foods deemed to be nutritionally undesirable, particularly energy-dense nutrition-poor foods. Sweet and soft drinks, potato and corn chips, and certain categories of fast food have all been suggested as candidates for such taxes.

A related but more complicated suggestion is to tax large categories of food on the basis of the content of certain macro-

nutrients for which we wish to reduce consumption. For example, one might impose a per-unit tax on saturated fat content of all foods available to Canadian consumers.

In any case, the primary goal is to reduce consumption of certain food items or macro-nutrients by increasing their price relative to other food. Furthermore, such taxes would also raise revenues that could then be used to fund other health promotion activities, such as exercise programs for children or nutritional information campaigns. Alternatively, fat tax revenues could be used to reduce other taxes elsewhere in the economy.

Researchers have just recently begun to investigate the possible effects of such taxes. Such work necessarily involves interdisciplinary challenges and relating fiscal policy to behavioural changes and further relating these changes in behaviour to effects on public health.

With these important caveats in mind, there are still certain themes that emerge. One is that small price changes are only likely to achieve small changes in behaviour, and as a result, small taxes will have minimal impact on obesity. Large price changes, such as doubling the price of sugary soft drinks, would have much more dramatic deterrent effects, but would also necessarily involve larger monetary impacts on consumers who still choose to consume these foods.

One interesting thing to note with regard to childhood obesity is that very little is actually known about how children respond to price differences, as they are often outside the scope of economic studies of food demand and often, for reasons of research ethics, are deliberately left out of such studies.

We also do not know much about how fat taxes may impose a stigma on certain food items. For example a 5¢-per-bottle tax on soft drinks may not, in itself, induce large changes in behaviour, whereas a tax that is accompanied with a scarlet letter on the packaging highlighting that the food item has been singled out for a fat tax may have a much greater deterrent effect.

Another likely outcome is that fat taxes, particularly ones that target broad categories of food, will be regressive in that they will have a larger relative impact on the real purchasing power of poorer Canadians, who spend a much larger percentage of their income on groceries. They would therefore be paying a relatively larger portion of their income on fat taxes. As the previous speaker noted, this could be corrected through increasing rebates on these taxes. However, that would be an additional intervention.

Furthermore, economic pressures may already be pushing lower-income Canadians to some of the same energy-dense nutrition-poor foods that one may wish to target with fat taxes. Hunger may trump nutrition for many families with limited ability to pay for food, and basic energy needs can be met much more cheaply by purchasing energy-dense foods. Taxes targeting these foods may increase the difficulties faced by our most vulnerable households. There is also some evidence that tax schemes targeting saturated fats or other macro-nutrients will similarly have disproportional impacts on less wealthy households. In particular, if revenues from such taxes are used to offset taxes on income or allow for exemptions of other goods from GST, the net effect could be a transfer from poorer households to richer ones.

Another issue to bear in mind is that while taxes can indeed discourage consumption of targeted products, the universe of food items that consumers may instead choose to purchase is quite large. This is referred to as a targeting problem. A consumer who is discouraged from purchasing a sugary soft drink that has been subject to a large tax may instead switch to an item that is no more desirable from a nutritional point of view.

• (1605)

Taxes can only be implemented by clearly outlining in legislation, or in regulation, how and to what the tax is to apply. For example, a tax on carbonated beverages containing high-fructose corn syrup that doesn't apply to uncarbonated lemonade containing cane sugar may lead consumers to substitute one energy-dense, nutrition-poor food for another. If we agree that both the cola and the lemonade from the previous example should be subjected to the tax, but exclude beverages with the 10% real fruit juice content, producers will reformulate their products accordingly and consumers will follow their pocketbooks and buy those new products.

Whenever you draw a bright line, people will step over it to avoid the tax. The net effect may be that we redirect consumption while achieving negligible health benefits.

Macronutrient-based taxes may raise similar issues, as many affected food items may have both undesirable and desirable food properties. A tax discouraging pre-teens from consuming large amounts of ice cream containing high saturated fat may have appeal, but the same tax may also increase the price of the whole-milk products that most nutritionists encourage parents to buy for their toddlers. It would be difficult, if not impossible, to tax the same product differently for different uses.

Some studies have also suggested that macronutrient-based taxes may even have perverse nutritional effects. The next speaker may address this further in his comments.

An alternative approach to consider is the subsidization of food items of which we wish to encourage consumption, such as fresh fruit and vegetables. Such subsidies would benefit all consumers and may provide the greatest benefits to lower-income consumers. In contrast to my earlier comments regarding the difficulty of targeting a fat tax, we can be more certain that consumers will be encouraged to eat more of those foods that are the focus of what I would call thin subsidies.

I've been involved in work that suggested such subsidies could also further reduce disease-burden directly—that is, beyond the indirect impact through reductions and obesity—if they target food items known to aid in the prevention of diseases such as stroke, heart attack, or cancer. While such subsidies would necessarily involve outlays from government that eventually would cost taxpayers, it would also help the same consumers at the grocery store checkout counter and over time may also result in lower public expenditure on health care. However, this approach would still involve the difficult task of deciding what to subsidize and what not.

The members of this committee may also wish to consider those programs already in place that affect food prices in ways that may have undesirable influences on dietary choice. The previous speaker's testimony highlighted some of the tensions in the existing tax system. For example, in Canada we also have made extensive use of indirect and direct subsidies, administered pricing, and regulated marketing to support some areas of agricultural production. These affect prices, which in turn affect behaviour. Another example is that of increased trade with our neighbours. Increased trade in food products enhances consumer access to fresh fruit and vegetables, but also enhances their access to high-fructose corn syrup.

There is also a wide variety of non-food-related policies that may indirectly affect dietary choice. Since these programs were originally established in complete isolation from health policy, it's not at all surprising that the net effect on public health may be negative. In much the same way as policy-making processes are increasingly subjected to environmental impact assessment requirements, perhaps agricultural and food policies should be formulated with a health filter in place to avoid perverse dietary outcomes. Changing those programs that are currently having the most deleterious effects on public health should perhaps be considered before new taxes are imposed.

I feel strongly that there is a role for government in issues of childhood obesity and the promotion of dietary health. Yet as my comments today indicate, I do have some concerns regarding whether new taxes can be particularly effective in pursuing society's goals in these areas. The debate regarding fat taxes is a good one to have, however, particularly as it shines a spotlight on the extreme importance of food access and affordability on nutrition and obesity.

I thank you for inviting me here today and welcome any questions you may have later.



•(1610)

**The Chair:** Thank you very much, Doctor.

Now we'll move to the Nova Scotia Agricultural College. Dr. Clark, the floor is yours.

**Dr. J. Stephen Clark (Associate Professor of Economics, Department of Business and Social Sciences, Nova Scotia Agricultural College):** I thank the committee for inviting me here today. I've been working in agricultural economics for 30 years and no one has ever invited me to talk to them on anything I have ever done, so I welcome the opportunity. I know Sean hasn't been at this as long as I have, so he's very lucky it happened early in his career. I only hope you don't regret your decision.

**Some hon. members:** Oh, Oh!

**Dr. J. Stephen Clark:** I've been working on fat taxes now for about two years. I've been working on them with my colleagues in economic research at the U.S. Department of Agriculture. Of course, the U.S. has obesity issues as well, and they are basically the same as ours. There are obesity issues in the U.K., in Germany, and in particular, it's interesting that this committee is looking at childhood obesity, because that seems to be where the big concern is.

What I'd like to talk about today is the style of fat tax that we might think about imposing. If there is a call for fat taxes, basically we want to tax the food that is unhealthy so that will make us healthier. In other words, reduce the amount of unhealthy food we eat and, hopefully, reduce the obesity problem.

There are a couple of ways we might do it, and the previous two speakers have talked about that. We might actually tax the nutrient content of the food, based on what we believe are the unhealthy effects of that particular nutrient. That's what we call an excise tax, and that's one possibility. But that's not the one I'm going to talk about today and that's not the one I've actually been looking at, although I have some thoughts on that one as well, if you want to discuss it further.

The one I have looked at is basically the fat tax that taxes broad commodity groups because we believe they're unhealthy. For example, taxes on junk food or fast food or a food that's unhealthy are actually the kinds of taxes I look at.

You have to understand that if we tax a food group like that—for example, fast food—within that group there are all kinds of different foods, all of which have different fat content. So if we take that broad category and tax it at the same rate, what we're doing there is taxing the broad category by the same amount, whereas within that category there are several different levels of nutrients. There could be high fat or low fat within that group.

For example, if we're thinking about taxing cookies, if you go into the store and look, you'll see there are all kinds of different cookies, and it turns out that some of those cookies that have the lowest fat content could actually be the highest priced and they could be the highest-quality cookies from the point of view of the consumer. The low-quality cookies could actually be the high-fat-content cookies.

A colleague of mine once told me that he believed that putting fat into food was a cheap way to make it tasty. Once again, if you take the cookie as a tax example, you could think that perhaps the

manufacturer will add a lot of fat to the cookie and then sell it at a very cheap price. If we take all cookies and we tax them, then what we're doing is taxing what we call the composite. We're not taxing the individual food group; we're taxing the composite. We're taking a rough swipe at taxing the cookies.

And if the high-priced, high-quality cookie is indeed the lowest-fat cookie, if you tax that, consumers will search for a way to avoid the tax. One thing consumers could easily do is lower the amount of tax they're paying by switching from the low-fat, high-quality cookie into the high-fat, low-quality cookie, because its price is less.

In fact, if you look at basic food groups—and I've spent a little bit of time looking around—it turns out that the lower-fat, healthier foods within a food group tend to be the highest priced. So it could easily be true that if you tax that whole composite, the consumers could switch from the low fat to the high fat. In other words, they could eat more of the unhealthy nutrient that we're trying to tax.

•(1615)

I'd like to talk about this switching among the composites, but it's also true that when consumers eat, they don't really eat a particular food group. They don't just sit down and eat cookies or ice cream or something like that. What they actually do is eat a meal. So if you start taxing one particular part of the meal, you could get effects going on in the other part of the meal.

For example, suppose we think of cookies as a dessert. Well, if a cookie is a dessert, and you tax the cookies, and the consumer doesn't want to have the cookies anymore, what they might do is just substitute ice cream. Ice cream might be higher in fat than cookies. So it's not just a case of the switch within the composite that could cause problems. There could be switching among food groups making up that meal that could actually make consumers eat more unhealthy food by switching to the ones that may actually have more fat or be more unhealthy.

So there are those two kinds of issues going on. There's the problem with the composite and there's the problem of switching among the food groups, so we might actually get a result that is kind of perverse. In other words, we might actually make people more obese by increasing the prices of those food groups.

I've spent a little bit of time looking at some numbers for the U.S., where I've gone through some of these things. What I'm finding when I look at the Americans is that basically, over time, the Americans have been shifting to lower-fat foods. They've just been doing it. So people are switching, as new information comes out, to the healthier foods.

Americans also consider the fat content of food to be a low-quality characteristic. When prices fall for American consumers, they switch to the lower-fat foods, and when prices rise, they switch to the higher-fat foods. Americans also consider the fat content of food to be an inferior. In other words, as their incomes rise, they will desire that characteristic, that fat in the food, to a lesser extent.

There's also a substantial shift between what I call quantity of food, measured in kilocalories, and quality of food, measured as fat content. Consumers seem to want to keep that thing constant, so if they increase one, they tend to lower the other. So they'll say to themselves, if they want to eat that fatty food, they won't eat as many kilocalories, and that's how they try to keep things relatively stable. Also, there are substantial shifts among the food groups in that meal that could cause very strange outcomes in terms of the amount of fat content people actually consume.

Those are what my results have shown. I would be happy to answer any questions you may have, and I thank the committee for inviting me.

**The Chair:** Thank you very much.

Now we will move to the area of questioning. If the department would like to sit at the table, that would be fine.

We will start with Ms. Dhalla. You have 10 minutes. Are you splitting your time? No? So you have 10 minutes.

**Ms. Ruby Dhalla (Brampton—Springdale, Lib.):** I want to take this opportunity to thank all of you for your interesting presentations, and after hearing Mr. Clark's presentation, I don't think I'm going to be having any more of the cookies that are back there at every meeting. It was quite informative.

**Mr. Dave Batters (Palliser, CPC):** Those cookies are bad cookies.

**Ms. Ruby Dhalla:** We have one person on our committee who loves cookies—Mr. Batters, across the table.

Mr. Clark, you spoke about a variety of different tax incentives you could perhaps put into place, and I know you spoke about people either switching foods or switching the composition of foods. Where's your study at, and what was the end conclusion in terms of the types of incentives that would perhaps encourage individuals, and Canadians in particular, to eat healthier?

• (1620)

**Dr. J. Stephen Clark:** We found a very strange result, and that was that if you tax the low-fat, high-quality fruits and vegetables, you could actually increase the total amount of fat that people eat in the U.S. And if you tax the high-fat, low-quality things, you could actually decrease the amount of fat. That was because of the substitution among the food groups.

The problem with that study, I have to say, is that the numbers were very weak in terms of the way they were developed. So those are sort of preliminary results. The problem is that the data that are available don't line up as well as you might like, so I don't know how confident I am in that prediction.

**Ms. Ruby Dhalla:** Based on your studies and research, what type of incentive would you suggest would work to promote healthier lifestyles and food choices?

**Dr. J. Stephen Clark:** Our conclusion is once again for Americans, but Americans are doing what you'd expect them to do. As their incomes go up, they eat less fat. Also, they do consider low-fat foods to be high in quality. So as new information comes out, they do try to switch.

What we recommend is that basic welfare programs would probably be the best thing to do. Encouraging income support programs and those kinds of things would be a good idea.

Now, sort of through the back door, we come at it by saying, well, if it's not quantity and quality, then what is it? It could be exercise that's really causing the issue. So we also say that if we don't find it with the quantity of food or the quality of food that people are eating, then perhaps we should really target that exercise thing.

**Ms. Ruby Dhalla:** This is to our witnesses who came from the Department of Finance.

Upon doing some research on the fitness tax credit that the new government implemented, I believe there was a working group put together by the Minister of Finance that's supposed to be reporting tomorrow and providing advice on the types of physical activity that could qualify for this tax credit. Could you shed some light in terms of what the findings have been or what the feedback was from the individuals who met in regard to this tax credit?

**Ms. Katherine Rechico:** I'm afraid I'm not able to provide much feedback. It is an independent panel, and they've been meeting across the country. We are expecting their final report soon, but I'm afraid you'll have to wait for the report to hear their conclusions. I'm just not able, right now, to summarize it in any way that would be meaningful for this committee.

**Ms. Ruby Dhalla:** Building upon what Mr. Clark said, in terms of your research, would you or Mr. Lessard be promoting tax incentives to encourage Canadians to have healthy foods, or would you perhaps be encouraging physical activity?

**Ms. Katherine Rechico:** As mentioned, we do have the child fitness tax credit.

Following up on what Dr. Clark said, it's important to note too—and I didn't include this in my presentation—that the federal government does provide a child tax benefit that provides low- and modest-income families a fair degree of income support as a refundable tax credit. It provides up to, I think, around \$3,400 per family for families with incomes less than around \$27,000 per year. So that's substantial income support that would help towards healthier food choices.

I'll let Alex or Geoff speak to the other half of your question, if they want to.

**Mr. Geoff Trueman (Chief, Sales Tax Division, Tax Policy Branch, Department of Finance):** I think it's important to remember, before we would consider any taxation instruments, that the taxation system itself is a very powerful tool. And what we've heard—certainly some of the other witnesses have referred to this—is that one of the key messages we need to communicate is on food quality and making healthy food choices. I think those are very important issues to address before we start to look at taxation measures, which could have a very significant fiscal impact on individuals purchasing food in Canada. We'd be very concerned about the distribution of those impacts as well.

**The Chair:** Thank you.

Madame Demers.

• (1625)

[Translation]

**Ms. Nicole Demers (Laval, BQ):** Thank you, Mr. Chairman.

Good afternoon, and thank you for coming today. I was pleased to hear your presentations.

I listened to all our witnesses, and I have many questions, particularly with respect to motives regarding taxes. I paid particular attention to Mr. Jeffrey, whose brief I found very interesting.

I am sure you are familiar with the Canada Food Guide. A new addition of the guide will be coming out in April 2007. However, in the last two weeks, some witnesses have told us that they did not think that the guide met the criteria of a good diet that would allow people to resist certain diseases and that more importance was attached to the package than to its content.

Do you share these views? In other words, do you think that the new version of the Canada Food Guide will help prevent child obesity?

[English]

**Mr. Bill Jeffery:** My impression is that Canada's Food Guide is still under development, but the last version I saw in March or April of this year didn't impress me.

The science is pretty clear about the basic message concerning diet-related disease. Most Canadians should consume fewer calories; more whole grains, fruits, and vegetables; and less saturated and trans fats, sodium, and that sort of thing.

My impression from the draft guide was that it would certainly prompt Canadians to consume fewer whole grains and probably lead to an increase in the consumption of meat and dairy fat. Health Canada might have got off on the wrong foot when it appointed an advisory group that, quite frankly, had too many conflicts of interest and not enough nutrition science expertise to adequately evaluate the science.

[Translation]

**Ms. Nicole Demers:** You stated that an advisory group was established for the purposes of producing this new guide and that it was not sufficiently familiar with the issues?

[English]

**Mr. Bill Jeffery:** The panel consisted of 12 people: four of them either consulted for or worked for the food industry; four were public

health nutritionists from very small communities—two of them with less than 15,000 people—and they had busy full-time jobs. They didn't come from organizations that had the kinds of institutional resources to support them in their deliberations. A couple of the other members, quite frankly, had very little nutrition science expertise.

I know there were a couple of independent nutrition groups—not our group but others—from Ontario and Quebec that offered recommendations for nominations for the panel, and they were ignored. These were people, I understand, with advanced degrees in nutrition science.

We'll see what comes out of it. I understand it's to be released at the beginning of 2007, but I hope it undergoes more changes.

[Translation]

**Ms. Nicole Demers:** Mr. Lessard, my next question is for you.

I would like to know why you do not have the same sources of information as Mr. Cash, Mr. Jeffery and Mr. Clark. They have access to information that appears to confirm that taxing high-fat products can be beneficial.

I read that England put a 17% tax on high-fat products, which led to a decrease in risks related to death and heart disease. Do you not have the same data that would allow you to act immediately on those same products?

**Mr. Alex Lessard:** The department is certainly open to reviewing all recommendations that the committee puts in its report.

I am not able to tell you whether or not we have the necessary data to allow us to act immediately, but far be it for me to claim that we do not have that data. We would have to look at that issue.

• (1630)

**Ms. Nicole Demers:** Mr. Clark, the government recently made budget cuts in the volunteer sector, which led to a certain number of community and volunteer organizations shutting down. Earlier you mentioned the importance of societal and organizational support for people who do not have a sufficient income to allow them to eat well and have a healthy diet.

Several of these organizations were soup kitchens that gave poor people the opportunity to purchase healthier food and to cook together. These organizations were involved in many areas.

Do you think the government should re-assess its cuts based on the needs of poor people?

[English]

**Dr. J. Stephen Clark:** All I can say is that my results show that as the price of food falls, people try to make healthier choices because they can afford to make healthier choices. Within the food groups the high-fat foods are the cheapest, so if you reduce the price of food, they can buy the healthier, higher-priced foods. It's also the same in an income way. If incomes increase they can afford to buy the healthier foods, so they do that and reduce the amount of fat.

Our results are showing that consumers are very purposeful, when prices and incomes change, in trying to make themselves healthier. If there is any issue—and once again I don't know this for sure—it just tends to be that for some reason lower-fat, healthier foods tend to be more expensive. That could be a price thing.

**The Chair:** Thank you very much.

Mr. Fletcher, five minutes.

**Mr. Steven Fletcher (Charleswood—St. James—Assiniboia, CPC):** Thank you, Mr. Chair.

I'm going to start off with two questions, which will probably take up all of my time.

My first question deals with first nations. Ms. Keeper and I are from the great province of Manitoba, which has a large aboriginal population. Many of the aboriginal communities are remote, and the challenge is to get affordable, healthy food to these locations. There is also seasonal variability and so on. I wonder if any of the panellists are aware of any economic models that exist in Canada or other jurisdictions that could help us address the high cost of healthy foods in first nation communities.

Secondly, again looking at other jurisdictions, are there other innovative or creative economic incentives or disincentives outside the tax system that other countries have employed?

**Dr. Sean B. Cash:** On the first question, certainly food accessibility is a huge issue. In the context of fat taxes and other food taxes, if you're going to highlight certain foods for special taxation and not provide access to the substitutes that you want to encourage, you're not going to be able to accomplish anything. If you double the price of an unhealthy food item, that's a big price change, but if the alternatives don't exist in a remote community, then you still won't necessarily have the desirable substitutions that you want to see.

So even within the context of what many of the speakers have been talking to today, certainly the point you raise is a very valid and salient one for these communities.

**Mr. Steven Fletcher:** What's the solution?

**Dr. Sean B. Cash:** One thing that is not utilized very much in Canada—this ties into some of what I brought up earlier, about existing programs that might support agricultural production—is the direct provision of food aid. That is not universally popular because of concerns that it might carry stigma for recipients. However, if you're thinking of interventions on a community-wide basis, where there might be a role or an ability for a government or a third party to purchase food items to be provided to remote communities, that could be done in a way that would also promote the producers' interests and perhaps could replace other programs that currently work by affecting food prices. That might be a win-win situation.

Again, on a community level, perhaps it would not involve the same sort of stigma carried by the idea of buying government cheese, or by the idea of food stamps in other countries.

•(1635)

**Mr. Steven Fletcher:** Perhaps Ms. Keeper would like to expand on her experience in that area.

But on the second question, the other jurisdictions...?

**The Chair:** No takers.

Do you have any other questions?

**Mr. Steven Fletcher:** No, I'll leave it at that.

**The Chair:** Thank you.

Ms. Black, you have five minutes.

**Ms. Dawn Black (New Westminster—Coquitlam, NDP):** Thank you very much.

I want to thank all the witnesses for coming today. It's been interesting to hear your presentations, and I appreciate the time you took to share your expertise with us.

To the officials from the department, I'm just wondering about the issue of the GST. We do tax junk food higher, I think, through the GST, if you're getting small quantities. Is that right?

**Mr. Geoff Trueman:** Yes. Certain prepared and prepackaged foods are subject to the GST, whereas basic groceries are not.

**Ms. Dawn Black:** I'm wondering if any studies have ever been done on the impact of the tax. Has it been evaluated in terms of its impact on the consumption of those foods?

**Mr. Geoff Trueman:** No. Generally speaking, the GST is reported at a very aggregate or macroeconomic level. It's not possible to track, for example, the amount of GST collected on donuts or fast food, other than working from broad economic data.

Again, the general principle is simply that as a tax, a value-added tax of broad application, an exemption was carved out for basic groceries—

**Ms. Dawn Black:** After a fight, actually.

**Mr. Geoff Trueman:** —exactly, yes—to ensure access to basic food for all Canadians.

**Ms. Dawn Black:** Thank you.

I think all Canadians know we have an epidemic on our hands. The rising weight of children is very worrying. Lack of exercise and all of these things play together. I would like to hear from Mr. Clark, Mr. Cash, or Mr. Jeffery on whether or not they have specific recommendations to this committee.

You talked about incentives and disincentives, but pretend for a minute that you're in government now and you have the opportunity to put forward a concrete proposal to the government. Could you tell me, each of you, what that proposal would be, please?

**Mr. Bill Jeffery:** I can start.

**Ms. Dawn Black:** Thank you.

**Mr. Bill Jeffery:** I think this is coming up to the fourth year that we have made submissions to the House of Commons finance committee with regard to reforming GST. Simply put, our recommendation is that the Department of Finance, in conjunction with Health Canada, look at the definition of basic groceries in the Excise Tax Act and examine it to see if it applies economic incentives in ways that are consistent with the nutrition promotion messages that Health Canada purports to advance. The economic incentives must be consistent with what they're trying to tell Canadians to do.

We've also recommended that the government consider sponsoring a national school meals program. Every other OECD country does it. The United States spends about \$1 a child a day on it, I think to good effect. It's long overdue for Canada to take such actions.

I've circulated my written brief. It has a blue card attached to it with a number of other recommendations—restricting advertising direct to children and that sort of thing. There's lots that Health Canada and other departments could do, and I just hope they do it.

**Dr. Sean B. Cash:** My first recommendation would be to take a careful look at, and do a thorough review of, those existing programs that already affect food prices in this country, some of which have their genesis in historical concerns that go back the better part of a century and do not in any way reflect our current public health concerns. Some of those could be reformed or reformulated in ways that would address those tensions.

Looking at tensions within the tax policy as well, the current tax policy is a good idea; however, when you try to start drawing a lot of bright lines around certain food items, there are the problems I mentioned about targeting and substitutions, and there's also just the administrative complexity of it. A system that might be taxing a large number of food items differentially from others would be very difficult to administer, both for government agencies and for the retailers involved, and that cost should not be ignored.

Finally, looking at trade policies and the like, while keeping an eye out for the effect of those on public health, we must also keep in mind that public health concerns pursued in other countries have sometimes run afoul of trade regulations. An example rather recently is a tax the Mexican government tried to implement on high-fructose corn syrup beverages; it was seen as a technical barrier to trade and was struck down. The United States complained about it because they are a major exporter of high-fructose corn syrup to Mexico. We need to keep in mind that we also have various treaties in place that might also restrict our ability to do some of the things we've been talking about today.

•(1640)

**The Chair:** We must go very quickly; the time is gone, but we'll allow the answer.

**Dr. J. Stephen Clark:** The more I look at the numbers, the more it seems to me consumers are responding in the way we were expecting them to. They are buying healthier foods and they are eating less.

I keep coming back to this idea of exercise. My thought on exercise is that if I want healthier food, I can always get the butcher or somebody else to cut off some fat, especially if I'm willing to pay for it, so that's easy, but in exercise you can't get somebody else to do

it for you; you have to do it yourself. As the value of our time goes up, it becomes harder and harder for us to get out and actually do that. Anything that could make people get out, get some exercise, and keep fit would be a policy that I think would work.

**Ms. Dawn Black:** I know we don't even have compulsory physical education anymore across the school systems in the country.

Thank you.

**The Chair:** Thank you very much.

Mr. Batters, you have five minutes.

**Mr. Dave Batters:** Thank you very much, Mr. Chair.

I'd like to welcome all the witnesses here at committee today. They were excellent presentations, each and every one of them.

I want to focus in a bit on the GST to start with. Whoever feels comfortable answering can please just dive in.

Has the imposition of the GST on unhealthy foods ever been evaluated in terms of its impact on the consumption of these products? Has that been studied? I am interested to hear if it has and what the results of that study were. If not, would it be possible to analyze the costs and the benefits of the current GST tax system regarding what we're trying to accomplish toward getting people to eat healthier and improve health outcomes?

Secondly, regarding the same point, under the current GST tax structure, would it be feasible to create—and I like this idea today, I hadn't heard this before—a nutrition criterion that could be used to distinguish taxable from non-taxable foods in the effort to promote healthy eating and prevent obesity? I think that would definitely send a message to consumers. If there is a big red GST sticker on something, people will know it's not a healthy food. If it doesn't have that sticker, it is a healthy food.

But within the context of this whole debate, I'm quite torn here today, because there's certainly a balance in the nanny state. Granted, the nanny state in this country thankfully pays for health care, angioplasty, and bypass surgery, but there is a conflict between the nanny state and the libertarian, the individual's freedom of choice—I choose to eat cookies—and not punishing people for choosing certain foods. So there's really a balance going on.

So if you would comment on those two little matters about the GST, that would be greatly appreciated. I like this idea of a nutrition criterion.

I'll wait for the answer before asking the second question. I'm always a bit leery that you're going to cut me off, Mr. Chair.

**The Chair:** That is a possibility.

Go ahead.

**Mr. Geoff Trueman:** I can probably only remember so many questions at one time, but turning to address the first question in terms of the existing GST system that we have, as I say, the GST is generally reported and data is presented at an aggregate level. To the best of my knowledge, then—and the academics may correct me—I have not seen any studies, nor would I expect there to be any readily available data that would allow for an analysis of a particular food that is subject to GST vis-à-vis a food that is not subject to GST.

• (1645)

**Mr. Dave Batters:** We're picking favourites in terms of healthy and unhealthy right now, in terms of the GST. Do you mean to tell me there's no data as to whether or not that's having any impact whatsoever on consumption?

**Mr. Geoff Trueman:** No, I'm saying simply that I don't think the GST data would be available in terms of its breakdown or its application to a particular food group such as cookies or ice cream, if that's the type of study to which you are referring, to monitor consumption of those goods.

**The Chair:** Mr. Jeffery.

**Mr. Bill Jeffery:** I can address that question.

You're quite correct, we are already making distinctions in the GST rules as they are. With regard to your side point, I guess, about the nanny state, in this particular context we're talking about children. Children have nannies, and that's probably a good thing.

But on the general question of the GST, there aren't any studies done. There are some data available that can be used to forecast the effect of the GST on shipments of soft drinks, and those data are actually quite interesting. When the GST came into effect in 1992, it actually lowered the tax on domestically consumed soft drinks because they had previously been subject to the manufacturer's sales tax, which was 13.5%. Domestic consumption went up a little bit, but exports went up quite considerably because they were no longer subject to tax whatsoever.

Although the GST revenue data are only collected on an aggregate level, the officials at the Department of Finance could do a fairly good estimate of the impact by looking at historic A.C. Neilson sales data, which can be broken down by product category. They could just look at the rules and see which ones would be subject to tax.

With regard to the question about how we could develop nutrition criteria to make the distinctions, there's a professor at the University of Oxford in the United Kingdom who was contracted by the U.K. Food Standards Agency to come up with what they call a food scoring system. I think it's a very promising technique. What he did was assign foods to three levels of nutritional quality: very helpful, mediocre, and low.

**The Chair:** I'm sorry, your time has gone.

We'll move on to Ms. Bennett.

**Hon. Carolyn Bennett (St. Paul's, Lib.):** Thank you.

I'd like to follow up on what Bill just said.

Bill, I understand that certainly PepsiCo had tried to do that. The new wave president there tried to assign three levels to foods—decadent foods, healthier foods, healthy foods. It was a red light, amber light, green light, based on fat content, sugar, salt, and whatever.

I couldn't agree with you more about the food guide and I couldn't agree with you more about that chart on the back of the stuff. I'm a physician and I never have a clue what it means. I think that if we're going to give a simple message to people that we do have a preference that they eat healthier things, and that we're going to attack it somehow by trying to make sure the healthier things are

cheaper, then we have to demonstrate to Canadians in everything we do, whether it's environmental or nutritional or health impact or in some way, that we do have a preference.

Could the panel comment on this? If there was an expert panel that could help us with a red light, amber light, green light approach, and if you put the GST on the red light products, are these things we could do at the same time? As I've heard the witnesses say, we have to do something about getting green light products into schools, like the apple program in the U.K. The ancient meddler in my riding, Fiona Nelson, always says that when she was a kindergarten teacher 40 years ago, she could order how much milk the kids needed in the morning and it just showed up in the classroom the next day. We've somehow gone backwards from getting kids what they need—and I guess we certainly hear about the distance thing.

Tell me what the expert panel is looking at on the physical activity piece. What's their mandate?

Also, could we have an expert panel in this country that just decided whether stuff was red or orange or green light and we put GST on the red?

• (1650)

**The Chair:** Let's open it up for answers. Who would like to start?

Mr. Clark.

**Dr. J. Stephen Clark:** If consumers are buying food and they're trying to figure out how healthy it is, at this point in time what they have to do is look at that label. That doesn't make any sense to a lot of people. It's very difficult to understand. If consumers want to decide how to make healthy choices, we ought to make it easier for them to do that. And one of the ways to do that is what you're talking about.

I believe there is a blue brand that you can buy at the Superstore, or something like that, that's supposed to be healthy. This is helping consumers decide, when they buy food, how healthy it is. That should be enough. If you're interested in the health of the family, it should allow consumers to look at that thing and make up their minds. The most important part of it, though, is that it should give them a good idea that the food that they're actually buying truly is healthy and it should make it easy for them to do so. They shouldn't have to run around and look at all the backs of things to try to figure out how healthy a meal is going to be. So I would support that.

The only issue I would have is with how close that is to their health. As I understand it, this can change over time. There's the good fat and the bad fat; there's the good cholesterol and the bad cholesterol. We learn these things over time. The best science we have now may not be actually promoting the best health that they can get. I'm hoping that will be correlated over time, but it could be a problem. That needs to change, and I don't know how they would weight them and things like that.

**The Chair:** Thank you.

Mr. Jeffery.

**Mr. Bill Jeffery:** First of all, I should say that my impression is that the new nutrition facts labels are much easier to read than the voluntary ones that preceded them. The text is easier to see and the information is reported in a way that's easier to understand. That said, they could be even easier. I know other witnesses have suggested that some stoplight scheme might be advisable, and I think that's a great idea to at least get the ball rolling and think about how that might look.

The important thing is that the nutrition criteria have to be set up right and set up by an independent body. You mentioned the PepsiCo example. There are other examples of company logo systems out there. They have been roundly criticized in *The Globe and Mail* and the *National Post* by the nutrition columnists for those newspapers, because to some great extent they're self-serving, and the nutritional criteria often reflect that.

**The Chair:** Thank you.

I'll allow another quick comment.

**Mr. Geoff Trueman:** I'd like to follow up on that. I think the red, yellow, green system is very interesting, and I also wonder if maybe we're not giving consumers enough credit. If we give them a red, yellow, green system, if we give them proper food and nutrition labelling, do we really need to impose a tax? I'm not sure we do. I think one of the things we'd want to give very serious consideration to is reviewing how consumers would react to a red, yellow, green system. Are they using the labels that are on food? Does it help inform their choices? What information do they need to make those best choices? Before we move to a punitive tax on individuals, I think we really have to explore fully the benefits of a labelling system.

I don't think the two necessarily go hand in hand. I think that labelling and food guidance and requirements can certainly stand on their own.

**The Chair:** Thank you very much. Your time has gone.

Ms. Davidson, five minutes.

**Mrs. Patricia Davidson (Sarnia—Lambton, CPC):** Thank you, Mr. Chairman.

Thanks to the members of the panel. Certainly, we've heard some very interesting comments here this afternoon.

I think everybody would have to agree that although we've heard a lot of very interesting things and we've heard a lot of different things, I'm not so sure we are getting a whole lot closer to determining what is the best route to take to tackle this huge dilemma of childhood obesity we're facing. We've talked about fitness, we've talked about tax credits in different forms, we've talked about fat tax, imposing taxes on different things.

I guess, Mr. Trueman, I would agree with what you've said. I'm not sure that the correct way to go is to start imposing more taxes on people. But the one thing that I think is a reality is that good eating and healthy eating is not cheap. It costs a lot to eat well and to eat healthy. Whether that's imposing a fat tax or whether it's doing something else with our food pricing system, I don't know, but I think that's very much a reality. I think that's one reason there are so many people who don't eat properly. I think Dr. Clark said we can

choose the right food, we know we can get the right food, but it's exercise we need to promote more. But everybody in this country can't get the right food, and I think that's where we need to start.

Another thing we talked about was sugared soft drinks and those not being a healthy choice in most cases. But I must hear two or three times a week about people saying, "Are you drinking that diet pop? That's not healthy."

I'd like to hear some comments on those issues, about the cost of eating healthy and issues such as people being concerned about non-sugared soft drinks.

• (1655)

**The Chair:** Mr. Cash.

**Dr. Sean B. Cash:** To the first point about the cost of eating healthy, we did some work in Edmonton. We went around and did calorie pricing of food items. We were particularly concerned and were motivated by the question, if you really were on a very tight budget and you first had to meet your basic energy needs before you could start worrying about nutritional concerns, what does the food landscape look like? We found that the energy cost of food varied by almost a hundredfold. If you were willing to eat a pile of sugar, you could meet your basic energy needs for under \$1 a day, whereas if you insisted on trying to eat lean meat, such as turkey slices, you'd be spending \$80 or \$90 a day to get the same amount of energy.

These are very real tensions, very large differences that exist today in the relative prices of food when looked at by energy content, and that was not including luxury foods particularly.

On the second point...perhaps you could remind me.

**Mrs. Patricia Davidson:** The sweetened soft drinks and sugared drinks and those sweeteners.

**Dr. Sean B. Cash:** The sweetened soft drinks and, more generally, drinking diet soda instead, we do have to be careful that in our push for nutritional choices we don't inadvertently raise other health concerns. If there are other health concerns, perhaps from exposure to certain additives that might be used to replace sweeteners, we would need to take that into consideration when we think about what we're taxing and what people are likely to substitute toward.

**The Chair:** Mr. Jeffery.

**Mr. Bill Jeffery:** I'd like to add a couple of points to that.

There's a real poverty in analysis around this issue of food taxing that I think has been created by some reporters who provocatively refer to this idea of junk food taxes or fat taxes. I think the Canadian Medical Association put it right in their testimony to the finance committee last week when they talked about, as we talk about, examining goods and services tax rules to make sure they reflect healthy eating.

A question you might ask the finance officials or ask your constituents is whether they think it's a good idea that we tax salads at the grocery store and in the restaurants. Is that a good idea? Is that promoting good health? There may be some convoluted way of imagining that it is, but quite simply, I can't see it.

If I may comment on what Mr. Trueman from the Department of Finance said about waiting for education to work, well, I'm a big believer in education, but we have to realize that, as I said earlier, these are real dollars that we're losing in diet-related diseases. They're real lives that are ending prematurely—tens of thousands a year, billions of dollars a year. We know that education is not a complete cure, but it works to some extent, and if we can do other things to assist it, such as stopping the taxing of fruits and vegetables, I think it is incumbent on us to do it.

**The Chair:** Thank you very much.

Madame Gagnon.

[*Translation*]

**Ms. Christiane Gagnon (Québec, BQ):** Thank you for your comments and for your studies on obesity. We need to adopt a different attitude in order to tackle the issue of junk food properly. Several of you have given us different opinions on whether to use incentives or disincentives. The government will have to choose between a credit or a special junk food tax.

This is an area that requires several initiatives, including education, which has not been discussed much. In my opinion, we need participation at many levels, including the parents, social circle and the educational sector.

Mr. Clark made an important point. We need to use several kinds of social programs in order to better support the most under-privileged families because social class is also an important factor in obesity. That does not mean that there is no obesity amongst people who earn more, however they perhaps have more means to help themselves when they want to take control of their lives.

Obesity is not only a federal government problem but also a provincial one. Provinces must take steps to intervene amongst children in schools and to better assist families through social programs.

You mentioned that any initiative taken to tackle the problem of obesity are important, including the Canadian social transfer and the tax system. We seem to be moving away from the issue, but after having considered the matter of obesity, the government, through its legislative framework, will indicate which direction to follow or what to think about in terms of ways of tackling obesity.

Mr. Clark is the one who spoke about the problem in terms of social programs. For example, poor families would have more money to feed themselves and to clothe themselves if there were more social housing. We know that people who have less money are especially affected by these problems.

A no-smoking campaign was undertaken and it was successful. Do you think that campaign could be an example which might help us find solutions, in terms of the steps taken to tackle smoking, its impact on people's quality of life, the risk of lung cancer, etc. Even

though many continue to smoke, people now have a greater fear of smoking, because they know more about its effects.

Eating habits are also difficult to change. We all eat junk food, chips, for example. Some people have told me that when they open a big bag of chips they have to get right to the bottom of the bag.

Do you think that the successful anti-tobacco campaign could serve as an example to plan a junk-food awareness campaign?

• (1700)

[*English*]

**The Chair:** Thank you. That's a true confession on the large chips, but we have a very short time so we'll ask for a quick answer.

**Dr. J. Stephen Clark:** Anything we can do to help consumers make better health choices is a good thing. Education is an important part of that.

I'm not a sociologist; I spend time talking about economics. But my idea is that consumers have to buy a lot of stuff. They have to rush home and make meals. We need to understand that there are a lot of things they have to do, and they have to make healthy choices along with a lot of other choices when they have meals.

A meal is more than just nutrition. It is also a social event; it's getting together with the family, and that kind of thing. The person who makes the meal has to understand that those other things are going on as well. Anything we can do to help them make better choices and quicker, more efficient choices when they search for this healthy meal is appropriate.

Income is really important. We can eat chips, but there is no reason why those chips have to be high-fat, unhealthy chips. I don't see why we can't make healthy chips. In fact, if you go to a health food store you can maybe find healthy chips. So just because they're chips doesn't mean they have to be unhealthy, if you see what I mean.

**The Chair:** Aspartame chips—there we go, but no trans fats, for sure.

Do you want to comment very quickly on it?

**Dr. Sean B. Cash:** A lot of things we've looked at here we did successfully with tobacco; however, tobacco is a rather cohesive product. Tobacco is tobacco, and it was relatively easy to target what you meant by tobacco products.

Here we have a lot more difficulty. Certainly with taxation, education information, and product labels, all these things are more difficult because of the very nature of food items.

• (1705)

**The Chair:** Mr. Jeffery.

**Mr. Bill Jeffery:** There's definitely a good opportunity to do some mass public education on this. There's evidence to demonstrate that it would be very effective.



On the poverty issue, it was recognized by Dalton McGuinty a couple of years ago that if we don't deal with the rising rates of obesity and the aging baby boomers, by 2015 the Government of Ontario will only have enough budget for one department, the Department of Health, and nothing else. So it's something to keep in mind.

**The Chair:** Mr. Albrecht.

**Mr. Harold Albrecht (Kitchener—Conestoga, CPC):** Thank you, Mr. Chair. I apologize for not having been here for the presentation, so if my questions reveal that I missed something, let me know.

I notice that the Library of Parliament research refers to some examples from Norway, the U.K., and some provincial jurisdictions that have instituted a fruit and vegetable program. You said you don't have any examples or facts on how a disincentive or incentive would affect Canadian intake. Do we have examples from other jurisdictions on what the impact has been there, either in terms of GST, disincentives, or incentives, for these kinds of fruit and vegetable programs? Does anyone have any input on that?

**Dr. Sean B. Cash:** I was involved in a study that tried to simulate what impact fruit and vegetable price subsidies would have in the United States. We found that you could save 10,000 lives, due to prevention of strokes and heart attacks alone, with a relatively small 1% subsidy across the board on all fruits and vegetables. The idea was that you would only be inducing small changes in behaviour, but those changes over time would reduce risk.

It is difficult to look at what other jurisdictions have done and the impact on fruit and vegetable consumption, because we actually know very little about what people eat. When we try to find out what people eat, we end up doing things like dietary recall studies. They let us get at individuals or households, but are subject to what people think the interviewer wants to hear, or how well they can remember what they ate in the last 24 hours.

When we start looking at broader scales, we rely on things that agricultural economists call disappearance data, where we impute what people must have eaten based on what was produced, exported, or known to have been destroyed.

It's kind of hard to get at these population-level effects of what would happen, because we don't always know very well what does happen. Certainly anything the members of this body could do to encourage our data-collecting agencies to keep an eye out for that in their existing things would be very welcome.

**Mr. Harold Albrecht:** I thought I heard an inference from one of the responses that there was a fairly negative impact of aspartame in soda pop. Do we have actual evidence for that? What kind of light can you bring to bear on that topic? Not only are we dealing with obesity—and I know that's the focus of this study—it's also a huge contributor to dental caries. Could you comment on that?

**Dr. Sean B. Cash:** I was responding to a particular example that had been raised in questioning. I don't actually have any evidence regarding whether any particular additive would cause harm or not. My general point, though, was that nutrition isn't the only thing we care about in health, and that we could pursue nutritional goals and thereby accidentally exacerbate problems in other areas of health.

**The Chair:** Let me intervene on that question. We have future panels that will deal with that issue. I think it's a very good question; it's just that the expertise is coming to the committee at another time.

Thank you very much.

We'll now move on to Ms. Keeper.

**Ms. Tina Keeper (Churchill, Lib.):** I'd like to thank everybody for their presentations. These have been excellent presentations today.

I would like to ask a little bit about something Mr. Cash mentioned. One thing that occurs to me is that on the level of economics, as Mr. Jeffery mentioned, the impact of not finding solutions or not finding strategies that are going to have some impact is going to be to have devastating economic impacts later.

One of the pieces of information we've received over and over again is that there seems to be a correlation between the rise in obesity levels in Canada and the rise in chronic disease. This seems to me to be something that really requires our attention.

We talked about the anti-tobacco strategy. That's one product, but when we look at its effectiveness—and I know people will say, well, that started 40 years ago.... I think we need to look at what works in particular strategies. I think that was a multi-pronged strategy that has been very effective in Canada.

I have two questions. One is on taxation, because cigarettes and tobacco are heavily taxed. Did you actually participate in that strategy with Health Canada? Was that part of the strategy? Where did the taxation of tobacco come from?

I also have a second question to Mr. Cash. I would like to ask you to provide a bit more information about the food subsidy program you talked about that you looked at in the U.S.

Could we go to this taxation question first?

• (1710)

**Mr. Geoff Trueman:** Yes. I worked for several years on tobacco taxation. That element is a very key part of the anti-tobacco strategy to discourage smoking through education, through health warnings, through regulating the marketplace, and through taxation to ensure a high price. I think one of the key things about tobacco is that it's a product of an addictive nature, where there's a very clear-cut goal of trying to reduce consumption to the greatest extent possible, and so of pursuing a particular strategy.

The flip side of it, of course, is that there have been contraband pressures from time to time. When the price of tobacco products rises to a certain point that the market will no longer bear, we see contraband pressures come in because of the addictive nature of tobacco and because people want to continue to smoke. It's an interesting case study, but it is a good example of price point analysis.

**Ms. Tina Keeper:** There seems to be reticence here today on behalf of the tax policy branch to discuss taxation of food. What we've heard over and over again here is that the obesity levels are rising drastically, and because of the information being quite current, it has become a crisis issue.

**Mr. Geoff Trueman:** One of the things we tried to give a sense of in our presentation is not only the actions that have been taken to date but also the fact that in looking at taxation instruments there is a broad array of factors we have to consider, and also that taxation is just one of many tools that are available to the government.

As I said before, the tax system is a powerful instrument. Imposing a tax on something is taking money out of someone's pocket. We have to be very cautious of distributional impacts, particularly when we're talking about food. In looking at any proposal that comes along, we really want to ensure that we have an integrated strategy that addresses education about making healthy choices, labelling that allows consumers to make those choices, incentives for activity.

Again, drawing lines around particular food groups is also very difficult. What do you do with a dozen eggs? If you go home and make a six-egg omelette, that is not a healthy snack.

**Ms. Tina Keeper:** I appreciate what you're saying—

**Mr. Geoff Trueman:** No, but if you have one or two eggs per week, it's an excellent source of protein, and as a parent, those are some of the things I consider.

**The Chair:** The point is well taken.

Our time is gone, and we have to move on to a bit of a planning session, so I want to thank the witnesses again for coming forward, and the Department of Finance for being here. You've added a lot of food for thought—pardon the pun—for the committee on this issue, and we'll take it under serious advisement as we consider our report.

Thank you very much for being here.

**Mr. Steven Fletcher:** Can you remind everyone that the GST is going from 7% to 6% to 5%?

**The Chair:** For the committee, we are distributing a sheet for future planning. As soon as it's in everybody's hands, we'll discuss the future agenda. We have to make a quick decision on what we want to do until the end of this study on childhood obesity.

You have before you a list of the names of 72 witnesses that were submitted. Some came directly to the clerk, but most of them actually came through your offices and then directly to the clerk. That's an awful lot, and I think it's going to be very difficult to hear those witnesses. I wouldn't even recommend that we hear all of them. But to try to make some sanity out of what we're doing in this study, we had decided to go to eight meetings. We have those laid out, and the three further meetings on October 17, 19, and 24. The witnesses are called for those.

But there are four areas we haven't heard from, if we're going to break it down into areas. We have to discern whether we want to cut it off where we are or if we want to hear from these other areas. These are health, first nations—the second meeting that we had talked about—infrastructure and built environment, you might say, and what the provinces are doing.

Before we get into any kind of discussion on that, I want to ask Nancy to comment on these four categories and what the researchers have come up with.

● (1715)

**Mrs. Nancy Miller Chenier (Committee Researcher):** Do you mean the four categories that we haven't heard from?

**The Chair:** That's right.

**Mrs. Nancy Miller Chenier:** The original work plan talked about a session on health that would include health professionals, physicians, dieticians, and some of the special disease groups. It would look at the impact of obesity in terms of chronic disease.

You as a committee had asked for a second panel on first nations and Inuit.

In terms of the infrastructure and built environment, that is an attempt to look at how community design might affect childhood obesity and, in particular, to look again at what the federal government's role might be there.

The provincial one was something that the members had suggested would be a useful addition as a panel, because there are so many initiatives in the provinces that are helpful.

**The Chair:** Those are the four.

If we went with just the subject matter and went with those four, it would add four more meetings. We went around this battle once and we said we had determined there would be eight. We have the eight there. If we want to cut it off there, we will eliminate those four. I believe that will be difficult to do. I said that the last time we went around, but we really need a consensus of opinion here.

If we want to add the four, we'll do it. We can take them one by one and decide if we want to hear from the doctors and the medical field or not, and then if we want to hear from the first nations or not, and then if we want to hear infrastructure and provinces, and so on.

That's the way I think we should proceed, unless there's a consensus to go with all four. Then we can do that. If there's a consensus to go with no more, we can do that. But somehow we have to decide. We have to put some parameters around what we're trying to do as a committee, and the timelines on it, and still have a full enough study on childhood obesity for our report to have validity.

That's the problem I have as a chair. The research team has done a terrific job, I believe, with the panels we've had so far, and it's really hats off to them, because they've put it together in a very productive way.

**Ms. Tina Keeper:** It was my understanding that the aboriginals would have two sessions—

**The Chair:** The second one.

**Ms. Tina Keeper:** —out of the eight. Yes. I'm wondering why the second one has been bumped off the scheduled meeting.

**The Chair:** There was a discussion at that time to have the one and then to try to incorporate first nations in every one of the others that we could, and we did that all the way through.

• (1720)

**Ms. Tina Keeper:** You see, I understood it was two and that we would try to incorporate. That's what I understood, so I would like to—

**The Chair:** No, that's why we tried to do it...and we have no problem putting the second one in there, but—

**Ms. Tina Keeper:** But not in the scheduled eight.

**The Chair:** Not in the eight, no.

**Ms. Tina Keeper:** So it was bumped.

**The Chair:** It wasn't really bumped. There was a discussion about whether we should have it in every one.

**Ms. Tina Keeper:** I thought the discussion was that there would be a focus on aboriginal youth, and so because of that there would be two sessions incorporated as part of the eight. And then where we could incorporate them in the other categories, we would have presenters in those other categories.

**The Chair:** If you noticed, the panel that we had on the first nations was actually too large. It was very large. We tried to jam in as many as we could.

**Ms. Tina Keeper:** I'm just saying that's how I understood it. I thought that's what the decision was, that the two would be of the eight, and then we would incorporate presenters into the other categories as well.

**The Chair:** We'll open the floor to a little debate on this, but I don't know if we need a lot of debate. The decision is simple. We either go with them or we don't go with them. We will open it up for debate.

Carolyn.

**Hon. Carolyn Bennett:** I'm of the view that we should just try to do what we can with the time you structured.

And on the social perspectives, I don't know who you were going to call—the health people or somebody—but could you just blend it a little bit, instead of having the—

**The Chair:** But these witnesses are lined up already.

**Ms. Ruby Dhalla:** It says “to be confirmed”.

**Hon. Carolyn Bennett:** Who are they?

**The Chair:** I don't know. I'm not sure.

**Mrs. Nancy Miller Chenier:** We have continued with a combination of the people who were on the original work plan and the suggested witnesses who have come from members of the committee.

And on the social panel, what we were aiming for there was a bit more discussion about some of the things you heard mentioned today; in fact, the issues of poverty, the issues of education, the broader determinants that contribute to childhood obesity.

As you'll remember, we had a significant health panel as one of the first panels this fall. We heard from the federal witnesses on the

scope of what they are doing currently and what they think they can do.

We were hoping, in the social panel, to also hear from Human Resources and Social Development. They have a significant role in terms of community development, anti-poverty issues. The idea was again to keep the focus on the federal government and to add in witnesses who are expert in the area.

**Hon. Carolyn Bennett:** In terms of what you think you need done, on the Michael Chong and Silken Laumann day, certainly what we were talking about in terms of an infrastructure program that was for physical activity, the Minister of Sport usually would be involved with that, and Jim Watson knows a lot about it. Is there a way you can expand that so that essentially whatever you think you need in terms of a perspective—

**The Chair:** One of the problems we had with asking one province—whether it's Jim Watson or not—is that we felt it's not fair to not hear from Quebec or from the other provinces in terms of what they're doing, so that's why we thought a provincial one would be the right thing to do.

**Hon. Carolyn Bennett:** Whoever is the co-chair of the sport ministers panel—because obviously Michael is a co-chair and then there's a co-chair of the provinces—we could just see who would speak on behalf of the sport ministers for the country. It's a meeting that happens annually.

**The Chair:** I know, but what you're saying is that you would be adding more witnesses to the sport ministries one.

**Hon. Carolyn Bennett:** I'm saying that Michael Chong plus the provincial counterpart might just make you...because when the health and education ministers have come together on the healthy schools initiative, one of the problems was that the sport ministers have felt excluded from that in terms of how you get health, education, and sport, because in some places it's the community centre—

**The Chair:** So the sports side on the provincial is what you're saying.

**Hon. Carolyn Bennett:** In terms of all levels of government that deal with municipalities and deal with all this stuff. It's just a way of drilling down without extending the time, that's all.

**Mrs. Nancy Miller Chenier:** Just so I understand, you want only the provincial sport ministry. You don't want a provincial health minister, a provincial social development minister, or a provincial finance minister. You want only a provincial sport minister.

**Hon. Carolyn Bennett:** On the social perspectives piece, you could bring in whoever you want. In terms of poverty, in terms of the determinants—

• (1725)

**Ms. Ruby Dhalla:** I think there is consensus from many people on this side to stay within the eight meetings. At the same time, there is an interest in more information from the first nations and Inuit demographics.

Could I put forward a motion to combine, within the social perspectives, some of the first nations and Inuit witnesses in one of those sessions? This way the committee could keep it at eight sessions and then move on to pharmaceuticals.

**The Chair:** I think we're okay with the part of your motion that says to keep it at eight. After the eight, we'll discuss it again.

We're looking at the obesity study, because we may have some legislation or some things we're bound to do.

If the determination is eight and that's what you want, fine. We don't need to discuss it further. We'll try to do the best we can with the eight. But understand that health, first nations, infrastructure, and the provinces will probably not be there. That's what you're saying if you decide to stay at eight. You're not going to hear a good number of these other witnesses. So understand that. But if it's your choice, then so be it.

Madame Gagnon.

[*Translation*]

**Ms. Christiane Gagnon:** Why is it relevant to meet with Michael Chong, the Minister of Sport?

He could appear at the end of our hearings, if we have any time left. I fail to see how he would shed any light on this matter.

[*English*]

**The Chair:** We talked about this at the last meeting. We scheduled him, and this was the only day he could come. We scheduled Silken Laumann, and that was one of the only days she could come. It's a time situation.

[*Translation*]

**Ms. Christiane Gagnon:** We could talk about the subject matter rather than listening to the minister talk about his various programs and hearing him make announcements. I would prefer to meet with witnesses who can provide us with much more information about obesity than the Minister of Sport can.

[*English*]

**The Chair:** Fair enough.

[*Translation*]

**Ms. Christiane Gagnon:** We could invite the Minister of Health.

[*English*]

**The Chair:** I understand what you're saying, but he's already scheduled.

[*Translation*]

**Ms. Christiane Gagnon:** We could always meet him some other time, if we have time left over at the end of our hearings. If we were to have him appear now, that would take away time from more important witnesses.

[*English*]

**The Chair:** Mr. Fletcher.

**Mr. Steven Fletcher:** I'll go with the consensus. However, we have a number of witnesses on this list: the Canadian Diabetes Association, the Canadian Medical Association, the College of Family Physicians of Canada, the Centre for Aboriginal Health Research, the Ontario Minister of Health Promotion, the Indian

Health Service National Diabetes Program, the provinces, and the president of the Obesity Canada. There are 72 expert organizations.

If the committee decides not to see these people, I just want to make it clear, for the record, that it's not this side of the table denying these people access. We've gone this far; it seems like a travesty to cut off some of the best-known people in the field. Yes, we've found out that it's going to take more than eight meetings. So what? For the greater good of the country and the provinces, why not schedule the extra meetings? Maybe the researchers can tell us how many extra meetings we'd need.

• (1730)

**The Chair:** We can go round and round. I think we all know—it's obvious right now—that you want eight meetings. That's what I see as a consensus: eight meetings. The motion says eight meetings; let's have eight meetings.

Let the researchers do the best they can in eight meetings. They're pretty much laid out for us, but away we go. Okay?

The meeting is adjourned.

**Mr. Dave Batters:** No, Mr. Chair. We have important business to cover here.

**The Chair:** We do?

**Mr. Dave Batters:** Yes. I have a comment to make.

**The Chair:** You have important business yet? All right, go ahead.

[*Translation*]

**Ms. Christiane Gagnon:** I would like to table a motion on behalf of the Bloc Québécois.

[*English*]

**The Chair:** You have another motion?

[*Translation*]

**Ms. Christiane Gagnon:** Yes.

[*English*]

**The Chair:** You would like to table a motion? Okay.

I had consensus on the motion that was given to me by Ruby, which is the eight meetings. You have something else? Okay. Let's take a look. What do you have?

[*Translation*]

**Ms. Christiane Gagnon:** It is not about our study on obesity. May I read the motion?

[*English*]

**The Chair:** You'll have to have a notice of motion then. If it's not on this, then it's—

[*Translation*]

**Ms. Nicole Demers:** It is on that.

[*English*]

**The Chair:** Okay. Go ahead.

[Translation]

**Ms. Christiane Gagnon:** Given that we have heard some less than reassuring information about the new Food Guide, given that a number of individuals go so far as to describe it as inadequate, and given that the guide does not protect people from diseases, we would call on Health Canada to provide us with the report on the proceedings that led to its preparation as well as a complete list of the individuals who were involved.

[English]

**The Chair:** Who is it you're asking for that?

[Translation]

**Ms. Christiane Gagnon:** We are calling on Health Canada to provide a report on the work that went into preparing the food guide as well as the complete list of the individuals who were involved.

[English]

**The Chair:** Health Canada.

[Translation]

**Ms. Christiane Gagnon:** Yes.

[English]

**The Chair:** That's not on this session.

[Translation]

**Ms. Nicole Demers:** Yes.

[English]

**The Chair:** You can give us a notice of motion on that.

[Translation]

**Ms. Nicole Demers:** I asked a question of Mr. Jeffery and Mr. Freedhoff on this matter.

**Ms. Christiane Gagnon:** Yes, it should be said that...

[English]

**The Chair:** Make it as a notice of motion. That would be fine.

**Mr. Dave Batters:** Mr. Chair, I was talking about future business here.

I want to talk again about the “kids for a cure” lobby day on Halloween, October 31. Discussions have taken place among the members. I've spoken to Ms. Keeper, Madame Demers, and Madame Gagnon. There seems to be a consensus to hear some kids on juvenile diabetes for one hour on Halloween. I'm wondering if we could finalize that today.

**The Chair:** Yes, that's a good point. I was going to bring that up and missed it.

Do we have consensus for the kids to come in for one hour?

**Ms. Ruby Dhalla:** Yes.

**Some hon. members:** Agreed.

**The Chair:** Okay, we can do that, no problem.

**Mr. Steven Fletcher:** I want to make sure it's understood that there is not consensus, at least from this member, about denying the CMA, Canadian Diabetes Association, and the U.S. Indian Health Service National Diabetes Program for—

**The Chair:** We can do anything you want. We can do a recorded vote on this motion, if you like.

**Ms. Ruby Dhalla:** We're not denying them; we just want to have eight sessions. That was our original consensus.

**Mr. Steven Fletcher:** Understood, but in effect it's denying these people because there isn't enough time.

**Ms. Ruby Dhalla:** But we don't want it recorded as our denying it. As Madame Gagnon has said, we don't mind the minister not coming and having—

**The Chair:** Now you're just talking spin. Decision made.

This meeting is adjourned.

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