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Chair

Mr. Bill Casey

Standing Committee on Health

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• (0830)

[English]

The Chair (Mr. Bill Casey (Cumberland—Colchester, Lib.)): It being 8:30, we are going to call together meeting number 64. I want to welcome everybody back and welcome new members to the committee. I welcome all of our invitees who are testifying today.

We're starting on an interesting mission: a study on Bill C-45, an act respecting cannabis. I expect that it's going to be interesting, and it looks like we have some interest in the issue. We have several witnesses today.

I want to point out that with today being September 11, we're going to have a moment of silence at 8:46 in recognition of the disasters that happened in Virginia, Washington, and New York, when almost 3,000 people died in that awful tragedy, including between 24 and 29 Canadians. I will be interrupting at 8:46 and will call for a moment of silence, but in the meantime, I'll introduce our guests.

We have mostly federal, provincial, and territorial responsibilities on our agenda today. Our witnesses are, from the Department of Health, cannabis legalization and regulation branch, Jacqueline Bogden, assistant deputy minister, and Eric Costen, director general. From the Department of Justice, we have Carole Morency, director general and senior general counsel, criminal law policy section, and Diane Labelle, general counsel, Health Canada legal services. From the Department of Public Safety and Emergency Preparedness, we have Kathy Thompson, assistant deputy minister, community safety and countering crime branch. From the Royal Canadian Mounted Police, we have Joanne Crampton, assistant commissioner, federal policing criminal operations.

I want to welcome all of you and thank you for coming. I'm sure your lives are getting very interesting right about now, so you can share some of that with us.

My understanding is that Ms. Bogden is going to open up on behalf of everybody.

You'll have 10 minutes, Ms. Bogden, and then we'll open the floor to questions.

Ms. Jacqueline Bogden (Assistant Deputy Minister, Cannabis Legalization and Regulation Branch, Department of Health): Good morning, and thank you for the opportunity to appear before the committee. As the chair has already introduced me and my colleagues, I'll dispense with introductions.

As public servants, we're responsible for providing advice and support to ministers in developing this proposed legislation. I should also note that Bill C-46 was introduced to strengthen the laws for drug-impaired driving. It's being studied by the justice committee.

Mr. Chair, your committee is embarking on the study of an important, complex, and transformative piece of legislation. On behalf of my colleagues, I'd like to provide the committee with a brief overview of the proposed legislation. I'll focus on three main aspects. The first is the context that has informed the development of the new control framework for cannabis in this bill and the government's objectives. Second, I will highlight some of the key provisions of the bill, in particular the roles and responsibilities of the different levels of government. In doing so, I will also describe how we're working with our provincial and territorial colleagues collaboratively. Third, I will describe the equally important work that is under way to support this legislative change, including increased public education and awareness focused on the health and safety risks of cannabis use.

Let me begin by describing the current context. Canada has some of the highest rates of cannabis use in the world. Of particular concern are current patterns of use that we're seeing among teens and young adults. More than one in five Canadians between the ages of 15 and 19 say they have used cannabis in the last year. The rate is higher still for young adults. Nearly one in three Canadians between the ages of 20 and 24 report using cannabis in the past 12 months. These rates of use are of concern given that the risks of cannabis use are higher for youth than for adults and that the risks increase the younger they start using it and the more often they use it.

Alongside these high rates of use among youth and young adults is an illegal market that's valued at \$7 billion annually for organized crime and those who choose to break the law. This illegal market also places a considerable strain on the resources of Canada's criminal justice system. We see the results in the prosecution of simple possession offences. In 2016 Statistics Canada reported that over three-quarters of cannabis-related charges were for possession of cannabis.

Mr. Chair, against this backdrop it becomes clear that the status quo has not been effective at deterring use or preventing easy access to cannabis for young people. With Bill C-45 the government is setting out a new proposed control framework for cannabis. The government's objectives are clearly laid out at clause 7 of the proposed bill. These objectives are to protect the health of young persons by restricting their access to cannabis, and to protect them from inducements to use cannabis. It also seeks to deter illegal activities through appropriate sanctions and enforcement measures. It provides for the legal production of cannabis to reduce these illegal activities. It seeks to reduce the burden on the criminal justice system. It would allow adults to possess and access regulated, quality-controlled cannabis. Very importantly, it would enhance public awareness of the health risks associated with cannabis use.

The proposed act is closely aligned with the findings of the task force on cannabis legalization and regulation. The task force consulted widely and extensively. It sought expert opinion from public health, justice, and law enforcement, among others. It sought the view of provincial, territorial, and municipal governments; U.S. state government officials; and, of course, Canadians.

The proposed act would create strict national rules that will control the production, distribution, sale, and possession of cannabis in Canada. It would allow adults to have legal, strictly regulated access to cannabis that they could obtain through either a government-licensed seller or growing it in limited amounts at home.

• (0835)

In particular, the bill proposes a number of measures designed specifically to better protect young people from cannabis. For example, it would be illegal for adults to sell or to distribute cannabis to anyone under the age of 18, and provinces and territories could increase this minimum age.

The act would create two new criminal offences with maximum penalties of 14 years in jail for distributing or selling cannabis to a young person or using a young person to commit a cannabis-related offence. The act would also prohibit promotion and advertising of cannabis that could be appealing to young people, similar to the restrictions we have in place right now for tobacco. It would also prohibit products, packaging, and labelling that are appealing to youth.

Adults would be permitted to possess up to 30 grams of dried cannabis in public or an equivalent amount in other forms. There would be penalties for those who break these new rules, and these penalties would be proportional to the seriousness of the offence. There would be ticketing options for minor offences. More serious violations, such as illegal commercial production or taking cannabis across Canada's borders, would be subject to fines or imprisonment.

I'd like to turn now to the roles and responsibilities of the federal, provincial, and territorial governments. In keeping with the advice of the task force, the proposed act sets out a shared framework for the control and regulation of cannabis, which would require ongoing federal, provincial, and territorial co-operation. Under the proposed act, the federal government would be responsible for licensing and regulating the production of cannabis, including setting and enforcing high standards for health and safety. Consistent with their jurisdictional authorities and experience, the provincial and territorial

governments would be able to regulate the distribution and sale of cannabis in their respective jurisdictions.

Provinces and territories together with municipalities would also have broad flexibility to adapt certain rules into their own jurisdictions and to enforce them through a range of tools including tickets. These could include setting a higher minimum age or stricter limits on personal possession or personal cultivation. Local governments would also have responsibility for establishing rules around whether cannabis can be consumed in public, enacting zoning bylaws governing where stores may be located, policing, and enforcing bylaws.

Mr. Chair, coordination among various levels of government is and will continue to be absolutely essential. For that reason, in spring 2016 federal, provincial, and territorial ministers of health, public safety, and justice established a working group of officials to facilitate consultation, information sharing, and collaboration throughout the design and implementation of this proposed legislation. Since that time, senior officials have been meeting every three weeks to discuss key issues, consult each other, share information, and coordinate our respective efforts, and this collaboration will continue.

Provinces and territories are preparing. Many jurisdictions have announced plans or launched public consultations or their intention to do so. We are completely committed to working together collaboratively in the months ahead as our respective jurisdictions prepare for potential implementation of this legislation if it is approved by Parliament.

Mr. Chair, as I near the conclusion of my remarks today, I'd like to describe briefly a couple of other dimensions of work that will support this legislation. First is a system of comprehensive monitoring and surveillance. It will help us to evaluate the implementation of the legislation and to make appropriate adjustments as necessary just as other jurisdictions, such as Colorado and Washington, have done. Second, as I mentioned as the outset of my remarks, is a comprehensive public education and awareness campaign in concert with provinces and territories, municipal health authorities, and other key partners. This campaign will provide Canadians, especially young Canadians, with the information they need to be informed about the health and safety risks of cannabis use.

In closing, Mr. Chair, I wish to emphasize that Bill C-45 seeks to provide a new, more effective control framework for cannabis, one that can ensure greater protection for young people and that will, in time, displace the illegal market. With that, we would be most happy to answer the committee's questions.

Thank you.

• (0840)

The Chair: Thank you very much.

I want to make sure that Justice and Public Safety have an opportunity to make opening statements.

They have no requirement to make opening statements?

All right, we'll go right to questions with Mr. Oliver for seven minutes.

Mr. John Oliver (Oakville, Lib.): Thank you very much for the presentation, and thank you to the rest of you for being here.

It's quite clear that our current approach to cannabis is not working. Jacqueline, I think your opening comments were that 21% of youth have reported using cannabis in the last year, and 30% of young adults have reported using it. We needed to make a change and I think this legislation has done a great job of bringing those changes forward.

I believe the goals from the government were to better protect youth, to take business away from criminals, and to put public health front and centre, so that the people who are consuming cannabis understand who has made it and how safe it is to use. Those were the three overarching goals.

I want to begin with a question about youth. That's the number one goal: how do we better protect our youth, who right now have fairly easy access to marijuana?

My first question is to Justice Canada. Carole and Diane, how does the proposed legislation specifically protect Canadian youth?

• (0845)

Ms. Carole Morency (Director General and Senior General Counsel, Criminal Law Policy Section, Department of Justice): Bill C-45 proposes criminal offences that would prohibit anyone from selling or distributing cannabis to a young person. The intention with the bill is to keep it out of the hands of young persons. However, the bill does recognize the reality that young persons, even under a completely prohibited regime as we have today, do have access to cannabis and in quite high numbers relative to other countries. Bill C-45 would not propose to criminalize possession of a very small amount—five grams or less—but rather, would leave it to provincial jurisdictions to determine if, and how, they wish to address that through their area of legislative jurisdiction.

To the extent that a young person does commit an offence under Bill C-45, the bill does take the usual criminal law approach. A young person who commits a cannabis offence would be dealt with under the Youth Criminal Justice Act, which takes a more rehabilitative, restorative approach and directs police to consider alternatives to the formal justice system, including cautions or warnings before laying charges, or referrals to community programs.

Those are the criminal law protections that Bill C-45 proposes for youth.

Of course, as my colleague has already mentioned, the bill also proposes numerous requirements that would protect youth against being able to access...in terms of labelling requirements, promotion and advertising, and the like.

The Chair: I'm going to break in here for a moment.

As I said earlier as we opened up, we won't take away from your time, but today is the anniversary of 9/11. At 8:46, at this time exactly, planes crashed into the World Trade Center, taking the lives of 3,000 people, including dozens of Canadians. We'd like to take a moment of silence and remember that. There were men, women, children, grandchildren, grandparents, and people from all walks of

life who lost their lives on that day. We'll just take a moment of silence on the health committee's side and think about it.

[A moment of silence observed]

Mr. Oliver.

Mr. John Oliver: Thank you for that.

I think everybody on the panel would agree that there has been lots of clinical evidence that shows the overuse of marijuana, especially for young Canadians, can create both short- and potentially long-term damages.

Could you maybe explain, then, why the five-gram exemption is in place? Why wouldn't you want a zero tolerance?

Ms. Carole Morency: It is correct, as you've noted, the medical evidence documents the impact that cannabis can have on all Canadians, including on youth and the developing brain. Bill C-45 proposes to protect youth, as I've described, but it also recognizes not just the harm to the health of the young person, but the harm that can come from having a criminal record that can follow a young person throughout their life. It could have an impact on education, employment, or crossing the border, etc. Bill C-45 recognizes that and proposes a very small window. It's not condoning or promoting the use of cannabis, but recognizing the reality that young persons may still access and use cannabis.

The committee may be aware that on Friday, September 8, Ontario announced its intention to move forward with its proposals to address cannabis. It included an announcement to the effect that it would not allow young persons under the age of 19 to possess any amount of cannabis.

It's this combined approach that reflects a balancing of the harms to young persons.

• (0850)

Mr. John Oliver: Is there anything you would like to see in the legislation that would go further to protect youth? Is there anything, since you've been involved in the drafting of it, that as a committee we could take on to further protect Canadian youth? Or are you fairly satisfied with that balance of issues that you've struck?

Ms. Carole Morency: I would suggest that Bill C-45 strikes a welcome balance; however, the committee may hear from other witnesses as to other ways to address it. I think what's important to bear in mind, as I've mentioned, is that the Youth Criminal Justice Act would apply to young offenders who are dealing with cannabis-related offences and that, in and of itself, also brings a very different lens to dealing with young persons within the criminal justice system.

Mr. John Oliver: Thank you for that.

I've had some comment from members of my own community that they don't believe the legislation will actually deal with organized crime, in that organized crime is ubiquitous and is everywhere in the distribution of drugs. My other question is around that.

Kathy Thompson, I'll direct this to you. One of the stated goals of the legislation is to take profit away from organized crime. Can you elaborate on that for us? How do you see the legislation doing that? Do you think it will be effective?

Ms. Kathy Thompson (Assistant Deputy Minister, Community Safety and Countering Crime Branch, Department of Public Safety and Emergency Preparedness): We know that it's going to take some time to fully displace a sector that, over a century, has made a good gain in this area. It's going to take some time, and it's going to take a robust regime.

You've heard Ms. Bogden describe some of the key elements that we are trying to address to ensure that we do displace organized crime, including a safe supply and, as well, communicating to Canadians that there is a safe supply available to them; making sure there is access for Canadians; and also ensuring that we meet marketplace demands, which goes to the variety. Eventually, over time, we will move into those areas. Also, of course, pricing is going to be very important in order to be able to displace organized crime. We do have a FPT working group that is looking at the issue of pricing. At Public Safety, we conducted a large study over the past year in looking at pricing in the illicit market.

We are working to tackle those four pillars in order to work to displace organized crime. We know in looking at other jurisdictions, such as Colorado, for example, that they are slowly displacing organized crime year over year in terms of the amount of supply that actually comes from the legal market. I believe you are going to be hearing from officials from Colorado, Mr. Chair.

As well, the government announced last Friday a significant investment of \$274 million. Part of those funds will go to the RCMP and CBSA to ensure they have an intelligence-led approach to tackling and targeting organized crime and the transnational movement of cannabis.

Organized crime is a key priority for federal policing as well. I'll turn to my colleague for the RCMP.

Assistant Commissioner Joanne Crampton (Federal Policing Criminal Operations, Royal Canadian Mounted Police): As Kathy mentioned, organized crime is a high priority for federal policing, in particular, for the RCMP. We target the highest echelon within the organized crime world. We're very cognizant...and realize that the chances of organized crime being eliminated in the cannabis market would be.... It's probably naive to think that could happen. Obviously, there will be a lot of unknowns as time goes on, and we'll have to assess, if the legislation is in place, how it moves forward and continue to reassess at that time.

As Kathy mentioned, there are areas that would give us concern. Those would include the undercutting of legal prices, the price market. The legal market could come in below the price point of what cannabis is sold at. They could continue to do exportation. It is a priority for us as well, ensuring that we have strong intelligence and that we understand that exporting market. Also, there is trafficking to youth—and the act is well legislated—and looking at infiltrating the legal regime. We're also engaged on the medical side, doing criminal record checks, and we would continue being engaged in that part.

● (0855)

The Chair: Ms. Labelle, I think you wanted to make a comment.

Ms. Diane Labelle (General Counsel, Health Canada Legal Services, Department of Justice): I would like to mention to the committee that the purpose of protecting youth is carried throughout the proposed approach before you today. For example, if a province enacts legislation addressing the distribution and retail sale of cannabis, it's required to have a prohibition against selling to youth. That's one item I wanted to mention.

We also need to look at the broader regulatory measures that are proposed in Bill C-45, such as placing restrictions on promotion, particularly promotion that is appealing to youth. We've learned, through lessons from tobacco, that youth are particularly vulnerable to the manipulations of advertising. The Supreme Court of Canada has recognized, in several cases, the significance of protecting youth from these types of measures.

As well as having these two new offences on selling to youth or using youth to commit some sort of a crime with cannabis, we've asked provinces to take this issue into consideration as they develop their own legislation. These measures will carry through restrictions on promotion and advertising aimed at youth, also with packaging and labelling measures.

The Chair: Thanks very much.

I want to acknowledge that the question went quite well over the time period—or the answers did. I think we all want to hear the answers. I'll continue to allow the testimony to continue. Once the time is up, I'll stop the questions but I won't stop the answers, unless somebody disagrees with that. I think the answers are important. We want to hear them all.

Now we go to Ms. Gladu. Welcome.

Ms. Marilyn Gladu (Sarnia—Lambton, CPC): Thanks very much.

Certainly I also would like to hear answers. I'm all about fairness.

I'd like to thank the witnesses for their testimony today.

It will likely come as no surprise to you that I'm opposed to the legalization of marijuana but am in favour of adult personal possession being ticketed. My questions will mostly be directed at how to protect the children and public safety, issues like these.

We'll start off with the Department of Health. The Canadian Medical Association has clearly given scientific evidence that people under the age of 25 who are smoking marijuana have a much increased chance of psychotic disorders and schizophrenia. In light of that, what do you think about this legislation allowing all provinces to set their own age, anything under...?

Ms. Jacqueline Bogden: Establishing a minimum age for access to cannabis is a key control in the legislation. It's an area where the government actively sought expert opinion, the advice of experts like the Canadian Medical Association and the task force on cannabis legalization and regulation. After extensive consultation with public health officials, law enforcement and justice officials, and youth and youth advocates, the task force recommended that the government set the minimum age at 18 and that provinces have the flexibility to set a higher minimum age if they wished to do so.

This strikes a balance between not only the known health risks of cannabis use for youth and young people, but also the reality as I mentioned in my opening remarks that 30% of young adults between the ages of 20 and 24 report accessing cannabis. It's trying to strike a balance between those two things.

What I could also offer is that setting a minimum age that is too high runs a number of risks, including encouraging those young adults to continue to seek out cannabis on the illegal market, which poses risks to their personal safety because they're accessing products that are unregulated and potentially unsafe. I think another important point is that it would also continue to subject them to the possibility of criminal prosecution, conviction, and a criminal record which, as my colleagues outlined earlier, can have lasting consequences.

Ms. Marilyn Gladu: My next question has to do with the purpose of the legislation, which is to protect the health of young persons by restricting their access to cannabis and also to provide access to a quality-controlled supply of cannabis. I wonder if you could comment on how allowing every person to grow four plants of up to three metres high in their house prevents or reduces the access of young persons to cannabis and controls the quality of the cannabis.

• (0900)

Ms. Jacqueline Bogden: Under the proposed cannabis act, it would no longer be a criminal offence for adults to grow a maximum of four plants at home, and provinces and territories would have the flexibility to set additional rules in their jurisdiction. The proposed approach in this bill reflects the advice of the task force after extensive consultations with law enforcement and public health officials and others in careful consideration of the issue of personal cultivation.

The task force ultimately recommended that adults be permitted to grow up to four plants, but that there be certain restrictions around that, including that the plants could not be more than one metre in height; that they would need to come from a legal source, which would be important; and that if someone is growing them at home, they would be prohibited from selling the cannabis to another person or providing it to young people. Of course, as I mentioned, provinces and territories could put in place additional controls.

Ms. Marilyn Gladu: To the witness from the Royal Canadian Mounted Police, if you think about people who are growing this material in their house, who of course are not doing any of the testing or quality control that any of the legal businesses would be required to do, you can't really tell whether they're giving it away. How do you police and enforce that?

A/Commr Joanne Crampton: We would recommend that the local police of jurisdiction be engaged in that, or a regulatory body

that the government might set out. Certainly there's concern about growing it in a home like you've suggested, but there's provision for that within the legislation.

Ms. Marilyn Gladu: My next question has to do with some of the information I've received from provinces. There are fewer than 290 days left until the government intends to legalize cannabis. It has downloaded to the provinces the ability to make up their own rules within some guidelines and then to implement them—although the money that the government is giving is going towards training and not really to enforcement or to helping implement tests or any of that kind of thing.

I'll start with the Department of Justice. Do you have any concern about the provinces being able to put into place their accompanying guidelines in the fewer than 290 days left?

Ms. Diane Labelle: I believe that ADM Bogden and my colleague Mr. Costen would be quite able to describe the number of measures that are being taken at the moment to set out the framework and to proceed with the implementation. I believe they're in a better position to respond to these questions.

Ms. Jacqueline Bogden: As I mentioned in my opening remarks, government officials have been working very closely with provinces and territories since the bill was introduced in the House of Commons. We spent the weeks and months following that with our provincial and territorial colleagues, making sure they understood the government's objectives and the content of the legislation, and answering technical questions, to do exactly as the honourable member suggests, to ensure they have the capacity and support from the federal government to prepare legislative frameworks.

As I also mentioned, we are seeing provinces moving forward with announcing plans for what their legislative frameworks might contain and other measures they are putting in place. Most, if not all jurisdictions, have begun public consultations or announced their intentions to do so. We will continue to make sure we are there to help them do the work they need to do in their jurisdictions.

The Chair: For clarification, Ms. Gladu said that each adult has the right to have four plants. Is that each adult or each household?

Ms. Jacqueline Bogden: That is a very good question. It is each household, and it is an important restriction or a conscious choice in the design of that provision of the legislation. I should have mentioned that.

The Chair: Thank you.

Mr. Davies.

Mr. Don Davies (Vancouver Kingsway, NDP): Thank you, Mr. Chair, and thank you to all the witnesses for being here today.

Bill C-45 restricts legal cannabis products to dried cannabis, cannabis oil, cannabis plants, plant seeds, and one other part, which escapes me. However, what is clear is that the legislation will continue to keep cannabis products such as edibles, creams, tinctures, patches, and those kinds of things illegal. What percentage of the current cannabis market is taken up by the products that will still remain illegal under the bill?

● (0905)

Ms. Jacqueline Bogden: Perhaps I could clarify that the legislation does contemplate the provision of both dried cannabis and cannabis oil, as well as plants and seedlings, but it also contemplates the sale of edibles, a broader range of products that would be competitive with the illegal market. Upon introduction of the legislation, the government indicated that sales at the outset of the coming into force of the legislation would be for dried cannabis, oil, and plants, and that it will take us a bit more time to develop the regulations we need to bring into force sales of edibles. If you would like more information—

Mr. Don Davies: I understand that. My question is this. Upon the coming into force of the bill, edibles will not be legal. I understand the bill contemplates future legalization, but am I correct that the day after this comes into force I can't go buy edibles?

Ms. Jacqueline Bogden: That's correct.

Mr. Don Davies: Thank you.

What percentage of the market currently is taken up by things that will still be illegal upon the coming into force of the bill? Does the government not know?

Ms. Jacqueline Bogden: I don't think I have that information but I can commit to getting back to you, if we have an estimate in that regard.

Mr. Don Davies: Thank you.

My research indicates that about 65% of cannabis in this country is currently being smoked and about 35% of the market is being accessed by people who don't want to smoke cannabis for a variety of health-related and preference reasons. One of the purposes of the bill is to bring illicit, black-market products into the licit, regulated market. I'm having trouble understanding how it would achieve that if we still leave to the black market one-third of the products Canadians are currently accessing and, I'm advised, growing because people are seeking to move away from smoking and prefer to ingest cannabis in healthier ways.

Isn't it the case that by leaving those products illegal we're still going to have Canadians accessing those products in the black market way, and therefore, not really achieve one of the prime objectives of the bill?

Ms. Jacqueline Bogden: I'll start and perhaps turn to my colleague, Mr. Costen.

You raise a very important point. You are absolutely correct that an increasing number of Canadians are choosing not to smoke cannabis, but rather are moving to consuming, for example, cannabis oil, which can be consumed in many forms. I should clarify that Canadians would be able to consume cannabis oil in the form of edibles. They could bake it into goods, as they do now. People create butters at home and things like that. There is a provision in the legislation that would prohibit people from using dangerous solvents to produce those edibles at home, so people would have the ability to consume it in healthier ways.

Mr. Don Davies: Can I ask you a question about that? I'm curious about it. When you went through clause 7, you indicated that one of the purposes of the bill was to provide Canadians with "regulated, quality-controlled" cannabis. How is leaving Canadians

to bake their own edibles in their own kitchens, with no quality control whatsoever—and I would imagine that some of those products are going to get out of those kitchens and be shared with neighbours, etc.—giving Canadians quality-controlled cannabis, as opposed to regulating edibles and other products, like the task force actually recommended that this government do?

Ms. Jacqueline Bogden: I think it's important to recognize that it will take time to be able to have all of the regulations in place to implement this legislation. We have existing regulations that govern the production of cannabis for medical purposes that can be used and easily brought into force with respect to the production of cannabis—dried cannabis and cannabis oil—and the government is planning to have the regulations regarding edibles prepared as soon as possible so that those could be brought into force quickly.

● (0910)

Mr. Don Davies: Thank you. I'm going to move to something else if I can.

The Government of Canada information relating to Bill C-45 explains that provinces or territories could "increase the minimum age" of sale of cannabis, but it also says that they may "lower the personal possession limit in their jurisdiction". That's from the Government of Canada information, "Legalizing and strictly regulating cannabis: the facts". Is that correct? Would this legislation permit provinces to lower the personal possession limit, which I believe is 30 grams?

Ms. Jacqueline Bogden: Yes, that's correct.

Mr. Don Davies: What if a province decided to reduce that to zero?

Ms. Jacqueline Bogden: I'm going to ask my colleague from the Department of Justice to answer that question, if that's all right.

Ms. Diane Labelle: As stated in the legislative backgrounder as well, we have used that example. The scheme set out in Bill C-45 provides for prohibitions, offences, and penalties, and it authorizes activities in relation to cannabis, while at the same time allowing provinces and territories to enact legislation of their own in this same area.

This comes back to how the legislative power is divided amongst the federal level and the provincial levels. Health is one of these areas that's been described as "amorphous" by the Supreme Court of Canada. Depending on the purpose of the legislation, it can fall either to Parliament under the use of the criminal law power or to the provinces in this very area under a power of their own—for example, local matters or civil rights.

Mr. Don Davies: Ms. Labelle, can it go to zero? If they could, what's the floor that provinces could reduce it to? Could it not defeat the purpose of the legislation?

Ms. Diane Labelle: The idea here is each exercising their own authorities, right? Parliament has set an upper limit, for example, for 30 grams in public. A province, for its own purposes, could then set it down to 15 grams.

Where we have limits to this kind of range has to do with the double aspect doctrine. Where compliance with one act requires non-compliance with the other—a province brings it down to zero—or where the purpose of a federal act would be frustrated by the provision of a provincial one—again, a province bringing it down to zero—this could give rise to paramountcy. In other words, a court would examine whether there is a conflict, or whether the purposes of the federal act are frustrated, and could find the provincial law inoperable to the extent of that frustration.

When we're looking at a situation where Parliament is wanting to allow access to a lawful supply by adults and a province enacts legislation that interferes with that ability to the point where it is zero, then a court, if challenged, could look at the situation and see to what extent Parliament's law has been frustrated.

The Chair: Your time is up. Thank you very much.

Dr. Eyolfson.

Mr. Doug Eyolfson (Charleswood—St. James—Assiniboia—Headingley, Lib.): Thank you all for coming.

This legislation, I've always believed, long before I was in politics, is a long time in coming.

I practised emergency medicine for 20 years in Winnipeg. One of the things I found, in my experience, was that in one respect, cannabis was a very dangerous drug, and it does kill. How I found it kills is through the criminal activities of those who market it. I saw an unconscionable number of gunshot wounds, stab wounds, and fatal beatings. The vast majority of them were due to the drug trade. I was once evacuated from an apartment building that was firebombed over a bad drug deal, back in the late eighties. It was not my apartment but the building I lived in. I know the extent of the violence of the current regime and how thriving the black market is, so it's important that we make a change to this.

In regard to some of the concerns I've heard brought up.... The provinces may set their own ages. We know that the Canadian Medical Association suggested 21. Our legislation says a minimum of 18. There was an experience in the United States a number years ago. They increased their drinking age to 21 across the board, but before that, there was a variation in ages. They had the experience that if there was a drinking age of 19 in one state, and a neighbouring state had 21, they had a lot of people travelling over to drink and a lot of accidents. They used the term "blood borders".

If there were too much of a disparate age restriction between provinces, would you see that kind of public safety issue?

• (0915)

Ms. Jacqueline Bogden: The situation we have in this country now recognizes that provinces can make those decisions. We have different ages for alcohol. I would also offer that the provinces are very alive to the issue you're raising and are having discussions among themselves about the areas where they might wish to achieve consistency. What are the areas where they might wish to have consistency, and what are the areas where they could live with inconsistency but put in place mitigation measures of some kind?

Mr. Doug Eyolfson: All right, thank you.

In regard to the policing costs, there has been a lot of speculation by the provinces about how much this is going to cost and whether they should be getting money for policing. Is there an estimate as to how much the current regime is costing police departments? We know that police resources are right now being used for arresting people for simple possession, these people going through the courts, and court costs and these sort of things. There are also the societal costs of these people having criminal records. They can't get jobs now because of this. Is there an estimate of how the costs of our current legal regime might compare with what they would be after this legislation is passed?

Ms. Jacqueline Bogden: Perhaps my colleague from Justice, Madame Morency, could respond to that question.

Ms. Carole Morency: We don't have an actual estimate of costs, but what I can indicate to the committee is the magnitude of the charges and offences before the criminal justice system today. You may know that the Canadian Centre for Justice Statistics releases an annual report on police-reported crimes. In the July *Juristat*, which reflects the 2016 data, they reported that there were just over 95,400 offences reported to police under the Controlled Drugs and Substances Act. Of these, 58% were related to cannabis. If you drill down further, cannabis possession was the number one charged offence. In 2016, 76% of the charges, or 17,733 charges, were for possession of cannabis. How does that translate to the criminal justice system? Well, the committee may know that the Supreme Court of Canada pronounced on the issue of delays in the criminal justice system in July 2016. The number of cases being processed has a huge impact on the system.

Presumably if and when Bill C-45 is enacted and implemented, one would expect to see fewer charges being laid for simple possession. To the extent that there are charges or there is an offence being committed, police would have new authority under Bill C-45 to deal with ticketing for smaller amounts slightly over the 30-gram possession, so between 30 and 50, as an example. Beyond that, the regular penalties would apply. So Bill C-45 would definitely have an impact in diverting many charges from the system officially. To the extent that some stay in, it would provide new tools to police and the crown to deal with them in a more efficient and effective way, thereby, we would expect, reducing some of the costs to the system overall.

Mr. Doug Eyolfson: Thank you.

This question is directed to Justice.

You talk about some of these offences as being ticketable offences as opposed to criminal record. One concern that people have regarding anything to do with drugs is that we know that if you travel to the United States, if you so much as admit to a border officer that you've ever consumed marijuana, or if you're even on the public record as admitting it, you might be indefinitely banned from entering the United States. Let's say you have one of these ticketable offences. I know that U.S. border services would have access to any of your criminal records. Would they have access to these lesser offences? If you had one of these tickets, would this be somehow accessible to the database of U.S. border services?

● (0920)

Ms. Carole Morency: I think there are two parts to the question. I'll start, and then my colleague can finish.

In terms of the ticketing offences, Bill C-45 requires that if a person is convicted pursuant to a ticket, the judicial record of that conviction on the ticket remains separate from other records and cannot be used to identify the person. It is treated differently from a criminal record.

Ms. Kathy Thompson: Just to build on that, it's currently prohibited to import or export cannabis. That will continue to be the case. It will continue to be prohibited to import or export it under the Controlled Drugs and Substances Act.

Moreover, CBSA will be undertaking awareness campaigns. They have received some funding to do that. They'll have clear signage to warn Canadians not to take cannabis across the border. As well, Canadians should be aware that cannabis is illegal at the federal level in the United States. We'll make that very clear to Canadians and make sure they understand that this is and continues to be the case.

The Chair: Ms. Morency, could you clarify the statistic you gave us on 76%? What were those numbers you gave us?

Ms. Carole Morency: They were with regard to the charges laid for the possession of cannabis. There were 23,329 persons charged with cannabis-related offences. Of those, 76% were charged with possession of cannabis.

We can provide the committee with the link for the *Juristat*, if you'd like.

The Chair: Yes, please, if you would.

Mr. Doug Eyolfson: Mr. Chairman, what year was that?

Ms. Carole Morency: It came out in July. It's the *Juristat* for the year 2016 data.

The Chair: That completes our seven-minute rounds.

We will begin our five-minute rounds with Dr. Carrie.

Mr. Colin Carrie (Oshawa, CPC): Thank you very much, Mr. Chair.

I want to thank all the witnesses for being here. At the end of the day, I think everybody's priority is the health and safety of Canadians, particularly our youth. I think everybody would agree that youth use is obviously too high.

I'd like to maybe challenge a little bit what you said, Madam Bogden, that clearly the status quo is not working. The World Health Organization and the Public Health Agency of Canada released a survey of over 30,000 kids in 377 schools across Canada. This survey was first administered in 1990. According to this survey of kids, cannabis use is now at its lowest level since 1990. About 23% of boys and girls aged 15 to 16 report having tried the drug, which is down by half compared with its peak in 2002, when 50% of boys said they had smoked.

I was interested that you parroted exactly the government's line that Mr. Oliver put out, that obviously the status quo is not working. If we define the status quo, we've seen the rates go from, say, 50% of boys.... Maybe it's just 40% or whatever, but clearly we're seeing a decline to where they're saying it's around 22% now. If we're saying

that a decline of that percentage is not working, how would you define a system that is working? How are you going to measure what you're going to be doing? Do you have any evidence to suggest that legalization is going to lower that even further?

Ms. Jacqueline Bogden: I appreciate that. I've shared with the committee the information that we have. Health Canada does regular surveys of Canadians and young people to get a better fix on the rates of use. We are also investing additional funds to undertake additional surveys to get an even better sense of—

Mr. Colin Carrie: My question, though, is that you've said that the status quo is not working.

Ms. Jacqueline Bogden: Yes.

Mr. Colin Carrie: I'll take that statement at face value in terms of what you've said, but according to the evidence that's out there, it seems that cannabis use is now at its lowest level since 1990, and significantly so.

As for the approach of legalization, we have a few states that have done it. Is there any evidence that this use will go even lower with your approach? If you define it as not working—going from 50% at its peak down to 23%—how are you going to define something that's working?

● (0925)

Ms. Jacqueline Bogden: My colleague Mr. Costen will answer your question.

Mr. Eric Costen (Director General, Cannabis Legalization and Regulation Branch, Department of Health): I'll do my best to answer your question. I'm not familiar with the specific data you're making reference to, but I can talk a bit about the data we have at our fingertips, which inform the position around youth access. One of the Health Canada surveys that Ms. Bogden is referring to is called the "Canadian Tobacco, Alcohol and Drugs Survey". It's a survey that's issued every few years. It allows us to track use longitudinally.

The most recent data come from the 2015 survey, and this is the data that is often described: for 15- to 19-year-olds, 21% report use, and for 20- to 24-year-olds, 30% report use. When we look at this survey over the course of the past decade, we see that the levels have been relatively unchanged.

To the second part of your question about what confidence we have that in moving to a new controls framework we might see those rates decrease, I think the experience in Canada in terms of tobacco control is perhaps illustrative, insofar as you have a fairly aggressive regulatory regime coupled with a number of other education, prevention, cessation, and policy interventions—

Mr. Colin Carrie: Well, Mr. Costen, that is theoretical. What I was quoting is from the World Health Organization and the Public Health Agency of Canada. What they released is the 2014 health behaviour in school-aged children survey, so maybe you can take a look at that. I'm not talking about a theoretical thing. We're worried about our kids, and that's why I wanted to see how you are actually coming up with those statements where you're saying that the status quo isn't working.

Maybe I'll move along to Ms. Crampton. What happens today if I'm under 18 and I get busted for a couple of joints? What happens to me? When I turn 18, does that record get wiped or does it stay there forever? How does that work?

A/Commr Joanne Crampton: Legal counsel might be better to answer with regard to what happens to a criminal record, but there is the option of charging. Under the Youth Criminal Justice Act, a youth could be charged with an offence of possession; however, there is always officer discretion involved in any charges we lay—

Mr. Colin Carrie: I know that's kind of what happens today, in that officers do have discretion, but with the proposed legislation, I believe the amount is five grams, from age 12 to age 17. I don't know if you are aware, but I think five grams of marijuana can be 10 to 15 joints, right?

These are not just high school kids. Some of these kids are in public school. Maybe I will ask Justice: what happens now if I'm under 18? I believe, Ms. Morency, you said that this is going to be something that stays with me my entire life, but I know people who have been charged in the past, and I think at 18 doesn't it get wiped...? Or it can get wiped, right?

Ms. Carole Morency: Yes. Records can.... Youth records absolutely are dealt with differently, and they're protected against disclosure after the sentence has been served. But in the sense of what your question was, I think it was dealing with two aspects. On what happens now when a young person is found in possession of drugs, police have discretion right now under the Youth Criminal Justice Act.

Mr. Colin Carrie: Yes. Most of the time, they don't charge, right?

Ms. Carole Morency: They can do a warning, a caution, or a referral to a community program, or charges can be laid. Under Bill C-45, that discretion would continue to apply where an offence is alleged to have been committed by a young person, but you were talking about the five grams, and again, that would depend on whether a province has implemented a different approach to deal with the five grams under their non-criminal law powers—

Mr. Colin Carrie: I'm talking about this legislation. It seems to be okay with five grams, but I'm just saying that people in my community aren't okay with that and—

The Chair: That's your time, Dr. Carrie, so if we can let her answer...?

Mr. Colin Carrie: Sure.

Ms. Carole Morency: I would just say that Bill C-45 is not promoting or condoning the use of cannabis, but it recognizes that a young person who does come into possession and uses a very small amount—five grams or less—would also be exposed to a greater harm that comes with a criminal record, which can affect their ability in terms of employment and other issues. There are harms in getting involved with the criminal justice system itself, and not just with the record. The whole experience of being involved in the system also can have a greater negative impact than what comes from the use of a small amount of cannabis.

All of that is to say as well that the government, as has been noted, is having a public education campaign to promote awareness not only among youth but among all Canadians about the harms of

cannabis use, etc., and that would be part of the targeting for youth not to have access to it.

● (0930)

The Chair: Thank you very much.

Mr. McKinnon, welcome to the committee. I look forward to your contribution.

Mr. Ron McKinnon (Coquitlam—Port Coquitlam, Lib.): Thank you, Chair.

I have questions all over the map here, so we'll just dive in. My understanding is that Canadian youth have the highest rate of cannabis consumption, at least in the OECD countries.

Mr. Costen, could you comment on that?

Mr. Eric Costen: There are a number of different surveys that look to measure global use of drugs. There was a survey released by, I believe, UNICEF a number of years ago that put Canada as the top ranked country in terms of youth use. There are other international instruments that look to measure youth use. While the particular methods and the results vary, the results across the board show that Canadian youth do use cannabis at rates that typically exceed their peers in like countries.

Mr. Ron McKinnon: How do we measure youth use? Do we do it by voluntary surveys?

Mr. Eric Costen: Yes. The different surveys use different methods, but typically it's self-reported use. The surveys would ask if they had used in the last year and the last six months, and then the respondents would volunteer their answer. That's typically how they're done.

Mr. Ron McKinnon: I'd like to move on to the five-gram limit.

Ms. Bogden, I believe you mentioned that one of the goals here is to protect youth, and one of the harms from which we are protecting them is having a criminal record. It seems somewhat counterintuitive then that we put youth into the criminal justice regime at a much lower threshold than for adults. Adults don't get into the area of a criminal charge until they have 30 grams of cannabis in their possession, whereas for a youth, it happens at five grams. That seems counterintuitive to me. Could you comment on that?

If there is a need for a lower limit for youth, or rather that within the same 30-gram limit we just confiscate, fine, whatever, but no criminal record risk.

Ms. Jacqueline Bogden: The legislation is very clear that young Canadians shouldn't have access to any amount of cannabis. That is absolutely clear. I'll ask my colleague, Carole Morency, to explain again the reasons for that specific provision, under five grams, and to try to answer the honourable member's question.

Ms. Carole Morency: Bill C-45 proposes to prohibit providing, distributing, and selling any amount of cannabis to a young person, and proposes to prohibit using a young person to commit a cannabis-related offence. The expectation with this framework for C-45 is that youth should not have any amount of cannabis for use or possession. That's based on health as well, as has already been described by my colleague in terms of the objectives of protecting young persons against the harms associated with use of cannabis.

As has also been noted, the reality is that under a completely prohibited regime, youth in Canada still have a high use and possession of cannabis. Recognizing that, Bill C-45 proposes to carve out a very small amount. If a young person is found to be in possession of five grams or less, Bill C-45 reflects the choice: should persons be criminalized even under the Youth Criminal Justice Act, which has a lesser, more restorative, rehabilitative approach, or should they be given a different way to be dealt with under the law?

It carves out that five grams from the criminal law perspective, because it recognizes the greater harms of exposing young persons to a criminal justice system, not just the record but the whole system, for that small amount. The federal government has been encouraging the provinces and territories to take that five grams and decide how they will deal with it, if they choose to do so, within their areas of legislative competence.

Ontario has already announced that it would not allow any possession of any amount by young persons. It would not allow five grams under its legislative approach, and it would raise the minimum age from 18 to 19. That's a different approach for youth altogether than adults because adults have a different level of maturity. Bill C-45 proposes to legalize, but strictly regulate for adults, and endeavours to keep it out of the hands of youth altogether.

• (0935)

The Chair: We move on now to Mr. Webber.

Mr. Len Webber (Calgary Confederation, CPC): I just want to talk about production and the regulations around it. I had an opportunity to tour a licensed facility in Airdrie, Alberta, called Sundial a few weeks ago. I was quite surprised to see the amount of security around the facility. Coming into the facility, there was razor-sharp barbed wire. It looked like a federal prison, and they had security buzzing us into rooms. Touring the facility also showed me the quality of what they were producing; it was incredible. There's no doubt that this will be a safe product, not contaminated in any way, which is a nice thing to know.

The overhead costs to put this facility into place were immense, of course. With that, obviously the product will have to be sold at a high price as well. Canadians, I guess, are willing to pay a high price for a safe product, but I don't see the average Canadian being able to afford that kind of product. They will obviously have to go to some other supplier, meaning organized crime. I don't see the illegal market being displaced at all, with the requirements that are already in place.

You talked about that illegal market being displaced in time, but with these regulations that are in place right now, I just don't see that happening. I wonder, Ms. Bogden, if you have any comments on that. Does the government plan on continuing with these strict regulations on all production of marijuana throughout the country?

Ms. Jacqueline Bogden: The requirements that are in place right now governing the production of cannabis for medical purposes are under the current legislative framework, where all cannabis, unless it's authorized by legislation, is prohibited, and thus there are stringent requirements around security to protect against diversion to the illegal market, and a number of other measures.

I would also say that there has been considerable analysis indicating that some of the product currently produced under the access to cannabis for medical purposes regime is actually competitive with some of the product available in the illegal market.

That said, one of the government's most important objectives is to displace this illegal market. We need to be very conscious of that in creating regulations that will govern production under the new industry.

I will ask my colleague, Mr. Costen, to speak a little bit about the need to put in place regulations and the considerations that we're thinking about.

Mr. Eric Costen: If I may, I may even go back to the price question briefly. The parliamentary budget officer, in the report that was published a number of months ago, included quite an elaborate commentary on price, including providing a mid-range average of the current illegal market price, which put it, if my memory serves me correctly, at just under nine dollars. While I think the observation you've made is a very good one, as Ms. Bogden just described, when we look at the reality of pricing amongst the licensed producers, the average midpoint price is only slightly higher, at just over nine dollars. This is obviously going to be a very dynamic marketplace and price is going to be absolutely critical to achieving that second principal government objective.

In terms of your question about regulations and the future of those regulations, as you've no doubt observed, in Bill C-45 there are regulation-making authorities across a whole manner of aspects of the new system, one of which is around security, whether it's physical security or security of the personnel. I would echo Ms. Bogden's comments that the regulations in place right now really were born in time, given the legal status of cannabis. Given all of the observations that have been made about the interest of organized criminal organizations in this marketplace, the regulations were designed in such a way as to create a system with a lot of integrity, whether from a consumer perspective or a government perspective, to ensure that the system wasn't being infiltrated by organized criminal organizations. That, in some part, explains the stringency you observed.

• (0940)

The Chair: Thank you.

Mr. Ayoub.

[Translation]

Mr. Ramez Ayoub (Thérèse-De Blainville, Lib.): Thank you, Mr. Chair.

My thanks to all the witnesses for joining us.

This is an extremely important subject for generations to come, and even for generations gone by.

It raises a lot of questions, but I am going to focus on the various applications of the Canadian legislation in the provinces.

The government has a leadership role to play, and that is what we are doing at the moment by discussing this important bill. How are we going to make sure that the legislation will apply all across Canada, and that it will not result in criminality, despite the major differences between provinces in this area? Some provinces, like Ontario, are going to choose to not allow the possession of cannabis at all. When people travel to another province, what will happen then? There are no borders between provinces. For example, you just have to cross a bridge between Ottawa and Gatineau. How is that going to be handled? Can you enlighten me, and enlighten Canadians, about it?

I will perhaps have other questions for Ms. Morency and Ms. Labelle.

[English]

Ms. Jacqueline Bogden: Maybe, Mr. Chair, I could take that question.

[Translation]

Thank you very much for the question.

[English]

I am going to answer in English so that I give you a completely accurate answer.

I think the legislation that is before this committee recognizes and sort of flows from consultations and discussions with the provinces and territories, which identified, in their conversations with the task force and their conversations with the federal government, the desire to have a degree of flexibility in how they design how this system will operate in their jurisdictions. A fundamental aspect of the way this country is governed is that there is flexibility that the provinces can exercise. They're closest, as municipalities are, which we also recognize, to their jurisdictions.

[Translation]

Mr. Ramez Ayoub: I understand that nuance very well, but my question is really about the way the law is applied and about criminality, if any. How are we going to handle it, given that the regulation differs from one province to another? When you cross the border to enter the United States, it's very clear; on the American side, cannabis is illegal; on the Canadian side, we are working to make it legal.

Inside Canada itself, how can the legislation be applied everywhere? I'd really like to look at the legal side of things.

Ms. Diane Labelle: I will answer that question, if I may, Mr. Chair.

In terms of criminal law, the major prohibitions in Bill C-45 are the same everywhere in Canada. If it is a little difficult to answer your question, it is because it is going to depend on provincial legislation. To provide an answer, we would really have to see the details of the legislation in each province in order to find out at what point someone could be subject to a penalty under provincial legislation and a penalty under Bill C-45.

This is a real issue, which is being studied as the legislation is being drafted. The discussions between the federal government and the provinces and territories are very important here. As Ms. Bogden indicated, we also wanted to have an approach based on a co-operative federal system. It was important to recognize that the provinces wanted to have their input. We had to provide the space they needed to be able to adapt the rules to their own situations. Knowing how the legislation is going to apply is somewhat of a theoretical issue at the moment, but we are going to study it.

● (0945)

Mr. Ramez Ayoub: I have one final remark, if I may.

The object was to partly legalize and decriminalize the use and, to a degree, the production of marijuana. That is all it is at the Canadian level. It's a plan in which there must be federal leadership. Of course, we are working together with the provinces, but we also must ensure that everything can blend together properly and that everyone understands the goal we had in mind. That is what I wanted to hear.

Ms. Diane Labelle: We agree on that. That is what we are working towards in our discussions with the provinces and territories.

Mr. Ramez Ayoub: Thank you.

[English]

The Chair: Time is up. That completes our five-minute rounds.

Now we go to the three-minute round starting with Mr. Davies.

Mr. Don Davies: Thank you.

Just to be clear, this legislation sets a federal possession limit of 30 grams, but you've confirmed that the provinces may change that. You could have one province that has a 28-gram limit, one that has a 25-gram limit, or one that has a 20-gram limit. I understand you would look at that to see if it offends the fundamental premise of the bill, but we could end up with a patchwork of different cannabis possession amounts across this country. Is that not possible?

Ms. Diane Labelle: Yes, the approach in Bill C-45 is such that it allows for provinces to make a determination based on their local population and local needs as to the range of possession limits. They could not, I think—

Mr. Don Davies: —violate the principle of the bill to zero. I get it. Thank you.

Ms. Morency, you gave a very passionate and, I thought, cogent explanation of why this bill permits 12- to 18-year-olds to possess up to five grams, which is almost a quarter of an ounce of marijuana. You explained that it's because the bill recognizes the increased relative harm of exposing young Canadians to the criminal justice system for simple possession.

If that's the case, why is this government arresting those Canadians now? Wouldn't it make sense, then, to not be enforcing the law right now, and not subject those young Canadians to the stigma of the criminal justice system presently?

Ms. Carole Morency: We just reiterate what the ministers and the Prime Minister have said on this point, which is that the law remains the law unless and until Parliament enacts a change to that law, and to that end, law enforcement and the crown deal with cases as they are presented because that's the system we have.

Mr. Don Davies: Thanks.

To the RCMP, has the government given any direction to the RCMP to perhaps exercise discretion against charging Canadians, particularly young Canadians, until Bill C-45 has passed? Have you received any directions about that?

A/Commr Joanne Crampton: No, not at all, and I would expect that we wouldn't receive that kind of direction.

Mr. Don Davies: Thank you.

Ms. Bogden, once this bill passes, will it allow Canadians to consume cannabis by vaping?

Ms. Jacqueline Bogden: That's a question that relates to the regulations. It's a good question.

I'll ask my colleague Mr. Costen to answer that.

Mr. Eric Costen: This is a continuation of the questions you were asking earlier about edibles and the range of products, which will—

Mr. Don Davies: Well no, this is about—

Mr. Eric Costen: —about vaping particularly, yes.

The schedule to the act lists the types of cannabis that would be legal and itemizes them. The question of vaping, in particular, speaks to the qualities of what is being vaped and so, to the degree that there are chemicals used to create vaping cartridges that are not included in the schedule, it would not be permitted at the time of issuance. To the degree that those types of cannabis listed in the schedule could be used in a vaping, then it could be possible.

• (0950)

Mr. Don Davies: I have one last question.

Dr. Eyolfson asked a question about Canada-U.S. relations. Canadians know when they go to the border that U.S. border guards will often ask, "Have you ever smoked marijuana?" They don't ask about convictions; they ask if you've ever smoked marijuana.

Once this bill comes into force and it's legal in Canada, Canadians will be put in the position of either having to lie about that or to tell the truth and risk lack of entry. Is the Canadian government right now engaging in discussions with the United States, at the NAFTA table or otherwise, to protect Canadians once July 1, 2018 comes, if in fact, that's the date that cannabis consumption is legal in Canada?

Ms. Kathy Thompson: Thank you, Mr. Chairman. I'll take that question.

As I said earlier, CBSA will be working to make sure that Canadians are aware of the fact that it is illegal in the United States and also that it continues to be illegal and prohibited to import or export.

Also, they'll be reminded that every country has the right to determine admissibility, as does the U.S., and they will be counselled on responding truthfully to any questions asked by a border official. We'll make sure that the information is available.

We also talked about ticketing and where the record is maintained in terms of those judicial charges, so we will try to get as much information as possible out to Canadians.

With respect to your question about whether we are engaging with our U.S. counterparts, absolutely, we have been and we continue to be engaged with them as the bill continues to progress through Parliament, so they are in discussions with us, and we're trying to communicate the objectives of legalizing but strictly regulating cannabis and why we're taking that approach.

The Chair: We have time for another first round. Is it the committee's wish that we continue to ask questions based on round one, only instead of seven-minute questions we will have five-minute questions? Do we have consensus on that? All right, we'll start it again with the Liberal Party, for five minutes.

John.

Mr. John Oliver: I have a question about federally licensed distribution versus provincially or territorially licensed distribution. As I understand it, when the bill is passed, a federally licensed producer will be able to distribute, through e-commerce provisions, to people who are buying online. It will be delivered through Canada Post and shipped that way. The Province of Ontario, for instance, just came out with a plan that the LCBO will be its main distributor. First of all, is it true that a federally licensed producer will be able to distribute through e-commerce under the provisions of this legislation? What will happen then to the provinces, which think they have their hands on how it's going to be done, when there's a parallel federal system?

Ms. Jacqueline Bogden: The legislation provides for provinces and territories to be able to authorize distribution and retail in their provinces. That's the design of the bill. As it relates to the prospective coming into force of the legislation, no later than July 2018, which the government has committed to do providing the legislation is passed by Parliament, what you're referring to would apply only in provinces and territories that have not put in place a regulated retail system. If provinces have put in place a regulated retail system, then those rules would apply, providing of course that the legislation meets the minimum conditions that the government has set out in the federal legislation, and for those provinces that have not yet put in place a system, the federal government will then authorize federally licensed producers to distribute in those jurisdictions.

Mr. John Oliver: Where do I find in the legislation the right of a federally licensed producer to directly sell? Otherwise, it looks like it's illegal.

Ms. Diane Labelle: It is both a policy and a legal decision. From a policy perspective, my understanding is that as provinces establish their own regimes for retail and distribution in the provinces, the federal government will then be satisfied that there's lawful access for adults in those provinces and will then be able to step back in terms of the online sales by licensed producers. There are various ways the Minister of Health will be able to address the licensing aspect, with regard to licensed producers. Where we might draw a distinction is with respect to licensed producers continuing to sell directly for medical purposes.

• (0955)

Mr. John Oliver: How does that happen in real terms? Does the province then have to pass legislation that says we forbid any e-commerce shipping other than what we've envisioned through our permissions? How do you actually police it? To me it seems like a big, opaque, unclear aspect of distribution, and it's hard to determine in the legislation how you intend to handle it.

Ms. Diane Labelle: I think what's clear, if we look at clause 69, is that a province brings into place a statute that covers four important aspects: that they can sell only cannabis that's been produced by a person authorized under this act, in other words, a federally licensed producer; that they may not sell to young people; that they're required to keep appropriate records—

Mr. John Oliver: I understand what the provinces' requirements are.

Ms. Diane Labelle: Right. So, once they have that legislation in place and they establish their retail sales system, whether that's online—

Mr. John Oliver: Do you then federally forbid e-commerce into that province at that point in time?

Ms. Diane Labelle: It's not that it's forbidden; it's that the Minister of Health has the tools necessary to address the situation through licensing producers and determining which jurisdictions they can go into.

Mr. Costen may wish to add to this.

Mr. Eric Costen: I'll try to wrap this all up, but I'm not a lawyer. Recognizing that, on day one, consumers in Canada have a legal option to purchase cannabis, the policy design of the entire system suggests that the ultimate retail environment will be designed and implemented and overseen by provincial and territorial governments. It recognizes, as Ms. Bogden said in her opening remarks, that this is a transformative and complex undertaking, and that on day one, if a particular jurisdiction doesn't have a retail environment established yet, there is the option that at the federal level a producer who is licensed by the federal government can sell directly to a consumer in a particular jurisdiction.

Mr. John Oliver: That option is a granted permission or is it just there as a legal thing they can do?

Mr. Eric Costen: There are a bunch of different regulatory mechanisms by which we could grant it, but it would be a permission given to the company. That permission can be defined in a number of different ways.

Does that help?

Mr. John Oliver: I believe I can phone a winery in British Columbia and order wine from them. They would ship it to me, and it would come through Canada Post. Taxes would be paid. Why would you not be recognizing that ability to ship from a local producer instead of limiting it to different provincial and territorial distribution strategies? Why don't you allow that Canada Post delivery system?

Mr. Eric Costen: You're asking why that provision would—

Mr. John Oliver: Why didn't you continue it?

Mr. Eric Costen: —perhaps only exist as a transitional measure?

Mr. John Oliver: No, I meant as an ongoing strategy for access to different markets.

Mr. Eric Costen: As the bill is designed, that possibility is allowable. My comments recognize the Ontario announcement. As a part of their announcement, they described wanting to enable an online sales platform much as you just described, pursuant to their legislation. The bigger policy design is that retail experience would be described by and defined by the provincial legislation.

The Chair: Thank you very much.

As interesting as this is, the time is up.

Ms. Gladu.

Ms. Marilyn Gladu: I think my colleague brings up some points worth looking into—but in any case I think it's illegal to buy B.C. wine and ship it to Ontario.

I want to talk a little bit about one of the outcomes Canadians wanted from this legislation. I think we were trying to, in some way, off-load the huge number of possession charges that were clogging up the courts. In this legislation I see a lot of protections that are trying to prevent trafficking, and trafficking to younger people. But there's one thing I don't see—maybe it's in here and I just haven't seen it. Young persons are described as people between 12 and 18. There's really nothing in this legislation that prohibits people from trafficking, or being charged for trafficking, to people younger than 12 years old.

Ms. Labelle?

• (1000)

Ms. Diane Labelle: This is a criminal law question and my colleague Ms. Morency is best placed to respond to it.

Ms. Carole Morency: Bill C-45 prohibits distributing, providing, or selling cannabis to any young person under the age of 18. A young person between the ages of 12 and 17 would not be criminalized for possessing five grams or less. They could also share it, without being criminalized, with another youth the same age. The age of criminal responsibility is 12 to below 18 under the Youth Criminal Justice Act, so any adult who gives it to any young person is criminalized, but a youth is dealt with differently.

Ms. Marilyn Gladu: Yes, but the problem is that in the definition in the bill a young person is defined as being between 12 and 18, so the definition needs to be fixed, otherwise there's no protection for anybody under 12.

Ms. Carole Morency: The age you're referring to is for the purpose of charging a young person with a cannabis-related offence. Bill C-45 clearly prohibits any adult organization from providing, selling, or distributing cannabis in any form to any young person.

Ms. Marilyn Gladu: Where is it defined that “young person” means everybody below 18 in the bill? That's what I didn't see.

Ms. Carole Morency: If you look at the offence provisions in the bill, for example, article 9 on page 8 of the bill, which deals with the offence against distribution, you'll see that it's an offence to distribute cannabis to an individual under the age of 18 years. It would be the same for selling or providing.

Ms. Marilyn Gladu: Thank you.

The other thing I wanted to talk about was the possession quantities. It sounds like a lot to me, 30 grams possession. Depending on how you roll it—I don't have any experience in this area—I'm told that this could be between 60 joints and 90 joints. That sounds like a lot. I'm interested in what we would typically find with people we think are trafficking. What's a typical amount? How did we come to the 30-gram amount?

Maybe I'll start with Ms. Crampton.

A/Commr Joanne Crampton: I wouldn't be able to speak to how the 30-gram amount was established. I believe Ms. Bogden would be best to answer that piece.

Ms. Jacqueline Bogden: The 30-gram amount that you find in the legislation is one of the recommendations of the task force on cannabis legalization. This was one of the key design questions that the government asked the task force to consider. After extensive consultations and careful consideration and deliberation, the task force, as it noted in its report, also looked at measures that other jurisdictions such as Colorado and Washington had taken. Its recommendation to the government was that 30 grams was a reasonable amount that individuals could possess for personal purposes.

Ms. Marilyn Gladu: One other question has to do with packaging and regulations for cannabis versus packaging and regulations for the tobacco industry. It seems to me that there are a lot of similarities in terms of how we would want to protect the public by using some of the learning we've had. We've spent billions of dollars trying to prevent people from smoking. We know that the toxicity of cannabis smoke is about five times as much as tobacco.

Ms. Thompson, perhaps you could comment on why there are differences in the legislation between how we package and regulate tobacco versus cannabis.

Ms. Jacqueline Bogden: That would be more in Health Canada's jurisdiction.

The point that the honourable member makes is a very important one about the role that packaging and labelling, or promotion and advertising, may play in encouraging youth to use these. The legislation before the committee provides the government with the authority to establish regulations that would put in place additional controls around, for example, packaging, labelling, and other measures such as childproof, child-resistant packaging that would better protect youth.

With the experience that we've had with the regulation of tobacco, we are continuing to learn important lessons about how to regulate these substances in a way that will discourage use among youth. We will draw from those lessons as we develop those regulations for consultation.

• (1005)

The Chair: Your time is up.

Mr. Davies.

Mr. Don Davies: Thank you.

The statistics that we heard about 23,000 people being charged in 2016 for cannabis, 76% for possession, obviously leads to the conclusion that there are hundreds of thousands of Canadians who

have convictions for cannabis-related offences, many for things the legislation would make legal.

Does the Department of Justice have any plans to deal with some sort of streamlined pardon process for Canadians who have been convicted of offences that will no longer be illegal under the legislation? I'm reminded of the fact that the previous Harper government raised the price of pardons. It's over \$600 to apply for a pardon and you have to wait five years. Is there any contemplation or consideration to helping Canadians receive pardons for offences that the bill would no longer make offences?

Ms. Jacqueline Bogden: I would ask my colleague Ms. Thompson to respond to the honourable member's question.

Ms. Kathy Thompson: As the honourable member noted, there is currently a process whereby Canadians who have been convicted of sole, single possession, can apply to the national Parole Board for a pardon five years after serving their sentence. That is the process currently in place. There are no plans at this time to introduce an automatic pardon.

Mr. Don Davies: Thank you.

I want to go back to the sentences that are proposed under the legislation. If I understand correctly, the penalties for which someone may be subjected for a contravention of the act range up to 14 years in prison. If you have a 19-year-old who sells cannabis to a 17-year-old, am I correct that the bill would subject them to that potential penalty? Would they have the possibility of being sentenced to prison for up to 14 years?

Ms. Carole Morency: As you have noted, the bill proposes a range of penalties for the offences. The offence you're referring to in terms of selling is currently under the Controlled Drugs and Substance Act. It's a trafficking offence, and it carries a maximum of life imprisonment. It imposes mandatory minimal penalties.

Under Bill C-45, the offence of distribution or selling would be a hybrid offence, meaning that the crown would have the right to elect to proceed summarily for less serious offences, and to proceed on indictment for more serious offences.

On indictment, the premise is correct that it would be a maximum of 14 years. However, on summary conviction, for an adult who sells to a young person, the maximum penalty would be 18 months, whereas for an adult who sells to an adult, the maximum penalty would be six months.

What Bill C-45 does is provide greater flexibility to the criminal justice system, including the crown and the courts, in terms of sentencing, to proceed in a manner that best reflects the seriousness of the offence. It provides the courts with more flexibility at sentencing to deal with a range of possibilities, instead of an indictable-only offence with a maximum of life imprisonment.

Mr. Don Davies: Thank you.

In weighing the arguments for and against limitations on edibles, the majority of the task force on cannabis legalization and regulation concluded that allowing edible products offers an opportunity to better address health risks. Edible cannabis products offer the possibility of shifting consumers away from smoked cannabis and any associated lung-related harms.

To our representative from the health department, why did the federal government ignore that recommendation?

Ms. Jacqueline Bogden: I think the legislation is clear that it contemplates a wide range of products, and that if we are going to meet the objective of displacing the illegal market, we need to be able to provide something that can actually compete with that. This would include a range of products.

It is the government's intention that edibles be made available. As I indicated, we will need a little bit of time to develop those regulations and to consult with industry and others before bringing those into force, but the intention is to do so as expeditiously as possible, following the coming into force of the legislation.

• (1010)

The Chair: Thanks very much.

Dr. Eyolfson.

Mr. Doug Eyolfson: There were some concerns brought up regarding cultivation at home, particularly with quality control. Where would be the quality control when someone's growing it themselves? What are the safety considerations?

For a very long time, people have been able to brew their own beer and wine at home. Can I ask how similar or different this provision would be from the existing ability to do those activities?

Ms. Jacqueline Bogden: I will say a couple of things about cultivation at home. The task force recognized in its report that there are many circumstances in which individuals grow a small number of plants, and can do so safely at home. Of course, as the health regulator, we will want to do our part to make sure Canadians are aware of the potential risks associated with cultivating cannabis at home.

Under the current medical access regime, there are provisions that allow people to grow cannabis at home for medical purposes. We undertake extensive education to try to help Canadians be aware of some of the precautions they should take.

For example, we will want to actively encourage Canadians to take measures to protect children from accessing it, whether it's indoors or outdoors. We also encourage Canadians to make sure there's enough ventilation, particularly if they are growing indoors.

You want to be able to remove excess moisture on the plant that could cause mould in your buildings.

If they are going to use chemicals such as pesticides in the growing, we'll encourage them to have a look at the very important information we have available.

Those would be an active part, I think, of our efforts to ensure that if Canadians choose to do this under the new legislation, they are well informed about the things they should take into consideration.

Mr. Doug Eyolfson: Thank you.

Is Health Canada aware of any widespread untoward events or widespread health problems regarding these pre-existing practices of making wine and beer at home?

Ms. Jacqueline Bogden: I am not in a position to answer the question that the honourable member has put.

Mr. Doug Eyolfson: Thank you, that's fine.

I had a town hall on this subject a number of weeks ago, and I was approached by some retailers in my riding who sell accessories used in smoking these products. In the vernacular, they're called "head shops". In regard to the legislation and promotion of this, they were worried about how this legislation might affect how they do their business and what they might have to do differently under the new legislation.

Mr. Eric Costen: The question of accessories is dealt with in the proposed legislation, and I think the easiest way to understand what's being proposed is to say that there is no proposal that the government would regulate the production or the manufacturing of those products through this act. However, the sale as well as the promotion and marketing of those activities would be captured. In many instances throughout the act, you'll see that the provisions—for instance, those that apply to advertising and promotion—apply equally to cannabis that will be consumed, as well as to accessories.

• (1015)

Mr. Doug Eyolfson: Thank you. That's helpful.

I just want to clarify something. I believe I know the answer, but I just want to make sure it doesn't get lost here. Let's say that any given province simply says, "We're not going to be ready by this time. We're not going to do anything. We're just out." Can someone in that province obtain cannabis through any online or mail-order system?

Ms. Jacqueline Bogden: This is the question that we were discussing earlier. The legislation is designed so that provinces and territories can occupy that space and be responsible for sale and distribution. In the event that they are unable to do so by the prospective coming into force of the legislation, we will put in place a mechanism whereby the federally licensed producers would be able to provide product directly to individuals in that province or territory.

The government has recognized that it would be very important upon the coming into force of this legislation, when adults are allowed to legally possess cannabis, that there be a legal supply of quality-controlled cannabis available to anyone, right across the country. We will have that ability.

Mr. Doug Eyolfson: All right, thank you.

The Chair: That completes our session. I want to thank the presenters. I think they've done a great job answering questions.

You've obviously put a lot of work into this new evolution of our development. I think it's amazing what you've done and how you've answered the questions.

I have two quick questions, myself.

Back to households and the ability to grow your own, what happens if a family has two households, a primary residence and a summer home? Does that qualify as two households, or is it one?

Second, can you grow it inside or outside? Is there any regulation about that?

Ms. Jacqueline Bogden: Mr. Chair, I'll answer the second question and then perhaps turn to my colleague, Madame Labelle, to answer the first one.

The legislation would allow indoor or outdoor cultivation. Of course, I'll also acknowledge that provinces and territories or municipalities could exercise their own authority to put in place additional controls, which might restrict it to growing indoors.

On your first question, I'll ask Madame Labelle to answer that.

Ms. Diane Labelle: Bill C-45 proposes that adult individuals be able to cultivate up to four plants in their dwelling house. That could be indoor or outdoor cultivation, as we've heard, and it has to be where they ordinarily reside, so this becomes a question of fact. If they ordinarily reside at their cottage for seven months of the year, that may be where their dwelling place is. If it's in downtown Ottawa that they normally reside for seven months of the year, then that would be their ordinary residence.

The Chair: Thanks very much.

With that we'll thank our presenters. We're going to suspend the meeting until 10:45.

•(1015) _____ (Pause) _____

•(1045)

The Chair: We will reconvene our study on Bill C-45. We have a panel of federal, provincial, and territorial representatives as well as some representatives from the pharmaceutical industry. We certainly want to welcome everybody. We welcome the Honourable Anne McLellan, senior adviser for Bennett Jones, as an individual; Michael Spratt, criminal lawyer; Mark Ware, associate professor, department of family medicine, McGill University; from the Canadian Association for Pharmacy Distribution Management, Mr. David Johnston, president and chief executive officer; and from the Canadian Pharmacists Association, Dr. Shelita Dattani, director, practice development and knowledge translation.

My understanding is that the Honourable Anne McLellan and Mr. Ware are going to split their time.

You have 10 minutes between you, and you can fight out how you want to divide it.

Hon. Anne McLellan (Senior Advisor, Bennett Jones LLP, As an Individual): Mr. Chair, we thought we had 10 minutes each.

The Chair: The clerk says it's okay.

Hon. Anne McLellan: Oh, good.

The Chair: See how easy we are.

We want to hear all we can, so we'll start with you.

Hon. Anne McLellan: Great. Thank you very much, Mr. Chair.

Good morning, everyone. Let me say it is a great pleasure to be back in the parliamentary precinct. I must say I am amazed at the transformation of the Wellington Building. It's a very impressive building. It didn't exist in its present form when I was here.

As you've already heard, I'm Anne McLellan. I served as chair of the task force on cannabis legalization and regulation. I'm here today with Vice-Chair Mark Ware to share a brief overview of the work

and the recommendations of the task force. Our mandate was to consult and provide independent advice on the design of a new legislative and regulatory framework.

The outcome of this work is our report, "A Framework for the Legalization and Regulation of Cannabis in Canada", which we provided to the Ministers of Justice, Public Safety, and Health, as well as to all Canadians, on December 13, 2016. Our report contains more than 80 recommendations. Our advice details safeguards that we believe are important to achieve the objectives set out by the government to better protect the health and safety of Canadians by regulating access to cannabis.

We spent five months travelling across the country and hearing from Canadians, including representatives of indigenous communities, parents, youth, activists, growers, and patients who use cannabis for medical purposes. We spent time with experts and organizations, which shared diverse perspectives and helped us to appreciate the complexity of legalization and regulation. We met with officials from provincial, territorial, municipal, and indigenous governments, who emphasized the need for close collaboration amongst all levels of government.

We travelled to Colorado and Washington and spoke to officials in the Government of Uruguay—the only other country to have legalized access to cannabis—to hear directly from those who have had first-hand experience enacting systems for legal access to cannabis. We also received close to 30,000 responses from experts, organizations, and Canadians who took time to respond to our online questionnaire.

Through your committee hearings, you will, like us, hear a variety of thoughtful, informed, and passionate perspectives on myriad issues relating to legalizing and regulating cannabis. These perspectives will in some cases contradict one another. In considering the experience and expertise of those with whom we consulted, we sought to strike a balance between implementing appropriate restrictions in order to minimize the harms associated with cannabis use and providing adult access to a regulated supply of cannabis. Further, we wished to reduce the scope and scale of the illicit market and its social harms.

We also concluded that it is appropriate to proceed with caution. We are only the second nation to move forward in this way, and we were told by those who have gone before to expect surprises. While there are important lessons to be learned from other jurisdictions, designing and implementing a national Canadian system is a unique undertaking. This balanced and cautious approach, with a focus on protecting public health and safety, helped dictate where the task force ultimately landed on some of the more controversial issues.

I would like to highlight two issues that help illustrate our approach.

It came as little surprise to the task force that setting a minimum age for the purchase of cannabis was the subject of much discussion during our consultations. The task force's deliberations on the issue reflected this, and we gave serious consideration to the various recommendations, ranging from 18 to 25 years of age.

• (1050)

We recognized the increased risks associated with use of cannabis at an early age. Research suggests that cannabis use during adolescence may be associated with negative effects on brain development, yet we also know that adults 18 to 24 are the segment of the population most likely to consume cannabis. Nearly 30% of that age cohort reported past-year cannabis use in 2015. Setting the bar for legal access too high could result in a range of unintended consequences, such as leading young adults to continue to purchase cannabis on the illicit market where, among other things, there are no quality controls.

We heard—and you discussed these earlier with public servants—that the criminal prohibitions that exist today and have existed for more than 90 years have had little success in preventing access to cannabis and dissuading people from its use. In 2016, 80% of cannabis-related offences were for possession, which in turn led to 18,000 charges for cannabis possession. We also heard about the negative stigma of arrest and the potential lifelong consequences for those young adults who have criminal records for simple cannabis possession.

In proposing a federal minimum age of 18 and respecting the interests of provinces and territories to set a higher age if they choose, we aimed to balance the need to protect minors with the objective of reducing the illicit market. Based on our study, the task force also concluded that an age limit alone was insufficient to discourage and delay cannabis use. We recommended that robust preventive measures such as sustained public education along with smart regulation would better control access and use by young adults and mitigate health risks.

A second issue that garnered significant debate, with compelling arguments both for and against, was the issue of home cultivation. On the one hand, we heard concerns about the health and safety risks of home cultivation, the challenges of providing adequate oversight, in particular as it related to children, and the potential ease with which it could be diverted into the illicit market. However, it became clear to us that these concerns pertained most particularly but not exclusively to large-scale clandestine grow operations, not small-scale home cultivation.

We also heard arguments in favour of allowing home cultivation, premised on the belief that it can be done safely and responsibly with appropriate limits and safeguards. Ultimately, the task force recommended allowing a limited home cultivation of no more than four plants per household along with a prohibition on dangerous manufacturing processes, reasonable security measures, especially in relation to children, and oversight by local authorities. In our view, this recommendation accounted for the noted health and safety concerns and provided a framework for enabling small-scale cultivation for personal use by law-abiding adults much like what we currently see with the home brewing of alcohol.

In no way should our recommendations on home cultivation be interpreted as condoning large-scale clandestine grow operations, which we all have seen reported in the media and which cause significant risks to the health and safety of Canadians, including law enforcement and other first responders. On both these issues—age and home cultivation—we heard divergent and passionate views, as you will. Our recommendations reflect a belief that Canada, in embarking on this new path, must be both smart and pragmatic.

We must also look to those who have already gone down the path of legalization, few though they are. It is encouraging to examine the experience of Colorado, one of the trailblazers in cannabis regulation. Colorado Governor John Hickenlooper and Attorney General Cynthia Coffman recently wrote to U.S. Attorney General Jeff Sessions to provide a progress update that dispelled some of the misconceptions surrounding legalization.

They noted that, despite the fears of many, cannabis use among youth following legalization has seen no statistical significant increase, and I'm happy to report the same is true in the state of Washington when you look at its most recent stats. This was due in large part to strong regulatory provisions to help prevent use, such as age verification requirements and prohibitions on advertising, packaging, and products that appeal to children, and a robust public education campaign that highlighted the consequences of use.

• (1055)

Similarly, while initial data demonstrated a rise in cannabis-related emergency visits, the most recent data in Colorado shows a reversal in this trend. This reversal is, again, the result of targeted public education campaigns regarding the risk of use, and the necessity for safe use and storage. For example, all edible cannabis product packaging in Colorado must be childproof and resealable.

While there is no guarantee that Canada will experience similar outcomes, it is nonetheless encouraging to see that some of the concerns raised initially around cannabis legalization do not appear to be borne out by the most recent evidence in Colorado. Canada can learn from these experiences that through sound policy, robust public education, and enforcement of the regulatory regime created, many of the perceived risks of legalization can be mitigated.

I have often said that it will be critical that the government remain vigilant and be prepared to course-correct as evidence and experience indicate. There will be unforeseen challenges and unintended consequences. Only through careful and close monitoring and a willingness to be flexible and adaptable will it be possible to respond effectively to issues as they emerge.

Thank you, Mr. Chair, I look forward to questions and comments.

The Chair: Thank you very much and I'm sure you're going to get some good ones.

Dr. Ware.

Dr. Mark Ware (Associate Professor, Department of Family Medicine, McGill University, As an Individual): Good morning, everyone. My name is Dr. Mark Ware and I served as vice-chair of the task force on cannabis legalization and regulation.

[*Translation*]

I am pleased to be able to address the committee today. I hope to be able to provide some suggestions from the time when I was the vice chair of the task force and also to draw parallels with my professional experience.

[*English*]

I believe that my greatest value to the committee can come from providing a researcher's perspective on the state of evidence surrounding cannabis, including its potential harms and benefits; outlining some of the challenges that the evidence may present to you as you explore some of the issues; sharing some of the considerations and conclusions from the task force's examination of how access to cannabis for medical purposes might be impacted following legalization; and finally, highlighting the importance of research in supporting sound public policy.

[*Translation*]

As a clinical physician specializing particularly on pain management, I have been studying cannabis for medical purposes for a long time. I have been able to witness for myself the paradigm shift in Canadian culture that has brought us to the point at which we intend to implement a framework for legal cannabis. This is a really remarkable change, but it is important to remember that it was a long process that started in 1996, with the legalization of hemp. This culminated in a regulatory framework on cannabis for medical purposes during the 2000s.

• (1100)

[*English*]

Through my own research and through many of the conversations the task force has had with experts across Canada, it has become evident that there is a wide variety of thoughtful, often diverging, and at times very colourful perspectives surrounding cannabis. I have learned that no one has a monopoly on the truth about cannabis. This is a theme that Ms. McLellan noted and it is something that I think is worth reiterating.

As you venture through this week of hearings, you will hear many perspectives. Ideally, all of our clinical decisions, as well as policy recommendations, would be based on clear, well-documented evidence. However, the task force recognized through our many conversations and readings that cannabis policy lacks comprehensive, high-quality research in many areas. On many issues, there is little doubt that the evidence is often non-existent, incomplete, or inconclusive. This is why we framed our recommendations as evidence-informed rather than evidence-based.

This is particularly evident when examining the harms of cannabis use. You will hear reference to studies that demonstrate associations between frequent cannabis use and mental illnesses, such as psychosis, and other studies that speak to the short-term effects on memory, attention, and psychomotor function, yet there is also agreement that many individuals suffer from a variety of serious medical conditions and may derive therapeutic benefit from cannabis, especially in relation to pain management.

In the course of the next few days, you will hear a great deal about associations between cannabis and a number of health-related outcomes. You will probably already have your own prior perceptions about some of these issues. You will no doubt rapidly become aware that for many of these associations there is uncertainty. Even among the scientific community, there is debate around the strength and the directions of these associations.

One aspect that I have been particularly struck by in considering the evidence on cannabis use is the lack of consistency on quantifying use. We talk of frequency of use—daily, weekly, monthly—but rarely of the potency of the cannabis itself. THC content varies enormously in cannabis preparations, yet is rarely considered in epidemiological and research studies. However, it is hugely important in terms of understanding the effects on the brain and other behaviours.

This is where legalization and regulation is likely to have an important impact. We will be able to accurately quantify cannabis use. Knowing what people actually use will allow us to learn the language of cannabis potency and concentrations in terms of THC or CBD percentages or milligrams per dose. This will allow for more informed research, and as a result, a more informed public.

[*Translation*]

This divide between the potential risks and the potential benefits is one of the factors that the committee will have to consider when it examines a number of topics and hears different points of view.

You will discover that there is no universal solution that can clarify all those points of view. The fact is that current research does not lead to a consensus. It is important to understand and accept that fact.

[*English*]

The case of access to cannabis for medical purposes is a notable example of divergent views. On the one hand, there are those— notably patient groups—with the view that a separate system for medical cannabis is necessary to preserve their relationships with health care practitioners and their access to specialized medical cannabis products. They stress that they use cannabis out of necessity, not choice, and they fear that their needs and access rights would not be accommodated under a single system.

On the other hand, we heard, primarily from representatives of the medical community, that there is no need for a dedicated medical cannabis system since the end of prohibition will mean that those who need access to cannabis for medical purposes will be able to do so through the general cannabis market. Given the lack of evidence and concerns about being responsible for authorizing the use of a substance that is not an approved medicine, they did not want to play the role of gatekeeper moving forward. Others pointed to the challenges of administering and enforcing a dual system.

Ultimately, weighing the different perspectives and using the principles of caution and balance, the task force determined that the most reasonable course of action was to preserve the medical system in its current form and re-evaluate its need in five years, once the legal system has had a chance to become established. The lack of consensus in different areas highlights the need for more research to ensure systematic monitoring, evaluation, and reporting, not only to better understand and mitigate risks associated with problematic use but also to understand the potential benefits of use.

The task force heard compelling accounts from patients who told us of the benefits they experienced from cannabis use, as well as from researchers in the medical community who called for more evidence to better understand its therapeutic potential. Both physician and patient interests would be served by advancing science and clinical research on the therapeutic uses of cannabis and associated cannabinoids. There is tremendous strength across Canada in terms of research capacity, from plant sciences to psychiatry, from neuroscience to nursing, from clinical trials to community practice. The Canadian discussion about cannabis legalization has already fostered communities of researchers to discuss the research and education agenda needed to support and inform the changing policy. There is an opportunity for Canada to take a leading role internationally in addressing questions that are of global importance.

• (1105)

[*Translation*]

Canada is embarking on a new path, a path that will provide us with opportunities to conduct additional research in order to better understand the detrimental and the beneficial effects of cannabis. As the body of probative data grows and is better understood, we can learn those lessons and consider them as we implement our programs and policies, in order to better protect public health and safety.

I feel that this is a unique and exciting opportunity for Canada to become a world leader in the area.

[*English*]

Taking all of the consultations of the task force into account, we provided our report to the ministers, and I provide my comments to you today with the conviction that Canada is well positioned to undertake this work carefully and safely.

Thank you.

The Chair: Thank you very much for your comments. They outline our challenge quite nicely.

Mr. Spratt, you have 10 minutes.

Mr. Michael Spratt (Criminal Lawyer, Abergel Goldstein and Partners, As an Individual): Thank you. It's an honour and a privilege to have been invited to make submissions before this committee. My name is Michael Spratt. I'm a criminal defence lawyer. I'll leave it at that in terms of an introduction of myself. I have a more verbose introduction in my written submission, which should be translated and distributed to all of you shortly.

On February 21, 2010, while a young man named Michael Swan was watching Canada's gold medal hockey team play the United States, three young men from Toronto were driving down a dark highway toward Ottawa. The Toronto three, as they would come to be known, had a plan to make some easy money. They were going to steal Mr. Swan's marijuana. Swan was murdered later that night, killed by a single bullet that pierced his lung and tore apart his heart.

There was nothing particularly unique about Mr. Swan. He was a typical teenager. He came from a good family. He had a tight circle of friends and, like almost half of Canadians have done, he smoked marijuana. He also sold it, mostly to his friends, but rumours of his large pot supply had reached Toronto.

I represented one of the Toronto three. Like Swan, he was 19 years old. He had no prior criminal record. Now, he didn't shoot Swan but he was there when Swan was shot and he was convicted of second degree murder and now he's serving a life sentence.

Some cases stick with you. That's an occupational hazard of being a criminal defence lawyer. Often we remember cases because of the result, the unexpected victory or the wrongful conviction. I remember the Swan case because it was tragic. A young man was killed. Three young men were sentenced to life in jail, and a family was destroyed. Sadly, this kind of tragic story is not an isolated incident. The simple fact is that criminalization of marijuana kills.

But that's not all it does. The criminalization of marijuana is a drain on court resources. It diverts law enforcement resources away from truly harmful activities. The prosecution of marijuana offences unduly stigmatizes otherwise law-abiding citizens through the imposition of criminal records. The criminalization of marijuana disproportionately impacts individuals who are young, marginalized, members of over-policed communities, or racialized. In our drug laws there are, indeed, echoes of racism and bias. The government should be commended for taking a tentative first step toward a rational and effective drug policy.

There is promise in Bill C-45, but there are also some serious flaws and room for improvement.

Bill C-45 contains no measures, for example, to address the tens of thousands of Canadians who have been stigmatized through the war on drugs counterproductive imposition of criminal records. The Criminal Records Act was first introduced in 1970 to augment the discretionary royal prerogative of mercy. The act detailed the manner in which persons convicted of criminal offences could apply for forgiveness for past wrongdoings. With the enactment of the Canadian Human Rights Act in 1985, offences for which people were pardoned could no longer be used as a discriminating factor by employers. Similar human rights legislation has been enacted provincially.

It is in the public interest to have a robust system of pardons. It is in the interest of society to reintegrate people back into society after they have committed a criminal offence. The logic is that even a partial removal of stigma of the conviction will aid in reintegration. It is well documented that the continued stigmatization of an offender is ineffective in reducing recidivism and reoffending. Those who have criminal records are less likely to be able to obtain employment, housing, cross international borders, and less able to fully engage in educational opportunities. Bill C-45 does not offer any measure whatsoever, such as an automatic, expedited, or subsidized pardon, to individuals who are convicted of activities that will now be legal under Bill C-45.

Nor does Bill C-45 take the opportunity to amend the currently unconstitutional sections of the Criminal Records Act that retroactively increased pardon ineligibility periods. These retroactive amendments were found to be unconstitutional and in violation of the Canadian Charter of Rights and Freedoms by courts in Ontario and British Columbia. I was counsel in the case in Ontario. Both courts declared those amendments, the retroactive increase in pardon eligibility periods, to be of no force and effect. However, that unconstitutional pardon provision remains in force throughout most of Canada. As a result, if you don't live in Ontario or B.C., you're subject to an unconstitutional law.

- (1110)

Bill C-45 should amend the Criminal Records Act to remove the unconstitutional retrospective application of the pardon ineligibility period. It should restore pre-amendment waiting periods, and a further reduction in the waiting period should be available for individuals convicted of marijuana offences, offences that would now be legal under Bill C-45. Currently, 18-year-old, first-time offenders who are convicted of simple possession of marijuana the day before Bill C-45 comes into force will be required to wait five years before they're even eligible to apply for a pardon. Bill C-45 must remedy this situation.

Bill C-45 is also an unnecessarily complex piece of legislation that leaves intact the criminalization of marijuana in too many circumstances. An adult who possesses 30 grams of marijuana in public is a criminal. A youth who possesses more than five grams of marijuana is a criminal. An 18-year-old who passes a joint to their 17-year-old friend is a criminal. An adult who grows five marijuana plants is a criminal. An adult who lets his one-metre tall marijuana plant grow an extra centimetre is a criminal.

This continued criminalization is inconsistent with a rational and evidence-based criminal justice policy and will only serve to reduce

some of the positive impacts of the bill. The disproportionate effect of continued youth criminalization is anathema to criminal justice policy. Nowhere else in the Criminal Code is a youth criminalized for an act that would be legal if committed by an adult.

A century of failed drug policy has demonstrated that criminalization is a flawed and ineffective mechanism to discourage drug possession. Simply put, there is no reason to believe that making it a criminal offence for a youth to possess five grams of marijuana will deter youth from possessing marijuana any more so than the current criminalization does. The distinction between illicit and legal marijuana and the asymmetrical criminalization of marijuana will only serve to perpetuate the disproportionate enforcement of laws on the young, marginalized, and racialized members of our society.

Even under the new law, marijuana will still be criminal in many circumstances. Only now, the government's vice squad will need to carry rulers and will need to learn to divine the difference between identical legal and illicit forms of marijuana.

Bill C-45 also creates a statutory mechanism for police officers to exercise their discretion to issue tickets in the place of criminal charges for certain offences. This is well meaning but problematic, given what we know about the exercise of police discretion. Remember, police discretion currently operates disproportionately against a variety of marginalized groups. The ticketing option relies on discretionary police action. The choice of whether to lay a criminal charge is also discretionary and the results have been manifest in much of the discriminatory impacts of the current law. There's no reason to believe that's going to change under this ticketing option. The discriminatory impacts of police discretion should be eliminated through full legalization and strict regulation.

To its credit, Bill C-45 does attempt to reduce the prejudicial impacts of this ticketing option and there are provisions designed to prevent the public disclosure of judicial records, but that is dependent on the offender's ability to pay a fine. If a ticket remains unpaid 30 days after a conviction is registered, there is no corresponding right to privacy in a judicial record. I think the problem is obvious. In other words, if you are poor and can't pay a fine, you are further stigmatized through a public record. If you are well off and can pay the fine, your record is sealed. That judicial record is non-disclosable.

Given the research on the impacts of the disclosure of judicial records, the inability of the poor to purchase privacy rights, and the disproportionate enforcement of marijuana offences experienced by marginalized groups, it's quite likely that this ticketing provision in Bill C-45 will be found to violate the Canadian Charter of Rights and Freedoms.

Canadian drug policy and legislation is in need of reform. The war on drugs has been a complete and abject failure. The social and financial cost of criminalization outweighs any illusory benefit. Every year, scores of young men and women are killed over relatively small amounts of marijuana, killed because marijuana is illegal. Bill C-45 may limit but it does not end this problem.

Continued criminalization imposes unreasonable penalties on a relatively low-risk activity. In the real world, a drug record means limited employment, limited opportunities to travel, and other devastating collateral consequences. Only full legalization, decriminalization, and regulation of marijuana will truly protect society and remove the unfairness, racism, and over-intrusion by the state into an activity that in the context of existing criminal law is relatively harmless.

•(1115)

I would be happy to answer any questions this committee may have.

The Chair: Thank you very much. We appreciate your perspective. It certainly leads us down some other roads.

We go now to the Canadian Association for Pharmacy Distribution Management, Mr. David Johnston, president and chief executive officer.

Mr. David Johnston (President and Chief Executive Officer, Canadian Association for Pharmacy Distribution Management): Thank you very much.

My name is David Johnston. I am president and CEO of CAPDM, which is the Canadian Association for Pharmacy Distribution Management.

CAPDM represents Canada's pharmacy supply chain, and counts within its membership, pharmaceutical distributors, self-distributing pharmacy chains, and prescription and non-prescription drug manufacturers. CAPDM was founded in 1964, and several of our distributor members have safely and comprehensively been distributing pharmaceutical products in Canada for over 100 years.

I would like to begin with a statement: distribution is not retail.

Effective coordinated wholesale distribution will be an essential element to the successful and safe legalization of cannabis. I'm also going to suggest that distribution has not yet been appropriately addressed by the federal or provincial governments in the current planning activities.

Let me start by providing some background information on the pharmaceutical industry.

Greater than 95% of pharmaceutical products pass through a pharmaceutical distributor. It is the system of choice for governments and industry in Canada for the distribution of pharmaceuticals. As a result, products ranging from over-the-counter headache medications to the most potent controlled substances are delivered to over 9,000 community pharmacies and 900 hospitals every day.

An order placed one day is on the shelf the next day regardless of the pharmacy's location. From a distribution point of view, the cost is the same regardless of destination. Consequently, in Canada there is no disadvantage, no difference, from a distribution point of view if

you access your medicines from a small pharmacy in a rural town or a large chain in a downtown urban environment. This safe, secure, and efficient system is a global gold standard, and compares very favourably to other countries and jurisdictions.

Pharmaceutical distributors are also a buffer against drug shortages, helping to smooth out supply and demand between pharmacies and manufacturers by holding several weeks of inventory in their facilities, and working with manufacturers and governments to closely manage supply during times of constrained product availability. The industry is highly regulated through Health Canada, with multiple licences, and our members are subject to strict auditing and reporting requirements.

For a last point in this overview, pharmaceutical distributors support a two-way system; not only do they distribute but they also track the products, and have protocols in place that allow recalled products to be out of the market and back to the distributor within 36 hours.

Back to that opening statement that distribution is not retail, distribution is the movement of product between a producer and the access point, between, in this case, the licenced producer and whatever that public access point will be within the various provinces. Effective distribution is essential to the successful legalization of cannabis.

Discussions to date have been focused on production, and where legalized cannabis will be sold. In fact, in the 52 times the words "distribute" and "distributing" appear in Bill C-45, with little exception, they refer to selling and retailing, not the specific activities of distribution. The word "distributor" does not appear in Bill C-45.

With this background, I would suggest that distribution needs to be an active discussion point, and the pharmaceutical distributors are the natural partners for the distribution of both medical and recreational cannabis. By leveraging this proven and highly successful system, regardless of the final retail point, whether it be a government-controlled retail outlet or a licenced private retailer, Canada will avoid the pending hazards that are looming by not addressing distribution, which have been dramatically and negatively experienced in other jurisdictions. For example, just recently in Nevada's legalization experience, retailers ran out of inventory in the first two weeks after launch because a buffer was not provided by a wholesale distribution system.

With fewer than 10 months until cannabis legalization, this is a crucial moment for the federal, provincial, and territorial governments as they wrestle with many complex issues. The provinces are deeply concerned by the short and, some may say, unrealistic time they face in preparing for legalized cannabis.

From experience, we understand what the provinces face. There are daunting complexities and enormous investments associated with establishing a new regime that incorporates best practices for a highly regulated, secure, and cost-competitive supply chain, is mandated to safeguard public health and safety, and which by its competitiveness will reduce the prevalence of black market cannabis.

The final report from the federal task force stated that a well-functioning distribution system, where the chain of custody is well-controlled, is critical to the overall success of the new regime. We couldn't agree more.

● (1120)

Today, the direction is to have the responsibility of cannabis distribution in the hands of the provinces and the territories. With the regulatory demands we experience every day in our Canadian pharmaceutical supply chain, we cannot imagine a functional and cost-competitive cannabis distribution environment that is built upon a patchwork of varying provincial models and regulations trying to incorporate the federal mandate for tracking, reporting, and recall measures.

Why reinvent a system in each province and territory when a proven one already exists? This is a proven system that is well established and requires minimum government investment, a proven system that already fulfills all of the requirements defined by the federal government and has an existing oversight and audit system, and a proven system that is cost effective, therefore allowing the legal market to out-compete the black market on price.

The adoption of a ready-made cannabis distribution model will deliver a turnkey solution that is ready to go and that relieves significant system stress, as the pharmaceutical wholesalers already have secure infrastructure, processes in place for safeguarding cannabis from diversion, and efficient, low-cost distribution services, keeping cost structures competitive to thwart black market cannabis. This is a channel-agnostic distribution model that will service a wide range of retailers, whether they be government-controlled retail outlets or other channels, a model that is already vigorously regulated via national standards and inspected regularly by Health Canada. Provisions for shipment data on a timely basis, providing government full transparency of product movement and next-day delivery capacities mean that retailers could maintain low inventories, thereby minimizing losses from theft and diversion and a quick and efficient execution of product recalls.

CAPDM and its members recommend, first, that distribution be recognized as essential to the success of legalized cannabis and that effective distribution become a key deliberation point for both federal and provincial governments. Second, we recommend that a national perspective for cannabis distribution be established to avoid an inefficient and potentially dangerous conflicting patchwork of distribution systems, and third, that the safe, secure, efficient, cost-effective, and comprehensive distribution network of the pharmaceutical distribution industry be evaluated as a turnkey option for a national system.

Finally, to return to my opening line that distribution is not retail, for the legalization of cannabis to be successful, strong production, distribution, and retail models are all essential. There are thousands of decisions to be made in the legalization of cannabis. For the

essential element of distribution, the pharmaceutical distributors have a turnkey and proven solution to the safe, secure, comprehensive, and cost-efficient distribution of cannabis.

Thank you very much. I would be happy to answer any questions.

● (1125)

The Chair: Thank you very much. We'll go to the Canadian Pharmacists Association, Dr. Shelita Dattani.

Ms. Shelita Dattani (Director, Practice Development and Knowledge Translation, Canadian Pharmacists Association): Good morning, everyone. I thank you for the opportunity to be here today.

My name is Shelita Dattani. I'm a practising pharmacist and I'm the director of practice development and knowledge translation at the Canadian Pharmacists Association. I'm here today on behalf of Canada's 42,000 pharmacists, who are medication experts and whose job it is to ensure that drug therapy is safe and appropriate for our patients.

Every day, pharmacists act as medication stewards on behalf of Canadians. We make sure that each patient's medication and dosage are right for them. We check for and resolve potential drug-related problems, and we work with patients to ensure that they understand their drug therapy. We also address side effects and interactions, and we monitor our patients' progress throughout their therapy.

We've seen more and more patients using medical cannabis over the last decade or so, and pharmacists have become increasingly concerned about the health and safety of these patients, especially those who are using cannabis in combination with or instead of other traditional medications, often without the oversight of a pharmacist. Our concern for patients in the medical cannabis stream further increases as we move towards legalization of recreational cannabis.

We recognize that Bill C-45 focuses mostly on legalizing cannabis for recreational purposes, but it's important that the government understand how the proposed legislation could impact patients relying on medical cannabis as part of their treatment plan for pain, epilepsy, MS, and other conditions.

We want to focus our concern around three areas: the separation of medical and recreational cannabis, the role of pharmacists in medical cannabis, and the use of medical terms such as "dispensary" in recreational sales.

As of March 2017, Health Canada reported over 201,000 patients registered to obtain medical cannabis through licensed producers or personal production. These patients have unique needs that differ from those of recreational cannabis users. Medical users might need strains and forms to alleviate symptoms and minimize intoxication, such as those available through cannabidiol or CBD, whereas recreational users might be seeking euphoric effects and strains with higher THC levels. Medical cannabis users also require the clinical oversight that comes with any medication therapy.

Other jurisdictions, such as Colorado and Washington State, have moved to legalization of cannabis. They have maintained different streams by restricting product strains and forms, establishing distinct access channels for medical cannabis and treating the medical stream as unique.

We are pleased that the Canadian government has signalled its intent to follow these best practices by maintaining two distinct streams once recreational cannabis is legalized in 2018, but we are concerned that current shortcomings in the medical regime could be exacerbated with the move to legalized cannabis if there aren't policies and practices in place to clearly differentiate between medical and recreational streams.

One clear example of this is around costs. If the cost of recreational cannabis is more attractive than that of medical cannabis, or if access is less restricted, patients may choose to go that route and they will be left without medical oversight, which could increase health complications for high-risk patients. The safety of our patients is paramount, and we need to ensure that medical cannabis users are supported and protected through a medical stream once recreational cannabis is legal.

Another consideration is the securing of medical cannabis strains from the recreational market to ensure enough supply of unique medical strains to meet patient needs. Medical cannabis users are often vulnerable patients who may have tried multiple other therapies before turning to cannabis or found only one unique strain of cannabis that provides them with relief. The medical cannabis strains must be protected from the recreational market in order to safeguard against shortages of these particular strains for those patients who use medical cannabis, as other colleagues have said, out of necessity versus choice.

Finally, there are more systemic benefits to maintaining a separate medical stream. Separating the medical cannabis stream would facilitate more clinical research and understanding of this complex drug, and doing so would create a more robust evidence base around the therapeutic benefits and risks for health care providers to inform them in the management of patient care and in the further development of guidelines.

In order to reduce harm, particularly for those who use cannabis for medical purposes, government must take steps to clearly differentiate the two markets before July 2018. A logical first step would be to ensure pharmacists' clinical oversight in dispensing of medical cannabis in Canada.

• (1130)

Across Canada, pharmacists just like me are regularly asked by our patients about the use of cannabis for a variety of different

conditions, but as the medication experts on a patient's health care team, we don't currently have a role in dispensing medical cannabis. Health Canada attests to the complexity of cannabis and its potential interactions with other more traditional medications. Given these risks, we believe it's essential that patients have as much support as possible from qualified health care providers to strengthen patient safety and health-system accountability.

As the system works now, patients consult with their physician who may issue a document for medical cannabis. Supply is then managed through mail-order distributors or patient-grown cannabis. None of these options include consultations with medication experts at the point of dispensing to ensure that patients understand why they have been prescribed the medication, the best route and dose of administration for the patient, and potential side effects.

Also, as I've said before, for many patients medical cannabis is a third-line or fourth-line treatment, and these patients are often on a number of other medications. For example, veterans using cannabis to control post-traumatic stress disorder symptoms or patients with mental health conditions are also likely to be on a number of other medications, including psychoactive, anti-anxiety, and hypnotic medications. The potential for drug interactions in these patients is considerable, and the need for pharmacists' oversight becomes even more important.

With over 10,000 community pharmacies in rural, urban, and remote locations across this country, pharmacists are patient-centred practitioners who are well positioned to dispense medical cannabis and provide the required clinical oversight. Canadians think of us and their relationship with their local pharmacist when they consider where they will get their medication and who will counsel them and guide them on their medication therapy.

Pharmacists work with controlled substances every day. They have the framework and ability to ensure the safety, security, and tracking of the products that we dispense every day. We regularly use our clinical expertise to detect possible drug-therapy problems, and we're able to mitigate the potential risks associated with medical cannabis, including contraindications in patients with a psychotic illness, for example, or in pregnant patients. Further, we're often able to identify potential addictive behaviour which could lead to misuse or abuse. We should learn from our experience with opioids and the significant potential for addiction to psychoactive medications. We shouldn't make the same mistake by underestimating the need for clinical oversight with medical cannabis and all of its unique complexities.

While CPhA doesn't endorse any specific production or supply system for recreational cannabis other than a regulated process with health promotion as a priority, we believe that for medical cannabis it's essential that patients have as much support as possible from qualified health care providers. Patient safety should be the primary consideration. For this reason, we urge policy-makers to include and support pharmacists in dispensing medical cannabis and ensuring safe and effective use by patients in the medical cannabis strain.

Finally, in line with our call for separate streams for medical and recreational cannabis and the need for pharmacist oversight in the medical stream, our position is that recreational suppliers and retailers of cannabis be prohibited from using pharmacy-related terms such as "dispensary" or symbols such as the green cross.

Since the government announced its intention to legalize cannabis, we have seen a proliferation of so-called dispensaries across the country that claim to sell medical cannabis. As medical cannabis is legal in Canada under certain conditions, many Canadians are unaware that these are in fact illegal operations. The use of the term "dispensary" along with pharmacy symbols further compounds this misconception. We would urge the government to restrict the use of the word "dispensary", and pharmacy terms and symbols for non-medical cannabis retail sites. These promote the notion that recreational cannabis has health benefits or is a medication, that the retail site is a pharmacy, or that the site has professional oversight from pharmacists. This regulation is particularly important to ensuring public safety and to further distinguishing between the recreational and medical cannabis streams.

Thank you again for the opportunity to represent Canadian pharmacists today. Pharmacists are committed to ensuring that our patients have access to appropriate medication therapy and that their therapy is both safe and effective.

As we move forward with the legalization of recreational cannabis, we're asking the committee to endorse the clear differentiation between the recreational and the medical cannabis streams, to recommend restrictions on the use of pharmacy-related symbols in the recreational stream, and to help strengthen clinical oversight of the medical stream by supporting pharmacists in dispensing and managing medical cannabis in the care of their patients.

Thank you. I'd be pleased to take your questions.

• (1135)

The Chair: Thank you very much.

Now we'll start our seven-minute round of questions.

I'm going to do the same thing as last time. If the witnesses are answering the questions and we go beyond time, I'm going to allow them to complete the answer. However, I'd ask that members don't interject and add extra questions after the time period is over.

We're going to start questioning with Ms. Sidhu.

Ms. Sonia Sidhu (Brampton South, Lib.): Thank you, Mr. Chair, and my thanks to all the panellists.

For clarification, Mr. Spratt, you said that people who are unable to pay tickets are criminalized. In fact, clause 55 states that the

ability to pay is a clear consideration in ticketable offences. If you cannot pay, you won't be further punished. I just wanted clarification on this.

Mr. Michael Spratt: It's not that you'll be jailed. The act is clear that the judicial record won't have the same privacy protection as it does for someone who can pay. The punishment I speak of isn't incarceration. Rather, it's the devastating impacts, which are well documented, of the disclosure of judicial records. That's how they're punished.

Ms. Sonia Sidhu: Thank you.

We know that the aim of the legislation is in large part to keep cannabis out of the hands of young Canadians. The federal law has some mandatory measures in place but it doesn't go into the provincial jurisdiction. How is this legislation similar to existing law on alcohol and tobacco use?

This question is to Ms. McLellan.

Hon. Anne McLellan: The legislation has similarities with tobacco regulation. Keep in mind that my colleague Mark Ware and I are here to talk about the task force report and explain why we made the recommendations we did. Government chose in C-45 and C-46 to accept some but not all of our recommendations.

In respect of tobacco regulation, we looked at tobacco regulatory provisions, especially around marketing, advertising, branding, and sponsorship. We felt that the approach taken was a reasonably good one for the promotion of public health, especially as it relates to young people, but not exclusively to young people. Therefore, what you see reflected in the legislation is a desire not to be in the business of permitting promotion or lifestyle advertising in relation to cannabis when it's legalized. In that respect, it's quite similar to the tobacco regulatory regime that you see presently at the federal level.

In relation to alcohol, I think it's fair to say that a lot of the regulatory regime you see around alcohol, whether it is in relation to public education or prevention, outside the driving milieu, is largely within provincial jurisdiction.

Ms. Sonia Sidhu: Why did the task force feel that a seed-to-sale tracking system was required?

Hon. Anne McLellan: You want to prevent diversion out of your legal, regulated regime into the illicit market. There are many aspects of preventing diversion from the regulated market to the illicit one. However, one of the best ways to do it is through seed-to-sale tracking. This is something that Canadians are familiar with. They're familiar with the language of "gate to plate", for example, in relation to much of the food that we consume. Seed to sale is something that we saw in place in states like Washington and Colorado to prevent diversion into the illicit market. We saw it at work in the licensed producers we visited as a task force.

You can trace that seed through its growth to whatever form it ultimately appears in within the retail market. It is not only a health promotion and safety mechanism for understanding where the product came from and the quality controls used by the producer or manufacturer. It also helps law enforcement. For example, if that bar code is not there it should tell you, in a regulated system, that you're dealing with illicit product. Likewise, if you find product with a bar code being trafficked, it will tell you it has been diverted.

• (1140)

Ms. Sonia Sidhu: The task force has also recommended that the staff be well trained and knowledgeable. What kind of training should be given in relation to the sale of cannabis? What elements do you think are important in that type of training?

Hon. Anne McLellan: I think there might be others here who might offer views, because it depends on how you approach the training. For example, we've heard from our friend from the Canadian Pharmacists Association that, in fact, they would argue very strenuously for training in terms of the medicinal stream. Obviously, they are trained as professional pharmacists who can offer advice, adverse effects counselling, and all those kinds of things one would expect.

In terms of retail, what we recommend is that there be training for those people behind the counter, as there is supposed to be in the sale of alcohol across our country. I think the exact nature of that training is something the provinces will decide. From conversations with the provinces, it's fair to say that some of them, and maybe all of them, are struggling with the exact nature of what that training should look like. That was not something we at the task force level got into at that degree of granularity. What we saw looking at other places that have legalized and in discussions with many, and with our overarching objectives around public health and public safety, is that you need people behind your counter in retail who are trained.

The Chair: Dr. Carrie.

Mr. Colin Carrie: Thank you very much, Mr. Chair.

My first question is for Ms. McLellan. The task force recommended that the production of cannabis and its derivatives, including edibles, be regulated at the federal level. As a former minister, you are aware that regs don't require parliamentary oversight, other than for the Tobacco Act.

Do you believe that regulations should have parliamentary oversight in regard to the production of cannabis and its derivatives?

Hon. Anne McLellan: Parliamentary oversight.... It would seem to me that probably, at the end of the day, you as parliamentarians in this committee can choose to bring before you anyone and any

minister, based on my experience, and demand answers and call for oversight.

If your question is more in line with whether edibles should be addressed in federal legislation, absolutely. Should edibles be provided to the market? Absolutely. The task force was very clear in relation to that.

Mr. Colin Carrie: No, that wasn't my question. I want your opinion. You have been a minister, and you know that regs don't need parliamentary oversight except for tobacco, and now we have this product, cannabis. You have been on the task force.

Should it have parliamentary oversight, its derivatives and cannabis itself?

Hon. Anne McLellan: I have not thought, which is quite obvious, a lot about that, but as I say, I am generally one of those who believe that you're elected to do a certain job and oversight by elected officials is important.

• (1145)

Mr. Colin Carrie: Okay. I guess that's yes.

Hon. Anne McLellan: You heard what I said.

Mr. Colin Carrie: I sure did.

My next question is for Mr. Spratt. I have understood some of the things you have parlayed about the task force. Ms. McLellan said that what she wanted to do was provide independent advice. Do you think the task force advice was independent?

Mr. Michael Spratt: I'm not in a position to comment on whether it was independent. It seems that the mandate was that the task force recommendations not be reproduced line by line as legislation. The difference between the recommendations, edibles being one, and this legislation might speak to how independent or not the task force was.

Mr. Colin Carrie: Did you have any challenges with Ms. McLellan's association with Bennett Jones at all?

Mr. Michael Spratt: I think that is something that needs to be considered when looking at this issue. What we have come off of is a century of criminalization, prohibition, and incarceration of individuals who were involved with marijuana. What we're seeing now is large corporations and other entities trying to get some skin in that game legally. The composition of people who are involved with those large organizations may lead to some concern about the fairness of that.

Mr. Colin Carrie: With this legislation, the way it is written, does it favour...? For example, there are large companies out there now in the medicinal marijuana field. Does it favour those big organizations versus maybe new entrants, or as you said, "new skin in the game"?

Mr. Michael Spratt: It very well might. One of the things I've talked about are people who have been affected by criminal records for what will now be a legal activity. That's one of the considerations that can be given to rejecting applications by those individuals. Of course, your question also touches on some provincial jurisdictions and on some business considerations that are well out of my expertise.

Mr. Colin Carrie: I'm interested in your opinion on independence and basically who benefits from this new legislation. There are obvious challenges out there with the legislation.

Mr. Michael Spratt: What I can say is that for the young, marginalized, racialized individuals I have represented and have seen in court, who have been criminalized because of past or current legislation with respect to marijuana, there is not much benefit for them in this legislation in terms of either redressing or improving their situation. I think that is something the committee should look at very closely.

Mr. Colin Carrie: Dr. Ware, I have a question for you. I'm going to challenge one of your comments in saying that it lacks high-quality research. I can see that in some ways, but we've been getting briefs from the Canadian Medical Association, for example, saying the research is very clear. For people under the age of 25, there are clear associations with psychological problems and damage due to cannabis use. The Canadian Paediatric Society also says the association is very clear.

Could you clarify what you mean by a lack of "high-quality research"? I know the science isn't there for a lot of this, but as far as damage, would you agree that for people under the age of 25, there is clear evidence that it can cause psychological problems and sometimes permanent impairment?

Dr. Mark Ware: I think this raises the challenge of trying to interpret any evidence of risk. I think you need to be careful when you make assumptions that the evidence is clear that there are risks. It's not just whether or not there's a risk. It's the magnitude of the risk and it is the factors that contribute to that risk.

In the case of mental health, what became clear to us from a number of positions, the CMA, the Canadian Paediatric Society, as well as the psychiatric associations and other perspectives that were taken into account, was that the association between cannabis use and mental health issues on a wide range of scales is attenuated by a number of other things, not just the cannabis itself.

I have already talked about potency issues, which are not factored into many of these discussions, but the age of onset, the frequency of use, the modality of consumption, and the socio-economic factors surrounding the individual who is using cannabis at an early age all contribute to elements of the risk equation. Different studies factor these confounding elements in different ways. Even when you speak to the experts, the medical associations and the pediatric associations are looking at a broad evidence base, and the danger is summarizing into one line a very complex body of evidence. They are summarizing things and making position statements based on a review of evidence. When you speak to the people who actually do those studies, you very quickly realize they are limited by the interpretation of some of those findings because of the differences in methodology, the differences in reporting, who uses, who reports use, and how they report the amount of use.

With all of that said, that's what I mean by the lack of high-quality evidence and why it's so important that we get a better handle on what people are using, how much they use, and when they use, and that we build our education programs to minimize those risks, not just of the drug itself but of the social economics and the social determinants of the people. Why are they choosing to use cannabis when they're 13 years old? That is something that we need to be looking at.

• (1150)

Mr. Colin Carrie: But is it safe to—

The Chair: Your time is up.

Mr. Davies.

Mr. Don Davies: Thank you to the witnesses for being here.

Ms. McLellan, the task force recommended that edibles and concentrates be legalized and regulated. Can you please tell the committee why the task force made that recommendation?

Hon. Anne McLellan: They were products that were readily available when we discussed legalization in states like Colorado and Washington. As someone earlier mentioned, it's a growth area in the cannabis marketplace. Obviously, if you're concerned about public health, you want to move people away from smoking product into enjoying their cannabis. If it's for medicinal purposes, there are therapies in non-smoking forms. As we've mentioned, and as mentioned in the task force report, the edible market is growing. It is varied.

We also know there's a demand. If you want to move from the illicit market into a regulated legal market, then you have to offer the quality and choice that the illicit market can provide. It's fair to say that we heard that over and over again from a wide variety of people we talked to. There are public health reasons and public safety reasons why you would want to authorize or allow edibles in various forms. We have discovered that the forms in which they come are only limited by one's imagination.

It's fair to say that we heard a note of caution coming out of Colorado and Washington. What was their single biggest surprise out of the box? It was how much demand there was for edibles. One of the things they told us was that we have to be ready for that. We need edibles in our regulated market, but to make sure we're ready. Make sure that we don't make the same mistakes they did, which was to have somebody eat a whole chocolate bar. When you're eating an edible, it takes longer if you're looking for the high. Thirty minutes in, some guy who has consumed two squares of chocolate says he doesn't feel anything and eats the whole bar. Colorado had to go back in and fix all that, and the private sector wasn't very happy about the additional cost.

You want to be cautious. You want to make sure that you get the edibles piece right, because it is possible to make those kinds of bad judgments or mistakes in terms of consumption. You need to make sure your labelling is accurate, that your warning labels are there, and all of that. You need to be cautious around edibles out of the box. Learn from what we've seen in other jurisdictions, but absolutely, they have to be part of the consumer choice going forward in a regulated market.

Mr. Don Davies: As you pointed out, it has been mentioned time and time again that one of the prime focuses of the bill is to take the production of cannabis away from the illicit market, the black market, the organized, criminally controlled market, and move it into the regulated world.

Clearly, the government hasn't taken that advice at this point. I want to point to what the task force said about Alaska:

The Government may want to consider the approach taken by the Alaskan government, which prohibits the manufacture and sale of any cannabis product that "closely resembles a familiar food or drink item including candy," or is "adulterated" with additives or sweeteners. We are confident that with clear guidance to industry by the regulator and vigilant and predictable enforcement this is not an insurmountable barrier.

It has taken two years for the legislation to come before Parliament. We have the example of the Alaskan government. There are other jurisdictions that have proceeded with edibles.

Are you concerned that by passing Bill C-45 without having a regulated environment for edibles that we will continue to leave a large, and as you say, growing segment of cannabis to the black market, unregulated from a health point of view or a legal point of view?

•(1155)

Hon. Anne McLellan: I think you've answered your own question.

Mr. Don Davies: Thank you.

Hon. Anne McLellan: Perhaps one of my colleagues wants to add something.

Mr. Don Davies: I'll move to Mr. Spratt.

I take it that your answer was in agreement with me.

Hon. Anne McLellan: Yes.

Mr. Don Davies: Mr. Spratt, picking up again from the task force, another recommendation was that offences with respect to exceeding the possession limit should be dealt with through graduated

administrative penalties such as tickets, seizures, and fines, except where there was evidence of intent to traffic.

I want to focus on the graduated administrative penalties. There's a 14-year maximum that's conceivably applied to a 19-year-old selling marijuana to a 17-year-old. I understand the courts will use discretion, but it's theoretically possible. That's far in excess of what would happen to a 19-year-old giving a cigarette to a 17-year-old, or a 19-year-old bootlegging alcohol to a 17-year-old. In fact, the 14-year maximum is equivalent to leaving Canada for the purposes of committing terrorism or producing child pornography.

Is that an example of a proportional offence? Do you think that's justified under this legislation?

Mr. Michael Spratt: No, it's not, and you're quite right that in the circumstances you've outlined, I would be shocked if a court ever imposed a 14-year sentence.

What we know from history and what we know from studies of the impacts of criminal records is that it's the imposition of a criminal record and not the imposition of custody that presents the biggest obstacle for young individuals to advance and become productive and prosocial members of society.

By leaving the option to impose a record at all in those situations, considerable harm will be done. We also know that it's not an 18-year-old white kid from a tony neighbourhood who is going to get in trouble for passing a joint to a 17-year-old friend. It will be individuals who are already marginalized, disadvantaged, and discriminated against. That is who will end up in court facing charges like that.

There is nothing in the legislation, apart from faith in discretion for ticketable offences, that mitigates that problem.

Mr. Don Davies: The government has clearly said that it does not want to decriminalize now. The NDP has been pushing the government to do so.

Do you see a mechanism for doing that? What would be the appropriate policy in terms of applying the criminal law right now, given that we're moving towards legalization?

Mr. Michael Spratt: It would be appropriate now, and it would have been fair and just long ago, to craft a federal policy to urge prosecutors to use discretion in diverting these sorts of charges from the criminal justice system. It is now an offence to possess marijuana, but we know that will likely soon change.

It is a frequent and common misconception that right now people aren't arrested for marijuana offences. That's not true. People are. They're brought to jail, and mostly and largely, those people already suffer disadvantages or are from racialized minorities. They end up in our courts, and people do indeed get criminal records and receive criminal sanctions for simple possession of marijuana. Two weeks ago in an Ottawa court, court time was spent dealing with a young man who possessed half a gram of marijuana.

In the age of judicious use of court resources and the Jordan ruling principles, with charges being thrown out of court, that is something that should not be tolerated and it's something that can be easily fixed through a directive to public prosecutors.

The Chair: Thanks very much.

We go to Mr. Oliver.

Mr. John Oliver: I just want to follow up on that last comment you made on it being "easily fixed". We'll obviously be reviewing the bill and going through clause-by-clause.

What would your fix be for that? That's not part of the legislative direction. That's more of a—

Mr. Michael Spratt: It would be a policy directive to prosecutors.

What the bill could do is ameliorate some of those consequences that have arisen historically and have continued to arise while this bill has been before Parliament, to allow people who have been convicted for simple possession of marijuana to easily apply for pardons on an expedited basis. Perhaps the fee of over \$600 that, again, disproportionately and sometimes unfairly limits the availability of pardons to only wealthier members of society could be dealt with directly in this bill. It would be a prime chance to fix some of the unconstitutionality in the record suspension process that currently exists.

• (1200)

Mr. John Oliver: Thank you.

As I came into the questioning later, a lot of my questions had been asked already. I am going to focus on the pharmacy presentation for a bit here.

I was a little bit confused. We're dealing here with recreational marijuana in Bill C-45, but you were making a strong case for pharmacists to continue to sell cannabis under medical prescriptions.

Pharmacies stopped selling cigarettes a long time ago because of the negative health consequences of them. Are you feeling a conflict at all with your association trying to sell medical marijuana, which is primarily going to be smoked?

Ms. Shelita Dattani: Thank you for your question.

First of all, pharmacists are not currently involved in dispensing or selling medical marijuana at all to patients, just to clarify.

Mr. John Oliver: Yes, certainly.

Ms. Shelita Dattani: Secondly, I agree with you. Pharmacists are concerned, as others are, about the potential risks of smoking marijuana and all substances, and the toxicity associated with doing that. As others on the panel have mentioned, other forms of marijuana are available. The research is evolving around them.

Mr. John Oliver: Just to be clear, you are here to make the case for pharmacists selling medical marijuana. Is that what you're—

Ms. Shelita Dattani: For pharmacists dispensing medical marijuana....

Mr. John Oliver: Dispensing medical marijuana: okay.

How do you reconcile that with the CMA's position that medical marijuana should be eliminated now that this bill's coming forward?

Ms. Shelita Dattani: With other medical professionals and patients, I think we're all aligned on the fact that we agree that there needs to be an increase in the level of robust evidence around the therapeutic effects and risks of marijuana. In spite of that, we've noticed over the last number of years that patients are deriving benefit from these medications. I've heard these stories anecdotally when I've worked at the neighbourhood pharmacy. I've talked to many patients when I've worked in the hospital. They have told me about the compelling benefit they receive currently.

These patients, in spite of the lack of evidence and regulatory approval, are still using these medications without any medical oversight. They may be getting a document from a physician. They are having their marijuana then mailed to them through a mail-order distributor. I'm not aware if there is consultation with health care professionals, but there is no face-to-face contact with a health care professional as pharmacists provide. In the interest of patients' safety, we feel that it's important for us to be a strong part of that circle of care.

Mr. John Oliver: Thank you.

Just coming back to the distribution system, my understanding is that the legislation would leave it with the provinces and territories to license the distribution and retail strategies. In Ontario it's just been announced that the LCBO has been selected to do about 150 stores, I think. They would have a distribution network and retail system. I'm sure other provinces have like structures in place. What made you feel that the pharmacy distribution system management would be better than, say, the LCBO?

Mr. David Johnston: First of all, many of the other provinces considered their alcohol distribution systems and then backed away from them, because they recognized that a lot of retroactive investment will have to be made into it.

When it comes to the movement of the products, I think the pharmaceutical distributors industry stands out in its ability to already track the product and also in its ability to recall the product and get it back in as quickly as we do. I think the level of controls and the level of security around the products are second to none. I always like to ask people if they can think of the last time they heard about pharmaceutical products being diverted in Canada. The answer is that they can't, because it's such a closed system. Greater than 95% of products go through this system.

I think the main reasons we present that are that it is so strong, it is so secure, and it is so comprehensive. Remember as well that we deliver to many small communities where there aren't LCBOs.

Mr. John Oliver: Yes. Thank you for that.

I just want to thank the two chairs for the study that's been done. My question to you is an open-ended one. We're here to study the legislation. We've talked a bit about edibles and concentrates. Is there anything that you feel the legislation missed? If you think about the three goals—to protect youth, to combat organized crime, and to have a public health and safety focus in the production of cannabis—is there anything that you think has been missed in the legislation that you would very much like to have seen added or included?

•(1205)

Hon. Anne McLellan: You've already heard from me on edibles.

Mr. John Oliver: Yes.

Hon. Anne McLellan: Let me say that it is my understanding that the government is going to move on edibles.

Mr. John Oliver: Right. Yes, we heard this morning that they are

Hon. Anne McLellan: It is just that they need time to do some equivalency testing and other kinds of things.

But you've heard me on edibles.

Mr. John Oliver: Correct. That was the testimony—

Hon. Anne McLellan: There, I gave you 30 seconds to think about it.

Dr. Mark Ware: Thank you.

It's challenging. I think “time” was the key word that Anne used. We all recognize that the complexity of implementing legislation like this is enormous. The more you scratch it, the more you realize how deep it goes into every sector of society. We all know that whatever measures are put forward initially, whether they be federal or provincial, will be starting points and will need to evolve.

I think what I missed was the strong feeling that there was an engaged network of research and science to help inform this. You will run into this time and time again, this evidence base, and we have the capacity to do that. I'd like to have seen a bit more support for that network to be able to inform this, recognizing that this is an organic program, that this will evolve, and that this has to reflect and respond to changes, as we saw it had to do in other jurisdictions. While I don't think it was legislated, I think that's something that I'd like to see a lot more support for.

The Chair: That's time, Mr. Oliver.

That completes our seven-minute rounds.

We will start our five-minute rounds with Mr. Webber.

Mr. Len Webber: Thank you, Mr. Chair.

I'll address most of my questions to a fellow Albertan, the Honourable Anne McLellan.

Hon. Anne McLellan: It's nice to see you again.

Mr. Len Webber: You as well. We know you well in Calgary.

Hon. Anne McLellan: Yes.

Mr. Len Webber: Actually, I think the time you were elected, we lost our Currie Barracks to you up in Edmonton because of the fact that we didn't elect any Liberals down in Calgary, so we blame you for it.

Hon. Anne McLellan: Yes, but just remember the oil sands.

Mr. Len Webber: Sure.

On another note, I'm very interested in your travels and your experience down in Colorado and Washington. You mentioned a progress update that they've released down there. Through the chair and to the clerk, if we could get a copy of that progress update, that would be very helpful. I would hope that, in fact, we can.

Hon. Anne McLellan: I think I can provide that. It was a letter provided by the governor, John Hickenlooper, and his attorney general, in response to a letter from Attorney General Jeff Sessions, requesting certain information in relation to concerns that Attorney General Sessions had. I think it is probably the most up-to-date information the State of Colorado has provided.

Mr. Len Webber: Great. That would certainly be useful.

You mention in this update that they said there was no significant increase in the use—

Hon. Anne McLellan: Youth use, yes.

Mr. Len Webber: —of marijuana in these two states after legalization.

Hon. Anne McLellan: That was in Colorado.

Then, more recently, Jeff Sessions, not surprisingly, wrote the same letter to the governor of Washington. I understand, although I haven't seen it, that they did respond, as well.

If you look at all their work over the past three years—and it has only been three years—it indicates that there has been no statistically significant increase in youth use.

Mr. Len Webber: In youth use?

Hon. Anne McLellan: Yes.

Mr. Len Webber: I find that hard to believe. I would like to see how they got those numbers.

Hon. Anne McLellan: Actually, the longitudinal studies that back that up are available. Colorado has done detailed work. I think they use a minimum of five different studies, some from their own state and some from the national level, in which they are looking at use. They, I would say, have a fairly sophisticated method of testing and double-testing, using sources from different places. I would think we could probably learn something from that.

Mr. Len Webber: With respect to the black market, how has it been affected down there in these two states? Has there been a decrease in crime, for example? What has been the impact on the black market down there and the sale of illegal marijuana? Are there any stats there?

Hon. Anne McLellan: I think the illicit market continues to be a challenge in both states. They have a problem that Canada will not have, in that what you see there are people coming into Colorado—and Washington but certainly Colorado—and growing for diversion into other states.

Keep in mind Kansas. They haven't legalized. People saw the opportunity to go into Colorado, grow, and then move that product across the border, which is why state troopers in Kansas and other places are now at the border. They are starting to pick this stuff up. It's moving by the truckload, or it was.

That is a problem that we are not going to have in this country because we are legalizing on a national level. As I understand it, a large part—but not exclusively—of the illicit market in Colorado and Washington is the diversion to other states where it has not been legalized.

• (1210)

Mr. Len Webber: Interesting.

With respect to pricing in the legal and the black markets, did you look into that at all? Are there any differences or are they pretty equal?

Hon. Anne McLellan: Mark, you were in Colorado. I was in Washington. We have talked to Oregon. I think it's fair to say that Washington—I think it was Washington—out of the box went tax heavy. They weren't competing with the illicit market. Their numbers, when I was in Washington last year, were pretty staggering, in terms of the amount of purchase still in the illicit market. They learned a very serious lesson from that and moved very quickly to change the price point through taxation, in terms of product available for sale.

Price point here is going to be key in terms of what you see in the illicit market and how effective the legal market is at moving people over. Quality control, the guarantee that your product isn't cut with something like fentanyl, or whatever else is also important, but price point moves consumer demand. I think both retailers and the states have learned from experience that taxes cannot just be layered on, and retailers understand...

Costs are coming down in these states. It's a competitive marketplace. Costs have come down dramatically. I would say that, on any given day, in the legal market and the illegal market, cost per gram is pretty similar.

Mr. Len Webber: Is that right? Okay.

The Chair: Time is up.

Dr. Eyolfson, you have five minutes.

Mr. Doug Eyolfson: Thank you.

Dr. Ware, I particularly liked your comments about needing more research. We know that more research needs to be done on this, both on the recreational effects and on the medicinal effects. You gave a good example on this link between mental illness and psychiatric disorders like schizophrenia. In my medical career, on more than one occasion, I've diagnosed schizophrenia in patients who had consumed a lot of cannabis only to find from their histories that in fact their psychiatric symptoms manifested before their use, and they

were self-medicating. That being said, the plural of anecdote is not "data", and we need more research on this.

Do you foresee, now that it's legal, that more researchers will be willing to take this on and there will be more willingness from funding agencies to fund research into this?

Dr. Mark Ware: Absolutely yes. I think we're already seeing that. We're already seeing large national funding agencies starting to look ahead at what the mechanisms and the facilities to provide infrastructure and funding support for research on everything from public health all the way down to plant sciences.

Mr. Doug Eyolfson: That's good to know. I'm also on the veterans affairs committee and we were at some medical facilities talking about post-traumatic stress disorder. Whenever we mentioned cannabis, they just looked uncomfortable and changed the subject. They just said, "No, we just can't touch it. We can't talk about it. There's no research on it down here."

Dr. Mark Ware: I think that speaks to the second issue, which is the availability of funding. But you also asked if legalization would mean more researchers would be interested, and I think that probably does start to change the stigma associated with studying the substance. Up until now, if you were interested in cannabis...and certainly when I began 18 years ago, I was sort of the laughingstock of my research community because I wanted to study smoked cannabis. That's changed considerably now because people recognize the importance, and we're moving away from smoking.

I just challenge the comment that medical cannabis is primarily smoked. It's actually primarily being used in oil and edible formats now, and not being smoked. Some of these impressions that we have are being challenged by the realities.

I think researchers are more interested. There are new methods of access to cannabis products, and I think patients are interested in participating because they realize the importance, and that probably will extend to the general public as well. I think people want to contribute to the knowledge base.

• (1215)

Mr. Doug Eyolfson: Thank you. That's good to hear.

Mr. Spratt, you mentioned some of the problems with our legislation. I understand those challenges, and I agree. Again, we need to balance safety but also the rights of everyone involved. This is analogous to what we struggled with when we introduced our medical assistance in dying. There were some who were very opposed to it. Others, once we passed it, thought it was far too restrictive.

As we were with medical assistance in dying, we're in basically uncharted territory, as it were. There are a few jurisdictions, but we're among the first. We're only the second nation on earth to do this on a national level. Although we see these problems, do you think that what we're doing here at this stage, with regard to where it is criminalized and where it is not, is at least a good first step?

Mr. Michael Spratt: It's a good first step. Unfortunately, the continued criminalization that you see in clause 8 and clause 9 of the bill will often run contrary to the purposes and principles of the bill, will reduce some of the benefits that are derived from the bill, and aren't supported by past history or research. Take, for example, the continued criminalization of youths who possess five grams or more of marijuana. I take it that's included because the government wants to discourage youths from possessing marijuana. Doing that through criminalization, as the last 100 years since the Opium Act has shown us, hasn't worked. If full criminalization of marijuana doesn't deter a youth from possessing marijuana, a half measure such as that won't either. A measure like that isn't going to deter a youth from possessing marijuana, and I gather that probably more liberal access to marijuana after this bill is certainly not going to do that.

At the same time, it imports many of the problems with wholesale criminalization, and it diverts resources. It allows the misuse of discretion. It allows the systemic discriminatory factors to be put in play. Ultimately, it's pretty expensive. The same is true when you're looking at the difference between illicit and licit marijuana, if "licit" is actually a word—

Mr. Doug Eyolfson: It actually is.

Mr. Michael Spratt: There we go.

I mean that sort of distinction: you know, the five plants versus four plants, or the individuals who go away for the weekend and their plant grows a centimetre taller and they're all of a sudden a criminal.

It's expensive, and it can be very cumbersome to deal with that distinction. That distinction is only necessary because there's a continued reliance on criminal sanctions to advance policy. I think I understand why there is some reluctance, but we've seen that this sort of criminalization doesn't work. There could be more benefit if that is rolled back out of the bill.

Mr. Doug Eyolfson: All right.

Thank you.

The Chair: The time's up.

Go ahead, Ms. Gladu.

Ms. Marilyn Gladu: Thank you, Chair.

We see that there are not a lot of countries in the world rushing to legalize marijuana. I think Uruguay was the only other one. Could you comment on how long it took them to actually legalize?

Hon. Anne McLellan: Do you mean the country of Uruguay?

Ms. Marilyn Gladu: Yes.

Hon. Anne McLellan: They used a phased approach. Once they made the decision to legalize, they introduced it, if you like, in stages. Their system is quite top heavy with government control, if

you like. I don't think it's a system that would fit nicely or easily with the expectations of Canadians.

Ms. Marilyn Gladu: But it took them longer than a year and two months.

Hon. Anne McLellan: I think it's fair to say that they have, for a number of years.... It's also because of changes in government, an election, and we all know how elections intervene and might change things up a bit.

But, yes, to your point, to get where they are today it has taken them some time.

• (1220)

Ms. Marilyn Gladu: Right.

One of my concerns, of course, is that allowing the provinces all to do something different will be very confusing for Canadians. What's the age here? What's the age there? How much am I able to use here? Regarding the time frame of having 290 days left, it seems to me that when I hear testimony about medical marijuana, it seems to be extremely well controlled and to have very good quality control. They seem to be able to market that down to the organization or individual in multiple forms, including the oil and including pills.

If that were opened up to be the mechanism of delivery for recreational marijuana, that would eliminate a lot of the concerns we're hearing about the home-grown thing, where five inches more can turn you into a criminal, or five plants versus four would be a problem, and there's no control of potency, and all of those things.

Would the price point of the medical marijuana system be competitive if that were opened up to be the recreational model?

I'll let anybody comment who wants to.

Dr. Mark Ware: Maybe I'm misunderstanding but I think that's exactly what is being proposed, that licensed producers will evolve to inform and to provide to the legal, non-medical market.

Ms. Marilyn Gladu: But they're also going to allow home growing. To me there's so little control on the quality, the potency, and whether you're putting fertilizer on, whether you have more plants or not, whether your kids have access. I mean you have people who are essentially breaking the law today by smoking it, and you are trusting them to be responsible in the way they're doing it.

I think the home growing is the part that is problematic, and the other distribution is better.

Dr. Mark Ware: I'll weigh in with a perspective that we heard several times from the task force. That was that people choose to grow cannabis for many reasons. It's an easy plant to grow, and there are probably many people who will continue to do it whether it's legal or not. The reality is that, if people were able to purchase cannabis through licit supply at a reasonable cost and reasonable access, the choice to grow their own cannabis would actually disappear or reduce because it is easy to obtain through licit supply.

We were told and shared ideas that you're allowed to grow your own tobacco and to brew your own alcohol, or beer and wine. There are some people who choose to do that. They do it for their own benefits and give it to friends at Christmas, who then put it away and never touch it.

The idea is that it exists. Leaving that framework in place was considered reasonable. Given the fact that if there was sufficient access elsewhere, the actual demand for that would reduce considerably.

Ms. Marilyn Gladu: All right.

Ms. McLellan, I have one other thing.

In addition to trying to make sure we keep cannabis out of the hands of children and control public safety, to get people ultimately not consuming cannabis, because we've seen that there's harm, there should be some sort of prevention. What do you think about the prevention part of Bill C-45?

Hon. Anne McLellan: I think the most important part of prevention, which we have learned from tobacco, alcohol, and probably some other things—I might include gambling—is public education. That's the lesson you hear over and over again in states like Colorado and Washington. You have to have robust public education, and you need it out of the box early. We heard from parents and from school boards when we did our round table discussions. Virtually everybody in this piece agreed on one thing, and this was that we need good public education. Parents wanted to be able to have factual, fact-based information they could share with their kids. School boards and teachers wanted the same thing.

We've learned from tobacco. There were a number of reasons why tobacco use has dropped dramatically, even from the time I was federal minister of health—or dropped somewhat, I shouldn't say dramatically, I suppose. A lot of that is around public education. Yes, it's price, too, and again, that goes back to the conversation we had, Mr. Webber. Price point is important here but so is public education, understanding the risks, understanding why you shouldn't start to use early, and if you do, don't use heavily but use casually in moderation. These are the things you need to watch for. Don't use and drive. Public education, I think, is the best preventive strategy there is.

Then there are lots of other things you can add to that, whether it's price point or whether it's labelling or restrictions on marketing and access, but at the end of the day, I think the more public education you have.... To Mark's point, we need research to understand what we should be telling people. You need good information that you then convey to the public at different demographics and different age cohorts. You provide that information so they can make an informed choice.

• (1225)

The Chair: Time's up.

Mr. McKinnon.

Mr. Ron McKinnon: Thank you, Chair.

My question is for Ms. McLellan and Dr. Ware.

The task force recommended personal cultivation with the limit of four plants and a maximum height of 100 centimetres. I was wondering, what is the reason, to start with, for the maximum height?

Hon. Anne McLellan: Do you want to start?

Dr. Mark Ware: It had to do with fence heights and outdoors and not being visible from outside, so there's a privacy concern, which is if you're growing this outside, you can't be seen having trees that are growing above your fence.

We looked at existing legislation in other states where they have numbers of plants and we just considered that this was a reasonable way to allow people to cultivate cannabis for themselves.

Mr. Ron McKinnon: It wasn't to limit the amount of psychoactive substance that could be produced. It was really to keep it out of the public view. Is that the point?

Dr. Mark Ware: Primarily, unless I'm not recalling additional....

Hon. Anne McLellan: We also consulted and heard from experts, especially in the United States, who told us that they felt four plants 100 centimetres high would provide adequate supply for a moderate/ reasonable user of cannabis.

Mr. Ron McKinnon: My extensive research on Google here indicates that at 100 centimetres.... You can get a lot of product out of a smaller plant as well as a taller plant, so in terms of controlling the amount of product that can be produced, the size doesn't really correlate. I guess I'm wondering why those experts would have made that recommendation.

I understand this point of visibility. I'm wondering why we would use criminal law powers to limit the visibility like that. That seems to be something that the provinces might be better placed to regulate. Would you like to comment on that?

Dr. Mark Ware: If I recall, we did suggest that provinces and municipalities, specifically, could consider mechanisms to get permits for people who wish to grow. That's something that we left to the municipalities and provinces to consider. They would register as somebody who has a plant, and they would at least have a permit that said that they were allowed to do so, and that would be a municipally—

Mr. Ron McKinnon: Except it's still, in this law, 100 centimetres, which would put a criminal penalty on a higher height, when really, the objective is not.... It doesn't seem to me to be a criminal—

Hon. Anne McLellan: But it's a gradation. I don't have the legislation in front of me. I see, Mr. Spratt, that you do.

Mr. Michael Spratt: I do.

Hon. Anne McLellan: You came very well prepared.

I can't find it right now, but I think that there would be a gradation. That would be the anticipation.

In our report, we talked about the fact that you could have so-called administrative penalties. You could confiscate. You know, if somebody is growing a hundred plants for so-called personal use, one might use the criminal law there, especially if you had other evidence around the number of plants.

Mr. Spratt, I would think the plants themselves would not suggest prima facie evidence of trafficking, but there might be other things, baggies and all sorts of things, in the home that might lead to a prima facie evidence case for trafficking, in which case you would clearly use the Criminal Code. If you simply had a few plants over and above four, you might very well use a ticketing regime. You might confiscate the plants with a warning.

That's what we thought would be pragmatic and reasonable as we worked through this.

Mr. Ron McKinnon: Okay, thank you.

Mr. Michael Spratt: Could I interject for a minute?

Mr. Ron McKinnon: Yes.

Mr. Michael Spratt: The criminal law power is a very blunt tool to deal with social problems. It's an even blunter tool to deal with gardening problems. When you look at the rationale that has been disclosed for the criminalization of that one extra centimetre—looking at fence height, not looking at yield or potency or problems with distribution—that could very well lead to some charter problems with respect to the rationality of that somewhat arbitrary benchmark.

• (1230)

Hon. Anne McLellan: We did in our report discuss some of those things you just mentioned in terms of why, and certainly in our discussion with experts from the United States.... Why? Because every state that's legalized that allows personal cultivation—Washington does not—has established a limit around home cultivation and has thought through the reasons why they have established that limit. We heard from people in the United States, and also here, in terms of what would be a reasonable home cultivation number in terms of a moderate user, product, and so on.

Mr. Ron McKinnon: Thank you. I understand.

I would like to move on a bit if I have time.

The Chair: You have no time, sorry.

Mr. Davies.

Mr. Don Davies: Thank you.

I would like to talk about a national e-commerce platform.

Like Mr. McKinnon, I did a lot of vicarious research this summer and this is what I discovered, from what I can remember. I'm teasing.

The illicit market is ubiquitous. It's coast to coast. There are a variety of products, imported and domestic. There are distributors,

dealers, everywhere, who are trusted. Their prices are acceptable to the marketplace. The marketplace is sophisticated.

I'm told there are at least 12 websites that are making illicit cannabis available. There are home-delivery mechanisms. The C.D. Howe Institute has stated that the licit market must be able to compete with the illicit market for this whole scheme to work, and that it isn't just about price; it's about convenience, about choice.

I'm told, though, that there is nothing in Bill C-45 about a national e-commerce delivery platform. One of the major medicinal cannabis producers in the country told me bluntly that in the recreational regime, if we don't have a permanent robust e-commerce platform, the bill is not going to work.

I noticed in the task force report, it says:

Consideration should also be given to ensuring that online retail sales have appropriate consumer safeguards.

To accommodate those who may not have access to storefronts (e.g., small communities, rural and remote locations, mobility-challenged individuals) a direct-to-consumer mail-order system for non-medical cannabis should be considered.

My sense is that in order for a producer in Ontario to be able to mail product to B.C., it would have to be federally regulated under at least three heads of federal competence. It's a scheduled product, interprovincial commerce, and it's the mail, yet Bill C-45 doesn't explicitly address that.

Ms. McLellan, I'm wondering whether you have any recommendations about where we might want to look to improve the bill in that area.

Hon. Anne McLellan: I think the points you've raised are important ones. I have always believed that the way you compete with the illegal market in this area, as in some others, is with quality, choice, and price. It's going to be interesting and it will take time. It's going to take more than a few months to develop a stable, normalized retail market in whatever form provinces choose to put that in play. The world in which we live is one where people are used to ordering online, buying online, and we've seen with medicinal that, in fact, that platform works.

I certainly take your point in terms of lack of direct input from pharmacists in many of those transactions, although everybody should have a doctor who has authorized the product.

I think e-commerce going forward will be important, which is why you saw Ontario specifically including an e-commerce platform in its proposal on Friday as it related to the province and ordering from its retail and wholesale distributors. I think it will be interesting, as this market evolves, to see whether or not.... Some form of national e-commerce platform will be an important complement to that which is presently being recommended in the legislation.

I think you need to remember it will take time. We will learn what this marketplace needs, both in terms of safety and health but also trying to get the black market or illegal market out of this space. We're not naive. We're not suggesting that you're ever going to reach nirvana in terms that there won't be any illegal sales. We still have illegal sales of tobacco, and a bit of illegal sales of alcohol although very little in terms of consumption.

I think what the task force would say is that e-commerce will be an important part of this market going forward. How that happens and when it happens probably requires more conversation between the Government of Canada and the provinces and territories.

• (1235)

The Chair: That's a great way to finish up. I want to say on behalf of the committee, thanks very much for all your contributions to help us understand the different permutations and combinations that we're going to run into. This is the very beginning of this study, but you've certainly provided us with a lot of information. I want to thank you very much for this and with that we're going to suspend the meeting until 1:45. At 1:45, we will reconvene back here for two more sessions.

The meeting is suspended.

• (1235)

(Pause)

• (1345)

The Chair: All right, we'll reconvene our 64th meeting of the health committee.

We welcome a new panel of witnesses. We have with us today, from the Canadian Medical Cannabis Council, Philippe Lucas, executive director; from the Canadian Hemp Trade Alliance, Keith Jones, chair, and Robert Rae, director. We were wondering if it was Bob Rae, but it's not: it's Robert Rae. From the Saskatchewan Ministry of Justice we have Dale Tesarowski, executive director of corporate initiatives, performance, and planning. From the Cannabis Canada Association we have Sébastien St. Louis, member of the board of directors, and Colette Rivet, executive director.

I believe everyone has 10 minutes to start. We'll start with Mr. Lucas. I understand that you have a presentation you're going to forward to us later.

Mr. Philippe Lucas (Executive Director, Canadian Medical Cannabis Council): I will. Thank you very much. I'll be speaking to it today. The notes will come to you shortly thereafter.

I'm here representing the Canadian Medical Cannabis Council today. I also want to share that I am a research affiliate with the Centre for Addictions Research of British Columbia, and vice-president of patient research and access at Tilray, one of the licensed producers here in Canada, located in Nanaimo, B.C. I've been working personally on medical cannabis for about 22 years now, so this is an area that's somewhat familiar to me. It's a pleasure to be here today, to be able to share some of our knowledge with you, as well as the work and research that we're doing.

I want to tell you a little bit about the Canadian Medical Cannabis Council. We're an industry association representing seven licensed producers and serving approximately about 40,000 patients from that group of producers. One distinguishing characteristic of the

Canadian Medical Cannabis Council is putting a patient-centred lens on our policies and practices. We have a patient advisory committee made up of national organizations that include the Arthritis Society of Canada, the Canadian AIDS Society, Canadian Cancer Survivor Network, the GI Society of Canada, and a number of other organizations that help advise us when it comes to the policies that we put forward and our lobbying positions.

Some of the CMCC's priorities include lowering the cost of medical cannabis and improving access to patients. We've been urging the federal and provincial governments to maintain a clear separation between medical and recreational cannabis markets through differential taxation. We feel that medical cannabis should be treated like all other prescription drugs in Canada, and not be taxed. Certainly that's one thing I hope to be able to discuss as we take questions today, as to why medical cannabis should be zero-rated like other medications in Canada.

I'd also like to share that we're working with private insurers to help improve and increase the insurance coverage for medical cannabis patients as a precursor to getting provincial coverage for patients in Canada.

Today I'm going to share some results from a national patient survey that we conducted in January. It's the largest patient survey ever conducted in Canada, with 2,032 responses, and it will help illustrate some of the ways in which end-users are using medical cannabis in Canada, because there's a lot of overlap between the patient population and the recreational cannabis population.

The average age of this particular population is 40 years old. We see that it's actually middle-aged individuals, typically, who are seeking medical cannabis. A lot of the time they've had treatment failures and they're seeking alternatives to their current prescription drug use.

In terms of primary conditions, we find that mental health, which is a grouping of insomnia, mental health, and post-traumatic stress disorder, is actually the number one reason that patients are using medical cannabis. That covers 40% of all patients in Canada. That's closely followed by pain, which is a grouping of arthritis, chronic pain, and headache, which represents about 37.5%. What you see is that about 80% of patients in Canada are currently using cannabis as a treatment for pain or for mental health.

In terms of average use, we see that patients report using, on average, about 1.5 grams per day, and that 78% of patients use three grams or fewer per day. You're not seeing large patterns of use here. That data is consistent with research that's been done in Canada and the U.S., as well as in Europe over the last few years. It shows that most medical cannabis patients use between 0.5 and 1.5 grams per day.

In terms of primary method of use, I have good news to share. I've been doing this kind of research for the last 10 or 15 years. In this survey we find that the primary method of use reported is vaporization, at 31%. It actually beats out joints, pipes, and water bong, which might have been more popular in the past. This is a really health-conscious shift that we're seeing from the medical cannabis population, but I also think it has policy implications as we move to regulate even the vaporization of products in Ontario and throughout Canada.

The key focus area of my research is cannabis substitution effect, which is the way that both patients and recreational users consciously and subconsciously use cannabis instead of other substances. I'll share a bit of data on that from this survey. In the survey—which as I said is by far the largest survey of Canadian cannabis users to date—69% of patients report substituting cannabis for prescription drugs, so they're using cannabis in order to reduce their dependence on prescription drugs. We also find ad hoc substitution for alcohol by 44%, substitution for tobacco by 31%, and substitution for illicit substances by 26% of the population that had previously used these substances.

I like to get a bit more granular with my data, so when patients say they substitute for prescription drugs, I ask them, “Well, can you name three prescription drugs you're substituting for, or up to three?”

• (1350)

It should be no surprise, knowing that patients are using cannabis for pain and mental health, that 35% of the substitution is for prescription opioids. That's closely followed by antidepressants at 21%, and then non-opioid pain medications at 10%. We also see very high rates of substitution for benzodiazepines, which are nearly as problematic in our society as opioids are in terms of dependence and public health impacts.

I wanted to get even more granular than that, so when patients cite that they substitute for opioids, I ask them, “Are you substituting at 25%, 50%, 75%, or are you giving up opioids altogether?” What we found is, of the 458 patients who cite substitution for 610 total opioids, understanding some patients use more than one type of opioid, a full 60% were given up altogether at 100%, and a further 18% were self-reported to be given up by 75% or more.

In terms of alcohol we get similar data. There were 513 respondents who substituted for alcohol, and 31% of those said they gave up alcohol altogether just as a kind of ad hoc effect of introducing medical cannabis into their course of care.

Now, I want to use that as the segue to look at some of the research that we've seen coming out of the U.S., both in terms of the medical cannabis states and the recreational cannabis states, because I think it can help inform what we can expect here in Canada. Over the past 20 years, over 20 states, as you know, have legalized access to medical cannabis. Right now, eight states have also legalized recreational adult use of cannabis. This has led to significant impacts on public health and safety. That includes a reduction in opioid overdose deaths. In fact, there's a study published in the *Journal of the American Medical Association* that showed a 25% reduction in opioid overdose deaths in medical cannabis states compared to the neighbouring states. The longer the medical marijuana program was in place in the state, the greater the effect. We also see reductions in

alcohol-related automobile fatalities, reductions in violent crimes and homicides, and reductions in suicides. This answers one of the questions we heard today.

We also see a decline in teen use of cannabis. In fact, there was a report that came out from a national survey just last week that reported that teen use of cannabis has now declined to a rate that hasn't been lower since 2002. We're seeing a significant decline in the teen use of cannabis.

We are seeing a slight increase in the adult use of cannabis, but interestingly enough, it's also accompanied by a subsequent decrease in the use of alcohol and associated harms. The researchers suggest that all of the harms that I've mentioned that are reducing right now, whether they be violent crime, homicide, suicides, or otherwise, are being reduced because of that substitution of cannabis for alcohol.

Other impacts include great impacts on taxation. Colorado now makes more money on the sale and taxation of cannabis than they do on alcohol. This in the home, of course. Also, on job creation, in 2015 Colorado created 18,000 jobs and generated \$2.4 billion in economic activity through their cannabis policies.

That leads me to a discussion that I think is important for this committee to consider, which is the importance of brands when it comes to defeating the black market. We heard today previous speakers talk about the fact that right now, if you go online, you can order cannabis from 20-plus different sources online across Canada. None of those are legitimate sources of cannabis, and it will be incredibly important to allow Canadian consumers to differentiate between the illicit market and the new and emerging licit market. One of the ways they can do that is through the importance of brands. The rationale for responsible branding directed to adults includes eliminating the confusion between the illegal and legal markets, allowing professional companies to separate themselves from less scrupulous competitors, differentiating high-quality products from low-quality products, and providing an opportunity to educate consumers about responsible consumption.

Now, this has started an initiative that's taking place right now between a number of the licensed producers in Canada—in fact, 16 licensed producers representing 90% of the medical market right now—and both industry associations, the Cannabis Canada Association as well as the Canadian Medical Cannabis Council. This is an initiative we're doing with Advertising Standards Canada to develop a self-regulatory regime to allow responsible branding to adults when it comes to the recreational access to cannabis.

The principles of this initiative are that marketing by licensed producers will only promote brand preference and will not attempt to influence adult non-consumers.

• (1355)

Marketing by licensed producers will not be directed to persons under the age of 18, or whatever the limit is in the individual provinces, be it 19 or higher. All advertising messages will contain responsible use statements, which goes much further than what we see from the current alcohol industry. Licensed producers may voluntarily obtain pre-clearance of advertising campaigns to ensure that they meet these guidelines, and licensed producers will agree to adhere to provisions of the Canadian Code of Advertising Standards.

In conclusion, I would like to say that medical cannabis, as I've reported, is primarily being used in the treatment of chronic pain and mental health, that medical cannabis patients commonly self-report substitution for pharmaceutical opioids and alcohol, often leading to complete abstinence from the substances identified, and that branding can not only reduce the harms associated with the legalization and regulation of adult use of cannabis but can also maximize the potential public health and safety benefits.

Thank you very much for your time today. I really appreciate it.

The Chair: Thank you for your information.

The report you are going to submit will be available when?

Mr. Philippe Lucas: We're going to be submitting it by the end of the day, and I think we're going to make use of your translation services here to translate some of that.

The Chair: Okay.

Mr. Philippe Lucas: We're also going to be submitting a brand new publication from a study I've done called "Rationale for cannabis-based interventions in the opioid overdose crisis"—I'm happy to speak to that today if there are any questions regarding the use of cannabis and opioids—and another study I've done on substitution for opioids as well.

Thank you very much.

The Chair: Thank you very much.

Now, from the Canadian Hemp Trade Alliance, we are going to have Mr. Jones, who will be making a presentation for 10 minutes.

Mr. Keith Jones (Chair, Government Relations, Canadian Hemp Trade Alliance): Thank you very much, Mr. Chair. We very much appreciate the opportunity to appear before the standing committee.

My name is Keith Jones. I am on the board of directors of the Canadian Hemp Trade Alliance. In my day job I'm a general manager of Rowland Farms, which is a large farm in southern

Alberta. We've been growing hemp since 1998 when the industrial hemp regulations were first put in place and it first became legal to cultivate hemp here in Canada.

With me is Robert Rae, who is also on the board of directors of Canadian Hemp Trade Alliance. As well, Robert is with Canada Hemp Foods, which is one of the hemp products distributors operating here in Canada. Robert's business involves exporting hemp products to a number of countries around the world.

Canadian Hemp Trade Alliance is a member-based organization that has 250 farmers as members, as well as processors, distributors, plant breeders, and researchers. We're a not-for-profit industry association that is volunteer-driven. We had the opportunity to reach out in Ottawa earlier this spring and were invited to review the cannabis legislation, Bill C-45, when it came out and to consider making a presentation to the committee if we felt there were some unintended consequences that might arise out of the legislation for the hemp industry.

We're here today because we are concerned that, as drafted, Bill C-45 jeopardizes 1,200 jobs in the Canadian hemp industry today, for two specific reasons.

One is that the current legislation does not differentiate between hemp, cannabis, and marijuana.

Related to that, the current legislation assigns responsibility for regulating the production, transportation, and distribution of all cannabis products to the provinces and the municipalities. That is going to create a tremendous burden on the current hemp industry. We operate our own farm in five municipalities, and to try to bring the regulators up to speed will probably curtail our business for a couple of years, based on that requirement right now.

Our proposal for the committee's consideration is, in order to prevent the unintended consequence of derailing the Canadian hemp industry, to exempt hemp in the legislation as item 5 under schedule 2 exemptions by exempting whole hemp plants from the legislation and, because that exemption would then be in place, to carve hemp out of the cannabis regulation within CDSA.

That, then, is our request. I'd like, Mr. Chair, to provide a bit more background in support of our request.

Hemp is very different from marijuana and from cannabis, in that hemp varieties originate from plant breeding that has been done to reduce the total THC in the hemp plant down to below 0.3%. You can't get high from smoking hemp, unless you were to smoke a telephone pole of it, which would be very difficult to do. It is from the plant *cannabis sativa*. Through the experience of the industrial hemp regulations over the last 19 years, Health Canada has approved a list of cultivars that are known to be hemp. They're confirmed to consistently have no more than 0.3% THC in them.

Health Canada has done a lot of work since the industrial hemp regulations have come forward and has those definitions readily at hand.

Hemp has been proven to be safe. In 19 years of cultivation, there have been no reported public safety risks associated with hemp cultivation and transportation, and there have been no recorded incidents of criminal activity associated with the hemp industry. At the time the hemp regulations were first put in place, there was a lot of learning to be done, but 19 years have given us a pretty good track record for proven safety.

Our farm produces hemp specifically for the food market. We grow a hemp plant to harvest the grain at the top of the plant. We're currently prohibited from harvesting the leaves or the buds of the hemp plant as part of the industrial hemp regulations. We can harvest the straw for fibre, but as yet a fibre industry hasn't developed in Canada.

• (1400)

In Canada, the Canadian industry is known as the global leader in the food use of hemp. Canada is known for having the biggest hemp industry supporting safe food use of hemp. In 2016, Canadian industry exported \$145 million of hemp food products to other countries around the world. Today you can walk into most grocery stores in Canada and get a bag of hemp hearts. Again, de-hulled hemp and hemp hearts have a fantastic nutritional profile, known both for the high omega-3s in the oil profile, as well as a very appealing plant protein profile. Hemp is becoming a very popular food product.

The potential of the hemp industry is strong as well. We've grown to 100,000 acres of production. The Canadian Hemp Trade Alliance forecasts that with some modernization of regulation associated with hemp, we can grow the industry to over a billion dollar industry within the next seven years. We've barely started working on the feed market, the fibre market, and the natural health products market. There is great opportunity for the hemp industry going forward. In December, the federal cannabis task force recommended a relaxed regulatory regime for hemp in their report. We're appreciative of that recommendation.

In terms of our specific proposal, we're looking to see hemp exempted from Bill C-45, by including it in schedule 2 under exemptions. I'll provide the specific definition, which again draws on the Health Canada definition of hemp. We'd ask that hemp and hemp plant parts, including the whole hemp plant, be exempted under item 5, under schedule 2 exemptions, with hemp to be defined as "cannabis plants grown from certified seed of Health Canada's list of approved cultivars". Those are the cultivars that are confirmed to regularly produce an absolute maximum 0.3% THC.

There's tremendous interest in CBD as another health constituent or health component. The Europeans are working extremely aggressively on this, and the FDA has an open comment period seeking input on CBD. When you breed THC out of hemp, you naturally get more CBD, which is why hemp is looked at as a very good source for CBD. The medical industry is looking at a number of uses for CBD and potential medical benefits arising from CBD. Whole plant use of hemp would enable the access of a number of people—Canadian patients and others around the world—to a very low-cost source for CBD itself. We think that's a real benefit that can come from the hemp industry as well.

Thank you very much for your attention. Robert and I will be very pleased to answer any questions that we can going forward.

• (1405)

The Chair: Thank you very much.

Now we go to the Saskatchewan Ministry of Justice, Mr. Tesarowski, for 10 minutes.

Mr. Dale Tesarowski (Executive Director, Corporate Initiatives, Performance and Planning, Saskatchewan Ministry of Justice): Thank you very much.

Thanks for the opportunity to state a few words regarding Bill C-45 and the likely legalization of cannabis in Canada.

In case you're counting, we have about 292 days left before July 1, 2018. I actually found a website that has a counter on it.

The Chair: We have our own counter here.

Mr. Dale Tesarowski: I apologize in advance for asking more questions than I'm answering today.

We've just engaged Saskatchewan residents in an online survey respecting the various provincial responsibilities. Once we get our results, we'll have a better idea about where to go from here. Over 20,000 people have completed surveys over the last three and a half days. It's a staggering number, which only points to the importance of what we're doing today.

The other point I'd like to make at this time is that legalizing cannabis—or really, legalizing certain people over a certain age to have, use, share, or grow certain amounts of cannabis—wasn't something on our provincial agenda. While we're not being dragged kicking and screaming to the dance, putting on our dancing shoes wasn't something we had planned on doing. There are a lot of responsibilities the federal government has put on our provincial plates, without giving us a lot of time to get things ready for implementation.

Among other things, a province is responsible for designing and licensing the distribution and retail sale in their jurisdictions as well as carrying out associated compliance, taxation, and enforcement activities. Provinces are also responsible for setting additional regulatory requirements to address issues of local concern such as setting a higher minimum age or a more restrictive possession or personal cultivation limit. Provinces and municipalities are responsible for establishing zoning rules for cannabis-based businesses, restricting where cannabis may be consumed, and amending provincial traffic safety laws to further address drugged driving. Saskatchewan already has laws in place in respect of licence suspension for drug impairment by new or experienced drivers and zero tolerance for drug use by new drivers.

We must engage with our people, businesses, communities, partners, and other stakeholders regarding these issues and implement processes and practices before July 1, 2018. We must be ready to implement or deal with minimum age of purchase; legislation, regulation, and statute changes; and regulating personal cannabis cultivation and potency rates. We will have to maintain quality control at the point of sale. We will need to ensure that what consumers are getting is what they're supposed to be getting and not something that might be harmful. We have to regulate distribution, retail sales, consumption, and possession, by which I mean where cannabis may be permitted, how it may be consumed, and how to price and tax it.

A taxation framework for cannabis must carefully consider the distribution model and methods of administration and enforcement to ensure that tax is appropriately applied and collected. In setting a rate of tax to be applied to cannabis, the government must consider a rate that is high enough to deter the use of cannabis from a social acceptability perspective but not so high that individuals choose to purchase it illegally to avoid payment of the tax. I call this the "sweet spot".

In addition, we must address issues such as engagement, public education, and awareness strategies, occupational health and safety, workplace safety issues, and drug-impaired driving laws. We have to engage in regulation of cannabis sales and distribution to and from our first nations communities. We have to provide oversight for municipal authority respecting zoning, licensing, taxation, and fees. And we need to participate in inter-jurisdictional collaboration and analysis regarding age, retail models, taxation, and pricing. We want to have a landscape that's as familiar across the country as possible, so that we don't have different jurisdictions with widely different laws.

The real question is, can all this be done in time? We hope so, but there is much to accomplish in a very short time. Having 12 to 18 months post royal assent would have been an easily attainable time frame. Instead, that was reduced to 14 months after the introduction of the bill.

One of the problems we have in Saskatchewan is that we have set legislative sessions for the spring and the fall as well as a relatively strict timetable for introducing legislation. We give notice in January, get approval in the spring, and then introduce legislation in the fall session. Any bill is then debated and voted during the following spring session.

• (1410)

Cannabis legalization, as proposed, takes us so far away from this timetable that they are complete strangers. We must go outside our normal practice rules in order to meet the July 2018 deadline. Although we're doing our best to do so, there are no guarantees we'll be able to meet this federal deadline.

In addition, we've had to begin our processes without a federal bill in its final form. While we know today what Bill C-45 says, will it look like this by the time it gets to royal assent? There are innumerable examples of other bills where changes, sometimes significant ones, are made during the legislative approval process. Canadian jurisdictions, however, are being asked to proceed without a safety net in the expectation that there will be no major changes en route or that we'll have to be flexible enough to be able to respond to those changes once we embark on our own implementation strategies.

Saskatchewan has some concerns about cannabis legalization. To name a few: ticketable offences; enforcement and regulation generally; public education, awareness, prevention, and treatment; minimum age; labelling and packaging; workplace safety; and whether a phased-in or staged approach would work better.

With respect to ticketable offences, Saskatchewan agrees that a cannabis ticket, as set out in part 2, is a criminal matter. A conviction for such an offence is a criminal conviction, and that is where the issue lies. We appreciate the effort at increasing justice efficiencies by using a ticket, but does that format lead an individual to believe that their payment of the fine is the end of the matter? Is it like a traffic ticket? Do they appreciate that they would then have a criminal conviction that would affect their ability to cross a border, for example? The ticket itself must make this very clear. As provinces, we are engaging in discussions with our federal colleagues about these issues. Perhaps proposed sections 51(3), 52, or 53 should also include a provision that a conviction is a criminal one.

A second issue, and perhaps a more important one about ticketing, concerns proposed subsection 52(b) respecting its requirement that the judicial record kept by a province must be separate and apart from other judicial records. As the conviction is a criminal one, we don't see the need for this requirement. Should we have to create a separate record-keeping system for just these offences? Not only will Saskatchewan have to redesign our system at great cost, it will take considerable time to do so, and for what purpose in the end? An offender must still disclose the conviction if they cross a border. The conviction will still show up in a criminal record check.

With respect to enforcement and regulation, while laudable, cannabis legislation is being implemented without enough scientific foundation. I think we heard from Dr. Ware this morning in that respect. Is there a consistent blood/drug concentration that equates to an individual's impairment? Can all of the toxicology experts agree that at x nanogram percent of THC in blood, everyone is impaired? They can with alcohol. My discussions with the toxicologists suggest that they aren't at .08 on that point. We are designing a criminal law system through the interactions of Bill C-45 and Bill C-46, yet the science hasn't quite caught up to us.

We're also concerned that drug-impaired driving will increase due to legalization, and significantly higher numbers of standard field sobriety testers, SSFT, or drug recognition evaluators, DRE, must be trained and in the field when legalization takes effect very soon from today. Not only does it take time to train officers, doing so comes at significant cost. While in Saskatchewan we're reducing these costs as much as possible, by doing the DRE two-week classroom training at home—we're doing that in Saskatchewan—we still have to send our officers to either Florida or Arizona for their third week of training, and that's expensive.

• (1415)

Moreover, roadside testing is still in its infancy. Recognized practice rules are not yet in place, nor are there any approved roadside devices. Again, our scientific friends and those in the Department of Justice are working very hard in that respect. We're 292 days away, and we don't have any instruments that are being approved at this time.

The costs of these devices are likely to be significant, and our law enforcement and municipal officials are very concerned that the combination of training needs, device procurement, and the ongoing per-test and analysis costs will be much greater than they can absorb.

Let's put this into perspective. Recent funding announcements from Public Safety Canada will help. They've offered \$81 million over five years for provinces to share. But what does that mean? There's \$81 million over 13 provinces and territories. That's \$6.231 million each over five years, which is \$1.246 million per year, per jurisdiction.

To put that into context, we estimate the cost for a device, an approved screening device, will be \$3,500. We also know that it costs us about \$3,500 to send an officer to Arizona or Florida for the week-long training. It costs \$1,000 to train an officer for SSFT. I'm not an accountant, so forgive me, but if we take \$1.246 million divided by \$3,500, that comes to 356. So we can purchase 356 devices or train 356 officers or some combination of both with the money that's being offered. We'll have to absorb the rest.

On another point, in requiring blood analysis—and we see the scientific reason for having to do so—are our laboratories capable of handling such a large influx of samples? Are there enough labs? Are there enough lab techs to conduct testing in a timely manner? We're left with a situation where a sample may be taken one day and take weeks or months to be analyzed.

Last, our police authorities are concerned that enforcing a four-plant personal grow provision will be very difficult, especially if the cultivation is inside or away from view. There's virtually no way to regulate this. Our officers are very concerned about this.

With respect to public education, awareness, prevention, and treatment, we found that a position shared across ministries and agencies in Saskatchewan is that the primary focus for this topic has to be youth and young adults. Safe use and awareness of potential consequences caused by the drug must be addressed, and although this is an area of joint responsibility, the federal government must lead the way well before implementation.

We know that cannabis use by young people in our country is amongst the highest in the developed world, yet our youth appear to be ill-informed regarding its dangers. For example, the Canadian Centre on Substance Abuse and Addiction in its recent report, "Canadian Youth Perceptions on Cannabis", noted that youth consider cannabis less harmful than alcohol, yet cannabis use significantly increases the risk of injury or death in vehicular accidents. The health risks associated with cannabis are also little known. We can likely expect, however, that there will be increased demands for our health resources from addictions, mental health, and medical perspectives.

• (1420)

The Chair: Mr. Tesarowski, it's important information but we've gone over the time limit. If you could wind up, we can get to some questions.

Mr. Dale Tesarowski: Certainly.

The last point I want to make is this. Would a phased-in or staged approach work better? We're already starting on that road with respect to edibles. We're saying we're not doing edibles now. We'll consider doing it. We'll do it appropriately. So let's take a staged-in approach with respect to the balance of this. Let's get it right from the start. But start small. Let's get it right, and then let's move forward from there.

Thank you.

The Chair: Thanks very much.

From the Cannabis Canada Association, we have Mr. St. Louis.

Mr. Sébastien St. Louis (Member of Board of Directors, Cannabis Canada Association): I'll defer to our executive director, Colette Rivet.

Ms. Colette Rivet (Executive Director, Cannabis Canada Association): Thank you, Mr. Chair, for inviting Cannabis Canada. We really appreciate the opportunity to share some of our perspectives as well.

I'll tell you a little bit about our association. We have over 20 members who are licensed producers, and they have been licensed by Health Canada. We have a patient committee that tries to help give feedback to our members. We also have a committee on regulations, which interacts with the office of medical cannabis on a regular basis to try to improve the regulations even more so we have more quality products. We also have a communications standards committee. We are just about to continue discussions with the secretariat. Hopefully we'll be able to assist them as well.

Since 2013, Canada's licensed producers, large and small, have been effective partners in the establishment of this strict, well-regulated system for the production and distribution of medical cannabis that is the envy of the world. It's for this reason that the Government of Canada is entrusting Canada's licensed producers to be the foundation of the production system for legalized, adult-use cannabis.

Licensed producers are eager to work in collaboration and compliance with the federal and provincial governments to quickly establish effective, low-risk distribution and retail models that are well regulated, highly secure, and tailored to the needs of each province. Bill C-45 must include measures that will allow the legal industry to compete with the black market, notably in relation to price, branding, and advertising, within well-regulated parameters to help eliminate confusion in the marketplace about legitimate sources and to guide Canadians in their use of a new and complex product. The medical cannabis system must also be protected for the benefit of Canadian patients.

Since 2013, as I said, we have been involved as trusted partners of the government, and we want to continue to do that with the provincial governments as well as the federal government. Licensed producers have proven that they can deliver state-of-the-art, sanitary, secure, and professionally operated production facilities; products packaged and labelled to protect children and to ensure that adults have information to make informed choices; a proven distribution and retail system that ensures that products reach their intended recipients with no diversion to the illegal market; and production and retail without impacts on the surrounding communities or collocation with alcohol.

Eliminating the black market is one of the government's main objectives in legalization. There are a number of factors that will impede the ability of the new legalized system to compete with the firmly entrenched black market. Governments need to be mindful not to impose pricing or taxes that will make it impossible for licensed producers to compete with the black market. The parliamentary budget officer of Canada pointed out in his November 2016 report that "The higher the premium for legal cannabis over the illicit price, the more Canadians will purchase cannabis on the illicit market". Using the same research, the C.D. Howe Institute estimates

that even a relatively modest dollar premium per gram would result in about 35% of the market remaining unregulated.

There's also the question of branding and advertising. Licensed producers need to be able to differentiate from and compete with the black market. Indeed, if governments are serious about undermining the black market and want to do it as quickly as possible, they need to ensure that legal businesses have the opportunity to distinguish their products from the illegal.

Moreover, consumers need information from a knowledgeable and experienced source about an unfamiliar product to help them have a safe and consistent experience. There are a wide variety of cannabis strains, with different potencies and effects, depending on their THC and CBD levels. The THC is the hallucinogenic part. You can have it very, very low, as we mentioned before, at .01 or .05. It also could be mainly CBD. There are characteristics such the odour and product form. For instance, now we not only have the dried flower, we vapourize it. We also have oil, and we have capsules. We're trying to find different product forms to help people ingest the product in a different format than smoking. It is important that the legal industry be able to properly communicate the features of each one to inform both consumer choice and safe and responsible use to reduce potential harm.

You'll also be aware that there's ample confusion in the marketplace about the legality of different sources of cannabis.

● (1425)

Canadians need to be able to easily distinguish between what is a legal product and what is not. They need to know where, how, and from whom to get legal, safe cannabis. Branding and advertising within agreed-upon parameters—for example, no targeting of children or youth—provide consumers with the signposting that they need to distinguish legitimate products and sources. This way, adult Canadians can better understand where they can safely purchase the highest quality product.

It would be unfortunate if Canadians continue to be exposed to messaging from illegal sources and silence from legal businesses. Without the ability to brand and advertise, the burgeoning legal industry will be handicapped in its efforts to dislodge the well-entrenched black market. Cannabis Canada Association hopes that the health committee will champion the need for responsible and strictly regulated branding and advertising of cannabis to adults.

Finally, given our mandate and commitment to Canadian patients, we would ask that the committee also lend its support to the preservation of the current medical cannabis system. With the advent of legalization, policy-makers need to ensure continued proper access for patients. As ruled by Canadian courts, without a medical system, Canadian patients may lose insurance coverage, public or private, making their prescribed medication inaccessible.

Important distinctions between medical and non-medical use of cannabis include the following: medical use continues to be overseen and prescribed by health care professionals; health care insurance plans can continue to include medical cannabis in coverage; patients, including young patients, have access to the strain, potency, and amount that manages their symptoms as per their physician's prescriptions; patients can access their medication in specified public places in all non-smoked forms including vaping; and medical cannabis is affordable, zero-rated for taxation, and accepted by drug formularies and public and private insurance.

In conclusion, Bill C-45 seeks to prevent young persons from accessing cannabis, to protect public health and public safety by establishing strict product safety and product quality requirements, and to deter criminal activity by imposing serious criminal penalties for those operating outside the legal framework. Cannabis Canada fully supports these objectives. Cannabis Canada has unparalleled expertise and practical experience in how to distribute safe, quality-controlled cannabis and ensure that only those who are eligible to access it do access it.

In the interest of advancing the government's objectives and dislodging the well-entrenched black market as rapidly as possible, Cannabis Canada Association respectfully recommends that Bill C-45 take into account the need to ensure that the legal industry is in a position to compete with the black market in terms of price; that a certain amount of branding and advertising within strictly regulated parameters is allowed, both in terms of the need to differentiate legal products and sellers from black market products and sellers and to guide Canadians in their use of a new and unfamiliar product; and that the current medical cannabis system is preserved, or, at least, the necessary protections for patients are put in place, including the right to vape their medication.

We want to continue to assist the governments, both federally and provincially, and continue to protect the public safety and our patients. We are committed to helping the government for the distribution or for the regulations, etc., and we will continue to work very hard alongside you. We do not want to lose your trust.

Thank you.

• (1430)

The Chair: Thank you.

Now we'll start our questioning. We have a first round of seven minutes.

We are going to start with Mr. Ayoub.

Mr. Ramez Ayoub: Thank you, Mr. Chair.

[Translation]

Good afternoon, everyone. Thank you for being here.

I find that seven minutes is very little time in which to ask all the possible questions. So I will focus on a few aspects.

Among the witnesses we are hearing from today, we have a lot of expertise and social conscience. They also have different approaches.

I will start by asking Mr. Tesarowski some questions about the approach his province has adopted.

As we understand it, you are not overjoyed at the prospect; perhaps you are even a little reluctant. Other witnesses do not have that approach at all. On the contrary, they want to know what to do and they are finding out how to collaborate as much as possible so that we can pass the legislation and draft the laws that will ensure public safety to the extent possible.

I very much appreciated what you said at the outset, particularly about public education and awareness. You mentioned young people and the increase in the use of cannabis. I would like to know what you are doing, what you have done, and why you have waited until recently to consult with your citizens and then to get your administration involved in finding concrete solutions. The plan to legalize cannabis did not appear yesterday. It has been on the table, and the subject of study, for a number of years. Now there is a deadline, in July 2018. I feel that it was possible to get ready, at very least. Why was this not done earlier? What obstacles do you feel could prevent you from meeting the deadline of July 1, 2018?

• (1435)

[English]

Mr. Dale Tesarowski: Let me begin by saying I had a little trouble with the 10-minute limit I had to begin with so I appreciate your seven-minute concern.

It's hard to engage your people until you know what you're talking about, and until the different responsibilities were set out in the legislation in April, I don't think any province was in a position to move forward with any kind of public engagement.

Having said that, in my own province we've had some changes at the top in terms of our provincial leadership, and we were unable to proceed with any public consultation until given permission to do so. Over and above that we also had a by-election that was smack dab in the middle of all of that, and it wasn't until the day after the by-election that we were able to proceed publicly with our survey.

Having said that, we are doing our darndest to catch up. We have had a series of task groups and working groups working very diligently over the last number of months certainly predating the introduction of the legislation. But the list of what we have to do is just vast, and it's a mammoth undertaking. Our province isn't alone in the issues we have to address. Each province and territory is addressing the same issue, and we are doing our best to meet the deadline.

[Translation]

Mr. Ramez Ayoub: Thank you for your answer.

I hope that you will be able to achieve the goal that, basically, the other provinces seem to be able to achieve.

Mr. Lucas, Mr. St. Louis and Ms. Rivet, I would like to hear what you have to say about the sale of cannabis for medicinal or recreational purposes. Where should we go to find, to sell or to buy these medications?

First of all, there is the medical question. This is a medicinal drug in one sense, but it is something quite different when it is consumed recreationally. Would it be a solution, in terms of brand image and quality, to be able to get it at two different places?

If I understood what Mr. Lucas said correctly, you want no tax on medical cannabis and probably a tax on what is not medical.

How do you see that? In your view, what would the solutions be? Would having two different programs be one of them?

Mr. Philippe Lucas: I think that is a part of the solution. Medical cannabis is already distributed online and there is no doubt that it will also end up being provided in pharmacies. It is very appropriate for it to be available in pharmacies. I am not necessarily talking about cannabis buds or flowers. Cannabis extracts in the form of capsules and oil are certainly appropriately placed in pharmacies, and the distributors could be given specific training in the use of medical cannabis. I have no doubt that it will end up being available in pharmacies, and we agree with that.

Certainly, recreational cannabis is going to divide the markets. There really has to be a source of information for adults who wish to buy it, other than at the point of purchase.

[English]

To give an example of one of the challenges faced right now, if we did a comparison with the beer industry, let's say we had a beer industry that only allowed white labelling of beer. The label would only say the alcohol level that would be in it. I would not presume to know what the members of this committee like to drink, but if you're someone who favours a smaller batch brewer or a higher quality beer, there would be absolutely zero incentive for that brewery to continue making high-quality product, because everything would become Old Milwaukee. The reason it would become Old Milwaukee is because there would be no reason for anyone to focus on quality if there were no way to differentiate the quality of one product from another.

I think it's very important that we realize that if we want to support smaller brewers, if we want to encourage quality products to be produced out there for Canadians, we need to be able to allow some limited branding to adults in order to encourage those distributors, those producers, to focus on a quality product. If it's purely white-labelled, people are going to be growing fields of very low-quality cannabis and that's all that's going to be available to Canadians in the coming months.

• (1440)

The Chair: Ms. Gladu.

Ms. Marilyn Gladu: Thank you, Chair; and thank you to all our witnesses who are here today.

Mr. Tesarowski, I agree with many of your comments about how rushed this legislation has been. I know Canadians knew that the federal government had this as a campaign promise, but I think they would have expected the federal government to say how it should be implemented and to fund it, so I took your comments there well. However, when I think about testimony we heard earlier today, I think it was Professor Ware who talked about how the expectation was that we were going to use the medical marijuana system because it's well quality-controlled and well distributed to implement this, so that would help address some of the timeliness. That doesn't seem to be true when we consider that Kathleen Wynne has just said she's going to create a cannabis council and an LCBO-type structure, which would be different again.

My problem with that is this: with the LCBO, I'm in a rural place, so 9 to 6 are the hours, and I can't see that competing with Hells Angels on price or availability. Mr. Tesarowski, could you and Ms. Rivet comment on that?

Mr. Dale Tesarowski: We haven't made any final decision on a retail model yet. That's one of the questions where we're seeking views from our citizens. Over and above that, though, it's not only our hours but availability in rural and northern communities. In a lot of those places, the only establishment in town is also the post office, the liquor store, the insurance seller, the drug store, the grocery store, as well the place you go to buy the parts for your car. It's a real challenge to be able to address that kind of market and still avoid the illegal market.

Mr. Sébastien St. Louis: On that, if I may, I think Cannabis Canada's primary goal in addressing you here today is to make ourselves available to solve some of these challenges. The group of licensed producers whom we at the table represent, the majority of the ones in the country, have served over 200,000 Canadian patients in the last four years. Those 200,000 Canadian patients have been served with zero diversion. They have been served in rural areas across the country. Some of the companies that comprise our membership offer a 24/7 support line to help those patients, and we are already proceeding to verification beyond what would be required under an adult-use model.

When we start with the adult-use model, we think address verification, diversion prevention, and age verification. We have those tools in place today. We have them to verify the prescription, for example, and the verification of the good standing of the doctor with his or her college in the respective province. Going to something such as age verification is something we can implement today, on day one. Where we're excited and continuing to engage with the various provinces, including, of course, Saskatchewan, is in seeing if we can provide that type of partnership. That will take a format depending on the will of the people in those provinces. We have the tools to implement on day one and we're looking forward to continuing that conversation.

Ms. Marilyn Gladu: Very good.

A question I have for Mr. Lucas has to do with possession limits. I think you said that, when it comes to people who are receiving medicinal marijuana, 78% of them are using less than three grams a day. Within Bill C-45 the limits for personal possession have been set at 30 grams, which would be 10 days of what I would consider fairly serious marijuana use. What do you think of those limits? Do you think those are reasonable for personal possession, or would you like to see those reduced?

Mr. Philippe Lucas: I think this is a fine starting point in the absence of available data on how much individuals might use. I think this would cover a few days of use for perhaps someone who is travelling and wanting access to product of a certain quality out of a certain outlet. I think 30 grams seems like a reasonable limit. I don't think we want to encourage people to be going into cannabis stores on a daily basis in order to pick up their product, any more than we would want people to pop into the beer store on a daily basis.

The evidence suggests that, when it comes to the recreational use of cannabis, it will be quite different patterns of use than with medical use. With medical, when we're talking about chronic pain and mental health conditions, these are chronic conditions and they usually end up seeing chronic use. In fact, with medical cannabis patients in the survey I just shared, 74% of patients use daily. With recreational use I would expect it to be more toward weekends, and in fact I would expect that use to be lower than what we're actually seeing right now with medical use. You can reduce use considerably by encouraging vaporisation and also the use of extracts, which are much longer lasting. Extracts and edibles would further reduce that use.

• (1445)

Ms. Marilyn Gladu: Excellent. I have one more question.

When it comes to the bill, and talking about being able to promote cannabis, I see a real difference among people who are engaged in the medical marijuana industry, which is growing globally. Tilray has moved into my community with a facility that exports to five countries. I would think that, with a product, you do need to promote and brand and be free to do that on your web page and in other countries. It looks quite restrictive in Bill C-45, that this would not be allowed for medical marijuana producers. I can understand why we don't want to encourage that recreationally to make it look sexy or wonderful for younger people, but could you comment on whether you think that's limiting?

Mr. Philippe Lucas: Sure. We are currently limited, as with all prescription drugs in Canada, in terms of our branding. In fact, that branding is much more restrictive than we see for alcohol and tobacco as it stands right now—no advertising. You won't see a magazine ad or otherwise promoting Tilray or any of the licensed producers in Canada.

We do feel that it's important, however, for patients to be able to make informed choices, and for us to be able to reach out with public-health-centred campaigns and provide information, particularly for the recreational users who might be coming into this system not knowing how to safely use products, whether it be the difference between smoking or vaporisation or edibles, and for us to be able to encourage people to stay away from smoking where possible. I think

it's very important that we're able to get some of that messaging across.

I just want to share one concept that's very important for us to consider in this. We are talking a lot about reducing the harms of cannabis, which is absolutely appropriate, because that's one of the concerns as we move toward legalization. But as an academic researcher, if you're doing research on humans, you have a joint responsibility—and they're equal responsibilities in developing a new drug or introducing a new product—you have to reduce the harms to the end users, and you have to maximize the benefits.

I think this committee has the chance to do both: not only reduce the harms associated with cannabis as it's introduced and legalized and reduce the impacts of prohibition, of course, but also maximize the benefits of this adult access. I shared some of the benefits in the reduction of alcohol use that we've seen in the U.S. states as well, and also, of course, the reduction of opioid use.

The Chair: Thank you.

Go ahead, Mr. Davies.

Mr. Don Davies: Thank you to all of the witnesses for being here and sharing your experience with us.

Madame Rivet, I'd like to start with you. You gave some very interesting testimony on the branding and advertising provisions of this bill, which are contained in clause 26. Would it be your view that the provisions as they stand now are too narrow?

Mr. Sébastien St. Louis: Mr. Chairman, I'll take that one.

We do need to learn more about the specific regulations that will be overlapped between provincial and federal. In terms of combatting the black market, it is critical, as my colleague raised previously, that the legal supply, licensed producers, and the legal distribution are able to differentiate from what's currently available in the black market. We often forget, and I would invite members of this committee to remind themselves, that even walking here through Ottawa we see multiple illegal storefronts with fully branded products—vappable, edible, and basically however you want to take your illegal cannabis. You can walk in the door of any one of these stores and you can currently purchase that, and it's completely uncontrolled.

I think where this committee needs to spend a bit of time is balancing that demand to combat the black market, while allowing safe, responsible advertising from the licensed producers who have been trusted partners under the medical regime.

• (1450)

Mr. Don Davies: Thank you for that, I think you've expressed the problem with the issue well. I've been told from many producers that, as you've said, we need product differentiation, enough information, not only to distinguish the product from the illegal market, but from within the legal market where there will be different products that will be produced by different producers with different characteristics. Then there's the need for sufficient information on the packaging so that the customer actually knows what it is they're taking and knows what it's for, and finally, as you said, to compete effectively with the illicit market where there will be no rules whatsoever on how they brand.

I'm going to turn to Mr. Lucas.

Do you have any feelings on that? I'm looking specifically for your views on what is currently in Bill C-45, contained in section 26, because it is a very narrow set of restrictions on the labelling and advertising right now. Again, I'd like your advice on whether you think it's too narrow.

Mr. Philippe Lucas: I worry that it might be, and once again it's with the idea of maximizing the benefits of the step that we're taking here in Canada. I understand the cautionary approach, we're the first western nation to be moving towards this, but the evidence that we have out of the U.S., the evidence that we have out of other jurisdictions including Portugal that have decriminalized, evidence out of Holland that's had coffee shops for a long time, is that we keep considering this as an add-on to alcohol and tobacco and we're using a similar lens: should we regulate like alcohol and tobacco? I need to remind committee members that this is not either.

If we look at any of the research, not one side of the research versus another, any of the research that's looked at the public health impacts in terms of health care utility, public safety impacts, cannabis compared to alcohol or tobacco, let alone the illicit substances, shows it to be a much, much safer substance. That doesn't mean we should be championing its use. It does mean that we shouldn't be disadvantaging it when it comes to access compared to alcohol or tobacco.

We think that Ontario has taken some interesting first steps to start getting cannabis and be ready for July 2018, but we're talking about 60 shops perhaps at the onset. There are over 600 outlets in Ontario where you can purchase alcohol. I'm obviously not counting every restaurant and bar also, which would put it in the tens of thousands—

Mr. Don Davies: I don't want to get on distribution yet, I want to stay on branding and labelling.

You raised the issue of whether this should be regulated more like tobacco, or alcohol, or maybe neither. Some have advised me that they think cannabis should be regulated in terms of advertising and labelling more like alcohol because tobacco is a uniform substance whereas cannabis, like wine for instance, has different characteristics. The CBD and the THC levels, particularly combined with toluenes make it almost.... There's a panoply of different effects and

types and this is important information both for customers to differentiate and to compete with the illicit market.

I am reminded that this legislation says that you can't set out a depiction of a person, character, or animal, whether real or fictional. I'm thinking, you walk into a liquor store and you can have the Wayne Gretzky winery, and I'm thinking of the way people differentiate between wines, which is also a product that you keep away from children. There are a lot of restrictions around what can be said on it, and I'm wondering if that's a more appropriate analogy for us than a plain package of tobacco.

Mr. Philippe Lucas: I think that you're absolutely right. What we're supportive of are bans on lifestyle branding. We don't want to celebrate cannabis use. We don't want to see anyone being depicted taking any risks, doing anything overly athletic, etc., so that kind of lifestyle branding we would not support at all. But we think that where only adults can congregate such as the equivalent of liquor outlets, the equivalent of bars or consumption sites, we feel that there should be some ability to be able to speak to those adults, to be able to share messaging on different products and product effects, and that can be done through brands as well.

Mr. Don Davies: I want to turn a bit to products. I'm a little confused. In the medicinal cannabis world right now, are patients using non-smokable products in any way? Are they using creams, patches, sublingual tablets, oral sprays, capsules? Is that common, and if so to what extent?

Mr. Philippe Lucas: Yes, about 50% of patients out there in Canada right now are using primarily non-smoke methods of ingestion. About 31% use vaporizers. That's the most common form of use right now. That's closely followed though by edibles, which make up just under 20%. I don't want you to picture cookies or anything; edibles are drops, extracts, oral ingestion—

• (1455)

Mr. Don Davies: Is there a danger of having two different, parallel systems here? Under Bill C-45, in the recreational world, none of those are legal.

Mr. Philippe Lucas: They would be. I think caps and oils would be legal. They would just not be consumed in the form of edibles. Caps, extracts, oils would be legal, but not with a strong concentration. We understand that those would be legal. They just wouldn't be mixed into a brownie, for example.

Mr. Don Davies: I'm not sure that's the case yet with Bill C-45, but we'll look at that.

To Mr. Tesarowski, first, is Saskatchewan going to be ready by July 1? Second, I think there was a suggestion from Mr. Ayoub, if I heard him correctly, that Saskatchewan's the only province that is expressing difficulty meeting that deadline. Are you aware of any other provinces that may struggle with the July 1, 2018 deadline?

Mr. Dale Tesarowski: Every province is struggling with the July 1 deadline. Some are publicly saying they're going to be ready. Everybody is saying we're going to try to be ready. That's certainly what we're doing in Saskatchewan. It's just that there's a very long list of things to do, and we want to do them right.

Mr. Don Davies: Are you going to be ready?

Mr. Dale Tesarowski: We hope to be.

The Chair: Ms. Sidhu.

Ms. Sonia Sidhu: Mr. Tesarowski, thank you for joining us today.

With this legalization, provinces and territories will have the ability to enact their own accompanying legislation, with some additional restrictions if desired.

Earlier this year, Saskatchewan implemented a new impaired driving law across the province. Many provinces have enacted similar strict laws against impaired driving, and this has resulted in the lowest rate of impaired drivers across Canada since 1984. What lesson can be applied from impaired driving legislation in order to maintain public safety once cannabis is legalized?

Mr. Dale Tesarowski: One of the things we've tried to do in Saskatchewan is to treat alcohol and drugs exactly the same way. For example, we have zero tolerance for drivers in the graduated licensing program. If you have any alcohol in your system, there's going to be a consequence. If you have any drug in your system, no matter what the drug, there's going to be a consequence. We're trying to follow what we know, and to apply it to this new situation as much as possible.

Ms. Sonia Sidhu: Thank you.

My next question is for the medical cannabis industry representative here today. Some people have voiced concerns that legalizing recreational cannabis will result in the reduction of available medical cannabis. Others have said that allowing more producers will be of benefit for medical users. What benefits for medical users do you see coming from this legislation?

Mr. Philippe Lucas: First—and we've heard some messaging from the federal government—we hope this will give an opportunity to reconsider the taxation of medical cannabis. Right now medical cannabis patients pay provincial tax as well as federal tax. We feel that it's inconsistent with the current use of medicines in Canada. That would be the first benefit.

I think the second benefit is going to be a de-stigmatization. We feel that the legalization of the recreational use of cannabis will actually allow the medical community to consider the medical use more fully and more comprehensively. The quicker we can get it into pharmacies, the more normalized the use of medical cannabis will seem. We actually think that these steps forward to legalize recreational adult use will help in the normalization or de-stigmatization of medical cannabis as well.

Also, we're seeing a lot of funding going into studying recreational use right now, which I think will be beneficial in terms of looking at long-term panels of use for medical cannabis as well. We heard from Dr. Ware today about some of the research he's hoping to do.

I'm involved in a number of research projects, clinical trials on PTSD, and examinations on cannabis as a substitution for opioids. I think that research will help us better understand, once again, the potential harms associated with cannabis, but also the potential benefits of legalizing adult recreational use.

Ms. Sonia Sidhu: Thank you.

Following the task force's recommendation, the government will maintain the medical cannabis regime for people who have authorization from a medical professional. The task force also recommended that this be reviewed in five years from the implementation of the new law, which the government intends to do. How will medical patients benefit by maintaining separate access for their use?

Mr. Philippe Lucas: How will they benefit? There are certain types and preparations of cannabis, and we've heard from our friend, Mr. Jones, about the benefits of high-CBD cannabis strains. CBD is not impairing; it's not something we would typically expect recreational users to be seeking out. If you've heard about the medical use of cannabis in the treatment of pediatric epilepsy, those are all high-CBD preparations and, in fact, Tilray—my employer—is involved in a clinical trial at SickKids, looking at high-CBD extract products as a treatment for pediatric epilepsy. If we don't maintain a strong and robust medical cannabis program, those products will likely disappear from the recreational program, because they're simply not impairing; they won't get you high, so there will not be a lot of motivation for their production. Protecting products like that, as well as the use of capsules and orally ingested products in order to discourage the smoking of cannabis, I think, is going to be a very important part of what we can expect in the medical system.

You asked a very important question: will patients still be able to access medical cannabis when recreational cannabis comes around? There are certainly some companies that are clearly hedging their bets more on recreational cannabis and that are already advertising or marketing themselves primarily as recreational cannabis companies. But there are those of us who are determined to focus on the medical cannabis patient, putting money and research into medical cannabis. We'll continue to try to meet the needs of patients across Canada as best we can through legalization and into the future.

• (1500)

Ms. Sonia Sidhu: Thank you.

Ms. Rivet, you said Canadians needed more guidance from legal sources. What kind of guidance do Canadians need to be given in regard to product form and production, so that they can differentiate between black market, legal and illegal products?

Ms. Colette Rivet: There needs to be knowledge about the product itself. Currently, the ones that have the most experience and expertise are the licensed producers from Health Canada. They are also working very hard at trying to find different product forms to encourage people not to smoke cannabis, as well as providing them with information they need to know.

For instance, if you're vaporizing, you will feel the onset much more quickly, but it won't last as long. However, if you're using an oil, it will take a long time, so don't go within two hours and keep taking oil, because then you're going to have quite a bit of product in your system. All of these things have to be explained. Also, every individual reacts differently to cannabis, so again, all of that has to be explained to make sure they have a good experience and do not go back to the black market. Black market cannabis could very well be—and usually is—contaminated, and it's very dangerous for people to be using that.

Ms. Sonia Sidhu: Could you please expand on the quality assurance measures the industry has in place to protect Canadians?

Mr. Sébastien St. Louis: This is not an industry that has been without faux pas. The licensed producers have had quality issues stemming from contamination around pesticides. What's more important to focus on is that we've been able to issue next-day recalls across the country. We've been able to protect consumers; we've been able to communicate with consumers and fix the process gaps that led to the contamination events.

As we keep moving forward, what we've seen in the industry is a system that works or is beginning to work; of course, none of the people involved—the stakeholders, the licensed producers—want to see pesticide or contamination events. We don't want to have quality issues. However, as we grow up in a fast-changing industry, these are things that have happened because of poor processes, and we have proof now that this system works. This is something we need to roll out in the future, as Bill C-45 contemplates; we need to continue that good, robust quality control that we've implemented on the medical side.

The Chair: Your time is up.

Mr. Lucas, you have a comment?

Mr. Philippe Lucas: I just want to add to that: to be very specific, we test for biological impurities as well: yeasts, moulds, and heavy metal concentrations. Pesticide testing is also mandatory. I can say with tremendous confidence that the international community right now looks to Canada as the safest, most consistent supply of research and medical-grade cannabis anywhere in the world. We're currently providing cannabis through the special access program for pediatric patients in Australia and for clinical trials in Australia on cancer-induced nausea and vomiting. We're distributing cannabis extract capsules in Croatia. A number of companies in Canada are

exporting to Germany right now, within their strict and very medicalized system.

We are truly an example for the world in terms of the highest possible quality product, and a number of our members, not just of CMCC but also of the Cannabis Canada Association, are now GMP certified, which stands for good manufacturing practices. That's the same high level of quality being used to manufacture pharmaceuticals all around the world. It's an international standard that supersedes the GPP regulations that we're governed by here in Canada, so I have great confidence in the safety, security, and quality of that supply.

• (1505)

The Chair: Thank you very much.

That completes our seven-minute round. Now we'll go to a five-minute round starting with Dr. Carrie.

Mr. Colin Carrie: Thank you very much, Mr. Chair.

I want to thank the witnesses for being here. At the end of the day, we really want to focus on the health and safety of Canadians and, for me particularly, our kids. I don't think there's a lot of argument out there about medical marijuana and adult responsibility. I look back at the Prime Minister's rationale for doing this and I asked witnesses today, and it keeps coming out, he keeps repeating that the status quo is not working.

I really want to thank witnesses this afternoon. I think it was you, Mr. Lucas, who quoted some well available statistics that show it's trending down and, depending on which ones you want to quote, as high as 50% of boys in 2002, I believe, down to 22% today. The Prime Minister's rationale is saying the status quo doesn't work. I find it quite interesting that Ms. McLellan, who's a former Liberal cabinet minister, was almost giddy here today saying we got a letter from Colorado saying it hasn't gone up. Well, guess what? Legalization in Colorado hasn't shown a decrease in the use of cannabis by kids, so I think this is really important that we dig into this a little more and also dig into the provincial jurisdiction.

I found it a little rich that the federal Liberals were criticizing the provinces on this, because there's so much science that still isn't known. So much of the heavy lifting is with the provinces and territories, so I want to take this opportunity to thank Saskatchewan for actually showing up here today. We've invited other provinces and territories and I think you're the only one that's shown up. I know my own province of Ontario just passed a little preliminary thing. They don't even want to show up here and answer some questions on it.

With you taking all the heavy lifting, I was wondering if you can go over some of the concerns that you may have with controversial things like home cultivation, and legal age of possession as well. You mentioned in your opening the drug levels and the levels in blood and how controversial it is. Are we going to be seeing a lot of court challenges on these things as far as enforcement?

Mr. Dale Tesarowski: Absolutely.

If anything, impaired driving is a testament to how creative the criminal defence bar can be. There are going to be challenges coming out of the yingyang with respect to most of this and the better we can prepare for that, the better we'll be able to answer it.

One of my mantras when I deal with my federal colleagues is clear evidence of parliamentary intent. If we can establish clear reasons why Parliament is moving in a certain direction, let's put that on the record. Let's do that at committee. Let's do that in speeches in the House and in the Senate and in the Senate committees and let's be clear about what we're doing and why we're doing it. That will assist later on when we have to address charter challenges.

Mr. Colin Carrie: I think intent.... As I said, the Prime Minister has been clear that the rationale is that the status quo is not working, particularly for our kids, but the evidence suggests something opposite, and even the early results from Colorado show the exact opposite.

One of the things I hear in Oshawa is this whole thing about home cultivation. Can you please comment on, number one, how you are going to enforce this? How much is it going to cost? How is that going to make it so that kids have less access to marijuana?

Mr. Dale Tesarowski: In fact, that was one of the questions I was asking you people. I met with the chief of the Weyburn Police Service last week. He's the president of the Saskatchewan Association of Chiefs of Police and that's one of the association's fundamental concerns. How are we going to enforce this? As I said in my comments, especially if it's out of view or inside a residence, it's only going to be by happenstance that we come across an individual who's cultivating. There's no requirement that they be registered, for example. I don't think a province would be very interested in requiring registration.

What we can do is assist landlords and condo associations in dealing with the health risks that are associated with cultivation and things, but from an enforcement point of view, it's a very large concern. How much that will cost, I have no idea, but if you really can't pierce that veil, there's nothing you can do, so there's not much of a cost.

• (1510)

Mr. Colin Carrie: Have you had any conversations about this legislation...? The youth is age 12 to 18. In other words, a youth can have up to—

Mr. Dale Tesarowski: Or 17.

Mr. Colin Carrie: Or 17, up to age 18. A youth can have up to five grams. We've heard quite clearly, five grams could be 10 to 15 joints, and I'm thinking of a 12-year old. That's grade 6. This is the top of the hierarchy. These are the old kids in public school. Have you had any conversations with educational professionals, or police, on how you will handle that? Do you think there's a possibility for

diversion from 12-year-olds to 10-year-olds or 8-year-olds, because a lot of these younger kids look up to the older kids.

Mr. Dale Tesarowski: You ask very good questions. It's a real concern among our educators, but we have to keep in mind that we already have drug problems in our schools. One of the purposes behind this legislation is to mitigate that, or restrict it as much as possible. It may very well be that a province has to establish some kind of provincial scheme to address some of these issues and to change the limits so that we can better address those situations.

The Chair: Thank you. Your time is up.

Mr. Oliver.

Mr. John Oliver: Thank you very much for your testimony. There has been some suggestion that the use of cannabis is on the decline in Canada. The "Canadian Tobacco, Alcohol and Drugs 2015 Survey" which is the most recent one, found that the prevalence of past year cannabis use was 12% in 2015. That was an increase of 1% over 2013, and while it hasn't changed in males, the significant increase in cannabis use by women went from 7% to 10%.

I come back to referencing that there's already a problem with youth, and I assume with prevalent rates of 21% of youth and 30% of young adults reporting using cannabis, those are typically Saskatchewan numbers as well. In your identification of problems in Saskatchewan, one of them was the cost of detecting impaired driving from drug use, the training required and the equipment you needed. I would have to assume that with a pretty steady state in cannabis use you already have those problem drivers on the road, so without this legislation, was nothing going to happen or would you not have had to move forward in Saskatchewan as others are?

I have a second question. I will ask it now and then let you respond.

We heard this morning that if a province or territory wasn't ready, the legislation does envision an e-commerce model where people could buy cannabis from registered licensed producers and they would have it delivered by Canada Post, the sort of current model that's there for medical marijuana. What would Saskatchewan's reaction be to that, where if you were unable to deliver legislation then people in Saskatchewan would still be able to procure it through a model that's not under your control? Also, for the poorer communities, the more outreach communities where it's going to be very hard to get distribution, they're going to need some kind of e-commerce model as well. You can't have a store in every hamlet.

Those are my two questions for Saskatchewan.

Mr. Dale Tesarowski: I'll address the second one first, because it's the easiest one.

An online mail-order type of process might very well be part of our response. It's certainly a process that works relatively effectively for medical marijuana users. Interestingly, one of the concerns that has been expressed to us has been that for a medical marijuana user, in a senior's home for example, the courier comes to the door. Everyone knows why they're there. One of their preferences might be to have a more anonymous approach and have the ability to perhaps go down to the pharmacy, for example, and pick up their product, or have the drug store deliver it, because that's a more normal kind of process, but it may very well be part of our retail solution.

The first question was with respect to problem drivers. First, this is all very new. Roadside detection for impaired drivers from an instrument or machine perspective is very much in its infancy in Canada. It's something we likely would have gone down the road for anyway, but when you exacerbate a problem by making it legal, then it simply makes it worse.

• (1515)

Mr. John Oliver: Thank you for that. I'll have to go back and check my notes, but I think we might have heard testimony on this that other than an initial bump it doesn't typically change usage rates, so the problem you had is the problem you will have. I think that's how I heard the testimony.

I have a question for the hemp producers. It sounds like a pretty easy request. You have a plant that doesn't have THC in it. Were you given a reason why that wasn't included in schedule 2? That sounds like a pretty logical thing to have done.

Mr. Keith Jones: As we understand the history of the industrial hemp regulations, there was a precautionary principle applied to keep hemp within the CDSA schedule, just until there could be enough learning about why—

Mr. John Oliver: Was it a transitional issue for you, then?

Mr. Keith Jones: It seems to have been, and we've had some dialogue with Health Canada about it. The issue is—

Mr. John Oliver: I have one more question I want to ask. Thank you for that. I just wanted to be sure it wasn't a flat no and whether there was a valid reason for the flat no, but it's that there are many transitional issues here, and we've heard that we need to be careful.

Mr. Keith Jones: Yes.

Mr. John Oliver: Here is a last question, Philippe.

One of the biggest concerns in my riding that I've heard, not that I've heard a lot, is that cannabis is a gateway to harder drugs. I think I heard you say, however, that actually it's an exit strategy from harder addictions and more difficult drugs.

Could you elaborate on that a bit?

Mr. Philippe Lucas: That's correct. No one on this committee would dare say that cannabis is completely without harms, to be clear, but the level of dependence on cannabis and the severity of that dependence is limited to about 9% of the population who use it on a regular basis, and the severity is much less than you would see in terms of dependence levels with tobacco, alcohol, or otherwise.

More and more research is starting to suggest not only that it is it not a gateway drug—it's been disproved over the last 20 years that

it's a stepping-stone drug—but that for many it can be an exit drug to problematic substance use.

In some cases it's very conscious. We have doctors prescribing cannabis deliberately for the treatment of chronic pain to deliberately reduce the use of opioids by patients. In other cases, though, it's completely subconscious, like what we're seeing in Colorado right now, the only state in the U.S. where you didn't see an increase in beer consumption last year, because of legalization efforts. It happens, then, at the population level.

I want to clarify that in Colorado there is research suggesting that youth use has gone down. It's moderate—it's about 12%—but it has gone down. I also want to mention, because you mentioned increased use of cannabis by women, that we are actually seeing women and seniors as being the largest group right now coming into the medical cannabis program. That alone may account for the statistical bump we're seeing, in terms of women using cannabis as well.

As you suggested earlier, we might see upon legalization a 2% to 4% increase initially that will flatline once again and go back to regular use. What you'll typically see is that those who are using will continue to use, but right now the law is not dissuading a lot of use. That's one of the challenges when we talk about youth right now: the law is not controlling black market distribution to children.

Let me add one more thing. I'm a former high school teacher. I once asked a grade 11 class, "What drugs can you access in the next 24 hours?" They listed off LSD, they listed off mushrooms, and they certainly listed off cannabis. The two toughest drugs for them to access in a 24-hour period were alcohol and tobacco.

Now, I'm not so old that I don't recall ways that we circumvented even those regulations, but once you take cannabis out of the black market, once you take a drug out of the black market, put in age restrictions and ID, and take the power of the black market away from distributing that drug, you can really impact rates of use. I think, then, that we can expect those youth rates to actually go down, post-legalization, despite the fact that it may seem counterintuitive in many ways.

• (1520)

Mr. John Oliver: Thank you.

The Chair: Ms. Gladu.

Ms. Marilyn Gladu: On a point of order, Mr. Chair, I just want to correct the record. The places that have implemented legalized marijuana, such as Colorado, have seen a 32% increase in drug-impaired driving. I didn't want you to be left with the impression that there wasn't an increase.

The Chair: That's not a point of order, but you have the floor.

Ms. Marilyn Gladu: No, it's his turn.

The Chair: Mr. Webber.

Mr. Len Webber: It's my turn, and I get a full five minutes, correct?

The Chair: That's correct.

Mr. Len Webber: As a quick clarification, Mr. Jones and Mr. Rae in the hemp industry, you're here today to lobby that of course hemp be exempt from this legislation; you're concerned that the bill doesn't differentiate between hemp and marijuana. I'm trying to differentiate that as well. I understand that hemp does not have the THC content that marijuana has, but it is in fact a marijuana plant that has been bred to be a non-THC strain. It is, however, a marijuana plant, correct?

Mr. Keith Jones: The species of the plant is *cannabis sativa*. That's the plant species, but hemp has been created by plant breeders breeding out the THC content. It's the same species, but it's a fundamentally different product.

Mr. Len Webber: It's high in CBDs as well—

Mr. Keith Jones: Yes.

Mr. Len Webber: —which is a good thing for medicinal use, although it's used mainly in food products.

Is there an actual, prescribed, medical hemp pill out there for people who are seeking it, such as people with schizophrenia or people with pediatric issues?

Mr. Philippe Lucas: I just want to differentiate. I'm sure Mr. Jones would agree with this. There's a difference between hemp oil, which you can buy at the store right now—it is a great health supplement filled with antioxidants, omega-3, -6, and -9—and CBD oil, which is actually made from the flower, or the trichomes on the flower.

The first one, the hemp oil, is made by the pressing of seed. The other is made from the trichomes or cannabinoids in the flower.

Some hemp has a higher CBD content and certainly could be used in the production of CBD medications, as it is in the U.S. and in Europe as well.

Mr. Len Webber: Is the hemp industry as tightly regulated as the marijuana licensed producers are? Do you have security issues that you have to deal with and such? You mentioned the buds and the leaves, that you cannot harvest them at all. You have to incinerate them.

Mr. Keith Jones: Right. As a licensed cultivator of hemp, we have to apply for a licence every year, as do all the farmers who grow hemp and all the processors we can sell to. We can't sell our hemp seed or our hemp grain except to processors or buyers who also have a Health Canada licence. We apply every year for a Health Canada licence.

Today, under the industrial hemp regulations, we cannot collect the buds, the trichomes, the leaf bracts, or the flowers of the hemp plant because they tend to contain a higher level of any cannabinoids, whether it's THC or CBD.

The challenge that has created is that we're already producing a lot of CBD on our farm. We have phytosanitary standards. Plus, as a certified organic producer, we have a number of inspections and certifications, and we have to adhere to a number of standards and processes.

The hemp crop we grew on our farm this year produced likely in the area of 10,000 kilograms of CBD, but we had to spread it on the ground as chaff. We're prohibited under the industrial hemp

regulations from harvesting the portion of the hemp plant that contains the CBD.

Mr. Len Webber: That's interesting.

I have a very quick question for Ms. Rivet and Mr. St. Louis.

You mentioned that we have to be low in pricing in order to compete with the black market. I just can't see that happening, with all the regulations that are in place right now for licensed producers and the costs involved with that. The only way I can see you bringing those prices down is by having some type of government subsidization in order to compete with the black market. Would you not agree?

Mr. Sébastien St. Louis: Not entirely.

In terms of costing, we've already seen a huge decline in existing licensed producers' costs to produce. When we started about four years ago, the lowest price posted in the industry was about \$2.55. Currently, you have the lowest price posted in the industry at \$1.17 per gram.

• (1525)

Mr. Len Webber: Per gram.

Mr. Sébastien St. Louis: That is in terms of cost, and it does include quality control costs, which are part of the regulatory regime.

However, you touch on a point that I do agree with. There could be a second look, over time, with our hard-working regulators at loosening some of the regulation—for example, camera and video footage requirements, that on a single site a licensed producer can have upwards of 500 cameras, and so on. There is some low-hanging fruit that I think we could look at while always keeping, of course, public safety and diversion as a top priority.

We will be able to get sub-\$1 cost per gram over the next little while as an industry. Of course, as we talk about the benefits to the medical community as well, a larger, more robust industry that includes both the medical and the adult-use market will see us at much larger scale. We should get some nice economies there as well.

The Chair: The time is up.

Mr. McKinnon.

Mr. Ron McKinnon: Thank you, sir.

My first question is for Mr. Jones.

Hemp is *cannabis sativa*. It's the same genus or species. How do we tell it apart from the stuff that's producing all the fun and games for everybody?

Mr. Keith Jones: Health Canada has done a lot of work over the last 19 years since the industrial hemp regulations were put in place, including annual inspections of every field. As a licensed producer, we actually submit every year—up until this year—samples from our fields to confirm that the plant we're growing is in fact a hemp plant and not a marijuana plant, and that the variety we're using, which is on the list of approved cultivars, is actually what we're growing.

We grow a variety called FINOLA, which happens to be on the list of approved cultivars on which Health Canada has done the work and confirms consistently contains no more than 0.3% THC. Health Canada has already done the work to create the definition that differentiates between industrial hemp as authorized under the industrial hemp regulations and other forms of cannabis that might have higher levels of THC.

Mr. Ron McKinnon: Is this a distinction that can be made by lay people? Do you have to be a botanist to be able to tell the difference?

Mr. Keith Jones: By looking at the plant, you can't tell. It's the same species, but the breeding has been fundamentally different. By the visual distinguishing characteristics of the physical plants, you couldn't tell the difference; you couldn't tell them apart.

Mr. Ron McKinnon: If we had a field of hemp blowing in the breeze, we couldn't tell if it was hemp or marijuana. Is that correct?

Mr. Keith Jones: Yes, that's correct.

Mr. Robert Rae (Director, Canadian Hemp Trade Alliance): There is a very big distinction between the two, in that a field of marijuana would only be female plants. If you have any male plants in a marijuana crop, you're not going to have a very good crop. It's counterproductive to try to do that.

The other point I want to make is that when the industrial hemp regulations were first created, back in 1998, there were some concerns because of the flowers and the buds, which tend to have higher THC levels. The plants nowadays have a lower threshold than what is required for the entire plant, so the point that Keith just made about having to throw the CBDs out on the ground is quite a waste, under the circumstances, because the whole plant is safe to use.

Mr. Ron McKinnon: Would adding hemp to schedule 2 not take it out of the licensing regime, as well?

Mr. Keith Jones: As we understand it, the industry would continue to operate within the paradigm of the industrial hemp regulations, which we support.

Mr. Ron McKinnon: I believe this legislation is going to replace the industrial hemp legislation. Is it not?

Mr. Robert Rae: I don't think so. I think the industrial hemp regulations are mentioned in the bill.

Mr. Ron McKinnon: I'll have to check on that. Thank you.

I'm going to move on to Mr. Lucas.

There's a lot of talk about access to medical marijuana, or medical cannabis versus access to recreational cannabis. It's as if they're two different things. Are they really two different things, or are we just talking about cannabis for medical use versus cannabis for recreational use?

• (1530)

Mr. Philippe Lucas: I think it depends on the preparation. The answer is yes to both of those.

They are different in that, as we've discussed, CBD would typically not be desirable from a recreational point of view. That's not why people use recreational cannabis. In fact, the reason that we're only starting the research on CBD over the last five or six years, despite the fact it was discovered first over 40 years ago, is because there were no high CBD strains that were available in the

recreational market initially. It's only the establishment of the medical system here in Canada and in the U.S. that has motivated people to breed and develop these high CBD strains that have become so efficacious for so many people now. That is a distinctive characteristic, in many ways, of medical cannabis. That's not to say that THC doesn't have therapeutic properties. It's a powerful analgesic and anti-inflammatory. It has a number of therapeutic properties in and of itself.

The same strain that can be used for recreational purposes can be used for medical purposes under some circumstances, but I think that there are quality control methods of ingestion, for example, that might be more distinguished for medical use versus recreational use. If you want a long-lasting, even effect, then oral ingestion makes the most sense for that. But, for example, for someone wanting rapid onset of effect—let's say you're suffering from a migraine and you're starting to get the auras or nausea associated with migraines—oral ingestion isn't going to make much sense. Vaporization, in those cases, or maybe an oro-mucosal spray would make the most sense.

There is also ongoing product development, for example, for patches that would be usable in terms of slow delivery of medicinal cannabinoids into the system. A lot of the research right now being done, not just by licensed producers in Canada but also by pharmaceutical companies around the world, is looking to modulate the endocannabinoid system that we all have in ourselves. That's quite different from the recreational use that we see where people are, for example, making high THC gummy bears.

The Chair: The time is up.

Mr. Davies.

Mr. Don Davies: Thank you.

Mr. Lucas, I want to ask a question about supply. The parliamentary budget officer has studied this and said that in 2018, Canadians aged 15 and over will consume an estimated 655 metric tonnes of cannabis. By 2021, this could rise to 734 metric tonnes. In terms of the present medicinal cannabis production—that's the only legal production—are we going to have enough producers licensed to meet demand legally on July 1, 2018?

Mr. Philippe Lucas: I don't think anyone would ever tell you we're going to meet demand on July 1, 2018. There are 55 licensed producers established right now, and at this time last year there were probably 25, so we are getting more and more folks online. Those licensed producers are expanding rapidly and moving into greenhouses in order to increase supply.

As was discussed this morning, one of the biggest challenges we saw in Washington state and in Colorado, despite a long lead time for legalization to be in place, was a shortage of supply. We've seen the same thing in Nevada recently as well.

I would expect to see some initial supply shortages, and then a regulation or a flatlining happening a few months down the road.

I think one of the bigger concerns is whether we're going to be able to incentivize people currently using the black market to move into the licit system. If it's taxed too highly, or if access is in any way more inconvenient or less affordable than it is through the black market, I think we're going to have a lot of trouble convincing people who are currently buying from the illicit market to move into the licit market. That's part of the task and responsibilities of this group and of the current government, to make sure that accessibility is not an obstacle.

Mr. Don Davies: Is there a risk that we could divert medicinal cannabis such that medicinal cannabis users are not getting access?

Mr. Philippe Lucas: I think that's ultimately up to the individual companies that are moving towards medical and recreational. The company that I work for, Tilray, will remain a medical brand. We're not going to have a recreational brand at all under Tilray's heading.

Mr. Don Davies: Thanks.

Mr. Tesarowski, I have a couple of things. The task force final report recommended that the federal government "Work with provincial and territorial governments to determine a tax regime that includes equitable distribution of revenues".

As far as you know, have any discussions or agreements been reached with Saskatchewan?

Mr. Dale Tesarowski: Those discussions are ongoing. As I understand, they've been ongoing for some time and will continue until they come to a conclusion.

Mr. Don Davies: Okay.

I have a question about the Constitution. The way I understand it, Bill C-45 will require all producers to apply to the federal government for a licence.

I come from British Columbia and I know that with beer there are a lot of small craft producers, and I believe they're regulated provincially. Are there any constitutional considerations? Let's say a local Saskatchewan producer just wants to grow and sell in Saskatchewan. Do you see any constitutional challenge there in terms of a usurpation of provincial jurisdiction over property and civil rights? Has that been discussed or thought of?

• (1535)

Mr. Dale Tesarowski: Gosh, that's a good question. It's one that we have toyed with but aren't looking at, given the time frame we have.

Mr. Don Davies: Okay.

I have one quick, final question.

Again, the task force recommended that the federal government "Conduct the necessary economic analysis to establish an approach to tax and price that balances health protection with the goal of reducing the illicit market".

Has the federal government shared that economic analysis with the Province of Saskatchewan?

Mr. Dale Tesarowski: I'm not in a position to answer that. That's something they're having discussions with our finance people about

Mr. Don Davies: Okay.

The Chair: —and they don't always share.

Mr. Don Davies: Thank you, sir.

The Chair: That's it.

Thank you very much to the panel. We appreciate your input and your contribution to our study. We continue to learn as we go, but you've been very helpful.

With that, we are going to suspend for 20 minutes. We'll be back at four o'clock for our next panel.

• (1535)

_____ (Pause) _____

• (1600)

The Chair: It being four o'clock, I call meeting number 64 of the Standing Committee on Health to order. I welcome our new panel.

On this panel we have from Canada Border Services, Jennifer Lutfallah, director general, enforcement and intelligence. From the Canadian Medical Association we have Dr. Laurent Marcoux, president, and Dr. Jeff Blackmer, vice-president, medical professionalism. From the Department of Public Safety and Emergency Preparedness, we have Trevor Bhupsingh, director general, law enforcement and border strategies.

By video conference, on behalf of the Vancouver Police Department, we have Martin Bruce, inspector, organized crime section, and Bill Speam, staff sergeant, organized crime section.

I understand that Canada Border Services is not making an opening statement, so we will go right to the Canadian Medical Association for 10 minutes.

Dr. Marcoux, the floor is yours.

[Translation]

Dr. Laurent Marcoux (President, Canadian Medical Association): Thank you, Mr. Chair.

My name is Dr. Laurent Marcoux. I am pleased to be here today in my role as president of the Canadian Medical Association, the CMA. I am joined by Dr. Jeff Blackmer, vice-president of Medical Professionalism at the CMA.

As the national organization representing over 85,000 physicians and physicians-in-training, the CMA has long been concerned about the health risks of cannabis, especially when smoked. These include cardiovascular, pulmonary and mental illnesses, motor vehicle accidents, and addiction.

In legalizing cannabis for recreational purposes, the federal government needs to exercise caution. It must establish public health objectives and be accountable for them. It must focus on protecting Canadians and reducing harm.

The CMA is therefore recommending a broad public health approach, which would focus on preventing problematic drug use, ensuring access to treatment services for those who wish to stop using, and increasing the safety for those who are using through harm reduction.

The goal of this approach is to decrease the negative health, social and economic consequences of drug use for the individual, the community and society as a whole.

Children and youth are especially at risk of harm, given their brain's development. And they are among the highest users of cannabis in Canada.

To better protect this part of the population, we are recommending that the age of legalization be set at 21 years. The quantities and the potency of cannabis should also be more restricted to those under age 25.

Despite these increased risks, however, evidence shows that youth today do not believe cannabis has serious health effects. A comprehensive public health strategy for cannabis must therefore include education, similar to what has been done with tobacco.

• (1605)

[English]

Educational strategies should be implemented before, and no later than the enactment of any legislation in order to increase awareness of the harms and to conduct further research on its impact. The CMA urges the government to support the widespread dissemination of lower-risk cannabis use guidelines incorporating its messages into educational strategies.

Once legislation is in effect, cannabis will be available for those who wish to use it for health issues, either with or without medical authorization. We are therefore recommending only one regime for both medical and non-medical use. However, this regime will need to ensure access for those unable to acquire cannabis legally, for example, those below the minimum age.

If the government does decide to maintain two separate systems, we recommend that the legislation be reviewed within five years to assess, for example, the number of users in the medical system and the number of physicians authorizing medical cannabis use.

Cannabis use has significant health risks, and we continue to call for more research into its effects. Legalizing won't change the risk. The government's focus should therefore be first and foremost on protecting Canadians, especially the young, and reducing harms to health.

Thank you. I'd be happy to answer any questions you may have.

The Chair: Thank you very much.

Now we'll go to the Department of Public Safety and Emergency Preparedness.

Mr. Bhupsingh.

Mr. Trevor Bhupsingh (Director General, Law Enforcement and Border Strategies Directorate, Department of Public Safety and Emergency Preparedness): Good afternoon, Chair, committee members. Thank you for the opportunity to speak to you from a law enforcement and public safety perspective regarding Bill C-45.

My name is Trevor Bhupsingh. I'm the director general of law enforcement and border strategies at Public Safety Canada. I'd like to briefly introduce my colleague, Jennifer Lutfallah, who is the

director general for enforcement and intelligence programs at the Canada Border Services Agency.

[Translation]

My colleague and I are here today to answer your questions about our respective organizations' roles in relation to C-45.

The government has taken a balanced approach to the cannabis legalization and regulation. We are confident that the necessary law enforcement and public safety considerations are incorporated into the bill, and are informing the development of the regime that will be put in place to regulate cannabis.

[English]

Bill C-45 reflects the collaborative work that has been accomplished by Health Canada, the Department of Justice, Public Safety, the Royal Canadian Mounted Police, and the Canada Border Services Agency, along with provincial and territorial governments and law enforcement stakeholders.

Public Safety Canada has taken a leadership role in working with law enforcement from across the country and with our international partners to ensure that the legalization and regulation of cannabis is accomplished through a public safety lens. In preparation for the cannabis task force work, Public Safety held a round table discussion on the legalization of cannabis with law enforcement and provincial and territorial government representatives. The discussions provided clear direction on elements and perspectives that required consideration and needed to be reflected in the proposed cannabis act and the legalization regime. This information was provided to the task force and helped guide their consultations with law enforcement, other stakeholders, and Canadians.

Law and border enforcement recognize that a legalized cannabis regime needs to protect public health and safety, particularly among youth. In this regard, Public Safety Canada and its partners, such as the RCMP and the CBSA, have focused on several key objectives in the development of the bill. First, the need to keep criminals and organized crime networks from infiltrating the legal cannabis market, strengthening laws to reduce the cannabis black market, and protecting youth.

Legalizing cannabis is a significant change in social norms, but what we know is that cannabis has been a very lucrative commodity for criminals. This too needs to change. The RCMP and law enforcement across the country can attest to the fact that organized crime has been heavily involved in the illicit cannabis market, making significant profits that are used to fund illegal activities. It has been estimated that there are up to 650 criminal organizations in Canada, and up to 50% of those have been identified as being involved in the illicit cannabis black market.

It's difficult to fully anticipate how organized crime and the illicit market will react once the cannabis regime comes into effect. Organized crime involvement and any commodity or activity can change as the supply and the demand shift and the opportunity for their profits are affected. However, much work is under way to keep cannabis profits out of the hands of organized crime. Public Safety Canada is supporting other federal departments that are leading discussions on cannabis taxation and pricing. These are important aspects that will help ensure that projected revenues from the production, distribution, and sale do not flow to organized crime.

As the new regime is built, requirements under the act, such as the criminal record checks for those who want to produce cannabis, will keep criminals presently operating in the illicit cannabis market from moving into the legal regime. RCMP, federal policing, and other Canadian law enforcement will continue to work nationally and with international partners to target organized crime and criminal networks. Public Safety Canada will support these efforts by monitoring change in the illegal drug market.

Regarding border security, the CBSA currently investigates and interdicts the unauthorized cross-border movement of cannabis at Canada's ports of entry while maintaining the free flow of legitimate travel and trade.

• (1610)

The new legislation will maintain the existing cross-border framework with respect to the illegal movement of cannabis. As such, the Canada Border Services Agency will continue to examine persons and shipments for cannabis at our ports of entry, pursuant to the Customs Act. The agency will also continue to work closely with law enforcement partners, such as the RCMP and local policing agencies, who are responsible for investigations pursuant to the new cannabis act.

It is important to note that the proposed cannabis act does not impede law enforcement's ability to target and dismantle cannabis operations. The bill sends a strong message about the seriousness of crimes that involve cannabis. For example, the maximum penalties for criminal offences under the proposed act for producing, distributing, selling, and importing and exporting cannabis can result in 14 years' imprisonment.

Another very important objective of the government is that Public Safety Canada and our law enforcement community will work to support protecting youth. The act clearly reflects the view that we want to keep cannabis out of the hands of youth by restricting access to cannabis and deterring unlawful activities with cannabis through appropriate sanctions and enforcement measures. This is why adults who use youth to commit a cannabis crime would face the same 14-year maximum penalties as those who illegally sell or traffic cannabis. Further, provinces and territories have the ability to establish their own provisions to prohibit persons possessing any amount of cannabis under the minimum age. This will also give police the authority to seize cannabis from youth, while not subjecting them to criminal prosecution for possessing or sharing very small amounts of cannabis.

The government has been clear that strictly regulating cannabis within the legalized framework is of the utmost importance. As such, a ticketing scheme is put forward under the proposed legislation.

This would allow law enforcement to issue a criminal ticket to an individual 18 years or older for relatively minor violations of the rules set out in the act, including possession of cannabis beyond the legal limit of 30 grams but up to 50 grams, or five or six plants for home cultivation, and/or outside the prescribed restrictions. The penalty for these acts is a monetary fine of \$200.

Public Safety Canada recognizes the degree of effort required to ensure the necessary public safeguards are in place as we move forward with the proposed cannabis legislation. We will continue to work with Health Canada and the Department of Justice on all aspects of the new regime, including licensing and compliance, and a robust public awareness campaign specifically targeting youth. We will be communicating the new law and enforcement regime to police and all Canadians through online training modules and by leveraging media and social media opportunities. Furthermore, we'll be undertaking continuous research, data collection, evaluation, and open dialogue across Canada with law enforcement stakeholders. We'll work to support law enforcement to implement and operationalize the new legislation.

The proposed new cannabis act will be an important piece of legislation from a law enforcement and public safety perspective.

Thank you. My colleague and I are happy to take questions.

• (1615)

The Chair: Thank you very much.

Now we go to the Vancouver Police Department by video conference. I offer Inspector Bruce the opportunity to make an opening statement.

Inspector Martin Bruce (Organized Crime Section, Vancouver Police Department): Good afternoon. I am Inspector Martin Bruce of the Vancouver Police organized crime section. With me is Staff Sergeant Bill Speam. Bill is the subject matter expert in investigations related to organized crime.

On behalf of Chief Adam Palmer, I would like to thank the honourable members of the committee for the opportunity to make a submission on Bill C-45. Being mindful of the committee's time, I will be brief.

The concerns of the Vancouver Police Department are very likely to be those echoed by the Canadian Association of Chiefs of Police and other public safety partners. However, in the local context, our concerns fall into four main areas: access by youth, personal cultivation, the role of organized crime, and the implementation timeline.

With regard to access by youth, our view is that allowing 12 to 17-year-olds to possess or socially share up to five grams of marijuana will create issues when police need to interact in a number of settings where youth are present, but particularly in our schools. For example, what powers will our officers have to intervene and seize marijuana that's being offered to a vulnerable student by another youth, or to deal with any other nuisance calls involving youth effectively? We note that the proposed ticketing scheme will apply to those aged 18 years and over.

This possession ability combined with personal cultivation in the home appears to conflict with the government's stated objective to create a highly regulated environment that minimizes youth access to the drug.

With regard to personal cultivation, we oppose it and believe it will be a catalyst for overproduction that will flood the illicit market and effectively undermine the pricing structure and supply offered by the regulated regime. It will also bring with it the potential for home invasions, break and enters, robbery, theft of electricity, nuisances, and other calls for service that make communities less safe and further stretch police and other first responder resources that are already grappling with the opioid overdose crisis in this province and elsewhere.

The four-plant maximum will be impossible to effectively enforce and as the new act will be layered over existing medical marijuana regulations, it will be difficult for front-line officers to determine what authorities they have in the myriad of potential circumstances that will exist. Seizures later determined to be unlawful may leave police agencies liable for degraded marijuana stored over time that has to be returned to owners. Officers will also have the potential to be the subject of British Columbia Police Act complaints for misinterpretation of the various provisions.

As to the role of organized crime, if the pricing structure and availability of regulated marijuana isn't set at realistic levels, organized crime will take advantage in the same way they have done with illicit tobacco products. To meet any increase in demand, criminal elements will also have the potential to increase output especially in urban settings under the cloak of personal production and through a proliferation of residential marijuana grow operations.

With regard to the implementation timeline, the implementation of Bill C-45 leaves us with many unanswered questions, especially around where responsibilities will ultimately lay and around how and when that information will be conveyed. In the absence of that detail, we have concerns that the remaining timeline poses significant challenges with regard to the appropriate training and equipping of our members, amending our procedures, and potentially adapting our facilities.

Finally, we would seek assurances that funding will be in place for a comprehensive public education strategy, that it will be implemented well in advance of legalization, and that such a campaign will focus on the developmental harms associated with youth, other known harms linked to marijuana use, and the dangers associated with the impaired operation of motor vehicles.

Thank you again for providing us with this forum. We would be pleased to answer any questions the committee might have.

• (1620)

The Chair: Thank you very much.

Now we'll proceed to our seven-minute round of questions and answers, starting with Dr. Eyolfson.

Mr. Doug Eyolfson: Thank you, Mr. Chair.

I'd like to take this opportunity very quickly to correct some information that was given to the committee at a previous session regarding the increase in impaired driving in Colorado. I have two letters here from the states of Colorado and Washington to the Attorney General of the United States that specifically say the increased detection was due to different methods that were in place, which were not in place before legalization. In Colorado, in a six-month period in 2016 compared with the same six-month period in 2017, impaired driving due to marijuana actually decreased by 21%. I will offer copies of both these correspondences to the clerk for distribution to all interested members.

Thank you. I will go on with my questioning. I just want to clarify something. I wasn't sure if I understood. This is directed to the Vancouver Police Department. Thank you so much for testifying.

Were you stating that with the scheme for 12 to 17-year-olds, the ticketing scheme did not apply to that population, that this ticketing only applied to people over the age of 18? Did I misunderstand?

Insp Martin Bruce: Our understanding is that it is for youth aged 12 to 17. That's our understanding of the current situation.

Mr. Doug Eyolfson: Is it your understanding that they can't be ticketed?

Insp Martin Bruce: That is correct.

Mr. Doug Eyolfson: No, they can be ticketed. In fact, the legislation quite clearly says that if they're 12 to 17, they will have the substance confiscated, they will be ticketed, but they will not have a criminal record if it's under five grams. That's what the legislation says. I just wanted to correct that.

This is for the Canadian Medical Association. I have an understanding that, as you say, the medical science is that they're still developing brain tissue until 25, and you're recommending 21. Our concern is that, as you're probably aware, the highest proportion of use is for populations aged 18 to 24. We've had much discussion about this.

Would you agree that there would be risk of significant harm to the 18 to 21 group if they were not able to buy it legally, and that they would in fact go to the illegal market and be faced with criminal sanctions as well as with having to deal with the dangerous elements in the black market?

Dr. Laurent Marcoux: I would say that most of them begin before the age of 18, but at the age of 18 to 24 they are already addicted to it. That's why we have a great proportion at these ages. We still want to set the age at 21, and maybe 25, because the damage done to the brain will be permanent, and it's more than we think. We think it's a recreational drug, but this recreational drug may damage the brain for the rest of their lives. We thus have to protect them. It's why we are so focused on this issue.

Maybe Jeff had some other...?

• (1625)

Dr. Jeff Blackmer (Vice-President, Medical Professionalism, Canadian Medical Association): Thank you.

It's a fair question. I would say that we're really focused primarily on the medical evidence and what it shows about the effect of marijuana on the developing brain. We understand the other considerations. That's why we said that ideally 25 would be the right age, because brain development occurs up until that point.

I would say that in many ways we're very surprised that the medical evidence hasn't been taken into more account. Maybe it's that we're medical professionals and this is our job. We recognize some of the competing priorities in balancing the risks. I would say, from our perspective based on what we've seen in clinic and what the evidence shows, that we still think the right balance is 21, recognizing, as you say, that the competing risk would be having youth go to other sources. We think it's a little easier to try to mitigate some of those things than it is to undo the harm that potentially occurs under the age of 21. We continue to think that would be a good common ground.

Mr. Doug Eyolfson: I understand. Again, from the purely medical, scientific perspective, I would be the first to agree; however, as you've said in your testimony, they're already using it in high amounts now, when it is illegal. It is already illegal and many of them are just not listening to the advice about it.

If you raised the age to 21, would you have any less youth usage of it? Would the people aged 18 to 21 be using it any less, if you put the legal age at 21, than they do right now, when it's already illegal and they're using it a lot?

Dr. Jeff Blackmer: We hope they would.

Dr. Laurent Marcoux: This recommendation doesn't come alone. It comes with a good education. When it is legalized, it will be permitted to push forward a good educational program for youth.

Mr. Doug Eyolfson: Sure.

Dr. Laurent Marcoux: If they are really well aware at the age of 12, 13, or 14, they may stay away from this more. If they decide at the age of 21 to take it, it will be their judgment and the damage will be less. But if they are already damaged in the brain at the age of 16, 17, 18, or 19, it will be for life. Our doctors in Canada are concerned about this damage.

Mr. Doug Eyolfson: Certainly.

Dr. Laurent Marcoux: We see these people every day in our offices. We see how they are suffering from this and they regret it, but because it is associated with addiction, they can't quit it. We have to support them when they want to leave this bad habit they've taken up.

Mr. Doug Eyolfson: This is a quick question for our public safety colleagues.

We all know the historical example of prohibition in the United States, and how much criminal activity there was due to illegal alcohol and what happened to the landscape after that. I've heard some criticisms of that analogy because it's been 100 years since this happened.

That being said, despite the passage of a century of time, do we have things to learn from that example in response to public safety and prohibition?

Mr. Trevor Bhupsingh: I think we do, but keeping in mind that it is a difference of 100 years and we're dealing with different players and groups.

Now we're creating a regime with a legalized supply of cannabis, so our sense is that we want to get that framework put into place. We want to have safe access to cannabis. We want to make sure that, in terms of law enforcement, we're actually going to have the ability to deter organized crime. For some of the other issues around our youth that have just been discussed, I think that's important as well.

For us, it's important that we make sure we have a lot of public awareness for youth around the system. That's probably a little different from 100 years ago in terms of communications. All that is to say that I think it's very important that public awareness around the regime is number one, and then that law enforcement, specifically, has the capability and the ability to deal with organized crime and the black market to ensure that profits don't land in the hands of organized crime, largely because profits usually go to other areas of concern.

• (1630)

Mr. Doug Eyolfson: Thank you very much.

The Chair: Your time is up.

Mr. Webber.

Mr. Len Webber: Thank you, Mr. Chair, and thank you all for being here today and presenting to us.

In particular, thank you to the Vancouver Police Department, Inspector Bruce and Staff Sergeant Speam. Your concerns and the concerns of the Canadian Association of Chiefs of Police are certainly concerns of the Conservative caucus. We thank you for presenting here today to express your concerns, in particular, about access to youth through personal cultivation at home. I feel that this is going to be an incredible problem. Of course, you oppose it, the four-plant maximum. You mentioned the enforcement of it being almost impossible and also the potential for it to.... Actually, it will flood the illicit market, and of course you mentioned the crimes involved with it, the home invasions and electricity theft. Everything you said makes absolute perfect sense, and we agree with you 100%.

Again, your training and the timelines are going to be difficult. In the months after July 1 of 2018, you are going to go into homes with four or five or six plants. What do you do? It's going to be interesting to deal with all the problems that are going to occur from this. You mentioned the pricing structure, and I mentioned this earlier today as well. To compete with the illicit market, I just don't see it happening although some presenters here today suggest that we can be comparable in price with the black market. I just don't see it with all the regulations that are in place....

I think we may have lost our friends down in Vancouver. I just lost my train of thought with them. I was going to ask them some questions. Are they still there?

Insp Martin Bruce: We have you by audio but we've lost the visual.

Mr. Len Webber: Good. I can hear you, but I cannot see you.

In any event, I just want to say thank you, first of all, for bringing these concerns forward. They are definitely the concerns of our caucus, and I would like to know how our Liberal government is going to be dealing with these incredible issues that will occur from allowing personal cultivation at home.

Any further comments with regard to that?

Insp Martin Bruce: Not really.

Mr. Len Webber: Okay. Best of luck to you. I know you're going to need it. All the police forces around Canada are certainly going to experience much difficulty when this comes into place.

I have a question to Canada Border Services and Jennifer Lutfallah.

Have you seen any increase in the smuggling of marijuana into Canada from the legalized states, in particular from Washington, being right along the border? Have you seen any significant difference at all in the smuggling of marijuana and marijuana products into our country?

Ms. Jennifer Lutfallah (Director General, Enforcement and Intelligence Programs, Canada Border Services Agency): In terms of the smuggling from Washington State into the Vancouver area, we have noticed a significant increase in the amount of seizures that have been undertaken by our officers. I don't have the specific percentage, but we did notice a significant uptake with respect to the seizure rates.

I don't believe smuggling has increased all that much over previous years, but a lot of individuals believe they can bring marijuana into Canada from Washington State, for example. Therefore, the seizure rates in those areas have grown.

Mr. Len Webber: Interesting.

We had testimony this morning from the Honourable Anne McLellan indicating that her experience going down there and talking to stakeholders is that these legal states are now smuggling into other states, causing big problems in the areas where it's not legal. I can see that occurring through the border into Canada as well, and vice versa. Once we become a legal country when it comes to the cultivation of marijuana, I would imagine you would likely see significant smuggling efforts across the border into the United States. Would you not think so?

•(1635)

Ms. Jennifer Lutfallah: I think that at this point it's a bit premature to speculate on what's going to happen in terms of the flow going from north to south. That being said, we are going to be working with CBP as well as monitoring the trends of any seizures and smuggling attempts from our country, or the other way around. At this point, I think it's a bit premature to speculate.

Mr. Len Webber: Sure.

I also think about the issues we've been having with respect to the opioid crisis and 98% of the opioids coming from China into our country. Of course, Canada Border Services has a key role there in preventing that from getting through our border, but with great difficulty.

With respect to the marijuana as well, I can just see events, issues occurring because of the legalization of this product, and I wish you well in your efforts and Canadian Border Services' efforts. It's going to be a concern and a huge challenge there.

I would also like to thank the CMA for being here today, and for your concerns as well, the health concerns with regard to the ingestion of smoke into one's system. We've worked so hard to try to decrease the use of tobacco in this country, yet we are encouraging, through legalization, harming one's system even more so by ingesting marijuana. I do appreciate your concerns. They are our concerns as well.

I don't know how much more time I have, Mr. Chair. I have just a little bit here.

Thank you for presenting and expressing your concerns. We finally have some people who have expressed serious concerns over the legislation and the legalization of this product, so thank you all for being here today.

The Chair: Mr. Davies.

Mr. Don Davies: Thank you, Mr. Chair.

Thank you to the witnesses.

Mr. Marcoux, from a medical health perspective, would I be correct in assuming that smoking cannabis is more damaging to your health than ingesting cannabis in a non-smoking manner?

Dr. Laurent Marcoux: For the damage to the brain, I think it is the same, but smoking cannabis has a high incidence of pulmonary and cardiovascular incidents and it's worse on that side.

For addiction, I think it's also the same because it's an imprint on the brain. We are very concerned about the outcome of the imprint on the brain for the young, because this imprint is permanent and that is very worrying.

Mr. Don Davies: Yes. Thank you.

To our CBSA colleagues, it's funny. This summer I think a lot of us, as MPs, were in our ridings and I know that I always have an experience with people having trouble crossing the border, both ways, Canadians who get turned away from the U.S. border and Americans trying to come into Canada who are turned away by CBSA.

In fact, I had two young gentlemen from Los Angeles who were turned away by CBSA because they had prior convictions. I've had cases where someone has been turned away for having an impaired driving, a "DUI" as they call them in the United States. How will CBSA treat Americans with cannabis possession convictions after Bill C-45 becomes law? Will that still be a ground for denying entry to an American citizen who wants to come into Canada?

Ms. Jennifer Lutfallah: As you know, CBSA is the organization charged with the responsibility of determining admissibility into our country. If that is still an offence, if that person was found criminally responsible for whatever action, yes, they would be inadmissible to our country, because in determining whether someone is admissible, we're looking at the criminal record that's being held by the United States and determining whether that is in fact a crime in Canada.

Mr. Don Davies: If it weren't a crime in Canada, if Bill C-45 passes, after July 2018 or whenever it passes it's no longer a crime in Canada to possess 30 grams of cannabis. If you have an American who was convicted in the past of possessing under 30 grams of cannabis, that would no longer be a crime in Canada. Would that be a barrier to them entering Canada at that point, it no longer being a crime here? It would still show up on their criminal record, right?

• (1640)

Ms. Jennifer Lutfallah: It would still show up on their criminal record and they could be criminally inadmissible.

I'm going to have to come back to you on that one, if that's all right.

Mr. Don Davies: Of course. Thank you. I appreciate that.

Now I'm going to reverse it, because we heard some testimony this morning. Once we legalize cannabis possession in this country according to Bill C-45, it will no longer be a crime for adults in Canada to possess certain amounts of cannabis and to consume it. I'm concerned when those Canadian citizens go to the border with the United States and are asked by a U.S. border officer if they have ever taken drugs. That happens routinely, not convictions but they ask if you have used drugs. I've had Canadian citizens who have been denied entry to the U.S. for answering.

Has CBSA had any discussions with their counterparts on the U.S. side to work out an agreement so that Canadian citizens aren't placed in the awkward situation of either having to lie to U.S. border officials, which is wrong, or if they admit to doing what is perfectly legal in Canada, they run the risk of being denied entry into the U.S. Are you aware of any discussions in your department to resolve that issue with the American border authorities?

Ms. Jennifer Lutfallah: That was identified as an issue with respect to our assessment of Bill C-45. First and foremost, obviously any Canadian travelling to the United States has to answer truthfully to all questions. That said, there have been initial discussions with counterparts, but it has not been resolved.

Mr. Don Davies: Okay, thank you.

This is my last question. In the purpose of the bill, paragraph 7(e) says it is to "reduce the burden on the criminal justice system in relation to cannabis". CBSA is responsible for administering the RCMP.... Is that correct?

Ms. Jennifer Lutfallah: We're only at the border.

Mr. Don Davies: You're only at the border. Okay.

I'll ask that question to our VPD colleagues. Does the VPD expect to have its burden reduced in relation to cannabis offences upon the coming into force of this act?

Insp Martin Bruce: We are concerned about the number of calls for service, especially with regard to home production and other nuisance-type calls. We're anticipating what might happen. We can only base our predictions on what we think organized crime might do, what citizens might decide to do now that certain aspects are legal, especially around home grows and growing some marijuana themselves, perhaps for their own use or perhaps for sale. We just don't know what the call load is going to look like, but we're fearful of it, especially here in Vancouver and in B.C. We're already stretched with enforcement related to the opioid crisis and fentanyl and we're concentrating on those issues.

It's a great unknown, but we're wary of it just based on the current taxing of our own resources.

Mr. Don Davies: I come from Vancouver—I'm proud to represent Vancouver Kingsway—so I'm well aware of the dispensaries that are operating in Vancouver. I know there are legal licensed dispensaries and unlicensed dispensaries. I'm aware that generally the Vancouver Police Department has not closed down the unlicensed dispensaries, where I know they're selling edibles and all sorts of products that licensed facilities are not allowed to sell.

Deputy Chief LePard has said in a report that the VPD is not shutting down the dispensaries unless they pose a public safety risk. I would assume, because they're not shutting down these dispensaries, that they're not posing a public safety risk in the eyes of the VPD. Is that a correct assumption on my part?

Insp Martin Bruce: It would be proportional. If we receive information that a dispensary is selling to youth, or if there's a direct organized crime linkage, we would definitely intervene.

The regulation of the dispensaries here in Vancouver is through a City of Vancouver bylaw. Obviously, the number of dispensaries has increased exponentially since they first appeared here in Vancouver, so it becomes an enforcement issue of what takes priority. We are going to respond to our citizens if they complain, but can we dedicate resources to closing all of the dispensaries? The short answer is no, we can't.

• (1645)

Mr. Don Davies: Approximately how many dispensaries are operating right now in Vancouver, both licensed and unlicensed, selling cannabis?

Insp Martin Bruce: I am estimating around 100, or perhaps 120 or 130, that may be in the city's licensing process. A much smaller number have actually been granted licences to operate. A question would be what source their inventory is coming from. Is it from licensed producers, or is it from perhaps overflow from the medical system being sold illicitly? That we don't know.

Mr. Don Davies: Thank you very much.

The Chair: Thank you.

Mr. Ayoub, you have seven minutes.

[Translation]

Mr. Ramez Ayoub: Thank you, Mr. Chair.

Education is one of the important matters in this file, as Dr. Marcoux pointed out. I am happy to see that education can play an important role in helping Canadians make informed choices about the consumption of products that are currently unlawful, but that will soon be legalized. That is cannabis, of course.

We can see that budgets are different. When we are talking about budgets, we have to talk about budgets as well because the two are always closely linked. I am certainly in favour of increasing education budgets to stop a surge in consumption among the young.

We are well aware that consuming marijuana has consequences for the young. You have talked about cognitive problems. Potentially, it can permanently affect the brain.

I draw a parallel with alcohol consumption, which also has health consequences, albeit somewhat different from those that cannabis has.

But how do we explain the very marked differences from one province or territory to another, Ontario and Quebec, for example, in terms of the legal age for consuming alcohol? If I am not mistaken, it is 21 in Ontario and 18 in Quebec, despite all the medical consequences that alcohol consumption can have.

The Canadian Confederation has a certain logic that makes it participatory. So each province may express its own views and pass its own legislation in the areas over which they have jurisdiction. How do you explain that, in Ontario, it will be legal to consume marijuana at 19, when the legal age for consuming alcohol is higher, at 21. How do you explain that logic?

Previous witnesses have mentioned that it is easier for young people to obtain marijuana than alcohol and cigarettes. How do you react to comments like that? I am a little concerned by it all.

Perhaps there is no easy answer, but I would like to hear what you have to say about it.

Dr. Laurent Marcoux: You have brought up a number of points. It's a very good question that needs to be considered.

Education means that people must be well-informed. Up to now, there has not been much discussion about it. Since it was illegal, people were doing it in secret. Now, young people, as young as 12 years old, must be well-informed about the effects of the products they are going to be consuming. When they get older and are making decisions for themselves, they will have known for a long time that consuming those products has proven consequences on their concentration and that it could trigger serious psychosis. In the long term, there are some major consequences and some that are less so.

There is a lot to learn about cannabis. We know very little about the product, even though it is widely used. Scientific research has not been done.

Here is a fact for you. We may talk about medical cannabis, but we cannot prescribe a product when we do not know about its interactions, its side effects, and how its strength varies with people's state of health, age and weight.

Every prescription medication has a Health Canada identification number, a DIN, as it is called. Now we are talking about prescribing a product that is not well-known. That is why physicians are resisting it.

• (1650)

Mr. Ramez Ayoub: It is being prescribed, though.

Dr. Laurent Marcoux: The product is recommended only when all other methods have been shown to be inadequate, especially with terminal patients or those with chronic problems that cannot be managed otherwise.

Actually, very few physicians prescribe it. We talk about it, but in our offices, we can't say that it is a prescription. A prescription is based on proven data, so that when we prescribe a product, we become responsible for the interactions, the side effects, and so on.

So, for physicians, this is not an acceptable prescription at the moment. That is why we want one single distribution method for cannabis.

[English]

Dr. Jeff Blackmer: Thank you very much for the question. I want to pick up on a couple of points.

The point about education is extremely important. The latest numbers I've seen for the money that would be budgeted towards education for marijuana use for youth was \$9.6 million, whereas the budget for the federal tobacco strategy, for example, is \$38 million. I think we've gotten to a point in Canada that there's no adult who smokes who thinks it's good for them. We've done a good job of helping people understand the health risks, and when they make the decision, they're making an informed adult choice to take on the risk.

We're not anywhere near that point with marijuana. There's still a fairly large cohort of people who think not only that it is not harmful to them but that it may actually be good for them. We need more money, not less, in terms of that education piece.

With respect to the age, I hear the argument a lot that we should set the age at 19 because that's what it is for alcohol. To me, that's very lazy thinking. It says we're just going to go along with the status quo and are not going to evaluate this based on its own merits. If you look at the United States, where they have an age of majority for alcohol of 21, who's to say that it's not better, for a substance such as alcohol? In fact, there are many groups, mental health groups and others, who are saying it may be time to re-evaluate the age at which alcohol can be purchased.

I would encourage people to look at this based on what the evidence shows for this particular product and not on the historical decisions that were made for alcohol. As you say, those are different, based on the provinces, in any case. We really hope that people will look at this on its own merits.

[*Translation*]

Mr. Ramez Ayoub: Thank you.

My next question goes to the law enforcement people in Vancouver.

Sometimes you arrest people for impaired driving. Do you have statistics showing the number of arrests directly linked to cannabis compared to the number of arrests linked to alcohol?

[*English*]

Insp Martin Bruce: I don't have those statistics at hand.

As far as the possession aspect goes, typically by policy we don't charge for simple possession, but as far as use is related to impaired driving, I really don't have stats at hand.

Mr. Ramez Ayoub: If you could provide them, if you have them—maybe later on—that would be great.

Insp Martin Bruce: Certainly, we can do that.

Mr. Ramez Ayoub: Thank you.

The Chair: The time's up.

Thanks very much. That completes our seven-minute round, and we'll go to five-minute rounds, starting with Dr. Carrie.

Mr. Colin Carrie: Thank you very much, Mr. Chair.

I want to thank everybody for being here.

To the Vancouver police, I think you were corrected by my colleague from Winnipeg about how there were penalties and ticketing in this legislation. I had it checked. There are no required penalties for underage possession of up to five grams. It was Ontario that announced last week they would allow police to confiscate pot from those under 19, so in fact, you were correct. I want to correct the record in that regard.

My first question is for the CBSA. I'm from Oshawa, and you know what? We're a border city. We do a lot of trade. Some of our truck drivers go back and forth across the border many times per day. We're really concerned about the thickening of the border. As my colleague in the NDP said, there has been some questioning, and

people are being turned back just for admitting that they've used recreational marijuana. With this legislation, do you see this becoming an even bigger issue?

Ms. Jennifer Lutfallah: I think that at this point I can't speculate as to what kind of impact it's going to have on the U.S.-Canada border with respect to entry into the United States.

Mr. Colin Carrie: Do you think it will get better with this legislation?

Ms. Jennifer Lutfallah: Do I think it will get better...?

Mr. Colin Carrie: Sure.

● (1655)

Ms. Jennifer Lutfallah: Do I think it would facilitate entry?

Mr. Colin Carrie: Yes. I answered it in one way, and I'll ask you the question the other way.

Ms. Jennifer Lutfallah: No, I don't think it will facilitate entry. I think the CBP officer is going to assess each case presented to him or her and is going to ask questions based on the merits of each individual trying to seek entry.

Mr. Colin Carrie: Yes. I don't think it's going to be helping our trade with Mr. Trump and the United States. Anyway, the next question is for the Canadian Medical Association.

First of all, I appreciate your stance. Canadians expect the government to look after the health and safety of Canadians and put that priority first. They don't expect compromise, and to see the government looking at this substance when the evidence is quite clear that up to age 25 there are significant consequences for our youth in utilizing it.... What do you think? Should the government be basing the legal age of marijuana consumption on science or on this compromise that they're going back and forth on?

Does it even make medical sense to you that they would compromise to such a significant amount? That's not only in terms of having it at age 18, but I think you're well aware that under this legislation kids aged 12 to 17 can have five grams. Five grams, to my understanding, can be 10 to 15 joints. What do you think of the lack of respect for science in this decision that the government has put forth for age 18?

Dr. Laurent Marcoux: I will tell you—and I'll ask Jeff to go on with it—that it's damaging if they can at the age of 12, before they are 25.... If it's done a little every day for a long time, it will be damaging for sure. I don't know how we can manage it in the proper way.

[*Translation*]

Mr. Blackmer, would you continue with the answer, please?

[English]

Dr. Jeff Blackmer: I'll reiterate what I said before, which is that for us one of the most challenging aspects of the discussion has been around the age. We've been a little surprised that people haven't been more respectful of the evidence and the real potential for damage.

These are not theoretical lab models. These are studies, and we know that the earlier people start, the greater the damage, the more permanent it is, and the greater the likelihood of becoming addicted to marijuana. We have all the statistics. We have all the evidence we need in terms of the effects on education, career attainment, IQ levels, and all of these types of things, yet we keep hearing that we need to keep it consistent with the age of alcohol.

Again, to us, this argument doesn't hold water. We have a few concerns with the bill. This is definitely one of them. We'd really like to see more emphasis placed on health and safety, exactly as you're saying. This is really one way the government could show that it's serious: by taking the medical evidence more seriously than we think it has been to date. Again, we understand that there are other issues at play. We're very respectful of those issues. We understand the other priorities that the government and others have, but we continue to believe that health and safety should be the primary consideration.

Mr. Colin Carrie: It appears that it's going to be a huge experiment on the Canadian public. Unfortunately, they seem intent on moving that way.

Here's what I'd like to ask the Vancouver police. The federal government is moving forward with this and, as was brought up, with very limited funds available to the people on the ground. It seems that there is not a lot of money for enforcement tools, public education, training for on-the-ground police officers, or even the science when you guys are going to be tasked with deciding if a person is impaired while they drive. I've not seen a valid driving test. I've seen how you can tell whether somebody has consumed or not, but as for whether they are impaired, there is not even a scientifically valid test for that yet.

Do you think the government has focused on ensuring the necessary law enforcement and public safety dimensions are incorporated into the legislation, or do you think that's significantly lacking?

Insp Martin Bruce: Our concern would basically be the application at the street level. As you mentioned, determining if someone is impaired by marijuana while driving, for example, requires a drug recognition expert. For just one of those individuals, there's an intensive training course, and they have to be recertified every year.

The last figure I heard—I'm not sure that it's completely accurate—is that there are approximately 400 drug recognition experts in all of Canada at this time. If we're going to see a spike in impaired driving through the use of marijuana, our issue there will be whether we have enough resources on the street to have these experts trained in time to deal with it. That's the basis of our concern.

• (1700)

Mr. Colin Carrie: What about the blood test? Is that even constitutional?

The Chair: I'm sorry, Dr. Carrie. Your time is up.

Ms. Sidhu.

Ms. Sonia Sidhu: Thank you, Chair.

Thanks to all of you for being here.

My first question is for the Canada Border Services Agency. What plan does the agency presently have in place to ensure cannabis is not imported or exported for non-medical purposes, while also not slowing down border crossing?

Ms. Jennifer Lutfallah: We do have mechanisms to control the export of contraband goods. Is that what your question is focusing on?

Ms. Sonia Sidhu: Yes.

Ms. Jennifer Lutfallah: As part of the CBSA's mandate to support public safety and facilitate the free flow of individuals, we do control the goods entering or exiting the country. We use a variety of threat and risk assessment methodologies, intelligence, and supporting technologies to potentially identify contraband—in this case, marijuana—that is entering or exiting the country.

Ms. Sonia Sidhu: Thank you.

My next question is for the Vancouver Police Department. Any market for cannabis is, in effect, an illicit market; however, young Canadians presently have easier access to cannabis than they do to cigarettes, which are legal. How do you expect the legalization of and restrictions on cannabis to impact both the illicit market and youth access?

Staff Sergeant Bill Speam (Organized Crime Section, Vancouver Police Department): I guess our concern is that in allowing the homegrown, youth would have more access to marijuana, rather than trying to keep them away from marijuana by, let's say, putting it in a storefront. Having every residence in the country permitted to grow four plants would in turn give youth easier access to it than putting it behind a store shelf.

Ms. Sonia Sidhu: Are there any ways to detect cannabis use that do not require invasive searches such as blood tests? What training do police officers presently receive in recognizing impairment caused by cannabis use? Has any level of THC in the blood been agreed upon as indicating that an individual's ability to drive is impaired?

Insp Martin Bruce: We're aware of and in fact Vancouver police took part in a trial of screening devices at roadside. We're not sure exactly how that's going to work. In application, one of the devices requires the tongue to be scraped, so do we have a compliant individual at the roadside...?

Again, to make the determination as to whether someone is impaired, the drug recognition expert program, as was mentioned previously, is the principal way to do that. Most agencies, I would speculate, will not have enough members who are trained in that particular skill to cope with what we anticipate to be a rise in impaired driving due to marijuana. That's the dilemma.

Ms. Sonia Sidhu: Thank you.

To the CBSA, what kind of public awareness and education campaign relating to cannabis use will be implemented, prior to the coming into force of Bill C-45 in regard to border-crossing? Many cross every day. To escape the hassle, what kind of education will need to be in place before the enforcement of Bill C-45?

Ms. Jennifer Lutfallah: The CBSA will be undertaking a number of communications aspects to educate the public that the movement of marijuana across the border is still illegal. We will be putting signs at ports of entry. We'll be employing social media as well as updating a number of websites indicating what the obligations of travellers are coming into and out of the country.

Those are basically the types of methodologies we'll be using.

• (1705)

Ms. Sonia Sidhu: Do you think there is a need to implement the education now, before we implement Bill C-45?

Ms. Jennifer Lutfallah: I do believe an education campaign beforehand would be useful. We are undertaking some activities to that end.

Ms. Sonia Sidhu: Thank you.

The Chair: Now we have Ms. Gladu.

Ms. Marilyn Gladu: Thank you, Chair.

I want to talk a little bit about the border because my community of Sarnia—Lambton is a border community. I'm distressed to hear that with 290-odd days left to go before we are supposedly legalizing marijuana, we have no deal with the U.S. When you get to the border, declaring that you have done something that is legal in Canada, and you will not be allowed into the U.S., that's disturbing.

The other thing that is disturbing is that there are three treaties we signed that we would have to give notice of if we were going to breach them. These are treaties signed with the UN that I assume Homeland Security would be concerned about. To my knowledge, we haven't given notice. If we notified now, it would be January of 2019 before we could actually legalize marijuana in Canada without breaking our treaty.

Have you heard any of these concerns from Homeland Security?

Ms. Jennifer Lutfallah: I'm sorry, which treaties are you referring to?

Ms. Marilyn Gladu: The treaties are the 1961 Single Convention on Narcotic Drugs, the 1971 Convention on Psychotropic Substances, and the 1988 United Nations Convention Against Illicit Traffic in Narcotic Drugs and Psychotropic Substances.

Mr. Trevor Bhupsingh: I do understand those treaties, and I understand that there are discussions going on with Global Affairs and Health Canada with those international organizations around those conventions and the way forward for Canada.

Ms. Marilyn Gladu: All right.

One of my other questions has to do with the topic of mandatory testing once we legalize marijuana. Previously in my career I was director of engineering at Suncor, and we wanted to implement a zero tolerance policy for drugs. We didn't want people operating a refinery who were under the influence. The Supreme Court has declared that it is an invasion of a person's privacy to do mandatory testing. I'm concerned for, you know, Air Canada's pilots, and that I'll be flying on their planes, and for people operating nuclear facilities and chemical plants if there is no ability to do a mandatory test once it's perfectly legal for people to consume marijuana.

From a public safety point of view, could you comment, Mr. Bhupsingh?

Mr. Trevor Bhupsingh: I would just say that we're in discussions with various organizations. The provinces and the territories have the flexibility to engage in discussions with organizations that control such things as landlord and tenant acts, etc. With respect to the airlines that you mentioned, again, those discussions are ongoing in terms of understanding the implications for these various industries.

Ms. Marilyn Gladu: Yes, they're ongoing, but in 290 days they'll matter more.

I also wanted to mention to the clerk that with respect to the data we were talking about earlier in terms of the increase in impaired drugged driving that we've seen in Colorado and also Washington, I can provide you with the data my information came from. In fact I think tomorrow we're going to hear from Smart Approaches to Marijuana, who show a 145% increase in impaired drugged driving for marijuana in the 2013 to 2016 time period. I will send that to you, along with other information reported by sam.org that Washington saw a doubling once they legalized marijuana. It was a doubling from 8% to 17%. I'm happy to send that to the clerk as well.

I'd like to hear from the Canadian Medical Association a little more discussion about prevention. It seems to me that with all the effort spent to try to criminalize trafficking and all these various things, we're not focusing as much, or I don't see as much in Bill C-45, on trying to prevent people from getting on drugs in the first place. Could you comment?

Dr. Jeff Blackmer: Thank you very much for the question. It's very important.

Part of our submission is the importance of prevention, and part of that is education. It's helping young people to understand the risks of starting at a younger age and helping to disseminate the information they can use so that, again, they can make an informed decision in a way that currently they really don't have easy access to, with easy access to information in a way that they can digest. The way that young people consume information is very different from the way others might.

Part of our strategy would be to make sure that's available to them on different platforms and in different types of media so that they understand the risks before they undertake that. Definitely, part of the education needs to be a significant prevention strategy, as well as treatment, harm reduction, and all the other types of things.

I agree. I think we could probably see a little more of that, hopefully, as we get a better sense of what that education program will look like.

•(1710)

Ms. Marilyn Gladu: That's good. My time is up.

The Chair: We're moving on to Mr. Oliver.

Mr. John Oliver: Thank you very much.

This is for the Vancouver police. The committee did a study on the opioid crisis in Canada. We heard first-hand from first responders in Vancouver, so we're very aware of the situation you're dealing with and your ongoing struggle with the opioid crisis there, but I'll just come back to the question that I think was on the table at one time.

Under the federal legislation, on the prohibition for youth aged 12 to 18 for under five grams, there are no criminal federal charges for that. It would come down to the same as the liquor licence, I guess. It would fall under provincial legislation. The provinces would have to put in place mechanisms to control those situations. If you wanted to take or seize the under five grams from someone of that age group, that would be provincial legislation.

I know you've been experimenting with ticketing around some of this already. How has that been working? I think you've been using bylaw officers to issue tickets for violations for some of the cannabis. Has that model of prevention been working well for you?

S/Sgt Bill Speam: Our City of Vancouver bylaw officers have been issuing tickets to marijuana stores that are not licensed under the city's bylaws. A very small percentage of those have been paid. A number of them remain unpaid.

Mr. John Oliver: Thanks for that.

I have another question. I want to go back to the CMA. There's been a bit of discussion now about the age threshold and how to set that. Clearly, there are competing interests here. I think everybody is aware of the medical research that says, really, until the age of 25, you should not be using cannabis, but then there are other competing pressures. We know that 30% of people under the age of 30 are using cannabis, and we have one of the highest rates of cannabis use in the developed world. Also, there are black market concerns.

I've been a bit concerned about the tone from the CMA here today, which is sort of that the government is dismissive of or not paying attention to the medicine and science behind this. In the fall of last year, the CMA said in its position statement that 25 is the

“ideal minimum age” for legal purchases, but that 25 was unrealistic. Just as you've said, it's not going to be realistic to hold or prevent youth from accessing marijuana at the age of 25, but then you've put another lens to it and said that maybe it's 21. The government has put the same lenses to it and has said that maybe it's 18. I think it's best that we work together on this rather than that tone of “you're not paying attention to the medical science”. That's just my observation.

At the end of the day, I come back to this. If it's illegal, short of using criminal charges, how are we going to stop kids from doing it? One thing is to close down the black market as best we can, and there's been a lot of discussion about how effective the legislation will be on that, but the other is obviously education, education, education. Do you want to comment on what parameters you consider to go from 25 to 21? You've already talked about the education piece, so I won't ask for that again. I just wanted to soften your message a bit here on that.

[*Translation*]

Dr. Laurent Marcoux: First, I would like to make it clear that brain maturation does not follow a linear curve. It develops more in the first years of life. At that point, the brain develops in size a great deal. Then the connections become established. That is more or less how things happen.

[*English*]

Mr. John Oliver: I understand.

[*Translation*]

Dr. Laurent Marcoux: In the final years of maturation, there is a plateau.

We know that the earlier in life dependence occurs, the stronger it will become, because of the fact that the brain is perhaps more malleable and that habits are acquired at a younger age. As a consequence, the later cannabis consumption begins, the less dependence will develop.

In addition, it may be that, at 21, people have become socially and individually mature. At that age, they are sometimes looking at setting the course for their lives. It may be that education and information programs have allowed them to recognize the dangers associated with consuming cannabis and that they have become somewhat afraid of it.

The information and education that we have to provide to young people must also be closely linked to the research being done in the area. We are in the process of legalizing a product that, as scientists, we know little about in a number of respects. There is still a lot we do not know about this product and its effects.

• (1715)

[English]

Mr. John Oliver: I understand that, but I just want to come back to the point I made. If the CMA were really staying true to the science, true to the research, you would be here saying that the age limit should be 25, not 21.

Dr. Laurent Marcoux: Yes, I will ask Jeff to complete this.

Dr. Jeff Blackmer: I understand what you're saying. It's certainly not our intent to appear adversarial, but expressing a certain degree of frustration around some of the conversations I think is... I think we have been a bit frustrated by some of those conversations that have taken place.

You're right. To an extent, once you get between 18 and 25, it's going to be a bit arbitrary in terms of where you set that. We recognize that. That's exactly why we tried to take into account the different perspectives. One is to say, "To what point does the brain develop?" Also, then, what are some of the social considerations and the law enforcement considerations, and what does the data show? I agree completely. Whether you're saying 21, 22, or 23, I guess the principle is "the later the better", taking into account these other considerations.

We absolutely would like to work with the government to try to find a solution. I think our concern has been that it appears to us that the conversation maybe ended prematurely, and that we haven't necessarily had an opportunity to have further dialogue around what that could potentially look like. I think that's an opportunity we would welcome. We certainly don't want to appear adversarial, but we'd like to have those concerns taken into account.

Mr. John Oliver: Thank you very much.

The Chair: Your time is up. Thanks very much. Now we move to the three-minute round.

Mr. Davies.

Mr. Don Davies: Thank you.

Picking up on where my colleague Mr. Oliver was going, it strikes me as intuitive that you wouldn't want to damage your brain by taking anything that might alter your consciousness, and that as a young brain is developing it would be susceptible to more damage. That would be the thesis that I would have in my mind, but I want to test the science a bit on this.

Are there actually long-term longitudinal studies, peer reviewed, that show the impact of marijuana on developing brains? I'm curious as to how those studies would even have been conducted, given that marijuana has been illegal and given the ethical considerations. I mean, you can't have a control group of 15-year-olds that you're giving marijuana to—or not.

I'm just wondering about this. It's not that I doubt the intuition of it, but I am curious. As a health committee, we try to look at the science. How settled is the science on the score of the impact of cannabis on brains and brain development?

Dr. Jeff Blackmer: I would say that it's not entirely settled. There's no question that there's work left to be done.

To your point, I think a lot of the studies are really retrospective. They're about looking at people who have smoked in the past and looking at the impact that may have had. There are a lot of confounding variables there, such as socio-economic status and different types of educational opportunities, but in controlling for those, we do see a difference in terms of things like educational attainment, IQ, vocational attainment, and these types of things, and it does appear to be primarily related to cannabis consumption. The earlier the age, the higher the levels, and the greater the impact.

I agree that there is definitely further research that needs to be done. In states and in places where it's been legalized, I think we're at the beginning of that in a more prospective fashion and probably will gather more data over time.

Mr. Don Davies: Thank you.

In terms of age, I think Mr. Oliver also described some of the competing issues we have. I'm not suggesting this at this point but just as a concept, this government has chosen age 18 as the floor, and I'm thinking that a number of factors would at least suggest that it should be 19.

It sounds to me like the later you can delay the onset of cannabis use, it's intuitively better for brain development. Seven out of 10 provinces already set the age for drinking at 19, and it strikes me that there are fewer 19-year-olds in high school generally, so you would limit legitimate legal cannabis possession in high schools. That's competing against the reality that 15- to 18-year-olds are getting cannabis no matter what we do or say.

I'm just wondering about it. Given all of those things, would you suggest that 19—I think you've mentioned 21—would be a more reasonable floor, or are we just being arbitrary?

• (1720)

Dr. Jeff Blackmer: I like it better than 18, but to an extent there is some arbitrariness to it, I think. I understand the argument about driving people into the black market. I see all that. Again, understand the lens that we're using, which is the health and safety lens primarily. We leave the enforcement angle up to other people. We would still like to see it later than 19, again for the protection of the developing brain. It's very straightforward, and everyone understands.

We understand that the government has to balance all of these competing priorities. We're trying to do what we can, on behalf of our physicians and their patients, to have the best protection and the best consideration possible of health and safety in the legislation.

Mr. Don Davies: Thank you.

Do you have similar concerns with alcohol? Are the concepts the same?

Dr. Jeff Blackmer: They're very similar. As I alluded to earlier, a lot of people say, we'll make it 19 because that's what it is for alcohol, but in fact there's still debate and there's still controversy over that. I mean, that age limit was set a long time ago. A number of people who work in mental health services feel that this discussion should be reopened, and that perhaps a later age for alcohol as well would be appropriate. I'm not suggesting that we open that discussion today. I'm just saying that there is controversy around that as well in certain circles.

Mr. Don Davies: From a medical perspective...?

Dr. Jeff Blackmer: From a medical perspective.

Mr. Don Davies: Thank you.

The Chair: That winds it up.

I want to say thank you very much on behalf of the committee for excellent information. You were excellent witnesses. You provided us with a lot of information.

Mr. Oliver mentioned the opioid study that we did. We had first responders from Vancouver. Some of the most compelling testimony we had in two years came from those responders. We thank you and the police department and your first responders from Vancouver for helping us understand your perspective.

Thank you very much to the Canadian Medical Association and the CBSA, our border services. I appreciate it very much.

With that, we end the meeting. We'll see you tomorrow morning.

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