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Chair

Mr. Bruce Stanton

Standing Committee on Aboriginal Affairs and Northern Development

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• (1530)

[Translation]

The Chair (Mr. Bruce Stanton (Simcoe North, CPC)): Good afternoon, everyone. We are now starting the 34th meeting of the Standing Committee on Aboriginal Affairs and Northern Development.

Pursuant to Standing Order 108(2), today we are looking at the Nutrition North Canada situation.

I would like to welcome Ms. Leona Aglukkaq, Minister of Health.
[English]

Welcome to our discussion and panel this afternoon as we continue our consideration of this important topic on Nutrition North Canada.

I should point out that we will be hearing from officials a little later on.

Members, you will know that today we are meeting for approximately 1 hour and 30 minutes. We'll be adjourning at 5 p. m. for another informal meeting with parliamentarians representing the Arctic region. We'll try to wrap up as best we can just shortly before 5 o'clock, so that we can do the switchover and have as much time as we can with our guests.

Without any further hesitation, let's go directly to the minister.

Minister, welcome. Go ahead with your presentation.

Hon. Leona Aglukkaq (Minister of Health): Thank you and good afternoon.

I'm just distributing copies of photos I've taken. For the last almost 10 years throughout the north I've been taking photographs of food on the shelves. These prices are in my home store in Gjoa Haven. This is what we're up against and why we're here today.

It's my pleasure to be here again to discuss a program that is so important to those of us who live in Canada's northern communities. I have put a lot of time and energy into ensuring that this program works efficiently toward a system that's more consumer price-friendly and ensures a greater variety of nutritious food choices.

In 1960, 50 years ago, the Government of Canada recognized that northerners needed a regular supply of healthy foods at lower prices if they were going to include food such as fruit and vegetables as part of a balanced diet. For decades the federal government has been subsidizing the cost of shipping perishable and non-perishable food and other items to Canada's north. Today, items are provided to

70,000 people in 80 northern communities in Canada's territories and provinces.

We will not change our continued support for access to nutritious food. What is changing is the way we subsidize nutritious food. Items that were previously shipped by air are most times more efficiently shipped by winter roads or by sealift during the summer. This is a very significant change that makes a huge difference in the value being given to northern consumers through taxpayers' dollars. The food mail program needed to be changed because costs were increasing due to almost no limit on non-perishable items being shipped by air.

The intent of the program has always been to provide affordable and nutritious food to northerners throughout the year. Besides being the most expensive mode of transportation, air transport is often not the right way to ship foods to the northern communities.

Many non-perishable items could be shipped by boat at one-tenth of the cost. I'm looking forward to seeing the funds for this program focused on shipping nutritious food instead of non-perishable items. Marine transport is a significantly less expensive method of shipping. In Nunavut, for example, the per-pound rate for shipping by sealift is 23¢, as opposed to a food-mail subsidized rate of \$2.50 per pound by air. It does take more planning, but that is part of the reality of living in Canada's north.

Our government took on the difficult task of creating a new system that is focused on getting fresher food to the north in a more rapid and efficient way. It also has to be accountable and transparent in order for the true cost to be better reflected. As a result, the efficiencies of the new model will help make sure that northerners get the maximum benefit from the government subsidy for healthy foods. It will give northern retailers more control over their supply chain. They will cut out the middle man and make the supply chain more efficient. It will create incentives for greater quality control and less spoilage. It will create market conditions in which retailers are better positioned to offer more affordable prices. Fresh food will get to the shelves sooner, making it more attractive to consumers, and meaning there will be less waste of nutritious food.

We are in a period of transition. The Nutrition North Canada program takes full effect in April 2011, but a few weeks ago the subsidy for non-perishable items was eliminated. Back in the spring, retailers were advised that change was on the way so they could increase their orders for non-perishable items via sealift during the summer months. We announced these changes four months before this last sealift set sail so there would be an adequate supply. We hoped that with the advance notice there would be no need and no incentive to ship these often heavier items, such as canned goods, by aircraft.

As you know, I am responsible for the health portfolio, but I am also the regional minister responsible for the three territories. My own territory of Nunavut has the largest number of eligible communities under the food mail program, so the change to Nutrition North Canada is a significant one for the people I represent. The people of the north need milk, fresh fruit, and vegetables.

• (1535)

With the food mail program, where there were fixed dates for shipping food through Canada Post, there were often incidents of food spoiling before it reached its destination. There were incidents of food being sent on days other than prime days of the week for consumers—

Mr. Yvon Lévesque (Abitibi—Baie-James—Nunavik—Eeyou, BQ): Can you go a little bit slower?

Hon. Leona Aglukkaq: Sorry. I was told I had ten minutes.

The Chair: It's just the speed. Just go a little slower for the interpreters.

Hon. Leona Aglukkaq: All right.

As I have noted, by changing the way the subsidy is run and giving retailers more control over transportation logistics and methods, we enable the suppliers to get fresher food to the people they serve in a more efficient and effective way.

Canada's north is a vast territory and the needs of communities vary dramatically, but I am also confident that this new program is flexible enough to serve the needs of all of our northern communities.

Our goal is to get a better supply of fresher food flowing to the north. A bigger subsidy will apply to the most nutritious perishable foods, such as fruit, vegetables, bread, meat, milk, and eggs. Other less perishable items, such as assorted types of flour and crackers, and frozen combination foods, such as pizza and lasagna, will also be subsidized but at a lower rate. The best way to get the canned food and other goods that will no longer be subsidized will be by sealift and winter roads.

A good supply of fresh food is essential to the health of our communities and especially our children. An independent study by McGill University found that two out of three Inuit children in Nunavut are overweight or obese, and that the majority of children have intakes of fruit, vegetables, and milk that are less than the amounts recommended by Canada's food guide.

We can't blame the food mail program for those health problems, but those statistics make it clear that there are significant issues that

still need to be addressed. We cannot afford to have another generation of children growing up without access to affordable healthy food. A better supply of fresh food will make these foods much more appealing to families and children, and we hope fresh food will become a bigger part of the northern diet.

As I said, this is a period of transition. We are moving from a food mail program to Nutrition North Canada. It's not going to be easy, but it's going to be worthwhile.

Let's take a look at some of the things that it will do. First of all, it will provide funding directly to retailers and wholesalers who already ship large volumes of food and goods to the north. The subsidy for food suppliers will be based on the amount of eligible food shipped to eligible communities. It will also apply to personal orders, so that there is competition for northern retailers. Personal orders will also provide consumers with flexibility related to special dietary needs; it is a program that takes into account individual needs and the needs of communities. There will also be a subsidy for traditional foods, or country foods as we call them in the north. Food like Arctic char and *tuktu*, or caribou, that are part of the traditional diet of northerners and are processed commercially in the north will be eligible for a subsidy.

I am hopeful that as the Nutrition North program is rolled out and monitored, ways will be found to further strengthen and enlarge the country food dimension of the program in all regions. We know that country food is nutritious and has sustained aboriginal people for thousands of years in a harsh climate.

As well, Nutrition North Canada funding will be available for culturally appropriate retailer and community-based nutrition education initiatives to help maximize the impact of the food retail subsidy. These initiatives will promote awareness, knowledge, and skills regarding healthy eating and the selection and preparation of healthy store-bought and country food. We are encouraging retailers to display healthy food options and give nutrition tips in the local languages. We will support communities in hosting workshops on the sharing of traditional knowledge related to the harvesting of country food.

We are informing northerners more about Nutrition North Canada and how it works. That information will let them make the most of the new incentives under the program. These initiatives will build on national partnerships with retailers and strengthen retail-community partnerships.

One of the problems with the food mail program was that for years there was no effective mechanism in place for reviewing the program to consider the changing circumstances and environment of the north. It remained unchanged since it began 50 years ago.

•(1540)

I'm very pleased that the Nutrition North Canada program will include an advisory committee that will be able to monitor the program and recommend changes as may be required following the rollout of the new program. The advisory committee will be able to look at applying flexibility in special circumstances to eligible communities while staying within the framework of accountability and transparency. As well, through the advisory committee, representatives of the remote communities will have, for the first time, an influence on the evolution of Nutrition North.

Nutrition North Canada was developed in consultation with northerners who shared their experiences and advice on how we should proceed to support access to healthy foods, and together they will help shape Nutrition North Canada into a program that allows the people of the north to have a healthier diet.

Thank you.

The Chair: Thank you, Minister.

Before we go to questions, I'd also like to welcome the director general for the Department of Health, Kathy Langlois.

It's good to see you back. I know you've been before us in the past.

We also welcome back Patrick Borbey from the Department of Indian Affairs and Northern Development. You'll recall that Patrick is the senior assistant deputy minister, treaties and aboriginal government. We also have Jamie Tibbetts, director general, devolution and territorial relations branch.

We also welcome back Elizabeth Copland, who joined us in June for our very short meeting on this same subject. You'll recall that Elizabeth is the president of the advisory board for Nutrition North Canada.

Mr. Borbey or Ms. Langlois, did you have anything you wanted to add to the mix at this point? We can go straight to questions, if you wish.

Mr. Patrick Borbey (Senior Assistant Deputy Minister, Treaties and Aboriginal Government, Department of Indian Affairs and Northern Development): Out of respect for the time of the members, we'll just say that we are certainly in the middle of rollout and we'd be very happy to answer any questions the minister may want to pass to us, or we'll stay a bit later after the minister has to leave.

Thank you.

The Chair: Great. Perfect.

Well, let's go straight to questions then.

Mr. Bagnell, you'll be up first for the first seven-minute round.

•(1545)

Hon. Larry Bagnell (Yukon, Lib.): Thank you very much.

Thank you for coming, Minister. It's great you're a minister from the north, so you know what the situation is. It's very helpful.

You did mention at the end about this being developed in consultation. You might want to check the minutes from our first meeting on this—you don't have to look anything up, because I'm not even going to ask a question on this—but a lot of the witnesses said it just wasn't sufficient and they needed ongoing development of the program with far more consultation.

Also, just to go on the record, the people from Old Crow need an exemption because this just doesn't work for them, and I hope you'll support that.

My first question is related to the existing program. We've been told there's a list of eligible foods, which is updated periodically by Health Canada, and that Canada Post does inspections to make sure that's the food that's subsidized under the program. Is that your understanding of the existing program?

Hon. Leona Aglukkaq: That is not my understanding of the existing program. I do know that there items that are shipped up north that are not food. I'll use very real examples that are shipped from the south under food: tires, lumber, Ski-Doo parts. These are not food items. So when you start to use a program and start using it to subsidize non-food items, the retailers have to come up with the pricing for the food, so in the end it results in higher food prices.

Hon. Larry Bagnell: But those are items that were approved by the department. You can't ship everything.

Hon. Leona Aglukkaq: No, that's what was being shipped before....

One in ten, Patrick says, is inspected by Canada Post.

Mr. Patrick Borbey: About 10% of the shipments are inspected.

Hon. Larry Bagnell: Okay.

And I assume if the situation is going to get better... I'm delighted you brought some of these pictures. I have some of those too, but these are great. It shows the exact need to improve the program.

So I'm assuming you're committing that we're going to invest at least as much, or more I hope, if we're going to improve the situation in the program in the coming years?

Hon. Leona Aglukkaq: I can say from the Health Canada point of view that our department will continue to invest in promoting the program and the nutritional values of foods that are being shipped up north.

I can't speak on behalf of Minister Duncan, but what I can say is that we are committed to ensuring that the efficiencies are implemented within this program.

This review process has been taken over five years in the north. I have contacted and dealt with many mayors, and mayors forums, in which—

Hon. Larry Bagnell: Well, my question was just this: is there going to be more money?

Hon. Leona Aglukkaq: The money will be sustained for this program, but the thing that's not talked about is that we need to put the efficiencies in place to ensure that we're not wasting the resources that we do have on non-food items. That was my point with the example related to tires that I gave you before.

Hon. Larry Bagnell: Let's talk about non-food items. You and I both know—because we both have new babies—that diapers are pretty important. I would consider them pretty essential, but when Mary Simon was here, she was complaining that when these were taken off recently—and you'll have to check the minutes—I think the price almost doubled for a thing of diapers. You know how poor many of your people are. How can they afford such an increase? That would take away money they could otherwise use to buy food.

Hon. Leona Aglukkaq: I went and read all the transcripts from when people appeared before this committee. The example she used was particularly related to the Kuujuaq situation.

What I can say, as I said in my opening statement, is that every retailer in the north in the locations where this program applies was notified four months before the last sealift, so every retailer had the opportunity to ship non-perishable items that they usually ship on airlines to the ships.

In this particular instance, my understanding is that this particular store didn't do that, resulting in increased shipping freight...but every other community and, I think as you heard through Arctic Co-operatives and the Northern stores, every retailer had made the adjustments to ship the non-perishable items through the sealift this year.

• (1550)

Hon. Larry Bagnell: Okay.

You talked a lot about country foods, which is great. I'm glad it's part of the program. But as Mary Simon also said, and as you know, your communities and their hunters trade between communities, and it's very helpful in supporting them. They couldn't otherwise afford to live, probably. They need those country foods. But the program only works on commercially processed country foods, and you know there are very few. Cambridge Bay is one, but there are very few of those. Most of the country foods are not commercially processed, so the subsidy won't apply, yet you spent a long time talking about that in your speech.

Hon. Leona Aglukkaq: I think it's important to point out that country food has to be included, and this is a start.

It doesn't make any sense to me as a northerner. I am a product of the environment I grew up in. I eat seal meat, polar bear, fish, caribou. If I wanted to ship food from one community to another within the territory, I couldn't, yet I could ship up beef or pork, and it would be subsidized. The feedback from many northerners was that we needed to start somewhere to include country food for people who eat country food.

Hon. Larry Bagnell: Most of them aren't eligible.

Hon. Leona Aglukkaq: The first step is to deal with Cambridge Bay, Rankin Inlet, Iqaluit, and Pangnirtung. Those have commercial establishments.

The second one was to recommend to the advisory committee to review how we can expand the shipment of country food through, for example, hunters and trappers organizations throughout the north and to see if there is an opportunity to expand the program and review that. It is one of the areas we have asked the advisory committee to examine further to expand it. We all know that in the 50 years this program has been in existence, this has never been

included, and with the inclusion of country food for the very first time, it will be better reflective of the special dietary needs of aboriginal people in Canada's Arctic.

[*Translation*]

The Chair: Thank you, Mr. Bagnell.

Mr. Lévesque, you have seven minutes.

Mr. Yvon Lévesque: Thank you, Mr. Chair.

Welcome, Madam Minister.

At the very start of your opening remarks, you said that there is apparently no competition among northern retailers. I'd like to know how you plan to handle that.

[*English*]

Hon. Leona Aglukkaq: I don't believe that's what I had stated.

[*Translation*]

Mr. Yvon Lévesque: We will check the blues.

You also said that the program has not changed in 50 years. Is that correct?

[*English*]

Hon. Leona Aglukkaq: I didn't get the question.

[*Translation*]

Mr. Yvon Lévesque: You said that the Food Mail Program has not been changed in 50 years. Is that what you said?

[*English*]

Hon. Leona Aglukkaq: The items in terms of what may be included related to the foods, that was reviewed periodically—to add or to remove them—but in terms of how it's delivered and whatnot, fundamentally it has not changed in the last fifty years in the north.

It was the 1960s when this program was originally introduced, and I can honestly say that my family still lived off the land and travelled by dog teams. A lot has changed in that time. We have airlines. We have a number of airlines travelling throughout the north. There are proposed roads; there are now winter roads. Many changes have evolved in the north, which we need to consider in putting in the efficiencies into this program.

Status quo is not achieving the original intent of the program, and that is to provide affordable food to consumers. At the end of the day, I think people forget that this is to provide people...the seniors who live on fixed income, who don't have credit cards, who are unilingual, who cannot access the program through personal orders or through the stores because oftentimes those prices were not being passed on to them. There was a perceived view that the subsidy was not being passed on.

I could show you a picture of a watermelon in Gjoa Haven for \$60. I can tell you there is no subsidy related to that, and seniors—the consumers—can't afford to buy that. So fundamentally we needed to make some changes to ensure that ultimately, at the end of the day, the people who needed the program the most were able to access it: seniors, people on fixed income, the single parents, people on welfare. These are the ones who have the hardest time stretching the dollars in purchasing items, and you can see why.

So the last five years and six years of consulting northerners...and as former health minister in the north, and finance minister, I undertook to consult northerners on this very issue of what was important. And time and time again, it was transparency, passing it on to people who needed it the most, the need to continue to advise how to fix it, country foods. These are recommendations that came from many northerners who wanted to see a program they could access. The intent was great, but it was not being passed on.

• (1555)

[Translation]

Mr. Yvon Lévesque: Madam Minister, the Canada Post Corporation currently administers the program, but who does it get its mandate from? Who tells it which products it can transport and which products are subsidized? It is my understanding that it's the department.

[English]

Hon. Leona Aglukkaq: Personally, I think Canada Post should be in the business of dealing with transporting mail, not food. But—

[Translation]

Mr. Yvon Lévesque: Madam Minister, this is not what I am asking. The Canada Post Corporation was mandated to manage the Food Mail Program in the North, to obtain transportation at the best possible price, and so on. Who hands down this mandate?

Mr. Patrick Borbey: As you know, our expenditure budget includes a separate credit directly allocated to Canada Post. This contribution is managed under a fairly general contract with the department. We also consult Health Canada regularly when changes need to be made to the list of items eligible for subsidy.

Basically, Canada Post receives its directives from the department, but the directives for administering the program are very general. As the minister said, the program's basic design goes back several decades. Even though changes to things like the points of entry and the eligibility of goods have been made, the basic set-up remains the same.

Mr. Yvon Lévesque: I looked carefully at the photos you gave us. Unfortunately, my assistant, who was sitting behind me, took similar photos on visits to the territory. The photos showed not only the price—a high price at that—but also the condition of the food. In fact, the food did not look too appealing anymore.

According to previous testimonies and the Dargo report, I believe it was, when food was delivered to the airports concerned, it could sit there for some time because retailers often could not take the delivery right away. As a result, the food seriously deteriorated.

Would changing the program's name and how the program is applied improve food delivery by plane to retailers?

[English]

The Chair: Give just a short response, if you can, Minister.

Or you go ahead, Mr. Borbey.

[Translation]

Mr. Patrick Borbey: Actually, we have completely changed how the program is managed. From now on, instead of letting Canada Post make decisions about the best delivery conditions for goods, the

retailers themselves will place their orders and negotiate with airlines and shipping companies, in the case of goods being delivered by ship. So they can negotiate the best arrangements so that goods can be delivered when retailers are ready to receive them, and not only when Canada Post has a plane that needs to go to that community.

The retailers told us that they could make better business decisions, which would result in better quality and a better price for them.

• (1600)

[English]

The Chair: Very well. Thank you.

Go ahead, Ms. Crowder, for seven minutes.

Ms. Jean Crowder (Nanaimo—Cowichan, NDP): Thank you, Mr. Chair.

Thank you, Minister and staff, for coming.

I think what we've heard from people is that changes were definitely necessary for this program.

I have a couple of really specific questions that came up as a result of testimony, but I wanted a point of clarification first.

The department's website, on May 21, 2010, under “Frequently Asked Questions”, indicated that country foods or traditional foods have actually always been eligible but have been restricted because they typically do not come from eligible entry-point communities.

I would just like this clarified. I think we've heard mixed testimony about whether they used to be eligible.

Hon. Leona Aglukkaq: The way the program is designed right now—

Ms. Jean Crowder: I'm sorry, I mean under the food mail program.

Hon. Leona Aglukkaq: —yes—it basically describes the point of entry. The point of entry could be Winnipeg, as an example, or Val-d'Or, or Yellowknife.

Ms. Jean Crowder: So can I...?

Hon. Leona Aglukkaq: Just on that, if you were to ship country food, such as polar bears or seal—

Ms. Jean Crowder: You'd have to ship it down and back up.

Hon. Leona Aglukkaq: —you would have to ship it to Quebec from Nunavut and then ship it back up.

Ms. Jean Crowder: Okay. I just wanted to clarify that. So it was possible but highly unlikely.

Hon. Leona Aglukkaq: Yes, by basically identifying those points of entry, you've eliminated country food.

Ms. Jean Crowder: My understanding is that your department will be considering a possible expansion on country foods. We certainly heard that very clearly from people in the north.

Hon. Leona Aglukkaq: Yes.

Ms. Jean Crowder: Okay.

I have a couple of other really specific questions that came up. On the issue of personal orders, my understanding is that the way personal orders will work now is that there will have to be a retailer in the south who is an eligible retailer who has signed on to the program. So when placing personal orders, people will have to make sure that the retailer is actually in the program. Is that correct?

Hon. Leona Aglukkaq: Yes.

Ms. Jean Crowder: Okay. I just wanted to clear that up. So it's not like they have access to all southern retailers.

Hon. Leona Aglukkaq: No.

Ms. Jean Crowder: Okay. They have to meet all of those qualifications that are set out.

With regard to accountability and transparency, I have a couple of retail issues. I'll ask them all and then turn the floor over.

The documents on the department's website mention cash sales receipts, and my understanding, from listening to the retailers, is that they're not in favour, because they would have to change their whole cash register system. Could you clarify exactly how, at the retail level, people will know which goods and services are subsidized? That's number one.

Second, has there been any discussion of storage issues? It's fine to say that people need to bring things in by sealift, but there are storage issues, and not only for the retailer. There are also storage issues for families, because they simply may not be able to bring non-perishable goods in by sealift and have room to store them.

Could you answer those two questions? I'll figure out the rest of it in a minute.

Mr. Patrick Borbey: On accountability and transparency, you're right that one of the options looked at was having the subsidy applied directly at the till. At the end of the day, for technology and cost reasons, that option wasn't feasible. So the subsidy will be applied based on the waybills submitted by eligible retailers, and will be verified against the eligibility of the goods. That's how the mechanics are going to be worked out.

For the consumer, the retailers are committing to make that subsidy very visible at the retail level.

Ms. Jean Crowder: Through signage and so on.

Mr. Patrick Borbey: Through storage, signage—

Mr. Jamie Tibbetts (Director General, Devolution and Territorial Relations Branch, Department of Indian Affairs and Northern Development): On the cash registry too.

Mr. Patrick Borbey: —and right on the cash registry so that they can see—

Ms. Jean Crowder: Sorry to interrupt, but I understand that the cash registry receipts won't reflect it.

Mr. Jamie Tibbetts: It will be on the cash register receipt, the amount of...the rate per community. It will not do the math for you, but you'll be able to know that your community is receiving \$3, or whatever the amount might be, of subsidy for goods.

Ms. Jean Crowder: Okay—and that's per kilogram of weight.

One of the questions that came up from the witnesses was on what kind of oversight mechanism will be in place to ensure that the retailer actually passes on the full subsidy rate. I know that's difficult, because there's inflation, and all kinds of costs go up, but how will the consumer know they're getting the full benefit of the subsidy?

•(1605)

Mr. Jamie Tibbetts: As you know, the Government of Canada does not set the price. We're in a free market world, so we do not set the price on anything much in our society. However, in the claims processing, the companies we sign up in the program will have a contribution agreement that will give us the leverage to enforce accountability and control mechanisms, as well as the other parts of transparency we're requiring.

So each month when they submit their claims to us with their waybills and invoices—it'll be likely data with the larger companies—they will attest that they did pass it on. They'll submit those invoices and other documents so we can do the accounting and cross-checking. We'll get pricing on the goods sold so we can do an analysis by the northern food basket. Those levels of internal controls will be built into this.

Ms. Jean Crowder: On the northern food basket, that's going to be a consumer price look. So if somebody seems to be charging more than reasonable in the northern food basket, will that be a trigger for you to look at whether the practices are fair and reasonable?

Mr. Jamie Tibbetts: Correct. In our contribution agreements, the Government of Canada has the right to audit all recipients under the Federal Accountability Act and other terms and conditions set out by Treasury Board that apply.

All that aside, from our dealings with the major companies in this marketplace, they look at this as a consumer-based subsidy. There's not a lot in it for them to hold it back. They're trying to get traffic in their stores. They see this as an option—

Ms. Jean Crowder: Sorry, can I just interject for a minute?

How much time do I have, Mr. Chair?

The Chair: You have about 20 seconds.

Ms. Jean Crowder: I won't have time for my next question, so go ahead.

Mr. Jamie Tibbetts: Their corporate images are important to them as well. They will pass it on, we believe, but we'll also have the accounting and control mechanisms to ensure it happens.

Ms. Jean Crowder: Thank you.

The Chair: Thank you, Ms. Crowder.

Now we'll go to Mr. Dreesen for seven minutes.

Go ahead.

Mr. Earl Dreeshen (Red Deer, CPC): Thank you very much, Mr. Chair.

Thanks to all the witnesses.

Madam Minister, let me thank you for appearing here this afternoon. The committee is very fortunate to have this opportunity to learn from your experiences, not just as Minister of Health, but as someone who, along with family and community, has seen the need for a nutritious food program.

As a northerner, could you please elaborate for the committee on some of the problems you encountered with the old food mail program, based on your own experiences as a consumer, as well as what you've heard from your constituents in your role as a member of Parliament?

Hon. Leona Aglukkaq: Thank you.

The conversation around food mail in the north has been an ongoing one for quite a number of years now. The most common concern and complaint I've heard, particularly from elders, is that the cost of food continues to increase. Most people who are unilingual don't even know there's a food mail program, as I mentioned earlier. These are seniors on a fixed income, students, single parents, and people on income support; many of these individuals don't have access to credit cards to even do a personal order to ship more affordable food.

You saw what I pay for in my hometown. That's one of the biggest concerns. There was a perception that the subsidy was not being passed on and there's no way of checking. How do we ensure this program is being passed on to people who need it the most? There was no mechanism in place. There was no one to go to for input, the fact that we subsidized the shipment of pork and beef up to Canada's Arctic but we don't ship our own food that we eat.

Food security is not just about affordable food for northerners. The other part that is not often talked about is that food security is also about the ability of aboriginal people in Canada's Arctic to continue to eat the country food that is within their jurisdiction. For example, we have people who advocate the seal hunt or the polar bear. When you only have the five wildlife that you can eat, pretty soon there is very little left that we can eat within our own territory in Canada.

People often forget that this is about food security of aboriginal people. When it comes to that, it's not just about shipping food up here. Food security has to be looked at in parallel. For us, it's to continue to fight to hunt the food we've grown up with. The second part is to continue to get affordable food in our stores.

In terms of my own experience, in the last few years I've taken it upon myself to take photographs of the stuff I've seen—the \$200 turkey, the \$65 T-bone steak, and all of this stuff. The other part we don't talk about is that many mothers can't afford milk but they can afford a can of pop. So they'll give their child a pop instead of milk because it's cheaper and it stops the child from crying. We're dealing with tooth decay in infants. We're spending millions of dollars transporting infants for surgery to have their teeth extracted because of that. We're seeing a lot of these other indicators that this is not

working and that affordable, healthy food is not getting to people. The health indicators we're seeing particularly among aboriginal people is diabetes, obesity, and tooth decay.

Really, the need for change is now, in this area. More importantly, you know, we say we're really the last generation that.... Our kids will not live to be our age at the rate we're seeing obesity in children in Canada. We need to start focusing energy around exercise and healthy eating.

Generally speaking, those are the concerns of northerners that we hear around this program and other things.

• (1610)

Mr. Earl Dreeshen: You also talked about things like tires, and brought up the subsidized pop and so on. Are there other types of things that you saw in the old program that really drove home how this thing had kind of gone off the rails?

Hon. Leona Aglukkaq: There's stuff being shipped that is not food. These are real stories. I have my colleague here, Senator Patterson, who also heard testimony from northerners. They buy their tires in Ottawa, or Ski-Doo parts, or lumber parts, or snow machines, and ship them through food mail subsidy.

At the end of the day, the program resources that we do have really need to focus in areas like that. There are stories of that nature throughout the north. Lumber is another example.

So it was really to try to get those concerns heard. I think what's being implemented now reflects the concerns we heard time and time again from people who use this program.

Mr. Earl Dreeshen: I think it's so important that now we're looking at the focus being on health. Basically, then, why has it taken so long for this to take place?

Hon. Leona Aglukkaq: That's a good question. I can say on the consultation that, as health minister for Nunavut, I presented the information to Minister Strahl in May 2008. It was actually the last month that I could fly, because I was eight months pregnant. I was trying to get the message from northerners to the federal government to change the program.

I think within the timeline, that information was presented. I mean, there was consultation with other Canadians as well, but we were asked at that time. From 2008 until now, we have been able to roll out the program very quickly, but we needed to do the necessary background work to make sure the retailers and whatnot were onside to ensure there was the smooth rollout of the new program.

Mr. Earl Dreeshen: I think one of the other things that was talked about was the consultative process. Are you satisfied there's been a sufficient consultative process in trying to reform this program?

Hon. Leona Aglukkaq: Yes. Nunavut's the largest user of this program. There are 25 communities in Nunavut. My riding is larger than the province of Ontario. This is the core of how we bring our goods to the north.

Am I satisfied with the consultation? Absolutely. I've met with mayors in 25 communities and I presented this situation. There was a unanimous resolution put forward from Nunavut mayors on the need for it to change.

The previous territorial government mandated us to lobby for improvements to this program because we were seeing the health indicators in our population due to unhealthy eating habits. That was the previous government. And Nunavut Tunngavik Incorporated, a number of stakeholders throughout the north, not just in Nunavut but throughout NWT and Yukon, provided written submissions as well.

Four years is a long time to consult.

• (1615)

The Chair: I'll have to hold it there, Minister.

Mr. Earl Dreeshen: Thank you very much.

The Chair: Thank you, Mr. Dreeshen and Minister.

I think we've got time for a few more questions while the minister is still with us.

This is a five-minute round, and we'll go to Ms. Neville.

Hon. Anita Neville (Winnipeg South Centre, Lib.): Thank you, Mr. Chair.

Thank you, Minister, for being here.

You talk about this taking so long. I just want to let you know that this committee actually raised it with Minister Strahl in November 2007, so we're pleased to see it here.

Given your commitment to the program—and you mentioned earlier that you have read all the testimony the committee has heard to date—based on the testimony that we've heard so far, and that you have read, do you have any additional recommendations you would make to enhance the program or make it stronger?

Hon. Leona Aglukkaq: Thank you for that.

First of all, based on what I have read, it's concerning to me that nobody talks about the consumers—the elders, the people who can't afford these types of prices in the stores. There's a lot of talk about the retailers and the airlines and the trucking industry and Canada Post, but nobody talks about the person: the person in the stores paying these kinds of prices and trying to stretch their dollars as far as they can, particularly in Canada's Arctic. That concerns me. I think that should be the focus of this committee: how we ensure that the consumer gets the best price for nutritious, affordable food.

The second point is that in terms of going through some of the testimony, there are some things that are not quite correct and that we need to continue to make sure we correct and promote. There is a perception out there—and there is some lobbying going on where there's a bit of fearmongering—that prices will escalate. That's really not the case.

In fact, because it's cheaper to ship through sealift, I'm convinced that the prices we see on our shelves for things like diapers will actually decrease. The example I gave was 23¢ per pound, versus \$2.50. It doesn't take a rocket scientist to figure out the math on that. And that's shipping from Montreal to Iqaluit.

So there is that kind of perception and misinformation. We're going to have to work on getting that information to consumers. People are frankly quite fearful that it's going to get more expensive. In going through this process, we've really looked at making sure we mitigate any of that and that the subsidy is being passed on. Again, I think that is not reflected.

I really believe that information going forward really reflects the number of recommendations across the north that I have heard. But on an ongoing basis, we will also have the mechanism for input through the advisory committee. I am hopeful as we roll out the program that the advisory committee will be able to tackle those issues immediately and not wait for 30 years to address them.

In that way, I am quite satisfied that what is being proposed is in the right direction.

Hon. Anita Neville: I haven't very much time, but I have two quick questions, and they probably don't have quick answers.

First, have you appointed the other members of the advisory committee? We're fortunate to have the chair here today. Have other members been appointed? Could you advise us?

Second, have you or your department developed measurements, criteria, to show the potential impact on individuals of having access to healthy food, nutritious food—you're concerned, as I think we all are, about the consumer and the individual—and what the impact will be on health?

• (1620)

Hon. Leona Aglukkaq: On the appointment process, we ran a public ad campaign, which I believe closed sometime in August. Those names are currently being reviewed. The Minister of Indian and Northern Affairs will be making an announcement shortly on the remaining board members.

In terms of the initiatives undertaken through Health Canada on nutritious food and whatnot related to prenatal, as an example, and diabetes, a number of initiatives have been undertaken to focus on healthy eating. Of course, to actually eat healthy food, you need affordable food.

Hon. Anita Neville: That's my point.

Hon. Leona Aglukkaq: So in my view, this would tie in nicely with many of those initiatives already being undertaken through Health Canada and across the first nations health branch as well as PHAC.

Again, ultimately it's the access piece that was missing from many prenatal and diabetes initiatives and things like that.

Hon. Anita Neville: So you have some kind of measurements in place.

Hon. Leona Aglukkaq: Yes. It will be a long-term....

Perhaps you can speak to that quickly.

Ms. Kathy Langlois (Director General, Department of Health): Yes.

In terms of evaluation, we have a number of plans. For each of the contribution agreements we'll have for the retail and community nutrition initiatives linked to this program, there will be annual reporting about what has actually been done. Ultimately we're looking at special studies that will look at raised awareness, raised knowledge, and raised skills with respect to how to buy healthy food and prepare it. The studies will also look at the changed practices people have around healthy foods and communities. We'll be doing special studies as well as our annual reporting.

The Chair: Thank you very much, Ms. Neville and Minister.

Now we're going to go to Mr. Clarke for five minutes. He will be followed by Monsieur Lemay and Mr. Payne.

Let's go to Mr. Clarke for five minutes.

Mr. Rob Clarke (Desnethé—Missinipi—Churchill River, CPC): Thank you, Mr. Chair.

Thank you, Minister, for coming.

I'd like to thank the staff for coming in as well.

This is a 50-year problem that's been affecting northerners. I have communities in the north that are also suffering. Back in 2006, Minister Prentice was the minister who wanted to bring these changes forward. In budget 2010, the government committed an additional \$45 million over two years, which brings the total funding up to almost \$60 million.

Minister, you mentioned a really good point: this is for food, not for snowmobiles, not for timber, and not for vehicle parts. This is a program that was out of control. I think with the committee here we have to get this thing back on the rails and deal with the nutritional issues facing northerners as a whole. All these vehicle parts can be hauled in on the regular freight liners and ocean liners during the season.

My colleague Mr. Bagnell brought up an issue here, a good concern, with regard to Old Crow in the Yukon. I'm just wondering, on the points he raised, how the concerns of Old Crow are being addressed.

Hon. Leona Aglukkaq: Thank you for that.

I'm going to have the staff elaborate on that, but we did address the concerns of that community.

Do you want to elaborate?

Mr. Patrick Borbey: Okay, and my colleague can help.

Old Crow is the only community in the north that doesn't have regular access to sealift or a winter road. Therefore, it is an exception for that reason. All other communities, normally, in a given year, have winter roads or a sealift or both. We have designed the program to allow non-perishables and non-foods to continue to be shipped to Old Crow to recognize that.

Now, if the situation were to change, if a sustainable winter road were to be built, then of course we would want to make sure that it was used to ship those products.

We've been talking to the chief. We've been talking to the community. In fact, we are going to have people actually go and visit

the community and sit down directly with them to talk about their concerns.

Jamie, maybe you can add to that.

Mr. Jamie Tibbetts: The weaknesses of the former program were things related to accountability: being able to track what was being shipped and being able to report on some of the health indicators and whatnot. The current program will start addressing that.

Old Crow will still be subject to the same accountability framework as other communities, but the personal orders situation will exist. They'll be able to order from anywhere off that list, not just from Whitehorse, for instance. It will allow the market forces to adjust and ensure that supply is available to people.

The situation there is a little different in that we have the airline doing the shipping and acting as a retailer, so we don't have the level of control around what's being shipped and the data we would get elsewhere. So I think that when we go to sit down with the community, the representatives from the North West Company and other companies will be with us to help explain how this will work and how it will benefit them as it will benefit everybody else.

• (1625)

Mr. Rob Clarke: During our testimony we heard from some large-chain retailers on the pricing. From my point of view, it looks like some of the retailers didn't do adequate planning when this program came into place. Now the people who have to purchase the products are suffering because of the retailers' misjudgment.

I'm wondering about the small, independent retailers and how this is being addressed.

Mr. Patrick Borbey: The vast majority of the retailers are under three companies: the Arctic Co-operatives, the North West Northern stores, and La Fédération des Coopératives du Nouveau-Québec. They represent probably about 95% of the businesses we'll be working with. The other 5% are in the hands of some of the small independent retailers. Some of them only have milk or fruit products. They would probably be better served, instead of trying to order by themselves through the airlines, by going through a southern-based retailer and using the personal order feature to work that out.

There is one independent retailer in Kuujuaq, the one that posted the price increases...and I need to tell you that this independent retailer was advised, just like everybody else, of the changes. There have been three sealifts to Kuujuaq, including one that sailed after the price increases were posted. The cost per kilogram for diapers to go to this community is about 37¢. It costs \$2 to the taxpayer and \$1 to the retailer per kilogram to have the same diapers shipped by air. Both the retailer and the taxpayer are losers because of the less than efficient decisions made at the retail level.

This program is about making retailers accountable for their decisions—accountable through their communities but also accountable through the program. So the competitor of that retailer ordered through the sealift and has the same diapers at the regular price next door. Again, the market forces should prevail. Don't buy diapers from the retailer who didn't manage his affairs properly.

[Translation]

The Chair: Thank you, Mr. Clarke.

Mr. Lemay, you have five minutes.

Mr. Marc Lemay (Abitibi—Témiscamingue, BQ): My colleague from Abitibi—Baie-James—Nunavik—Eeyou is very concerned about this issue.

Madam Minister, I was surprised, if not shocked, when you asked that the committee take care of the consumers who will benefit, let's hope, from this program. I can assure you that this will be part of the committee's concerns. We started this study specifically to make sure that the money invested benefits consumers.

Personally, I am concerned about the fact that we were told last June that the advisory committee would be formed in September or in October at the latest. I see today that it has not been created yet. This is our third Minister of Indian Affairs and Northern Development. That's my first observation.

My second comment has to do with whether there will be an interdepartmental committee within the government with officials from the Department of Health and the Department of Indian Affairs and Northern Development, in order to monitor, implement and enforce this program, or whether you intend to create one.

[English]

Hon. Leona Aglukkaq: Thank you for the consumer-focused review. Thank you for that. I think sometimes we forget that these are the people who need the program the most, so I really appreciate your supporting that.

Concerning the advisory committee, I'm not entirely familiar when it will be announced, but we did go out and seek names from various jurisdictions where this program applies. They will be making announcements around that shortly.

In terms of departmental representatives to monitor this, absolutely, there is an interdepartmental working group with Health Canada, INAC, Transport—

Mr. Patrick Borbey: And Treasury Board.

• (1630)

Hon. Leona Aglukkaq: —yes—who will be overseeing the implementation and rollout of this program. They will monitor it, but at the same time they will communicate the changes that are being rolled out for the next year.

Thank you.

[Translation]

Mr. Marc Lemay: Thank you.

The Chair: Mr. Lévesque, the floor is yours.

Mr. Yvon Lévesque: Madam Minister, we know that Canada Post is currently responsible for charging carriers a one-time shipping fee, or price, in order to ensure that each retailer pays the same price for materials or food products as everyone else. You also mentioned that some roads are now accessible during certain periods of the year. Shipping by boat is also available.

What is the storage timeframe for retailers in the north? We are also being told that every retailer will be able to conduct negotiations

with a carrier at the right time, based on his own needs. How will the retailer be able to get the same price as a single carrier who has bid for a subsidy?

Mr. Patrick Borbey: In terms of rates, whatever the retailer is being charged—or the consumer for individual orders—is the same in the north of Quebec. The price is different for Nunavut or for the Northwest Territories, but it stays the same within the same region.

So the price varies. A kilogram of goods sent to Gjoa Haven, the minister's community, is much more expensive than a kilogram of goods sent to the north of Ontario. The current program has the federal government paying for the entire difference. Each time a price goes up or the price of oil goes up, the government absorbs the increase.

When it comes to retailers, I said a little earlier that there are three chains of retailers that still have great buying power. They then negotiate the arrangements, taking into account their transportation needs. So it is not just healthy or nutritious foods, but also whatever they need to send to the stores in the various northern locations. As a result, they will be able to negotiate better methods, better rates and better terms and conditions.

That makes a lot more sense than saying that vegetables will arrive on Tuesdays because that is when Canada Post delivers vegetables in that community. So vegetables will perhaps be sent on Mondays, Tuesdays, Wednesdays and Thursdays, and not only once a week. That will also have an impact on the quality of the food at the counter.

Those are the arguments for improving the effectiveness of the market. I hope that answers your question.

The Chair: Thank you, Mr. Lévesque.

I believe Madam Minister only has one hour for us this afternoon.

[English]

Are you okay with taking a few more questions? I was given to understand that you might have to go after the hour.

Hon. Leona Aglukkaq: I have a meeting, but I can take a few more questions.

The Chair: Okay. We'll go for a couple more questions until you need to leave. The meeting carries on until 5 o'clock.

I have Mr. Payne, followed by Ms. Crowder, and then Ms. Glover.

Go ahead, Mr. Payne, for five minutes.

Mr. LaVar Payne (Medicine Hat, CPC): Thank you, Chairman.

Thank you, Minister, and all the officials for coming today.

I have found this extremely interesting. One of the things that I've found quite disturbing, actually, is the issue of pop versus milk. I understand you've been working with communities all across the north, including, I understand, Nunavut, but what about the other territories? How has that worked in with your desire to change this program?

•(1635)

Hon. Leona Aglukkaq: Of course a lot of the products are also shipped from the Northwest Territories into Nunavut. From the western part of Nunavut, the NWT is the hub for fresh produce and whatnot.

In terms of concerns or improvements that were being sought in the NWT, it would be around country food as well. It has to reflect the dietary needs of the population that it serves. And a lot of what we ship up here from the south is quite foreign to many people up north. We're seeing some the results of that—diabetes and whatnot.

The concern is around affordable food, really, and very similar to what we hear in Nunavut. Honestly, I go through the stores in every community I go to and I do a price check. It's been my pet project for the last few years. I find it absolutely appalling to see watermelon for \$60. How do you justify that? It has to change. I think northerners recognize that, and we need a voice for the people of the north.

The other thing is that this will allow the advisory committee to monitor what's going on at ground level. Whether we're seeing the subsidies posted, and people are understanding it, and we're delivering programs—that's a key part of the whole program. Again, that's very similar to what was raised by other jurisdictions or other territories.

Mr. LaVar Payne: In terms of the advisory committee, do we know the numbers and where they'll be coming from? I think that's an important element in determining how they will be able to review all the pricing and provide the input.

Hon. Leona Aglukkaq: My understanding is that the ad was placed in areas where this program is used, and a number of resumés were received. Those are being looked at from the very point you've raised, so that it reflects all the jurisdictions where the program is administered.

Mr. LaVar Payne: Okay.

During some of the discussion there was talk about eligible retailers and being able to place personal orders from somebody in the south. We heard about the co-ops and so on.

If another company wanted to participate in this, would they be eligible to either sign on or become a type of subcontractor to one of these other organizations?

Hon. Leona Aglukkaq: I'll get Jamie to elaborate on that, thank you.

Mr. Jamie Tibbetts: By December 1, along with the rates, we'll be publishing criteria for the recipients for the selection of those so that they'll know what they're signing on to as we negotiate the new contribution agreements.

Your question was about eligible retailers...and that criteria will determine it. We anticipate 25 to 40 retailers in the southern.... The northern retailers that do not want to sign on directly with us can get their products from southern wholesalers, for instance. So that would be like subcontracting.

Mr. LaVar Payne: Are there any other similar programs elsewhere across Canada?

Hon. Leona Aglukkaq: I'm not aware of any.

You may be, Patrick.

Mr. Patrick Borbey: Some smaller programs subsidize specific categories of food and during specific times of the year. Newfoundland and Labrador has a program. In northern Quebec there is a program where the price of a very limited number of goods is pegged so that every community across northern Quebec has the same price for milk, let's say.

Those are some examples. We looked at them, but they're very narrow—only a small number of eligible goods—and they don't reach the full spectrum of what we're looking for with our program. But we certainly took that into consideration. Certainly some of those programs, combined with the new Nutrition North Canada, will have an even better impact in those communities.

The Chair: We'll have to leave it there, Mr. Payne. I know the time goes very quickly.

Mr. LaVar Payne: I had one more.

The Chair: We'll have to let that wait.

Ms. Crowder will have the last question while the minister is here, and we're going to let her go in about five minutes.

Just on your timeline, Ms. Crowder, go ahead.

Ms. Jean Crowder: Thank you.

Again, this is probably some technical stuff. On May 21 the website again indicated which communities would be eligible for the new retail subsidy program. I think you're aware, from the testimony we heard, that there is a lot of confusion around which communities were or were not receiving subsidies under the old program.

The website says that communities that have not been using the food mail program will not be eligible for the subsidy under the new program, but that there would be a process if a community wanted to ask to be reconsidered. I wonder if you could talk about that process.

It also indicates that INAC will be able to track the data for their shipments and food prices. So will it be INAC or Health Canada?

•(1640)

Hon. Leona Aglukkaq: Health Canada is involved in the nutritional part of the program.

Ms. Jean Crowder: So who does the tracking part?

Hon. Leona Aglukkaq: They're involved in terms of the nutritional products part of the subsidy.

In terms of the day-to-day management of the program, that's done by INAC. Health Canada is involved strictly on the health side of things and the nutritional angle of it and with how we're doing some of those promotions within the community as they link to the items being subsidized. But in terms of day-to-day management, it will be INAC that will be managing that.

Ms. Jean Crowder: Just before I go on, will the contribution agreements and whatnot come out of INAC, not Health Canada?

Hon. Leona Aglukkaq: Yes, that's right.

Mr. Patrick Borbey: We can explain very quickly how the eligible communities are determined.

Mr. Jamie Tibbetts: The eligible communities were selected based on the 2009-10 data from Canada Post, which we received in September. There was an initial list put out in May, but it was basically reconfirmed. The communities that received 15,000 kilograms of shipments through the food mail program last year are automatically eligible.

We did add a small-community factor. Chevery, Quebec, was added recently, based on a mathematical calculation of \$48 per individual, which is used so that small communities won't be negatively impacted.

To go to your process question, we'll continue to collect data for those communities that are under that 15,000 kilograms. The advisory committee will review the list annually and if a community starts to use the program, they could be added to the list in the future.

Ms. Jean Crowder: Is there a way for communities that are currently excluded to make a case for inclusion?

Mr. Jamie Tibbetts: We'll do it through the data collection, yes, but—

Ms. Jean Crowder: They're not currently included, though.

Mr. Jamie Tibbetts: —they weren't really excluded: they weren't in the program initially. So they didn't lose anything in this.

Ms. Jean Crowder: I guess my point here is that there seems to be a general lack of awareness around the old program. So I'm wondering if there were communities that, because of their location, could have been eligible but didn't use it.

Mr. Jamie Tibbetts: What was more likely to have been happening was that a retailer found cheaper ways of shipping goods into that community than Canada Post, or more efficient ways.

Ms. Jean Crowder: So my question then would be that if they found cheaper ways under the old system, they may be eligible for the subsidy under the new system.

Hon. Leona Aglukkaq: They may not need it.

Mr. Jamie Tibbetts: Right—because if shipping was higher in those other communities, our subsidies would bring those down towards competitive, but if there are major changes, then we'll reassess it.

Ms. Jean Crowder: Okay, so if they wanted to be reconsidered, how would they go about doing that? You won't have data because they're not in your system.

Mr. Jamie Tibbetts: Talk to me and my staff.

Ms. Jean Crowder: Talk to you. Okay.

That's what I want, a name: I've got your name.

Voices: Oh, oh!

Mr. Jamie Tibbetts: And the agreements will be between... The retailers will have data, and we'll be collecting it through them.

Ms. Jean Crowder: Okay. So there is a way to reconsider communities.

Mr. Jamie Tibbetts: It was the major weakness under the food mail program. We had no data on what was actually happening and we couldn't measure the success of the program—or its failure, for that matter.

Ms. Jean Crowder: I think it's Mr. Borbey who indicated that on December 1 the retailers will know what the criteria will be. That was a criticism that we'd also heard.

Mr. Jamie Tibbetts: The plan is to release the rates by September 1. We issued fact sheets to all the retailers in the first week of June on how the program was going to work, and we've been engaging them all summer.

Ms. Jean Crowder: I think they were confused, though, about rates and how specifically the program would work. There's some general information about how the program is going to work, but the specifics aren't there.

Mr. Jamie Tibbetts: The rates will be comparable to the existing ones. I can't really tell one company the rate and not the other, because of competitive advantage. But the three or four larger companies have seen how we're doing this and they're comfortable at this point where we're at.

Ms. Jean Crowder: It's not exactly what we heard at the table here from the large companies. There was some concern about not understanding how it was going to work.

Mr. Patrick Borbey: We couldn't really establish rates until such time as we had the final data from Canada Post from last year. We now have that and we've been doing the analysis, and that's why we'll be able to issue that information on December 1.

Ms. Jean Crowder: Thank you.

The Chair: Very well.

We're going to suspend for about three minutes just to allow the minister to get out.

I would ask the officials to hang in there, though, until we finish the meeting.

We'll suspend for a few minutes.

- _____ (Pause) _____
-
- (1645)

The Chair: We'll continue.

We're going to go to Ms. Glover...

Is Ms. Copland still here?

Mr. Patrick Borbey: She's going to be back.

The Chair: She's going to be back momentarily? That's fine.

Ms. Glover is next on the list.

We'll come to you after that, and then Mr. Bagnell would like to go as well.

Mr. Lemay.

[*Translation*]

Mr. Marc Lemay: A point of order.

Are we planning on adding an extra hour? I know that Mr. Clarke wanted us to hear from another witness, maybe more.

Can you hear the interpretation, Rob?

[*English*]

Mr. Rob Clarke: It wasn't working.

[*Translation*]

Mr. Marc Lemay: I thought you were just innocently looking at Mrs. Glover.

All right, let's be serious. I wanted to know if we could add an extra hour. Perhaps someone from Valpiro and someone from Mr. Clarke's riding would appear before the committee. Will we take care of this right away?

[*English*]

The Chair: We can't entertain that question right now, on a point of order.

I have Ms. Glover as the last person on the list, and then we'll see. I have Mr. Bagnell.

If you're recognized, and we have time, we'll consider that question.

Let's go to Ms. Glover.

Ms. Shelly Glover (Saint Boniface, CPC): Thank you, Mr. Chair.

Thank you to the witnesses, again, for being here.

The minister has left, but she brought pictures that were circulated. For the viewing public, I think it's important that we indicate exactly what's in these pictures, and they don't have the benefit of seeing what it is that we're seeing.

Could one of you take a moment and explain to us what's in the pictures, and perhaps the prices that are listed? I think what the minister was trying to say is that the pictures show very clearly that the food mail program does not allow subsidy to always get to the consumer. I think the pictures demonstrate that.

If someone could just take the time to do that for our viewing audience, that would be great.

• (1650)

Ms. Kathy Langlois: I think I can read it.

Well, there's the picture of 750 grams of Cracker Barrel mild cheese for \$18.39. There's a bag of 10 kilograms of flour for \$33.59.

There's a red pepper for \$4.83; I'm not sure how many there are in the package—maybe one red pepper.

There is 1.89 litres of Five Alive citrus for \$20.49; 5 kilograms of all-purpose flour for \$17.99; 1.8 kilograms of oranges for \$14.33;

salt-free Becel—it looks like a large tub—for \$11.49; and 100% pure orange juice, 1.89 litres, for \$11.49.

Mrs. Shelly Glover: Thank you. I appreciate that. This way everyone understands what the minister was distributing.

I'd like to take a moment to fix some of the misinformation that's been put out in previous committees.

I'll ask whomever would like to respond whether we can fix, first of all, the indication by a previous witness that communities were cut off by not being included in the community eligibility list. Would you like to explain how we have determined which communities would be eligible, and would you please explain that no one was cut off? That would be much appreciated.

The Chair: Go ahead.

Mr. Jamie Tibbetts: Similar to my last answer, as we said, we took communities using the food mail programs and looked at their volumes with Canada Post, and those that had 15,000 kilograms or more shipped annually are in the program. For those that had less, we will pay companies a nominal 5¢ a kilogram to give us data on the trends into the future so we can relook at eligibility down the road.

The places haven't really lost anything: they weren't really cut off, because they weren't in the program in the first place; that's how we look at it. Many of these companies had other ways, more cost-efficient ways, than Canada Post to get goods to those markets.

Mrs. Shelly Glover: So my understanding, just to make it simple, is that if they weren't using it, they weren't on the eligibility list.

Mr. Jamie Tibbetts: That's correct.

Mrs. Shelly Glover: If they were using it, we would have seen their names on the eligibility list. So no one has been cut off—not a single community. Okay. Very good.

Another statement was made about tea versus coffee. Someone said a retailer was claiming that because of the new program, tea was going to cost one price and coffee was going to be subject to a much higher price. I was trying to explain that tea and coffee were equal under the program. Am I correct about that?

Mr. Jamie Tibbetts: They're both considered non-perishables, so in communities that have sealifts, those two products were delisted on October 3. The winter roads communities still have time to stock up until April 1. In the future they will not be subsidized products because they are non-perishable items that are much cheaper to ship by other means.

Mrs. Shelly Glover: So how do we hold those retailers accountable for saying that our Nutrition North Canada program is responsible for these higher prices, and feeding this misinformation to the consumers? How do we hold them to account?

The Chair: Give a short response if you can, Mr. Tibbetts.

Mr. Jamie Tibbetts: I will hold people to account for passing on the subsidy. For the ones who overcharge on delisted products, the market will have to bear it out, and through personal orders people will be able to shop in other areas.

The Chair: Thank you, Ms. Glover.

That completes the second round.

Now I have Mr. Bagnell.

We're tight for time, so you have two minutes or so. Then we'll try to get close to a wrap-up here.

Hon. Larry Bagnell: Okay.

Well, it's back to Old Crow. I'm delighted you're going to go, because nothing you have said now will work for them. Nothing you have said is helpful.

As you know, you have to register. You've all made it quite clear that we're reducing the choices for people, because now they must use a registered retailer, whereas they didn't have to in the past. In the past, the people from Old Crow had dozens of retailers in Whitehorse they could go to. The witness told us—maybe it has changed in a couple of weeks—not a single one has registered yet. So their choices are dramatically reduced. They can't do any personal orders yet because no one is registered, whereas before they'd go to all of them. They'd take them to the airport where they were inspected. If they were eligible they would go on for lower prices and they'd get them right away.

As you said—I'm glad you explained it—it's a totally different situation, and hopefully you will come up with a system that will be at least as efficient as the old one, which the new one is not turning out to be, at the moment.

•(1655)

Mr. Patrick Borbey: We have made no changes to Old Crow.

Hon. Larry Bagnell: Good.

Mr. Patrick Borbey: Everything will still work as it currently does. We will be working with them to adjust the program to meet the needs of the people of Old Crow. There is also a retailer in Old Crow, and that retailer will automatically be eligible.

So yes, we understand it's a special situation, and we are going to be working with the community.

The Chair: Let's go to that question now; we have a couple of minutes to deal with it.

Monsieur Lévesque.

[*Translation*]

Mr. Yvon Lévesque: Mr. Chair, are we going to talk about the witnesses or the discussions before the other people get here?

The Chair: You had a question about a motion or the suggestion...

Mr. Yvon Lévesque: Yes, one of my constituents volunteered to come as a witness. He received a call from the clerk. So he understood that he was automatically coming to testify and did not confirm.

Rob Clarke also wanted to have a witness who could not be invited because of the schedule. If we added one hour of hearing at the beginning of next week, for example, we could at least hear from those two witnesses and perhaps a third witness, if needed. Hearing from three witnesses in an hour is doable.

[*English*]

The Chair: Is it your suggestion that we add an hour out of the existing schedule, or go to a third hour on one of the meetings?

[*Translation*]

Mr. Yvon Lévesque: No, it would be during the meetings already scheduled. For example, next Monday, one hour of the meeting could consist of continuing our...

[*English*]

The Chair: Is there agreement to do that, to make that change in the schedule? It will have the effect, possibly, of moving some of the schedule out forward by that hour.

I have Ms. Glover and then Ms. Crowder.

Mrs. Shelly Glover: Thank you, Mr. Chairman.

I want to thank Monsieur Lévesque for his suggestion, because we too have heard from other people who are seized with this very issue. Cargojet, for example, would also like to come and take part.

I would support having an extra meeting, in fact, because that's already three. I know that a meat processing person also sent some things, and we haven't heard from them. I think it's a very important thing to do, and I would support one extra meeting if that's the will of the committee.

Mr. Marc Lemay: That's next Monday.

The Chair: All right.

Go ahead, Ms. Crowder.

Ms. Jean Crowder: I'm going to be a contrarian here. Unless there's clearly new information to be had, I would suggest that we take written testimony from these witnesses, and then we could consider that. I'm not stuck on that if everybody else feels that we really have to do it, but what we end up experiencing is not any really new information coming forward.

If everybody really wants to do it, I would suggest one hour, not a full meeting.

The Chair: Just so you are all aware, what we have done is exactly that. If there is not time for the witnesses to appear, we suggest that they submit a written document or proposal.

Go ahead, Monsieur Lemay.

[*Translation*]

Mr. Marc Lemay: Unlike Ms. Crowder, I feel those witnesses would have new things to tell us. Among others, we heard very little about the situation in northern Quebec and I think that's important. I agree with spending the next meeting on that.

[*English*]

The Chair: Okay.

Mr. Clarke, go ahead.

Mr. Rob Clarke: I have to reiterate what Monsieur Lemay was saying. Northern Saskatchewan has its own issues and its own dealings that we have to focus in on as well. If we have to sit down for an extra meeting, I would encourage that. I'd like to have someone from my constituency represented here in the committee.

The Chair: Okay.

You had one request that we were not able to accommodate.

Mr. Rob Clarke: Right.

• (1700)

The Chair: Mr. Bagnell, did you have a comment?

Hon. Larry Bagnell: Yes, I'm in favour of another meeting, and maybe the researcher and the clerk have had some people make requests that we haven't been able to accommodate.

The Chair: Just so you know, we've already made arrangements for next week, so we'll have to go back and see to what extent we can move and/or accommodate this additional meeting.

Is there consensus, then, that we have one additional meeting to accommodate these witnesses?

Some hon. members: Agreed.

The Chair: That seems to be supported.

[*Translation*]

Thank you, Mr. Lévesque.

[*English*]

I think we'll adjourn now.

We thank our presenters, the officials here today from the departments. It's great to see you all again. We appreciate your advice and counsel this afternoon and we hope we'll see you back at some time in the future. Take care.

The meeting is adjourned.

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