HOUSE OF COMMONS
CHAMBRE DES COMMUNES
CANADA

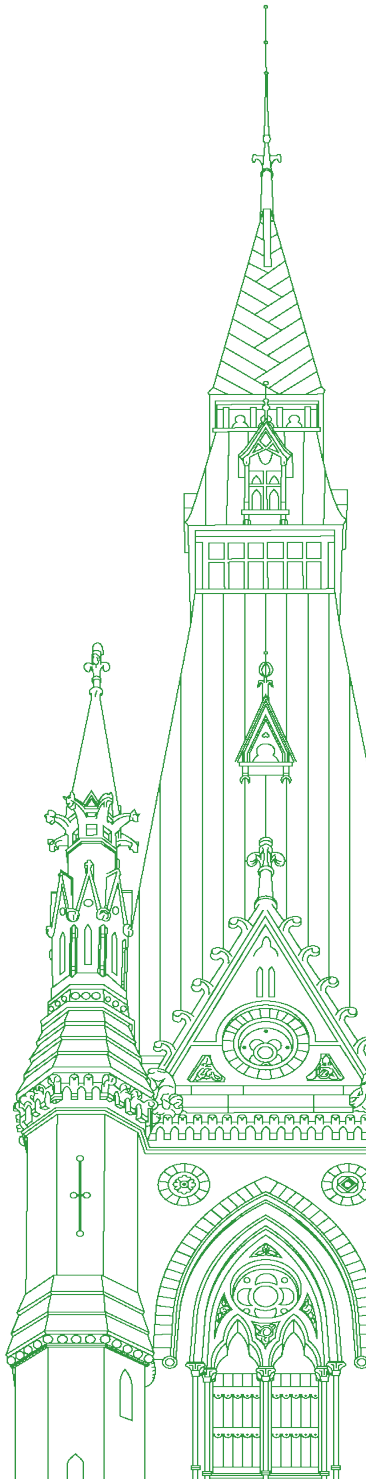
44th PARLIAMENT, 1st SESSION

Standing Committee on Health

EVIDENCE

NUMBER 085

Monday, October 30, 2023



Chair: Mr. Sean Casey

Standing Committee on Health

Monday, October 30, 2023

● (1100)

[*English*]

The Chair (Mr. Sean Casey (Charlottetown, Lib.)): I call this meeting to order.

Welcome to meeting number 85 of the House of Commons Standing Committee on Health.

Today's meeting is taking place in a hybrid format, pursuant to the Standing Orders.

For those participating via Zoom, click on the microphone icon to activate your mike, and please mute your mike when you're not speaking. Interpretation is also available to you. You have the choice at the bottom of your screen of floor, English or French. Screenshots or taking photos of your screen is not permitted.

In accordance with our routine motion, I'm informing the committee that all remote participants have completed the required connection tests in advance of the meeting.

Pursuant to Standing Order 108(2) and the motion adopted on October 4, 2023, the committee is beginning its study of the Department of Health's regulatory changes for natural health products.

We have two panels of witnesses. I'd like to welcome our first panel.

[*Translation*]

We welcome today Ms. Mackie Vadacchino, who will be speaking as an individual.

[*English*]

Representing the Institute for Safe Medication Practices Canada are Sylvia Hyland, vice-president, operations and privacy officer; and Dr. Melissa Sheldrick, patient and family adviser.

Thank you all for taking the time to appear today. You have up to five minutes for an opening statement.

[*Translation*]

Welcome, Ms. Vadacchino. You have the floor.

Ms. Mackie Vadacchino (Chair and Administrator of Boards of Directors, As an Individual): I would like to start by thanking the committee for this opportunity. Industry representation is needed, not only so that we can tell our side of the story, but also so that we can properly correct the mistruths and damaging statements made by Health Canada.

My name is Mackie Vadacchino. I am a proud Quebecer and an active member of the Montreal-Italian community. I have been working in the natural health products industry since 2004 and currently sit on the board of several companies in the industry after 15 years as the CEO of Bioforce Canada Inc.

Over the course of my career, I have been involved with many changes from Health Canada on which we worked together to obtain mutually beneficial results.

I must say that this time, in addition to the negative financial and environmental impact, what we found most difficult to accept was the total disrespect for our industry, for our businesses and for us as Canadian citizens.

I must stress that the impact is massive and costly on several levels, and will place a financial burden on the supply chain, which is essentially comprised of small natural health product or NHP manufacturers and providers.

And let's not forget our local retailers. In Quebec, supporting local businesses is a matter of pride. Sadly, the implications of these changing regulations will be felt in almost every small local NHP store, which will see a number of products disappear from their shelves.

The impact will be costly in terms of jobs across the NHP ecosystem, the financial stability of small businesses and the mental health of industry members suffering from stress. Prices are projected to increase by 30 to 35% as costs get handed down to the consumer.

There will also be an environmental cost, which is a major concern for our industry. The new labelling rules that will come into effect in 2025, a mere two months after the proposed cost recovery fees, will require the use of a peel-back solution for most products, which renders the entire container non-recyclable or will force manufacturers to increase the size of the packaging to accommodate the new mandatory format.

All NHP manufacturers in Canada will be forced to dramatically increase their environmental footprint. The guidance for the new labels is inflexible, outdated and out-of-touch.

Our industry is built around natural products. Our ingredients are born of the Earth. We cannot disregard the environmental impacts the new labelling laws will have.

The new font requirements will also make reading the French and English labels much harder to understand, as hosting two languages on the same size packaging will be extremely challenging for many NHP products, due to the multiple ingredients listed. Perhaps a QR code or a smart label could be considered here.

Let's talk about cost recovery.

The proposed cost recovery fees are so high that even with the proposed small business mitigation scheme, many small businesses will simply not be able to afford to bring any new product to market. Canadian innovation in the industry will be stifled.

We are asking Health Canada to reassess the application fees to encourage industry to be compliant, but also to allow Canada's NHP system to remain the most respected in the world.

The Canadian NHP industry also faces fierce competition from our US neighbours, who market and promote dietary supplements to Canadians online. These US products are not regulated, and American law regarding health claims made for products differ greatly from Canada's.

The majority of Canadian NHP companies are not against regulations, but if these regulatory changes are truly about the health and safety of Canadians, then we desperately need regulations that take into account the many challenges and realities the sector faces in today's day and age, the size of the businesses that make up the majority of the industry, and the need for innovation that will continue to allow Canadian industry to offer natural, low-risk products.

● (1105)

[*English*]

This industry should and can thrive under the self-care framework, and I am honoured to be here today to offer insights that can be useful and productive.

[*Translation*]

Thank you for having me.

The Chair: Thank you, Ms. Vadacchino.

[*English*]

Next, from the Institute for Safe Medication Practices Canada, we have Sylvia Hyland or Dr. Sheldrick. Maybe you are going to share it, but you have five minutes and you have the floor.

Welcome.

Ms. Sylvia Hyland (Vice-President, Operations and Privacy Officer, Institute for Safe Medication Practices Canada): Thank you, Mr. Chair.

On behalf of the Institute for Safe Medication Practices Canada, ISMP Canada, we are pleased to be here today to speak to this important topic. I am Sylvia Hyland, VP operations and privacy officer, and joining me is Melissa Sheldrick, patient and family adviser.

ISMP Canada is a pan-Canadian, not-for-profit and independent organization established in 2000 to improve the safety of drugs and health projects. Our key activities are the analysis of errors; making recommendations for improved safety, including labelling and packaging; and supporting consumers, care providers and other health system partners to implement these recommendations.

Through our reporting and learning programs, we have received reports of preventable harmful errors involving natural health products. We have shared information through the numerous Health Canada consultation processes and stakeholder engagements. In our analyses, we identified three main areas of concern related to natural health product labels.

The first concern is the inability to easily and consistently identify ingredients on the label.

We recently received a report about a selection error involving an umbrella brand name. This means the same brand name is used for products that have different key ingredients. The report describes purchasing a product for a baby believing that the product had vitamin D in it. The reporter was upset to find that unlike another product with the same brand name and typically associated with vitamin D, the product purchased had no vitamin D.

We have also received reports of selection errors in products using the same brand name for both a non-prescription drug that has a drug identification number or DIN, and a natural health product that has a natural product number or NPN. An example is a consumer reporting harm from taking a ginger and willow bark product when she had intended to take the dimenhydrinate product with the same brand name.

Consistent use of a product facts table will identify key information for the consumer and also the health care provider. It is essential for both to easily and consistently find the ingredients when selecting and comparing products.

The second concern is unclear information about the dose on the label. Consumers and health care providers need to easily locate and understand the recommended dose for the product on the label. We have had reports of harm due to misunderstanding the dose information for a natural health product.

The third concern is the lack of an important warning or the inability to easily read warnings, when selecting the product from the shelf. The list of NHP medicinal ingredients is broad and includes ingredients known to have possible adverse reactions. Examples include scopolamine, pseudoephedrine and salicylates.

We fully support the improved NHP labelling requirements.

We also fully support the inclusion of natural health products under Vanessa's Law. Consumers trust that there are requirements being followed for the products they buy. It is important that Health Canada has the authorities and resources to conduct regulatory activities, provide enhanced oversight for compliance and monitoring, and also to sustain the improvements being made.

● (1110)

Ms. Melissa Sheldrick (Patient and Family Advisor, Institute for Safe Medication Practices Canada): Health Canada estimates there are over 200,000 natural health products available to Canadians on the market, and consumers expect them to deliver and monitor safe products. Consumers have many choices when they are trying to self-select products off the shelf and while this choice may be welcome, it can be overwhelming. Consumers have to do their own research about the products they buy, which can be difficult for many Canadians. It can also be challenging to do this research at the point of selection.

I would like to draw your attention to the image that we sent to you of the label from a container of protein powder. This label has elements of safe label design, and we have a green arrow on the image pointing to the facts table, which is clear and easy to read. The red arrow is pointing to the section of the label that describes the cautions. This is where there is important information regarding the use of the product, such as the conditions under which people should not use the product. This warning section must be made more prominent.

In 2016, I lost my 8-year-old son, Andrew, to a medication error made during the preparation of this liquid medication from a prescribed pharmaceutical powder, and one of the contributing factors was the design of the label, which was improved by the manufacturer soon after.

ISMP Canada has made recommendations for labelling of pharmaceutical powders, and we have created guidelines for the labelling and packaging of prescription drugs, non-prescription drugs and natural health products. All labels are important and there are principles for safe label design, for example, the prominence of critical information and legibility of key information, that can and should apply to all of these labels.

The changes recommended by Health Canada will result in key steps towards addressing the concerns reported by consumers and health care providers. In addition, consumers think that this is already happening.

Thank you, Mr. Chair.

The Chair: Thank you, both.

We're now going to move on to rounds of questions, beginning with the Conservatives.

We'll go to Dr. Ellis, please, for six minutes.

Mr. Stephen Ellis (Cumberland—Colchester, CPC): Thank you very much, Chair.

Thank you to the witnesses for being here today.

One thing we've noted here is that we have probably had more concerns from Canadians with respect to natural health products than anything else.

This is a sampling of those. When you begin to receive these stacks, it's like *Miracle on 34th Street* when you saw stacks of mail to prove who Santa Claus was. That's a small smattering thereof.

I do have a motion that I'm going to move, Chair.

I think Canadians need to know that we have heard them loud and clear on the importance of this topic, by virtue of the vast number of complaints that we've received from consumers. They want someone to stand up for them—we want them to know that's going to be the Conservative Party—for their freedom of choice and for the opportunity not to decimate an industry. Very clearly, we know that the cost is going up.

There's another analogy, Chair. It has been given multiple times in the House of Commons. It talks about how, when you tax the farmer who grows the food and tax the trucker who ships the food, the person who buys the food is going to have to pay more for that. We know very clearly that this particular case is the exact same situation. What we're asking here is that.... Producers, manufacturers and distributors are going to have to pay more in the natural health product sector. Obviously when that happens, there's a trickle-down effect and consumers will end up paying more.

We also know very clearly, Chair, that when consumers have to pay more, there will be less choice in the market, because there will be those particular manufacturers and distributors who are not able to sustain their presence in the market. We also know very clearly that, in this particular sector, Canada is the envy of the world when we look at the regulations around natural health products. When we see those things, it doesn't mean that Canada doesn't need to continue to improve. Even if you're a world leader, obviously you should continue to try to be better. With that being said, should you do that at the expense of an entire industry and also when Canadians clearly want to have their choice?

I was speaking to one of my learned colleagues today. When we talk about choice and about Canadians having to do their research.... Guess what. It snowed today. Winter is coming. We all need to put winter tires on our cars, and we have to do research there. That's an incredibly important part of being a Canadian and being a good consumer. It's about safety. It's about choice. It's about cost. We all have to do our own research there. We don't have government reaching into our lives and suggesting that it needs to be the final arbiter of what is right and what is wrong in everyone's lives.

I would suggest that this particular industry is somewhat akin to that. Yes, it is about personal choice and it's about having information available, but it's also about the fact that people need to have the ability to make those choices themselves. When that happens, that's very important. It is about safety, but it is also about freedom. Again, this is also tied to a significant industry here in Canada.

The motion is as follows:

> That, given that the proposed cost recovery and labelling regulations on natural health products are expected to have negative impacts on both Canadian businesses and consumer choice, the committee call upon the Minister of Health to immediately revoke these changes, and that the committee report this motion to the House.

Why is this important? Again, it's about consumer freedom of choice. It's about Canadian businesses being affected. It's also about, perhaps, the unfair application of these rules to international companies.

● (1115)

Very clearly, we know that there's an international economy around natural health products. We also know, very clearly, that because Canadians want to continue to have choice, if they're not able to have that in the Canadian market, then it's very easy to purchase these products online and have them shipped to their homes in quantities for personal use.

They will not have the appropriate labels. They will not have the safeguards in place that the Canadian system does. Instead of tearing down a Canadian system, I suggest that it would be exceedingly important that we work with industry to continue to build up this incredible industry that has flourished in Canada, as evidenced by this gigantic stack of mailers that has been sent to every one of our offices, including, I know, my colleague's across the way. They specifically mentioned to me that this is probably the issue that the individual over there has seen the biggest amount of correspondence on in the entire two years that this Parliament has been in session. He or she shall remain nameless, just to be kind to them.

When we look at that and understand that Canadians are considerably concerned about their access to natural health products, and understand that Canadians believe that the regulatory framework we have at the current time allows them to access products that are safe and that they have the opportunity to look at themselves, then it is important. We do know very clearly that the Liberal government wants to regulate everything in our lives. They want to regulate the Internet—what we can see and what we can hear and what can be posted. We know very clearly that, yes, the Internet has ostentatious claims of this and that or the other thing. I was watching something this morning that said, “You shouldn't drink cold water before you eat.” There's some negative effect, but when we look at these things, people also have incredible access through the Internet, which is now being censored here in Canada, to good information as well.

I was thinking this morning about a reference I'd heard about how much protein you could possibly eat in one sitting, how that may or may not be absorbed, and how much you could have. You very quickly come upon a trusted source, the Mayo Clinic....

Chair, I'm not sure what our colleague is doing in the video feed. Maybe he was taking a picture, but I'm not sure. Maybe someone could communicate with Dr. Hanley to clarify that. It was very distracting, nonetheless.

Do you know what? There is great information available out there when people specifically want to attempt to find the information and know the sources that can be incredibly useful in our ability to do our own research. The sad part, of course, is that in Canada over the last several years, everybody has become their own expert. People don't want to believe doctors and scientists and folks like that anymore. They read something on the Internet and then suddenly it becomes true. I do believe that a lack of belief in science and scientific analysis needs to be corrected. I don't believe that regulating natural health products further and making them less available is the way to do that. I don't believe that in any way, shape or form.

Understanding very clearly that the stakeholders we've discussed these changes with, especially the cost recovery changes—

● (1120)

Mr. Don Davies (Vancouver Kingsway, NDP): Mr. Chair, I have a point of order.

The Chair: Excuse me, Dr. Ellis.

We have a point of order from Mr. Davies, please.

Mr. Don Davies: We've been through two meetings previous to this one where the Conservatives have filibustered the meeting and not really let anybody else speak. I'm just wondering if my honourable colleague intends on filibustering this meeting. I would rather hear from the witnesses from the natural health products industry who have been called here and have the benefit of their testimony and experience before we even vote on the motion by Dr. Ellis.

If he's intending on filibustering the meeting, then maybe we can let the witnesses go if he doesn't want to hear from them. I think it's rude to let the witnesses sit here, when they've come here to testify, if Dr. Ellis has no intention of letting the committee hear from them or of having these witnesses lend us their expertise and experience, which I would like to have before this committee.

The Chair: I'm not sure it's a point of order.

Dr. Ellis, if you want to address it, feel free. If you don't, you have the floor again.

Mr. Stephen Ellis: Thank you very much, Chair.

Again, the arbiter of this committee has intervened, sadly, to want to give his opinion on how committees should run. This motion has been duly tabled before this committee. It was available for everyone to see, and it's an important motion. I would hope that my honourable NDP colleague would support the motion to defeat the Liberal government's, sponsored by his NDP colleagues, attempt to make changes to decimate an industry and remove freedom of choice from Canadians. That would be important.

Returning to the matter at hand, we have spoken to many stakeholders, as I hope that many of my colleagues across the floor have as well, to understand that the almost incalculable regulations that have been put forward by Health Canada make it difficult to understand exactly how much these regulations are going to mean to Canadian manufacturers and distributors of natural health products. However, we do know very clearly that, when attempting to give these estimates, many businesses could see losses in revenue of hundreds of thousands of dollars. This is what leads very clearly to the significant belief that many Canadian businesses would actually go out of business. The industry would estimate that one in five businesses in Canada would go out of business related to these unfair and overburdensome regulatory changes.

When we look at that, we begin to understand that there is good information available out there. Couple that with the need for Canadians to have freedom of choice and the ability to say that this is how they wish to manage their own health. Are Canadians going to make mistakes with respect to that? That is absolutely possible, but we cannot protect every citizen from every eventuality. That is not a style of government that any of us wishes to participate in.

We have governments that absolutely control every movement and every thought that you have—now, that is not a country that I would like to live in—or a government that attempts to meet every anticipated need that one could have in their life.

Therefore, in an industry such as the natural health products industry, which is underscored by the fact that people want to manage their own health—and have the ability to do so—I would suggest that the regulatory changes we see coming forward would be untenable, not just from a fiscal perspective but from a freedom perspective.

The other thing I would like to bring forward is that, when we had the panel from Health Canada here, and even in their follow-up information, which was provided to us in written format, they continued to talk about some 700 people who may have been harmed in some way by natural health products.

Chair, I would suggest that at some point, it would be quite fascinating if this committee sat together to attempt to access this database. There are no other words for it, but it's inaccessible and quite ridiculous in how it is framed. That then allows this Liberal government and Health Canada bureaucrats to be able to sit behind their numbers and say, “This actually does exist. There are 700 people, some of whom may have been harmed and may have been hospitalized.” When you don't have a database that is clear and searchable and would stand as a reference to say this is exactly where these numbers came from, that is not a helpful reference. Indeed, I would say it is a useless reference.

Certainly when you look at the experience that we have on our team, not just with our members of Parliament but with our staff, and still are unable to make any sense out of the main reference used to support these regulatory changes, I would say that it is nothing but a sham and a sleight of hand.

● (1125)

To underscore this, Chair—and I know committee members know this—I was a family doctor for 26 years. I wrote a lot of prescriptions, and I believe in the science that exists. It has helped people to live longer and suffer less. However, we know very clearly from a good reference that every year in this country, 50,000 seniors are hospitalized—not just harmed but hospitalized—by the use of prescription medications. Does that mean we should decimate that industry, that we should make it almost impossible, that we should add useless labels to people's pill bottles, that we should say people don't have the freedom to make their own choices with all of the same regulations and adding to them, even though they have perhaps stricter regulations than those on natural health products at the current time? Because that many more people just in the seniors group are hospitalized by prescription drugs, does that mean we can expect an assault on prescription drugs as well?

We know very clearly that prescription medications and over-the-counter medications have potential and serious side effects, but we also know there are benefits. Therefore, when we allow Canadians to have this freedom of choice in a sector, as I said previously, which would be the envy of the rest of the world, and we know clearly that is a desire Canadians have, and we have a shady database on which the decision-making was based, and we know this certainly is something that will decimate an industry, and we know very clearly that the industry is not in favour of said changes, then, Chair, I do believe we need to speak up loudly and vociferously on behalf of Canadians. We need to let them know clearly that Conservatives wish them to continue to have their freedom of choice and that we wish to fight the regulations proposed on their behalf. We wish to fight those regulations proposed by the Minister of Health and Health Canada.

That is the reason, Chair, we have moved this motion. I realize there are folks here to testify on this topic. I want to be respectful of that.

The other part of it though is, as my colleague has been wont to bring forward many times, this committee is the master of its own destiny. Therefore, if we wish to have further meetings on this topic and have more stakeholders present and more witnesses present, including members of the public, then we are certainly able to do this.

I would suggest, given this incredible stack of papers that everyone in this committee has received, adding more meetings to the study of the natural health products sector and the proposed draconian regulatory changes by Health Canada and by the Liberal government, supported by the NDP, would not be such a bad idea.

Chair, I shall leave it at that.

Thank you.

● (1130)

The Chair: Thank you, Dr. Ellis.

The motion is in order. The debate is on the motion.

Next up is Mr. Doherty, please.

Mr. Todd Doherty (Cariboo—Prince George, CPC): Thank you, Mr. Chair.

Thank you to our colleague.

For the purpose of this conversation, I will read again what the motion is:

> That, given that the proposed cost recovery and labelling regulations on natural health products are expected to have negative impacts on both Canadian businesses and consumer choice, the committee call upon the Minister of Health to immediately revoke these changes, and that the committee report this motion to the House.

I bring this up again because, as has been mentioned, I'm not quite sure about the exact amount of correspondence we have received, but I am on record as saying that this is by far the topic that has garnered the most correspondence, messages, emails and calls to my office in my eight years of being a parliamentarian. It's unbelievable, the amount we have. I think we have a number of bankers boxes, both in my riding office and here in Ottawa at my Hill office, filled with fliers, really Canadians' feedback. That's, as I've said before, why we're here, to listen to all Canadians regardless of political stripe or political leaning.

I do want to bring us back to the first meeting we had on this, when I had my intervention with Dr. Sharma. Part of the reason we have concerns over this is testimony from Dr. Sharma and her comments. If you remember, it was Dr. Sharma's testimony that over 700 Canadians had lost their lives due to mislabelling. Again, as I've said before, I don't want to see anybody lose their life due to this, and it is deeply concerning, but some of her comments were suspect.

If you'll remember, I raised those points with her, and she used a specific case, one I was familiar with, the death of 18-month-old Ezekiel Stephan. She attributed the mislabelling of health care products in her testimony to one of the important reasons that these regulations need to take place. I believe her testimony was that we had already seen the death of an 18-month-old child. When I questioned her on this, saying, in fact, that her testimony was misleading, she gave me a verbal gymnastics explanation as to why she used that. When I pressed her on it, she refused to back down from that.

The reality of that case is that Ezekiel was fighting meningitis. He had young parents who mistakenly thought that their baby, who I believe was their first, was struggling with strep or croup. I couldn't imagine what they were going through.

I have four children, all young adults now. I have a young granddaughter, and you know, especially if it's your first child, every time that baby cries, you're wondering what the problem is, what's going on and how you can help. They were grasping, so they thought that they were doing the right thing, and they presented not necessarily natural health food products but home remedies. I believe one was a garlic and apple vinegar tonic.

● (1135)

When it got to the point where the baby was really struggling, they called for an ambulance. That ambulance was not equipped with breathing devices that could fit an infant, which ultimately led to that baby's passing—not natural health food products. It was a combination of terrible events.

I bring that back up, because I believe we're rushing here. Our natural health food industry is regulated. We definitely had testimony from Health Canada officials who were here. They said they did their due diligence and conducted surveys. I believe that's what Dr. Supriya Sharma said.

Going back to Dr. Supriya Sharma's comments, Mr. Davies' last question to Dr. Sharma was, “I think it would help Dr. Sharma and all of us with this. In that case, did the product that was given make a claim that it would treat the particular ailment the child had?”

● (1140)

Ms. Sonia Sidhu: I have a point of order, Mr. Chair.

I know everything is important here, but we heard important testimony from Ms. Sheldrick. We want to know more. We want to ask questions. She lost her son, and many members of the committee want to pose questions to the witnesses. We want to work together. I urge my colleagues from the other aisle to listen to the testimony, so we can work together.

The other question I want to ask is whether they can stay until the next panel, because it's very important to ask questions.

That's all, Mr. Chair.

The Chair: Thank you, Ms. Sidhu. Although those were all valid points, they were not points of order.

The motion is in order. The motion is allowed. It may not be something that everyone likes, but members are acting entirely within their rights.

Go ahead, Mr. Doherty.

Mr. Todd Doherty: Thank you, Mr. Chair.

I'll go back to the last question that Mr. Davies.... Again I think it frames what we're talking about here with this motion and the reasons why we have concerns with it. The transcript reads:

> **Mr. Davies:**: I think it would help Dr. Sharma and all of us with this. In that case, did the product that was given make a claim that it would treat the particular ailment the child had?
>
> **Dr. Supriya Sharma:** We don't have the details....

She says, “We don't have the details”, yet it's one of the cases that she cited as to why it is so important that this industry face costly regulations—costly regulations that could potentially see the demise of 60% to 70% of these small businesses, if what we're also hearing from those officials is that the majority of the businesses in this industry are small to medium-sized businesses.

The Canadian Health Food Association is the largest Canadian organization dedicated to natural health and organic products. Their members consist of over 1,000 businesses across Canada, including manufacturers, retailers, wholesalers, distributors and importers of natural health products. Indeed, natural health products are an important source of organic and wellness products used by over 71% of Canadians.

The industry is a $5.5-billion industry. It generates $2.8 billion in taxable revenue and supports over 54,000 Canadian jobs. As I said, many of them are small to medium-sized businesses. After accounting for the full supply chain and increased economic spending, its total footprint is estimated to be $11 billion of GDP. Within the sector, 86% of the businesses have 50 employees or less. The reason I say that is that these small businesses are the backbone of this industry, and these regulations are at risk of closing the doors of these small businesses.

Ninety-four per cent of those businesses within the sector have 200 employees or less, and 97% have 500 employees or less. These discriminatory regulatory changes under the outdated and broken self-care framework will crush the small and medium-sized businesses. They'll have a profound impact: 83% of these businesses say they will struggle to absorb the costs that these regulations will bring in, and 76% of the industry responded to indicate a high likelihood of product removal from Canada. This means Canadians won't have access to these products. Sixty-six per cent say employment will suffer, resulting in devastating job losses. One in five businesses will be at risk of closing.

Our colleague, in his intervention, mentioned his concerns. My primary concern on this is not just the testimony of Dr. Sharma, which I find suspect—I'm sorry, but I gave her multiple opportunities to withdraw those comments. As I said in my testimony, I believe her to be a good person, but it is misleading when you stand here before a parliamentary committee and you provide testimony as such and you don't have all the facts. Because she is a doctor, we just take that testimony at face level, but I think that behooves all of us to do the research on that, which is why I questioned her that day.

Overwhelmingly, it is this Canadian industry that we are at risk of decimating due to these unnecessary regulatory changes. I'm not discounting the testimony that we heard today and the written submissions as well. I think again, as Dr. Ellis had mentioned, on the 700 deaths that are being attributed to mislabelling, when we ask for data on that, we're not able to access that. At least, I haven't seen the data on that.

● (1145)

I'm sorry. It's not deaths. It's 700 adverse effects. That was my mistake. Those are events and cases that.... Again, that's why I made that mistake. It's because it was my understanding that it was deaths. If we had the data, then perhaps we could accurately state our facts. Again, it's what we need.

Going back to Dr. Sharma's testimony, I take no joy in doing this, but Canadians deserve for us to do our jobs when we come here. I've said it before and I'll say it probably multiple times during the course of our committee work. Committees are supposed to be masters of their own destiny. We're here to do the job. We have medical experts on this committee. Sadly, we are relegated to...not talking out the clock, but having to take control because, as we've seen in the past, when we ask questions or we push for discussion outside of the government agenda, debate gets adjourned or we get railroaded. That's sad.

With that, Mr. Chair, I will cede the floor to the next speaker.

I support my colleague's motion. Thank you.

The Chair: Dr. Kitchen, go ahead, please.

Mr. Robert Kitchen (Souris—Moose Mountain, CPC): Thank you, Mr. Chair.

I thank my colleague for educating a lot of us on some of the inconsistencies and possible misinformation that was provided by Dr. Sharma on this very issue of the unfortunate demise of this young child.

It's interesting, as my colleague presented to us today, the stacks of information we've received from all across this country. He's on the east coast. I'm in the Prairies, and my colleague is on the west coast. It's going all across.... We've all received this. As he has indicated, I know that our colleagues across the way have received it as well.

In pointing out so many issues here, when we look at this motion that's being put forward to us, it's very clear and very straightforward, because the reality is that what we're seeing here is a discussion on regulatory changes that were presented in Bill C-47, dealing in particular with sections 500 to 504, I believe. The changes are being imposed upon small businesses in Canada, which provide, as my colleague has pointed out, tremendous economic benefit to this country, and that's going to have a huge impact on consumers and the rights of those consumers to choose what they would like to use, whether it's vitamins.... I take vitamin D and vitamin C. I use the Jamieson brand. That's what I use. It's a product that I've used for many years. It's very clear on that exactly what I'm taking, but there are so many other ones out there.

Ultimately, the process is that there's a regulatory step that's in place. Could it be improved? Yes, it could be, and maybe the industry.... In my conversations on this with people, they've indicated that they are prepared to make those changes to adjust that so that we can have that avenue.

On the issue of dealing with it such that people can actually read what's put out there, they've also indicated the great value of maybe adding more into it. However, that said, the packaging part now becomes a huge aspect of it, because if we're dealing with a hundred tablets of vitamin C in a small tube, the amount of paper that has to be produced to be able to put on there in a print that people can read.... I have to put my glasses on, and if I don't have them with me when I do it, that's on me to know what I'm reading and what I'm not. Ultimately that cost to the industry is going to be in the millions and hundreds of millions of dollars, which in turn is going to have a huge impact and result in Canadians all across this country.... I like to use the term “trickle-down effect”. It is a huge trickle-down effect.

I talk about it from the petroleum industry point of view and how shutting down the petroleum industry, the coal industry and the energy industry trickles down to those small communities. The same thing happens here with natural products. You start impacting that, and that trickle-down effect is going to affect small businesses. A small community that has a small business person in there who maybe employs one or two people lays off one person. That person has a family of five. Where do they go? They move somewhere else. That community is impacted and so on. It trickles down. The schools get impacted because they don't have the kids in the schools. These are huge impacts, and we need to be aware of that.

This motion is basically saying, “Enough of all of this.” Let's support this and go back to the government to say, “Enough. We don't see this as acceptable. These changes are a huge impact on the economy and on the industry.”

Our witnesses today talked a bit about adverse effects. One of the things I wrote down when she made the comment about it was, how many? How many adverse effects do you...? Dr. Sharma has said 700. That's 700 out of a population of.... What's the population of Canada? It's 30 million-plus people—

● (1150)

Ms. Sonia Sidhu: I have a point of order, Mr. Chair.

Calling the testimony of Canada's chief medical officer misinformation is dangerous.

Thank you, Mr. Chair.

The Chair: Thank you.

That's debate. Its not a point of order.

Dr. Kitchen, go ahead.

Mr. Robert Kitchen: Thank you, Mr. Chair.

The research out there says that, in hospital situations, 7.5% of the patient population that gets admitted to hospitals is due to adverse events for regulated prescription medications. That's huge—7.5%—when you compare that to 700 for natural health products. Ultimately, "The Canadian Adverse Events Study"—this is from back in 2004—showed that, of that 185,000 of the 2.5 million hospital admissions, 70,000 of those could potentially have been prevented. This is with regard to prescription medications. To turn around and say 700 from natural health food products.... Look at the difference. There's a huge difference between those numbers.

I think this is a very educational part. We need to be very aware of these facts. We need to turn around and say that, yes, there are adverse effects. Yes, the industry needs to make certain that they're doing what they're doing, and it needs to be stepping up to make certain that that's done. I believe that the industry is doing that and making the steps, and it's prepared to make changes. However, when all of a sudden this government turns around and starts putting in right-to-sell, per-item costs for that industry, it's a huge cost, and that's an annual cost for every product they have. Then you turn around and take a look at the class of the level of the product that they're trying to sell.

I remember when I was a regulator dealing in the industry and in my profession. People brought across the table a new ultrasound machine. It had to go in front of Health Canada, and in front of Health Canada, it had to go through the process of making sure that it was appropriate. That cost was huge. Now, granted, we're talking about a product that's providing ultrasound treatment to somebody. Yes, there are a lot of issues that can result in various side effects there, so that product needed to be regulated appropriately. However, the costs were huge. When we're talking about a health food product—like a vitamin—and we classify that and have these huge, thousands-of-dollars costs.... Then, on top of that, you have the site licensing fees, which are supposed to be based on a cost recovery, yet no one has done an assessment on exactly what that cost is. These are huge amounts. I think the steps and the processes are not in place to follow those aspects and to make certain that we are doing what we should be doing.

My colleague has put forward a motion that we're dealing with that I think we need to look at, and look at immediately, to turn around and say to the government that this is wrong. The regulatory process has been put forward. Many people in the industry have put forward their information. It's time to turn to the government and say that this is not acceptable. Either it goes back to relooking at this, or we end it as we speak.

With that said, Mr. Chair, I want to thank you for the ability to speak on this.

I ask my colleagues to support this motion.

● (1155)

The Chair: Thank you, Dr. Kitchen.

Before I recognize Dr. Hanley, I just want to say something to the witnesses.

You committed to be here for one hour. We are now approaching the end of that hour. The first thing I want to say to you is thank you. However, the second thing is that, if we are able to dispense with this motion, I will be asking the committee to allow you to stay until the end of the meeting in case there are questions for you. That may be a decision that we will take.

I understand that you committed to be here for an hour, so if you wish to leave, you're free to do so. If you are able to stay, there's a chance that you may be able to further contribute if we can deal with the motion and if the committee agrees to include you in the rounds of questions after the next panel has a chance to present their opening statements.

With that, next on the speakers list with regard to the motion is Dr. Hanley.

Mr. Brendan Hanley (Yukon, Lib.): Thank you, Mr. Chair.

Thank you to our witnesses for their patience.

We're all concerned about the viability of the natural health products industry.

[*Translation*]

Mr. Luc Thériault (Montcalm, BQ): On a point of order, Mr. Chair.

[*English*]

The Chair: We have a point of order from Mr. Thériault.

[*Translation*]

Mr. Luc Thériault: We need to fix the sound in the room so that I can hear the interpretation.

The Chair: Thank you, Mr. Thériault. We'll do that right now.

[*English*]

Could you hold off for a second, Dr. Hanley? We want to make sure it's not dangerous for those listening in terms of the sound levels.

Mr. Brendan Hanley: Is it better now?

The Chair: Yes. The sound in the room seems fine.

Go ahead.

Mr. Brendan Hanley: Once again, thank you, Mr. Chair.

Look, I just want to emphasize that we're all concerned about the viability of the natural health products industry, just as we're concerned about the safety of Canadians.

First, I want to call out my colleague for calling into question the integrity of Dr. Sharma as Health Canada's chief medical adviser. To call her testimony “misinformation”, even if there is disagreement over what she said, is frankly outrageous.

I want to just clarify that—

The Chair: Dr. Kitchen, on a point of order.

Mr. Robert Kitchen: I'm sorry, Mr. Chair. I guess the question is on using the word “misinformation”. His interpretation of the word “misinformation”, if you look it up in the dictionary, is totally different from what the actual terminology is.

The Chair: That was a point of debate, not a point of order.

Go ahead, Dr. Hanley.

Mr. Brendan Hanley: Thank you.

What Dr. Sharma said, or was trying to make the point about, was that, if natural health products are making claims against serious diseases and people believe these claims, they may be using those treatments instead of treatments that could potentially help their own condition or that of their loved ones. That was the context for what Dr. Sharma said. Using the word “misinformation” associated with her is to call into question her integrity.

I also know that my Conservative colleagues are equally concerned, if not outraged, at some of the regulatory gaps that we presently experience with natural health products and that Health Canada and the Minister of Health are currently trying to address with these changes. Let me quote the testimony from some of my Conservative friends at last year's public accounts committee when they looked at this issue.

Conservative MP Jeremy Patzer asked Health Canada officials: “Why aren't the penalties higher on those manufacturers who fail to meet Health Canada's standards? ...The maximum fine for violating the law is only $5,000. It just seems like it's not a large enough deterrent to stop the bad actors from violating the rules that have been imposed.”

MP Philip Lawrence asked, “Do you not find this disturbing, and are there any products out there right now that are supposed to be recalled and are not?”

MP Jeremy Patzer asked, “Again, when we're seeing things such as, literally, every single site had issues but it's only a $5,000 deterrent for having contaminants in your product, what is the level of the sense of urgency to actually get some real, strong deterrents and actual teeth that are going to prevent bad actors from taking advantage of Canadians...?” He goes on to ask, “What are you guys going to do and what is the level of urgency to make sure that we actually get real teeth...?”

Further to that, MP Patzer asked, “How do we make sure Canadians are confident in the products they're buying, when there are so many holes, gaps and issues, whether they be contaminated products, expired products or not even knowing where these products are manufactured or where they're coming from?”

Look, we called this meeting to hear from witnesses to get evidence on the very questions that were being posed about getting the balance right between product safety and the viability of the natural health products industry, and in fact its ability to thrive with complete consumer confidence. That's why we called this meeting to hear from witnesses with various points of view.

It is on that note that I move that the debate now be adjourned.

● (1200)

The Chair: We have a motion to adjourn debate. That motion is not debatable. We must proceed directly to a vote.

The question for the committee is whether the debate now be adjourned.

Mr. Stephen Ellis: Chair, I'd like to request a recorded vote, please.

(Motion agreed to: yeas 6; nays 5)

The Chair: Debate on the motion is, therefore, adjourned.

We've reached the end of the first hour. I would now invite our panel for the second hour to come forward.

Colleagues, do we have consensus to allow the witnesses who haven't had a chance to take questions to remain in the event that some of the time allotted for questions in the second hour could be used to pose questions to all four witnesses? Are we okay to proceed in that fashion? I see heads nodding around the table.

Some hon. members: Agreed.

The Chair: To those who are here, you are more than welcome and in fact are encouraged to stay. We're going to hear opening statements from the next panel. Then there will be an opportunity for members of Parliament to question anyone they wish to from either of the panels. If you could do that, we would greatly appreciate it. Thank you for your patience.

We will allow for the next panel to get themselves set up. I would ask them to go ahead and do that now.

Colleagues, I don't actually want to suspend the meeting. I think we can use the time productively. There is a housekeeping matter that I want to bring to your attention. That is simply on the matter of study budgets. You would have received from the clerk two study budgets for upcoming studies. I'm hoping we can dispense with them rather quickly.

One is in connection with the very study we're looking at now. The amount requested for witness expenses, working meals and headsets is $8,250. That's been circulated.

As you know, colleagues, this is essentially a pro forma amount that probably will not reflect what will actually be spent. It is simply to allot those funds so that whatever expenses are incurred in the conduct of this study will be available to us. The first is in connection with this particular study on the Department of Health's regulatory changes on natural health products.

Is there any discussion on that proposed budget?

Dr. Ellis, go ahead.

● (1205)

Mr. Stephen Ellis: I'm sorry, Chair, but you said $8,250. Do we have an idea whether it will potentially be 10% or 20% more or less?

The Chair: That's the maximum it can be. That allows for an envelope of four witnesses to travel from Toronto and one to travel from Quebec, with one headset and one working meal for each of the witnesses. That's the total amount we're allotting. It will almost certainly be less.

Mr. Stephen Ellis: Thank you, sir.

The Chair: Are there any further questions or debate in connection with that study budget?

(Motion agreed to)

The Chair: The second budget is with respect to Wednesday night's meeting to bring in the Minister of Health and Minister of Mental Health and Addictions. The total amount allotted for that is $1,000, which is made up of two headsets and one working meal. Are there any questions?

Again, we anticipate that the amount expended will be less, but it's necessary for us to block the funds.

Go ahead, Dr. Ellis.

Mr. Stephen Ellis: Mr. Chair, for that particular meeting, my understanding is that the ministers will come. I don't understand why they need extra headsets. They already have headsets. Also, why do they need a meal? They would also have a per diem.

The Chair: I'm advised that the ministers will be accompanied by officials who may be participating remotely.

Mr. Stephen Ellis: Mr. Chair, not to belabour the point, but anybody who works for the current Government of Canada would realistically have already been allotted a headset. It would, to me, seem duplicative for us to buy another one.

Once again, if those folks are at home, they don't need a meal, because they're going to eat at home. If they're here, they're also, then, working in their own working environment. Why should we have any budget for this?

The Chair: We're trying to cover our bases in the event that someone doesn't have a headset. As I said, these funds are being allocated, but they will only be spent if necessary. We doubt it will be necessary, but we're erring on the side of caution.

Mr. Stephen Ellis: I would certainly be happy to approve this if we can revisit it and understand exactly how much was spent with respect to that. If we can revisit this after the meeting.... I think it would make sense to understand.

Again, I'll underscore the point. I don't want to be buying headsets twice for folks. Also, if people choose to work from home, they can eat their own peanut butter sandwich. As well, if they want to come to work, they'll work in Ottawa. If we can revisit that budget after the meeting and understand exactly what the implications are.... I realize fully that it's not a lot of money, but it's the actual point of it. If we could do that, I would happily support it.

● (1210)

The Chair: I'm happy to have a conversation after the meeting and include the clerk in it, Dr. Ellis.

Is there any further discussion on the motion to approve the study budget for the appearance of the ministers on Wednesday? I'm seeing none.

(Motion agreed to)

The Chair: Thank you very much, colleagues.

I see that our witnesses are now in place.

Thank you for being with us.

I'd like to welcome our second panel of witnesses. Representing the Canadian Health Food Association, we have Aaron Skelton, president and CEO, and Adam Gibson, member. Representing Food, Health and Consumer Products of Canada, we have Gerry Harrington, senior vice-president, consumer health.

Thank you for taking the time to appear today. You'll each have up to five minutes for your opening statements.

We're going to begin with the Canadian Health Food Association.

Mr. Skelton and Mr. Gibson, it's as you wish. You have five minutes. The floor is yours.

Welcome to the committee.

Mr. Aaron Skelton (President and Chief Executive Officer, Canadian Health Food Association): Thank you very much, Mr. Chair.

Thank you, Adam, CHFA member and former director general of the NHPD, for joining me today.

I want to begin by saying thank you for the opportunity to speak to you today on the regulatory and legislative approach to natural health products by the Government of Canada.

I would also like to express my gratitude for the significant achievements of this committee. In 1998, your diligent work on the 53 recommendations led to the creation of a world-class regulatory system. Back then, the vision was clear: to ensure the safety, efficacy and accessibility of natural health products for all Canadians. The regulations that emerged from your dedication were seen as a model for the world—a shining example of how to strike the balance between consumer protection and industry growth.

However, it is with a heavy heart that I must emphasize this once world-class regulatory system is now facing substantial challenges. The very achievements that were celebrated in 1998, and then in 2004 when the regulations came into force, have become mired in inefficiencies, complexities and a lack of stakeholder engagement. The promises of a robust and responsive regulatory framework have given way to uncertainties, barriers and mounting concerns for businesses and the 71% of Canadians who rely on natural health products for their well-being.

[*Translation*]

Mr. Luc Thériault: Mr. Chair, my apologizes to the witness, but she is speaking too quickly for the interpretation to be intelligible.

The Chair: Thank you, Mr. Thériault.

[*English*]

Mr. Skelton, I expect you may be trying to race through your statement to make sure you get in all of it in five minutes, but it's causing us some problems with the translation. You can have an extra minute if you slow down a bit to make sure we all get it.

Go ahead.

Mr. Aaron Skelton: Health Canada has now simultaneously implemented and proposed multiple regulatory changes for natural health products under the self-care framework, which was initiated in 2014 and was intended to bring together low-risk products such as cosmetics, natural health products and over-the-counter drugs. Many initiatives linked to this overarching, incomplete framework are now being pushed through at the same time in a piecemeal approach that does not consider how regulatory and policy changes interact with each other.

These changes are cost recovery, new labelling regulations and Vanessa's Law. Health Canada has stated that the regulatory changes are intended to protect Canadians by ensuring the safety and effectiveness of health products. While admirable, the unintended consequences of these changes are becoming alarmingly apparent. Small local businesses, which have been vital in providing Canadians with access to a wide range of natural health products, are grappling with the anticipated burden of compliance and increased costs. This, in turn, raises concerns about the affordability and accessibility of these products for the very Canadians the regulations aim to protect.

While we agree that regulations are vital for product safety and efficacy, the new proposed over-regulation will have the opposite effect. It will drive consumers toward unregulated, international online markets that offer lower-cost products, risking consumer safety.

This is not a theoretical risk. Canadians are currently allowed to bring in natural health products via personal importation rules from the U.S. and around the world with zero Health Canada labelling requirements or premarket approvals.

U.S. state governments, like Arizona, are currently pitching tax incentives for Canadian NHP companies to set up in their state and sell back into Canada using personal importation rules. I ask you this: How does this better protect Canadian consumers or, truthfully, benefit Canada in any way?

This committee needs to send a strong and formal message to Health Canada that the proposed cost and regulatory burden needs to end here. We need a formal reset. We need to ensure that the NHP framework is well-informed, balanced and in the best interests of Canadians.

Finally, I need to speak out to protect the reputation of our sector. In 2021, an audit by the Canadian environmental and sustainable development commissioner alleged some startling statistics, including findings that 88% of products had misleading advertising and 56% of those products were mislabelled.

It is essential to set the record straight. Subsequent scrutiny of the CESD report revealed that these numbers were not, nor were ever intended to be, representative of the Canadian market. Specifically, “Purposeful samples were used since it was not possible to do audit/statistical sampling given the population was not available“.

Efforts to review the methodology used for the audit were also refused by the Auditor General's office, claiming it was not appropriate to release statistical methodology, further limiting the ability to comprehensively examine and validate these allegations. As a result, the reliability of the statistics in the CESD report must be viewed with caution. A more in-depth and transparent examination is needed to assess the accuracy of these assertions.

All of this needs to stop. As an industry, we continue to support regulations and legislation that protects Canadians, with transparency and developed in a responsible and appropriate manner.

It is imperative that we find a balance between regulatory goals and their real-world impact on the livelihood of these small businesses and the well-being of Canadians.

Please, let's hit reset and let's get this right. Thank you very much.

● (1215)

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

Next, representing Food, Health and Consumer Products of Canada, we have Gerry Harrington.

Welcome to the committee. You have the floor for the next five minutes, sir.

Mr. Gerry Harrington (Senior Vice-President, Consumer Health, Food, Health & Consumer Products of Canada): Thank you, Mr. Chairman and members of the committee, for this opportunity to provide our industry's perspective on the Department of Health's regulatory changes for natural health products.

FHCP members account for more than half of the NHPs sold in Canada. This includes familiar products like vitamins, minerals and herbal remedies, but also some things you may not necessarily think of as natural health products, such as nicotine patches for smoking cessation. Along with OTC medicines like pain relievers, cough and cold medicines and so forth, these self-care products are used by Canadians to prevent or manage health conditions, thereby relieving some strain on our heavily stressed health care system.

That's why Health Canada has been consulting with stakeholders since 2016 on the development of a self-care framework that would apply a consistent risk-based approach to these products, regulating both NHPs and OTCs.

The self-care framework was proposed as a three-phase project. First, NHP labels would be updated. The second phase was to reform the regulations governing OTCs, which have not been significantly revamped since the 1960s. The third and final phase would be to update the NHP regulations to better balance premarket and postmarket oversight, make these products subject to the authorities under Vanessa's Law and then, finally, apply cost recovery across this whole regulatory framework.

From the beginning, FHCP has been a strong and vocal proponent of this logical approach to the framework. The updated labelling regulations were passed last year, and their very costly implementation is something that we're working very hard with Health Canada to accomplish as the implementation deadlines approach.

We support cost recovery. We support the application of Vanessa's Law. We do all this because we believe that self-care's contribution to alleviating strain on our health care system is more important than ever. However, with this NHP cost recovery proposal, Health Canada has abandoned that logical three-phase sequence and is, frankly, putting the cart before the horse.

Last month, Health Canada told this committee that the current cost recovery proposal was necessary to respond to the audit conducted by the commissioner of the environment and sustainable development. The CESD report was clear that the current shortcomings of the program, as we've heard previously today, are with respect to postmarket enforcement and inspections of facilities.

The CESD clearly endorsed the premarket product evaluation process. Health Canada's cost recovery response is not consistent with the CESD report or the self-care framework discussions that we've been having for the last seven or eight years. Instead, what we have is a cost recovery proposal in the form of a ministerial order, and that is no substitute for a fully consulted Governor in Council regulatory process.

Further, the cost recovery proposal itself revealed several core issues of process and analysis. I'll outline three of them for you.

First, in their testimony last month, the department said that there are 200,000 NHPs on the market. The proposal itself says there are 50,000, and the survey of industry that Health Canada conducted arrived at 11,000. These are very basic metrics that are vital to accurately identifying the activities and costs associated with the program.

Second, the costing analysis shared with us after the proposal was released seeks to more than double the overall size of the program. Specifically, the cost of premarket product evaluations for the lowest-risk products more than tripled under this proposal. This was the very part of the program that CESD said is not a problem, that it is fine, nor is there any kind of backlog in that category. We have no idea why or how that money is to be spent, but it's clear that it's not going to be spent addressing the issues raised by the CESD.

Third, the department stated that, consistent with Treasury Board guidance, the fee ratios used in this proposal—the fee ratios represent the share of the total cost of the program that the industry must bear—would be exactly the same as for prescription drugs. That completely ignores the fact that the federal government alone collects over $500 million a year in GST revenues from OTCs and NHPs. Do these revenues not count as a public benefit, and if so, how did we arrive at fee-recovery ratios that are exactly the same?

● (1220)

Finally, it's worth remembering that, unless a proposed fee or service charge meets the requirements of the Service Fees Act or, as in this case, the relevant portion of the Food and Drugs Act, that fee is, essentially, a tax, and I don't need to tell this group that taxes are the unique purview of Parliament.

Ultimately, we don't see this proposal as a substitute for the full self-care framework. This isn't the time for shortcuts. It really is time to get this job done.

Thank you, Mr. Chairman. I look forward to the questions.

The Chair: Thank you, Mr. Harrington.

We'll now begin rounds of questions, starting with the Conservatives for six minutes.

Dr. Ellis.

Mr. Stephen Ellis: Thank you very much, Chair.

Thank you to our witnesses for being here and presenting this very important and informative information.

We've heard a lot about misinformation and disinformation, etc., although I would suggest to folks around this table that what we have just heard presented is incredibly well informed and also shows an industry that is ready, willing and able to work with government to ensure it goes forward in a safe and effective manner, so that we can have a regulatory framework where everybody wins.

If I might, Mr. Skelton—through you, Chair—you talked about a system that is world class with respect to safety and accessibility. We know very clearly that other jurisdictions would like to have that. Have you ever been part of those discussions, talking with folks around the world, saying, what you have we would like to have. Could you talk a little bit about that, please?

Mr. Aaron Skelton: We have.

One of the roles we play as the representative for this industry in Canada is liaising with groups around the world. In those discussions, I will convey that we are, undoubtedly, seen as a standard for how to balance consumer interests and the interests of businesses in this country.

What has been startling for me over the past few years is how disillusioned our international groups have become at the changes or the proposals that are being made. To the point, I think, that has been made multiple times to this committee, this is something that other countries, other regulators, have looked to emulate. There are discussions that we've had with European regulators. There are discussions we've had with Australia, with New Zealand. They continue to ask and look for guidance on how we got here, because they'd like to get here as well.

The concerns over the last few years have been “please don't dismantle something that was working so well”, because we were seen as a leader globally.

● (1225)

Mr. Stephen Ellis: Thank you very much, Mr. Skelton.

Again through you, Chair, to Mr. Harrington, we heard very clearly, when you talked about these changes and the nature of how they have been proposed, or as some of us might say, rammed through, that it amounts to another tax by virtue of the way the Liberal government has done this and forced its acceptance upon Canadian small and medium-sized businesses.

I wonder, for the benefit of people out there watching—and I know there are many out there from this industry who are very concerned about this—if you could review that with us, the unfair nature of it and, perhaps, the illegality thereof.

Mr. Gerry Harrington: Sure.

When cost recovery was first introduced in Health Canada's health products area in 1994, I was an active participant at that point. We saw a second revision of the cost recovery regime in the decade just past. In each of those cases, the Government of Canada set down very clear rules that distinguish between cost recovery fees, regulatory charges, service fees, etc., and created very clear rules for how they have to be constructed.

For example, the costing exercise is something that Health Canada was supposed to share in advance of releasing a cost recovery proposal with industry on multiple touchpoints. That did not happen. We did not see the costing analysis until after the proposal was reached.

There's the whole matter that I raised in my testimony around the fee ratios. If it's a public versus private benefit equation, we're having a really difficult time understanding how the fee ratios can be the same for the prescription drug program, where there are no taxes and where, in fact, almost 50% of all expenditures are by government or out of the public purse, yet we wind up with exactly the same cost recovery ratios.

This proposal does not meet those requirements, in our view. According to Treasury Board's own guidance on this, that means it is, effectively, a tax and outside the scope of the Service Fees Act, or in this case, because cost recovery is now done by a ministerial order, it's not even subject to Treasury Board review before approval.

All of those problems, essentially, make this I think a very tricky matter.

Mr. Stephen Ellis: Thank you very much, Chair.

I'll turn back to you, Mr. Skelton, if I may. We've talked a lot about costs here, and I know that I mentioned in our motion, which was adjourned by the Liberal side, that we should get rid of these regulations. I did note that our team here tried to calculate the cost for businesses. Can you tell us a little bit about the efforts you've made on behalf of your industry to help those in the industry understand how much this might cost them?

Mr. Aaron Skelton: Thank you very much for the question.

Obviously, since we've been made aware—and as Mr. Harrington noted, that was very late in the process and I think counter to some of the commitments that we had received from the department—we've been working quite diligently. Obviously, it will impact every individual business uniquely depending on their piece, but I can give a few examples of specific members we have.

Regarding the labelling updates themselves—unlike, potentially, when they impacted the OTC industry—given that these are small businesses, many of them are copacks or some of them are sharing equipment and the updates to that machinery alone, never mind to label stock and things in inventories that will take time to work through, can be in the realm of hundreds of thousands of dollars.

We have one member who recently underwent it of his own accord. His is a small business that would fall into that category, and he estimated that it would cost an additional $250,000 to go through and make the labelling updates.

I can provide another example regarding cost recovery. Multiple members have now gone through the due diligence of calculating the costs on an annual basis, and they have examples of $450,000 a year or $560,000 a year. These are annual fees for these businesses. Given the competitive nature of the natural health product industry—this is not like the pharmaceutical industry—a lot of businesses have to carry a lot of different products to remain viable and these costs are simply not in their margins today. I think that was clearly articulated in the study we commissioned at the beginning of this year.

I'll remind the committee of our startling statistics. One in five of these businesses is saying that it won't be financially viable. That was only on the back of the labelling updates. That was prior to the cost recovery.

● (1230)

The Chair: Thank you, Mr. Skelton.

We're well past time. I'm sure you'll get ample opportunity to further elaborate on those points.

We're now going to Dr. Powlowski.

Go ahead, please, for six minutes.

Mr. Marcus Powlowski (Thunder Bay—Rainy River, Lib.): Certainly I don't think anybody would question the fact that one of the roles of government is to protect the public, and certainly there are concerns about natural health products.

Between May 1, 2021, and April 30, 2023, the Canadian vigilance program received 772 domestic reports of serious adverse effects from natural health products. That was without Vanessa's Law, which requires hospitals to report severe adverse effects. Furthermore, between 2004 and 2023, the Canadian vigilance program had received 8,625 reports in which the suspected product was a natural health product. Over 5,000 of those 8,000 were identified as serious by the reports.

Certainly we know that a number of natural health products have potentially adverse effects. For St. John's wort, there's a whole bunch of things with that, including interactions with SSRIs, which are commonly used in the treatment of depression and can cause serotonin syndrome, which can be deadly. There are a number of drugs that are natural health products that cause hepatotoxicity—liver toxicity. For example, there are pyrrolizidine alkaloids, which include comfrey and echinacea. Ginkgo biloba has both anticoagulant and antiplatelet effects. I think there's very significant reasons for the government's wanting to protect the health of Canadians.

Now, when it comes to the cost recovery program—and I want to ask both Mr. Harrington and Mr. Skelton about this—apparently, and this goes back to between March 2021 and March 2022, there was a pilot project that looked at compliance with good manufacturing practices among natural health product manufacturers and found there were issues of compliance in 42% of those companies inspected. Does that not seem to you to be a significant number such that it would require better policing of good manufacturing practices among natural health product manufacturers?

Quickly on that, are you not impressed by those numbers? I'm certainly impressed by those numbers, and it certainly suggests to me that there ought to be more inspections.

Mr. Gerry Harrington: I would agree. I think the industry has, for a long time, had a concern with Health Canada's approach, which is very heavy on premarket activities and the licensing system, which is, quite frankly, in most categories, heavily backlogged right now, but they have not been enforcing in the field. The authorities were already there before Vanessa's Law. Personally, we don't have an issue with Vanessa's Law, but the authorities are there. The department has continued to emphasize the premarket activities, and that is the problem. In terms of enforcement and inspections, that has been part of the self-care framework discussions from the outset, and it's something we strongly support.

The thing is, we've been talking about that for seven or eight years, but what we have instead of that is a cost recovery proposal that doesn't spell out how that's going to happen. It hands the bill to industry but has not, again, put the program together to ensure that this is correct—

Mr. Marcus Powlowski: On the cost recovery program, I assume you're all businessmen, associated with businesses or you're here to promote the interests of businesses.

I think it was you, Mr. Skelton, who said this is a tax we're putting on natural health products. If we don't do it in terms of cost recovery, which is making the industry pay for it, then is that not making all the rest of us Canadians pay for it? That means increased taxes, which I would assume you're against. It would seem to me that we should let the producer bear the cost rather than people within the public.

Mr. Harrington, you're shaking your head, so I have the feeling you're going to give the answer I like. Are you—

● (1235)

Mr. Gerry Harrington: Either way, the consumer ultimately pays, so I don't think there's a question mark around that. You're right. Whether it's charged to industry or whether it comes in the form of a tax, the issue is getting the regulatory reforms in place so we have a comprehensive approach that deals with a rebalancing of this premarket versus postmarket and inspections issue.

The Chair: You have less than a minute for the question and the answer, Dr. Powlowski.

Mr. Marcus Powlowski: Mr. Skelton and Mr. Gibson, I'll give you a chance to reply.

The Chair: Do so in a minute, please.

Mr. Adam Gibson (Member, Canadian Health Food Association): One important thing is that it's been a long time that this industry has been looking for a stable inspection program. Even when I was director general, this was something we were trying to institute. There's a concern there.

I think one of the biggest challenges is that we're looking to charge for an inspection program that's not recognized by any other jurisdiction or within the Government of Canada. Many of these inspections will take place, but then you can be inspected again by the CFIA and then inspected again for the exact same thing by Health Canada for a drug licence at the same establishment. You'll have five different licences and five different government employees coming in to check the exact same documents. This particular inspection program, if we're going to do it, really needs to be recognized so we don't have duplication.

The Chair: Thank you, Dr. Powlowski.

[*Translation*]

Mr. Thériault, you have the floor for six minutes.

Mr. Luc Thériault: Thank you, Mr. Chair.

Ms. Vadacchino, according to Dr. Powlowski, 42% of the companies that were inspected were found to be problematic.

What can you tell us about that?

Ms. Mackie Vadacchino: Thank you for the question.

First, we tried to find out exactly where those statistics came from, but we were not really able to get that information.

Second, even when I was CEO of Bioforce Canada, we asked a number of times, as did the Canadian Natural Products Association, for the criteria or standards so that we could prepare for those inspections. We were never given any standards or any details about what they were going to come in and inspect.

It should be noted that a number of things are still very vague and subject to interpretation. At Bioforce, our regulatory officer even asked Health Canada several times to clarify certain aspects, and we never got an answer. When we say that 42% of businesses did not comply, what exactly did they have to comply with? If you don't know the rules you have to comply with, it's very difficult to do so. Companies that produce prescription drugs, for example, have very clear and specific criteria, and they know very well what to expect in an inspection. We don't.

Mr. Skelton mentioned the 53 recommendations made in 1998. That was long ago. We've been asking for these criteria for a long time. Those of us who follow all the rules and who already pay a lot of taxes are in favour of inspections and good regulations. We're not against inspections. What we are asking is that the authorities work with us, as they have done in the past, to come up with regulations that are good for the Canadian consumer but also allow us to stay in business.

Mr. Luc Thériault: Mr. Skelton and Mr. Harrington, I assume no one is disputing the intent behind the regulations.

Compliance would be beneficial for the industry, not only for financial reasons, as Dr. Powlowski pointed out, but also because it would help it restore its image, particularly in light of a report that identified certain problems.

We could look at the pharmaceutical industry, which is also grappling with adverse drug reactions. We know that this industry is highly regulated. I asked for figures in order to compare these adverse reactions over a 17-year period, but we have not yet received them.

So you're in favour of regulations. You say that you want to be a participant in the process because right now, Treasury Board is the one calling the shots, added to which there has been no study on cost recovery for the industry or any environmental impact assessment.

In short, the government has chosen a financial and administrative approach rather than a reform that would be advantageous to all stakeholders, especially the consumer, who must be protected. It's not just a matter of free choice; it's a matter of consumer protection.

Do you agree?

● (1240)

[*English*]

Mr. Aaron Skelton: We would agree with that. The vast majority of our members appreciate and understand the benefit of a strong regulatory environment. I think that's why we're so proud of the regulations that we have today, and we've quoted many times that we're seen as a gold standard internationally.

We can speak to site inspections. I think our compliant companies are encouraged to hear the focus that the CESD put on operational and quality initiatives. I think those are all critical.

I reference what Ms. Vadacchino said. What is lacking is the enforcement and the education around that. What is lacking is the engagement so that, of those site licences that have some deficiencies, it is clearly understood what they are. We currently don't have an NHP site licence guidance document. That will probably shock most people. As you can imagine, as a small and medium-sized business, if you don't know what rules are going to be used as they're applied to your business, that can be quite concerning and make it quite hard to be compliant.

In our conversations with the department, though, most of those businesses that have some deficiencies are rectified almost immediately. These are simple corrections that just need an education tool to ensure that industry can be, as it wants to be, compliant.

The Chair: Thank you, Mr. Skelton.

[*Translation*]

Your time is up, Mr. Thériault.

[*English*]

Next is Mr. Davies, please, for six minutes.

Mr. Don Davies: Thank you, Mr. Chair.

I'd like to thank all the witnesses for being here today. I think I speak for all my colleagues when we say that this summer, after the recent proposed changes by Health Canada, we were all inundated with emails from our constituents and businesses in our community indicating great concern about this issue. I moved the motion to call Health Canada to come before this committee to explain themselves and I moved the motion to have you here. I just want to say that I think it's very important to have your voice on the record prior to our making decisions in this matter.

You know, I've been here 15 years, and this is at least the third iteration I've seen of Health Canada spontaneously, and without industry involvement, unilaterally trying to propose profound changes to a regulatory structure that, when I look at the 2003 report, strikes me as being unnecessary.

My first question is this, Mr. Skelton. There was a reference to 1998, when the first NHP regulations came in. I have a report in my hand from 2003—that's 20 years ago—reporting from Health Canada on the 53 recommendations. You referred to this already. Do we or do we not have a sophisticated regulatory structure in place in Canada right now for natural health products?

Mr. Aaron Skelton: I think we have a very strong, internationally recognized and robust regulatory system for natural health products—absolutely.

Mr. Don Davies: Okay.

I've heard the expression that this is really a solution in search of a problem. I want to probe that a bit. Health Canada has provided what is, to me, inconsistent and confusing information on what the adverse effects record says about natural health products.

Can you tell us what your data is on the injury or adverse negative health impacts caused by NHPs in this country?

Mr. Aaron Skelton: I appreciate the question. What we've determined is that this information is very hard to define. We actually had to engage with a third party management consultant group for us to try to scrub the data that is currently housed in the database for MedEffect. They discovered, after we heard the initial quotes made by Health Canada, that this information is not readily available. It is not categorized in such a way that this information can be pulled out.

The best we could do was to put a wider net, manually go through and try to identify which ones were related to natural health products. The best we could find was the potential for 32. Even within those 32, the complications of combinations with pharmaceutical prescription drugs also conflated that issue.

● (1245)

Mr. Don Davies: There were 32 cases of adverse effects from NHPs in what time period?

Mr. Aaron Skelton: That would be from 2020 to the current date.

Mr. Don Davies: Okay.

Mr. Skelton, in a recent interview, you said, “Canadians looking for their favourite NHPs are likely to turn online and source unmonitored and unregulated products that are less expensive than what they [would] find on Canadian shelves.” Do the proposed regulations by Health Canada effectively address that potential?

Mr. Aaron Skelton: I appreciate the question. The answer is, no, it does nothing to address the potential.

Mr. Don Davies: Okay. Thank you.

Mr. Harrington, you did a good job outlining some of the issues with the proposed cost recovery. You mentioned the GST. I also understand that natural health products are generally not covered by extended health care plans the way pharmaceuticals are. They have no patent protection providing a monopolistic pricing period, as pharmaceuticals have for 20 years.

Is it fair to compare the natural health products industry with the pharmaceutical industry when it comes to cost recovery?

Mr. Gerry Harrington: No. I think economically they're completely different models.

In terms of the impact of cost recovery on the public purse, there's a fundamental difference between the two. As you pointed out, they're not covered by health plans. The reason they're not covered by health plans is that they're not considered eligible expenses under the medical expense tax credit. There are many ways in which taxpayer money is going into the prescription drug market. I'm not disputing the validity of that, but it does completely differentiate the two product categories.

Mr. Don Davies: If I understand your testimony correctly, you're saying that the proposed cost recovery model for NHPs is the same as for the pharmaceutical industry.

Mr. Gerry Harrington: The fee ratio—in other words, the proportion of the total costs born by government that is billed to industry—is exactly the same.

Mr. Don Davies: That's without taking into account the factors I just raised.

Mr. Gerry Harrington: Exactly.

Mr. Don Davies: Thank you.

Mr. Skelton, it's funny. I've heard Health Canada explain that one of the reasons they want to change the labelling is that the current labelling requirements are so difficult that you need a magnifying glass, they say, to read them, yet those are the regulations they have prescribed.

Leaving aside that confusion, besides the fact that there is already a lot of information on NHP product labels—in fact, more than I've seen on others—what is the problem you see with having a reference to electronic information, such as scanning a bar code or a QR code, for any consumer who can get information? Is that potentially a solution to the information issue?

Mr. Aaron Skelton: The underpinning narrative is this: The industry is very open to conveying information in the clearest, most easily understood format. That's accepted across the industry.

What is challenged is that we're not embracing modern labelling solutions. You mentioned a few. There are others we can uncover. The lack of proper consultation with industry didn't allow any of those to be raised appropriately. Proper patient groups who have interests in this field weren't engaged in a meaningful way.

That's where we've landed. It's a 1980 solution to a 2020 problem.

The Chair: Thank you, Mr. Skelton and Mr. Davies.

Next, we have Dr. Kitchen for five minutes.

Mr. Robert Kitchen: Thank you, Mr. Chair.

I'd like to thank all the witnesses for being here and those who are staying the extra hour. We appreciate your being here.

I see that Ms. Vadacchino is back online.

I'm glad to see you're still here as well. I thought we had lost you.

Mr. Skelton, you talked about a number of things that I find interesting, and Mr. Harrington did as well. I'll start with the first one.

My colleague Mr. Thériault asked you about regulations and I saw heads nodding. My understanding is that the industry is recognizing.... They are prepared to self-regulate. Is that correct?

Mr. Aaron Skelton: It's not only about self-regulation. It's about confidence in the regulatory system we have today. There isn't a need, necessarily, for self-regulation, because there is such a robust and thorough premarket and postmarket regulatory regime existing in Canada today.

Mr. Robert Kitchen: Thank you

As I indicated earlier, I was the registrar for the chiropractic profession in Saskatchewan and across the country. One of my sayings was that it's the association's role to protect the profession, but it's the regulator's role to protect the public. The government is supposed to be in place to put forward parameters such that there is protection for other outside interests. Ultimately, having that self-regulation is very important. Everything I'm hearing from the industry is about finding ways to work with people in order to make certain we try to regulate that part.

Mr. Harrington, you brought up the issue of inspecting facilities.

As a regulator, you tend to do those sorts of things. Ms. Hollett was here in a previous meeting. I asked her how many inspections had been done. She indicated that, in a pilot program project they had, they did 36 in a one-year time frame. They were aiming to do 37 this year alone.

How many businesses and facilities are there in the industry?

● (1250)

Mr. Gerry Harrington: Thank you for the question.

There are hundreds. That is very small. It's almost a rounding error, regarding the industry.

That being said, it's worth emphasizing that the kind of inspection program that makes sense is a risk-based one. You have to target places where you think there is the most likelihood of a problem that can be rectified. It's that kind of structure we're still waiting to hear about from Health Canada, so we're not just returning to the coalition of the willing, which lines up to get these licences, continues to put these products on the market and is compliant but then has to compete against non-compliant companies.

That's a nuance that is completely missing from the current approach.

Mr. Robert Kitchen: Thank you. I appreciate that. It leads perfectly into my next question.

The government is hiring 22 people to do this inspection. Ultimately, as you indicated, that's not enough. We need to have steps, and the industry, as well, needs to put in places to do that. Part of what Mr. Skelton talked about was the lack of stakeholder engagement. This whole issue is not only one of engagement. It's also an issue of inspection. That's where I see that engagement.

Mr. Skelton, take health food products. Most Canadians wouldn't have had a clue what went on when Bill C-47 went down. All of a sudden, if you hadn't gone through that issue with a fine-tooth comb.... What that bill did is.... I love to use a word that I put through in the House, which I made up: “thispocketnesia”. It's what this government does. It takes money from this pocket and puts it into that pocket. This pocket is the public's pocket. It's putting it into its pocket, and then forgetting to do it. Ultimately, when you take words and create them.... Here we have the issue of a government that doesn't engage with you.

Mr. Skelton, as part of the industry, when did you first hear about these steps, and how often has the government come to you and said, “Hey, we need to talk to you about this”?

The Chair: Mr. Skelton, we're at time for this round, so please answer in 30 seconds if you could.

Mr. Aaron Skelton: I think I would reference back to the congratulations to this committee for the work that was done in 1998 and 2004 on the extensive consultation—hundreds of testimonies and patient groups—and then to the complete lack of engagement on this one. We didn't hear about cost recovery until May 11, and it was gazetted on May 12.

The Chair: Thank you.

Next, we have Ms. Sidhu for five minutes, please.

Ms. Sonia Sidhu: Thank you, Mr. Chair.

Thank you to all of the witnesses for being with us.

My question is for Ms. Hyland.

In your testimony, you talked about how some brand names have different ingredients and about improving the safety of Canadians. How are these regulatory changes going to support a safer marketplace for Canadians who consume natural health products?

Ms. Sylvia Hyland: I think I'll answer that with.... Health Canada's approach is seen as reasonable and supportive. We have seen some examples—I think, Gerry, you mentioned it—where they're embracing the new regulations for labels, so we have seen some examples where label changes have been made. I'm also hearing that we need more enforcement, that we have a lack of enforcement. The cost recoveries are intended to have that happen—with better compliance and better inspections.

Does that answer your question in terms of...?

The other part of the answer, maybe, is that, if we have product facts tables consistently on all products, similar to nutrition facts tables on our food products, I think it's going to be easier for both consumers and professionals to look at products, compare products and make selections without errors.

● (1255)

Ms. Sonia Sidhu: Thank you, Ms. Hyland.

Do you want to add to that, Ms. Sheldrick—on why these regulatory changes are so important for Canadians?

Ms. Melissa Sheldrick: Sure. Thank you.

The product facts tables that have been improved are very readable for the consumer. Consumers can go into the store and select the product they're looking for. They can read it, and it's clear so that they know what they're buying.

Sometimes what might happen is that, if you buy a product where the information is not clear, you spend an amount of money, you take it home and it's the wrong product. Then you can't return it, which is an additional cost to consumers because then they go back and replace it with another product. There are considerations for costs to consumers, but we have to look at it very carefully. Really, the priority is the clarity of those labels and getting that information to consumers as clearly as possible, because that will impact the safety and the quality.

Ms. Sonia Sidhu: Thank you, Ms. Sheldrick.

Mr. Chair, I want to share my time with Dr. Hanley.

The Chair: Dr. Hanley, go ahead, please.

Mr. Brendan Hanley: Thank you.

I want to, again, thank all of the witnesses. All of this information has been really useful to inform further steps. I only wish that my Conservative colleagues had allowed us to get the most out of your testimony rather than theirs.

I certainly hear the concerns that industry representatives have brought forward, and these are really valid concerns. I just want to point out that, on cost recovery, my understanding is that consultations are still ongoing and that this is a draft proposal. I'm glad that we can get some of those concerns on record, including that Health Canada is still in the process of consulting with the industry.

I know I don't have a lot of time, but my questions will be for Ms. Hyland.

There have been many questions about the lack of ability to get the data that we need to have a good sense of the incidence of adverse effects. Under Vanessa's Law, my understanding is that this will add a mechanism to get better data on adverse effects. I wonder if you could comment on that aspect.

Ms. Sylvia Hyland: First, most Canadians don't yet know where and what to report when they have concerns or incidents of harm. Truly, we don't have all of the data and the knowledge of the harm that natural health products might be causing.

With regard to your point, it's great to hear industry support for Vanessa's Law because, with Vanessa's Law, we will see more reporting and learning. This will inform continuous improvement, including the warning statements on packages for the consumer.

Does that answer your question?

Mr. Brendan Hanley: Yes, thank you. I think that's a good point.

The Chair: You have 30 seconds for the question and the answer, Dr. Hanley.

Mr. Brendan Hanley: I am aware of that.

There's been a lot of talk about getting the balance right. Will an improved sense of consumer confidence and safety be a potential plus for the businesses that we are all concerned about?

The Chair: If you wish to respond, be very brief.

Mr. Brendan Hanley: That is for you, Ms. Hyland.

Ms. Sylvia Hyland: I think the main point is—and I heard—that the regulatory requirements in Canada are perceived to be very strong. Yes, I think so much has been done to regulate NHPs. Canadians believe that all of these requirements are being met when they buy that product. All of this work that has been put in place by Health Canada to enforce the new authorities that are created is all being done because Canadians already expect that they are there. When they pick up a product in a store, they are expecting that it is safe and effective.

We heard that, in premarket, the work is very well done. We need more monitoring and compliance checking with the new requirements, as well as more reporting and learning, so that we have more data and more knowledge.

Does that answer your question?

● (1300)

The Chair: It does indeed. Thank you, Ms. Hyland.

[*Translation*]

Mr. Thériault, you have the floor for two and a half minutes.

Mr. Luc Thériault: Thank you, Mr. Chair.

My next question is about labelling. The more crowded a label is, the less likely the consumer is to read it. In Quebec, we have a particular problem, because a French version is required on the label. It is sometimes difficult to put everything on the same label, which will lead to more paper or packaging.

Personally, when I am not able to read the entire label, I do not buy the product.

We have here a proposed solution that will come into effect in six years. Manufacturers will have to make changes and incur costs, and the proposed changes are already out of date.

Could we not sit down, all of us together, and find a solution?

What do you propose as a solution?

[*English*]

Mr. Adam Gibson: One thing that I agree with my colleagues from the ISMP on as being very important is analyzing the information we have coming in. It's called the human factors analysis. There is good guidance from Health Canada regarding that.

I can say categorically—I have it in writing from Health Canada—that they refuse to conduct one regarding this most recent labelling initiative. One of the big irritants that industry has is that we aren't confident that we are solving the problem. For the problem you're describing, professionals from the University of Toronto have identified the fact that you can't solve all problems with labels. You have to look at other ways of communicating. The other issue we have is the length of warnings. We saw the green tea liver warning label double in size. It's essentially twice as many words. That's hard for people to understand. It's hard for them to get to.

What we really need to do is to sit down with experts, do the proper analysis and come up with solutions that don't put all our eggs in one labelling basket but actually find the correct solutions. There's a lot of good information coming from groups like the ISMP. We just need Health Canada to conduct the analysis in a way that we all respect and see it published. That has never taken place in the last four years of consultation. That's one thing that's really important: to find the correct analysis and the right tool to solve the problem.

The Chair: Thank you.

The last questions will come from Mr. Davies, please.

You have two and a half minutes.

Mr. Don Davies: Thank you, Mr. Chair.

Before I leave labelling, I'm confused by numbers as well because Dr. Sharma left the impression with this committee that the vast majority of product samples that were reviewed by the Auditor General were advertised with misleading product information. However, Health Canada's own compliance monitoring project, which tested natural health products for vulnerable populations, found the opposite. They did a label review and found 92% to be compliant.

What do you have to tell the committee in terms of the accuracy of labelling on NHPs in this country?

Mr. Adam Gibson: We trust the compliance enforcement report that you referred to—the 90%. We have investigated the numbers used by the Auditor General. They're not representative of the population.

Essentially, of every single big-box store and pharmacy in the country, everyone, even Amazon, are 90% non-compliant? That's just false. We learned that those numbers were patently false. We see them repetitively used. The compliance numbers that you referred to, those are accurate.

Mr. Don Davies: I understand there's a controversy about whether the Auditor General was purposefully sampling or randomly sampling.

Mr. Adam Gibson: We have that in writing, yes.

Mr. Don Davies: Okay.

I want to leave the last words to you, Mr. Skelton. If these regulations go ahead, tell us what the impact on Canadian businesses in the NHP industry and consumers will be in this country.

Mr. Aaron Skelton: Thank you very much for the question.

We know first-hand through our engagement that a significant portion of businesses would be financially unviable. Those businesses employ Canadians and service other Canadians. Products on the shelf would be drastically reduced and the prices of the products that remain would go up.

At a time when Canadians are looking for the most efficient way to spend every dollar they have, this would make utilizing natural health products to support their health that much more challenging, all while leaving online international markets open for lower-cost products, which don't have the same sort of rigour and regulation oversight that we're so proud of here in Canada.

● (1305)

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

Thank you to all of our witnesses for your patience, expertise and for cramming an awful lot of information into the time allotted. Be assured that we greatly appreciate your being here with us today and sharing your expertise in the way that you have.

Colleagues, is it the will of the committee to adjourn the meeting?

Some hon. members: Agreed.

The Chair: We are adjourned.