

# CANADIAN COALITION FOR ACTION ON TOBACCO COALITION CANADIENNE POUR L'ACTION SUR LE TABAC

World Exchange Plaza, 111 Albert Street, Unit 108, Box 81114, Ottawa, Ontario, Canada K1P 1A0  
World Exchange Plaza, 111 rue Albert, Unité 108, C.P. 81114, Ottawa, Ontario, Canada K1P 1A0

## HEALTH GROUPS LAUNCH CAMPAIGN FOR ACTION ON TOBACCO CONTRABAND

**PRESS RELEASE**

**April 24, 2007**

**Ottawa** - 70 national, provincial and local agencies today called for vigorous federal and provincial action to cut off the supply of tobacco contraband at source.

“There is no way that police enforcement action alone, with existing tools, will be sufficient to control the growing tobacco contraband market,” says Dr. Ian Gemmill, Medical Officer of Health for the Kingston, Frontenac, Lennox & Addington Health Unit. “The Canadian Coalition for Action on Tobacco (CCAT) views tobacco contraband as a major threat to public health and, in response, has decided to launch Project CATCH: the Campaign for Action on Tobacco Contraband and Health. Endorsing organizations share the concern that cheap cigarettes undermine the public health benefits of tobacco tax increases. High tobacco taxes protect kids from starting to smoke, prompt smokers to quit or cut back, and prevent ex-smokers from relapsing.”

“Since price plays such a critical role in tobacco consumption, tobacco smuggling has also the potential to hurt all the work done by the health community over the past ten years to introduce other tobacco control measures to protect Canadians from the devastating health effects of tobacco products,” adds Dr. Gemmill. “Let's not forget as well that governments are losing hundreds of millions or even billions of dollars per year because of tobacco contraband and the resulting reluctance to raise tobacco taxes.”

Francis Thompson, the Director of Policy for the Non-Smokers' Rights Association outlines the major sources of contraband cigarettes: “The most significant source is from illegal operations on the St. Regis (i.e. American) side of Akwesasne, which straddles the Ontario, Quebec and New York States borders. Other sources are from illegal operations on Kahnawake (near Montreal), Tyendinaga (near Belleville, Ontario) and Six Nations (near Brantford, Ontario). Obviously, the authorities have known for several years where these cigarettes are coming from. Yet, we still have no indication if the federal government views tobacco smuggling as a priority and plans to do anything significant about it.”

### Voting members:

Canadian Cancer Society • Canadian Council for Tobacco Control  
Canadian Dental Association • Heart and Stroke Foundation of Canada • Non-Smokers' Rights Association  
Physicians for A Smoke-Free Canada • The Lung Association

“There is no way of knowing for sure the current size of the contraband market but indicators do suggest that the problem is getting worse, especially in Ontario and Quebec,” warns Neil Collishaw, Research Director for Physicians for a Smoke-Free Canada. “Smuggling is also spreading to other provinces. In any case, regardless of what level the contraband market has reached, the solutions are known and must be implemented. Any further delay will only make it harder for the federal and provincial governments to effectively solve this issue.”

“The key to preventing contraband is to eliminate the source of supply,” declares Rob Cunningham, Senior Policy Analyst and lawyer for the Canadian Cancer Society. He adds that priorities for action should include:

- 1. prohibiting the supply to unlicensed manufacturers of raw materials and equipment used in making tobacco products;**
- 2. revoking licenses of manufacturers acting unlawfully;**
- 3. introducing an effective package marking system known as ‘tracking and tracing’ to closely monitor tobacco shipments;**
- 4. persuading the U.S. federal government to shut down illegal manufacturing operations on the U.S. side of Akwesasne;**
- 5. and establishing a minimum bond of at least \$5 million in order to obtain a federal tobacco manufacturing licence, instead of the current extremely low \$5000.**

“Some of these measures can and should also be applied by provincial governments, notably Ontario and Quebec,” Cunningham points out.

“Tobacco contraband and smuggling is a problem of supply, and not of demand or of higher taxes,” emphasizes François Damphousse, Director of the Quebec office of the Non-Smokers’ Rights Association. “This is demonstrated by the fact that the two provinces with the lowest taxes - Ontario and Quebec - have the largest contraband problem. Provinces such as British Columbia and Alberta, with far higher taxes, do not have a material illegal market. The problem at hand is the lack of control of the illicit supply of tobacco, a problem that is entirely preventable.”

- 30 -

SOURCES:	Neil Collishaw	(613) 233-4878, cell. (613) 297-3590
	Rob Cunningham	(613) 565-2522, ext.305
	François Damphousse	(514) 843-3250, cell. (514) 237-7626
	Louis Gauvin	(514) 598-5533, cell. (514) 816-5493
	Dr. Ian Gemmill	(613) 549-1232, ext. 234
	Michael Perley	(416) 340-2992, cell. (416) 709-9075
	Francis Thompson	(613) 230-4211, cell. (613) 355-6532