

Montreal, November 5, 2009

The Honourable Art Eggleton, P.C.
Senator
Chair, Standing Committee on Social Affairs,
Science and Technology
The Senate of Canada
Ottawa, ON K1A 0A4

Subject: Study on the impact of tobacco contraband

Dear Mr. Senator:

Although tobacco contraband has reached unprecedented scope in recent years, it is far from being a new issue. It is particularly embarrassing for Canada that one government after another cannot adopt a permanent solution to this problem.

The Conseil du patronat du Québec (CPQ) thus adds its voice to those of other organizations, including the Canadian Convenience Stores Association (CCSA), in the sincere hope that your Standing Committee on Social Affairs, Science and Technology will hold an in-depth study on the impact of tobacco contraband and its solutions.

Several days ago, the CCSA sent you a letter requesting such a study. The CCSA deplored the fact that recent tobacco contraband interventions by the Senate, the Royal Canadian Mounted Police and the Minister of National Revenue have produced nothing concrete.

For its part, the CPQ has expressed its concern over this phenomenon on numerous occasions in recent years to both the Quebec and federal governments. The illicit tobacco trade clearly has significant negative financial repercussions on the legitimate businesses we represent.

From our perspective, an investigation under the aegis of your committee should study the impact of cigarette contraband on government revenues, in particular.

Hundreds of millions of dollars of lost tax revenue due to tobacco contraband is compensated by tax grabs into other sectors of the economy. During these difficult times when public debt is again on the rise, and when we all must tighten our belts, it is absurd to tolerate an illegal activity that adds to the burden of taxpayers and makes thousands of small businesses more vulnerable.

We hope you and your colleagues in the Senate will respond favourably to this request.



Yves-Thomas Dorval
President

c.c.: Members of the Standing Committee on Social Affairs, Science and
Technology