

## Government of Canada invests \$20 million in anti-tobacco activities

Ottawa, Ontario, August 29, 2008... The Honourable Gordon O'Connor, Minister of National Revenue today announced a \$20 million investment over the next four years to combat contraband tobacco and its damaging effects on the health of Canadians.

“Today the Government of Canada is announcing an investment of \$20 million to combat contraband tobacco and to reduce the amount of tobacco that Canadians consume,” said Minister O'Connor. “Contraband tobacco negatively affects all Canadians and our Government is determined to fight the problem.”

This important investment will help in two key areas: strengthening tobacco control; and advancing initiatives aimed at reducing the availability of illegal tobacco products and the consumption of tobacco in Canada.

Taxing tobacco products at a high level is an important element of the governments' health strategy to discourage smoking among Canadians. Smuggling and the contraband tobacco trade undermine this strategy. Enhancements to tobacco tax compliance and enforcement programs will ensure that the Government is meeting these goals with effective tax, regulatory and control measures.

On July 31, 2008, the Government of Canada joined with all provinces in a landmark settlement concerning tobacco smuggling. Two of Canada's largest tobacco manufacturers, Imperial Tobacco Canada Ltd. and Rothmans, Benson & Hedges Inc., admitted involvement in “aiding persons to sell or be in possession of tobacco products manufactured in Canada that were not packaged and were not stamped in conformity with the *Excise Act* and its amendments and the ministerial regulations,” between 1989 and 1994.

The settlement addresses a long standing issue and allows the federal government to focus efforts on tobacco compliance and control issues facing Canada today.

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