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## Canada's Corner Stores Warn Government: Inconsistent Regulation of Cannabis and Tobacco Will Have Serious Consequences

Toronto, ON, November 22, 2017 - A new white paper produced by the Canadian Convenience Stores Association (CCSA) charges that the federal government risks damaging thousands of small businesses in communities across the country by opening the door to further increases in sales of illegal tobacco while giving unfair and preferential treatment to the sellers of cannabis.

Ottawa is considering important legislative changes for two controversial, age-restricted products. Bill C-45 – *The Cannabis Act* lays the framework for the legalization and regulation of cannabis. The House of Commons is also considering Bill S-5, a new law to regulate e-cigarettes and place further restrictions on tobacco.

The stated purposes of legalizing cannabis are to reduce the black market, to restrict youth access, to deter and reduce criminal activity, and to protect public health through strict product safety. The government's Tobacco Control Strategy shares the very same goals. However, the approaches are inconsistent, and, in the case of tobacco, will be counterproductive. Government should not rush changes through, and should instead take the time to ensure that a consistent and coherent approach is taken to these two controlled products.

Tobacco faces severe new restrictions and will only be allowed to be sold in identical plain packaging. By contrast, cannabis packaging will be permitted to have limited branding, will have more room for promotion and will be taxed at a much lower rate than tobacco products.

Just yesterday, Health Minister Ginette Petitpas Taylor attempted to explain why branding will be allowed on cannabis by saying that packaging and labelling of cannabis products is necessary to give adult consumers the relevant information they need to make informed decisions and an educated choice.

"We couldn't agree more with the Minister, and fail to understand why the same logic is not being applied to tobacco," said Satinder Chera, President of the Canadian Convenience Stores Association (CCSA).



The CCSA white paper titled, *A Warning from Canada's Corner Stores: Inconsistent Regulation of Cannabis and Tobacco Will Have Serious Consequences*, argues that the government's proposed changes to the *Tobacco Act* will hurt convenience stores by making it easier to manufacture and sell untaxed illegal cigarettes. Manufacturers of contraband tobacco can easily replicate plain packaging and in the absence of branding, consumer choice will be reduced to price alone. The cheapest cigarettes will always come from the illegal market, and the problem will get worse with plain packaging. The contraband market will continue to expand, frustrating public health objectives and undercutting honest business people who are asking only for a level competitive playing field.

Minister Petitpas Taylor also said yesterday that the government is sticking to its July 1, 2018 date for marijuana legalization because currently young people can buy cannabis more easily than cigarettes.

Mr. Chera said it is true that it is hard for young people to buy cigarettes legally because corner stores rigorously enforce age restrictions. Research conducted by Smoke Free Ontario, which conducts 20,000 underage spot checks a year, shows convenience stores have a pass rate of 95.7%. Mr. Chera added that the government's proposals will instead drive more people to contraband sellers. A report indicating that Health Canada is considering raising tobacco taxes to as high as 80 per cent of the sale price would give an even greater boost to the black market, he said.

"The government cannot have it both ways," said Mr. Chera, "The responsible, hard-working small businesspeople who own corner stores believe the federal government's diverging approaches to pot and tobacco policies is inherently unfair."

"We are concerned that government is ignoring our decades of experience and solid track record of distributing and selling age-restricted products," said Anne Kothawala, President of the National Convenience Stores Distributors Association of Canada (NACDA). "The evidence from other countries is clear: plain packaging only serves to grow the illegal market and make tobacco cheaper and more accessible to youth. These are all outcomes that run counter to the government's policy objectives."

The full white paper can be found:

[http://www.cstores.ca/files/theccsa/ccsa\\_tobacco\\_cannabis\\_report\\_nov\\_22.pdf](http://www.cstores.ca/files/theccsa/ccsa_tobacco_cannabis_report_nov_22.pdf)

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