



Physicians *for a* Smoke-Free Canada

1226 A Wellington Street ♦ Ottawa ♦ Ontario ♦ K1Y 3A1 ♦ www.smoke-free.ca
Tel: 1 613 233 4878 ♦ Fax: 1 613 233 7797 ♦ ncollishaw@smoke-free.ca

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January 20, 2010

The Honourable Gerry Ritz
Minister of Agriculture and Agri-Food Canada
House of Commons
Ottawa, CANADA
K1A 0A6

Mr. Minister,

I was pleased to read your statement of March 26, 2009 concerning the \$286 million Tobacco Transition Plan (TTP). You said:

"I have directed the tobacco board to ensure that no one can undermine the program by receiving a payment and continuing to produce tobacco. The purpose of this program is clear: it must help producers exit the industry."

However, my pleasure turned to displeasure when I read a letter of May 7, 2009 from Greg Meredith, Assistant Deputy Minister of Agriculture addressed to Linda Vandendriessche, who was then Chair of the Ontario Flue-Cured Tobacco Growers' Marketing Board, in which he stated that beneficiaries of the TTP could nevertheless continue to be involved in tobacco growing as long as they had a relationship with a holder of a license to grow tobacco that was at "arm's length" from the holder of a licence to grow tobacco.

Even though all but 18 of tobacco quota holders participated in the TTP, there were 118 tobacco growers in Ontario in 2009, meaning that 100 tobacco producers found a way to exploit the loophole offered to them by Mr. Meredith. By our estimate, this means that \$30-\$60 million of taxpayers' money went, not to assist tobacco farmers in the transition to other forms of economic activity, but, in fact, to subsidize 100 producers to continue to grow tobacco.

My displeasure was further heightened when I learned the Advance Payments Program of your Department offered in 2009 up to \$100,000 as an interest-free loan to each tobacco grower who wanted it and a further \$300,000 to be loaned at the prime rate.

As the 2010 crop year approaches, my concern is that the situation will be exacerbated. If 100 TTP participants were able to exploit loopholes in the Program in 2009, how many more of the 1,065 TTP participants will do so in 2010, further subverting your assurance "that no one can undermine the program?" Will people wrongfully subsidized by the taxpayers to continue producing tobacco further benefit from interest-free loans and soft loans, also subsidized by the taxpayers?

I hope that you can give me assurance in your reply that these things will not occur, together with a specific plan for preventing them.

I hope also that you can assure me in your reply that you will be working collaboratively with your colleague the Honourable Minister of Health, Leona Aglukkaq to ensure the highest possible level of implementation in Canada of the international treaty, the Framework Convention on Tobacco Control. You may wish to note that Article 17 of this Convention calls for the development of “economically viable alternatives” for tobacco growers. It specifically *does not* call for government subsidies to support continued tobacco growing.

I look forward to your early reply.

Yours sincerely,

A handwritten signature in cursive script that reads "Neil E. Collishaw".

Neil E. Collishaw
Research Director