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Chair

Mrs. Joy Smith

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• (1535)

[English]

The Chair (Mrs. Joy Smith (Kildonan—St. Paul, CPC)): I call the meeting to order.

Today we want to welcome our witnesses to the health committee. From Action on Smoking and Health, we have Les Hagen, the executive director. Welcome, Les.

We have, from Casa Cubana, Glen Stewart, the director. Welcome. You're the director of marketing and product development, I believe. We also welcome Luc Martial, government affairs, Casa Cubana.

We have with us Distribution GVA Inc., with Vincent Albanese, president and chief executive officer, and Luc Dumulong, the vice-president. Welcome.

We also have with us Imperial Tobacco Canada Limited, with Tamara Gitto, associate general counsel, and Gaëtan Duplessis, director of research and development. Welcome.

We'll give each of you a chance to present for seven minutes. After that, we'll have questions and answers. We'll start with Action on Smoking and Health.

Mr. Hagen.

Mr. Les Hagen (Executive Director, Action on Smoking and Health): Thank you, Madam Chair.

Action on Smoking and Health is western Canada's leading tobacco control organization. ASH has contributed to the tobacco control movement for 30 years, and I have served as its executive director since 1989.

I thank the committee for recognizing the regional disparities in tobacco use by allowing me to participate in these important hearings. I would also like to thank my national colleagues for calling for amendments that will help to reduce health inequities in Bill C-32.

We congratulate the federal government and Parliament for taking concerted action to crack down on flavoured tobacco products and print advertising. These are important measures that will help to prevent tobacco use among young people. However, we have grave concerns about the current exemption for smokeless tobacco in Bill C-32.

"Smokeless" is certainly not harmless. Smokeless tobacco contains over 3,000 chemicals and 28 known carcinogens. It is highly addictive and it has no safe level of consumption. The product contains a lethal mixture of tobacco, nicotine, sweeteners, abrasives,

salts, flavourings, and various chemicals. In 1986, the U.S. Surgeon General declared that oral use of smokeless tobacco represents a significant health risk, and that it is not a safe substitute for smoking.

Young people are particularly at risk of nicotine addiction from smokeless tobacco, as they are often lacking the cognitive ability to fully appreciate the consequences and strength of the addiction until it's too late.

Unfortunately, Alberta is the epicentre of smokeless tobacco in Canada, and it represents about 40% of the total smokeless market. Over the years, the smokeless tobacco companies have aligned their products with Alberta's cowboy image of independence, risk-taking, and hard living. Prior to the sponsorship ban in 2004, smokeless tobacco products were promoted widely at rodeos throughout western Canada. The smokeless tobacco companies now have a limited presence at some of these events, in adult-only venues.

However, these companies have found other creative ways to target young people. Over the past two decades, the smokeless tobacco companies have steadily increased their product offerings to include a wide array of flavourings. Their sales have steadily increased with the introduction of flavourings, like peach, apple, wintergreen, cherry, mint, and vanilla. These fruit and candy flavourings are virtually identical to those that have contributed to the dramatic rise in cigarillo sales in recent years and they deserve equal concern.

It is therefore not surprising that significant numbers of teenagers in Alberta and other regions are attracted to flavoured, smokeless tobacco. According to the Canadian tobacco use monitoring survey, teens are three times as likely to have tried smokeless tobacco in the past 30 days compared with adults age 25 and over. The same survey also revealed that 15-year-old to 19-year-old teenagers represent 25% of total users, although this population is only 7% of the general population.

The Alberta numbers are even worse. The rate of smokeless tobacco among Alberta teens is almost double the national average. In fact, there are almost as many Alberta male teens using smokeless tobacco as there are using cigarettes. There's no question that teenagers in Alberta and Canada are using smokeless tobacco products at a disproportionate rate. As you heard from Sam McKibbin earlier this week, teens are attracted to fruit and candy-flavoured, smokeless tobacco products in the same way they are attracted to flavoured cigarillos.

I grew up in a farming and ranching community in southern Alberta, where smokeless tobacco was not uncommon. However, I've never seen a rancher or a cowboy use peach, or berry, or cherry chew. As the industry's own internal documents show, these flavoured products are intended to help graduate adolescents into harsher products like Copenhagen or like cigarettes, once they become adults.

Here's a direct quote from an internal industry document:

New users of smokeless tobacco—attracted to the [product] for a variety of reasons—are most likely to begin with products that are milder tasting, more flavoured and/or easier to control in the mouth. After a period of time, there is a natural progression of product switching to brands that are more full-bodied, less flavoured, have more concentrated “tobacco taste” than the entry brand.

We cannot overlook the contribution of smokeless tobacco to cigarette addiction among young people, as they graduate from one harmful product to another. Recently, Philip Morris, the world's largest cigarette company, purchased the U.S. Smokeless Tobacco Company, which produces Skoal and Copenhagen. This telling marketing strategy should not be lost on committee members.

● (1540)

I've submitted two detailed backgrounders on smokeless tobacco use in Alberta, which were prepared by Alberta Health Services and its affiliates. The documents reveal that smokeless tobacco companies have been targeting teens as young as age 15 by adding flavourings and sweeteners to make their products more palatable. These backgrounders confirm the problems associated with flavoured, smokeless tobacco use in Alberta and beyond.

In closing, we urge the federal government and Parliament to take regional disparities into account when considering Bill C-32.

Health Canada advocates publicly for the reduction of health inequities, and the current smokeless exemption is one such inequity. Flavoured, smokeless tobacco is having a disproportionate impact on youth, especially those living in rural Canada, northern Canada, and the prairie provinces. We encourage the committee to support an amendment to remove this exemption and to give these kids a greater chance to remain tobacco-free.

The Chair: Thank you.

Could we now go to Casa Cubana?

Mr. Stewart, I believe you're going to lead off, or is it Mr. Martial?

Mr. Luc Martial (Government Affairs, Casa Cubana): I'll lead off, if that's okay.

I'd like to thank the committee for allowing us the opportunity to present today. With me, as you mentioned, is Glen Stewart. He is the director of marketing and product development, so for any questions you may have with regard to the history of the product or the industry itself, I'm sure Mr. Stewart would welcome sharing that information with you. Mr. Stewart is also a 30-year veteran in the industry, in both the cigarette markets and the cigar markets, if anybody wants actual facts about these products.

The Chair: Excuse me, Mr. Martial, can I just stop the clock for a minute? You have no notes to present to the committee? You're just doing an oral presentation?

Mr. Luc Martial: Yes, that's right, if that's okay.

The Chair: It would be nice to have some documentation. If you could forward it to the clerk at some subsequent time, I'd appreciate that.

Mr. Luc Martial: Absolutely.

The Chair: Okay. We'll start the clock again. Thanks.

Mr. Luc Martial: As for me, I actually have been doing government affairs for Casa Cubana for the last six or seven years now. I'm not a lawyer. Interestingly enough, I'm actually a tobacco control advocate. I've been on this file for the last 18 years.

Perhaps unlike any other tobacco control advocate in this room, I've actually sat at every side of the policy table in tobacco and tobacco control. I worked as a policy analyst with the Non-Smokers' Rights Association of Canada, as a data specialist and media relations manager with the Canadian Council on Smoking and Health, and as director of the National Clearinghouse on Tobacco and Health. I worked in Health Canada's tobacco control program, in research, surveillance, evaluation, and policy and planning. I'm here to say that Bill C-32 is basically the perfect example of everything that's wrong with the tobacco control movement in Canada. This committee cannot allow this bill to become law in any form for two reasons.

Number one, there's absolutely no relevant research that supports in the least banning flavours in tobacco products, let alone banning singles, for example.

Number two, as much as people may hate the industry or people in the industry, the reality is that if you pass this into law, you will cause much greater harm to society. It is a fact that if you ban these products, you're essentially giving exclusive market rights for these products to a growing and existing illicit trade in tobacco, which includes flavoured products, according to the RCMP. You will be putting much more tobacco, much cheaper tobacco—

● (1545)

The Chair: Excuse me. You cited the RCMP. Could you give us your documentation citing the RCMP? This is the first time I've heard that.

Mr. Luc Martial: Absolutely. That documentation has already been forwarded to Monsieur Etoka, and it basically contains all that information.

We do know for a fact that if you ban these products, many more, much cheaper, and completely unregulated products, both flavoured and unflavoured, will find their way into the hands of Canadians who are already breaking the law, and especially kids as well. You will be putting tens of millions of dollars into the hands of criminal networks, which, according to the RCMP, are also involved in drugs and weapons trafficking. You'll be putting thousands of people out of work. You will be throwing tens of millions of dollars, if not hundreds of millions of dollars, in government revenue right out the window. You will be providing absolutely no benefit to public health.

Now, in terms of how I justify saying there's absolutely no relevant research, this is not a new issue. Anti-tobacco groups have been going around from province to province, trying to find any unsuspecting government or politician who would propose a government bill or a private member's bill to ban these products. Effectively, I've had the occasion to actually meet with politicians and government departments on this issue. On this issue alone, I have contacted Health Canada a number of times with regard to the lack of relevant research, and we've been requesting that they actually do research.

Quite interestingly enough—

The Chair: I'm sorry to interrupt you again, Mr. Martial. The interpreters are telling me they can't keep up to you.

Mr. Luc Martial: Do I have to go more slowly? Okay, I'm going to need eight minutes then.

The Chair: My apologies for interrupting you a third time. It's just that we'd like your testimony on the public record.

Mr. Luc Martial: No problem. I'll go a little bit slower.

Quite recently, I think what's most relevant is that I had a meeting with the Health Canada tobacco control programs, specifically the director of research, surveillance, and evaluation, and probably the foremost expert for the federal government, Dr. Murray Kaiserman. I've known Murray for the last 18 years throughout my time in tobacco control. I used to work for Murray. I came to Murray and said, "Listen, Murray, I have this issue here. I'm seeing a lot of things that are being published in the papers by anti-tobacco groups and some politicians about these products, the market, and the industry, that in my analysis of all the research that's available are tantamount to outright lies. At the very least they're gross misrepresentations of the facts—"

The Chair: Mr. Martial, I'm very sorry, but the interpreters can't keep up to you. I've stopped the clock, so don't worry about that, but you must slow down a little bit so they can translate.

There are some people on our committee who are actually more comfortable using the French language as well.

Thanks.

Mr. Luc Martial: All right.

Most recently, May 21, after having written to every member of Parliament asking for their support in getting Health Canada to actually do research on this, after having sent in submissions, after having written to the department asking them to do research on these products, I finally got a meeting with Dr. Murray Kaiserman.

I actually took the time to read the research, from the youth smoking survey to the Canadian tobacco use monitoring survey. I looked at all of that; that's what I've done all my life. So I met with Murray and I said, "Listen, Murray, I don't understand this. From everything I see, this is a non-issue. The vast majority of people who consume these products are of legal age to do so. The majority are over the age of 25. Does Health Canada have any relevant research that in the least tells us who's consuming exactly which products, in what quantities they're consuming it, the frequency of their consumption, the origin of the product they're consuming—is it contraband, is it legal, is it native?—the source of this product,

where they are getting it from, and/or how flavours impact the decision for anyone, let alone kids, to decide to start smoking or continue smoking?" Murray says to me, "No, Luc, we don't have that type of research." Obviously, they had research with regard to emissions testing and so forth. I said, "Well, are you planning on undertaking any research?" He said, "No, and I'll tell you why, and it's for two reasons, Luc. Number one, the market is too small." I said, "What are you talking about?" He said, "Well, the market is too small, so that whatever research we could do through CTUMS would be unreliable, in terms of data. We'd have to do specific research. And number two, we're not going to be doing any research. The reality is, if we don't do research, we don't have to release findings to the public."

Then he also said something interesting to me. He said, "You know, Luc, it's not only an issue that minors are getting access", and he conceded that the vast majority of people who consume flavoured little cigars and cigarillos are of legal age to do so, as mandated by the Government of Canada. He said, "The problem, Luc, is that the products look good, and it's against the spirit of what we're doing here to allow any product to be appealing to any-age smoker."

I took that, basically, to be Health Canada breaching its mandate of education information, basically forcing lifestyle choices on people whom they've given the right to make that choice.

I know you're talking to Health Canada later on today. Ask them the very specific question: Do you have any data that tells us in what packaging format people are consuming these? We're talking about banning singles because they're so affordable for kids. How do you know that kids are actually purchasing these singles? Health Canada has absolutely no research.

Not long ago, the Government of Ontario would have passed the law; it's still not enacted. I had the exact same discussion with ministry officials and departmental officials, who basically said, we don't have research, we're not going to do research, we're not going to monitor it because it's too expensive, we've had no discussions with the RCMP and the OPP to find out how this will impact contraband, and we have no specific health objectives. They had no expectations about what would happen if you ban these products. Do you think these products will actually cease to exist? Do you think kids will not be consuming these products? Do you Canadian will not be consuming these products?

It's the same situation we have here with Health Canada. There is absolutely no research that supports in any way banning singles or banning any flavour. We actually have a government that has no specific health objectives or expectations, and my sense is that it's so we can't hold them accountable for it.

The reality is that largely everything that's been publicly promoted about the products, the market and the industry, is tantamount to an outright lie. It's not a new product. Cigarillos are not a new product to the marketplace. It's not big tobacco that's behind these things. It's not big cigarette companies who are manufacturing these things. We don't have candy and ice cream flavours in these little cigars and cigarillos. These flavours exist in blunt wraps, which aren't meant for smoking tobacco, as everybody knows. And in terms of it being price-affordable, Murray actually was nice enough to agree with me that it's actually cost-prohibitive to have a unit sale of \$1.25. The cheapest cigarillo on the market is still ten times more expensive than a contraband cigarette.

• (1550)

The Chair: Thank you, Mr. Martial. I've given you extra time.

We'll now go to Distribution GVA, Mr. Albanese.

Mr. Luc Dumulong (Vice-President, Distribution GVA Inc.): With your permission, I'll be making the presentation for Distribution GVA.

The Chair: Okay. Thank you.

Mr. Dumulong.

[Translation]

Mr. Luc Dumulong: On behalf of our 11,000 Canadian customers and retailers and our employees, thank you for having us here today and for allowing us this opportunity to share with you our concerns about Bill C-32.

Distribution G.V.A. is a small business established in 1997 which employs approximately 80 Canadians in Ontario, Quebec, Nova Scotia, New Brunswick and Newfoundland and Labrador. We distribute more than 1,000 different tobacco products, including high quality cigars like the Davidoff brand, as well as cigarillos and pipes and accessories to more than 10,000 retail outlets.

We are an important importer and distributor for convenience stores, tobacco shops and duty-free boutiques. Over 10,000 retail outlets in Canada are serviced by our organization and we remit in excess of \$20 million a year in tobacco taxes.

[English]

Distribution GVA Inc. is a responsible corporate citizen and a major importer and distributor of cigars. It is essential that the Canadian government is aware that Distribution GVA has never, ever promoted any of its flavoured tobacco products to minors.

We are aware of the fact that tobacco products are health risks and that these products are not destined to be consumed by individuals who are not old enough to buy the products legally. The consumers of our products are adults, and we are opposed to the fact that minors are able to obtain access thereto.

[Translation]

The Minister of Health has announced that her government intends to establish a prohibition regime on all flavoured tobacco products through Bill C-32. If the said bill is adopted in its present version, this will result in the layoff of the majority of our employees and may even force the closure of our company.

[English]

Bill C-32, while perhaps well-intentioned, is needlessly too wide in its scope in its present version, due to Health Canada's elemental lack of knowledge with respect to cigar products. Bill C-32 will prohibit products that have been on the market for decades.

I have brought some products to show you what kinds of products will be banned with this bill. They are clearly not kids' products. These have been on the market for about 25 years. Some of these are little cigarillos made in Europe, and they have also been on the market for the longest time. They have flavours and they're enjoyed by adults. These will all be banned if the bill is passed as is. I have more. I can show you more.

Anyway, I'll continue. I think you have pictures of these products in annex 1.

The latest statistics demonstrate clearly that flavoured cigarillos are products that are destined for adults and consumed by adults. According to the results of the latest Canadian tobacco use monitoring survey, cycle 1, which Mr. Martial was talking about earlier, conducted by Health Canada and Statistics Canada, 91% of the flavoured cigarillo consumers are adults or are of age for buying the product. Sixty per cent of those people are over 25 years old. So saying that these are kids' products is not very true.

• (1555)

[Translation]

These findings raise an important question. Before passing this legislation and imposing a prohibition on an entire legitimate category of tobacco products, it is important to discover the manner in which the remaining 8 or 9% of consumers who are not adults obtain access to these products.

For example, according to Health Canada, access to cigarettes through the contraband tobacco market is much greater than access to flavoured cigarillos. Unfortunately, we fear that because of the speed with which the Government intends to adopt the present law, this important question will remain unanswered and will unnecessarily penalize the thousands of individuals who are employed in the legal tobacco trade.

[English]

What the Statistics Canada survey demonstrates is that the flavoured category did not actually create more smokers per se, but actual smokers switched from cigarettes to flavoured cigarillos. We have also noted that a large majority of flavoured cigarillo consumers were originally cigarette smokers who have switched to our products, for multiple reasons.

From conversations with some of these consumers, we have learned that they prefer our product to the cigarettes they used to smoke. In many instances, these consumers were in the process of reducing their tobacco consumption with the use of our products. They told us they smoked less when they smoked flavoured cigarillos than they did when they smoked cigarettes. Some have also told us that they were trying to quite smoking, and that since they smoked less of these, it was a way to reduce their consumption and eventually quit smoking. I am not the one saying this; the consumers of our products are saying this.

We cannot understand, then, the urgency to adopt Bill C-32 in its present form and why the government is finding it okay to create such an emergency to proceed on something that represents one-half of 1% of the total tobacco market in Canada, while at the same time making an exception for menthol cigarettes. According to the health minister, they're marginal, and this is why they're making an exception, but they're at 2%. So one-half of 1% is not okay, but 2% is okay?

[Translation]

One can easily deduce that the 400 million cigarillos market will be claimed by the big tobacco manufacturers. Are the big tobacco multinationals behind this bad piece of legislation? Have the anti-tobacco lobbyists been shamelessly manipulated by big tobacco?

[English]

Health Canada has mentioned to a representative—and Mr. Martial talked about it earlier—that they have no intention of undertaking any unnecessary research. That supports the desire to introduce a complete prohibition on a whole category of tobacco products that, in some cases, have been on the market for 25 years, as I've said. At the present time, the government is essentially asking Canadians to allow it to prohibit a complete category of products without supporting such a measure with the proper research.

However, such legislation will have direct and wide-ranging consequences on the financial security of thousands of Canadians and will ensure an increase in tobacco contraband for these products. Accessibility to minors will also be increased through the tobacco contraband channel, because they are never asked for proof of age.

[Translation]

Furthermore, in its present format, Bill C-32 will come to unquestionably cause, not solve, problems of criminality already well documented in our society. In effect, once we put aside the emotion associated with the debate concerning minors, flavoured tobacco products, and the issue of tobacco consumption, the prohibitions proposed by the Government will not address the problems associated with minors' access to tobacco products. The illicit contraband trade in tobacco presently offers—

Let me show you what you can now find on the market, in schoolyards and just about everywhere: plastic Ziplock bags containing 200 flavoured cigarillos.

• (1600)

[English]

The Chair: Mr. Dumulong, I've given you some extra time, but could you wind up your presentation now so that we have time for Ms. Gitto as well?

Mr. Luc Dumulong: I thought we had seven minutes per person.

The Chair: I have you right on here.

Mr. Luc Dumulong: Can I use my colleague's time?

The Chair: No. It's per organization, Mr. Dumulong.

Mr. Luc Dumulong: Oh. I appreciate your patience.

Let me wind up very quickly with my recommendation, but just before that, I think there's a very important point. Distribution GVA is the largest cigar distributor in the province of Quebec. Following the adoption of Bill 112 last year, which set a minimum purchase price for all cigar transactions, we lost all of our single-unit sales by adopting the minimum transaction cost. Our single-unit sales are just gone.

The Chair: Mr. Dumulong, you will have a chance to embellish some of the points you want to make during the question period.

Mr. Luc Dumulong: Can I put my recommendation forth?

The Chair: You know, sir, we have to work within a time limit—

Mr. Luc Dumulong: There was so little time to prepare, Madam Chair—

The Chair: Excuse me. The chair isn't recognizing you right now, sir.

Mr. Luc Dumulong: Thank you.

The Chair: Ms. Gitto.

Ms. Tamara Gitto (Associate General Counsel, Imperial Tobacco Canada Limited): Thank you, Madam Chair.

Before I begin, I would just like to ensure that our submission has been received by the committee, both French and English versions. Thank you.

My name is Tamara Gitto. I'm associate general counsel at Imperial Tobacco Canada Limited. I am accompanied by my colleague, Mr. Gaëtan Duplessis, who is division head of research and development at Imperial.

We appreciate this opportunity to speak to Bill C-32. We've prepared a formal submission, and I hope you'll take the time to review it if you've not had the chance to do so already.

I think it's important to begin by clarifying the scope of our business. You've heard a lot about the tobacco industry and the tobacco business in the last few minutes. We do not manufacture or sell little cigars. We do not manufacture or sell flavoured cigarettes, except for menthol. We do not manufacture chewing tobacco.

Ordinarily, I would go on to tell you that Imperial is Canada's leading tobacco company. But I can't make that claim anymore. The manufacturers in Ontario and Quebec, the leading manufacturers in those provinces, are illegal manufacturers. Almost 50% of all tobacco purchased in Ontario is illicit, and this number reaches 40% in Quebec. Certain members have raised this issue in the debates on this bill, and rightly so.

Imperial Tobacco is here today to state its support for the original intent of this bill. We support the regulation of little cigars and we believe they should be regulated in the same manner as cigarettes. We also support reasonable regulation of overtly flavoured tobacco products.

We do have some reservations about the drafting of the bill, which has led to many unintended consequences, and these issues will be detailed by my colleague.

We also believe that the listed additives should be permitted in research and development, especially in the area of harm reduction. We believe that the development and commercialization of potentially risk-reduced products containing these additives should be allowed under appropriate government supervision.

We must unfortunately voice our disagreement with the proposal to ban print advertising, as it's currently outlined in the bill, in publications with at least 85% adult readership. The current legislation is sufficient and needs only to be enforced if Health Canada believes that an ad or any ad placement is inappropriate. Further legislation is unnecessary.

On top of that, illegal tobacco is openly advertised and available at pocket-change prices to whoever chooses to buy it. Banning print ads with severely restricted content in adult publications is not the true problem here, which leads me to my last point.

We are concerned about uniform enforcement of this bill and of all tobacco control measures. If the government enforcement policy does not change, flavoured products will simply appear on the black market and will defeat the objective of this bill.

These concerns have been detailed in
[Translation]

our submission at considerable length.
[English]

I would invite you to read it.

My colleague, Mr. Duplessis, will now address the technical issues that arise due to the unintended drafting issues in the bill.

• (1605)

Mr. Gaëtan Duplessis (Director, Research and Development, Imperial Tobacco Canada Limited): Thank you, Madam Chair, for this opportunity.

As mentioned already, we support the broad objective of elimination of overtly fruity or confectionery style of flavours in all tobacco products. So in that sense we don't have any complaint about the concept of coming up with a list of prohibited additives in relation to tobacco products.

We do have some difficulties, however. We believe these are unintended impacts of the wording used in the legislation. And all of this, of course, is related to technical interpretation of the language in the bill and more specifically in schedule 1.

Because of the way it's drafted, it de facto prevents us from using a large number of ingredients that truly have nothing to do with flavouring. So far, we have identified more than 20 ingredients that are used by our suppliers and are required in the making of our products. If the bill were to be adopted as it is currently written, in fact it would prevent us from continuing to manufacture cigarettes.

I'll give you a few examples. In relation to item 1 of the schedule, the FEMA list covers not only flavourants but all types of ingredients without flavour that are used by flavour manufacturers in making up their formulations.

Item 1 in the schedule does provide for some exemptions, but it doesn't capture everything. One example of that is a very simple one; it's a product called potassium sorbate. Potassium sorbate is a very well-known preservative used very widely in the food industry. It's used within the cigarette industry as an additive to adhesives, or glues if you prefer, just to keep mould from growing on the adhesive when it's stored in tanks.

Elsewhere in the schedule we see words like "sugars" being used. Well, sugars are not just sweetening agents. In technical parlance, "sugars" often refers to complex sugars. One of the most common complex sugars is starch, and as we well know, starch is not a sweet substance; it's also extracted from vegetables and fruits, of course the most common form of starch being cornstarch. This is again not exactly a problem from a flavouring standpoint. Starch, I should point out, is also used as one of the principal ingredients by several manufacturers of cigarette papers to create what we refer to as the "speed bumps" on the cigarette papers that are used to meet the low ignition propensity regulations in Canada.

Yet another example is the expression "vitamins and minerals". We understand that was meant to refer to vitamins and minerals from the standpoint of nutrition. However, unfortunately—and we have to interpret this from a technical, scientific standpoint—the word "mineral" also encompasses calcium carbonate, or, if you prefer, chalk. Chalk, again, has nothing to do with nutrition, but chalk is used in cigarette papers to control the flow of air through the paper, and it plays a really important role, again, in our ability to meet the low ignition propensity regulations.

Furthermore, linseed oil and soybean oil are used in ink formulations as diluents in the ink, much in the same way as these products are used in inks and in the paint industry. But linseed oil and soybean oil are not there for any nutritional value. In fact, it would be ludicrous to make such a claim. They're simply there as a diluent, but they do contain essential fatty acids.

I don't believe it was the intent of the legislation, but the fact remains that this is the wording that is used currently, and we feel it certainly needs to be corrected. I won't go any further with examples. There are many more.

• (1610)

Our suggestion would be to create a list of additives that impart these fruity confectionery flavours, and let's have a ban on those additives. Alternatively, let's come up with a list of products that are permitted on the basis of functionality, provided these do not provide these overt flavours.

The Chair: I'm sorry, sir. I've given everybody a chance to go over time today, because we didn't have a whole lot of witnesses. I know a lot of questions are waiting. I've been equal on the "over time" with everybody, let's put it that way.

Could you just quickly sum up, sir, please?

[Translation]

Mr. Gaëtan Duplessis: Generally speaking, ITCAN endorses the regulating of fruit and confectionery-flavoured little cigars. We are open to working with Health Canada officials on an ongoing basis to find a solution that will achieve the objectives sought and avoid the problems arising from the inadequate wording of the regulations.

Thank you, Madam Chair.

[English]

The Chair: Thank you. We'll now go into our questions and answers. We'll start with round one. The first round is seven minutes for the question as well as the answer.

We'll begin with Dr. Duncan.

Ms. Kirsty Duncan (Etobicoke North, Lib.): Thank you, Madam Chair, and thank you to the witnesses.

Mr. Hagen, why was menthol originally used in cigarettes?

Mr. Les Hagen: As I understand it, it was to help soothe the harsh taste of tobacco smoke and to make it easier to ingest that smoke, especially for new smokers.

Ms. Kirsty Duncan: Thank you. You were very clear that menthol should be included in the ban.

Mr. Les Hagen: We believe to be consistent it should be there. I understand there may not be as much evidence on the youth use of that product in Canada as there is in some other products. I would certainly like to see it removed.

Ms. Kirsty Duncan: If flavoured products are banned, what impact will there be on youth on the use of menthol cigarettes, do you think?

Mr. Les Hagen: The same impact it would have on flavoured cigarillos. I would expect to see a remarkable decline in the use of that product by young people and by adults if that product is no longer available.

Ms. Kirsty Duncan: If there is a ban on flavoured products, will youth increase their use of menthol products?

Mr. Les Hagen: It's possible. That's why I would hope if there is a schedule, it's going to be a fluid schedule. If we see an increased use of menthol or anything else, the government can step in right away and do something about it.

Ms. Kirsty Duncan: Has there been any research to look at what happens to the consumption of menthol when flavoured products are banned?

Mr. Les Hagen: A few jurisdictions have started to ban flavourings, including menthol, but I would have to defer to Health Canada on that. We have certainly seen it work the other way: you introduce new flavourings and youth consumption goes up, so it stands to reason it would work in the opposite direction.

Ms. Kirsty Duncan: I think a considerable problem is contraband tobacco. I think contraband tobacco use is about 48%.

Mr. Les Hagen: Yes, it depends on whose estimates you're using.

Ms. Kirsty Duncan: I agree. Do you think that should have been part of the legislation in order to close the loop?

Mr. Les Hagen: After these hearings I think this committee should turn its attention to other major tobacco issues, including contraband.

Ms. Kirsty Duncan: What impact do you think Bill C-32 will have on contraband tobacco use?

Mr. Les Hagen: We're talking about products that are—I think a large majority of the contraband we're seeing currently is unflavoured. I hope it will remain that way, but the government has to remain ever-vigilant in controlling contraband tobacco. I think the government should be applying more time and resources to that matter and encouraging their U.S. counterparts to do the same.

• (1615)

Ms. Kirsty Duncan: I'll ask you one more question regarding smokeless tobacco. You talked about regional variation and a lot about Alberta. Can you give us more evidence from other parts of the country?

Mr. Les Hagen: Well, sure. I think in the prairies and in Saskatchewan we see elevated use of smokeless tobacco as well, and there are reports from northern Canada. We know that smoking rates in northern Canada are among the highest in Canada, if not the highest, and it stands to reason that smokeless tobacco would follow.

Ms. Kirsty Duncan: What percentage of youth in these areas are using smokeless tobacco?

Mr. Les Hagen: It depends on the surveys. You could put that question to Health Canada.

Ms. Kirsty Duncan: What range?

Mr. Les Hagen: I've heard of smoking rates among youth in the north as high as 50% among teenagers.

Ms. Kirsty Duncan: Of smokeless tobacco?

Mr. Les Hagen: Of tobacco. On smokeless tobacco rates, again, I would have to defer to Health Canada on that.

Ms. Kirsty Duncan: Mr. Duplessis, can you elaborate on why sugar needs to be removed from the production of cigarettes?

Mr. Gaëtan Duplessis: I did not in fact say that sugar needs to be removed. What I was referring to is the ambiguity of the word "sugar" or "sugars". When we think of sugars, we think of all types of sugars. The fact is that the only sugars that provide sweetness are things like table sugar, which is sucrose, or fructose, or sugars of that type, which are very simple sugars. They do provide sweetness, but complex sugars like starch do not. Starch is a complex sugar and does not provide any sweetness. The problem is with the language, not what I think is the intent.

Ms. Kirsty Duncan: Are there simple sugars used in the production of cigarettes?

Mr. Gaëtan Duplessis: Not in our cigarettes.

Ms. Kirsty Duncan: Are there sugars used in the manufacture of other cigarettes? Maybe you can't speak to that.

Mr. Gaëtan Duplessis: I believe in the manufacture of, for example, traditional, blended products, yes, there are some sugars that are used. I will even say that in roll-your-own products there are also some sugars that are used as well, at very, very low levels. I also have to specify that they do not make the product sweet. My real problem here is to differentiate between sugars and complex sugars, which are not sweetening.

Ms. Kirsty Duncan: This morning we see trade challenges in the news. I don't know if any of you would like to comment on how you feel about this.

Mr. Luc Dumulong: We may have a problem with that. Our products are made in the U.S., so it may be a problem for us, obviously. It's not made in Canada.

Ms. Kirsty Duncan: Anyone else? No comments?

Mr. Les Hagen: I think as a general rule public health overrides most trade agreements.

Ms. Kirsty Duncan: Have trade threats been used in the past?

The Chair: Would anybody like to comment on that? No?

All right, time is up.

We'll go to Monsieur Dufour.

[Translation]

Mr. Nicolas Dufour: Thank you, Madam Chair.

My first question is for Casa Cubana.

When did you begin adding flavouring to cigarillos? Was it in response to market demand? Did you do any market studies? As a general rule, before launching a new product, market studies are conducted. Did you sense that there was some interest in this type of product among cigarette smokers and among non-smokers?

[English]

The Chair: Who would like to take that question?

Mr. Stewart.

Mr. Glen Stewart (Director, Marketing and Product Development, Casa Cubana): First of all, we do not manufacture the products; they're all brought in from the United States. We thought the flavoured cigarillo market, while it was developed in the States, would be a good fit up here for smokers looking for an alternative.

[Translation]

Mr. Nicolas Dufour: Earlier, you acknowledged that Health Canada had not done any research on this subject. However, according to a study done in 2008 by the Institut de la statistique du Québec, high school students smoked a greater number of cigarillos than cigarettes in 2008. Yet, you admitted in a letter to the committee that Health Canada was well aware that the vast majority of Canadians who smoke cigarillos, both flavoured and non flavoured, were of legal age, or more than 25 years old. You admitted it during a meeting. However, in the same letter, you also note that the

government did not do any kind of research on the type of product minors are consuming, or the origin or amount of tobacco products consumed.

That puzzles me a great deal. On the one hand, we hear claims that studies have been done, while on the other hand, people are claiming that no studies have been conducted.

● (1620)

Mr. Luc Martial: The reason is that some of the information is gleaned from the Youth Smoking Survey which was conducted in Quebec, and also from the Canadian Tobacco Use Monitoring Survey. However, all of the reports about this type of product are based on very general information.

I'm saying that Health Canada does not have any specific information because the products consumed are not specified. The aim of the Canadian Tobacco Use Monitoring Survey was to find out if people had smoked a cigar or cigarillo, either flavoured or unflavoured, in the past 30 days. It is impossible to tell from the survey whether the product consumed was flavoured or unflavoured, how often the product was smoked, the quantity consumed or where the product originated.

Mention was made of the contraband trade. An illicit market also exists for flavoured products. The RCMP reports that over the past six months, approximately 800,000 flavoured little cigars have been seized. The Akwesasne Mohawks have started to make their own little flavoured cigars known as Tomahawks on their reserve. I have provided pertinent information about this development to all parliamentarians.

The problem is that no one has any idea of how often people consume this product. The government wants to restrict unit sales to limit the product's accessibility to minors. Yet, it is not known whether young people are purchasing cigars in single units. For example, the nephew of a friend of mine purchases Honey Time cigars manufactured by Distribution GVA in packages of 20 units. I'd also just like to say that Distribution GVA has found a retailer willing to sell its products. The retailer in question also sells single cigars for \$1 each. What purpose does it serve to ban unit sales when young people are already purchasing the product in packages of 20 units?

All I am asking, since I am concerned about tobacco control, is that some research be conducted. I've been requesting this for a year now. The kind of research I have in mind would take only two months, not two years. Right now, the government is moving blindly to bring in regulations, without having a clear picture of the situation.

One thing is clear—and I have provided all committee members with information from the RCMP—and that is if the sale of these legal flavoured products is banned, the products will continue to find their way onto the market. Furthermore, these products will certainly continue to be sold on the contraband market and to be available to young people, not to mention that they will be more affordable as well.

Mr. Nicolas Dufour: Do you not think that this legislation would at least be a step in the right direction? Obviously, in addition to this legislation, much stricter measures need to be brought in to address the contraband problem. However, wouldn't you agree that this bill is a step in the right direction? Our next step could be to address the issue of contraband sales.

Mr. Luc Martial: Thank you for the question.

When I worked for Health Canada, I was assigned to the Strategic Planning and Policy Office. I was Health Canada's representative on the interdepartmental working group on tobacco taxation and smuggling, which had been set up by Allan Rock, the then Minister of Health. Also represented were Justice Canada, Revenue Canada, Finance Canada and Health Canada. Everyone was represented. At the time, I was in charge of coordinating the Treasury Board submission pursuant to which \$480 million was allocated between 2001 and 2006 for tobacco control.

I recall asking RCMP officials how much money their organization needed to fight smuggling. They told me that it was not a matter of money and that smuggling could not be controlled. That was nine years ago, and today they are still saying the same things in their press releases. At most, they can seize 5% of known contraband products. They know that about 105 criminal groups are involved in the contraband trade of tobacco and other products. They are unable to stop or control the contraband trade.

As I mentioned, only one study has been done and it found that these products are being consumed by people who are of legal age. Some people became offended and decided that they no longer wanted to see flavoured products on store shelves. However, there is no reason to ban these products, because that would only add to the contraband problems we already have and which we know cannot be controlled. RCMP officials have been telling us for the past nine years that they will never get the upper hand on the contraband trade.

Mr. Nicolas Dufour: I have here samples of two products that are distributed by your company. To my way of thinking, they are far more attractive to young people than they are to adults.

• (1625)

Mr. Vincent Albanese (President and Chief Executive Officer, Distribution GVA Inc.): Pursuant to Quebec's Bill 112, the products cannot be displayed or purchased openly. A minimum transaction price has been established for these products.

Mr. Luc Dumulong: A minimum transaction price has been established for tobacco sales. What is being recommended here is that the federal government set a minimum transaction price for the sale of tobacco products.

As a result of this legislation, unit sales of these products fell to zero in the space of a year. Single units are no longer being sold. What we now have are packages of 20 units and products like these ones for adults. However, these products will also disappear from the market. And new products will find their way onto the contraband market. The people who manufacture these products on the reserves don't care. They are laughing.

[English]

The Chair: Thank you, Mr. Dumulong.

Ms. Wasylycia-Leis.

Ms. Judy Wasylycia-Leis (Winnipeg North, NDP): Thank you, Madam Chairperson, and thanks to all of you.

For all of the people who are listening and have been working in this field for 20 or 30 years, like Les, this must be a bit like déjà vu. Many of the young people who have been testifying wouldn't have been through this round of arguments, where we have presenters from the industry suggesting there's nothing wrong with these products in terms of health and well-being. I think it's just shocking that we have to go through all this again. It must be very frustrating for people like Neil Collishaw and Rob Cunningham, who have been at this for so many years, to have to repeat the battles time and time again.

Let me start by asking Les what he would say in response to Luc Martial's comment that this law, if passed, would make tobacco products much cheaper for Canadian smokers, especially kids, and would lead to all kinds of horrible consequences.

Mr. Les Hagen: This law, if not passed, will have a huge impact on youth in Canada. The data already shows that young people are taking to these products—vanilla, strawberry, chocolate, banana, peach—the list goes on and on. It's as plain as the packaging they're in to whom these products are targeted. There's no question about that in anyone's mind at this table who is not part of the tobacco industry.

If MPs here as legislators don't feel they have the authority to deal with such a fundamental public health problem that kills more Canadians than all other forms of preventable illnesses combined.... One out of every two users of tobacco in Canada dies prematurely. We have kids taking up tobacco at record levels. The industry continues to come up with crafty and objectionable marketing strategies. I encourage you to fight the good fight like the rest of us, keep after this industry—you know what they're like—and come back with more and more legislation to take care of this problem.

Ms. Judy Wasylycia-Leis: It's objectionable advertising that not only appeals to young people. Even if these may be prohibited in Quebec—

Mr. Vincent Albanese: They're not prohibited.

Ms. Judy Wasylycia-Leis: —or the price is such that they are, if you want to hold up the fact that Quebec doesn't have a market for them, then you can see the wisdom of getting rid of them. Your company produces them and they appeal to kids right across this country. You have no objection to a bill that gets rid of the flavouring and allows them to be packaged in small numbers, as opposed to 20.

Mr. Vincent Albanese: When you walk into a store, you cannot see them; they are hidden.

Ms. Judy Wasylycia-Leis: It doesn't matter. They're easy to access. My kids can access them. I can walk down the street in any part of this country—

A witness: [Inaudible—Editor]

The Chair: Excuse me. Let Ms. Wasylycia-Leis finish and then I'll recognize you.

Ms. Judy Wasylycia-Leis: They're available, and not all convenience stores and retailers are either as vigilant as you claim or that ethical. So let's get the facts straight. Kids are getting these, and 25% of consumers reported, when they were asked what they had used in the past 30 days, that the use was among those 15 to 19 years old. They are not legal-aged smokers. We're talking about 16% of boys and girls aged 15 to 19 having smoked a cigarillo in the past 30 days.

We make the linkage between those who have started smoking these and how they go on to other cigarettes. Mr. Luc Martial can stand here today and say there's no problem. Come on, let's put the facts on the table. Let's realize you have a product to market and you're going to do whatever it takes.

Let's go to Luc with GVA. You said trade would be a problem. You're telling me that a trade tribunal anywhere—in the United States or Canada—is going to say that if Canada prohibits these individual flavoured cigarillos—

• (1630)

The Chair: Ms. Wasylycia-Leis, can I interrupt you for a minute? You have to let Mr. Albanese answer your questions.

Ms. Judy Wasylycia-Leis: But I didn't ask him a question yet.

The Chair: Yes, you did. I was listening carefully. Can you ask a question so that you can get an answer from him, please?

Ms. Judy Wasylycia-Leis: I will ask this trade question first.

Are you telling me that there is a trade tribunal anywhere that's going to say that Canada, if it bans these products, is going to be practising improper trade?

Mr. Luc Dumulong: I would leave that to the tribunal.

Ms. Judy Wasylycia-Leis: Are you going to tell me, as Les Hagen said, that health isn't going to trump profit-making and trade requirements in this country?

Mr. Luc Dumulong: It has nothing to do with that.

Ms. Judy Wasylycia-Leis: Isn't it—

The Chair: Excuse me, Mr. Dumulong.

Ms. Wasylycia-Leis, can Mr. Dumulong answer, please?

Mr. Dumulong, go ahead.

Ms. Judy Wasylycia-Leis: Sure. Tell me how this would have nothing to do with trade.

Mr. Luc Dumulong: Well, these products, first of all, have been hidden from view for over a year now, okay? When you have kids walking around the streets or selling these products in schoolyards, backyards, or whatever you want, why don't we ban possession for kids? It would help us a lot more than what we're doing here today.

The Chair: Ms. Wasylycia-Leis.

Ms. Judy Wasylycia-Leis: If you believe that such is the impact on you, then I suggest that you probably have a moral obligation to stop producing these products.

Mr. Luc Dumulong: It's an accessibility issue, Madame.

Ms. Judy Wasylycia-Leis: It's a carcinogen in the hands of kids, no matter what, and you are advertising it to get at kids.

Mr. Luc Dumulong: It's an accessibility issue, Madame, it's not —

Ms. Judy Wasylycia-Leis: Look at the ads from your company. You're trying to make—

Mr. Luc Dumulong: What? This is not from our company.

Ms. Judy Wasylycia-Leis: —young.... It's HBI. Look at the ads.

The Chair: Excuse me, Mr. Dumulong. If Ms. Wasylycia-Leis—

Mr. Luc Dumulong: We're not HBI.

Ms. Judy Wasylycia-Leis: Well, whoever, I mean—

The Chair: Come to order or I'm going to go on to the next person.

What I want you to do is ask a clear question, and Mr. Dumulong, if you interrupt once again, I won't recognize you.

Ms. Wasylycia-Leis, I taught junior high. Keep that in mind.

Ms. Judy Wasylycia-Leis: I want to ask a question. I would suggest, though, that all of you are involved in advertising to appeal to young people indirectly and to associate smoking with being sexy and trendy and hip and youthful.

I'm going to ask the Imperial Tobacco folks a question. Is your concern that having some of the products on the list in this bill is going to prevent you from manufacturing the traditional product, which is a white cigarette with a cork-like filter that's non-flavoured? If we can deal with that in this bill, will you be satisfied?

Ms. Tamara Gitto: We raised other issues about illicit trade and the print ad ban. But in terms of the objective of the bill and the regulation of the little cigars and overt flavours, if we can fix the problem of the overly broad drafting, yes, we would be.

Ms. Judy Wasylycia-Leis: Could you support the bill if we...?

Ms. Tamara Gitto: We support the intent of the bill.

Ms. Judy Wasylycia-Leis: So if we can look after some of the products or some of the ingredients that actually will come in the way of your traditional manufacturing practices, you'd be okay with the rest of the bill.

Ms. Tamara Gitto: We would be okay with the bill as it relates to additives, yes.

Ms. Judy Wasylycia-Leis: I want to ask one more question of Les and anyone else who wants to answer.

The Chair: I'm sorry, Ms. Wasylycia-Leis. We'll now go to Dr. Carrie and Mr. Uppal, who are going to split their time.

Go ahead, Dr. Carrie.

Mr. Colin Carrie (Oshawa, CPC): I'd like to give the witnesses a little bit of time to get their answers on the record.

The first question I'd like to ask is to Mr. Martial or Mr. Dumulong. Do you legitimately see flavouring, such as peach punch, peanut butter, banana, and strawberry as being targeted to an adult audience? That's the first question.

The second question is to Ms. Gitto. You mentioned unintended consequences. You talked about harm reduction and research. I was wondering if you could give the committee examples of a harm reduction or research strategy that would require flavourings. When you did your presentation, you said we might be wise to include that.

Mr. Luc Martial: To answer the first question, our yardstick for measuring and monitoring smoking behaviour in this country is the Canadian tobacco use monitoring survey. It's been a \$1 million initiative between Statistics Canada and Health Canada every year since 1999. This survey data tells us that 91% of people who actually consume these products are of legal age, a legal age that was mandated into law by Canadian governments. Are minors getting access to these products? Absolutely. But they are also getting far greater access to non-flavoured cigarettes. They are getting far greater access to alcohol and gambling products. They're getting greater access to marijuana.

In terms of the use of flavours, the exact same flavours found in the products we produce and sell to a legal-age audience are found in a much wider variety and in a greater quantity of alcohol beverages approved for sale by every Canadian government every day. To ask that the industry concede that the only people who would be interested in flavours are obviously kids is to then ask the government to concede that they're targeting kids to become alcoholics through the use of strawberry or peach in vodkas and other types of alcohol products. Adults have come to expect a variety of flavours in their products, and we see this through the statistics. Nobody here sells to kids. Nobody wants to sell to kids. These people are here today because they don't want to lose their market of a legal-age audience that you said they could market and sell to.

• (1635)

Mr. Colin Carrie: Mr. Dumulong, do you want to add anything to that?

Mr. Luc Dumulong: It reflects very much what our position is. I would say, though, that by banning these flavours.... As in the case we made earlier, with this volume of business.... We are looking at 400 million sticks, these flavoured cigarillos, now being on the market—up from 50 million. But nobody knows who is consuming them, except that Statistics Canada says that 91% of those consumers are adults. Now, by banning these products, who is going to get that market and reap those benefits? It will be Imperial Tobacco, Rothmans, Benson and Hedges, and they're laughing.

Mr. Colin Carrie: Maybe, Madam Chair, I'll let Mr. Uppal ask his question, because I've gone over time.

The Chair: Yes, Mr. Uppal, go ahead.

Mr. Tim Uppal (Edmonton—Sherwood Park, CPC): Thank you, Madam Chair.

Mr. Hagen, I'm going to start with you. Some of the numbers that you just cited...and I had one here saying that 15% of young people in Alberta have tried smokeless tobacco. That is almost double that of Canadians in general. Those numbers are alarming, and that's of concern to me.

Further to the numbers, can you tell me about the organization that put the numbers together, because I'm being told those numbers aren't correct, that they're not real. Can you tell me about the numbers?

Mr. Les Hagen: Those numbers are all referenced, for starters, in the documents provided. The documents were prepared by Alberta Health Services and by AADAC, which is now an agency of Alberta Health Services. The number regarding teens using flavoured, smokeless tobacco at three times the use of adults is from Health Canada.

All that data is sourced, and we're happy to provide all of those sources to you if there's any question on the quality of the data.

Mr. Tim Uppal: Sure.

The other thing that struck me was that a tin of smokeless tobacco is \$22 in Alberta. That seems high for young people to be using.

Mr. Les Hagen: That's a 30-gram tin, a large tin. But you can buy smokeless tobacco for less than \$10.

Mr. Tim Uppal: You can buy it for less than \$10 in Alberta?

Mr. Les Hagen: Yes.

Mr. Tim Uppal: Just going back to Imperial Tobacco, you said that if we created a list of things that can be in the product, that would be good for you. Are you concerned that this might be a problem with corporate secrets or anything like that?

Mr. Gaëtan Duplessis: In relation to having a list, you have to understand that you have to provide a mechanism for a list. In other words, if you establish a positive list, you have to establish a mechanism by which that list can evolve over time, because suppliers have new technologies and they will want to change things, like how they make the paper, the filter material. So if you're going to take an approach that is a positive list, then you have to provide a mechanism for review, and then it becomes extremely awkward.

If you take a different approach, an approach where a list is created through what the intent of the material is, combined with what it must not be, then it becomes relatively easy for a legislator or a health official to be able to evaluate a product and say there is no problem with it. We'd have a guideline by which to evaluate a product or an ingredient, so we could say, "Okay, that's what it can be", or "These are the kinds of purposes that are allowable and these are the kinds of effects that are not allowable." It becomes very easy to make the judgment as to whether you can or can't.

It's just a question of how one wants to establish the approach and the framework by which you establish the regulations. We're certainly open to advancing any discussions as to how to make that workable.

• (1640)

Mr. Tim Uppal: My other question is for most of you here. Your industry, your business, relies on the corner store clerk monitoring who is buying this product and who isn't. Is there training, that you know of, for these clerks of the average corner store?

Mr. Luc Dumulong: If I may, I regret the fact that the retailers are not being heard here today. There are 24,000 convenience stores across Canada that have been working hard and making sure they're compliant in terms of age restriction. I think if I'm not mistaken, the compliance rate now in convenience stores is very comparable to what is being seen in the SAQ in Quebec and the LCBO in Ontario. So they are no better...no less than the government-run businesses selling liquor.

Mr. Tim Uppal: So you're telling me that the average corner store's employees are trained as much as government employees—

Mr. Luc Dumulong: As far as I know, it's part of their training. It's part of their employment. A lot of chains now are signing contracts with them and informing them that they've been through this program, and if they are caught selling to minors they will be fired on the spot. That's part of the agreement.

The Chair: I'm sorry. Thank you so much. Our time is up. I gave you a little extra, Mr. Uppal.

I just want to suspend the committee for a moment and ask about doing clause-by-clause today. Do I have the will of the committee to bring more witnesses up today rather than doing clause-by-clause?

Some hon. members: Agreed.

The Chair: Okay.

We will bring more witnesses up. I will just suspend for a minute to ask the officials to come forward. I understand there's another group, SGTG, Small Guys Tobacco Group, who may join as well if there's one representative who would like to choose to do that.

I should ask the will of the committee first. There's the Small Guys Tobacco Group. They're here today. They did want to witness, so I will ask the present witnesses to leave their seats so the officials can come up.

Is it the will of the committee that we also call up Small Guys Tobacco Group?

Some hon. members: Agreed.

The Chair: All right. I'll call one representative from the Small Guys Tobacco Group, if they're in the room.

I'll give it a minute so the witnesses can take their seats.

• (1640) _____ (Pause) _____

• (1645)

The Chair: I'd like to call the committee to order, please.

We're now going to go into our second round of witnesses. We have a new group. We have the Department of Health, with Mr. Paul Glover, assistant deputy minister, healthy environments and consumer safety branch; Cathy Sabiston, the director general, controlled substances and tobacco directorate; Denis Choinière, director, office of regulations and compliance, tobacco control program; and of course we have Diane Labelle, general counsel for the legal services unit.

From the Small Guys Tobacco Group, we have, I believe, Colm Kennedy O'Shea.

Now that's a little bit of an Irish name, isn't it, sir?

• (1650)

Mr. Colm O'Shea (Vice-President, House of Horvath, Small Guys Tobacco Group): Yes, Madam Chair.

The Chair: Okay. Welcome to our committee.

And who is your assistant beside you?

Mr. Colm O'Shea: It's my wife, Cathy. It's a family business, so she's here as well.

The Chair: It's a family business. That's wonderful.

We are going to start with the officials, starting with Mr. Glover for seven minutes, please.

Mr. Paul Glover (Assistant Deputy Minister, Healthy Environments and Consumer Safety Branch, Department of Health): Thank you, Madam Chair.

I do not actually have a prepared statement. I thought we were coming with respect to clause-by-clause today.

We're happy to take the committee's questions, as we move through this.

Given some of the statements that you have heard, I would like to just follow up with a number of brief remarks to once again reiterate that the department believes that the intention of this bill is still an appropriate way to deal with the problems we see emerging with respect to youth and youth tobacco issues.

The department and the Government of Canada do have a broad tobacco demand reduction strategy and we do want to make sure we are using a multi-pronged approach. You've heard a lot about contraband in some of the previous testimony. There are other departments directly involved in attempting to address and deal with the issue of contraband. The government is aware of that as a problem and is working to take action.

We work with our colleagues in all of the other departments—Canada Revenue Agency, the RCMP, Canada Border Services, Public Safety—to try to make sure that those issues are addressed as we move forward.

With respect to the intent of the bill before you today, our intention is to deal with what we see as an emerging problem, and that is the introduction of these new, novel products, the introduction of flavours, the singles that are attractive to youth.

I don't think that as a department I've had the privilege to have one of our surveys quoted quite as often as we did in the last presentation.

It's important to note that by definition most people who will use tobacco products will be adults, because it is prohibited for youth to have them and for them to be sold to youth. That notwithstanding, from the research we have done, from the focus groups we have done, these are products that are attractive to youth. They are growing in terms of the numbers. Cigarillos went from a very small percentage of the overall market a few years ago to now being the fastest growing product category as we move forward.

As a country, we have made great strides in reducing the prevalence of smoking in this country; however, in the last few years we've stalled, and we've stalled at about 19%. If we want to reduce the prevalence of smoking in this country, we need to take different actions or we will continue to be at that rate. We believe that by focusing on this area we can effectively reduce the number of people who start smoking, and thereby reduce that over time.

Thank you very much.

The Chair: Thank you, Mr. Glover.

If there are any of the other officials who would like to make a comment, you have an opportunity now before we start.

Ms. Sabiston.

Ms. Cathy Sabiston (Director General, Controlled Substances and Tobacco Directorate, Department of Health): I would add to Mr. Glover's comments that the federal tobacco control strategy is built on four pillars, and they're interrelated. There's cessation, prevention, product regulation, and what we call protection, but basically it's second-hand smoke. This bill is very *visé* towards youth, prevention. We have 5 million smokers in this country, but that circle isn't static. Those 5 million aren't static. People enter that and they leave. That's why we have cessation, people who quit. The people who go in are young people. We don't want that. This bill is about prevention.

Thank you very much.

The Chair: Thank you.

Mr. Choinière.

Mr. Denis Choinière (Director, Office of Regulations and Compliance, Tobacco Control Program, Department of Health): As Mr. Glover was pointing out, since 2005, 19% of the population who are 15 years of age or older are tobacco users. I'd like to add that in 1985 that number was 35%. So in twenty years we went from 35% to 19%. We're very proud of this. Obviously it's not just the federal government; it's the provincial and territorial governments as well.

I would also add that if we look at youth, the group from 15 to 19, we were at 28% in 1998 and at 15% in 2007. Again, in less than 10 years we went from 28% to 15% of youth aged 15 to 19. We're very proud of this very important decrease, but there again we are challenged in continuing to decrease the number of youth who are smoking, hence the appropriateness or the timeliness of this bill.

• (1655)

The Chair: Thank you.

Now can we hear from Mr. O'Shea, please?

Mr. Colm O'Shea: Thank you, Madam Chair and members of the standing committee. I represent the Small Guys Tobacco Group, but allow me for a moment to describe what we do as a group.

We are one company of that group. I represent House of Horvath; it's a family business. My wife's family has been in this business in Toronto, Ontario, manufacturing cigars since 1932, and we carry it on today.

The Small Guys Tobacco Group, as a group, represents the interests of the small cigar and pipe tobacco importers of Canada. The Small Guys Tobacco Group represents less than one-half of 1% of the total Canadian tobacco market, a number you've heard earlier today. We are made up of a number of independent companies, many of which are family owned and operated, with some tracing their origins back over 75 years.

Now, the Small Guys Tobacco Group is not new to Health Canada. We first came into being in 1998, I believe, which was...the Tobacco Act. That was the first time we had an opportunity to meet with Health Canada. Obviously, we were aware that regulations were going to come through, and we worked closely with the members here of the tobacco control team, along with the ministers of health. I want to say that this relationship has been a rewarding one for both of us because we're the industry that you're regulating. We're honest enough to share information with you and expect the same courtesy back. A business that's been around for 75 years has seen a lot of regulation over these times. So that's who we are as the Small Guys Tobacco Group.

I have some slides here. This is a presentation that we actually submitted to the standing committee, and I think the committee will get these.

I will be speaking to our points.

On a review of the general bill, in spirit, we are in agreement with it inasmuch as little cigars, as we refer to them—and we'd like to make that distinction because cigars are all different in terms of the names and nomenclature used in the industry—are an American-style product with an acetate filter. So in spirit, we're happy that it's headed in a direction that these should not be done singly. They should be done in packs of 20, and that is our first goal there.

With respect to the amendments we would propose, it refers to paragraph 2.(2)(d). Just for easy reference, paragraph 2.(2)(d) reads:

has a cigarette filter or weighs no more than 1.4 g, excluding the weight of any mouthpiece or tip.

We have two recommendations under that paragraph. On the first one, it is kind of odd that it would come from an industry member, but we're suggesting that the Standing Committee on Health substitute the word "cigarette filter", which is ambiguous or arbitrary.... Actually, in one regard, if I had a filter on a product, yes, I would call it a cigar filter, not a cigarette filter. So we would ask that you tighten that up to say "cellulose acetate filter or other filtering device".

We would also strongly recommend that you either omit or eliminate the weight characteristic. You capture products that have been traditional in European cigar culture for hundreds of years. Certainly, we have heard from the ECMA group, which is the European manufacturers' council or cigar association in Europe. They're very nervous about this because you're capturing a product that they sell widely and only to adult consumers. It's an expensive product to begin with, so it's not in any of the kiddy-pack formats that you're talking about. A 10-pack of these would cost somewhere between \$14 and \$20, and if you're talking about the Cuban format of the same product, it would be over \$27 a pack.

The second amendment we were looking at refers to proposed subsection 5.1(1), which reads:

No person shall use an additive set out in column 1 of the schedule in the manufacture of a tobacco product set out in column 2.

I'll read my notes, and you can probably follow the gist of it.

On a review of schedule 17, column 1, it is clear that the list of prohibited additives represents a total ban on all additives. The restrictive additive list goes beyond limiting the use of additives that may be deemed to be candy-like and appealing to youth, and captures additives that may be deemed essential to making the product you're trying to ban or regulate, one of which is just the presence of sugar. It really requires you to understand the concept of air-cured and flue-cured tobacco, and we have members here who can speak to that.

● (1700)

One of the processes takes the sweetness out of the tobacco and one leaves it in—or leaves a portion thereof in. On the cigar side of things you have to add that back. Again, I'm not a manufacturer and I'm not on the technical side, but I would suggest that there's a level that you'd have to add back. It may not be super juicy sweet, but it is a level that is necessary to make the tobacco palatable to smoke.

We would strongly recommend that the standing committee and Health Canada expand the list of exclusions from the prohibitive list in order to include those items that are considered essential to the manufacturing set out in column 2, such as item 10.

I'll point out, because I heard the menthol conversation in the debate, that there are many of the traditional flavourings that have been used in the cigar market for years that predate the Second World War as well.

The Chair: Thank you, Mr. O'Shea.

You can take just one minute, please, because you're over time.

Mr. Colm O'Shea: With respect, as I wanted this to be at the committee level, we had submitted a letter on June 9 to the clerk of the committee. It outlines specifically our recommendations for the weight criteria. I'd like to make sure the committee gets that.

The Chair: Thank you.

A special thank you to the committee for allowing an extra witness on this morning.

We're going to go to five-minute rounds because that's the only way I can get all the people in. With the will of the committee, can I go to five-minute rounds so we can get the six questioners in?

Some hon. members: Agreed.

The Chair: Thank you.

We'll start with Ms. Murray.

Ms. Joyce Murray (Vancouver Quadra, Lib.): Thank you, Madam Chair.

I think everybody around the table has the same objective in not having children get addicted to tobacco and begin smoking. But it sounds like there are differences of opinion as to whether this bill is going to accomplish that in an optimal way or not.

Good public policy really includes proper consultation with all of the groups affected. That's one concern I have. For example, it was on June 9 that we're hearing you put some ideas forward to the clerk. I heard from two of the previous presenters absolutely and emphatically that they were not consulted. In fact, one of the groups only found out about this bill the night it was being tabled by the minister.

Mr. O'Shea, you may have a different experience. Did you feel fully and properly consulted, with the same positive experience you had when you had input into the Tobacco Act regulations the first time around?

Mr. Colm O'Shea: Over the last, say, five years, we've had in the industry more regulations come out in consultative papers than I think I've seen in a long time. Things have been sort of suggested in the past.

Ms. Joyce Murray: I'm talking about this bill.

Mr. Colm O'Shea: This bill just showed up. We had seen the member's Bill C-566, I think, and then this one came out as a surprise. It was almost while we were up in Ottawa that we had heard it was coming.

Ms. Joyce Murray: Mr. Glover, I know that civil servants try to do good public policy, and by far and away most often you do that. Do you consider the process of consultation on this bill to have been good public policy, and adequate to ensure you got all the details right to deliver on the intention?

Mr. Paul Glover: Thank you, Madam Chair, for the question.

Canada is a very large, diverse country. When we consult extensively there will always be somebody who can come forward and indicate that they weren't aware or we did not or were unable to reach out to them. I think in many respects, for me, as a senior bureaucrat, to say that we have, with all certainty, consulted to the full extent, to be able to reach everybody, the answer to that is, given the vastness of the country—for many reasons, we find that does occur.

We do acknowledge that with this bill, compared to normal processes, the level of involvement we have had with industry has been different. We do acknowledge that as we move forward.

● (1705)

Ms. Joyce Murray: I appreciate that.

I'm concerned about the big rush, frankly. I think that makes for laws that then have to be revised and changed.

I have another question. In 1985 we had 35% of Canadians who were smokers of legal age, and now we have 19%. How did we get from 35% to 19%? Was it through prohibition, or was it through other means?

The Chair: Ms. Sabiston, would you like to take that one?

Ms. Cathy Sabiston: Yes, thank you, I'll start.

The Tobacco Act was brought into force in 1997, and through that we were able to implement a number of regulatory measures, including the first-in-the-world health warning messages on packages. We work very closely and cooperatively with our PT partners. As you may have seen, there's been a groundswell of no-smoking bylaws that went right across the country, and of course there are the retail display bans as well. Now Health Canada plays a very critical role in working with the provinces by developing the research they need to develop their legislation, and by monitoring and surveillance so they can see how their different initiatives are impacting the community.

The Chair: Thank you, Ms. Sabiston.

Monsieur Malo.

[Translation]

Mr. Luc Malo (Verchères—Les Patriotes, BQ): Thank you very much, Madam Chair.

With all due respect, Mr. Glover, I have to disagree completely with you about the government's quickness to act on the contraband trade. The government has literally been dragging its heels on this matter. It does not want to act. We have proposed a number of measures to assess the extent of the contraband problem as well as more proactive steps to eradicate the problem. You are correct in saying that this is not the aim of the bill. I'm getting to the bill, but I did want to clarify our differences of opinion with regard to this subject.

A number of witnesses have called into question the different studies done in advance of Bill C-32. From your testimony I take it that you have complete confidence in the validity of your studies.

Can you be more specific about the process used to determine that young people are major consumers of the products slated to be taken off the market?

Mr. Paul Glover: Madam Chair, I would like to thank Mr. Malo for his question.

As Assistant Deputy Minister responsible for developing policies and strategies to meet the challenges facing our country, I have complete confidence in our survey and in our research approach. It represents a sound way to obtain the information required for policy development. This is a broad, complex process.

I will ask my colleague Mr. Choinière to provide additional details.

Mr. Denis Choinière: The issue is whether we have detailed information about all users from all levels and all age groups. Unfortunately, that isn't the case. The tools available to us, such as surveys, are limited. Maybe you've received a phone call while you were making dinner. Someone wanted to ask you 10,000 questions and you had ten minutes to respond. As a general rule, we have anywhere from 10 to 15 minutes to ask our questions. The basic questions that make up our surveys have not changed since 1998. We rotate our selection of questions, but we are limited as to how many we can ask. For example, the question about little cigar consumption has only been part of our survey since 2007. We stand by the quality of our data, but clearly we cannot cover all types of usage by all age groups.

[English]

The Chair: Ms. Sabiston.

Ms. Cathy Sabiston: I did hear some doubt in the industry's comments earlier on, particularly around little cigar usage. In 2007, it was the first time Health Canada actually looked at the use of little cigars specifically. Previously it had been buried in a category where it was all rolled up. So we do have good data on little cigar use. Twenty-five percent of kids have tried it across the country. One-quarter of children, age 15 to 17, tried a little cigar in 2007. So yes, I'm very confident in those stats.

● (1710)

[Translation]

Mr. Luc Malo: How do you feel about the two amendments proposed by Mr. O'Shea?

Mr. Paul Glover: Unfortunately, Madam Chair, the witness's proposal does present some problems for the department, in particular as far as weight criteria are concerned, because it could create a loophole for other products. We can show you some images to give you an idea of the impact of such a proposal. They are in both official languages.

[English]

The Chair: Please give it to the clerk. The clerk will have it distributed.

Ms. Wasylcia-Leis.

Ms. Judy Wasylcia-Leis: Thank you, Madam Chairperson. Thanks to everyone.

I want to ask a question about an amendment I proposed, which is on smokeless tobacco. If that amendment were to pass, would your department be able to handle this in the context of Bill C-32 without requiring additional resources and staffing to regulate in this area?

Mr. Paul Glover: Thank you for the question.

The short answer to that with respect to incremental resources is yes. If that amendment were to pass, the department would be in a position, as are others within that, so we are prepared to deal with that. The concern we would have is that the data that is available is regional more than national, but we would be able to manage with the resources.

Ms. Judy Wasylcia-Leis: What I don't understand is how people who produce the chewing tobacco—and we've heard about all the side effects of that—can compare it to a harm reduction program like Nicorette gum. Is there any comparison between the two, based on your information?

Mr. Paul Glover: My apologies. I am struggling with how to frame a response....

The Chair: You're not chewing tobacco?

Voices: Oh, oh!

The Chair: I'm just checking.

Mr. Paul Glover: With respect to the question on a concept that has been introduced—harm reduction in this particular product class and area—I do not feel equipped today to make any kind of informed comment with respect to that. It would be my own personal opinion.

I would turn to my colleagues, if they have anything further to add.

Ms. Cathy Sabiston: It's very clear this product is highly addictive. It causes all kinds of diseases—mouth diseases, as you were saying earlier. The product, in Health Canada's view, is not a safe alternative to a cigarette. There is no such thing as a safe tobacco product.

Ms. Judy Wasylycia-Leis: On another matter, could you tell us what would be, if you looked at Mr. O'Shea's proposed amendments—and I think he has made two or three suggestions—the impact in terms of our ability to control the proliferation of these types of products to young people?

Mr. Paul Glover: Thank you for the question.

I am not sure if our handouts have made their way around. As I said earlier, our concern is that they would essentially create loopholes that would allow a number of products to continue to exist as we move forward, particularly with regard to the weight, where we would continue to see a large number of products continue to be made available, products that, from our research, we believe are of high interest to youth. That is our principal concern.

Maybe I could ask my colleague to explain the three handouts that are circulating.

The Chair: Please go ahead, and then we'll go on to our next questioner.

Mr. Denis Choinière: In figure 1, you'll see that those are little cigars with a cigarette filter. I think the proposition made by Mr. O'Shea would keep these in the bill. However, if you look at figure 2, they are little cigars that are less than 1.4 grams but without a filter. My understanding of the proposal is that these would no longer be captured. This is the loophole that Mr. Glover was referring to earlier.

•(1715)

The Chair: Thank you.

Now we'll go on to Ms. Davidson.

Mrs. Patricia Davidson (Sarnia—Lambton, CPC): Thank you, Madam Chair, and thanks again to the department and to our other presenters who are here.

The comment has been made that maybe people weren't aware that this was going to happen, but this was a campaign promise that was made before the last election. It was also addressed in the Speech from the Throne. So it really shouldn't be any huge surprise to people that the government had said it was going to ban the sale of flavoured products to the youth market. That's been out front and centre for quite some time.

I have a question for Mr. Glover. I've had some correspondence today from constituents in my riding who are very concerned about this because of the U.S. trade questions that have been arising. I know that some of the American legislators have said that this would

violate NAFTA and other trade agreements. I'm not referring to flavoured tobacco; I'm talking about the regular blended tobaccos from the States that are sold in duty-free stores. They are sold in carton sizes only; they are not sold singly. They are purchased mainly by American citizens returning to the States, for consumption in the States.

They feel that this would halt their ability to sell that product. Can you comment on that and on what the trade implications of this bill, if it went forward in its current state, would be?

Mr. Paul Glover: Thank you, Madam Chair, for the member's question.

Before responding directly to that question, I'd like to add to comments you made about consultation. While I acknowledged that there were some differences, I had also intended to indicate that we did reach out to industry and we did hold a number of conference calls and other things to make sure that we were able to explain the intent of the bill and hold consultative processes.

So while it might have somewhat deviated in a minor way from our normal processes, we were reaching out to industry to engage them in this process. We acknowledge the difference, but it was different, as we move forward.

With respect to trade in the bill, we're aware of some of the posturing that is occurring as this moves forward. I'll turn to my colleague, Diane Labelle from Justice, to explain how that process works as we move forward.

Before she does that, I would also like to add that our objective in answering this question would be to not hypothesize about potential trade disputes that have not yet arisen, nor what would potentially be federal responses to such a trade dispute, as that would be strategy at that particular point.

Mrs. Patricia Davidson: That's right. But by the same token, we're not interested in presenting a bill that's going to create trade problems.

Mr. Paul Glover: We understand the question, so there will be some....

Ms. Diane Labelle (General Counsel, Legal Services Unit, Department of Health): Madam Chair, as committee members are fully aware, the Department of Justice does scrutinize all bills brought forward by the government on a number of issues, including Parliament's power to enact the legislation, the constitutionality of the legislation, and this also includes Canada's international obligations.

In its presentation before you today, the bill is not a protectionist measure nor a discriminatory measure. In answering your question, I would have to point out, too, some process issues. The allegations of trade or trade discrimination would need to be treated under the WTO Technical Barriers to Trade Agreement and NAFTA obligations.

Canada clearly has an obligation to ensure that technical regulations are not prepared, adopted, or applied with the view to or with the effect of creating unnecessary obstacles to international trade. For this purpose, technical regulations shall not be more trade restrictive than necessary to fulfill a legitimate objective. And health measures are a legitimate objective.

What are some of the consequences here of violating Canada's obligation through WTO or TBT Agreement or NAFTA? It would engage one or both of the dispute settlement processes in the event of a challenge, the first one being state-to-state settlement procedures under which a party country challenges the measure it alleges is inconsistent with the applicable trade obligations.

Should the trade panel find that a violation has occurred, Canada would have to bring its laws and practices into conformity, or the other affected party, in other words an industry member, may ultimately suspend benefits provided to Canada by the applicable agreement. This, of course, may have serious and adverse consequences on the Canadian targeted industries. The second mechanism is the investor-state dispute settlement procedure under which an investor may claim damages resulting from the measure it alleges is inconsistent with the applicable trade obligations. Then a trade panel decision is binding, and it may award damages and applicable interest in restitution of property to an investor.

So given the importance of trade and trade agreements and Canada's obligations, the Department of Justice does scrutinize the bills for this reason.

• (1720)

Mrs. Patricia Davidson: They scrutinize it, yes, but is there a trade issue here or not?

Mr. Paul Glover: We believe we have legitimate policy objectives and that we are not introducing barriers to trade. We believe we are advancing legitimate policy objectives in this country, not barriers to trade.

The Chair: Thank you.

Dr. Bennett.

Hon. Carolyn Bennett (St. Paul's, Lib.): We have an amendment that we think is a bit of a compromise. I'd be happy if Small Guys and the officials would like to comment on it. In clause 2 we would replace line 8 on page 2 with the following:

scribed to be a little cigar, but excludes any tobacco product that has no filter and that has a wrapper composed of natural leaf tobacco as well as a binder and a filler both composed of natural or reconstituted leaf tobacco.

The view was that this would get around the weight problem that you had, but these are regular tobacco products.

The Chair: Would anyone like to comment on that particular aspect?

Mr. Choinière.

Mr. Denis Choinière: Thank you, Madam Chair, for the question. It's not clear to me from what was read whether or not the little cigars shown in figure 2 would be captured. If you rely only on the presence of a filter, my understanding is that all these products would no longer be captured by the bill. The restriction on minimum packaging and on flavours will no longer apply to the little cigars

shown in figure 2 if you go only with the criterion of the presence of a filter.

Hon. Carolyn Bennett: I think what we're saying is that it excludes any tobacco product that has no filter.

Mr. Denis Choinière: Those are the ones that are shown in figure 2.

Hon. Carolyn Bennett: It's the following:

scribed to be a little cigar, but excludes any tobacco product that has no filter and that has a wrapper composed of natural leaf tobacco as well as a binder and a filler both composed of natural or reconstituted leaf tobacco.

Maybe the best thing to do would be for the Small Guys and the officials to have a conversation, and I'll shut up.

The Chair: I'm not going to say that this is a rare opportunity. I'm going to resist. No, I love Dr. Bennett. She knows I'm just joking.

Who would like to answer that?

Mr. Paul Glover: I'm happy to start with that, Madam Chair.

I think what my colleague was attempting to communicate, and I will reiterate, is that what is in figure 2 are those things that—as we interpret that amendment—are without the filter and would comply with the definition that has been proposed and would therefore continue to be allowed for sale in the Canadian marketplace. It would mean that those products on that page would continue to be allowed. That is why we have some concern with the amendment as it has been proposed.

Hon. Carolyn Bennett: Colm, do you want to explain the weight problem, or the reason we...?

Mr. Colm O'Shea: The reason we looked at the weight...and we thought it was rather arbitrary. I appreciate the fact that the group is trying to target all the products. The trouble is that sometimes it catches products that weren't intended.

The weight is 1.4 grams. In Europe now I believe it's 2.5 grams. That's the weight they're using in ECMA, or in the European Union. We suggested that the weight wasn't the target. From the discussion that I'm hearing around the table, it was the presence of an acetate filter that distinguished our traditional cigar products from the product you're targeting.

We thought that by describing the product so specifically, by saying that this product has a natural leaf wrapper, it has a natural reconstituted binder, it has a natural reconstituted filler.... It's not the product that I've been seeing held up here. If you were to ask if we're missing one, then what I think is very important is.... If the people from Health Canada read what they wrote.... They put in two extra bullets in clause 2, the last sentence. And it's just kind of a dangling sentence, to the industry. We asked ourselves what it means.

It says:

It includes any tobacco product that is prescribed to be a little cigar.

If that's a product they don't like, Health Canada can just say they're going to call it a little cigar, even though it falls into the definition we've just proposed.

And if that wasn't good enough, Health Canada went further and said, under proposed subsection 2.1(1):

The Governor in Council may make regulations prescribing any tobacco product to be a little cigar.

That means “any” product—one that weighs more, one that weighs less, one that's yellow—

● (1725)

The Chair: Thank you, Mr. O'Shea.

We'll now go to Ms. Cadman. We're running out of time. We only have about four minutes.

Ms. Cadman, do you want to pick up on that, or do you have another question?

Ms. Dona Cadman (Surrey North, CPC): I have a question. I'm an ex-smoker, and it was hard to get off. Flavouring these cigarettes in wildberry and peach and strawberry is disgusting. It tastes like shit, for one thing.

The Chair: Excuse me....

Ms. Dona Cadman: Sorry. It's not a good thing.

Is this the only thing that you're after, or is it still okay to have cognac-flavoured cigars or wine-flavoured cigars or Old Port? Is it just these funny new flavours that you're targeting?

Mr. Paul Glover: The general objective of this is prevention with respect to youth. This is a bill designed for the protection of youth, and therefore the flavours we are targeting, in cigarettes, tend to be all flavours. We acknowledge that there are a number of large cigars that have some of these flavours in them. We're not capturing those.

Ms. Dona Cadman: So you're after the blunts in the strange flavours?

Mr. Paul Glover: We're after the blunts flavoured with chocolate, banana, strawberry, and peach. As you've heard from the industry, these sweeteners are sometimes added, particularly to cigarettes, to make them less harsh. When you're experimenting, as youth often are, if there is less harshness to the cigarette, it is easier to start smoking.

The Chair: Ms. Wasylycia-Leis.

Ms. Judy Wasylycia-Leis: I think we need another response from the department in reference to what Mr. O'Shea said.

Secondly, with respect to Imperial Tobacco, I'd like to know if the substances you've identified would fulfill their requirements so that they could produce traditionally manufactured cigarettes, without detracting from the importance of this bill.

The Chair: Mr. Glover, and then Mr. O'Shea.

Mr. Paul Glover: I would note that the federal government is not the only jurisdiction that has established that weight of 1.4 g. There are provincial jurisdictions that have the identical weight. We acknowledge that this is a point of debate, but it's worth noting that Ontario has recently brought forward more legislation with the same weight and that New Brunswick also uses the same weight category.

Through our consultations with industry, we have come to recognize that there are a number of areas in drafting that need to be amended to allow for things such as the ingredients in the paper, so that the regular manufacture of cigarettes can continue.

● (1730)

The Chair: Mr. O'Shea.

Mr. Colm O'Shea: I thought the question to Health Canada was whether there were two bullet-proof vests that would allow you to capture products you've missed.

A voice: [*Inaudible—Editor*]

The Chair: Thank you.

I have one nerve left and some people are stepping on it.

Ms. Labelle.

Ms. Diane Labelle: It's actually a drafting technique. We have in “little cigars” a defined term, and we have to make sure we also have the power to amend that defined term. So it's not as if we have two bullet-proofs—we have one regulation-making power....

The Chair: Go ahead.

Ms. Diane Labelle: As I was explaining, we only have one regulation-making power provided for in the bill, and that refers to the definition of little cigars.

The Chair: Does that answer your question, Ms. Wasylycia-Leis?

Ms. Judy Wasylycia-Leis: I wish we had longer.

The Chair: I thank you for your patience and your very good questions, Ms. Wasylycia-Leis.

I also thank the witnesses for coming today. It's been a pleasure to have you here.

The committee is dismissed.

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