

NEWS RELEASE / COMMUNIQUÉ

Non-Smokers' Rights Association / L'Association pour les droits des non-fumeurs

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Critics blast Convenience Store Association tobacco tax rollback study

Toronto — The Non-Smokers' Rights Association (NSRA) issued a sharp rebuke today to the tobacco industry's most recent call for a rollback in tobacco taxes. The health association released a critique by former World Health Organization economist Emmanuel Guindon in response to a Canadian Convenience Store Association study earlier this month that purported to justify tobacco tax cuts. The CCSA study claims that the tobacco tax rollbacks of 1994 had no impact on smoking rates or per capita consumption. This study is the latest stage of a campaign to force governments to cut tobacco taxes.

“The CCSA is the friendly neighbourhood face of Canadian Big Tobacco,” said NSRA director of policy Melodie Tilson. “The claim in its analysis that giving Canadians in many provinces half price cigarettes in 1994 had no effect on consumption is utter nonsense. In fact, the increase in the use of tobacco industry products caused by the 1994 tax rollbacks will lead to the deaths of thousands of Canadians in the future.”

In his critique, Guindon states that high price is “the single most effective method of reducing the prevalence and consumption of tobacco products,” a position held by the World Health Organization and the World Bank. Guindon, now a doctoral candidate at the Centre for Health Economics and Policy Analysis at McMaster University, emphasized that “the author of the Convenience Store tobacco study ignores a wealth of research evidence that has accumulated over several decades. Such wilful or unintended ignorance of existing evidence combined with an unclear and simplistic methodology attests to the poor quality of the study.”

“The public should understand that some of the principals in this debate have a vested interest in ensuring that legislators and the public remain confused about the size of the expansion of the tobacco market from tobacco tax rollbacks,” said Dr. Prabhat Jha, lead author of the World Bank's report on the economics of tobacco and Canada Research Chair in Health and

Development at the University of Toronto. “There should be no confusion. Evidence indicates an increase in tobacco consumption in 1994 alone of nearly 10 percent. To deny the law of demand in economics – that demand is inversely related to price – is the same as denying the law of gravity in physics.”

“The Convenience Store tobacco study presents a flawed analysis, as shown by Guindon, from a series of surveys which themselves have very serious problems,” said Joy Townsend, one of the world’s foremost experts on tobacco taxation and professor of economics and epidemiology at the London School of Hygiene and Tropical Medicine. “The analysis used is unconventional and makes obscure comparisons, while failing to present the obvious required comparisons of prevalence, levels of smoking, prices and taxes for the different provinces. No methodology is presented for the study and it is not even specified what data periods are being compared. It is not clear why the author does not use conventional econometric analysis. As such this study cannot be taken seriously as presenting empirical evidence,” emphasized Dr. Townsend.

Condemnation of the CCSA for releasing a wrong-headed analysis of the 1994 tobacco tax rollbacks has been expressed by many health organizations including Physicians for a Smoke-Free Canada. The CCSA study has also been severely criticized by a group of Quebec economists with Analysis Group on behalf of the Quebec Coalition for Tobacco Control. The two reports appear at www.nsra-adnf.ca.

The Non-Smokers’ Rights Association is a national health organization with members across Canada and offices in Toronto, Ottawa and Montreal. In 2000, it was the inaugural recipient of the international Luther L. Terry Award.

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