



Cure For Illegal Native Cigarette Market Is Opportunity July 23, 2010

Intro:

Hi, I'm Joseph Quesnel. Commentators are saying law enforcement needs to get tough on illegal tobacco operations on Native reserves. But, are there more effective solutions? Find out on today's Frontier Centre commentary.

Script:

Researchers in Ontario have found that about 20 per cent of cigarettes sold in Canada are illegal, many of those created and sold through Canada's native reserves.

Predictably, many are calling for a crackdown on these illegal "smoke shacks."

But, are there better solutions to the problem?

Research by the First Nations Tax commission reveals it is 10 times more difficult to create wealth on Native reserves than elsewhere.

Delays and regulatory burdens imposed by the federal Indian Act create an atmosphere where it is very difficult to create legitimate businesses on-reserve.

Rather than just focus on law enforcement, action must be taken to improve the business climate on reserves.

This way, First Nation communities can focus their energies on building other businesses and not depend on the illegal cigarette market for revenue.

Also, governments in Canada need to seriously re-think policies which place high taxes on cigarettes as this creates an underground economy by making tax exempt Native cigarettes so attractive.

While the laws must be enforced, it is crucial policy makers deal with the causes that are fuelling this attractive underground industry.

I'm Joseph Quesnel. Join the prairie's only independent think tank next week for more thinking on the Frontier. For more about aboriginal policy, visit our website, at fcpp.org.

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