

February 12, 2024

The Honourable Chrystia Freeland, P.C., M.P.
Deputy Prime Minister and Minister of Finance
House of Commons
Ottawa, Ontario K1A 0A6
chrystia.freeland@canada.ca

RE: The alcohol industry prospers at the expense of our healthcare system and the wellbeing of people in Canada

Dear Deputy Prime Minister Freeland,

We urgently request that the Canadian government honour its commitment to the scheduled 4.7% federal beer, wine and spirit excise duty increase slated for April 1, 2024. This will ensure that the public's share of the \$26 billion dollars of alcohol sales in Canada is not eroded through inflation. This is particularly important given the substantial \$19.7 billion dollars that alcohol costs every year in healthcare, lost productivity, criminal justice and other direct costs. Alarmingly, this is more than the cost for opioids, cannabis and cocaine combined.

We know that the consumption of alcohol is related to over **200 health conditions and diseases** -- including at least 9 cancers, liver cirrhosis, alcohol use disorder and cardiovascular disease, resulting in **over 800,000 emergency room and hospital visits** and **17,000 deaths across Canada every year.** When accounting for both alcohol revenues and alcohol costs, **Canada currently runs a deficit of about \$6.2 billion dollars a year.** 4

At a time when people in Canada are grappling with the highest cost of living increase in decades, it is incomprehensible that, of all the products in our shopping carts, the government would encourage the consumption of alcohol by effectively lowering its tax rate after inflation, making it less expensive relative to other goods. The alcohol industry should not be allowed to profit off inflation while contributing less to the enormous social costs and harms that are caused by its products.

Amid economic challenges, long patient wait times and low healthcare provider retention rates continue to negatively impact health outcomes, instilling anxiety among healthcare providers, patients, and loved ones alike. Given alcohol's burden on our healthcare system, honouring the anticipated 4.7% federal beer, wine and spirit excise duty is something the government can do to avoid further jeopardizing the stability and sustainability of the healthcare sector in these critical times. It is vital the government stand alongside the health sector in support of a healthier and wealthier Canada.

¹ Statistics Canada, Control and sale of alcoholic beverages and cannabis, April 1, 2021 to March 31, 2022.

² Canadian Substance Use Costs and Harms Scientific Working Group. (2023). Canadian substance use costs and harms 2007–2020. (Prepared by the Canadian Institute for Substance Use Research and the Canadian Centre on Substance Use and Addiction.) Ottawa, Ont.: Canadian Centre on Substance Use and Addiction.
³ Naimi, T., Stockwell, T., Giesbrecht, N., Wettlaufer, A., Vallance, K., Farrell-Low, A., Farkouh, E., Ma, J., Priore, B., Vishnevsky, N., Price, T., Asbridge, M., Gagnon, M., Hynes, G., Shelley, J., Sherk, A., Shield, K., Solomon, R., Thomas, G. & Thompson, K. (2023). Canadian Alcohol Policy Evaluation 3.0: Federal Results. Victoria, BC: Canadian Institute for Substance Use Research, University of Victoria.
⁴ Ibid

Deputy Prime Minister Freeland, we urgently request that the Canadian government prioritize the well-being of people in Canada by maintaining the alcohol industry's contribution to our economy through inflation indexation to partially offset the social costs and harms directly caused by their products. Your attention to this matter is crucial in supporting families, improving the health of people in Canada, alleviating the strain on our healthcare system and saving lives.

Yours truly,

Organizational signatories

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Annapolis Valley Community Alcohol Partnership

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CC: Honourable Mark Holland, P.C., M.P., Minister of Health

Honourable Ya'ara Saks, P.C., M.P., Minister of Mental Health and Addictions and Associate Minister of Health

Rachel Bendayan, M.P., Parliamentary Secretary to the Deputy Prime Minister and Minister of **Finance**

Yasir Naqvi, M.P., Parliamentary Secretary to the Minister of Health Élisabeth Brière, M.P., Parliamentary Secretary to the Minister of Mental Health and Addictions and Associate Minister of Health

¹ The Union of BC Municipalities is a member of the BC Alliance for Healthy Living but cannot endorse this letter nor any other policy position that has not been explicitly passed as a resolution at their annual convention.