



News release

Health coalition asks why focus on money when game-changing measures to reign in Big Tobacco are within reach?

Montreal, April 13, 2023 – On Friday April 14th, the **Ontario Superior Court** will consider whether to allow one of Canada’s leading charities, the **Heart & Stroke Foundation**, to join the negotiating table related to the **March 2019** motions by the three largest Canadian tobacco manufacturers (**JTI-Macdonald**, **Imperial Tobacco** and **Rothman, Benson & Hedges**) seeking bankruptcy protection under the federal **Companies Creditors Arrangement Act**. By taking this unusual action, the companies resorted and obtained a “time-out” on the \$15 billion payment that a **Quebec court** had order them to make to some 100,000 class action victims.

“While the presence of a health charity would be a welcome addition to the table, we fear it will help facilitate a flawed approach. Instead of prioritizing a settlement that aims to prevent further smoking uptake, the charity is asking for a slice of the pie to be set aside for a fund for future anti-smoking activities,” says **Flory Doucas**, **codirector and spokesperson of the Quebec Coalition for Tobacco Control**.

Indeed, [in making its case to the court](#), the charity considers positively future tobacco sales in that not only would they support the fund but that *“this represents some social good in the sense that their continuation will see more of the Claims paid.”*

Focus should be preventing more damage

“Why strive to obtain funding for prospective prevention and cessation programs as well as protracted political battles with tobacco manufacturers when bold and effective measures to reduce smoking could be forced on the industry right now?” asks **Ms. Doucas**. This is what the majority of **Canadians** want according to a 2021 **Léger poll** which found **71% support** their province “using these lawsuits to require tobacco companies to help phase out tobacco use in Canada”.

Quebec smokers are not the only ones seeking damages from these companies. Others include all ten provinces, several class actions which have not gone to trial, tobacco farmers and various individual lawsuits. The provincial governments have the greatest combined financial claim (over \$500 billion), which puts them squarely in the driver’s seat with respect to the outcome of these negotiations.

“It would be disheartening if governments and other agencies negotiated away the historical opportunity to end Canada’s tobacco/nicotine epidemic. Rather than squabbling over how to slice the modest money-pie or how to tap into revenues from current and future consumers, provincial governments and other health sector stakeholders should focus on a plan to prevent further damages – not one that benefits from them,” adds **the spokesperson**. *“How these lawsuits will be resolved is one of the most important public policy issues of the 21st century, as it will determine the fate of corporations whose willful and deliberate actions have led to*

unimaginable amounts of disease, suffering and deaths. Their products continue to be the [number one cause of preventable deaths in Canada, claiming 50,000 lives annually.](#)

Worst outcome

According to the **Coalition**, the worst outcome from a public health perspective is if the provinces forced a superficial monetary outcome primarily focused on splitting up the available cash-pie and calling dibs on future company profits from the sale of cigarettes or other addictive products. No injured party would get more than pennies on the dollar for the harms and costs caused by Big Tobacco, **Quebec** victims would be denied the award they were granted by their province's highest court, and penalties that go beyond the current available funds would rely on future smokers and other consumers hooked on nicotine. As it stands today, the manufacturers have about [\\$9 billion in funds available](#) for a settlement - less than 2% of what's claimed by all provinces and **Quebec** victims.

Ethical outcome

A much better outcome would be if the provinces aimed instead for the greater long-term benefit of spurring an accelerated reduction in smoking. Health economist **Hans Krueger** [estimates](#) that **Quebec** would save \$22.2 billion and **Ontario** \$26.1 billion if smoking rates fell to 5% by 2035 – the same target as the [Federal Tobacco Strategy](#). This would mean 641,000 and 990,000 fewer smokers in **Quebec** and **Ontario** respectively, meaning hundreds of thousands of people who would *not* die from a smoking-related disease. In resolving their lawsuits against the companies, the provinces could also require them to end the harmful way they market their new generation of nicotine products.

Secret negotiations

“Unfortunately, it’s impossible to know what the provinces are doing behind closed doors. Meanwhile, by allowing the negotiations to have dragged out over four years, hundreds of victims from Quebec have died without receiving the compensation awarded to them by the court and other victims have been deprived of their day in court. All provinces ought to be mindful that they bear the responsibility of preventing the harms that tobacco industry will cause for future consumers,” concludes **Flory Doucas**.