

Feds called on to vote against proposed tobacco settlement

(November 20, 2024 – Ottawa, Montreal, Edmonton) – Three tobacco control organizations are calling on the federal government to cast its vote against the proposed tobacco settlement at the creditors meeting scheduled for December 12th.

Action on Smoking & Health, the Quebec Coalition for Tobacco Control and Physicians for a Smoke-Free Canada [wrote the federal Ministers of Health and Addictions](#) last week to encourage them to oppose the settlement plan that was made public in mid-October. Their letter was made public today.

The plan is aimed at resolving all of the lawsuits filed against Canada's three largest tobacco companies over the past 25 years. After a Quebec court ordered the companies to pay \$13 billion to injured Quebec smokers in March 2019 and facing even larger claims from provincial governments, the companies took refuge under Canada's insolvency laws in March 2019. Secret negotiations among claimants and the companies to resolve these lawsuits have been underway since then.

On October 17, a settlement proposal was made public and on October 31st the Ontario courts ordered that the companies' creditors would vote on this proposed plan of arrangement on December 12th. The plan has been widely criticized by Canadian health organizations because it contains no measures to reduce the damage caused by this industry and incentivizes governments to maintain tobacco use.

The Canada Revenue Agency is among Imperial Tobacco's creditors, which gives the federal government the right to vote on the plan as it would apply to that company. While health groups acknowledge that the federal claim on Imperial Tobacco is too small for its vote to have a direct impact on the outcome of the vote, the federal government's approval or disapproval of this plan has enormous symbolic value.

Despite the primary role played by the federal government in regulating the tobacco industry and in otherwise protecting public health from harm, the negotiations which led to a proposal to sustain the tobacco industry for twenty years or more were conducted without federal participation.

The vote on December 12th is believed to be the first opportunity for the federal government to formally take a position on the settlement plan.

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