

CAMPAIGN FOR JUSTICE ON TOBACCO FRAUD

CAMPAGNE POUR OBTENIR JUSTICE FACE À LA FRAUDE DU TABAC

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STATEMENT BY CAMPAIGN FOR JUSTICE ON TOBACCO FRAUD: TOBACCO SETTLEMENT CAVE-IN

TORONTO, Oct. 21, 2024 /CNW/ - The Campaign for Justice on Tobacco Fraud today accused the provinces and territories of one of the most destructive cave-ins to Big Tobacco in Canadian history. "It is difficult to overstate the magnitude of the sell-out to the manufacturers in the proposed settlement between the industry and the governments negotiated under the *Companies Creditors Arrangement Act*," said Garfield Mahood, the CJTF president.

"These governments sued to recover health care costs caused by 50 years of fraud and other negligence," said Mahood. "The proposed settlement will recover \$25 billion, less than five percent of their claimed losses, literally pennies on the dollar."

But the most important element of the settlement discussions was about public health and here these governments also sold out. Many of the provinces had to be dragged kicking and screaming into the litigation by the health community. "Health groups sought justice, health remedies and changed tobacco industry behaviour from the lawsuits," said Mahood. "Government lawyers argued elephantine population health harm from decades of fraud and then delivered a health remedy mouse in the mediation process. The health component of the proposed settlement amounts to public health malpractice."

The planned settlement would set aside \$1 billion for a health Foundation. But it is obvious the severe restrictions on what the Foundation could undertake caused the governments to bow to industry resistance. "It would not be 'independent' as claimed because of the constraints imposed at its foundation," said Mahood. "It could not be used to engage in any tobacco use reduction measures. And it would be narrowly constrained to funding research focused on improving the diagnosis and treatment of tobacco related disease. It would not permit the funding of primary prevention tobacco control measures."

"The claim that it would be independent is a joke," continued Mahood. "The settlement is a scandalous capitulation to an industry that has caused or contributed to over a million deaths in Canada since 1960. To reduce media attention the governments released the proposed settlement just before a weekend."

The proposed settlement raises important questions. Where were the health ministers in these talks? Why did they abandon their public health responsibilities to ministers of revenue? Or to attorneys general who did not wish to take on multitudes of Big Tobacco lawyers?

Why was the release of tobacco industry documents not mandated as in the American *Master Settlement Agreement*? Why did the talks not produce court-enforced reductions in teen smoking? The proposed settlement amounts to not much more than another form of taxation on existing and future smokers.

Tobacco lawyers would argue that the *Companies Creditors Arrangement Act* exists to ensure the long-term viability of companies that seek protection. We hold that governments ultimately hold all of the cards, legislation, and could have used their muscle in these talks if they had been committed to public health.

"This settlement is an embarrassment," said Mahood. "Other than providing payments to Quebec smokers harmed by the industry and due via a class action court award, the settlement has no redeeming value. It should be abandoned, not the kids who will be harmed by an industry restored to good health." Tragically the potential loss of government revenue from tobacco taxation protected the manufacturers in the five years of the settlement talks.

Principals behind the CJTF have been pressing governments since 2002 to hold the industry criminally and civilly responsible for its fraud. One example, on February 20, 2019 the CJTF published a page and a third ad in *The Globe and Mail*. The ad was funded by over 125 deans and professors of public health and medicine and other health interests. The ad was endorsed by national health agencies. The ad pressed several hesitant governments to seek justice and file suit. They did so a few weeks later.

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