

**End CPP investment in tobacco, doctors demand - Globe and Mail
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By ANDRÉ PICARD and STEVEN CHASE

Canada's most powerful medical group is calling on the Canada Pension Plan to end its controversial practice of investing in the stock of tobacco companies, saying it undermines public-health efforts.

The Canadian Medical Association received the support of Canada's Health Minister, who said he was shocked and angered to learn that almost \$95-million in pension contributions have been invested in the tobacco industry.

"I don't think any government funds should go to the coffers of tobacco companies," Ujjal Dosanjh told delegates to the CMA annual conference in Toronto.

He told doctors at a session earlier this week that as the attorney-general of British Columbia he launched a multibillion-dollar lawsuit aimed at recouping the health costs of smoking-related illness, and he intends to take the same hard-line, anti-smoking positions as federal Health Minister.

The CMA passed a resolution yesterday demanding that the pension plan divest itself of all tobacco company stocks.

Jay Duncan, a family physician from Brandon who brought forward the resolution, said it is absurd for governments to allow pension monies to be invested in this way, and called on them to outlaw the practice.

"It's perverse that an arm of the government is supporting an industry that kills 40,000 Canadians a year and maims many more," he said.

"We spend all this time and money on anti-smoking campaigns and then turn around and invest in an industry whose sole purpose is to addict the next generation. It totally undermines our national tobacco strategy."

The CPP has assets of more than \$73.2-billion. The federal Finance Department administers cash and fixed-income securities that comprise roughly half the plan's investments by value. The other half is administered by the CPP Investment Board, an arms-length Crown corporation that invests in publicly traded stocks, private equities, real estate and infrastructure.

John Cappelletti, manager of communications and stakeholder relations at the CPP investment board, said its mandate is "maximizing investment returns without undue risk of loss" and, as a result, it does not use any social, religious, economic or political criteria for selecting investments.

"What may be unethical for you and I may be just fine for a whole bunch of other people," he said, "and they have just as much say in their pension as we do."

The investment board spokesman said it's ultimately up to Ottawa and the nine provinces that participate in the CPP to change the laws governing the fund if they want retirement money to be pulled out of tobacco holdings. Any changes to the law governing the board would have to be approved by two-thirds of participating provinces representing at least two-thirds of the population of those provinces.

Of the \$35.8-billion in stock holdings as of June 30 of this year, \$94.3-million consisted of stocks in 10 large tobacco companies. These include Rothman's, the only publicly held tobacco company in Canada; British American Tobacco, a company implicated in the sale of contraband cigarettes; Altria Group Inc., which owns the huge cigarette maker Philip Morris; and Japan Tobacco.

Federal Finance Minister Ralph Goodale, whose responsibilities include the CPP Investment Board, is travelling in Africa and was unavailable for comment.

His spokesman, John Embury, declined to respond to Mr. Dosanjh's comments. But he said federal and provincial finance ministers plan to review the social-investment policies of the CPP Investment Board next year at the request of Manitoba.