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Fax 604 688 25**FAX****CONFIDENTIAL****Date:** January 6, 1998**Fax Number:** (514) 982-9966**Code:** 546**To:** Jodi White**Company:** Inasco**From:** Cindy Burton**No. of Pages:** 21 (Including this one)

Fayed: D. Bts
cc: R. S., S.
R. Akh

Dear Jodi:

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As anticipated, the Minister of Health announced January 6 1998, the legal team selected to prepare the lawsuit against the Canadian tobacco industry on behalf of British Columbia. Thomas Berger, former Supreme Court judge, recipient of the Order of Canada and former leader of the provincial New Democratic Party, will be the senior counsel, with Daniel Webster, Elliot Myers and Don Holubitaky of Bull, Houser & Tupper completing the team.

Of note, Imperial Tobacco was not mentioned during the press conference when Mr. Webster was asked if all tobacco companies are going to be named in the suit. The only reference was to a small manufacturing company in Quebec. However, Inasco and Imperial Tobacco are included in the press kit information on the tobacco industry.

Minister MacPhail states that she has approached federal Minister Rock and her provincial counterparts to join B.C. and that she has received a positive response. From the information GPC has acquired, this is overstating the level of support B.C. is receiving.

In addition, the reliance on the American strategy was emphasized during the question and answer period and within the material included in the press kit. A number of references were made to not "reinventing the wheel" and to the information and documents that have been and will be brought forward within the U.S. court cases.

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Included in this fax please find a synopsis of the press conference and copies of the press kit material.

Overview of the Minister's Speech

Minister MacPhail outlined the impact she believes tobacco products are having on British Columbia and reiterated many of the issues previously highlighted and described in "The Problem" section of the "BC's Strategy to Protect Kids" sheet within this fax.

MacPhail stated that she wants the tobacco industry to admit the truth and take responsibility for the damage their products cause instead of pretending to be good corporate citizens and come clean with their campaign to addict kids to tobacco.

The speech provided an overview of the three-pronged approach to:

- 1) expose the truth about tobacco and the tobacco industry's behaviour;
- 2) pursue justice for the damages caused by tobacco; and
- 3) improve public health by protecting children from tobacco addiction.

According to MacPhail, the focus of the coming strategy will be on the behaviour of the tobacco industry. The B.C. government's goal is to change the behaviour of the tobacco industry and to get them to pay for cessation and treatment programs.

Thomas Berger

Thomas Berger spoke on how the pending lawsuit will be a new departure for Canada in tort law made possible by the B.C. legislation. B.C. would not be reinventing the wheel, but would follow the lead of U.S. court cases. He also discussed how tobacco is the only consumer product available that is lethal when taken in minimum or maximum quantities.

Berger described how documents from the U.S. court cases have revealed that the industry knowingly has been targeting children. He referred to the Florida settlement and how the assembled evidence amounted to 30 - 40 million documents.

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Daniel Webster

Daniel Webster spoke as a father, lawyer and British Columbian who is proud to bring accountability to the tobacco industry. The strategy of Bull, Houser and Tupper is not to reinvent the wheel. Webster referred to Minnesota, which is proceeding to court this month. He believes that millions of documents will be revealed during this legal case and he has been impressed with the level of cooperation by the Americans they have had contact with.

Question and Answer Period - Between Media and Minister MacPhail
Also on the podium were Ministers Berger, Webster, Myers and Holubitsky

- Q. What is the fee?
 A. There is a range of rates. B.C. has a firm budget that will be held up for public scrutiny. It will be on a fee-for-service basis. I am not about to reveal details of the budget to the opposition, being the tobacco industry.
- Q. How long will the lawsuit take?
 A. (Berger responds) Our target is to file the statement of claim by the early spring. There will be a full and detailed account at that time.
- Q. Where will the writ be filed?
 A. In the Supreme Court of B.C. in Vancouver.
- Q. How much money do you expect to get from the tobacco companies?
 A. The lawyers will advise us not to reveal this amount. The tobacco industry has extremely deep pockets. B.C. spends \$1.5 billion a year in direct and indirect costs. The tobacco industry must stop deliberately targeting our children and make admissions of their wrongs.
- Q. Will there be any move to restrict the legal accessibility of the product?
 A. Legality of the product requires changes to federal law.
- Q. Will you be suing for millions or billions?
 A. Certainly more than millions.
- Q. Have you thought of asking the federal government to join B.C.?
 A. Yes. I will be phoning Minister Rock tomorrow requesting a meeting at the end of the month. I have approached my provincial counterparts and received a positive response. There is a meeting of Health Ministers at the end of the month where I plan to raise it again.

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Minnesota will bring forward evidence that the tobacco industry targets children in their upcoming lawsuit. I was greatly disappointed that when I wrote the Canadian subsidiaries earlier this year and they adamantly refused to admit they are targeting kids.

Q. What about increasing smoking bans?

A. Yes, we are working with the Union of B.C. Municipalities and Workers' Compensation Board to bring about a smoking ban in places of work.

Q. How effective have the tobacco companies been in lobbying at the federal level?

A. I am amazed how motherhood issues disappear off the federal agenda. I assume that other voices have been heard. I have pursued this issue diligently with Rock but he hasn't been able to move it forward. Perhaps the Prime Minister is listening to others.

Q. What about future costs?

A. Some settlements have provisions for future costs that include penalties.

Q. Are you going to name all tobacco companies?

A. (Webster responds) Research indicates that there are only three or four entities. There is a small manufacturer in Quebec. The focus will be on Phillips Morris, the parent company of Nabisco and Rothmans. We are not limited to Canadian companies. The challenge will be to poke a hole in the cover-up of knowledge - the denial that the products hurt people.

Q. Is this about eliminating tobacco use or about cost recovery?

A. I suspect B.C. will not lead the world and make it illegal to use tobacco products. It is about ensuring our children are relieved of the pressures to smoke.

Press Kit

The press kit includes: the new release which emphasizes protecting children from the tobacco industry in addition to announcing the legal team; a fact sheet on the selection process - which government was concerned would be criticized but was not given consideration by the media present; biographies on the legal team; and material on the Tobacco Reduction Strategy which has been renamed "Protecting BC Kids from Tobacco."

New to the information been disseminated is the inclusion of Imasco in a section on the tobacco industry. In the "BC's Strategy to Protect Kids from Tobacco

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"Addiction" sheet it mentions that the Inasco conglomerate owns Imperial Tobacco and generates just 14 per cent of its total revenue from tobacco but 51 per cent of its profits. It is likely that this will surface in the new campaign to focus on the tobacco industry itself.

Conclusion

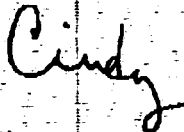
The themes of "wanting the industry to admit the truth and accept the responsibility of the damage their products cause, not reinventing the wheel but learn from the American experience," et cetera are not new. What is revealing is that the legal team's goal for filing the writ is early this spring.

The legal team appears to be focusing on the American angle that the tobacco industry is knowingly targeting children in their advertising. They have said that they will be relying heavily on documents submitted during the U.S. court cases.

As predicted, the Tobacco Reduction Strategy is advancing to the next stage. Mr. Berger will drive the legal approach, while the political strategy continues to be driven by Ms. MacPhail and her key adviser, Chris Chilton.

We will forward press coverage transcripts, as they become available

Sincerely,



Cindy Burton
Senior Consultant
GPC - Vancouver