

CANADA'S IMPLEMENTATION OF THE FRAMEWORK CONVENTION ON TOBACCO CONTROL

A CIVIL SOCIETY 'SHADOW REPORT'

GLOBAL TOBACCO CONTROL FORUM
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PREFACE

This is the fourth ‘shadow report’ on Canada’s implementation of the Framework Convention on Tobacco Control (FCTC).¹ Each report has been prepared collaboratively by civil society organizations based in Canada working to advance tobacco control. Each has been prepared in advance of the meeting of the Conference of the Parties to the Framework Convention on Tobacco Control. The last report was published in 2008.

Some of the areas of strength that were identified in previous reports continue to do well: measures to protect non-smokers from secondhand smoke continue to expand, and tobacco products are no longer visible at the retail level across Canada.

There are some areas where we previously reported difficulties that continue to do poorly: Public health laws on smoking are not enforced in many First Nations communities. High levels of illicit tobacco sales continue to have a corrosive effect on tobacco control. The pace of regulatory developments at the national level has become extremely slow.

This report was prepared by the Global Tobacco Control Forum, an umbrella organization of non-governmental associations engaged in domestic and international tobacco control efforts. Members endorsing the report include the Canadian Cancer Society, the Canadian Public Health Association, HealthBridge, the Heart and Stroke Foundation of Canada, the Non-Smokers’ Rights Association and Physicians for a Smoke-Free Canada. The report was drafted with financial support from Health Canada. The opinions expressed do not necessarily reflect those of Health Canada.

1 2006: *Monitoring Report*. http://www.smoke-free.ca/pdf_1/fctc-monitoringreport.pdf
2007: *The FCTC in Canada*. http://www.smoke-free.ca/eng_issues/global/content/Shadow%20Report%20-%20Final.pdf
2008: *Global Tobacco Control Forum: The Framework Convention on Tobacco Control. A Civil Society Shadow Report*. http://www.smoke-free.ca/eng_issues/global/content/globalforum-shadow-report-2008-final-web.pdf

FINDINGS

AREAS WHERE CANADA AND CANADIAN JURISDICTIONS ARE EXCEEDING MINIMUM FCTC STANDARDS:

- ▶ Canada advanced regulating the contents of tobacco products by banning the use of flavours and other additives (except menthol) in cigarettes and little cigars. Canada has the best legislation in the world restricting flavours in cigarettes and little cigars.
- ▶ Canadian jurisdictions expanded non-smoking rules to new environments, like chronic care facilities, prisons and some home environments and are continuing to explore new ways of protecting Canadians from cigarette smoke in indoor and outdoor settings, like parks, patios and playgrounds.
- ▶ Some Canadian jurisdictions prohibited the sale of tobacco products in specified locations (like restaurants, bars, universities, recreational and health facilities).
- ▶ Canada supported civil society organizations in projects to assist the implementation of and strengthening of the FCTC in developing countries.
- ▶ Canada sustained a strong and robust system to monitor tobacco use.

AREAS WHERE FCTC IMPLEMENTATION HAS IMPROVED SINCE 2008:

- ▶ The reported volume of illegal cigarettes sold in Canada has reduced, beginning in the second half of 2009.
- ▶ Implementation of Article 13 (advertising) has been strengthened by the recent ban on print advertising of tobacco products.
- ▶ Implementation of Article 19 (liability) has moved forward, with all provinces creating the legislative basis for lawsuits to recover damages related to the health care costs resulting from tobacco industry behaviour.
- ▶ All jurisdictions have now successfully implemented Article 8 (protection from secondhand smoke).
- ▶ Children in 8 provincial and territorial jurisdictions in Canada have legal protection from being exposed to secondhand smoke in cars.
- ▶ Across Canada, retailers are prohibited from displaying tobacco products in retail environments.

AREAS WHERE FCTC IMPLEMENTATION HAS STALLED OR ERODED SINCE 2008:

- ▶ Reductions of over \$20 million in Health Canada grants and contributions for tobacco control in the 2007-2009 period hindered the implementation of several elements of the FCTC.

The impact of Article 11 (labelling) measures has been weakened because of decisions to delay the renewal of health warning messages, despite the government's research concluding that they are "wearing out" after 10 years of appearing on packages unchanged.

- ▶ Civil society organizations and the public have not been actively engaged in the development of either the new national or the new federal tobacco control strategies, which is not consistent with the spirit of Article 5 (general) obligations.
- ▶ The federal government has not moved to strengthen the impact of Article 6 (tax and price) measures. Federal tobacco taxes have not been increased, and there has been no response to the increased market presence of discount cigarette brands.
- ▶ Canada has ended its practice of making available for public purpose the sales information on a brand by brand basis reported to it by tobacco companies (Article 10).
- ▶ The impact of Article 11 (labelling) measures has been weakened because of decisions to delay the renewal of health warning messages, despite the government's research concluding that they are "wearing out" after 10 years of appearing on packages unchanged.
- ▶ Implementation of Article 12 (public awareness) has been hindered by the absence of mass media or other broad public awareness campaigns at the federal level.
- ▶ Canada has not implemented adequate measures to control the sale of contraband tobacco products (Article 15).
- ▶ Canada continues to allow duty-free sales of tobacco products in duty-free stores without provincial tobacco taxes, federal/provincial sales taxes and with reduced federal tobacco taxes.
- ▶ Canada's duty-free import allowances for tobacco are among the largest in the world at an equivalent of 800 cigarettes (200 cigarettes plus 200 tobacco sticks, plus 400 roll-your-own cigarettes (200g of roll-your-own), plus 50 cigars.
- ▶ The framework developed by Health Canada in 2007 to guide its work on implementing Article 22 (cooperation with other Parties) no longer seems to be in place.

AREAS WHERE CANADA'S IMPLEMENTATION FALLS SHORT OF FCTC OBLIGATIONS AND GUIDELINES:

- ▶ The conflict of interest between the appointment of a director of a tobacco company to a government international development agency that works on tobacco was contrary to Article 5.3 (industry interference) Guidelines.
- ▶ The continued investment of mandatory public pension contributions in tobacco industry stock, in conflict with Article 5.3 Guidelines.
- ▶ There is no record of Canada working with other Parties to ensure that the treaty is provided with financial resources through bilateral and multilateral funding mechanisms, despite obligations under Article 5.6 to do so within the means available.

The federal government has not taken effective measures to ensure that Canadians living on all First Nations Reserves are protected from secondhand smoke in indoor work and public places, as required by Article 8 (protection from secondhand smoke).

- ▶ Contrary to Article 11 (labelling) obligations, Canada does not require that all tobacco products carry health warning messages. (Cigars and loose pipe tobacco can be sold without warnings, depending on the type of package). In addition, labelling requirements for some packages of cigars and pipe tobacco do not meet FCTC Article 11 minimum obligations for size and location. Warnings have not been refreshed in 10 years, against Article 11 Guidelines.
- ▶ Canada has not yet taken legislative or regulatory action to ensure that tobacco products are not sold or promoted in misleading or deceptive ways, although the words 'light' and 'mild' no longer appear on tobacco products of most companies.
- ▶ Canada requires quantitative statements to be included on toxic constituent labelling, contrary to Article 11 (labelling) Guidelines.
- ▶ Canada does not require health warnings on permitted tobacco advertising, despite requirements to do so under Article 13.
- ▶ Canada's \$300 million payment to tobacco farmers in 2009, based on the pretext of assisting an economically threatened sector to switch to other livelihoods, has had the opposite effect. Contrary to the intent of Article 17, Agriculture Canada's payments have reinvigorated tobacco farming in Canada.

PER CAPITA EXPENDITURE ON TOBACCO CONTROL BY CANADIAN PROVINCES AND TERRITORIES^{2 3}

	2005-6	2006-7	2007-8	2008-9	2009-10
Federal government	\$1.23	\$1.26	\$1.06	Not available	
Provincial government					
Alberta	\$3.22	\$2.75	\$2.62	\$2.54	n/a
British Columbia	\$1.35	\$1.26	\$1.28	\$1.24	\$0.88
Manitoba	\$0.50	\$0.50	\$0.50	\$0.48	\$0.69
New Brunswick	n/a	n/a	n/a	n/a	n/a
Newfoundland	\$1.15	\$1.53	\$1.46	\$1.46	\$1.49
Nova Scotia	\$2.45	\$2.49	\$2.57	\$2.56	\$2.56
Nunavut	\$2.69	\$5.62	\$2.17	\$2.15	\$1.86
NWT	\$4.77	\$8.31	\$7.65	\$7.83	\$7.82
Ontario	\$4.01	\$4.76	\$4.69	\$4.12	\$3.28
Prince Edward Island	n/a	\$0.87	n/a	n/a	n/a
Quebec	\$3.89	\$3.87	\$3.77	\$4.21	\$4.12
Saskatchewan	\$0.59	n/a	n/a	\$0.30	\$1.26
Yukon	\$6.70	\$8.73	\$5.35	\$7.70	\$11.16

² Provincial/territorial data from Ontario Tobacco Research Unit. Monitoring reports. http://www.otru.org/monitoring_reports.html.

³ Federal estimates based on audited figures presented in section on Article 12.

ARTICLE 5

GENERAL OBLIGATIONS

Canada has fully complied with some of the general obligations of the FCTC, but has not yet implemented others, notably, as discussed in the next section, Article 5.3.

A SOLID FOUNDATION

A pan-Canadian comprehensive, multisectoral tobacco control strategy, agreed to by governments, has been in place for over 20 years. This strategy has been periodically updated to reflect new knowledge and experience.

The most recent version of the 'national strategy' was adopted by provincial and federal health ministers in 1999,⁴ with four goals (prevention, protection, cessation and denormalization of tobacco use). The federal contribution to this strategy – the Federal Tobacco Control Strategy (FTCS) was launched in 2001, with a ten year time frame that runs until March 31, 2011. Health Canada is both the Focal Point for the FCTC and the lead agency for the federal strategy. Federal partner agencies include Public Safety Canada (PS), the Royal Canadian Mounted Police (RCMP), the Office of the Director of Prosecutions (ODPP), the Canada Revenue Agency (CRA), and Canada Border Services Agency (CBSA).

EARLY SUCCESS

Shortly after the strategy was launched in 2001, Health Canada implemented a number of highly successful initiatives, including extensive mass media, new health warning labels, and increased restrictions on tobacco promotion. The results were rewarding: the original ten-year goals of the strategy were mostly achieved within five years.

In 2007, the objectives of the strategy were strengthened to:

- ▶ Reduce the prevalence of Canadian youth (15-17) who smoke from 15% to 9% by 2011;
- ▶ Increase the number of adult Canadians who quit smoking by 1.5 million by 2011;
- ▶ Reduce the prevalence of Canadians exposed daily to secondhand smoke from 28% to 20% by 2011;
- ▶ Examine the next generation of tobacco control policy in Canada;
- ▶ Contribute to the global implementation of the World Health Organization's Framework Convention on Tobacco Control; and
- ▶ Monitor and assess contraband tobacco activities and enhance compliance.⁵

4 A National Strategy to Reduce Tobacco Use in Canada.
<http://www.hc-sc.gc.ca/hl-vs/pubs/tobac-tabac/ns-sn/index-eng.php>.

5 Health Canada. Federal Tobacco Control Strategy.
<http://www.hc-sc.gc.ca/hc-ps/tobac-tabac/about-apropos/role/federal/strateg-eng.php>.

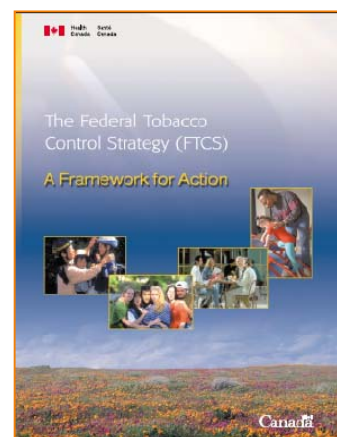
THE FCTC COMMITMENT:

NATIONAL LEVEL

- ✓ Develop, implement and periodically review a comprehensive multisectoral national tobacco control strategy, plan and program in accordance with the FCTC;
- ✓ Reinforce and finance a national coordinating mechanism or focal point for tobacco control;
- ✓ Adopt and implement effective measures for preventing and reducing tobacco consumption, nicotine addiction and exposure to tobacco smoke;

INTERNATIONAL LEVEL

- ✓ Cooperate with other Parties in the formulation of proposed measures, procedures and guidelines for implementing the FCTC;
- Cooperate with other FCTC Parties to raise funds for implementation.



The new goal of the FCTS is to reduce overall smoking prevalence from 19% in 2006 to 12% by 2011. In 2009, overall prevalence was 18%.

DEPARTMENTAL RESTRUCTURING

In 2008 Health Canada restructured its operations and merged the Tobacco Control Directorate into the Controlled Substances and Tobacco Directorate (CSTD), which also manages alcohol and illicit drug use. Responsibility for grants and contributions, mass media and related community engagement was transferred to the Regions and Programs Branch (RAPB).

There is no evidence that this reorganization has facilitated the work of Health Canada or advanced the implementation of the FCTC in Canada. Key decision makers, including the Director General, Director of Policy, and Director of RAPB's Drugs and Tobacco Initiatives Program now work part time on tobacco issues while sharing their attention with measures to address alcohol and drug use. A decade ago, on the urging of civil society organizations, Health Canada integrated its tobacco control operations. The recent division of responsibilities is a backward step, in that it creates division and/or confusion between those who set tobacco control policy priorities and those who set funding priorities.

THE RENEWAL OF NATIONAL AND FEDERAL STRATEGIES

The FTCS reaches its 10-year mark in March 2011 and some of its elements will expire on that date, triggering requirements for Health Canada to submit reports and plans to Treasury Board.

Traditionally, federal government policies are developed in consultation with stakeholders and other members of the public. Yet six months before the end of the FTCS, Health Canada has not communicated whether, when or how it will renew the federal government's tobacco control plan.

Representatives from federal and provincial governments participate in a tobacco control liaison committee (TCLC), which has developed proposals for a renewed *national* strategy on tobacco control (within which the FTCS is developed). As with the FTCS, there has been no engagement of civil society in the renewal of the national strategy. This is the first time that a national strategy has been developed without active participation by health agencies and other civil society organizations.

This lack of transparency and lack of active engagement of civil society are highly unusual in Canada, historically unprecedented with respect to tobacco control, and contrary to the guiding principles of the FCTC.

FCTC Preamble

Emphasizing the special contribution of nongovernmental organizations and other members of civil society not affiliated with the tobacco industry, including health professional bodies, women's, youth, environmental and consumer groups, and academic and health care institutions, to tobacco control efforts nationally and internationally and the vital importance of their participation in national and international tobacco control efforts,

FCTC Guiding Principle 7

The participation of civil society is essential in achieving the objective of the Convention and its protocols.

ARTICLE 5 RECOMMENDATIONS:

- ▶ The FCTC focal point in Canada should include NGO representatives as full partners.
 - ▶ Civil society should be actively engaged in the renewal of the federal tobacco control strategy and national tobacco control strategies.
-

ARTICLE 5.3

PROTECTION OF PUBLIC HEALTH POLICIES FROM VESTED INTERESTS OF TOBACCO INDUSTRY

The *Guidelines for implementation of Article 5.3* which were unanimously adopted at COP 3 have the force of an international standard.

As the national focal point for tobacco control, Health Canada has responsibilities under the Article 5.3 Guidelines to take actions to reach out to other branches of government. A number of recent actions by government departments suggest that Health Canada has not yet successfully informed or educated its federal partners about these treaty requirements.

CONFLICT OF INTEREST AT THE INTERNATIONAL DEVELOPMENT RESEARCH CENTRE

Until March 31, 2010, Barbara McDougall, Chair of the Board of the International Development Research Centre (IDRC) also sat on the Board of Directors of Imperial Tobacco Canada. She was appointed to the board in January 2006 and as chair of IDRC in December 2006 through an Order-in-Council appointment of the Government of Canada.

IDRC is home to Research for International Tobacco Control (RITC), a secretariat that has supported tobacco control research around the world for the past sixteen years. Therefore, until the end of March, 2010, IDRC was clearly in conflict with Recommendation 4 of the Article 5.3 Guidelines. ["Avoid conflicts of interest for government officials and employees"].⁶

"Imperial Tobacco Canada is one of the few Canadian companies to have engaged in open dialogue with its stakeholders. I'm proud to be involved in the groundbreaking Let's talk initiative."



The Honourable Barbara McDougall
Chair, Imperial Tobacco Canada
Corporate Social Responsibility Committee



Barbara McDougall's concurrent work until March 31, 2010 with Imperial Tobacco and with Canada's federal development agency, IDRC, has raised concerns about Canada's willingness to protect public health measures from tobacco industry interference.

THE FCTC COMMITMENT:

X 'In setting and implementing their public health policies with respect to tobacco control, [Parties] shall act to protect these policies from commercial and other vested interests of the tobacco industry' in accordance with national law.

5.3 GUIDELINE

RECOMMENDATION 1.1

X 1.1 Parties should, in consideration of Article 12 of the Convention, inform and educate all branches of government and the public about the addictive and harmful nature of tobacco products, the need to protect public health policies for tobacco control from commercial and other vested interests of the tobacco industry and the strategies and tactics used by the tobacco industry to interfere with the setting and implementation of public health policies with respect to tobacco control

5.3 GUIDELINE

RECOMMENDATION 1.2

X Parties should, in addition, raise awareness about the tobacco industry's practice of using individuals, front groups and affiliated organizations to act, openly or covertly, on their behalf or to take action to further the interests of the tobacco industry.

5.3 GUIDELINE

RECOMMENDATION 6.1

X Parties should ensure that all branches of government and the public are informed and made aware of the true purpose and scope of activities described as socially responsible performed by the tobacco industry.

⁶ For more information on this issue, see Todkill, AM. "Tobacco control and the collateral damage of conflict of interest." *Open Medicine*, Vol. 4, No. 2 (2010).

This conflict of interest became known in early 2010, and sparked reaction from around the world. After concerns were raised, Ms. McDougall's term at Imperial Tobacco was allowed to expire. However, no government official ever acknowledged that the appointment was inconsistent with FCTC guidelines and no apology was issued.

The consequence of this disregard for the principles involved have been significant. Because calls for Ms McDougall's resignation went unheeded, because IDRC's response to the situation was considered

inadequate, because many suspect a conflict of interest still exists and because the conflict of interest existed until the very recent past, some tobacco control agencies around the world have ceased collaborating with RITC. The Gates Foundation was among those to withdraw support from IDRC, when it suspended its grant for tobacco control efforts.



5.3 GUIDELINE

RECOMMENDATION 4.8

✗ Parties should not allow any person employed by the tobacco industry or any entity working to further its interests to be a member of any government body, committee or advisory group that sets or implements tobacco control or public health policy.

5.3 GUIDELINE

RECOMMENDATION 4.4

✗ Parties should develop clear policies that require public office holders who have or have had a role in setting and implementing public health policies with respect to tobacco control to inform their institutions about any intention to engage in an occupational activity within the tobacco industry, whether gainful or not, within a specified period of time after leaving service.

5.3 GUIDELINE

RECOMMENDATION 4.6

✗ Parties should require government officials to declare and divest themselves of direct interests in the tobacco industry.

SECRET NEGOTIATIONS BETWEEN GOVERNMENT AND INDUSTRY

In 2008 and then again in 2010,⁷ governments in Canada entered into formal legal agreements with tobacco companies to settle claims of non-payment of tobacco taxes in the 1990s. The agreements will result in CAN\$1.7 billion being paid over a period of years by tobacco companies to governments. (See section on Article 19). The first of these was concluded a few months before the Article 5.3 Guidelines were adopted by the FCTC Conference of the Parties, while the most recent was concluded 16 months after the adoption of the Article 5.3 Guidelines. Each company also entered a plea of guilty to one charge each related to contraband and paid a fine.

The settlements result from the involvement, during the 1990s, of Canada's three major tobacco companies in schemes to export cigarettes to the United States duty-free, then to have the cigarettes smuggled back

⁷ Canada Revenue Agency. *Comprehensive Settlement agreements with tobacco companies*. <http://www.cra-arc.gc.ca/gncy/tbcc/menu-eng.html>.

into Canada and sold illegally. Governments originally claimed more than \$10 billion from only one of these three companies (RJR/JTI-Macdonald) for direct and indirect losses resulting from contraband activities in this period. The eventual settlement, therefore, for a total payment from all three companies of CAN\$1.7 billion means that only a small portion of the lost revenue was recovered.⁸

Moreover, two of the agreements provide for payments to be made in future years, based on tobacco company revenue streams. This creates a perverse incentive for governments to encourage continued high rates of tobacco sale.

The agreements were negotiated in secret and contain clauses that ensure that all documents pertaining to the process of negotiation will remain secret. One hundred million dollars of the money paid to governments by tobacco companies is clearly earmarked to enhance contraband control. Furthermore the tobacco companies agreed to “provide reasonable assistance, both direct and indirect, to the Government” in the control of contraband tobacco.

The settlement facilitated the completion of Philip Morris International’s buy-out of Rothmans, Inc, which was announced on the same day as the settlement with the Canadian government.⁹

Clearly, these agreements are deeply flawed. Virtually none of the individuals responsible was held accountable for their actions, and there was nothing in the agreements to redress the harm incurred as a result of the increase in youth smoking rates from the industry’s actions to reduce the cost of cigarettes.

In our opinion, these agreements are also in violation of Article 5.3 and its Guidelines which require protection of public health measures from industry interference. Taxes and measures to combat illicit trade are both identified as public health measures in the treaty.


These agreements cannot be undone. Nevertheless, governments could ensure that all future agreements between governments and the tobacco industry will be in full compliance with the *Guidelines for Implementation of Article 5.3 of the FCTC*.

STATE INVESTMENTS IN TOBACCO COMPANIES

Canada has two mandatory public pension plans, the Canada Pension Plan (CPP) and, for residents of Quebec, the Quebec Pension Plan (QPP). Their investment agencies are the Canada Pension Plan Investment Board (CPPIB) and the Caisse de dépôt et de placement du Québec (Caisse), respectively. Each holds stock in thirteen major multinational and national tobacco companies. In 2009, CPPIB’s tobacco portfolio had a value of \$275 million, while the Caisse’s tobacco portfolio was valued at \$236 million. Together, on behalf of all Canadians, they own more than half a


5.3 GUIDELINE

RECOMMENDATION 2.1

 Parties should interact with the tobacco industry only when and to the extent strictly necessary to enable them to effectively regulate the tobacco industry and tobacco products.

5.3 GUIDELINE

RECOMMENDATION 2.2

 Where interactions with the tobacco industry are necessary, Parties should ensure that such interactions are conducted transparently. Whenever possible, interactions should be conducted in public, for example through public hearings, public notice of interactions, disclosure of records of such interactions to the public.

8 See, for example, Non-Smokers’ Rights Association. Press Release “Health group condemns tobacco smuggling settlement”, 13 April 2010. http://www.nsra-adnf.ca/cms/index.cfm?group_id=1897; Imperial and Rothmans admit guilt in 1990s cigarette smuggling crimes. http://www.nsra-adnf.ca/cms/index.cfm?group_id=1522.

9 Rothmans Inc. Press Release. “Rothmans Inc. announces take-over by Philips Morris International”. July 31, 2008.

billion dollars' worth of tobacco company shares and received an estimated \$20 million in dividend payments from global tobacco sales in 2009 alone.¹⁰ Canada has not yet complied with Article 5.3 guidelines, unlike Norway and New Zealand which have directed that public funds not invest in tobacco stocks.

The CPPIB does not apply the same investment criteria in response to the FCTC as it does to the Landmine Ban Convention or the Convention on Cluster Munitions. In both of those cases, the CPPIB will not invest in companies that do not comply with those treaty provisions.

Although the CPPIB is legally “not an agent of Her Majesty” (as is the case for dozens of Canadian government agencies), it is nonetheless under the authority of Parliament. The federal government has the statutory power to make regulations “respecting the investments the Board and its subsidiaries may make.” Even if the CPPIB is nominally “not an agent of Her Majesty,” it is surely a “semi/quasi-public institution or body,” to which the FCTC Article 5.3 Guidelines apply.

The Caisse de dépôt et de placement du Québec is not the only investment agency controlled by a provincial government. Pension programs run by other provincial governments are also tobacco industry shareholders.¹¹

CANADIAN GOVERNMENT AGENCIES ACCEPT TOBACCO INDUSTRY DONATIONS

The National Gallery and the National Arts Centre are federal agencies, yet are partners in tobacco industry corporate social responsibility initiatives. The National Gallery continues to acknowledge receipt of industry donations,¹² and the Arts Centre includes acknowledgement of industry donations in event programming.¹³

\$250,000 - \$499,999
 AIM Trimark
 Marjorie and Gerald Bronfman Foundation | Fondation Marjorie et Gerald Bronfman
 The Estate of Dorothea and Margaret Graham
 Imperial Oil Foundation | Fondation Pétrolière Impériale
 Imperial Tobacco Canada Foundation | Fondation Imperial Tobacco Canada
 Investors Group | Groupe Investors
 The Estate of Liv-Ellen Lockeberg
 Midland Walwyn
 Newcourt Credit Group



5.3 GUIDELINE RECOMMENDATION

X The guidelines are applicable to government officials, representatives and employees of any national, state, provincial, municipal, local or other public or semi/quasi-public institution or body within the jurisdiction of a Party, and to any person acting on their behalf.

5.3 GUIDELINE RECOMMENDATION 7.2

X Parties that do not have a State-owned tobacco industry should not invest in the tobacco industry and related ventures.

5.3 GUIDELINE RECOMMENDATION 4.7

X Government institutions and their bodies should not have any financial interest in the tobacco industry, unless they are responsible for managing a Party's ownership interest in a State-owned tobacco industry.

5.3 GUIDELINE RECOMMENDATION 6.3

X Parties should not allow acceptance by any branch of government or the public sector of political, social, financial, educational, community or other contributions from the tobacco industry or from those working to further its interests, except for compensations due to legal settlements or mandated by law or legally binding and enforceable agreements.

¹⁰ Physicians for a Smoke-Free Canada. *Public Pensions & Tobacco. Canadian public pension investments in and revenues from global tobacco sales, 2009.* http://www.smoke-free.ca/eng_home/2010/pensionholdings-may2010.pdf

¹¹ According to a listing of institutional shareholders taken from the Toronto Stock Exchange on September 30, 2010, these include the Ontario Pension Board, the Ontario Teachers' Pension Plan Board, the Ontario Municipal Employees Retirement System and the British Columbia Investment Management Corp.

¹² National Gallery of Canada Foundation. *Summer 2010. Donor Newsletter.* http://www.ngcfoundation.ca/images/foundation/Accolade_Summer_2010.pdf

¹³ National Arts Centre. *Magnetic North Festival.* <http://www.magneticnorthfestival.ca/2010/pastfestivals/archiveddocs/2008program.pdf> and <http://www.magneticnorthfestival.ca/2010/pastfestivals/archiveddocs/2009program.pdf>

ARTICLE 5.3 RECOMMENDATIONS:

- ▶ Canada should commit to developing and implementing government-wide policies and practices that conform to the FCTC's Guidelines for the implementation of Article 5.3 within the shortest possible timeframe.
 - ▶ Canada should review its own conflict of interest guidelines to ensure they are appropriately structured and adequately enforced and to eliminate any existing and to prevent any future real or perceived conflict between implementing public health measures and tobacco industry interests.
 - ▶ Canadian governments at all levels should divest themselves of any shareholdings in the tobacco industry.
 - ▶ Canada should implement a public education campaign to inform Canadians of the strategies and tactics used by the tobacco industry and to raise awareness of its practice of using front groups and affiliated organizations to further its interests.
 - ▶ Canada should follow countries like Mauritius and banning tobacco industry "Corporate Social Responsibility" activities.
-

ARTICLE 6

PRICE AND TAX MEASURES

WIDELY VARYING PRICES

Government policy, industry practice and illegal activity have resulted in a great variance in the price of cigarettes across Canada.

Tax policy affects the price of cigarettes: Although federal excise and sales taxes are uniform across Canada, provincial excise and sales taxes range from a low of \$2.06 per package of 20 cigarettes (Quebec) to a high of \$7.18 (Northwest Territories).¹⁴ Some provinces rely entirely on specific tobacco taxes; others rely on a combination of specific and ad valorem sales taxes (see table below). Unlike federal tobacco taxes, provincial taxes are not applied at duty free stores; this makes cigarettes available at lower prices to those who travel internationally.

Industry marketing affects the price of cigarettes: Over the past decade, each of the “Big Three” tobacco companies has introduced and heavily promoted reduced-price cigarettes, ending an historic practice of uniform pricing.

Illegal activity affects the price of cigarettes: Compared with 2005, the sale of contraband cigarettes has increased significantly. The underground nature of these sales makes it difficult to assess the exact size of the market. (More on illicit trade can be found on the section regarding implementation of Article 15.)

Together these factors have significantly transformed the Canadian tobacco market into one where cigarettes are marketed at several ‘price-points’ and where price has been developed as a marketing tool by both legal and illegal manufacturers.

No level of government has yet introduced measures to sufficiently curb contraband tobacco sales, nor have they launched research or other initiatives to determine the impact of price-based marketing on public health.

Tax exemptions for cigarettes: The ability to purchase cigarettes on which taxes have been fully or partially exempted because they are sold in duty-free stores makes cigarettes more affordable than they otherwise would be and undermines price and tax strategies to reduce smoking. However, the federal government, by rejecting the proposal by airport duty-free stores to establish duty-free ‘arrival’ stores, prevented an expansion of this problem.¹⁵

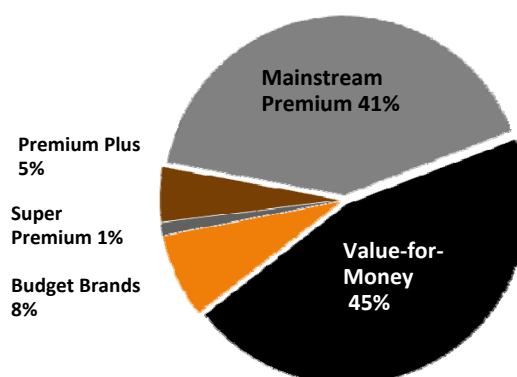
THE FCTC COMMITMENT:

✓ Recognize that price and tax measures are an effective and important way to reduce tobacco consumption by various segments of the population, in particular young people;

Take account of national health objectives when setting tax and price policies on tobacco products, including tax- and duty-free sales;

✓ Report on tax rates and consumption trends to the periodic Conferences of the Parties to the FCTC.

PRICE SEGMENTATION OF CIGARETTES
LEGALLY MANUFACTURED AND SOLD IN
CANADA, 2008¹⁶



PRICE BAND DEFINITIONS:¹⁶

Super Premium:	110% +
Premium Plus:	101-110%
Mainstream Premium:	100%
Value for Money:	80%-99%
Budget:	< 80%

¹⁴ OTRU. *Monitoring and Evaluation Series* (Vol. 15, No. 1). *Tobacco Taxes: Monitoring Update*. July 1, 2010.

¹⁵ Finance Canada. "Canada's Economic Action Plan: A Fourth Report to Canadians". "After reviewing the results of the consultations on the feasibility and desirability of introducing an Arrivals Duty-Free Program in Canada, there does not appear to be sufficient consensus, among those who made submissions or the provinces, to warrant further consideration of this issue at this time. December 2, 2009. <http://www.fin.gc.ca/pub/report-rapport/2009-4/index-eng.asp>.

¹⁶ BAT. *Investor Presentation*. "Imperial Tobacco Canada". Sao Paulo. September 2009.

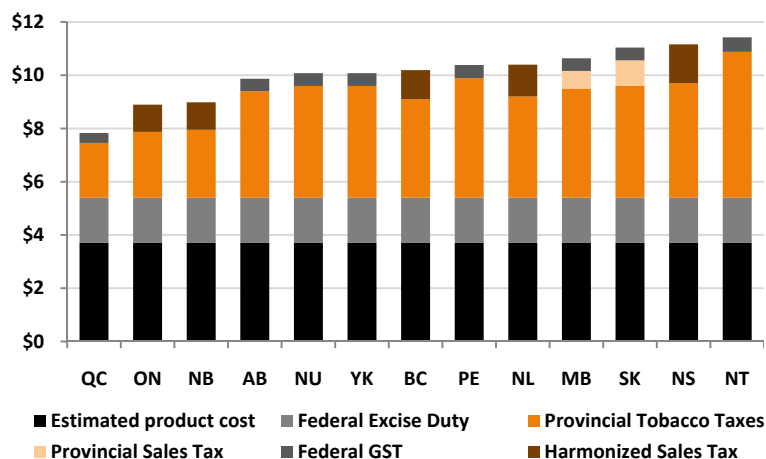
WIDELY VARYING TAXES

There are few products in Canada which are taxed or sold with such dramatic differences in regional prices as tobacco. Since 1994, Canadian provinces have taken different approaches to tobacco taxation, with the provinces of Ontario, Quebec and New Brunswick opting for a relatively low-tax approach, and the other provinces maintaining or increasing taxes.

TAXES AND PRICES OF MANUFACTURED CIGARETTES IN CANADIAN PROVINCES, 2010*

Per 200 cigarettes	Excise taxes			Sales taxes applied to tobacco				Price per package
	Federal Excise Tax	Prov. Excise	Total Excise taxes	GST	PST	HST	Total	
British Columbia	\$17.00	\$37.00	\$54.00			12%	12%	\$10.19
Alberta	\$17.00	\$40.00	\$57.00	5%			5%	\$9.87
Saskatchewan	\$17.00	\$42.00	\$59.00	5%	10%		15%	\$11.04
Manitoba	\$17.00	\$41.00	\$58.00	5%	7%		12%	\$10.64
Ontario	\$17.00	\$24.70	\$41.70			13%	13%	\$8.89
Quebec	\$17.00	\$20.60	\$37.60	5%			5%	\$7.83
New Brunswick	\$17.00	\$25.50	\$42.50			13%	13%	\$8.98
Nova Scotia	\$17.00	\$43.04	\$60.04			15%	15%	\$11.16
Prince Edward Island	\$17.00	\$44.90	\$61.90	5%			5%	\$10.38
Newfoundland	\$17.00	\$38.00	\$55.00			13%	13%	\$10.40
Northwest Territories	\$17.00	\$54.80	\$71.80	5%			5%	\$11.42
Nunavut	\$17.00	\$42.00	\$59.00	5%			5%	\$10.08
Yukon	\$17.00	\$42.00	\$59.00	5%			5%	\$10.08

*Based on estimated product cost of \$3.70 for a mainstream premium brand of cigarettes. GST: Federal Goods and Services Tax; PST: Provincial Sales Tax as applied to tobacco; HST: Harmonized provincial and federal sales taxes. Source: Provincial budgets.



EXCISE TAXES ON CIGARETTES WERE INCREASED IN 2009 AND 2010 IN 12 OF 13 PROVINCES/TERRITORIES:

British Columbia

February 18, 2009 - \$1.20

Manitoba

March 26, 2009 - \$2.00

Northwest Territories

April 1, 2009 - \$11.60

Alberta

April 8, 2009 - \$3.00

Prince Edward Island

April 17, 2009 - \$6.00

Nova Scotia

June 23, 2009 - \$10.00

Manitoba

March 23, 2010 - \$4.00

Saskatchewan

March 25, 2010 - \$5.40

Newfoundland & Labrador

March 3-, 2010 - \$2.00

Northwest Territories

April 1, 2010 - \$1.20

Ontario, British Columbia

July 1, 2010 – HST applied

Nova Scotia

July 1, 2010 – HST increased

Although tobacco excise taxes were adjusted to compensate for reductions in the GST, the amount of federal taxes collected on cigarettes has not increased since 2002.

REVENUES FROM EXCISE TAXES ON TOBACCO, CANADIAN JURISDICTIONS¹⁷

(\$ Millions)	2004-5	2005-6	2006-7	2007-8	2008-9
Federal Government	3,029	2,774	2,492	2,664	2,531
Alberta	698	719	780	845	828
British Columbia	699	709	726	692	708
Manitoba	203	192	202	191	190
New Brunswick	97	91	82	80	104
Newfoundland	116	116	110	108	112
Nova Scotia	178	164	145	146	148
Ontario	1,453	1,379	1,236	1,127	1,044
Prince Edward Island	29	27	24	24	28
Quebec	901	752	678	647	594
Saskatchewan	187	171	151	190	199
Total	7,605	7,093	6,626	6,969	6,484

REVENUES PER SMOKER FROM EXCISE TAXES ON TOBACCO, CANADIAN JURISDICTIONS¹⁸

\$ per smoker	2005	2007	2008	2009
Federal Government	\$472.17	\$407.75	\$443.30	\$441.63
Alberta	\$1,176.92	\$1,240.35	\$1,279.62	\$1,190.73
British Columbia	\$1,108.94	\$1,096.63	\$987.60	\$1,146.04
Manitoba	\$1,004.59	\$952.22	\$827.25	\$959.13
New Brunswick	\$672.65	\$549.21	\$532.91	\$729.53
Newfoundland	\$1,122.87	\$983.45	\$989.66	\$1,082.62
Nova Scotia	\$908.10	\$746.71	\$772.32	\$791.65
Ontario	\$630.55	\$551.18	\$518.76	\$507.79
Prince Edward Island	\$1,034.27	\$949.52	\$948.33	\$1,128.52
Quebec	\$476.59	\$410.96	\$419.39	\$395.96
Saskatchewan	\$912.46	\$738.34	\$943.46	\$1,133.34
Weighted Average	\$1,207.33	\$1,084.09	\$1,159.71	\$1,131.57

DUTY-FREE SALES

Tobacco products continue to be sold in duty-free stores, though most federal tobacco taxes continue to apply to such sales, but sales taxes and provincial tobacco taxes do not. Canada should follow the lead of Romania and Nepal (as well as the European Union for travellers within the EU) and ban tobacco-product sales in duty-free stores.

Canada has one of the largest duty-free import allowances in the world. Travellers entering Canada may bring 200 cigarettes AND 200 tobacco sticks AND roll-your-own tobacco to make 400 cigarettes (200g can make 400 cigarettes) AND 50 cigars. Many countries have a duty-import limit of 200 cigarettes, OR tobacco products in equivalent units that result in a combined total equal to 200 cigarettes. More and more countries are reducing duty-free import limits to lower than 200 units. Rankings for lowest duty-free import allowances for cigarettes are shown at the right.

DUTY FREE IMPORT ALLOWANCES - CIGARETTES

0	Barbados
0	Singapore
0	Sri Lanka
19	Hong Kong
40	Bulgaria*
40	Greece*
40	Hungary*
40	Lithuania*
40	Poland*
40	Romania
40	Austria**
40	Slovak Republic
80	Guatemala

* Applies to travellers by land or sea, but not by air.

** At border with Samnauntal part of Switzerland only.

¹⁷ Public Accounts and Budgets of each jurisdiction.

¹⁸ Public Accounts and Budgets of each jurisdiction and population counts (July1), Statistics Canada.

ARTICLE 6 RECOMMENDATIONS:

- ▶ Provinces and territories should no longer permit tobacco products to be sold in duty-free stores exempt of provincial/territorial tobacco taxes.
 - ▶ The duty-free import allowance should be reduced to 25 cigarettes **OR** 25 tobacco sticks **OR** 15g of roll-your-own **OR** 25 little cigars **OR** 10 large cigars.
 - ▶ The government should maintain its position against the introduction of duty free arrival stores.
 - ▶ Governments should close the roll-your-own tax loophole by providing that the tax rate on 0.5g of roll-your-own is the same as one cigarette.
 - ▶ More effective measures should be put in place to curb contraband, so that this cannot be used as a pretext to not raise tobacco taxes.
-

ARTICLE 8

SECONDHAND SMOKE

In compliance with Article 8, Canadian jurisdictions have implemented 100% protection from secondhand smoke in indoor public and work places. Many jurisdictions are now going beyond the requirements of Article 8 by providing protection from smoke in some outdoor public and workplaces.

Because of the way Canada's Constitution is interpreted, responsibility for protecting Canadians from secondhand smoke in public spaces and indoor workspaces largely falls on the shoulders of provincial governments.

All levels of Canadian governments (federal, provincial, territorial and municipal) have worked collaboratively and successfully to establish comprehensive protection from secondhand smoke across the country. Effective enforcement and implementation of these laws means that virtually all Canadians are provided with protection from secondhand smoke in indoor workspaces. While protection for workers in outdoor workspaces and for the public in indoor private places is not yet in place across the country, many jurisdictions are actively developing ways to increase protection in these areas.

One in ten Canadians continues to report exposure to secondhand smoke in public places (which includes outdoor public places) on a daily or near daily basis. This is roughly one-half the number of Canadians reporting exposure in 2003.

Canadians who work in outdoor settings have little legal protection in most Canadian jurisdictions. Smoking is still permitted on many construction sites, in entranceways of work buildings in various provinces, and in open-air work settings such as mines, fisheries, etc.

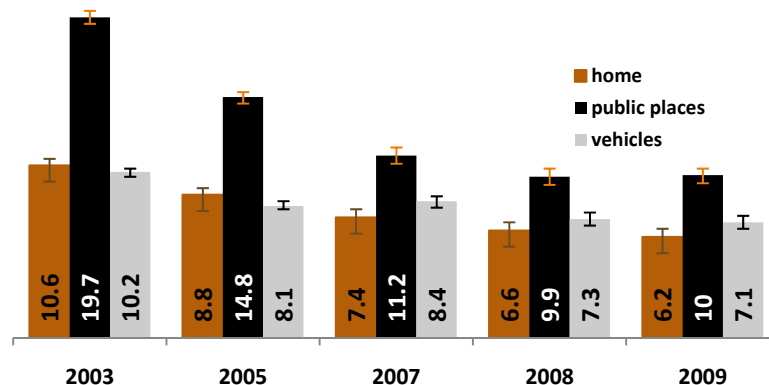
THE FCTC COMMITMENT:

✓ "Each Party shall adopt and implement in areas of existing national jurisdiction as determined by national law and actively promote at other jurisdictional levels the adoption and implementation of effective legislative, executive, administrative and/or other measures, providing for protection from exposure to tobacco smoke in indoor workplaces, public transport, indoor public places and, as appropriate, other public places."

ARTICLE 2.1

✓ In order to better protect human health, Parties are encouraged to implement measures beyond those required by this Convention and its protocols, and nothing in these instruments shall prevent a Party from imposing stricter requirements that are consistent with their provisions and are in accordance with international law.

SELF-REPORTED DAILY OR NEAR DAILY EXPOSURE OF NON-SMOKERS TO CIGARETTE SMOKE, ALL AGES 2003-2009¹⁹



¹⁹ Canadian Community Health Survey, 2003 to 2009.

Reported daily or near daily exposure in homes and vehicles has also fallen, but not as dramatically. Those who are most likely to report being exposed to secondhand smoke in homes, vehicles or public places are young Canadians (aged 12 -19) or young adults (aged 20-34).

INDOOR PROTECTION IS NOT ENOUGH

In recent years many researchers in Canada and elsewhere have determined that exposure to secondhand smoke in outdoor and quasi outdoor environments also poses a health risk.

Air measurement studies in Toronto and Waterloo²⁰ have found that cigarette smoke on patios, playgrounds, beaches and other outdoor settings continues to expose workers and the public to dangerous levels of toxins.

An increasing number of Canadian jurisdictions are moving to protect the public from tobacco smoke in outdoor settings. About 20% of Canadians live in communities where smoking is banned on restaurant patios. Several communities have moved to ban smoking in parks, playgrounds, beaches, festival grounds, sports fields and other outdoor settings.

PROTECTION FROM SECONDHAND SMOKE IN PATIO SETTINGS, CANADA, OCTOBER 1, 2010²¹

Jurisdiction	Date restrictions in effect	Percentage of provincial population protected
British Columbia		37%
• Capital Regional District	1 Jul 2007	
• Richmond	31 Mar 2009	
• Surrey	31 Jul 2008	
• Vancouver	1 Apr 2008	
• West Vancouver	27 Jul 2009	
• Whistler	19 May 2009	
• White Rock	1 Jan 2009	
Alberta	1 Jan 2008	100%
Saskatchewan		21%
• Saskatoon	1 Jul 2004	
Manitoba		0%
Ontario		2%
• Brighton	2 Dec 2008	
• Burpee and Mills	7 Jul 2003	
• Huron Shores	31 May 2004	
• Kingston	1 May 2003	
• Tehkummah	4 May 2004	
• Thunder Bay	1 July 2004	
Quebec		0%
New Brunswick		0%
Nova Scotia	1 Dec 2006	100%
Prince Edward Island	(day-time smoke-free patios since 15 September 2009)	
Newfoundland	1 Jul 2005	100%
Yukon Territory	15 May 2008	100%
Nunavut		0%
Northwest Terr.		0%
Canada		22%



City and provincial governments have launched educational and legislative initiatives to provide further protection from secondhand smoke. Vancouver continues its historic leadership in protecting the public from secondhand smoke.

ARTICLE 8 GUIDELINES

✓ "The language of the treaty requires protective measures not only in all 'indoor' public places, but also in those "other" (that is, outdoor or quasi-outdoor) public places where 'appropriate'.

20 Cited at: Physicians for a Smoke-Free Canada. Fact Sheet. Making Patios Smoke-free. <http://www.smoke-free.ca/factsheets/pdf/Smokefreepatios-final.pdf>.

21 Physicians for a Smoke-Free Canada. Fact Sheet. Smoke-Free Patios. http://www.smoke-free.ca/pdf_1/2010/smoke-free-patios-population.pdf.

SMOKING RESTRICTIONS IN INDOOR WORK, LIVING AND PUBLIC PLACES ACROSS CANADA

Jurisdiction	Government Building	Health Care Facility	Educational Facility	Private Workplace	Residential Care	Prisons: in/outdoor	Cultural Venues	Bars & Nightclubs	Restaurants	Recreational Facility	Patios	Cars with Children	Multi-unit Dwellings
Federal	●	●	●	●	●	●	●	●	●	●	○	○	○
Alberta	●	●	●	●	⊙a	●	●	●	●	●	●	○	○
British Columbia	●	●	●	●	⊙a	●	●	●	●	●	○	●	○
Manitoba	●	●	●	●	⊙a	●	●	●	●	●	⊙b	●	○
New Brunswick	●	●	●	●	⊙a	●	●	●	●	●	⊙b	●	○
Newfoundland	●c	●cd	●c	●c	⊙a	●	●	●	●	●	●	○	○
Northwest Territories	●	●	●	●	⊙a	●	●	●	●	●	○	○	○
Nova Scotia	●	●	●	●	⊙a	●	●	●	●	●	●	●	○
Nunavut	●	●	●	●	⊙a	●	●	●	●	●	○	○	○
Ontario	●	●	●	●	⊙a	●	●	●	●	●	●	●	○
Prince Edward Island	●	●	●	●	⊙a	●	●	●	●	●	●	●	○
Quebec	●	●d	●	●	⊙a	●	●	●	●	●	○	○	○
Saskatchewan	●	●	●	●	⊙a	●	●	●	●	●	○	●	○
Yukon	●	●	●	●	⊙a	●	●	●	●	●	●	●	○

○ No protection ⊙ Partial Protection ● Protection.

a. Designated smoking rooms are required where smoking is permitted;

b. Smoking restrictions depend on the amount of enclosure around the patio;

c. Smoking rooms permitted for employees only.

d. Quebec and Newfoundland law permit designated smoking rooms in psychiatric facilities.

LEGISLATIVE SMOKE-FREE AUTHORITIES

(PARTIAL RESTRICTIONS MAY HAVE BEEN INTRODUCED AT EARLIER DATES)

Federal:	<i>Non-Smokers' Health Act</i> , 1985 c. 15 and regulations (25 Oct 2007) Treasury Board Policy- Smoking in the Workplace, (22 Dec 1994) Correctional Service of Canada, Commissioners Directive #259, (5 May 2008)
Alberta:	<i>Tobacco Reduction Act</i> , 2007, effective 1 Jan 2008
British Columbia	<i>Tobacco Control Act</i> , 2007, effective 31 Mar 2008
Manitoba:	<i>Non-Smokers' Health Protection Act</i> , effective 1 Oct 2004
New Brunswick:	<i>Smoke-Free Places Act</i> , effective 1 Oct 2004
Newfoundland:	<i>Smoke-Free Environment Act</i> , effective 1 Jul 2005
Northwest Territories:	<i>Tobacco Control Act</i> , effective 21 Jan 2007
Nova Scotia:	<i>Smoke-Free Places Act</i> , effective 1 Dec 2006
Nunavut:	<i>Tobacco Control Act</i> , effective 1 May 2004
Ontario:	<i>Smoke-Free Ontario Act</i> , effective 31 May 2006
Prince Edward Island:	<i>Smoke-Free Places Act</i> , as amended effective 15 Sep 2009
Quebec:	<i>Tobacco Act</i> , effective 31 May 2006/31 May 2008
Saskatchewan:	<i>Tobacco Control Act</i> , effective 1 Jan 2005; The Occupational Health and Safety Regulations, 1996 amended effective May 2009
Yukon:	<i>Smoke-free Places Act</i> , as amended, effective 15 May 2008

PROTECTING CHILDREN FROM EXPOSURE TO CIGARETTE SMOKE IN CARS

Eight of 13 Canadian provincial/territorial governments have passed laws to protect children from exposure to secondhand smoke in vehicles.

Jurisdiction	Age	Effective Date
Nova Scotia	19	April 1, 2008
Yukon	18	May 15, 2008
Ontario	16	January 21, 2009
British Columbia	16	April 7, 2009
Prince Edward Island	19	September 15, 2009
New Brunswick	16	January 1, 2010
Manitoba	16	July 15, 2010
Saskatchewan	16	October 1, 2010

PROTECTION IN HOME SETTINGS

Local governments often own and manage a significant proportion of rental housing. They are becoming more aware of their responsibilities to protect their tenants from secondhand smoke. Some municipalities have taken steps to provide smoke-free social housing. In no Canadian jurisdiction, however, has legislation been introduced to assure protection to all residents of multi-unit dwellings from exposure to secondhand smoke.²²



Municipal health authorities, like Ontario's Grey Bruce Health Unit, support families making the decision to go smoke-free.

ARTICLE 8 RECOMMENDATIONS:

- ▶ The federal government should enact a regulation under the *Indian Act* to provide protection from exposure to secondhand smoke in workplaces and public places in First Nations. Until this regulation is enacted, the federal government should stop approving band bylaws that purport to dismantle the protection provided under provincial/territorial smoke-free laws.
- ▶ Provincial governments should amend their law to remove any authority for designated smoking rooms (DSRs).
- ▶ The federal government should promote and actively support measures at all levels of government to address the remaining gaps in the protection of Canadians from exposure to secondhand smoke.
- ▶ All jurisdictions should promote and actively support effective and appropriate ways of protecting Canadians from secondhand smoke in home settings.
- ▶ The government of Canada should resume mass media activities to support increased protection from secondhand smoke.

²² See Non Smokers' Rights Association "Second-hand smoke in multi-unit dwellings." <http://www.nsra-adnf.ca/cms/page1433.cfm>.

ARTICLE 9

PRODUCT REGULATION

BAN ON FLAVOURINGS IN LITTLE CIGARS AND CIGARETTES

In 2009, Canada's Parliament passed Bill C-32, *The Cracking Down on Tobacco Marketing Aimed at Youth Act*, which amended the *Tobacco Act* to prevent tobacco manufacturers from using flavourings and additives in cigarettes, little cigars, or tobacco wrappers ('blunt wraps'). This measure came into effect on July 5, 2010.

The Canadian government is to be commended for bringing forward Bill C-32, which is the best legislation in the world regarding flavours in cigarettes and little cigars. The bill received support from all political parties in Parliament, and was adopted despite misinformation and intense opposition generated by the Canadian subsidiary of Philip Morris International.

When the bill was before the Canadian Parliament, there were claims that the bill would result in the removal from Canada of U.S.-blend cigarette brands that include burley tobacco. This has not happened. Brands such as Camel, Winston, Marlboro, Gauloises and More continued to be sold in Canada, but without the flavours prohibited by the Canadian legislation.

A DEFIANT INDUSTRY

The new law has faced several challenges.

At least two manufacturers of candy-flavoured cigarillos have defied the new law by redesigning its products to fit through loopholes in the new legislation intended to ban such products. By replacing the typical acetate

cigarette filters with an additional length of tobacco, cigarillo companies Casa Cubana and GVA simultaneously increased the weight of the products beyond the 1.4 g threshold and were thus able to redefine its products as 'cigars' instead of 'little cigars.'

There is no ban on flavourings in cigars, and no requirements for cigars to be sold in minimum package sizes.

As a result:

- ▶ Candy-flavoured cigarillos are still on the market, although they are now legally sold as 'cigars.'
- ▶ In some provinces, cigarillos weighing more than 1.4g ('little cigars') are still sold in single units with no health warnings and therefore do not meet minimum FCTC Article 11 requirements.
- ▶ In provinces where they are sold in packages of 20, the warning messages do not meet minimum FCTC Article 11 labelling requirements.



THE FCTC COMMITMENT:

- ✓ Each Party shall, where approved by competent national authorities, adopt and implement effective legislative, executive and administrative or other measures for such testing and measuring, and for such regulation [of contents and emissions of tobacco products].

SPOT THE DIFFERENCE?

The purple grape-flavoured cigar "Prime Time Plus" (bottom) and similar red cherry-flavoured products were launched to replace products like grape and cherry "Prime Time" cigarillos (top) which became illegal in July 2010.

The Prime Minister of Canada signalled that this defiance of the law would not be allowed to continue. On July 5, 2010, he called on retailers and manufacturers to “respect both their legal obligations and the spirit of the legislation” and promised that the legislation would be revisited if necessary.²³



AN ORCHESTRATED OPPOSITION AT THE WTO

In a move likely orchestrated by Philip Morris International,^{24,25} sixteen countries raised concerns or questions with the law at the World Trade Organization Committee on Technical Barriers to Trade in 2009.^{26,27,28} About half of these countries which raised objections are also party to the FCTC.

The willingness of some countries that are FCTC parties to raise their concerns about Canada’s law to the WTO instead of addressing it through the FCTC highlights both the vulnerability countries face when implementing FCTC compliant measures and the need for an FCTC mechanism to foster cooperation between international agreements.



- 23 Statement by the Prime Minister of Canada. July 5, 2010. http://www.conservative.ca/press/news_releases/statement_by_the_prime_minister_of_canada-113533.
- 24 Letter from the Philippine Tobacco Institute to Peter B. Favila, Secretary, Department of Trade and Industry, Government of the Philippines, March 4, 2010.
- 25 Comments submitted on behalf of the Burley Stabilization Corporation in response to the Request for Public Comments to Compile the National Trade Estimate Report on Foreign Trade Barriers.
- 26 World Trade Organization. Committee on Technical Barriers to Trade. G/TBT/GEN/74/Rev.5. 8 June 2010.
- 27 World Trade Organization. Committee on Technical Barriers to Trade. G/TBT/W/33. 16 June 2010.
- 28 World Trade Organization. Committee on Technical Barriers to Trade. G/TBT/W/331. 23 June 2010.

FLAVOURINGS IN SMOKELESS TOBACCO

When introducing a ban on flavourings in little cigars and cigarettes, the government opted not to extend the ban to smokeless tobacco, despite recommendations from health agencies and youth groups to do so.²⁹ A commitment by Health Canada was made to the House of Commons Standing Committee on Health “to further study the use of smokeless tobacco” and to report back within a year on “how we think we need to respond, using the powers in this bill.”³⁰



Sixteen months later, the committee has been provided with no further information. Health Canada has not yet identified the evidentiary base it requires to take action, nor shared its strategy to address this form of tobacco use.

In its five-year report to the COP, Health Canada provided information on the use of smokeless tobacco in Canada, noting that 1 in 13 Canadian boys in Grades 10-12 had used smokeless tobacco in the past 30 days.³¹

TESTING AND MEASURING

For decades, many countries have used guidelines established by the International Standards Organization (ISO) to test and measure cigarette smoke emissions. The results have been disastrous for public health.

The ISO method (developed in consultation with tobacco companies) mandates the use of a smoking machine test whose results bear little resemblance to actual smoker exposure to the toxins from a cigarette. The printing of these machine test results on packs deceives smokers into believing they can reduce the harms of smoking by switching from cigarettes with higher machine readings to cigarettes with lower machine readings.

Canada was one of the first countries to try to address concerns with the ISO method. Since 2001, following the lead of the province of British Columbia, the federal government of Canada has required tobacco companies to measure the levels of identified chemicals in mainstream and sidestream cigarette smoke using a Canadian ‘intense’ method. Tests are also required on whole tobacco.

This Canadian ‘intense’ method differs from the ISO method by increasing the frequency of puffs and the amount of air inhaled by the machine and by blocking the filter perforations that dilute the smoke. In effect, the ‘intense’ method more closely reflects real smoking behaviour and thus produces higher values than the ISO method. It also results in smaller differences between cigarette brands.

²⁹ See, for example, www.flavourgone.ca.

³⁰ 40th PARLIAMENT, 2nd SESSION, Standing Committee on Health, Tuesday, June 16, 2009.

³¹ Canada’s Five Year report to the Framework Convention on Tobacco Control, question 2.1.6. http://www.who.int/fctc/reporting/Canada_5y_report_v2_final.pdf.

The values produced by both the standard ISO and ‘intense’ test methods are reported to Health Canada, and the range of these values is currently required to be printed on cigarette packages. Changes have been proposed that will remove the requirement for reporting on numerical values of yields of six toxic substances on packages of cigarettes.³² (See commentary on FCTC Article 10.) However, requirements for testing of toxic constituents of tobacco smoke under two smoking conditions and reporting the results to Health Canada will continue unchanged.

In addition to cigarette emissions, Health Canada also requires companies to conduct three toxicity tests annually on each of their tobacco products and to report the finding to government. Requirements for toxicity testing were introduced in 2005. None of these reports has been made public.

Manufacturers must report to Health Canada on all ingredients and additives of tobacco products. No report on these ingredients has been made public on a brand by brand basis, although one report on constituents and emissions has been made public.³³

IGNITION PROPENSITY STANDARD AND TESTING METHOD

Canada was the first country, and the second jurisdiction (after New York State), to require that cigarettes sold meet flammability standards. The “Ignition Propensity Standard” required under federal *Tobacco Act* regulations requires that “every manufacturer shall ensure that the cigarettes of every brand that it manufactures on or after October 1, 2005 burn their full length no more than 25% of the time when tested on 10 layers of filter paper using American Society for Testing and Materials (ASTM) International method.”

Health Canada began testing cigarette brand compliance with the regulations in October 2005 and continues to do so. Results of 462 tests conducted between October 2005 and July 2009 have been made public, showing improvement in each year.³⁴

These tests are only conducted on cigarettes legally manufactured and sold. Because of the high percentage of contraband cigarettes on the market, it is likely that there continue to be cigarettes sold and smoked which do not meet this ‘firesafe’ standard.

It is very difficult to assess the impact of the implementation of this requirement in Canada, as there has been no update to *Canadian Fire Statistics* since 2002.³⁵ The ongoing need for mandatory firesafe cigarettes is supported by the smokers’ responses to CTUM Survey questions regarding frequency of leaving cigarettes unattended, smoking in bed, and falling asleep with a lit cigarette.

NUMBER OF SMOKERS WHO...³⁶

...leave a cigarette burning in an ashtray unattended

1,085,644

...smoked in bed in past week:

425,535

...smoke in bed every day:

236,978

...leave cigarettes burning in the ashtray unattended every day

223,777

...fell asleep with a lit cigarette in past week:

32,061

32 Canada Gazette, Part I, May 31, 2008.

33 Health Canada. Background on Constituents and Emissions Reported for Cigarettes Sold in Canada – 2004. <http://www.hc-sc.gc.ca/hc-ps/tobac-tabac/legislation/reg/indust/constitu-eng.php>.

34 Laboratory Analysis of Cigarette for Ignition Propensity. <http://www.hc-sc.gc.ca/hc-ps/tobac-tabac/legislation/reg/ignition-allumage/analys-eng.php>.

35 Council of Fire Marshals and Fire Commissioners. www.ccfmfc.ca.

36 CTUMS 2008. Codebook.

RESULTS OF HEALTH CANADA TESTS ON REDUCED IGNITION PROPENSITY CIGARETTES

Year	Tests	Failed tests		Companies whose products failed
	#	#	%	
2009	48	1	2%	Traditional Trading
2008	161	18	11%	Dynasty Co., Bastos du Canada Limited, Lanwest Manufacturing Technologies, Tabac A.D.L. Tobacco, Traditional Trading
2007	205	37	18%	Abenaki Enterprise, Giimaa, Native One, Tabac A.D.L. Tobacco, Imperial Tobacco Ltd., JTI-MacDonald Corp., Kretek International
2005-2006	48	14	29%	Tabac A.D.L. Tobacco, Giimaa, Company Abenaki Enterprises, Kretek International, Tabac Tabec, Tabac Lépine Inc./ Distribution Tournesol
NB: All of the companies listed are small tobacco manufacturers, with the exception of JTI-Macdonald.				

ARTICLE 9 RECOMMENDATIONS:

- Legislative or enforcement actions should be taken to remove flavoured cigarillos, such as Prime Time Plus, from the Canadian market.
- Bans on flavours should be extended to all forms of tobacco, including smokeless tobacco, water-pipe tobacco, etc.
- Health Canada should review its decision to exempt menthol from the ban on flavourings.
- The government of Canada should vigorously defend the *Cracking Down on Tobacco Marketing Aimed at Youth Act* at the World Trade Organization and should work to establish the FCTC as the locus to resolve disputes on FCTC implementation with other FCTC parties.
- The federal government should require tobacco manufacturers to remove from the market cigarettes that do not meet the standards for reduced ignition propensity and should take other enforcement action against offenders.
- The government should provide regular reports (i.e. every two years) on cigarette-caused fires and determine whether the widespread availability of contraband cigarettes has undermined the objectives of this regulatory measure.
- The government should routinely make public all data provided to it by tobacco companies.

ARTICLE 10

EMISSION AND CONTENT DISCLOSURE

The government of Canada's successes in requiring reporting by tobacco companies is not matched by its policies on disclosing that information to the public.

The major source of information about toxic emissions and contents is the cigarette package, as a result of federal regulations which require cigarette manufacturers to print the results of machine test readings of six compounds on each cigarette package. Health Canada's research has confirmed that smokers are confused by these labels.^{37,38}

These labels are contrary to FCTC guidelines, which recommend that quantitative statements not be included. By contrast, Australia's toxic information labels offer smokers clearer and more relevant information.

In May 2008, Health Canada proposed to end the use of numerical values on the toxic constituent labels of cigarettes and other smoked tobacco products, having informed tobacco manufacturers of their intention to do so two years earlier.³⁹ Included in the reasons for this change were the results of Health Canada's own research showing that these numbers confused smokers. Although the estimated cost to tobacco companies of complying with the regulations was set at less than \$150,000, Health Canada has never moved forward to implement this change.

THE FCTC COMMITMENT:

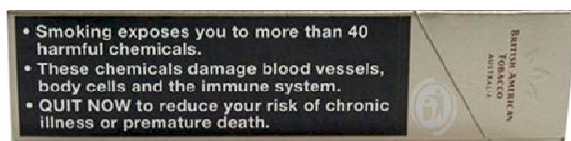
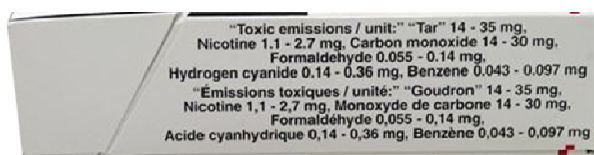
✓ Require manufacturers and importers of tobacco products to disclose information about the contents and emissions of tobacco products; and

Disclose information about the toxic constituents and emissions of tobacco products to the public.

ARTICLE 11 GUIDELINES

✗ 34. Parties should not require quantitative or qualitative statements on tobacco product packaging and labelling about tobacco constituents and emissions that might imply that one brand is less harmful than another, such as the tar, nicotine and carbon monoxide figures or statements such as "these cigarettes contain reduced levels of nitrosamines".

CONSTITUENT LABELLING ON CIGARETTE PACKAGES⁴⁰ CANADA (TOP); AUSTRALIA (BELOW)



37 Phoenix Strategic Perspectives. Final report. Qualitative Testing of Toxic Emissions Statements.

38 Health Canada. Building on Success: A Proposal for New Health-related Information on tobacco product labels. A Consultation Paper. August 2004.

39 Canada Gazette, Part I. May 31, 2008.

40 Images courtesy of David Hammond at www.tobaccolabels.ca.

OTHER REPORTING REQUIREMENTS

General information about the harms associated with tobacco use is accessible by Canadians, but specific information derived from tobacco company reports to Health Canada is much less accessible.

Tobacco manufacturers are required to provide annually to the government information on manufacturing procedures, promotional activities and research activities and to report tobacco sales on a monthly basis. Very little of this information is made public. The results of toxicity testing of tobacco products have not been made public.

In 2005, the House of Commons Standing Committee on Health heard evidence regarding the policy of Health Canada not to make public the information provided by tobacco companies. The Committee recommended that “all information to be submitted to Health Canada under these regulations be made public.” The government responded that it would “affirm its ongoing strong commitment to openness and transparency” and would ensure “the active and timely consideration of requests to disclose information that may be in the public interest, under the discretionary provisions of ATIA [Access to Information Act] section 20(6).”

Providing information through Access to Information requests, however, does not satisfy standard definitions of openness and transparency nor does it fulfill the government's approach to “proactive disclosure.” The process of obtaining information through ATI requests can be cumbersome and complex, and expensive to all parties. Health Canada’s record of providing requested information within the timelines stipulated by the legislation has been severely criticized by the Information Commissioner.⁴¹

ARTICLE 10 RECOMMENDATIONS:

- ▶ The federal government should continue to require testing of cigarette emissions under various machine test standards.
 - ▶ All information reported to Health Canada under the Tobacco Reporting Regulations should be made public.
 - ▶ The federal government should move quickly to remove the numeric values of toxic constituents from cigarette packages.
-

⁴¹ Information Commissioner of Canada. *Out of Time, 2008–2009 Report Cards: Systemic Issues Affecting Access to Information in Canada. A Special Report to Parliament by Suzanne Legault, Interim Information Commissioner of Canada. April 2010.*
http://www.infocom.gc.ca/eng/rp-pr_spe-rep_rap-spe_rep-car_fic-ren_2008-2009.aspx.

ARTICLE 11

LABELLING

Canada has historically been a world leader in the development of tobacco health warnings, and was the first country to require top-of-the-package black and white warnings (in 1994). Canada was also the first country to introduce picture-based warning messages (in 2000-2001).

Despite this early success, Canada has not met its FCTC obligations with respect to package warnings. Five years after the treaty came into force, it is still possible to buy tobacco products in Canada that have no warning labels or whose warning labels are below the minimum size required by the treaty.

Health Canada has conducted extensive research on renewing and improving its tobacco labelling system, but has not yet used this research to reform existing warning labels. As a result, health warnings on tobacco packages in Canada are dated, overly familiar to smokers, smaller than needed and sometimes completely absent from tobacco packages.

All cigarettes and roll-your-own tobacco sold in Canada display one of sixteen rotating picture health warning messages. These messages take up 50% of the principal display faces (one in each of Canada's two official languages, English and French). Additional health information is printed on or included as a leaflet inside cigarette packages.

The requirements for other tobacco products – smokeless tobacco, cigars and pipe tobacco – are less stringent, with a smaller number of rotating messages and with smaller warnings required. On not all of these products is the warning printed on the principal display panels.

Warnings on cigarette packages must occupy 50% of the principal display faces. By contrast, the warning on smokeless tobacco often appears on the side of the package, and is damaged when the package is opened for use.



TOBACCO SOLD WITHOUT WARNINGS

Contrary to FCTC requirements and guideline recommendations, tobacco products with no warning labels are available for sale in Canada. Some of these unlabelled products are sold as part of the black market, such as cigarettes illegally sold in baggies. Tobacco products which are legally sold without health warnings include cigars sold in single units as well as, shisha tobacco and other forms of pipe tobacco sold by weight at places such as hookah bars.



THE FCTC COMMITMENT

✗ Adopt measures to ensure that tobacco products are not promoted in ways that are false, misleading, deceptive or likely to create an erroneous impression about their characteristics, health effects, hazards or emissions.

✗ Ensure that there are rotating health warning messages that should cover at least 50% and must cover at least 30% of the principal display areas.

ARTICLE 11 GUIDELINE

4. Parties should consider the evidence and the experience of others when determining new packaging and labelling measures and aim to implement the most effective measures they can achieve.

ARTICLE 11 GUIDELINES

12. Parties should consider using health warnings and messages that cover more than 50% of the principal display areas and aim to cover as much of the principal display areas as possible.

ARTICLE 11 GUIDELINES

Rotation of health warnings and messages and changes in their layout and design are important to maintain saliency and enhance impact.

CANADA HAS BEEN SLOWER THAN OTHER COUNTRIES TO RENEW ITS HEALTH WARNING MESSAGES

It took just under two years for Health Canada to bring its first wave of health warning message from concept to on-package implementation (from January 1999 to December 2000). Ten years later, a renewal of those labels is still not in sight.

In this respect, Canada is behind other countries, such as Brazil, Singapore, Thailand, and Uruguay, which have had more than one round of picture based warning messages.

In the decade since the current warnings appeared on packages (beginning in December 2001), they have been printed on more than 13 billion packages. Each warning will have been seen more than 19 billion times.

Development of Health Canada's second wave of picture health warning messages has been repeatedly delayed.

Since before 2004, when it issued a consultation document,⁴² Health Canada has been working on renewal of tobacco warning labels. Extensive internal and external research has taken place, including several rounds of focus groups with smokers and young people across Canada.

Despite years of study, millions of dollars of investment, and the support and encouragement of health agencies across the country, Health Canada informed provincial governments in August 2010 that tobacco labelling would not be renewed "for the foreseeable future." In a September 30, 2010, interview on CBC television, the Minister of Health, the Hon. Leona Aglukkaq, stated that renewed labels were "not off the table,"⁴³ but has given no further indications of the federal government's intentions regarding renewal.

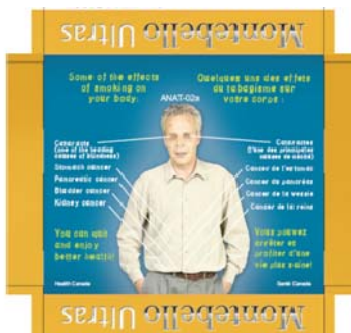


"I'm still examining the new health warning labels. It's not off the table."

Honourable Leona Aglukkaq, Minister of Health,
CBC Newsworld, September 30, 2010

ARTICLE 13 GUIDELINES

X 20. The novelty effect of new health warnings and messages is important, as evidence suggests that the impact of health warnings and messages that are repeated tends to decrease over time, whereas changes in health warnings and messages are associated with increased effectiveness. Rotation of health warnings and messages and changes in their layout and design are important to maintain saliency and enhance impact.



Some of the many variants on potential new warning labels developed by Health Canada since 2003.

⁴² Health Canada. *Proposal for New Health-Related Information on Tobacco Product Labels*. August, 2004.

⁴³ CBC Newsworld, *Politics with Evan Solomon*. September 30, 2010.

DECEPTIVE DESCRIPTORS

Although the FCTC requires that cigarettes not be promoted by packaging that is false, misleading or deceptive, cigarettes continue to be sold in Canada in packages that are designed to undermine smokers' awareness of the health consequences of smoking by creating misleadingly favourable impressions of tobacco products.

Canada has passed no new laws to stop this from happening, but has relied on settlements with tobacco companies to address a limited number of textual deceptions.⁴⁴ A proposal to mimic these settlements in regulations was made in August 2007,⁴⁵ and found inadequate by health agencies. The regulation has not been implemented, nor have concerns been addressed.

As well, Health Canada has ceased collecting data on this important issue. After 2007, questions about smokers' perceptions of strength of cigarettes was dropped from its annual survey.

COLOUR-CODED DECEPTION

Tobacco packaging continues to deceive smokers about health risks,⁴⁶ yet the Canadian government is taking no actions to reduce this deception.

Tobacco companies removed the terms 'light' and 'mild' from their cigarette package names, but did not end the practice of marketing their products with distinguishing features that deceive smokers. They adapted their marketing practices to the letter of the agreement, and substituted other brand descriptors for the terms 'light' and 'mild,' such as 'smooth'. Many of these terms are, in themselves, lifestyle promotions (such as 'Prestige' and 'Distinct').

At the same time, most companies redesigned their packages so that there were more apparent visual distinctions between different variants within a brand family. The inherent deception in this approach is exacerbated by government policy which requires companies to display machine readings for toxic emissions (see discussion on Article 10).



⁴⁴ In November 2006, as its response to a complaint filed and pursued by the Non-Smokers' Rights Association, the federal Competition Bureau reached agreements with the major tobacco companies. The tobacco companies agreed to stop using terms like 'light', 'mild', 'ultra light' and 'ultra mild' - but did not agree to stop making artificial or misleading distinctions between one type of cigarette and another. Agreements with some other manufacturers followed shortly, and by mid-2007 most cigarette packages no longer displayed these terms. See: Competition Bureau. Press release. Competition Bureau Reaches Agreement with the Three Major Cigarette Manufacturers to Stop Using 'light' and 'mild' on Cigarette Packages. November 9, 2006. Competition Bureau. Press release. Competition Bureau Reaches Further Agreements with Six Cigarette Companies to Stop Using 'light' and 'mild' on Cigarette Packages. July 31, 2007.

⁴⁵ Canada Gazette, Part I. August 4, 2007.

⁴⁶ Mutti et al. Beyond Light & Mild: Cigarette Brand Descriptors and Perceptions of Risk in the International Tobacco Control (ITC) Four Country Survey. In press.

ARTICLE 11 RECOMMENDATIONS:

- ▶ The federal government should immediately implement new package warnings, and significantly increase the size of package warnings.
 - ▶ Revised health warning messages should provide smokers with information about where they can get cessation support, such as a free 'quitline' number.
 - ▶ Surfaces within the package, including the foil and cigarette itself, should be used for additional disease prevention/health promotion messaging.
 - ▶ All tobacco products should be required to carry health warning messages.
 - ▶ The federal government should immediately enact regulations to prohibit false and misleading packaging, including, but not limited to, the terms already covered by the Competition Bureau agreement. Colours and numbers that have the potential to mislead should also be removed from packages.
 - ▶ The frequency of changing (refreshing) warning messages should be increased without decreasing the number of warnings in rotation at any time. (The current warnings have been on packages for almost 10 years.)
 - ▶ The government should require that tobacco products be sold in plain and standardized generic packages.
 - ▶ Cigarette packages should be standardized to the most commonly sold Canadian package form ("slide-and-shell"), thus preventing the use of the packaging size and shape as a marketing tool.
 - ▶ Canada should examine the potential benefits to reducing confusion or deception about health effects of tobacco products by implementing measures such as Uruguay's which restrict the number of brand variants that can be marketed.
-



ARTICLE 12

EDUCATION, TRAINING AND PUBLIC AWARENESS

The activities and responsibilities outlined in FCTC Article 12 are, for the most part, a shared responsibility of federal, provincial/territorial and municipal governments. Health agencies throughout Canada are also involved in developing strategies and programs to reduce tobacco use, strengthening public awareness of tobacco use, providing access to information about tobacco companies and providing appropriate training to health practitioners and other personnel.

The federal government role in this area of shared jurisdiction is expressed, in part, through:

- ▶ collaborating with other levels of government in planning and execution of tobacco control strategies
- ▶ executing its own public education efforts
- ▶ providing financial support to other levels of government and to the voluntary sector for tobacco control efforts
- ▶ developing legislation and policy related to tobacco industry activities.

TRAINING

The federal government, through Health Canada, has supported a number of significant training initiatives, mostly through financial contributions to other levels of government and civil society organizations. These include support for innovations in advancing hospital-based support for cessation, and the strengthening of physician and health-care activities to support quitting. These contributions are awarded on a competitive and transparent basis through solicitations for proposals. A barrier to the sustained growth of these programs is the interruptions and reductions in federal funding for tobacco control, discussed below.

SUPPORT FOR COMMUNITY PROGRAMS

Since 2006, Health Canada has decreased efforts to reduce smoking by cutting the amount of money provided to community organizations for tobacco control. It would also appear that the number of organizations mobilized to address tobacco issues through federal contributions has also been reduced, although the extent of the reduction will not be known until Health Canada makes public its evaluation report (not expected until 2012).

In its evaluation of the first 5 years of the federal tobacco control strategy, Health Canada reported that almost 300 projects at a total cost of \$58.8 million had been funded through the Tobacco Control Program, and an additional 200-300 projects were funded through the First Nations and Inuit Health Branch (FNIHB) program.⁴⁷

THE FCTC COMMITMENT:

Run training programs in tobacco control for human services personnel;

✗ Promote and strengthen public awareness of tobacco control issues, using all available communication tools, as appropriate.

✗ Provide public access to information about tobacco companies.

✓ Engage public, private and non-governmental organizations not affiliated with the tobacco industry in developing and implementing programmes and strategies for tobacco control.

5.3 GUIDELINE

RECOMMENDATION 1.1

✗ Parties should, in consideration of Article 12 of the Convention, inform and educate all branches of government and the public about the addictive and harmful nature of tobacco products, the need to protect public health policies for tobacco control from commercial and other vested interests of the tobacco industry and the strategies and tactics used by the tobacco industry to interfere with the setting and implementation of public health policies with respect to tobacco control

5.3 GUIDELINE

RECOMMENDATION 1.2

✗ Parties should, in addition, raise awareness about the tobacco industry's practice of using individuals, front groups and affiliated organizations to act, openly or covertly, on their behalf or to take action to further the interests of the tobacco industry.

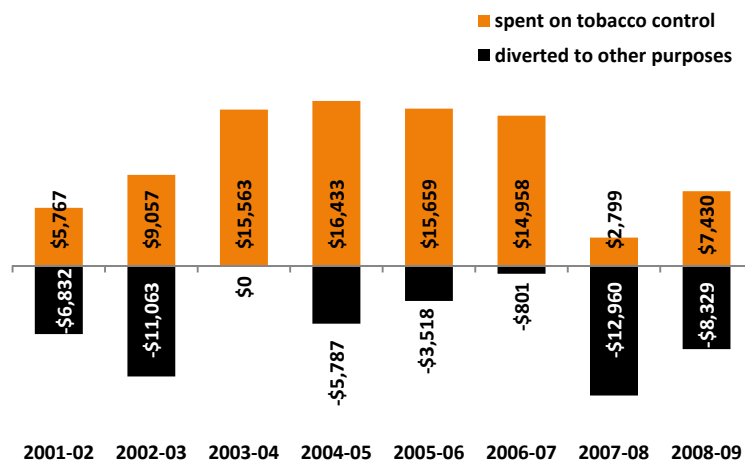
5.3 GUIDELINE

RECOMMENDATION 6.1

✗ Parties should ensure that all branches of government and the public are informed and made aware of the true purpose and scope of activities described as socially responsible performed by the tobacco industry.

47 • Federal Tobacco Control Strategy - Summative Evaluation - March 2007, p. 49.

**FEDERAL TRANSFER PAYMENTS FOR TOBACCO CONTROL
(GRANTS AND CONTRIBUTIONS, INCLUDING TO OTHER LEVELS OF
GOVERNMENT)
ACTUAL VS. BUDGETED 2001-2009.⁴⁸**



According to its Five Year Report to the Conference of the Parties, spending on community programming in the second five-year period has been reduced by half, falling to a total of \$30 million (\$18 million on national projects, \$11 million on regional projects and \$220,000 in support to territorial governments).⁴⁹

The gaps between monies allocated by Parliament for transfer payments on tobacco control (grants and contributions including to other levels of government) and monies spent by Health Canada for this purpose are shown in the table on the next page. The annual budget for transfer payments (around \$15 million) represent about one-third of the total tobacco control budget for Health Canada.

The Public Accounts of Canada are not published until mid-winter, so information on actual expenditures in the 2009-2010 year will not be available until November 2010. Even assuming the best case scenario (that all the monies provided to Health Canada for transfer payments for tobacco control in 2009-2010 are used for that purpose), the budget will be under-spent in the second half of the strategy by more than a third.

The pattern of 'underspending' budgeted amounts for tobacco control, and releasing the funds to other Health Canada purposes, was identified in Health Canada's audit of the program, as shown in the table below.

⁴⁸ Treasury Board of Canada Secretariat: Estimates.

<http://www.tbs-sct.gc.ca/est-pre/index-eng.asp>.

Public Accounts of Canada.

<http://www.tpsgc-pwgsc.gc.ca/recgen/txt/72-eng.html>.

⁴⁹ Canada's Five Year Report on FCTC Implementation, Annexes 4 and 5.

<http://www.who.int/fctc/reporting/Annexfourimplementationtwelve.pdf>.

TOBACCO CONTROL BUDGETS REDIRECTED TO OTHER PURPOSES

"TOBACCO CONTROL DIRECTORATE SURPLUS HISTORY, 2002-2008"⁵⁰

Fiscal Year	Budgeted by Parliament	Actual Transferred for tobacco control	Diverted to other purposes
			%
2002-03	\$65,513,803	\$61,152,974	\$4,360,829
2003-04	\$57,398,389	\$59,049,895	
2004-05	\$53,970,446	\$40,325,615	\$13,644,831
2005-06	\$49,576,335	\$40,442,200	\$9,134,135
2006-07	\$46,167,788	\$41,942,201	\$4,255,587
2007-08	\$48,318,796	\$35,147,517	\$13,171,279

"The TCD [Tobacco Control Directorate] continues to record large surpluses of funds at the end of each fiscal year. This has been an ongoing issue with an average surplus of 16% of the total TCD budget between the fiscal years 2002-03 and 2007-08.... As a result of these lapses, a significant amount of money that has been earmarked for activities relating to reducing smoking has either remained unspent, or been redirected to activities outside the Directorate."

Health Canada, Final Audit Report, Tobacco Control Directorate, 2008

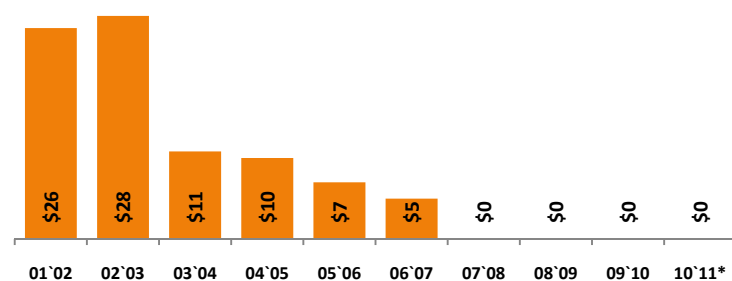
MASS MEDIA

Since the FCTC came into force, the Government of Canada's actions to "promote and strengthen public awareness of tobacco control issues" through mass media have substantially declined. Instead of making progress in this area, Canada is going steadily backwards.

Mass media was a key component of the first five years of the federal tobacco control strategy launched in 2001. Beginning in 2001, Treasury Board authorized Health Canada to spend up to \$50 million a year on mass media in support of tobacco control (\$30 million in 2001-2002, \$40 million in each of 2002-2003 and 2003-2004, and \$50 million every year thereafter). The goals of the media component were to:⁵¹

- ▶ Build public support for federal government activities in the area of tobacco control
- ▶ Hold the industry accountable for their actions in continuing to promote a lethal product
- ▶ Help establish non-smoking as the social norm for all ages, and
- ▶ Educate smokers and non-smokers of the dangers associated with smoking and exposure to secondhand smoke.

FEDERAL SPENDING ON MASS MEDIA TO SUPPORT REDUCTIONS IN TOBACCO USE, 2002-2009 (\$ MILLIONS)^{52,53}



50 Final Audit Report - Tobacco Control Directorate: Audit of Management Systems and Practices. http://www.hc-sc.gc.ca/ahc-asc/pubs/_audit-verif/2008-12/index-eng.php#e.

51 Federal Tobacco Control Strategy. Summative Evaluation of the First Five Years. Final report. March 2007., page 60.

52 Treasury Board Secretariat: Government advertising. http://www.tbs-sct.gc.ca/pubs_pol/sipubs/comm/adv-pub/index-eng.asp.

53 Years prior to 2004-5, Health Canada. Private Communication.

Between 2001 and 2006, there were 15 separate national mass media campaigns as part of the FTCS. Actual expenditures between 2001 and 2006 totalled \$65 million, about one-third the amount originally budgeted. Nonetheless, the accomplishments of those campaigns, including the famous Heather Crowe and Bob and Martin campaigns, are still felt in the communities where bans on smoking in public places were supported by Health Canada messaging, in homes where families were educated about the harms of exposing children to secondhand smoke and by the many former smokers who were motivated to quit. Today, Health Canada has virtually no paid media presence on tobacco issues. Government advertising expenditures, which were severely cut back after the sponsorship scandal, have been significantly restored, and in 2009-2010, the federal government spent more than \$85 million on advertising. None of it was for tobacco control.⁵⁴

Given the centralization of advertising controls, and the policy of the government of Canada to “ensure that campaigns are aligned to government priorities,”⁵⁵ the conclusion must be drawn that public education on tobacco use is not a current priority of government.

ARTICLE 12 RECOMMENDATIONS:

- ▶ The federal government should establish and sustain a long-term mass media program to reduce tobacco use, with annual funding of at least \$15 per smoker (equivalent to federal excise duties on a single carton of cigarettes).
 - ▶ Federal, provincial /territorial and other governments should continue to support the education, training and professional development of Canadians involved in tobacco control.
 - ▶ Mass media should be used to inform the public of the activities of the industry, in line with Article 5.3 *Guideline Recommendations* 1.1 and 1.2.
-

⁵⁴ Treasury Board of Canada. *Advertising Fund Allocations*. http://www.tbs-sct.gc.ca/pubs_pol/sipubs/comm/adv-pub/index-eng.asp.

⁵⁵ Government advertising annual reports available at <http://www.tpsgc-pwgscc.gc.ca/pub-adv/annuel-annual-eng.html>.

ARTICLE 13

ADVERTISING, SPONSORSHIP AND PROMOTION

Canadian governments (federal and provincial) have made significant progress in reducing tobacco promotions. Although a comprehensive ban on advertising is not in place in Canada, traditional tobacco advertising has reduced significantly. Nonetheless, Canada has not yet met all its FCTC obligations with respect to Article 13.

Canada's official position, revealed through its 2010 report to the Conference of the Parties, is that a comprehensive ban on advertising is precluded in Canada by our constitution or constitutional principles. As discussed below, this should be interpreted as no more than an opinion or policy decision of the government, not a decision of Canada's constitutional authorities.

Although the Canadian government has taken the position that the Constitution precludes a comprehensive ban, it has nevertheless worked to implement most of the components of a comprehensive ban as identified in the FCTC Guidelines to Article 13 (see table below).

At the same time, the government has not implemented the minimum requirements of the FCTC for countries which have constitutional impediments to implementing a comprehensive ban. For example:

- ▶ Canadian law does not specifically restrict or ban "advertising, promotion and sponsorship originating from its territory with cross-border effects," although the effect of domestic restrictions appears to approach a de-facto ban on exported advertising.
- ▶ The FCTC requires that "health or other appropriate warnings or messages accompany all tobacco advertising and, as appropriate, promotion and sponsorship." Although Canada claims no constitutional impediment to being able to require health warnings, there are no laws requiring such warnings on legal ads in Canada (although warnings appear on a voluntary basis on many ads).
- ▶ The FCTC asserts that "Parties which have a ban on certain forms of tobacco advertising, promotion and sponsorship have the sovereign right to ban those forms of cross-border tobacco advertising, promotion and sponsorship entering their territory." Federal law provides a specific exemption for some cross border advertising entering Canada.

THE FCTC COMMITMENT:

- ✗ Implement a comprehensive ban on tobacco advertising and sponsorship by February 27, 2010, or if a comprehensive ban is not permissible under the constitution, restrict advertising, promotion and sponsorship and require health warnings on all permitted advertising; and
- ✓ Restrict or ban cross border advertising from originating within Canada and cooperate with other Parties to the FCTC to eliminate cross-border advertising.

ARTICLE 13 GUIDELINES:

- ✗ Bans on advertising should be comprehensive. Comprehensive bans should apply to cross-border advertising, promotion and sponsorship.
- ✓ Retail displays of cigarettes should be banned.
- ✗ Tobacco advertising has promotional effects, and parties should consider adopting plain packaging requirements.

Internet sales should be banned.

- ✗ Brand stretching should be banned.
- ✗ Tobacco company donations under the guise of "corporate social responsibility" should be banned.
- ✗ The promotion of tobacco products through films and other entertainment media should be addressed.

Since the meeting of COP 3 in 2008, several Canadian jurisdictions have amended laws concerning tobacco advertising and promotions. Federal advertising restrictions were strengthened by Parliament when it adopted Bill C-32 (the *Cracking Down on Tobacco Marketing Aimed at Youth Act*). This law, when it came into force on October 8, 2009, banned print advertising (including ads like the one pictured here which was published in early 2009). The *Tobacco Act* had previously permitted tobacco companies to place information or brand names on publications with an adult readership of 18 years of age or older.



RESTRICTIONS ON THE DISPLAY OF TOBACCO PRODUCTS AT RETAIL

Tobacco companies have adapted to the changed retail environment by developing more direct relationships with retailers, such as through Direct to Store distribution and other new types of payment for retailers programs.⁵⁶



**A CIGARETTE CABINET BEHIND THE CASH REGISTER AT A
TYPICAL CANADIAN CONVENIENCE STORE.**⁵⁷

Saskatchewan	11	Mar	2002
Manitoba	1	Jan	2004
Nunavut	1	Feb	2004
Northwest Terr.	2	Mar	2006
Prince Edward Is.	1	Jun	2006
Nova Scotia	31	Mar	2007
British Columbia	31	Mar	2008
Ontario	31	May	2008
Quebec	31	May	2008
Alberta	1	Jul	2008
New Brunswick	1	Jan	2009
Yukon	15	May	2009
Newfoundland	1	Jan	2010

In fact, we will migrate that trade spend into pay-for-performance kind of programs.

So we will be focused on specific brands, on information that you can provide to your consumers, those kinds of things ... don't think that money is being removed from the category; it is not."

Ron Funk,
Vice President of Corporate Affairs
for Rothmans, Benson & Hedges
Your Convenience Manager,
July-Aug 2008

56 Imperial Tobacco Canada Ltd.
http://www.imperialtobaccocanada.com/groupca/sites/IMP_7VSH6J.nsf/vwPagesWebLive/DO7VXXMX8?opendocument&SKN=1.

IS A COMPREHENSIVE BAN ON TOBACCO ADVERTISING CONSISTENT WITH CANADA’S CONSTITUTION AND CONSTITUTIONAL PRINCIPLES?

WE SAY “YES”

The government of Canada claims, in its 5 year report to the Conference of the Parties,⁵⁸ that it is “precluded by [Canada’s] constitution or constitutional principles from undertaking a comprehensive ban on tobacco advertising, promotion and sponsorship.”

FCTC Parties are not required to justify any claims to having constitutional impediments to implementing comprehensive bans, and Canada has not voluntarily provided any justification. Article 13 Guidelines acknowledge that the accommodation of constitutional principles is determined by each Party’s constitutional system.

Canada’s constitutional system has not yet been engaged to determine whether impediments exist to Canada implementing a comprehensive ban.

The question of whether a comprehensive ban on tobacco advertising, promotion and sponsorship is consistent with Canada’s *Charter of Rights and Freedoms* has not yet been determined by the Supreme Court.

The *Canadian Charter of Rights and Freedoms* has been in place since 1982. Over the past 28 years, the interpretation and application of the right to freedom of expression to commercial expression has changed and evolved, as has federal government opinion about the impact of the *Charter* on restrictions on tobacco advertising. Between 1987 and 1995, the position of the government of Canada was that a comprehensive ban was justifiable and could satisfy the *Charter of Rights and Freedoms*.

We believe that the evidence about the benefits of a comprehensive ban on tobacco advertising would now satisfy the Supreme Court.

Health Canada’s report to the Parties that a constitutional impediment exists should be interpreted as a statement of opinion only. Other Canadian jurisdictions have taken the position that a comprehensive ban is justified.⁵⁹ Only the courts can ultimately establish whether constitutional authority exists or not. The government can seek the court’s opinion through a ‘reference question’ or it can request Parliament to enact a comprehensive advertising ban and allow the courts to rule on any legal challenge brought by the tobacco industry.

WHAT THE SUPREME COURT HAS SAID – AND HAS NOT SAID – ABOUT BANS ON TOBACCO ADVERTISING:

On **September 21, 1995** the Supreme Court ruled by a narrow 5:4 majority that the government had failed to provide evidence which supported a total ban. The evidence reviewed by the court was based on a trial held in 1992.

The court **did not rule** that there could not be a total ban on tobacco advertising, but said that such a ban had to be supported with better evidence than the government had presented at trial. Four of the nine judges felt that a total ban on advertising was reasonable and justified even on the evidence available at that time.

On **June 28, 2007**, the Supreme Court ruled that the 1997 federal Tobacco Act was consistent with Canada’s Constitution. The court was not asked to decide whether a comprehensive advertising ban would also be consistent, and thus did not rule whether it was now satisfied that the evidence supported a comprehensive ban.

58 Phase 2 (Group 2 Questions) of the reporting instrument under the WHO Framework Convention on Tobacco Control. Canada.
http://www.who.int/fctc/reporting/Canada_5y_report_v2_final.pdf.

59 See, for example, the Intervention by the government of British Columbia to the Supreme Court’s review of the Tobacco Act.
http://www.smoke-free.ca/eng_home/Dossier%20complet/Interveniers%20-%20Provinces/Factum-AG%20BC.pdf.

SMOKING IN MOVIES

No Canadian government has yet developed a policy response to the evidence linking depictions of smoking in movies with adolescent uptake of smoking.

Canadians receive very little protection from the effects of depictions of tobacco use in movies or other cultural products.

None of the recommended measures in the *FCTC Guidelines for Implementation of Article 13* related to movies is in force in Canada. There is no mechanism to require that the depiction of tobacco use in movies is accompanied by a certification that it was done so without consideration. There is no prohibition on the depiction of identifiable tobacco brands or brand imagery (although there is a prohibition on payments by Canadians for such depictions). There is no requirement for the display of anti-tobacco advertisements before the screening of movies that depict tobacco use. There is no consideration of tobacco use in the determination of movie ratings by any of the rating boards across Canada.

Canada's government-run movie rating systems provide less protection to young people than the U.S. industry-run model.

Because provincial rating agencies seldom apply "adult" ratings (18A) to top-grossing films rated "R" in the United States, Canadian children and adolescents are exposed to an estimated 60 percent more tobacco imagery than their U.S. counterparts.⁶⁰

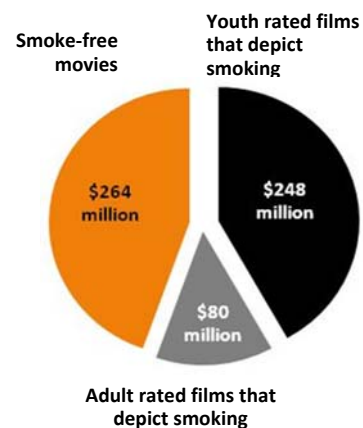
Canadian governments spend more to produce films that recruit young people to smoking than they spend on programs to prevent youth smoking.

Many of the movies that through their portrayal of smoking recruit young people to tobacco use are made in Canada, and are made with financial support (in the form of tax incentives) from provincial and federal governments. A recent review of Canadian film subsidies found that about \$50 million a year is provided by Canadian governments to U.S. studios to produce movies which were rated suitable for young audiences, despite the fact that they depicted smoking.

Canadian governments subsidize movies that are filmed in Canada (such as youth-marketed films *Blade* and *Four Brothers*), even if they are likely to recruit young people in Canada or elsewhere to smoking.



MORE THAN HALF OF CANADIAN SUBSIDIES FOR U.S. FILM PRODUCTION SUPPORTS FILMS WHICH DEPICT SMOKING (2004-2009)



⁶⁰ Jonathan Polansky. *Tobacco Vector: How American movies, Canadian film subsidies and provincial rating practices will kill 143,000 Canadian teens alive today – and what Canadian governments can do about it*. Physicians for a Smoke-Free Canada. 2010. The U.S. "R" requires adult accompaniment for people under 17, similar to Canada's 18A rating.

CORPORATE SOCIAL RESPONSIBILITY

Canadian law effectively bans sponsorship promotions, as the display of tobacco brand elements is banned in association with the sponsorship of a “person, entity, event, activity or permanent facility.”⁶¹ The receipt of donations from tobacco companies is permitted.

Although Canadian law prohibits the promotion of sponsorships using corporate names in addition to brand names, Imperial Tobacco Canada Ltd. (through the “Imperial Tobacco Canada Foundation” is sponsoring the arts and is promoting this sponsorship.)



5.3 GUIDELINES

RECOMMENDATION 6.3

X Parties should not allow public disclosure by the tobacco industry or any other person acting on its behalf of activities described as socially responsible or of the expenditures made for these activities, except when legally required to report on such expenditures, such as in an annual report.

ARTICLE 13 RECOMMENDATIONS:

- ▶ Canada should implement a comprehensive ban on tobacco advertising.
- ▶ As part of a comprehensive ban on tobacco advertising and promotion, implement a total ban on brand-stretching. Brand-stretching is inherently lifestyle in nature, and thus constitutional justifiability for a ban on brand-stretching (as Quebec has done) is particularly straightforward.
- ▶ All forms of promotional and incentive payments by tobacco companies to retailers should be banned.
- ▶ All provinces should ensure regulations banning point of sale displays and promotion of tobacco products are as strong as possible.
- ▶ Canada should ban all “Corporate Social Responsibility” activities by the tobacco industry.

⁶¹ Tobacco Act, s. 24.

CANADIAN LAW AND TOBACCO ADVERTISING

BASED ON FORMS OF ADVERTISING IDENTIFIED IN FCTC ARTICLE 13 GUIDELINES

Measure identified in Art. 13 Guideline		Status in Canada
Communication through audio, visual or audiovisual means: print (including newspapers, magazines, pamphlets, leaflets, flyers, letters, billboards, posters, signs), television and radio (including terrestrial and satellite), films, DVDs, videos and CDs, games (computer games, video games or online games), other digital communication platforms (including the Internet and mobile phones) and theatre or other live performance	⊙	<p>Federal law both prohibits and allows tobacco advertising.</p> <p>The federal <i>Tobacco Act</i> specifically bans:</p> <ul style="list-style-type: none"> ▶ All advertising that is not specifically authorized (s. 19). ▶ Broadcast promotions (s. 31). ▶ Misleading or deceptive advertising (s. 19). ▶ Testimonials, endorsements or cartoons (s. 21). ▶ The promotion of tobacco sponsored events and facilities (s. 24). ▶ Tobacco brand named sports or cultural facilities (s. 25). <p>The federal <i>Tobacco Act</i> specifically allows:</p> <ul style="list-style-type: none"> ▶ Depictions of tobacco products in theatrical, film, artistic and other such works as well as reports and opinions about tobacco products, provided that no consideration (payment) is given (s. 18). ▶ Informational and brand preference advertising sent by direct mail to adults. (s. 22(2)(a)). ▶ Informational and brand preference advertising on signs in places (like bars) where people under 18 years are not allowed by law. (s. 22 (2)(c)). ▶ Advertising directed at growers, manufacturers, distributors and retailers (s. 18). ▶ Tobacco branded accessories and their promotion (s. 26). ▶ Promotions that originate outside Canada, including magazines or retransmitted broadcasting, provided that these are not done on behalf of a Canadian manufacturer (s. 31).
Brand-marking, including in entertainment venues and retail outlets and on vehicles and equipment (e.g. by use of brand colours or schemes of colours, logos or trademarks)	⊙	The federal <i>Tobacco Act</i> bans the display of tobacco brand names and logos, but allows brand names and logos to be displayed on signs in adult venues (s. 22).
Display of tobacco products at points of sale	●	The federal <i>Tobacco Act</i> does not ban the display at retail of tobacco products, but these displays are banned across Canada as a result of provincial/ territorial laws.
Tobacco product vending machines	⊙	Federal law bans vending machines except in bars. (s. 12) Six provinces/territories ban vending machines altogether.
Internet sales of tobacco products	●	The federal <i>Tobacco Act</i> bans the sale of tobacco products by mail (s. 13) and across interprovincial borders.

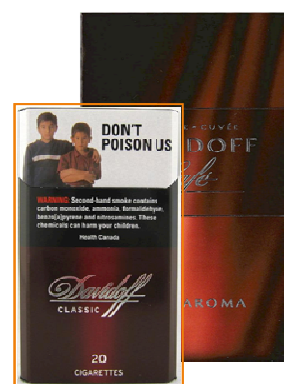


Tobacco advertisement on signs in bars



Tobacco advertisement in magazines sent to retailers

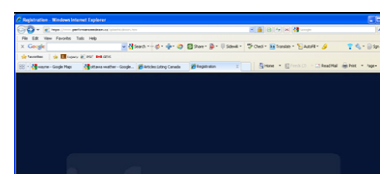
Measure identified in Art. 13 Guideline	Status in Canada
Brand stretching and brand sharing (product diversification)	<p>⊙ The federal <i>Tobacco Act</i> significantly restricts brand-stretching with tobacco brand elements allowed to be displayed in certain circumstances, i.e. lighters and matches. The province of Quebec has a total ban on the use of tobacco branding on non-tobacco goods.</p>
Product placement (i.e. the inclusion of, or reference to, a tobacco product, service or trademark in the context of communication (see above), in return for payment or other consideration)	<p>● The promotion of tobacco brands through product placement is not allowed under the federal <i>Tobacco Act</i> (s. 19). Tobacco brands can be displayed in movies or other cultural products permitted provided that no payment is made (s. 18).</p>
Provision of gifts or discounted products with the purchase of tobacco products (e.g. key rings, T-shirts, baseball hats, cigarette lighters)	<p>● The federal <i>Tobacco Act</i> bans the offer or provision of gifts or discounted products with the sales of tobacco products (s. 29). All provinces/territories have legislation banning retail displays though some provinces exempt adult only premises and tobacconists.</p>
Supply of free samples of tobacco products, including in conjunction with marketing surveys and taste testing	<p>● The federal <i>Tobacco Act</i> bans the furnishing of tobacco products without consideration (s. 29).</p>
Incentive promotions or loyalty schemes, e.g. redeemable coupons provided with purchase of tobacco products	<p>● The federal <i>Tobacco Act</i> bans the offer or provision of any bonus or premium with the sales of tobacco products (s. 29).</p>
Competitions, associated with tobacco products or brand names, whether requiring the purchase of a tobacco product or not	<p>● The federal <i>Tobacco Act</i> bans the offer or provision of any right to participate in a game, lottery or contest with the sales of tobacco products (s. 29).</p>
Direct targeting of individuals with promotional (including informational) material, such as direct mail, telemarketing, "consumer surveys" or "research"	<p>⊙ The federal <i>Tobacco Act</i> allows the direct targeting of adult individuals with promotional material. (s 22 (2)).</p>
Promotion of discounted products	<p>● The federal <i>Tobacco Act</i> bans the offer or provision of any cash rebate with the sales of tobacco products (s. 29), but does not contain provisions to control the price of cigarettes.</p>
Sale or supply of toys or sweets that resemble tobacco products	<p>⊙ Federal law does not ban the sale or supply of toys or sweets that resemble tobacco products. These products are available in Canada. Two small northern jurisdictions (Yukon and Nunavut) have banned the sale of sweets that resemble tobacco products.⁶²</p>



Davidoff coffee has appeared on some Canadian grocery shelves, although the extent of any tobacco industry association with this is unknown. Though isolated, this reinforces the need for curbs on brand-stretching to be enforced and to be total.



Tobacco-branded matches



Internet recruitment of smokers

⁶² Ontario Tobacco Research Unit. *The Tobacco Control Environment: Ontario and Beyond. Monitoring and Evaluation Series (Vol. 16, No. 1). Youth Access to Tobacco Products: Monitoring Update.* Toronto, Ontario, April 27, 2010.

Measure identified in Art. 13 Guideline		Status in Canada
Payments or other contributions to retailers to encourage or induce them to sell products, including retailer incentive programmes (e.g. rewards to retailers for achieving certain sales volumes)	○	No Canadian jurisdiction has taken steps to curb financial or other incentives by tobacco manufacturers to retailers.
Packaging and product design features	○	No Canadian jurisdiction has required plain and/or standardized packaging.
Payment or other consideration in exchange for the exclusive sale or prominent display of a particular product or particular manufacturer's product in a retail outlet, at a venue or at an event	○	No Canadian jurisdiction has taken steps to curb financial or other incentives by tobacco manufacturers to retailers.
Sale, supply, placement and display of products at educational establishments or at hospitality, sporting, entertainment, music, dance and social venues or events	⊙	Provincial and territorial governments have banned the sale of tobacco products in specific places to varying extent. ⁶³
Provision of financial or other support to events, activities, individuals or groups (such as sporting or arts events, individual sportspeople or teams, individual artists or artistic groups, welfare organizations, politicians, political candidates or political parties), whether or not in exchange for publicity, including corporate social responsibility activities	○	No Canadian jurisdiction has taken steps to ban financial assistance that is not associated with promotional consideration. There are no restrictions on Corporate Social Responsibility (CSR) provided that brand elements are not used in association with its promotion.
Provision of financial or other support by the tobacco industry to venue operators (such as pubs, clubs or other recreational venues) in exchange for building or renovating premises to promote tobacco products or the use or provision of awnings and sunshades	○	Payments to venue operators are not banned, but restrictions on the display of products or brand elements at these venues may have had similar effect.

- Measure not in place
⊙ Partial measures in place
● Measures in place



Promotional tobacco packaging

⁶³ See table in Article 16.

ARTICLE 14

TOBACCO DEPENDENCE AND CESSATION

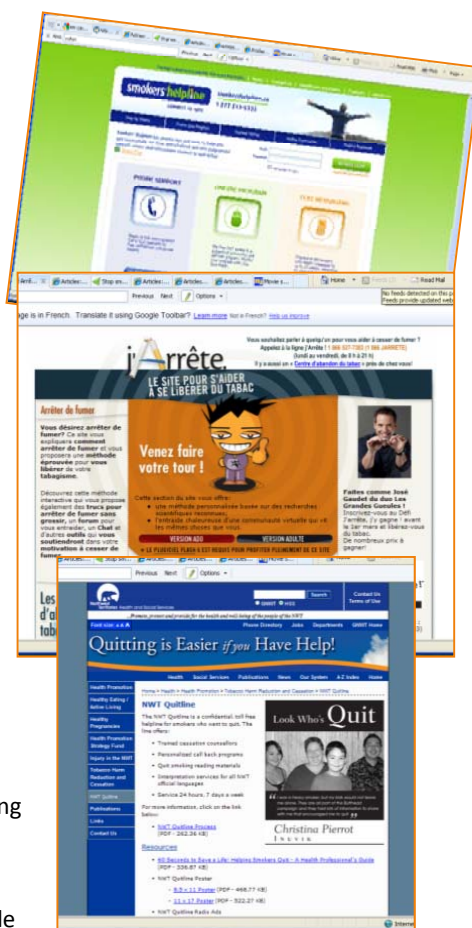
Under Canada's federal system of divided responsibilities, both the federal and provincial/territorial levels of government have a role in helping smokers quit. Services and other forms of assistance to smokers are also provided by non-governmental organizations, businesses, and health professionals. The extent and impact of these services varies.

Health Canada monitoring of smoker behaviour through the Canadian Tobacco Use Monitoring Survey (2008) underlines the ongoing interest of smokers in quitting:

- ▶ Six in 10 smokers say they intend to quit within the next 6 months (3 million smokers)
- ▶ One in 3 smokers say they intend to quit within the next month (1.7 million smokers)
- ▶ Four in 10 smokers reported stopping smoking for at least 24 hours in the past year because they were trying to quit (2.1 million smokers).

Each Canadian province and territory provides smokers access to a toll-free telephone quitline where they can obtain information, guidance and other forms of cessation support. (The printing of a national quitline number was included in the packaging reforms that were delayed, as discussed in the section on Article 11). Most provinces also provide web-based assistance and utilize social media tools. Some provinces also run quit smoking contests, compensate physicians for counseling, and/or cover the costs for some individuals of stop-smoking medications.

These programs, while free and easily available, do not have as wide a reach as desired, a consideration that emphasizes the need for a toll-free helpline number and a web address to be placed prominently on all tobacco packages.



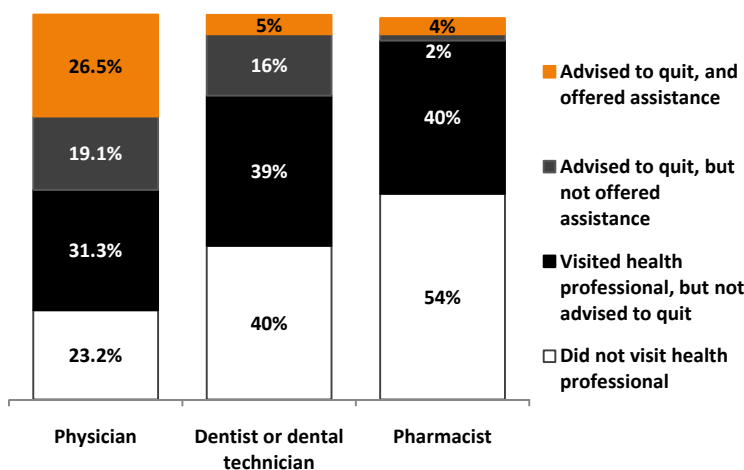
THE FCTC COMMITMENT:

Take effective measures to promote cessation of tobacco use and adequate treatment for tobacco dependence

- ✓ Develop and disseminate cessation and treatment guidelines that are appropriate, comprehensive, integrated and based on scientific evidence and best practice.
- ✓ Endeavour to include diagnosis and treatment in national health and education programs and establish facilities and rehabilitation centre programs for diagnosing, counseling, preventing and treating tobacco dependence.
- ✗ Collaborate with other parties to facilitate accessibility and affordability for treatment of tobacco dependence.

Quitlines and other forms of on-line support are made available by provincial governments across Canada

HEALTH PROFESSIONAL ADVICE AND ASSISTANCE TO ALL SMOKERS (CTUMS, 2009)



SUPPORT BY HEALTH PROFESSIONALS

Governments and health professional organizations have worked together over the past decades to encourage health professionals to counsel and assist patients to quit smoking, and to integrate support in hospitals and other health care settings, as well as community services such as quitlines and online services.

Health Canada includes questions about smokers' recall of health professional advice and assistance on quitting in its annual CTUMS survey.⁶⁴

- ▶ 56% of smokers who saw a doctor in the past year report that they were advised to quit, and one-third of those were provided with information or assistance on quitting.
- ▶ Because not all smokers visited a doctor, only 4 in 10 smokers were advised to quit by a physician in the past year, and only 1 in 4 was provided with information or assistance by a physician.
- ▶ A smaller percentage of smokers reported being advised to quit or offered assistance by dentists, dental technicians or pharmacists.

ARTICLE 14 RECOMMENDATIONS:

- ▶ The government should move quickly to renew health warning messages to include a national toll-free quitline number.
- ▶ Health Canada should lead the development and implementation of a comprehensive pan-Canadian cessation system.

SMOKERS QUITLINES IN CANADIAN PROVINCES

Alberta

Smokers' Helpline
1-866-332-2322
www.albertaquits.ca

British Columbia

Quit Now By Phone
1-877-455-2233
www.quitnow.ca

Manitoba

Smokers' Helpline
1-877-513-5333
www.smokershelpline.ca

New Brunswick

Smokers' Helpline
1-877-513-5333
www.smokershelpline.ca

Newfoundland

Smokers' Helpline
1-800-363-5864
www.smokershelp.net

Northwest Territories

NWT Quitline
1-866-286-5099
www.nwtquitline.ca

Nova Scotia

Smokers' Helpline
1-877-513-5333
www.smokershelpline.ca

Nunavut

Quit Now By Phone
1-866-877-3845

Ontario

Smokers' Helpline
1-877-513-5333
www.smokershelpline.ca

Prince Edward Island

Smokers' Helpline
1-877-513-5333
www.smokershelpline.ca

Quebec

Ligne j'Arrête
1 866 527-7383
www.jarrete.qc.ca

Saskatchewan

Smokers' Helpline
1-877-513-5333
www.smokershelpline.ca

Yukon

Quit Now By Phone
1-877-513-5333
www.smokershelpline.ca

64 Canadian Tobacco Use Monitoring Survey, 2009. Codebook.

ARTICLE 15

ILLICIT TRADE

The emergence of a significant contraband market in central Canada in recent years has challenged tobacco control in a number of ways.

The availability of cheap, untaxed cigarettes undermines price strategies to reduce smoking. The sale of cigarettes through unlicensed, uncontrolled retail outlets and through the black market undermines point-of-sale controls. The packaging of illegal cigarettes in baggies undermines the use of package warning labels to provide the public with important health information.

In addition to these specific impacts, contraband tobacco creates general challenges and has become a drag on the system of advancing tobacco regulations. The tobacco industry and its front groups have urged governments to see contraband sales as a reason to abandon new regulations and taxation.⁶⁵ A weakening in ‘supply-side’ tobacco control measures, however, should prompt governments to strengthen their ‘demand-side’ controls on tobacco packaging, marketing, and price.

A series of contraband prevention measures available to governments remains unimplemented, despite repeat calls for action by health organizations nationally and in the provinces of Ontario and Quebec, as well as in other provinces. Moreover, the lack of sufficient action is despite considerable support by all political parties for action on contraband, as evidenced by a motion adopted unanimously by the House of Commons to this effect on May 7, 2009.

The size of the illegal tobacco market, by its very nature, is difficult to quantify. Euromonitor estimates that in 2009 about 23% of the Canadian cigarette market, or about 9 billion cigarettes, was illegal and untaxed.⁶⁶ Philip Morris International reports that in the first half of 2010, the legal market grew by 15.7%.⁶⁷



THE FCTC COMMITMENT:

Recognize that eliminating the illicit tobacco trade is essential to tobacco control;

- ▶ Clearly mark the jurisdiction of destination on each package for sale in Canada;
- ▶ Consider developing a practical tracking and tracing regime;
- ▶ Monitor and collect data on crossborder tobacco trade;
- ▶ Strengthen legislation against illicit trade in tobacco products;
- ▶ Ensure that all confiscated manufacturing equipment, counterfeit and contraband cigarettes and other tobacco products are destroyed or otherwise disposed of in accordance with national law;
- ▶ Monitor, document and control tobacco in transit;
- ▶ Adopt measures to enable the confiscation of proceeds derived from the illicit trade in tobacco products;
- ▶ Cooperate with other parties and agencies to control smuggling; and
- ▶ Adopt and implement further measures, including licensing, to prevent illicit trade.

65 Canadian Convenience Store Association. Press Release. “C-stores Demand a Freeze on New Regulation and Taxation on Legal Tobacco. Association applauds federal and Quebec government shift in tobacco strategy to focus on contraband but warns new taxation, regulation, will foil efforts”. October 21, 2010.

66 Euromonitor. Canada. Tobacc. 2010.

67 Philip Morris International. Barclays Capital Back-to-School Consumer Conference. Boston, 7 September, 2010. http://media.corporate-ir.net/media_files/IROL/14/146476/10-09-06-Barclays_Capital_Conference.pdf.

CANADA'S CONTRABAND PROBLEM, AND THAT OF OTHER COUNTRIES

The absolute volume of contraband cigarettes sold in Canada is higher than in all but 11 other countries, according to the trade analyst Euromonitor. While many countries have a contraband tobacco problem, there are also good examples of where enhanced enforcement strategies have led to a very substantial reduction in contraband sales.

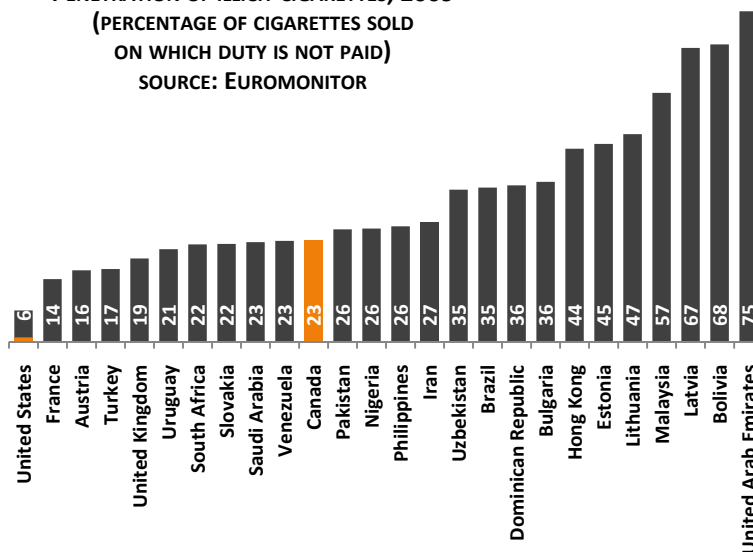
TOP COUNTRIES FOR ILLICIT CIGARETTES⁶⁸

Country	2009 (millions of cigarettes)	% of Total Illicit Market
China	193,178.6	36.2
Brazil	31,671.0	5.9
USA	23,325.6	4.4
Pakistan	21,546.2	4.0
Philippines	20,740.1	3.9
India	17,571.8	3.3
Turkey	17,073.6	3.2
Indonesia	15,528.7	2.9
Vietnam	15,378.5	2.9
Iran	13,167.0	2.5
Poland	9,323.8	1.7
Canada	9,315.9	1.7
United Kingdom	9,037.9	1.7
Romania	8,537.5	1.6
Malaysia	8,348.2	1.6
France	7,817.4	1.5
Others	112,641.8	21.1

PENETRATION OF ILLICIT CIGARETTES, 2009

(PERCENTAGE OF CIGARETTES SOLD
ON WHICH DUTY IS NOT PAID)

SOURCE: EUROMONITOR



68 Euromonitor. *Illicit Trade in Tobacco Products – A World View*. July 2010.

NEW MEASURES TO COMBAT CONTRABAND

In May 2008, a federal interdepartmental task force was established to identify concrete measures to reduce contraband. Despite two years of work by the task force, new contraband prevention measures announced by the federal government on May 28, 2010 were extremely limited and disappointing in their scope:

- ▶ The establishment of an RCMP “Combined Forces Special Enforcement Unit Contraband Tobacco Team”
- ▶ The establishment of a Detector Dog Service in Vancouver and Montreal
- ▶ A multi-media ad campaign to raise awareness among Canadians of the negative impacts of purchasing contraband cigarettes. [This campaign has not been launched despite being re-announced several times.⁶⁹]

In July 2010, the Canadian Parliament adopted enabling legislation authorizing enhanced tax stamps to appear on tobacco packages. Implementing regulations still need to be adopted. The lengthy implementation of this important reform (included in a 2005 consultation paper,⁷⁰ and in a July 2007 call for proposals to potential suppliers⁷¹) is another example of the federal government's slow pace of taking action to control contraband. The federal government's intent is to require sophisticated, hard-to counterfeit tax stamps, with each individual stamp having a unique identifier.

Measures announced earlier included an agreement with the United States on increased cooperation on maritime law enforcement, strengthening the ability of law enforcement to address tobacco shipments across the St. Lawrence River from the Akwesasne Reserve.

New measures introduced by provincial governments include Quebec's Bill 59, *An Act to amend the Tobacco Tax Act*, which came into force in November 2009. This law creates an incentive for local law enforcement to crack down on illicit tobacco sales by allowing municipalities to keep the assets seized by their police forces as long as arrests lead to convictions.

In May-June, 2010, Saskatchewan brought forward significant new contraband prevention measures, including new lower limits on the quantity of tobacco products that may be purchased on First Nations reserves by eligible tax-exempt purchasers. In June 2009, Alberta passed amendments to strengthen its tobacco contraband prevention legislation.

69 For Example:

Canada Revenue Agency. Press Release. Minister Blackburn announces new measures to combat tobacco smuggling. April 7, 2009.

<http://www.cra-arc.gc.ca/nwsrm/rlss/2009/m04/nr090407-eng.html>.

Canada Revenue Agency. Press Release. Government of Canada invests \$20 million in anti-tobacco activities. August 29, 2008.

<http://www.cra-arc.gc.ca/nwsrm/rlss/2008/m08/nr080829-eng.html>.

70 Canada Revenue Agency. *Tobacco Stamping Regime – Review and Recommendations. Discussion Paper*. July 2005.

71 Canada Revenue Agency. “Request for Proposal: Tobacco Stamping Regime.” Solicitation No. 1000223115. July 30, 2007.

ARTICLE 15 RECOMMENDATIONS:

TO ADDRESS ILLEGAL MANUFACTURE

- ▶ Cut off the flow of raw materials to unlicensed manufacturers by prohibiting suppliers of raw tobacco, cigarette filters and other inputs from selling these materials to anyone who cannot produce a valid manufacturing licence.
- ▶ Persuade the U.S. federal government to shut down illegal manufacturing operations on the U.S. side of Akwesasne.
- ▶ Make permanent the temporary border post location near Cornwall, Ontario.
- ▶ Accelerate the ability of First Nations to impose their own tobacco taxes and encourage them to tax tobacco products in their territories, at the same rate as provincial/territorial governments.
- ▶ Set strict quotas and a refund requirement to limit the amount of provincial tax-exempt cigarettes available in First Nations.
- ▶ Ensure that all provinces implement a refund system.
- ▶ Require First Nations vendors to pay an amount equivalent to provincial tobacco taxes up front, when they purchase their inventory from manufacturers or wholesalers, and then get a rebate from their provincial government only if they can prove that the product was sold to an eligible First Nations person.
- ▶ Ensure that all appropriate law enforcement agencies have necessary enforcement authority.
- ▶ Require a tax-paid marketing on individual cigarettes, similar to requirements in Singapore.

TO ADDRESS ROLE OF LICENSED MANUFACTURERS

- ▶ Introduce legislation that holds all tobacco manufacturers strictly liable if their products are seized on the smuggling market.
- ▶ Introduce an effective tracking and tracing system to help law enforcement authorities identify where legitimately manufactured products leave the legitimate supply chain and enter the contraband market.
- ▶ Revoke licences of tobacco manufacturers acting unlawfully.
- ▶ Support an investigation by Canada's Auditor General or another independent authority into the handling by government agencies of the tobacco smuggling crisis of the 1990s and the resultant settlements.

TO ADDRESS GLOBAL CONTRABAND CONCERNS

- ▶ Contribute to the negotiation of an effective illicit trade protocol to the FCTC, and ensure that the protocol is consistent with the FCTC, including Article 5.3.
-

ARTICLE 16

SALES TO MINORS

The federal and provincial governments in Canada have laws banning the sale of tobacco products to young persons. Federal law prohibits tobacco sales to persons under 18 years of age, and seven provinces/territories have established 19 years as the minimum age. Two provinces (Alberta and Nova Scotia) have also introduced laws making it illegal for young persons to possess tobacco products, against the recommendations of the health community.

Significant enforcement resources are devoted to policing the sale of cigarettes to young persons.

Canada has implemented most of the measures recommended or required by Article 16 of the FCTC:

- ▶ Cigarette vending machines, once common in Canada, can only be used in adult-only venues, and are banned in seven provinces or territories.
- ▶ Federal law requires the display of signs at retail stating that it is against the law to sell tobacco products to persons under 18. Seven provinces require their own signage at retail.
- ▶ Free distribution of cigarettes in Canada is banned.
- ▶ Self serve retail displays are banned.
- ▶ Cigarettes cannot be sold individually, either to youth or to other persons. Recent changes to federal law ban the sale of cigars with less than 1.4 g of tobacco in packages of less than 20, although cigars over this weight can be sold individually.
- ▶ Several provinces prohibit the sale of tobacco products in certain places designed for young persons' use, such as the grounds and buildings of colleges and universities, recreational centres, etc.

Canada has not yet banned the sale of candy cigarettes, although Nunavut⁷² and Yukon⁷³ have.

HOW YOUNG SMOKERS OBTAIN TOBACCO PRODUCTS

About three-quarters of under-aged smokers report that they obtain their cigarettes from social (i.e. non-retail) sources. Boys are significantly more likely to acquire them from retailers, even though there is no difference in the tested willingness of retailers to sell to boys than girls. Although it is also an offence in Canada for non-retailers to provide cigarettes to young persons, few enforcement or educational efforts are focused on discouraging the supply of tobacco to young persons from social sources.

THE FCTC COMMITMENT:

Implement measures to prohibit the sale of tobacco products to minors, which may include:

- ✓ Requiring signage at retail stating that tobacco sales to minors are prohibited and that proof of age is required.
- ✓ Banning the use of tobacco displays where tobacco products are directly accessible.
- ✗ Prohibiting the manufacture and sale of candy cigarettes.
Ensuring that tobacco vending machines are not accessible to minors.
- ✓ Prohibiting the distribution of free tobacco products to the public, and especially minors.
- ✓ Banning the sale of individual or small packages of cigarettes.

⁷² Nunavut Tobacco Control Act, 2003.

⁷³ Yukon Smoke-Free Places Act, 2009. Regulations OIC 2009/99.

RETAILER WILLINGNESS TO SELL TO YOUTH

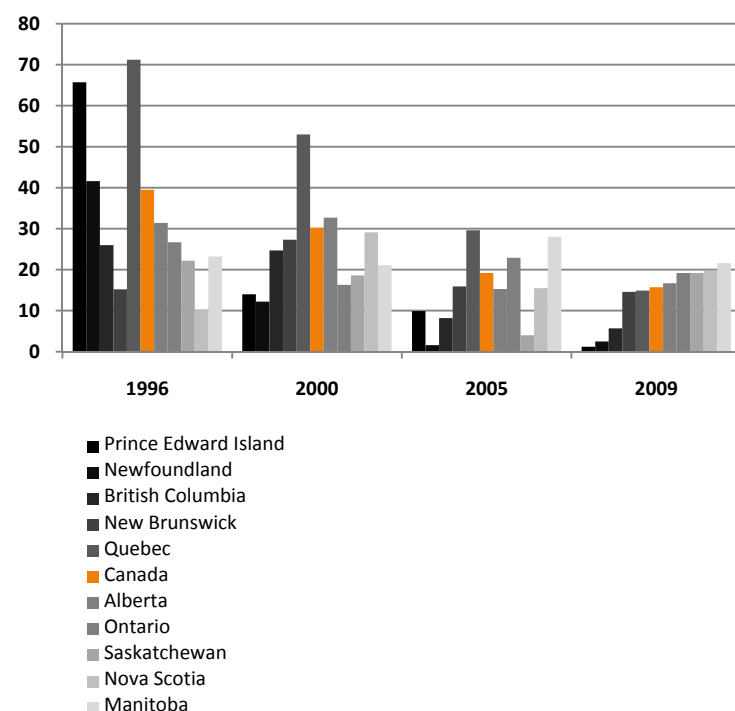
Health Canada conducts annual monitoring of retailer behaviour across Canada through 'secret shopper' tests of more than 5,000 retail outlets. The most recent results show:⁷⁴

- One in 5 retailers is willing to sell cigarettes to a 17 year old test shopper (20.5%), and 1 in 20 retailers is willing to sell cigarettes to a 15 year old test shopper (4.9%)
- Retailers were equally willing/unwilling to sell to boys and girls, and male and female clerks were equally willing/unwilling to sell.

YOUTH POSSESSION LAWS

Tobacco companies and their supportive retail associations have advocated for laws to make it illegal for young persons to possess cigarettes.⁷⁵ This policy is not supported by health agencies or tobacco control organizations, as it shifts responsibility away from those who profit from the recruitment of young smokers and onto the young victims. Nonetheless, two provinces (Nova Scotia⁷⁶ and Alberta⁷⁷) have adopted legislation to this effect, following proposals made by private members (i.e. not Health Ministers).

RETAILERS WILLINGNESS TO SELL TO UNDER-AGED SMOKERS, AGED 15-17 1996-2009⁷⁸



⁷⁴ Health Canada. Evaluation of retailers' behaviour towards certain youth access-to-tobacco restrictions. Final Report Findings: 2009.

⁷⁵ ConvenienceStores.ca. National Coalition Against Contraband Tobacco Update – January 2010.

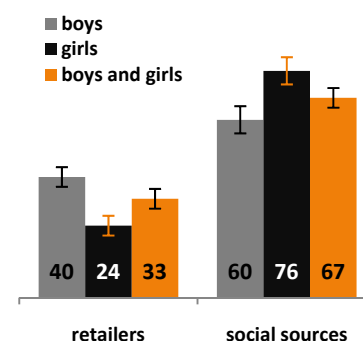
⁷⁶ Nova Scotia. Tobacco Access Act, 1993 (In force, April 15, 1994).

⁷⁷ Alberta. Prevention of Youth Tobacco Use Act. 2000 (Proclaimed April 1, 2003).

⁷⁸ Health Canada. Evaluation of retailers' behaviour towards certain youth access-to-tobacco restrictions. Final Report Findings: 2009.

SOURCES OF CIGARETTES, BY SEX, GROUPED GRADES, AND SMOKING STATUS, CANADA, 2008-2009⁷⁹

	Retail (%)	Social (%)
Total	33	67
Male youth	40	60
Female youth	24	76
Grades 6-9	15	85
Grades 10-12	40	60
Daily smoker	51	49
Occasional smoker	37	63
Experimental smoker	16	84



⁷⁹ Propel Centre for Population Health Impact at the University of Waterloo. Youth Smoking Survey, 2008-2009.

RESTRICTIONS ON SALES OF TOBACCO IN SPECIFIC PLACES⁸⁰

	Federal	Alberta	British Columbia	Manitoba	New Brunswick	Newfoundland	Northwest Territories	Nova Scotia	Nunavut	Ontario	Prince Edward Island	Quebec	Saskatchewan	Yukon
Vending machine	○						●	●	●	●	●	●		
Pharmacy		●			●	●	●	●	●	●	●	●	A	A
Hospital		●	●			●		●	●	●	○	●	●	
Healthcare facility		●	●			●		●	●	●	●	●	●	
Residential care facility		●	●			●		●	●	●	●	●	●	
Child day care									●			●		
College/University		●	●			●		●			●	●		
Grade/high school		●						●			●	●	●	
Sports/athletic facility			●			●	●	●			●	●		
Recreational facility			●			●	●	●			●	●	●	
Theatre/Cinema						●		●			●	●	●	
Library/art gallery						●		●				●		
Community centre								●						
Temporary outdoor location						●		●				●		
Bar								●				●		
Restaurant								●				●		
Gaming premises								●						
Provincial government building						●		●			●		●	
Municipal government building						●		●			●		●	
Crown corporation building						●							●	

○ Restrictions ● Ban.

A) Measures have been adopted, but are not yet in force.

RESTRICTIONS ON WHERE TOBACCO CAN BE SOLD

Several Canadian provinces have restricted the types of venues where cigarettes can be sold. No provinces have yet restricted the number of tobacco outlets, although these have declined in recent years.

ARTICLE 16 RECOMMENDATIONS:

- Canada should ban cigarette vending machines.
- Canada should increase the federal minimum age for cigarette sales from 18 to 19.
- Canada should pass a law banning the sale of candies or sweets that resemble tobacco products.

⁸⁰ Ontario Tobacco Research Unit. *The Tobacco Control Environment: Ontario and Beyond. Monitoring and Evaluation Series (Vol. 16, No. 1). Prohibition of Tobacco Sales in Specific Places: Monitoring Update.* Toronto, Ontario. OTRU, April 26, 2010.

ARTICLE 17

TOBACCO FARMING

Canadian governments have spent millions over the past twenty-five years to support the phase-out of tobacco growing. The most recent of these was implemented in the 2008-2009 fiscal year.

THE TOBACCO ‘BUY-OUT’ THAT DIDN’T

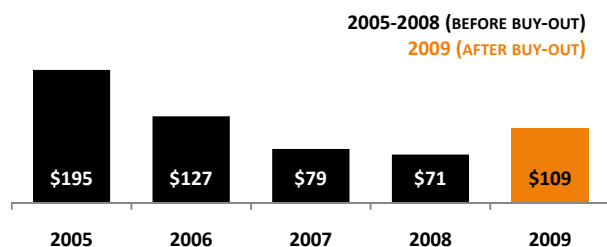
In August, 2008, the federal Minister of Agriculture and Agri-food announced that \$286 million of the monies received from tobacco companies in settlement of the claims against them for taxes owing (see discussion under Article 19) would be used to assist tobacco farmers exiting the tobacco growing business to transition to other forms of economic activity.⁸¹ The Tobacco Transition Program was immediately implemented, and by March 31, 2009, the money had been provided to tobacco farmers.

However, a loophole was built into the buy-out scheme that allowed recipients of buy-out payments to continue to work in tobacco as employees instead of owner-entrepreneurs. Beginning in 2009, many tobacco farmers took advantage of this loophole and restructured their businesses, on paper at least, so that they appeared as employees rather than owner-entrepreneurs. They continued farming tobacco, selling their tobacco on contract to tobacco companies, instead of through the previous auction system at the marketing board.

Many farmers who exploited this loophole did not, as intended, “exit the industry” but remained tobacco producers.

The federal payments arguably functioned as a subsidy to tobacco farming. The infusion of cash into the tobacco farming sector allowed farmers to restructure their businesses and reduce their overhead. Tobacco farming, struggling under debt and low prices before the transition program, became more economically viable after this large federal investment. Farmers can grow tobacco at a

FARM CASH RECEIPTS FROM TOBACCO SALES 2005-2009
(MILLIONS OF DOLLARS)⁸²



THE FCTC COMMITMENT:

✗ Promote economically viable alternatives for tobacco workers, growers and, as the case may be, individual sellers; and

Cooperate with other FCTC parties and competent international and regional intergovernmental organizations to promote these activities.

5.3 GUIDELINE RECOMMENDATION 7.1

✗ Parties should not grant incentives, privileges or benefits to the tobacco industry to establish or run their businesses.



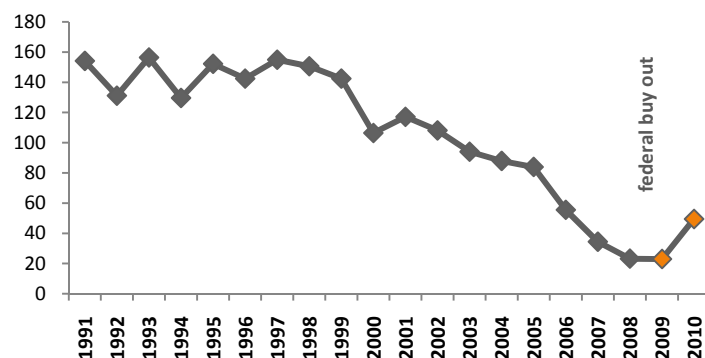
⁸¹ Agriculture Canada. Press Release. August 1, 2008. Government of Canada Delivers Real Action for Tobacco Farmers and Their Communities.

⁸² Statistics Canada. Farm Cash Receipts. May 2010. <http://www.statcan.gc.ca/pub/21-011-x/21-011-x2010001-eng.pdf>.

lower cost than would have been the case if they had not received payments that offset their capital costs. The resulting ability of tobacco manufacturers to buy cheaper tobacco was only one way that this program benefitted tobacco manufacturers. The program also involved changes to the tobacco marketing board and gave tobacco companies direct control over crops through contracts with individual farmers, something they had been requesting. These benefits to the industry are inconsistent with Article 5.3 Guidelines.

In 2010, there were 250 tobacco growers in Canada. They grew about 23 tonnes in 2008 (49 million pounds) of tobacco, **more than twice** the amount grown in the year before the exit program was implemented (23 million pounds in 2008).⁸³

MILLIONS OF POUNDS OF TOBACCO SOLD BY ONTARIO TOBACCO FARMERS, 1991 - 2009⁸⁴



ARTICLE 17 RECOMMENDATIONS:

- ▶ Strong and effective tobacco leaf supply management in Canada should be established. Regulatory controls and limits on licences to grow or handle leaf tobacco should be extended to cover imported tobacco leaf as well as domestic tobacco leaf.
- ▶ The Tobacco Transition Program should be the subject of a special audit by the Auditor General or another independent authority.

⁸³ Tobacco troubles: Crop shift up in smoke. *National Post*. May 7, 2010.

⁸⁴ 1991-2008: Ontario Flue Cured Tobacco Marketing Board, *Annual Reports*
 2009: Ontario Farmer "2009 crops looks to have good quality yet modest yields. The remaining 118 producers are hoping to meet a crop target of around 23 million pounds." September 15, 2009.
 Ontario Farmer "Annual meeting will be a different affair from all others." July 6, 2010.

ARTICLE 18

THE ENVIRONMENT

The environmental impact of tobacco growing and tobacco use have not, to date, been given priority by governments or civil society. Nonetheless, there are a number of areas where the environmental dimensions of tobacco have been given greater attention. These include:

- ▶ The identification of certain tobacco smoke constituents as chemicals for analysis under the second priority substances list of the *Canadian Environmental Protection Act*, including: isoprene, acrylonitrile and others.⁸⁵
- ▶ The introduction of a private member's bill in Ontario,⁸⁶ which would impose a maximum fine of \$3,000 for cigarette littering. The proposal has not yet been reviewed by the Ontario legislature.
- ▶ Interest in smoke-free parks and beaches to reduce exposure to cigarette smoke and to protect the natural environment from the toxins in cigarette butts. Cigarettes continue to be the most frequent source of garbage on Canadian shorelines.⁸⁷

THE FCTC COMMITMENT:

In carrying out their obligations under this Convention, the Parties agree to have due regard to the protection of the environment and the health of persons in relation to the environment in respect of tobacco cultivation and manufacture within their respective territories.

ARTICLE 18 RECOMMENDATIONS:

- ▶ Health Canada and Environment Canada should collaborate on an environmental assessment of tobacco use in Canada.
 - ▶ Governments should investigate the merits of a social marketing campaign aimed at changing the social acceptability of littering with cigarette butts and packaging.
-

⁸⁵ Environment Canada website. *Priority Substances Assessment Program Second Priority Substances list*.
<http://www.ec.gc.ca/ese-ees/default.asp?lang=En&n=C04CA116-1>.

⁸⁶ Bill 28. *the Cigarette and Cigar Butt Litter Prevention Act*, 2010.

⁸⁷ Great Canadian Shoreline Cleanup. *2009 Final Report*.

ARTICLE 19

TOBACCO INDUSTRY LIABILITY

For over a decade, Canadian governments at both the provincial and federal level have engaged in litigation efforts to recover damages from tobacco companies. The damages claimed have resulted from tax revenues lost to contraband and from the health care costs resulting from tobacco industry wrongdoing. Canadians, individually or through class action suits, have also turned to the justice system to address the wrongs committed by tobacco companies operating in Canada.

CRIMINAL PROCEEDINGS⁸⁸

Between 1998 and 2010, Canadian tobacco companies were under criminal investigation regarding their role in the 'smuggling crisis' of the 1990s.

In February 2003, the RCMP laid charges of fraud against JTI-Macdonald, some related companies and eight former corporate executives, claiming that Canada, Ontario and Quebec had been defrauded of \$1.2 billion in tax revenue between 1991 and 1996. One of the executives, Stan Smith, who was the company's vice president of sales during the period, pleaded guilty on January 5, 2006 to charges of fraud and possession of proceeds of crime. He was sentenced to two years less a day of house arrest.

Settlements with subsidiary companies of British American Tobacco and Philip Morris International were reached in July 2008. This plea bargain and civil settlement simultaneously resolved both civil and criminal claims by the federal government with the two companies. Each company pleaded guilty to a single count of "aiding" the sale of smuggling cigarettes and agreed to pay criminal fines and "civil assessments" to federal and provincial governments totaling \$1.15 billion. There were no sanctions for the individuals involved, and the terms of the settlement included only taxation related concessions, (i.e. no health-specific measures).

THE FCTC COMMITMENT:

Take legislative action, or promote existing laws, to deal with civil and criminal liability, including compensation where appropriate, for the purpose of tobacco control; and

Cooperate with and assist other FCTC parties in legal proceedings relating to civil and criminal liability.

THE GLOBE AND MAIL

Tobacco companies hit with \$1-billion penalty

Rothmans, Imperial admit guilt in U.S. smuggling scheme

BY TIMOTHY APPELBY TORONTO

Two of Canada's big three tobacco companies will pay more than \$1-billion in criminal and civil penalties for orchestrating the wholesale shipment to the United States of cigarettes that were smuggled back to this country and resold at bargain prices. The admissions of guilt drew only lukewarm praise from anti-smoking activists. Imposed

was not packed and was not stamped in conformity with the Excise Act."

However, tobacco foes voiced dismay that the scheme's architects seemed to have evaded punishment.

"We've been involved in this issue for many years and this exposes once again to the public who we've been dealing with," said François Damphousse, Quebec director of the Non-Smokers' Rights Association.



"But when you look at the executives who were behind this fraud, they're getting off scot free, and I think that's despicable," Rob Cunningham of the Canadian Cancer Society said much the same.

"It's extremely significant," he said of the agreement.

"The tobacco companies today have admitted criminal responsibility and I think they recognize they could never get away with this again. At the same time, the penalties are much less than the billions of dollars the federal and provincial governments lost through contraband and through the 1994 tax rollback on tobacco."

⁸⁸ Source Information on this section is taken from Non Smokers' Rights Association: Tobacco-Related Litigation in Canada, 2010.

In April 2010, settlements were reached with JTI-Macdonald and its former owner, RJ Reynolds Tobacco Co. Also, JTI-Macdonald and Northern Brands International (owned by RJ Reynolds Tobacco) each pleaded guilty to a contraband offence. Fines and civil payments totalled \$550 million.

Both sets of settlements were severely criticized for the secrecy in which they were negotiated, for the absence of measures to address health outcomes and the lack of sanctions against individuals for their wrongdoing.

HEALTH CARE COST RECOVERY SUITS

All Canadian provinces have passed legislation to facilitate actions against tobacco companies to recover health care costs incurred as a result of tobacco-related illnesses, but only three have filed suit to date. British Columbia first filed suit in 1998, followed by New Brunswick in March 2008 and Ontario in March 2009.

CLASS ACTION SUITS

Three class action suits have been certified and are ongoing against tobacco companies: one in British Columbia (regarding the sale of ‘light’ cigarettes) and two in Quebec, which will be heard together (one regarding addiction, the other regarding lung cancer, laryngeal cancer and emphysema).

Tobacco farmers have also filed a class action suit against tobacco companies, arguing that the industry’s actions in the 1990s which increased contraband sales deprived farmers of revenue. This suit has not yet been certified.

TOBACCO DAMAGE RECOVERY LITIGATION: STATUS OF ENABLING LEGISLATION AND FILINGS

Jurisdiction	Enabling Legislation	Date Enacted	Suit filed
Alberta	<i>Right of Recovery Act</i>	2009	
British Columbia	<i>Tobacco Damages and Health Care Costs Recovery Act</i>	1997, 1998, 2000	1998, 2001
Manitoba	<i>Tobacco Damages and Health Care Costs Recovery Act</i>	2006	
New Brunswick	<i>Tobacco Damages and Health Care Costs Recovery Act</i>	2006	2008
Newfoundland	<i>Act to Provide for the Recovery of Tobacco Related Health Care Costs</i>	2001	
Nova Scotia	<i>Tobacco Damages and Health Care Costs Recovery Act</i>	2005	
Ontario	<i>Tobacco Damages and Health Care Costs Recovery Act</i>	2009	2009
Prince Edward Island	<i>Tobacco Damages and Health Care Costs Recovery Act</i>	2009	
Quebec	<i>Tobacco-related Damages and Health Care Costs Recovery Act</i>	2009	
Saskatchewan	<i>Tobacco Damages and Health Care Costs Recovery Act</i>	2007	

INDUSTRY COUNTER CLAIMS AND OTHER TACTICS

Extensive pre-trial motions have kept litigation against tobacco companies before the courts, but have prevented the beginning of an actual trial.

Tobacco companies have energetically resisted a court resolution to the claims against them.

- ▶ They have filed extensive pre-trial motions, which have kept the British Columbia litigation before the courts for 12 years, but have prevented the beginning of an actual trial.
- ▶ They have filed 'third party notices' against the federal government, arguing that industry actions were directed by federal government policy and that any liability for harm should be the responsibility of the federal government.
- ▶ They have asked the courts to overturn the enabling legislation (British Columbia, Quebec) or the structure of the lawsuit (New Brunswick's contingency arrangement).

ARTICLE 19 RECOMMENDATIONS:

- ▶ The Government of Canada should develop and implement a strategy to assist public interest litigation efforts against tobacco companies.
 - ▶ Canada should work with other FCTC Parties to ensure that access to documents, access to people and access to assets are included in the mutual legal assistance they extend to each other.
 - ▶ Governments and courts should ensure that statements of claim in tobacco litigation include health-related remedies, including performance based requirements on tobacco companies, where procedurally appropriate.
 - ▶ Health-related remedies, including performance-based requirements to reduce tobacco use, should also be a key feature of the outcome of litigation, either through court decisions or out-of-court settlements.
-

ARTICLES 20

RESEARCH & SURVEILLANCE

Canadians benefit from an active community of researchers engaged in better understanding the personal, social and industrial contributors to smoking and ways to reduce tobacco use and the harms from it.

This community is also well served by abundant data about tobacco use behaviours.

MONITORING AND SURVEILLANCE OF INDIVIDUAL BEHAVIOURS

There are several national surveys on tobacco use in Canada, as well as many regional and provincial surveillance systems.

The **Canadian Tobacco Use Monitoring Survey (CTUMS)** is conducted by Statistics Canada on behalf of Health Canada and collects monthly computer-assisted telephone interview surveys of individuals aged 15 years and over. The sample size is targeted at 20,000, and the results are released semi-annually. Questions are asked on a range of tobacco use behaviours, including quitting efforts.

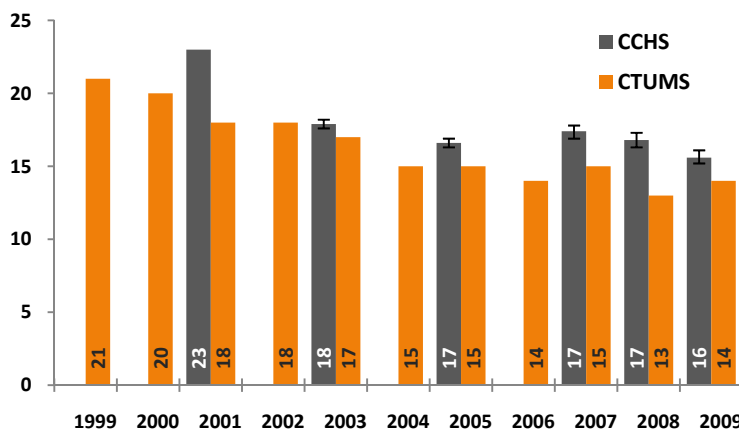
The **Canadian Community Health Survey** is administered by Statistics Canada by telephone to Canadians aged 12 and over. It is conducted annually, and reaches at least 65,000 respondents.

The **Youth Smoking Survey** is funded by Health Canada and administered by the Propel Centre for Population Health Impact at the University of Waterloo. It is conducted in school surveys of about 50,000 Canadian students in grades 6 to 12 every two years.

The **Canadian Health Measures Survey** was launched by Statistics Canada in 2007 to collect direct physical measurements of Canadians, along with accompanying household interviews. Physical measures of tobacco use and exposure to secondhand smoke are included in the behavioural and physical data collected. The first wave of results is expected to be released at the end of 2010.

THE FCTC COMMITMENT:

- ✓ Develop and promote national research, and coordinate research programs at the regional and international levels, in the field of tobacco control;
- ✓ Initiate and cooperate in the conduct of research and scientific assessments; and
- ✓ Promote and strengthen training and support for all those engaged in tobacco control activities, including research, implementation and evaluation.



**DAILY SMOKING IN CANADA
COMPARISON OF CANADIAN
COMMUNITY HEALTH SURVEY
(CCHS) AND CANADIAN
TOBACCO USE MONITORING
(CTUMS) RESULTS, 1999 -
2009**

The data collected from these varying surveillance tools collectively provide a robust, if not always identical, series of snapshots of tobacco use across Canada. This data is made available without charge to public interest researchers in a timely way.



Researchers in government, university and other institutions make tobacco related data and research available.

MONITORING OF INDUSTRY BEHAVIOUR

As discussed in reference to Article 9, Health Canada receives monthly, quarterly and annual reports from tobacco companies on a wide range of industry behaviours and product characteristics.

Almost none of this, other than annual sales data for cigarette and fine-cut tobacco, is made public in a routine way. Some information, such as results from emission tests and payments to retailers, is released on an occasional basis. Health Canada previously made public information on sales by brand, but currently refuses to make these data available.

As a result of government policy on the release of business data, the main source of business intelligence for health researchers based outside government must be acquired trade sources, such as ACNielsen, Euromonitor, and Maxwell.

The lack of ready or affordable access to information about industry marketing practices (packaging redesign, pricing, promotions to and through retailers, etc) reduces the evidentiary base available to health researchers.

Current government policy does not reflect the benefits that could be achieved through better public disclosure.

SOURCES OF INFORMATION ON SMOKING IN CANADA

Health Canada.

<http://www.hc-sc.gc.ca/hc-ps/tobac-tabac/index-eng.php>

Institute national de santé publique

www.inspq.qc.ca

Ontario Tobacco Research Unit

www.otru.org

Propel Centre for Population Health Impact

www.propel.uwaterloo.ca

Statistics Canada: Health In Canada

<http://www4.statcan.gc.ca/health-sante/index-eng.htm>

Physicians for a Smoke-Free Canada

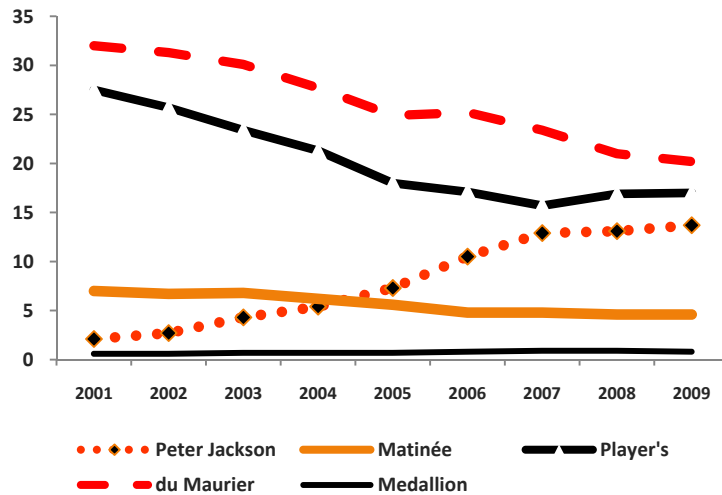
<http://www.smoke-free.ca/factsheets/>

MARKET SHARE OF MAJOR CANADIAN BRANDS, 2009⁸⁹

Brand		
du Maurier	BAT	20.2
Player's	BAT	17.0
Peter Jackson	BAT	13.7
Export A	JTI	8.4
Canadian Classics	PMI	8.2
Number 7	PMI	7.9
Matinée	BAT	4.6
Benson & Hedges	PMI	2.2
Rothmans	PMI	1.3
Macdonald	JTI	0.9
Craven A	PMI	0.9
Medallion	BAT	0.8
Mark Ten	PMI	0.8
Belvedere	PMI	0.6
Belmont	PMI	0.4
John Player	BAT	0.1
Others	Others	12.2
Total		100.0

⁸⁹ Euromonitor, 2010.

**CHANGING PROFILE OF BRAND SHARES (BAT BRANDS)
(BILLIONS OF CIGARETTES), 2001-2009⁹⁰**



RESEARCH

The Canadian Tobacco Control Research Initiative was disbanded in 2009. After 10 years of collaboration through the CTCRI, the funding partners (the Canadian Cancer Society Research Institute, the Canadian Institutes of Health Research, Health Canada and the Heart and Stroke Foundation of Canada) decided to operate individually.

ARTICLE 20 RECOMMENDATIONS:

- ▶ Canada should review whether adequate funding is available for tobacco control research conducted by university and other independent researchers.
- ▶ Canadian university-based researchers should continue to be supported by their institutions and research funders in their further research efforts on tobacco use and tobacco control.
- ▶ Canada should increase its financial support for international research on tobacco use and tobacco control.

⁹⁰ Euromonitor, 2010.

ARTICLE 21

REPORTING AND EXCHANGE OF INFORMATION

Health Canada, on behalf of the government of Canada, has provided two reports to the Conference of the Parties.

- ▶ The first (two-year) report was submitted on February 23, 2007.⁹¹
- ▶ The second (five-year) implementation report was submitted on March 10, 2010.⁹²

Each of these reports faithfully follows the template determined by the COP for reporting. In addition to filling in the template, the government has included a number of appendices that provide detail on the steps Canada has taken and a useful snapshot of the state of tobacco control at all jurisdictional levels at the time of reporting. The reports are generally accurate and complete

An important exception to the completeness of the report is the position taken by the government in response to its obligation to report on constraints or barriers encountered in implementing the Convention, and on the steps they have taken to overcome those barriers. Instead of providing detail on these barriers, the government has denied there are any.

5.4	What, if any, are the constraints or barriers, other than lack of resources, you have encountered in implementing the Convention? (Please refer to Article 21.1(b).)
	nil

As reported above, there are a number of deficiencies in FCTC implementation in Canada, including, but not limited to:

- ▶ No implementation yet of minimum labelling requirements on some tobacco products
- ▶ No renewal of tobacco warnings in 10 years
- ▶ No laws to ban the export of advertising (though in effect there are significant restrictions)
- ▶ Not preventing the sale of untaxed tobacco products
- ▶ Not implementing 5.3 Guidelines concerning conflict of interest of government officials, divestment of tobacco industry shareholdings, or Corporate Social Responsibility.
- ▶ Not sustaining budgets for national and international tobacco control
- ▶ Not persuading CIDA or other departments to include tobacco control in bilateral aid programs.

THE FCTC COMMITMENT:

Submit reports to the Conference of the Parties, including information on:

- ✓ legislative, executive, administrative or other measures taken to implement the Convention;
- ✗ constraints or barriers encountered in implementing the Convention, and on the measures taken to overcome these barriers;
- ✓ financial and technical assistance provided or received for tobacco control activities;
- ✓ surveillance and research as specified in Article 20; and information specified in Articles 6.3, 13.2, 13.3, 13.4(d), 15.5 and 19.2.

⁹¹ This report is available on the FCTC website at: <http://www.who.int/fctc/reporting/can/en/index.html> and also on Health Canada's website at <http://www.hc-sc.gc.ca/hc-ps/pubs/tobac-tabac/cop-cdp/index-eng.php>.

⁹² Available at: <http://www.who.int/fctc/reporting/can/en/index.html>.

Unlike the situation in other countries, the barriers Canada faces in implementing the FCTC are not lack of human or financial resources. Canada has more human resources available for tobacco control than many other countries, and one of the highest budgets for national tobacco control efforts.⁹³ Yet Canada has not been able to keep up with countries with fewer resources in key areas like package warnings (where, for example, Brazil, Singapore, Thailand, and Uruguay, with many fewer resources have been able to renew their warnings several times in the period that Canada has researched, but not implemented, new labelling requirements.)

The reporting instrument developed by the COP to monitor treaty implementation is not up to the task of an honest report in this sensitive area. It is understandable that government officials are not in a position to put on record the political, inter-departmental, administrative and other barriers they face in treaty implementation. This highlights the need for independent monitoring of treaty implementation and ongoing review of the reporting tool.

ARTICLE 21 RECOMMENDATION

- ▶ Canada should respond to this and other analyses of its FCTC implementation and make public the reasons it has not been able to fully implement the FCTC in accordance with the Guidelines.
 - ▶ Canada should promote the establishment of an independent compliance mechanism to monitor FCTC implementation and support improvements to the instruments for FCTC Party reports.
-

⁹³ WHO Report on the Global Tobacco Epidemic, 2009. Appendix IV - Table 4.9.

ARTICLE 22/26

COOPERATION

A CHALLENGING FINANCIAL ENVIRONMENT

Health Canada officials have, within the means provided and the operational constraints imposed, energetically worked to provide technical, financial and other forms of assistance for tobacco control through multilateral organizations, non-governmental organizations and bilateral relationships.

The financial constraints, as discussed above, have resulted in an actual reduction of cooperative activities aimed at supporting global tobacco control over the past decade. Recently imposed procedures resulted in delays to approving funding for international activities and increased the administrative burden to Health Canada of providing cooperative assistance. It has taken up to a year to process approval and receive authority for the release of financial support for some international tobacco control.⁹⁴




Canada has among the most highly trained and most experienced tobacco control experts, researchers and administrators and one of the world's healthiest economies. All that is needed for Canada to play a greater role in providing a higher level of support for FCTC implementation is financial and political support.

A STRIKING IMBALANCE

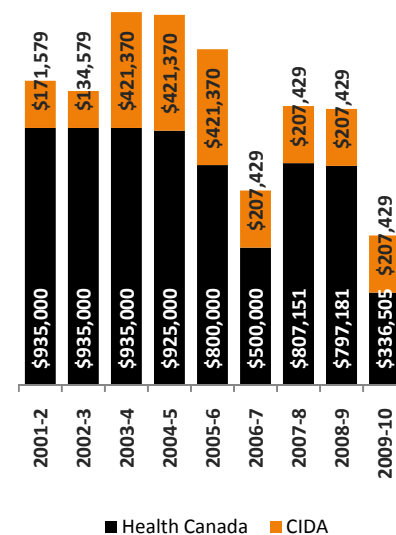
The government of Canada has not yet provided the level or type of financial resources that it has to addressing other global challenges. In 2009, Canada invested an estimated \$550 million annually in global health initiatives,⁹⁵ but only one-fifth of one percent of that money was focused on reducing tobacco use. Since ratifying the FCTC in 2004, Canada has reduced its average annual financial support for global tobacco control, while increasing support to address other preventable disease.

In the 10 years of FCTC development, Canada has not once supported the establishment of a multilateral fund or other financial instrument to support treaty implementation. The reluctance to strengthen the financial base of the FCTC is in stark contrast to the actions Canada has taken on other issues. Canada has supported over 40 multilateral financial instruments for development assistance or treaty implementation.⁹⁶

THE FCTC COMMITMENT:

-  Cooperate directly or through competent international bodies to strengthen capacity to implement the FCTC.
-  Provide financial support in respect of its national activities intended to achieve the objective of the Convention.
-  Promote, as appropriate, the utilization of bilateral, regional, subregional and other multilateral channels to provide funding for the development and strengthening of tobacco control in all countries and at the international level

CANADIAN GOVERNMENT
SUPPORT FOR INTERNATIONAL
TOBACCO CONTROL, 2001-2010



⁹⁴ Physicians for a Smoke-Free Canada, personal communication.

⁹⁵ John Kirton et al. "The Case for a Global Health Strategy for Canada." March 31, 2010.

⁹⁶ World Bank. *Global Partnership and Trust Fund Operations. Directory of Programs Supported by Trust Funds.*

Canada has also:

- ▶ Announced in 2010 that it would increase its funding to the Global Fund to Fight AIDS, Tuberculosis and Malaria by \$540 million, bringing Canada's contribution to \$1.5 billion.⁹⁷
- ▶ Announced in 2010 that it would provide \$238.4 million over 4 years to the Global Environment Facility,⁹⁸ which provides funding to support the implementation of the UN Convention on Biological Diversity, the UN Framework Convention on Climate Change, the Montreal Protocol of the Vienna Convention on Ozone Layer Depleting Substances, the Stockholm Convention on Persistent Organic Pollutants (2001) and the United Nations Convention to Combat Desertification (2003).
- ▶ Established a unilateral trust fund (with \$20 million) to support assistance to developing countries and economies in transition to build capacity for ratification of the Stockholm Convention on Persistent Organic Pollutants (POPs) and to reduce or eliminate releases of POPs from these countries.
- ▶ Provided over \$15 million in 2008-2009 to the Consultative Group on International Agricultural Research, which supports agricultural research to reduce hunger and to improve health and nutrition.⁹⁹
- ▶ Announced in 2010 that an additional \$100 million would be provided to the TB REACH program.¹⁰⁰
- ▶ Announced in 2010 a contribution of \$2.85 billion over 5 years for maternal, newborn and child health.¹⁰¹



For every dollar contributed by the government of Canada to the Global Fund to fight AIDS, Tuberculosis and Malaria, less than 1 cent is provided to fight the expansion of tobacco use, even though the burden of disease from tobacco in low and middle income countries is as great a problem.¹⁰²

97 Press Release. *PM announces significant Canadian contribution to Global Fund to Fight Aids, Tuberculosis and Malaria*. September 21, 2010. <http://www.pm.gc.ca/eng/media.asp?category=1&id=3651&featureId=6&pageId=26>.

98 Press Release. *Canada Increases Funding for Global Effort to Fight Climate Change* May 28, 2010 <http://www.acdi-cida.gc.ca/acdi-cida/ACDI-CIDA.nsf/eng/NAD-52716129-RPP>.

99 Public Accounts of Canada. *Transfer Payments*. 2008-2009.

100 CIDA. *Minister's Message*. World Tuberculosis Day. March 24, 2010. <http://www.acdi-cida.gc.ca/acdi-cida/ACDI-CIDA.nsf/eng/FRA-323153850-R2T>.

101 Prime Ministers Office. *PM announces Canada's contribution to the Muskoka Initiative on Maternal, Newborn and Child Health*. 25 June 2010. <http://www.pm.gc.ca/eng/media.asp?category=1&featureId=6&pageId=26&id=3479>.

102 Mathers, CD. *Projections of global mortality and burden of disease from 2002 to 2030*. PLOS Medicine 2006: 3(11).

There is no record of any actions taken by Canada to comply with its FCTC obligation to promote the funding of tobacco control through bilateral (i.e. CIDA), regional or multilateral channels. Unlike Australia, Canada has made no contributions beyond its minimum ‘voluntary assessed’ contribution. The delayed payment by Canada in 2010 of its FCTC dues speaks to the current challenging funding environment.¹⁰³

THE CANADIAN INTERNATIONAL DEVELOPMENT AGENCY

Despite repeated appeals from those working within and outside of government to support tobacco control as an integral part of development assistance, Canada’s main development agency, the Canadian International Development Agency (CIDA), has increasingly abandoned tobacco control. In 2009, CIDA announced that it would focus its efforts on three priority themes (increasing food security, stimulating sustainable economic growth, securing the future of children and youth). References to tobacco control, formerly identified among CIDA’s official health strategies, have been completely disappeared from CIDA’s official website.

ARTICLE 22/26 RECOMMENDATIONS:

- ▶ The Canadian government should provide long-term and sustained funding for strengthening global tobacco control. This funding should be made available for actions to implement the FCTC by the COP, the FCTC Secretariat, other Parties, non-Parties, civil society organizations and others.
- ▶ Additional funding should be provided to Health Canada’s International Health Grants Program to ensure that the financing provided by Canada as part of its “voluntary assessment” to the FCTC does not come at the cost of other international tobacco control efforts.
- ▶ CIDA should allocate funding specifically for international tobacco control and make its developing country partners aware that funding is available for relevant projects.
- ▶ The government of Canada and the Global Tobacco Control Forum should continue to work together to support global tobacco control efforts.

CANADIAN SUPPORT FOR GLOBAL CONTROL OF SELECTED PREVENTABLE DISEASES

Predicted death from tobacco use in LMICs in 2030	6,800,000 people
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Canadian Contribution 2001-2010	\$9,474,818
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Contribution per predicted death from tobacco use	\$1.39
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Predicted deaths in LMIC in 2030	
*HIV/AIDS	6,478,081 people
*Tuberculosis	609,459 people
*Malaria	639,940 people
Total	7,727,480 people

Canadian Contribution 2001-2010	\$1,500,000,000
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Contribution per predicted death from all of HIV/AIDS/ Tuberculosis/ Malaria	\$194.11
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LMIC = Low and Middle Income Countries

¹⁰³ FCTC/COP/4/.20. Interim performance report for the 2010-2011 workplan and budget.

RECIPIENTS OF GOVERNMENT OF CANADA CONTRIBUTIONS TO GLOBAL TOBACCO CONTROL (2001-2010)

HEALTH CANADA (BY FISCAL YEAR)

2001-2002	\$935,000
Pan American Health Organization	200,000
World Health Organization (FCTC)	350,000
World Health Organization (TFI)	35,000
WHO (WPRO)	100,000
International Development Research Centre - RITC	250,000
2002-2003	\$935,000
Pan American Health Organization	200,000
World Health Organization (FCTC)	375,000
WHO (TFI)	60,000
WHO (WPRO)	30,000
International Development Research Centre - RITC	250,000
Canadian institutes for Child Health	20,000
2003-2004	\$935,000
Pan American Health Organization	200,000
World Health Organization (FCTC)	375,000
HealthBridge	25,000
International Development Research Centre - RITC	275,000
Ministry of Health Jamaica	60,000
2004-2005	\$925,000
International Development Research Centre - RITC	275,000
Pan American Health Organization	150,000
Canadian Public Health Association	80,000
Canadian Public Health Association	38,000
World Health Organization (TFI)	382,000
2005-2006	\$800,000
Canadian Global Tobacco Control Forum (CPHA)	190,000
Pan American Health Organization	150,000
International Development Research Centre - RITC	160,000
World Health Organization (FCTC)	300,000
2006-2007	\$500,000
HealthBridge	54,172
International Development Research Centre - RITC	207,170
Canadian Global Tobacco Control Forum (CPHA)	238,658
2007-2008	\$807,151
Canadian Global Tobacco Control Forum (CPHA)	212,184
HealthBridge	43,392
Pan American Health Organization	134,165
World Health Organization	225,000
Canadian Lung Association	28,159
Other	114,000
Global Dialogue for Effective Stop Smoking Campaigns (PSC)	50,250.94
2008-2009	\$797,181
Canadian Global Tobacco Control Forum (PSC)	797,181
2009-2010	\$336,505
HealthBridge	88,705
Physicians for a Smoke-Free Canada (for IAHF)	48,000
World Health Organization	99,999
World Health Organization	99,800

CANADIAN INTERNATIONAL DEVELOPMENT AGENCY (BY GRANT PERIOD)

2001-2002	
Support to NGO participation at FCTC meetings (PSC)	\$37,000
2002-2003	
Support to NGO participation at FCTC meetings (PSC)	\$104,000
2006-2010	
Support to Tobacco Control in Brazil (HealthBridge)	\$829,715
2001-2003	
Tobacco Control in Bangladesh (HealthBridge)	\$165,764
Tobacco control in Vietnam (HealthBridge)	\$103,393
2003-2006	
South to South Collaboration on tobacco control (HealthBridge)	\$1,264,109

THE GLOBAL TOBACCO CONTROL FORUM

This report is endorsed by:

Canadian Cancer Society

Canadian Public Health Association

Coalition québécoise pour le contrôle du tabac

HealthBridge

Heart and Stroke Foundation of Canada

Non-Smokers' Rights Association

Ontario Campaign for Action on Tobacco

Physicians for a Smoke-Free Canada