

# Many Reasons

## to celebrate the end of tobacco sponsorship

After October 1, 2003, tobacco companies will no longer be able to use arts and sporting events to advertise their cigarette brands. On that date, the sections of the federal Tobacco Act (1997) which exempted these activities from the general prohibition on lifestyle advertising of cigarettes cease to be in effect.

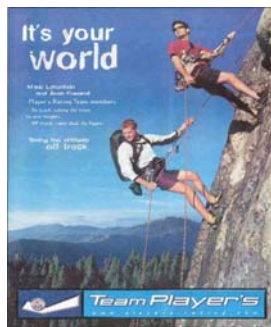
Tobacco companies will be allowed to give money to sporting and arts events – but they will no longer be able to display their brand names, logos or other recognizable promotions either on the site of the events or in posters, advertisements or other promotions.

This date marks the beginning of the full implementation of the advertising provisions of Canada's Tobacco Act. The first wave of sponsorship restrictions were implemented on October 1, 2000, when billboards and retail displays were no longer permitted. Since that date, the rate of smoking among Canada's youth has dropped from 25% to 22% - approximately 60,000 fewer teenagers smoke.

### 1 Tobacco sponsorship is just a way of selling cigarettes.

Canadian tobacco companies started using sponsorships to advertise cigarettes after Parliament first banned cigarette advertisements in 1988. By exploiting a loop-hole in the law (which banned brand name sponsorships, but did not ban corporate sponsorships which used cigarette brand names, like Player's Racing Ltd.), the companies replaced their conventional advertising with sponsorship ads which looked (and worked!) very much like the ads which had been banned.

The Quebec Superior Court judge who presided over months of testimony and thousands of pages of exhibits concluded that tobacco sponsorship was advertising: "Conventional advertising and sponsorship serve the same purpose for tobacco companies."<sup>1</sup>



**Left:** Player's cigarette promotion before cigarette ads were banned (1988)

**Right:** Player's sponsorship promotion after cigarette ads were banned (2000)

The colours, the mountains, the imagery remained the same – as did the objective of increasing tobacco sales.

## 2

### Sponsorship advertising increases smoking – especially among youth.

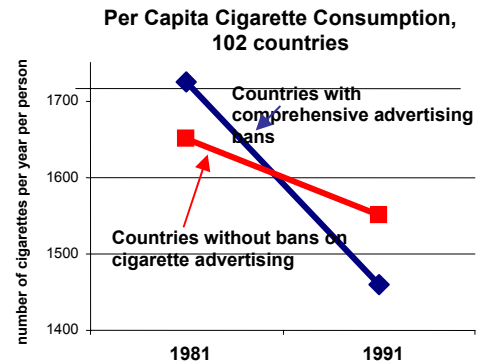
“ 527 Fact: there is incontrovertible evidence that advertising and sponsorship encourage people, especially adolescents, to consume tobacco products.”

- Judge André Denis, 13 December 2002  
*Striking down the challenge to the federal Tobacco Act.*

There is no question that cigarette advertising leads to higher levels of smoking. Many scientific reviews and government authorities have reached this conclusion.

The importance of banning cigarette advertising is so widely accepted that the 192 countries which are members of the World Health Organization agreed this year that “a comprehensive ban on advertising, promotion and sponsorship would reduce the consumption of tobacco products.”

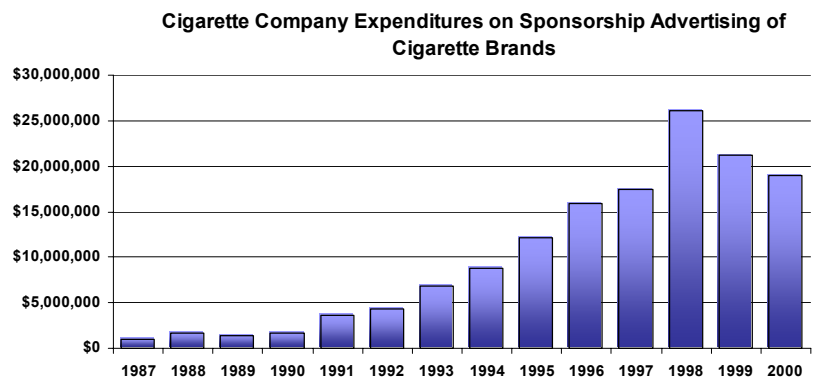
A study conducted for the World Bank reviewed the impact of the presence of cigarette advertising in 102 countries, and found that countries with comprehensive bans (such as those that also banned sponsorship advertising) had less smoking.<sup>2</sup>



## 3

### Tobacco companies have used sponsored groups to avoid bans on cigarette promotions for 15 years – the last of three postponements is coming to an end.

In 1988, Tobacco companies found a loophole in Canada's first tobacco law, and created shell companies to continue sponsoring. Using this loop-hole, they expanded their sponsorship advertising budgets by over 700% in only 5 years.



By the time the second tobacco law was passed in 1997, the number of groups who felt dependant on tobacco sponsorship had grown to the extent that Parliament was no longer willing or able to reinstate a strengthened version of the ban on promotions. The 1997 law originally gave groups three years to find new sponsors - but after intensive lobbying by tobacco-funded groups the law was amended in 1998 to extend the reprieve. Sponsored promotion was allowed until October 1, 2003 (with some restrictions coming into effect on October 1, 2000).

# 4

## **By ending the export of tobacco advertising, Canada will be a more responsible global citizen.**

This spring (May 2003), the World Health Organization and its member countries approved a new global tobacco treaty (the Framework Convention on Tobacco Control), which is designed to help prevent the spread of tobacco-addiction from wealthy developed countries to the developing world.

This treaty calls on all countries to stop exporting tobacco advertising – especially through car races and other international sporting events. Canada was a leader in negotiating this global treaty. By refusing to allow international tobacco events to continue, Canada is leading by its good example.

# 5

## **Canada can now help other countries resist the pressure to allow tobacco sponsorship.**

High-pressure tactics are used by tobacco companies to persuade governments to allow sponsorship advertising of cigarette brands to continue. Often, governments refuse to cave in to the pressure, and the bans are maintained. Britain and France are two countries where the government has refused to allow tobacco brands to be displayed during car races (and the events have not been withdrawn). Other countries (like Belgium and Australia) have succumbed to the pressure to make exceptions to their laws.



*In France and Britain, cigarette names may not be displayed – even during Formula races.*

Canada is one of a very small number of countries where events have been withdrawn as a result of advertising bans. As regrettable as this is, it does create an opportunity for Canada to strengthen global solidarity of governments facing such pressures.

Canada has been dropped from the 2004 Formula 1 calendar; commitments have been made to add races in Bahrain (April 2004) and Shanghai (October 2004) and Turkey (2005). Grand Prix tracks are currently being built in these locations, even though all three countries have laws that ban tobacco sponsorship.

The pressure is on these countries to make exceptions to these laws to allow tobacco advertising at their new Grand Prix races. Canada can do more than just put its own house in order. It can help Bahrain, China and Turkey resist pressure to suspend public health measures.

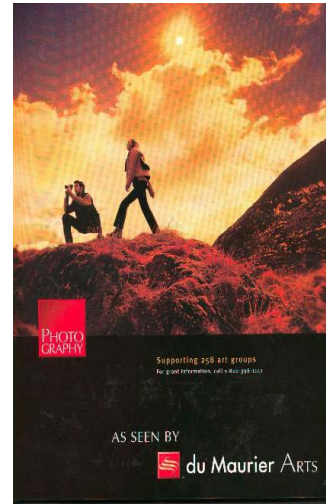
## 6 Tobacco industry “philanthropy” will be exposed as less-than-average corporate giving.

Because tobacco companies spend so much on promoting their sponsorships, it is sometimes thought they are relatively generous companies. This is not the case.

In fact, Imperial Tobacco (the only tobacco company to make its donations public) gives **less** to charities than the average Canadian corporation. IMAGINE, a Canadian organization which promotes corporate giving, reports that the average Canadian company donates 1.03% of corporate pre-tax profits to charity.<sup>3</sup> Imperial Tobacco gives only 0.86%.<sup>4</sup>

Tobacco companies spend significantly more advertising their donations to arts and sporting events than the amount of the donations. Documents presented in court during the industry challenge to the Tobacco Act revealed that Imperial Tobacco gave only \$39,000 in donations to photographic arts, but spent 28 times that much (\$1.1 million) advertising its gift.<sup>5</sup>

A National Post survey of top individual and corporate donors last year showed that each of Canada's top-ten individual philanthropists gave away more than Imperial Tobacco, and that Imperial Tobacco did not even make the list of the ten most generous Canadian companies.<sup>6</sup>



***In the same year that Imperial Tobacco spent \$1.1 million promoting its sponsorship of photography, it only donated \$39,000 to photographic arts***

## ENDNOTES

<sup>1</sup> Judge Andre Denis. Ruling on JTI Macdonald vs. AG Canada, para. 290.

<sup>2</sup> Henry Saffer, "Tobacco Advertising and Promotion" in Prabhat Jha et al. "Tobacco Control in developing Countries. Oxford University Press, 2000.

<sup>3</sup> Imagine. Quick Facts. [http://www.imagine.ca/content/resource\\_centre/statistics.asp?section=resources](http://www.imagine.ca/content/resource_centre/statistics.asp?section=resources)

<sup>4</sup> In 2001, Imperial Tobacco reported that it donated \$8.35 million (including roughly \$2 million to the Arts), which represents only 0.86% of its profits for that year (\$967 million).

<sup>5</sup> Judge Andre Denis. Ruling on JTI Macdonald vs. AG Canada, para. 290, December 13, 2002

<sup>6</sup> National Post. "Who gives: Canada's top philanthropists." December 2, 2002. The top corporate givers were: Canadian Imperial Bank of Commerce, RBC Financial Group, BMO Financial Group, Scotiabank, TD Bank, Microsoft, Canadian National Railway, GlaxoSmithKline, Telus, Petro Canada, Bombardier Inc.



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