

Quebec sues tobacco industry for Can\$60 bn (Update)

June 8 2012

The Canadian province of Quebec announced Friday that it is suing tobacco giants for more than \$60 billion dollars in a bid to recover health care costs associated with smoking-related illnesses.

The lawsuit targets the Canadian tobacco companies and their parent companies abroad and seeks damages related to the cost of treating patients from the 1970s until 2030, Quebec Justice Minister Jean-Marc Fournier said.

"These manufacturers neglected to warn consumers, including children and teenagers, about the harmful aspects of their products," Fournier said, blasting the tobacco industry for targeting young people in ad campaigns.

Big Tobacco had anticipated the filing, with Donald McCarty, Imperial Tobacco Canada's vice president of law, immediately condemning the move as a "cash grab" by the provincial government.

McCarty said the Quebec administration was "looking to score political points while conveniently forgetting that it has been a senior partner in the tobacco industry for decades.

"Governments have licensed us, have taxed us and our consumers, and have regulated us, all in full knowledge of the risks associated with tobacco use," he said.

Ontario, British Columbia, New Brunswick and Newfoundland have already launched similar lawsuits but Quebec's, for more than 60 billion Canadian dollars (58 billion US dollars), is by far the biggest so far.

Nova Scotia, Prince Edward Island, Saskatchewan and Manitoba are to file suits shortly, and Alberta has indicated it will also seek damages.

The Canadian Cancer Society said hefty settlements granted to state governments that have sued tobacco giants in the United States convinced Canadian provinces to go after the industry.

"In my mind it's not a question as to whether provincial governments are going to win, but by how much," Rob Cunningham, a senior policy analyst at the Canadian Cancer Society in Ottawa, who is also a lawyer, told AFP.

"We've seen the US experience, where state governments had similar medicare costs recovered in lawsuits and they have, through settlements, obtained 245.5 billion dollars payable over 25 years," said Cunningham.

Quebec Health Minister Yves Bolduc said illnesses from smoking included not only lung cancer but other cancers, in addition to heart disease and underweight births.

Bolduc defended the decision to include future health care costs in the lawsuit, saying: "The costs associated with these illnesses over many years has placed an extremely high financial burden on the health system."

Other provinces that have filed have sought future health care costs as well, Cunningham pointed out.

Defendants in the lawsuit were listed as British American Tobacco --

which includes its subsidiary Imperial Tobacco Canada -- along with Rothmans, Philip Morris and R.J. Reynolds.

Imperial Tobacco Canada said the government was hypocritical.

"This action is even more duplicitous when one considers the major role played by the government of Quebec and the governments of other provinces in the sale of other products for which the risks are well known, including alcohol and gambling," the company said.

Separately, another lawsuit seeking 27 billion Canadian dollars, filed by nearly two million Quebecers, is being heard in Montreal.

The citizens' suit says Imperial Tobacco Canada, Rothmans, Benson & Hedges, and JTI-Macdonald Corp. tried to hide critical information about the hazards of smoking.

For their part, the companies claim individuals must be accountable for their choices and it is impossible not to know the health risks associated with smoking.

But the flood of Canadian lawsuits is a sign of justice, according to the Canadian Cancer Society.

"It's a question of justice for those families who have lost a loved one, and of holding the tobacco industry accountable for their wrongdoing over many decades," Cunningham said.

"What did the industry know, when did they know about it, and what did they do or not do in response to that knowledge?"

"The allegations are serious in response to advertising to kids, denying health effects and concealing their own research," he added.

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