

# NSRA'S BACKGROUNDER ON THE CANADIAN TOBACCO INDUSTRY AND ITS MARKET

*Rothmans Inc.*



**IMPERIAL TOBACCO  
CANADA**



**JTI-Macdonald Corp.**

**Winter 2005/06 Edition**

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## **PURPOSE**

This backgrounder is the third attempt by the Non-Smokers' Rights Association to assemble the most current and sought-after information on the Canadian tobacco industry and its market in a user-friendly format. Indeed, instead of relying mostly on text, this document contains graphs, tables and pictures to make it easier for users to locate the appropriate information. This document is not meant to be a scientific review of all the available information on this subject. It is mostly designed as a practical reference tool. The information comes however from reliable sources such as Health Canada, Statistics Canada or the National Clearinghouse on Tobacco or Health. Information on the tobacco companies comes mostly from their own annual shareholder reports or websites.

The document is divided into three main sections. The first section gives a general idea of the evolution of the Canadian tobacco market for the past 15 years, mostly in terms of cigarettes sold and smoking prevalence, taking into consideration the dramatic increase in discount or value-for-money market share. The second section offers a description of the main tobacco companies in Canada and the brands they sell. The third section offers examples of front groups that the tobacco industry has set up over the years to influence public policy.

We recognize that some valuable pieces of information might be missing. However, we intend to publish an updated version of the backgrounder every year. Therefore, we will have the opportunity, with the help of our colleagues from the health community, to come up with the most complete and practical backgrounder every year.

## **QUICK OVERVIEW**

Although this document has been designed to be as user-friendly as possible, for example without extensive analysis of each graph, some might wonder why the Canadian tobacco market has fluctuated as much as it did over the last 15 years. For this reason, this section offers a brief overview of the main events that have contributed, in our opinion, to these fluctuations.

The last 15 years have been marked by the major tobacco smuggling crisis, which was instigated by the tobacco industry in the beginning of the 1990s in response to federal and provincial tobacco tax policies. Indeed, domestic sales of cigarettes dropped dramatically as Canadian tobacco exports to the United States skyrocketed from 1990 to 1993. During that period, many smokers favored the lower taxed fine-cut tobacco products, but sales nonetheless followed the same trend as cigarettes. Evidence shows that tobacco exports were shipped to duty-free warehouses in the US for the purpose of supplying smugglers.

The 1994 decision to drastically cut tobacco taxes by the federal and five provincial governments led to a complete reversal of tobacco shipments to the domestic and export markets. Domestic shipments rose while exports dropped sharply. Ontario and Quebec, with more than 60% of the Canadian population, were the provinces hardest hit by the tax rollback with prices slashed by half.

The smuggling market and subsequent tax reduction led to an important decrease in federal and provincial government revenues. Public health gains made by lowering smoking prevalence in the adult population during the 1980s ground to a halt while teenage smoking increased, a major concern since the great majority of smokers start when they are teens. The situation was exacerbated when the Supreme Court of

Canada struck down, in 1995, key provisions of the Tobacco Products Control Act, the previous federal tobacco legislation, which banned tobacco advertising.

Since then the health community fought for the passage of the Tobacco Act (1997), which restricts tobacco advertising and banned sponsorship as of 2003. In 2000, new regulations were introduced that forced tobacco companies to print a picture-based health warning system on their packages. Provincial and municipal governments have also introduced more effective smoking restrictions. Tobacco taxes were also gradually increased, with governments becoming far more aggressive. More substantial funding has also been dedicated lately to tobacco control, although substantial portions of the federal funding that was announced in April 2001, has been withheld.

In our opinion, the combined effect of all these new measures has contributed to a decline in smoking prevalence among adult and teenage populations. Domestic cigarette sales have followed the same downward trend since 1996.

However, it is disturbing to note that, although smoking prevalence rates have fluctuated in the last 15 years, the big three tobacco manufacturers were always able to regularly increase their profits, even in the face of the decline in sales (see sections on the companies). The rise of discount brands has begun to cut into profit margins, but tobacco manufacturing is still incredibly profitable. This trend of producing record profits was achieved by regular manufacturer price increases. Many of these increases occurred at the same time as governments increased taxes so that consumers would not be aware of the industry's strategy. By doing so, the tobacco companies knew that they could generate more profits even though their market continues to shrink.

### **The growth of the 'discount' cigarette market**

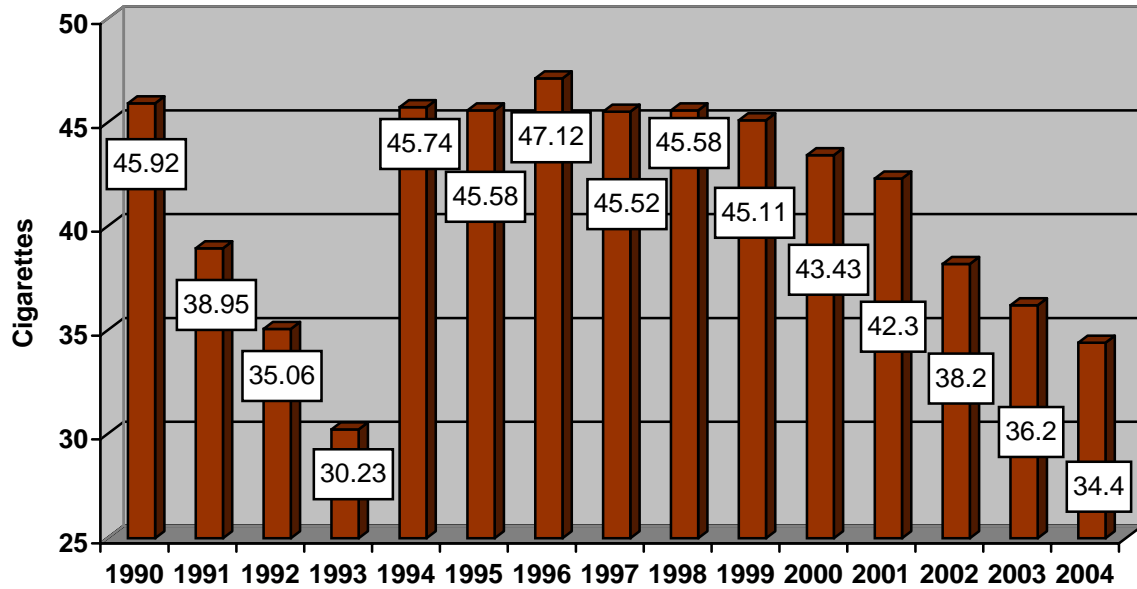
From 2002 to the present day, 'discount' or 'value-for-money' cigarette brands have steadily increased in market share in Canada. Discount brands such as Number 7, Peter Jackson and Matinée, selling at \$10-\$12 less per carton (\$1.25-\$1.50 per pack) than 'premium' brands – such as du Maurier, Export 'A' and Benson & Hedges – now make up nearly half of Canada's cigarette market. From 2003 to 2005, the market share for discount cigarettes increased from 10% to 40%. It appears as though discount brands are here to stay. Rothmans, Benson & Hedges' (RBH) attempt to increase the price of their discount brands, seems to have backfired. In 2005, JTI-Macdonald re-launched their Macdonald Special brand, pricing it even lower than the discount brands being sold by Imperial Tobacco and RBH. The brand, which had previously been priced in the premium segment, features a maple leaf on packages sold outside Québec and a fleur-de-lys inside Québec.

Although price is perhaps the number one determining factor for how much people smoke, tobacco control professionals should not necessarily be alarmed by the growing market dominance of discount cigarettes in Canada. The rise in popularity of discount brands may in fact help in our efforts to curb cigarette consumption, so long as governments occupy the price room with tax increases.

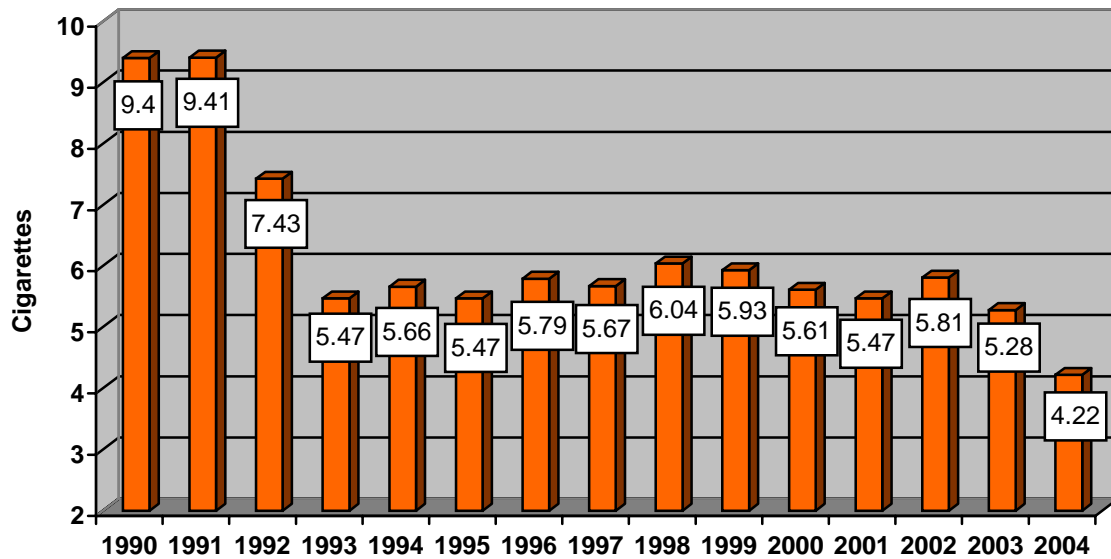
Because of the increasing market share of cheap tobacco products in Canada, we've added a new section on discount cigarettes in this report (page 11). We will continue to watch this new segment of the market closely. For more detailed analysis, please refer to "Discount cigarettes and other cheap tobacco products" available on our website: [www.nsra-adnf.ca](http://www.nsra-adnf.ca)

# TOBACCO MARKET

Domestic cigarette sales (in billions of cigarettes)

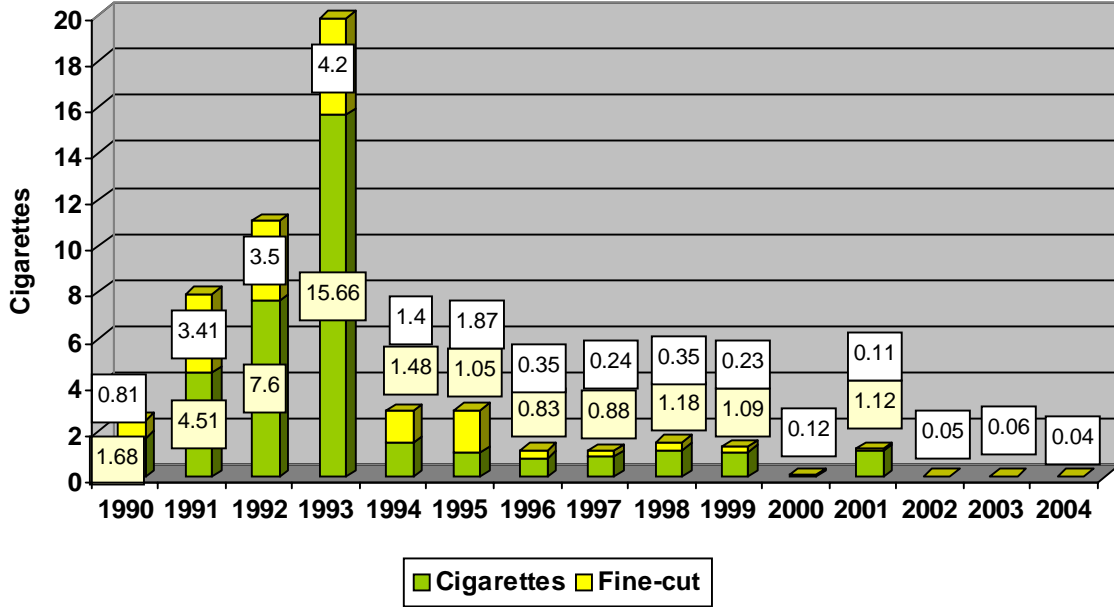


Domestic fine-cut sales  
(in billions of cigarette equivalents: 0.7 gr = 1 cigarette)

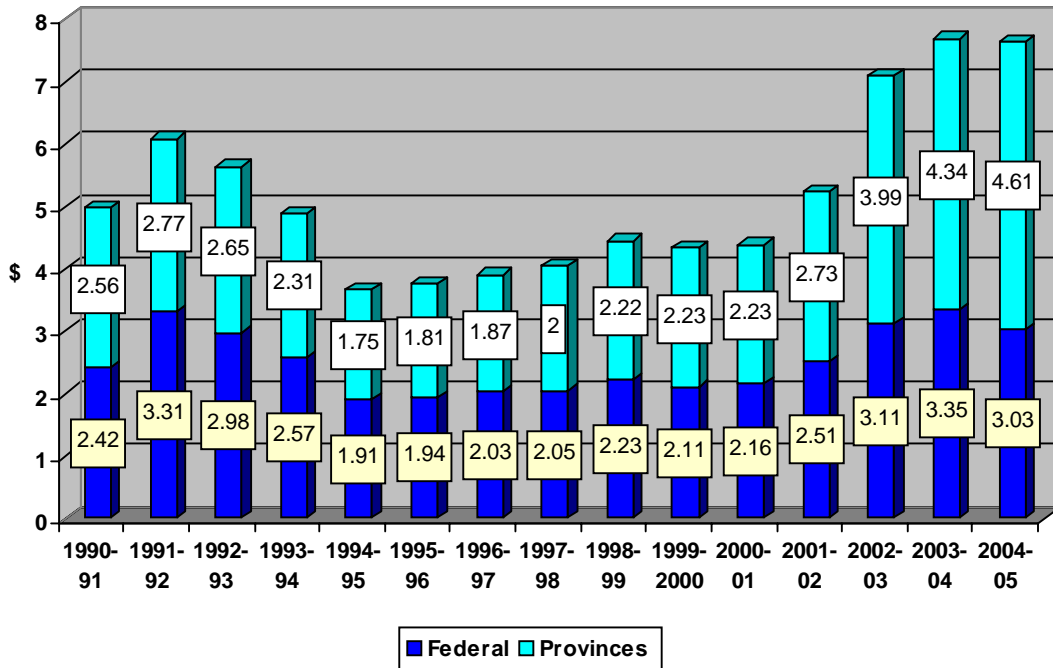


**Cigarette\* and fine-cut exports (in billions of cigarettes: 0.7 g = 1 cigarette)**

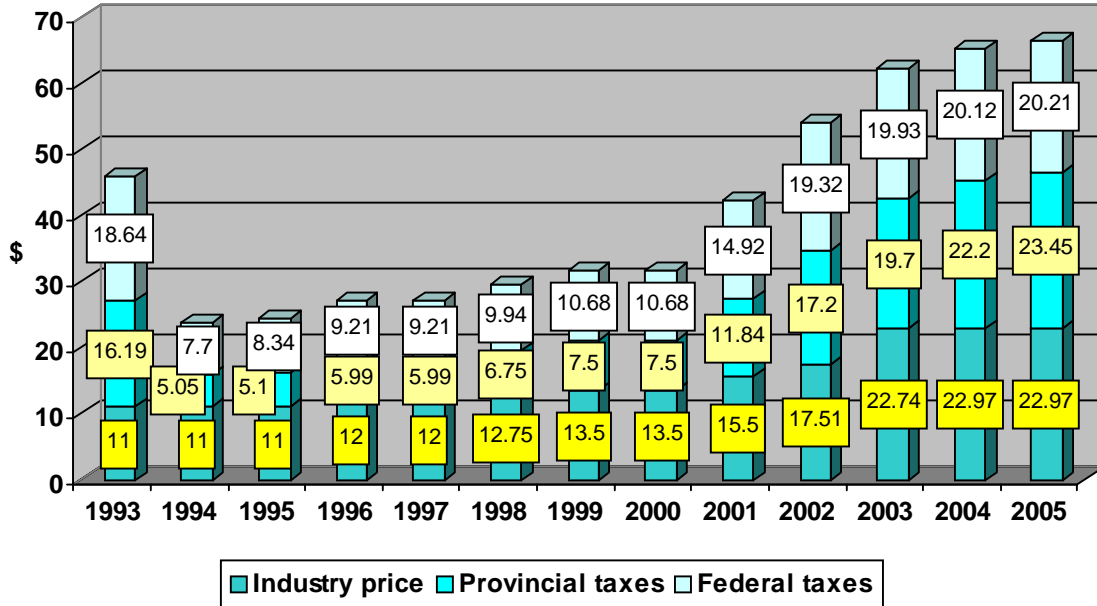
\*because only one or two companies are exporting cigarettes en masse, Statistics Canada has stopped releasing data for the time being, citing confidentiality reasons



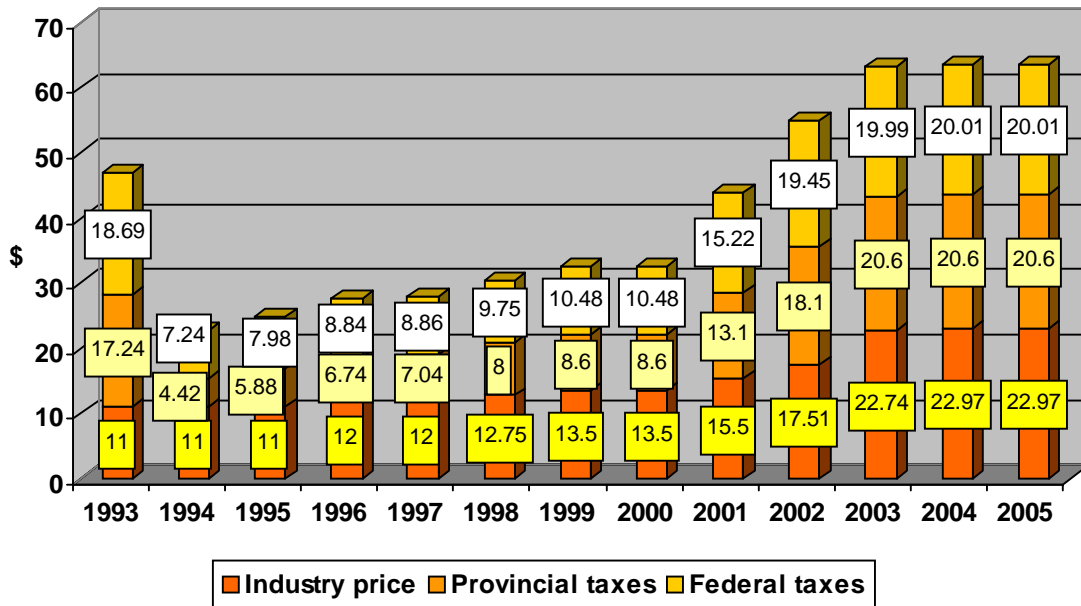
**Federal and provincial tax revenues (in billions of dollars)  
(This graph does not include GST and provincial sales taxes)**



**Taxes per carton of 200 cigarettes in Ontario (includes provincial sales tax and GST)**

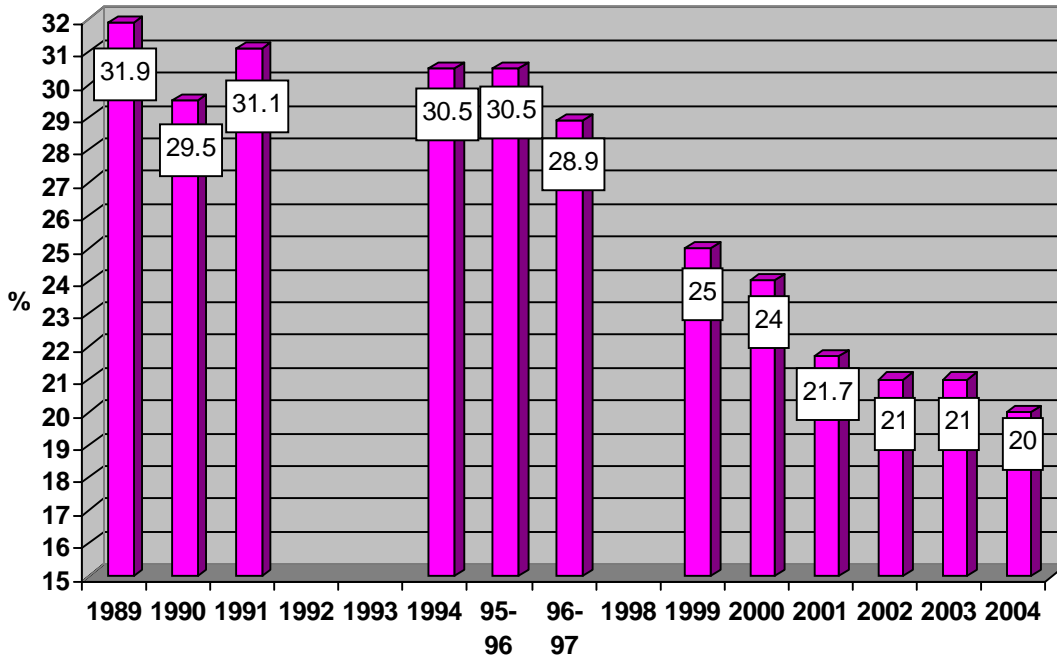


**Taxes for a carton of 200 cigarettes in Quebec (includes provincial sales tax and GST)**

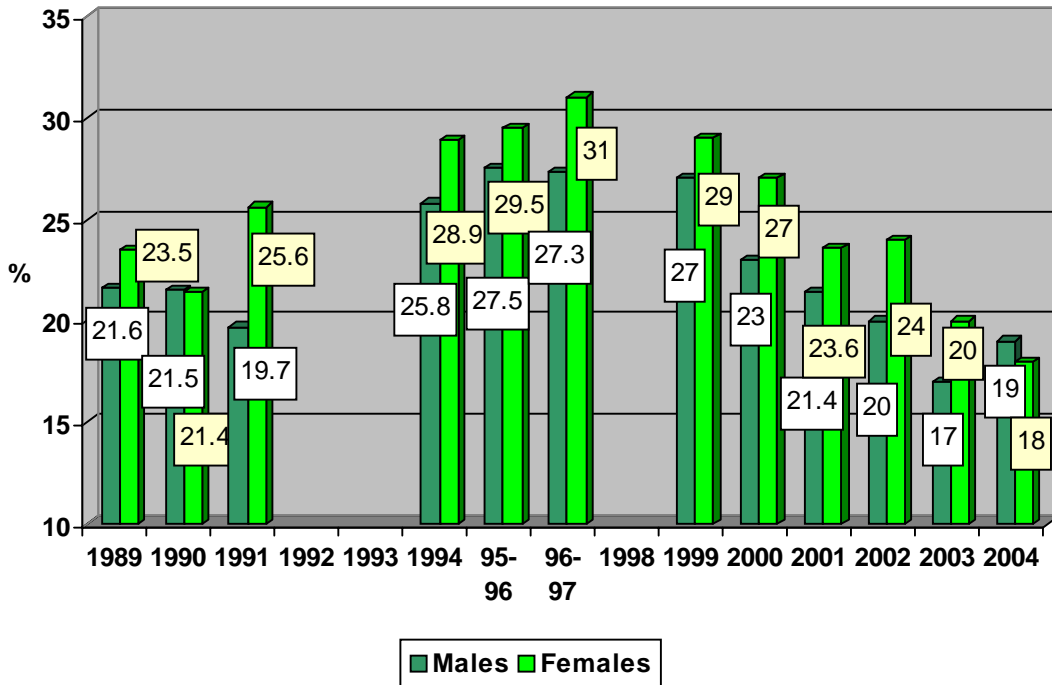




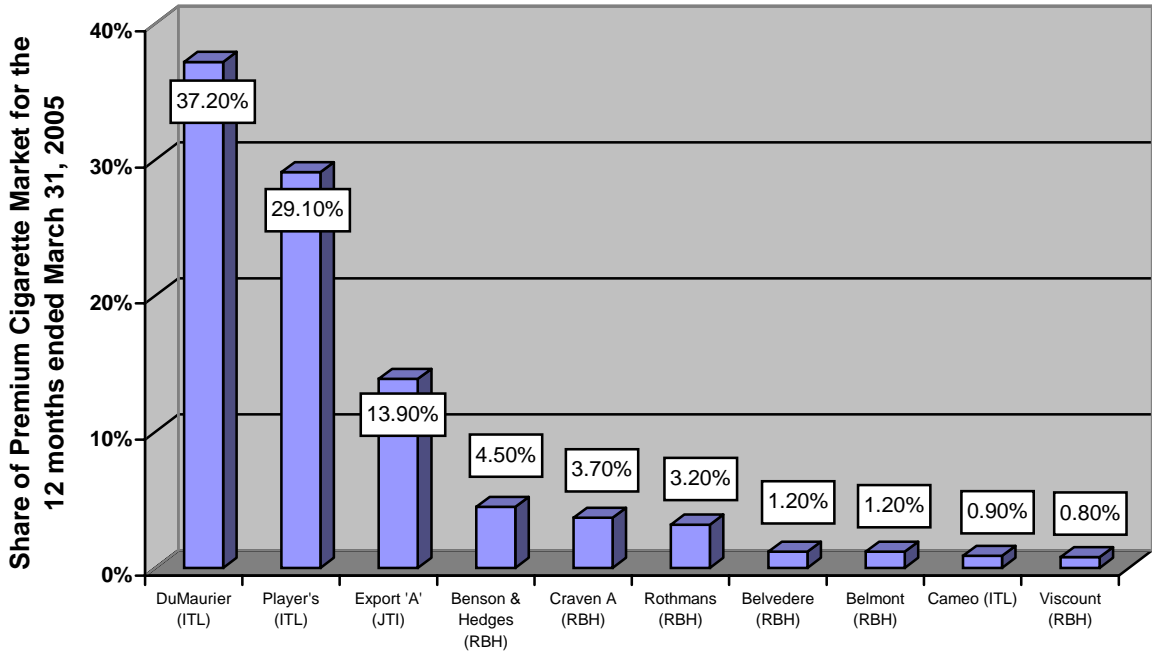
Smoking prevalence in Canada (15 years and +)



Smoking prevalence in Canada (15 to 19 years old)

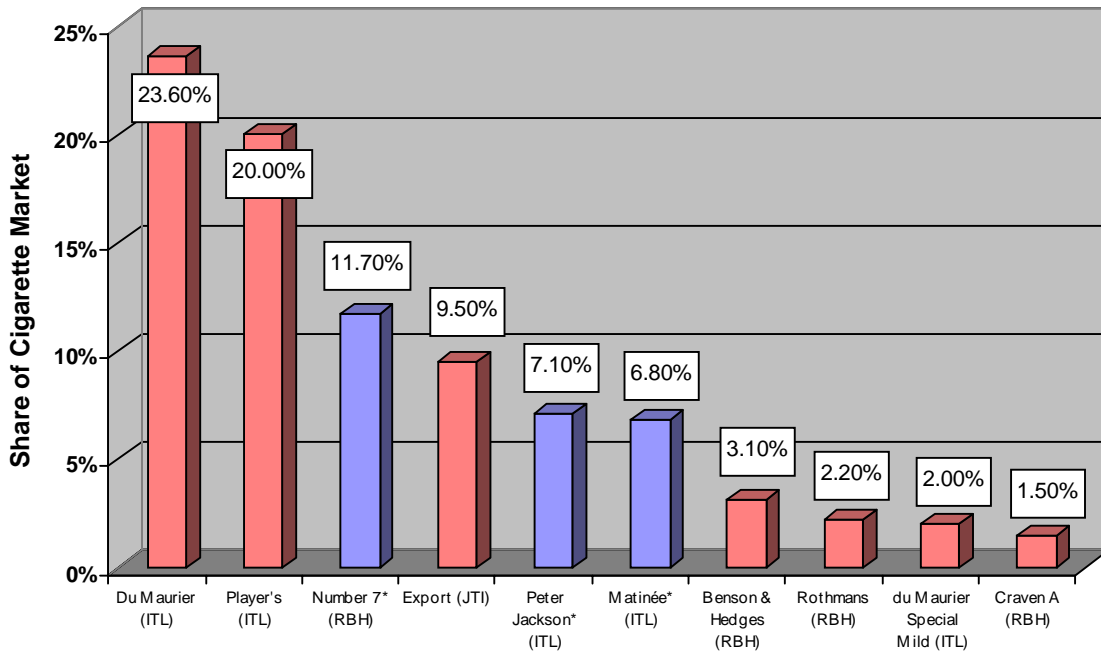


**Top 10 premium cigarette brands in Canada accounting for over 95% of domestic premium cigarette shipments by Cdn. manufacturers in fiscal 2005**



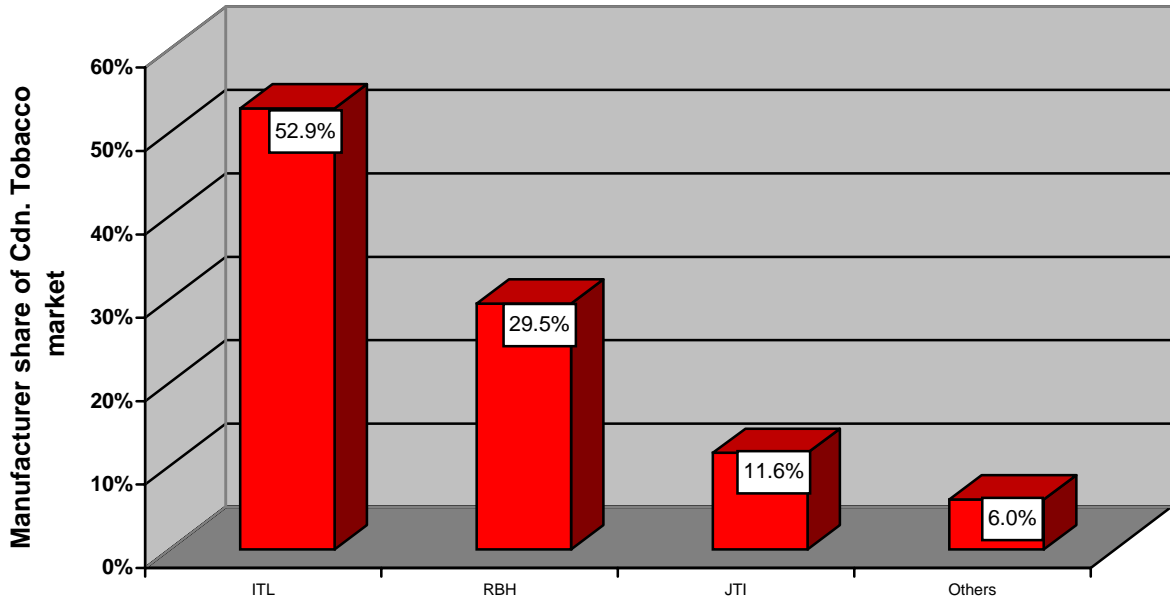
**Top 10 cigarette brands in Canada in the year ending Dec. 31, 2004**

\* symbol and blue colour indicates a discount or value-for-money brand

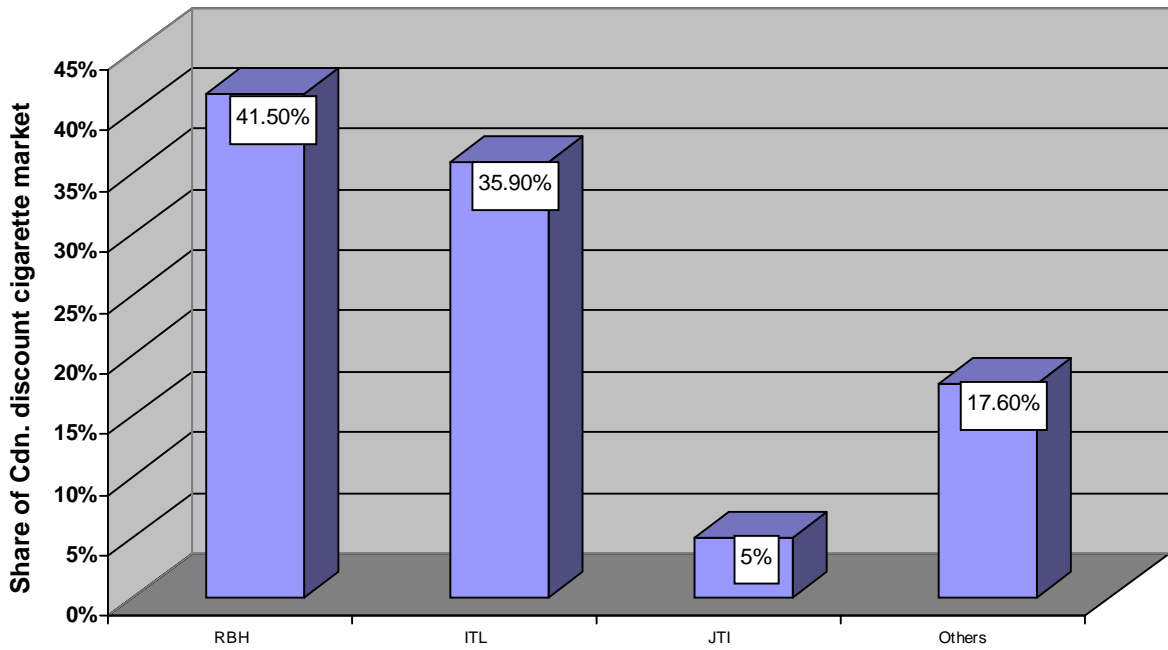


**Overall manufacturer share of Canadian tobacco market  
for fiscal year-end 2005**

(includes shipments of cigarettes, roll-your-own, and tobacco sticks)



**Manufacturer share of domestic discount cigarette market for 12 months  
ended March 31, 2005**



## The 'discount' cigarette market in Canada

Until a couple of years ago, virtually all cigarette brands in Canada were sold at the same price. There were variations between provinces, but that was only because tax rates were different from province to province.

In the last couple of years, a large number of 'discount' or 'value-for-money' brands have been launched. At first, these were all brands manufactured by small, upstart companies – often cottage operations using second-hand equipment. By the end of 2002, these small companies had almost 8% of the Canadian market. In early 2003, major manufacturers decided to move into the discount sector, led by Rothmans, Benson & Hedges (brands: Number 7, Canadian Classics), followed quickly by Imperial Tobacco (brand: Peter Jackson). In May 2004, Imperial Tobacco slashed prices on its third-largest brand, Matinée, effectively making it a discount brand also. Amongst all the discount brands sold by Canada's Big 3 manufacturers, JTI's Macdonald Special is currently the cheapest on the market.

As a result of these trends, a substantial part of the Canadian market (about 40%) is now made up of discount brands, selling at \$10-12 less per carton (\$1.25-\$1.50 per pack of 25) than premium brands. Product display 'power walls' across the country are now covered with price signs.

Currently, the Big 3 manufacturers' most popular discount cigarettes are:

**RBH:** Number 7 (32.7%<sup>\*</sup>), Canadian Classics (9.7%), Mark Ten (3.8%)

**ITL:** Matinée, Peter Jackson, Medallion

**JTI:** Macdonald Special, Vantage

Discount cigarettes and the increase in small, upstart companies, has created more price competition in the Canadian tobacco industry, which had for decades operated as an oligopoly.

Other medium-sized competitors in the discount cigarette market include Grand River Enterprises, Tabac ADL Tobacco, and Bastos du Canada. There are also several smaller competitors that produce low-cost cigarette brands, such as Lanwest Technologies, Dynasty Tobacco, Lépine, and Tabac Tabec.

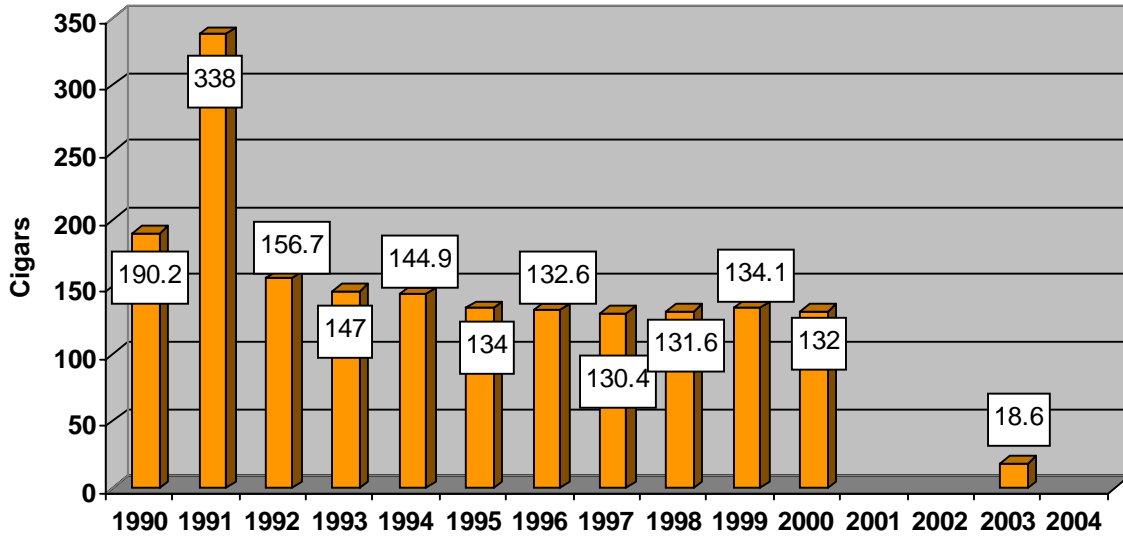
It is worth noting that Grand River Enterprises, located on the Six Nations Reserve near Brantford, Ontario, is now the third or fourth largest cigarette manufacturer in Canada, producing about as many cigarettes as JTI-Macdonald, which has 11.6% of the Canadian domestic tobacco market. However, since the vast majority of Grand River Enterprises' cigarettes are exported to the U.S. market, and, because the company is not traded publicly, it is hard to get a precise grasp on its financial performance and production levels.

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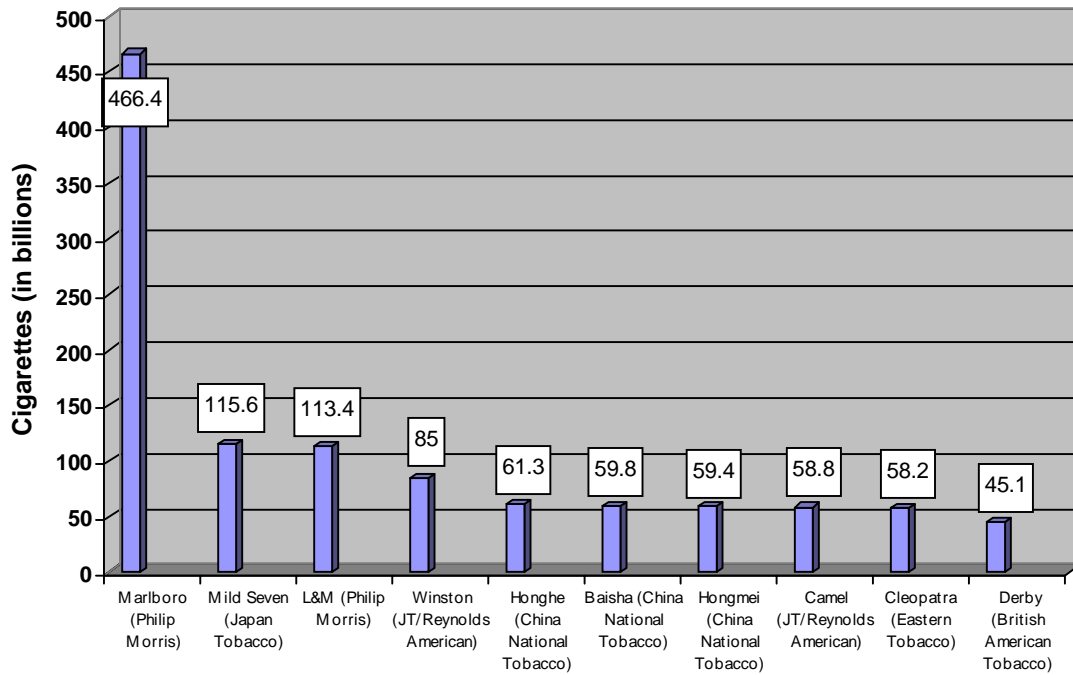
\* per cent of company's total sales volume

### Domestic cigar sales (in millions of cigars)

\*because only one or two companies are selling cigars en masse, Statistics Canada has stopped releasing data for the time being, citing confidentiality reasons



### Top 10 cigarette brands worldwide (2004 year-end)





**Imperial Tobacco Canada is the largest Canadian tobacco company. It was founded in June 1908 following the acquisition of the American Tobacco Company of Canada. Two of the American Tobacco Company's holdings, D. Ritchie & Co. and the American Cigarette Co., became the basis of operation for Imperial Tobacco Canada. It is a subsidiary of British American Tobacco, the world's third largest tobacco company. Imperial's most popular cigarette brands on the market are du Maurier, Player's and Matinée.**

## LOCATION

### Head office address

3711 St-Antoine  
Montreal, Quebec  
H4C 3P6  
Telephone: (514) 932-6161  
Fax: (514) 932-2695  
Website: [www.imperialtobaccocanada.com](http://www.imperialtobaccocanada.com)



### Sales offices

Richmond Hill, Ontario  
Laval, Quebec  
Richmond Hill, Ontario  
Calgary, Alberta

## OFFICERS



**Benjamin Kembell**  
President and CEO

**Luis Andres Barros**, Vice-President, Operations  
**Sunil Panray**, Vice-President and Chief Financial Officer  
**Pierre Fortier**, Vice-President, Corporate Affairs  
**Jeffrey I. Guiler**, Vice-President, Marketing  
**Alan Himmer**, Vice-President, Human Resources  
**Donald R. McCarty**, Vice-President Law, General Counsel  
**Christian Trépanier**, Controller  
**Harry Steinbrenner**, Assistant Controller  
**Caroline Ferland**, Assistant Secretary

## BOARD OF DIRECTORS

<u>Name</u>	<u>Principal occupation</u>
R. Donald Brown, Québec	Non-Executive Chairman of the Board of Imperial Tobacco
Benjamin Kemball, Québec	President and Chief Executive Officer of Imperial Tobacco
Thomas Gillespie, Québec	President, Tyringham Investments Limited (investment and holding corporation)
Sunril Panray, Québec	Vice-president and Chief Financial Officer of Imperial tobacco
Nick Brookes, England	Corporate Director
Michael Courtney	Corporate Director
Barbara J. McDougall	Advisor, Aird & Berlis (law firm)

## NEWS

In October 2005, faced by shrinking sales and profit margins, Imperial announced that it was completely closing its Canadian manufacturing facilities. Once all the closures take effect, Imperial will manufacture all its tobacco products in Monterrey, Mexico. The only workers that will remain in Canada are promotional, sales and head office staff. Its Guelph manufacturing plant (cigarettes, tubes and sticks) will be closed in 2006. In 2007, it will close its tobacco processing facility and its manufacturing plant (fine cut / roll-your-own), both in Aylmer. As a result, 650 employees will lose their jobs, including 15 people in the Montreal head office.

The actions follow a major restructuring in June 2003 when Imperial announced it was cutting almost 840 jobs. It closed its Montreal production plant and transferred the operations to its Guelph and Aylmer facilities. Some employees at the head office in Montreal were also let go. At the same time, it closed its threshing operations and phased-out its reconstituted tobacco facility, both at its Aylmer plant. The company had said the cost cutting would help it maintain its 60% share of the Canadian cigarette market, but that was before discount cigarettes shook up the Canadian tobacco industry. When discount cigarettes emerged as a true force in the market, Imperial was hit the hardest. Mostly because its products occupy the majority of the shrinking tobacco market in Canada, but also because it was slow to react to the success of discount brands launched by its main competitor (Rothmans, Benson & Hedges), Imperial's net revenues melted by 21% in 2004 (from \$1.95 to \$1.54 billion). Total Imperial Tobacco Canada volume declined from Dec. 1994 to June 2005 on an annual basis from 32.7 billion cigarettes to 20.5 billion.

## MAJOR BRANDS



Cigarettes	Fine cut	Tubes	Sticks	Cigarette papers
Avanti	Caméo	Embassy	Player's Light Insta Kit	Hi-Dro
Cameo	Matinée	Matinée		Player's
du Maurier	Player's	Player's		Vogue
JPS				Zig Zag
Kool				
Marlboro				
Matinée				
Medallion				
Peter Jackson				
Player's				
Sweet Caporal				

## MARKET POSITIONING

The release of confidential marketing documents through litigation and the testimony of tobacco industry executives have, over the past decade, offered a rare view into the marketing practices of the tobacco industry. Excerpts from these valuable sources of material appear below to give us a general idea of what seems to be the key market for the company and how it positions its most popular cigarette brands.

### General market

"I.T.L. has always focused its efforts on new smokers believing that early perceptions tend to stay with them throughout their lives. I.T.L. clearly dominates the young adult market today and stands to prosper as these smokers age and as it maintains its highly favourable youthful preference." (Imperial Tobacco, 1989)



"Marketing activities have historically been and continue to be targeted at younger smokers due to their greater propensity to change brands." (Imperial Tobacco, 1995)

"When we talk about a switcher we are talking about someone who has been smoking his usual brand for less than 12 months. This definition includes starters (did not smoke before)." (Imperial Tobacco, 1991)

### **Player's**

"Freedom and independence are at the core of Player's positioning. Self-reliance is indicated by consumers as an added dimension that provides a logical extension of freedom or independence and makes the two more relevant." (Imperial Tobacco, 1985)

"As seen in the 1993 Sponsorship Image research as the best overall fit with the target group, and as the highest form of racing in North America, Indy is best positioned to carry the Player's Ltd. attributes of masculinity, youthfulness, freedom and independence." (Imperial Tobacco, 1994)

### **du Maurier**

"... that it is a modern brand, that it is a very high quality, that it is for both men and women and that du Maurier's quality is defined as essentially, again, desirable, attainable, aspirational quality." (Ed Ricard, Director, Market Strategy and Development Group, Imperial Tobacco, 2002)

### **Matinée**

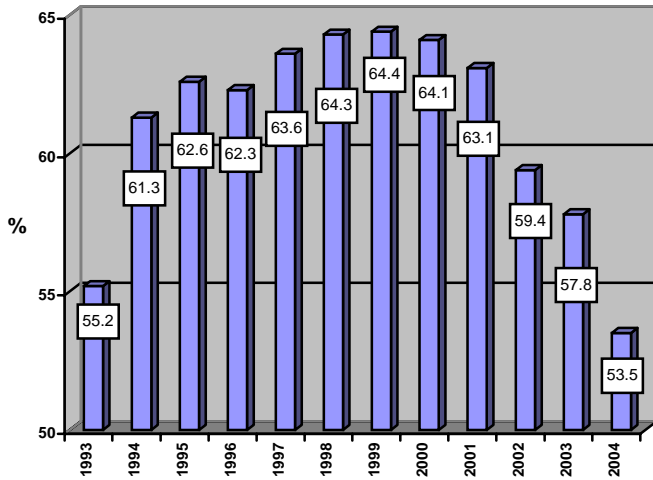
"So, in the case of Matinee where we talk about a trademark as youthful, popular and offering the mild brands for women, with Matinee we knew that we had the positioning of being mild and being for women. Consumers told us that that's what Matinee is, they're mild cigarettes and they're for women." (Ed Ricard, Director, Market Strategy and Development Group, Imperial Tobacco, 2002)

### **Medallion**

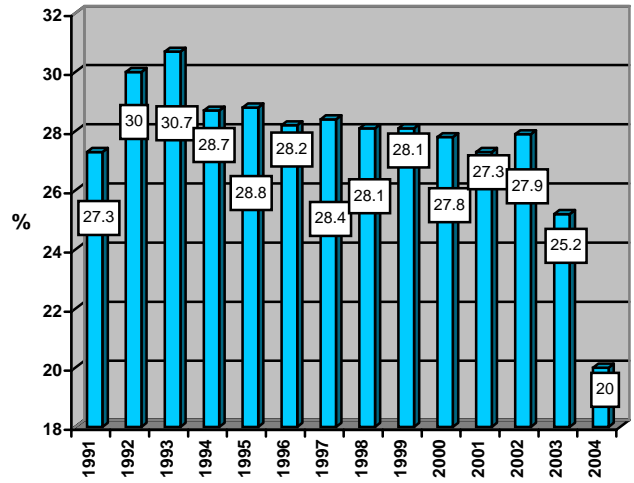
"The other group is one which wants to quit but cannot, and feels guilty about this. It chooses the lowest tar option because it is the least bad for it (in line with the Medallion strategy)." (Imperial Tobacco, 1988)

# CANADIAN MARKET SHARE

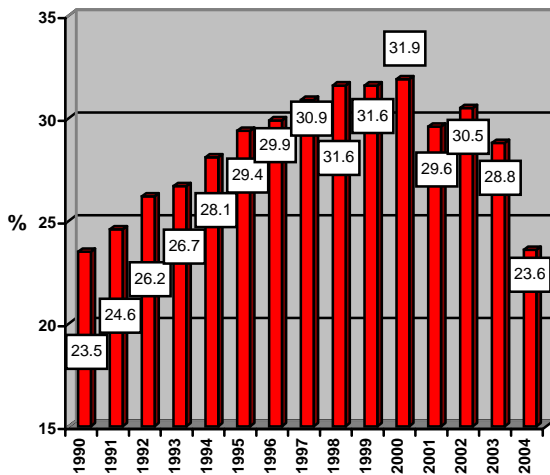
Cdn. Domestic tobacco market share



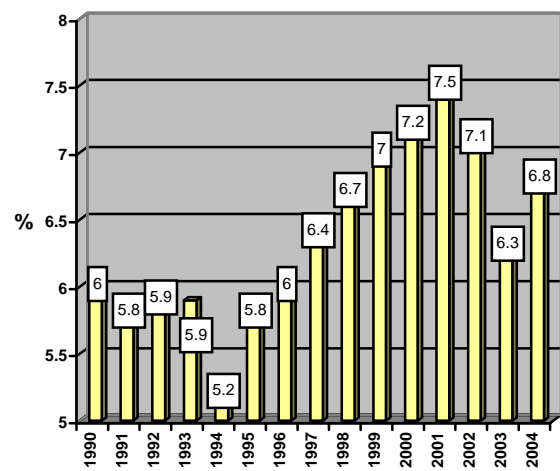
Player's market share



du Maurier market share

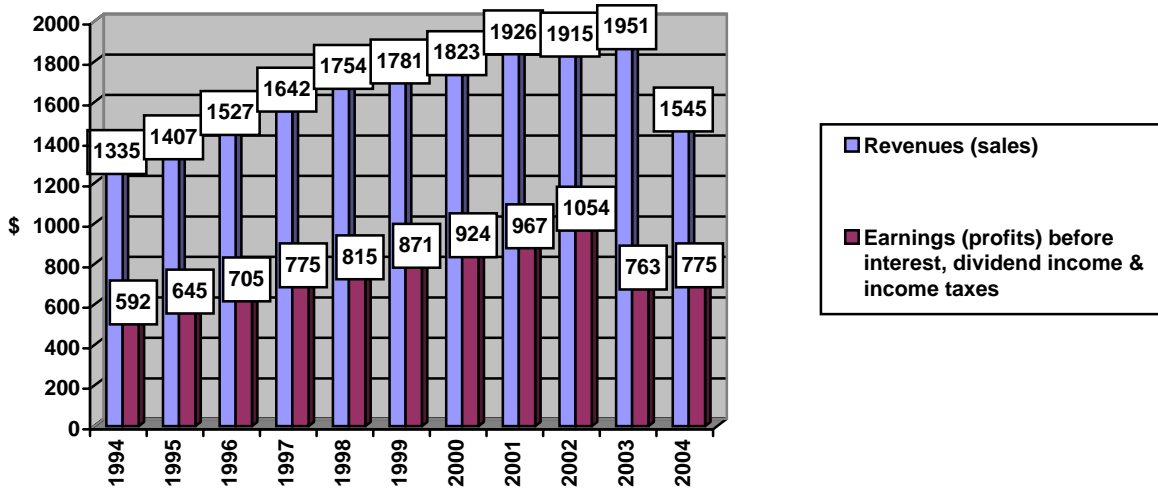


Matinée market share



## REVENUES AND EARNINGS

In millions of dollars (fiscal year ends December 31)



## EMPLOYMENT



After it moves all its manufacturing to Mexico in 2007, Imperial Tobacco will employ about 450 workers in Canada.

## OWNERSHIP

On February 1, 2000, British American Tobacco, the maker of Lucky Strike, 555 and Kent cigarettes, became the sole owner of Imperial Tobacco when it operated a friendly takeover of Imperial. BAT acquired from the previous owner, Imasco (a former Montreal-based conglomerate), all of the outstanding common shares that it did not already own.



**KENT**



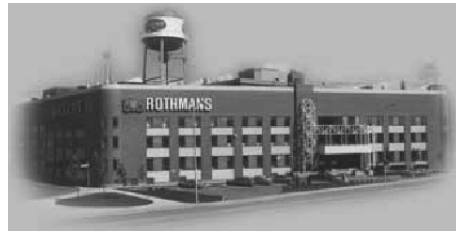
# Rothmans Inc.

**Rothmans Inc. controls the second largest Canadian tobacco company, Rothmans, Benson & Hedges. The company has existed for over 100 years. One of its predecessors, the Rock City Tobacco Co., started doing business in 1899 in Quebec City. Its most popular cigarette brands are Number 7, Craven A, and Rothmans, Benson & Hedges.**

## LOCATION

### Head office address

1500 Don Mills Road  
North York, Ontario  
M3B 3L1  
Tel: (416) 442-3676  
Fax: (416) 449-9601  
Website: [www.rothmansinc.ca](http://www.rothmansinc.ca)



### Manufacturing plants

Quebec City, Quebec  
Brampton, Ontario

### Sales offices

Vancouver, British Columbia  
Calgary and Edmonton, Alberta  
Saskatoon, Saskatchewan  
Winnipeg, Manitoba  
Toronto and London, Ontario  
Montreal and Sainte-Foy, Quebec  
Dartmouth, Nova Scotia  
St. John's, Newfoundland

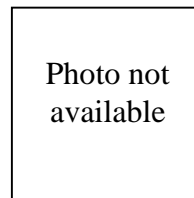
## OFFICERS



**John R. Barnett**  
President and Chief  
Executive Officer



**Robert J. Carew**  
Executive Vice President



**Michael E. Frater**  
Vice President Finance and  
Chief Financial Officer

**BOARD OF DIRECTORS**



**Joe Hefferman**  
Chairman  
Rothmans Inc.



**John R. Barnett**  
President and  
Chief Executive  
Officer  
Rothmans Inc.,  
and subsidiary  
Rothmans,  
Benson &  
Hedges Inc.



**Robert J. Carew**  
Executive Vice  
President  
Rothmans Inc.,  
Executive Vice  
President  
Regulatory and  
Legal Affairs,  
RBH Inc.



**Douglas G.  
Bassett O.C.,  
O. Ont.**  
Chairman  
Windward  
Investments



**Pierre des  
Marais II O.C.**  
President  
Gestion PDM  
Inc.



**The Hon. Paule  
Gauthier P.C.  
O.C. O.Q. Q.C.**  
Partner  
Desjardins  
Ducharme Stein  
Monast,  
Barristers and  
Solicitors



**Pierre Gravelle  
Q.C.**  
Consultant  
Pierre Gravelle  
and Associates



**Richard H.  
McCoy**  
Vice Chairman  
TD Securities  
Inc.



**John E Caldwell**  
Corporate  
Director

## ROTHMANS, BENSON & HEDGES INC. MANAGEMENT TEAM

**John R. Barnett**, President and Chief Executive Officer

**Robert J. Carew**, Executive Vice President Regulatory and Legal Affairs

**Warren H. Finlay**, Vice President Operations, Leaf and Research and Development

**Ronald F. Funk**, Vice Corporate Affairs

**Donald J. Guile**, Vice President Sales

**Faryl Hausman**, Vice President Regulatory Affairs and Human Resources

**Leonard G. Hruszowy**, Vice-président, Division des produits du tabac

**Paul Jewer**, Vice President Finance and Administration

**Rhonda Yarin**, Vice President General Counsel

## MAJOR BRANDS



### Cigarettes

Accord  
Belmont  
Belvedere  
Benson & Hedges  
Black Cat  
Canadian Classics  
Craven A  
Dunhill  
Mark Ten  
Number 7  
Oxford  
Peter Stuyvesant  
Rothmans  
Sportsman  
Viscount

### Fine cut

Fine cut products represents approximately 32% of RBH's sales and are sold using the company's cigarette brand names.

### Other tobacco products

RBH sells imported pipe tobacco, such as Captain Black, and small cigars that represent less than 1% of its total sales.

## **MARKET POSITIONING**

**The release of confidential marketing documents through litigation and the testimony of tobacco industry executives have, over the past 15 years, offered a rare view into the marketing practices of the tobacco industry. Excerpts from these valuable sources of material appear below to give us a general idea of what seems to be the key market for each company and how it positions its most popular cigarette brands.**

### **General market**

"A strong regular length business is key to attracting younger users and ensuring a healthy future franchise." (Rothmans, Benson & Hedges, 1993)

"Although the key 15-19 age group is a must for RBH there are other bigger volume groups that we cannot ignore." (Rothmans, Benson & Hedges, 1997)

"In the cigarette category brand image is everything. The brand of cigarettes a person smokes is their identity. Cigarettes tell others who they are as a person. There is a strong emotional connection to the brand, the image it projects about the smoker, not only to themselves but to others." (Rothmans, Benson & Hedges, 1996)

### **Craven A**

"Craven's conservative, unpretentious heritage appeals to consumers who seek substance, quality and a truer reflection of today's basic, core values." (Rothmans, Benson & Hedges, 1995)

### **Rothmans**

"Rothmans is the premium quality, full-flavoured King Size specialist with a unique international image. Rothmans' aspirational image stems from a sense of heritage balanced with a modern, dynamic outlook." (Rothmans, Benson & Hedges, 1996)

### **Benson & Hedges**

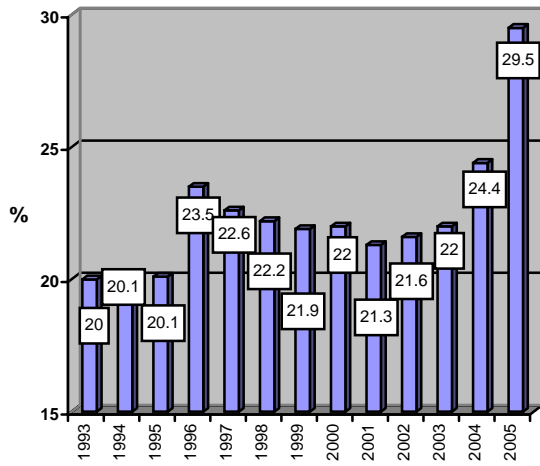
"Benson & Hedges is a high quality, both in product and image, classy but attainable brand. It is a smooth, rich flavour cigarette." (Rothmans, Benson & Hedges, 1995)

### **Belvedere**

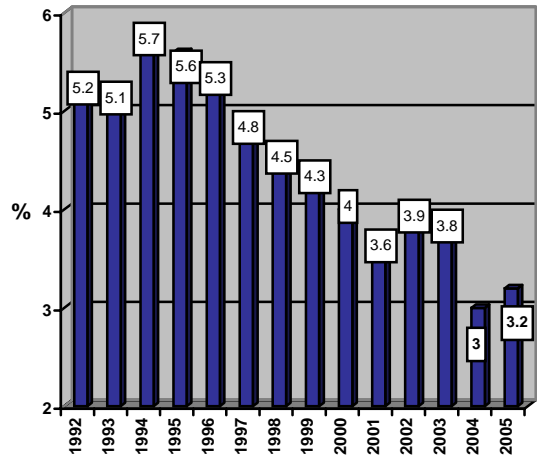
"Belvedere is the young, fun and sociable brand that offers smooth, full flavoured smoking satisfaction to contemporary young men and women.... I am active, energetic and enjoy socializing with others but I am not a leader. Unpretentious and down to earth, I follow the trends but don't want to be labelled. Part of the young crowd, I'm not rebellious but resist being told what I am and what I want." (Rothmans, Benson & Hedges, 1995-96)

# CANADIAN MARKET SHARE

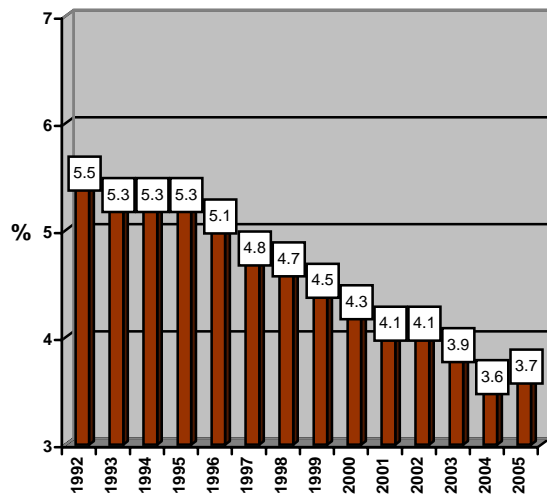
Cdn. Domestic tobacco market share



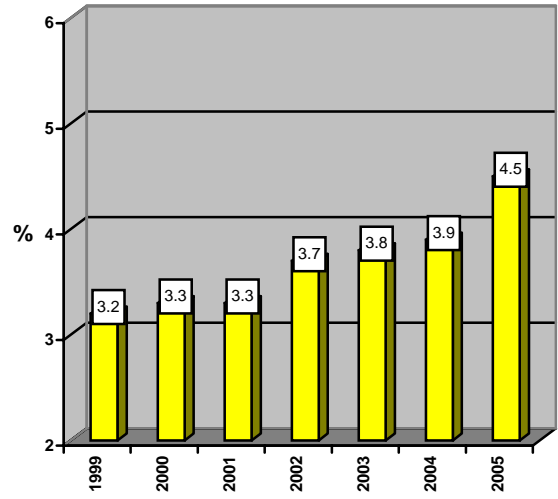
Rothmans cigarettes market share



Craven A cigarettes market share



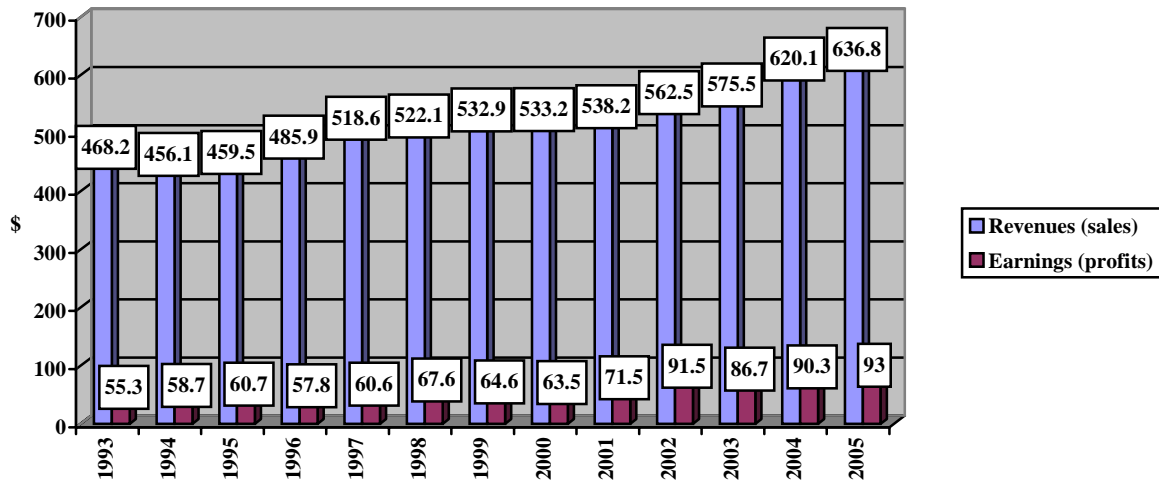
Benson & Hedges cigarettes market share





## REVENUES AND EARNINGS

In millions of dollars (fiscal year ends March 31)



## EMPLOYMENT

About 800 employees work for Rothmans Inc. and Rothmans, Benson & Hedges.



## OWNERSHIP

Rothmans Inc. is a Canadian holding company, which owns 60% of Rothmans, Benson & Hedges, the cigarette manufacturing company. The remaining 40% belongs to FTR Holding SA of Switzerland, which is owned by Philip Morris International, which in turn is owned by Altria. Philip Morris is the world's leading manufacturer of cigarettes. The company's main brands include Marlboro, Virginia Slims, L & M, etc. Altria also owns many other subsidiaries such as Kraft foods.





## JTI-Macdonald Corp.

**JTI-Macdonald Corp. is the third largest Canadian tobacco company. The founder, Sir William Macdonald, started in the tobacco business with his brother in 1858 under the name of "McDonald Brothers and Co." In 1974, RJ Reynolds Industries purchased the company. That U.S.-based company, then sold its international operations, including RJR-Macdonald, to Japan Tobacco Incorporated in 1999. The company's most popular cigarette brand on the Canadian market is Export A.**

### LOCATION

#### Head office address

1 First Canadian Place, suite 6000  
P.O. Box 111  
Toronto, Ontario  
M5X 1A4  
Telephone: (416) 601-7000  
Fax: (416) 601-7001  
Website: [www.jti.co.jp](http://www.jti.co.jp)



#### Manufacturing plant

Montreal, Quebec

#### Sales offices

Canada's major cities

### OFFICERS



**Michel A. Poirier**  
President, CEO  
and Chairman

**Robert Annis**, Controller

**J. Edward Pollen**, Treasurer

**Bruno Duguay**, VP, General Counsel, Secretary

**John Wildgust**, VP -- Corporate Affairs

**George Lulham**, Director, Scientific & Regulatory  
Affairs

**Robert McMaster**, Assistant Treasurer

**Sandra La Voie**, Assistant Secretary

**Bruce A. Marchand**, Recognized Agent

**Patrick A Murphy**, Director

**Christian Guay**, VP -- Marketing

**Allen Breeding**, VP -- Finance and Chief Financial  
Officer

**Anne Duncan**, Director, Human Resources

**Nelson Medeiros**, Vice President, Sales

## MAJOR BRANDS



**Cigarettes**  
Camel  
Export A  
Macdonald  
Macdonald Select  
Macdonald Special  
More  
Select  
Vantage  
Winston

**Fine cut**  
British Consols  
Daily Mail  
Export A  
Zig Zag

**Cigars**  
El Producto  
Tueros

## MARKET POSITIONING

**The release of confidential marketing documents through litigation and the testimony of tobacco industry executives have, over the past decade, offered a rare view into the marketing practices of the tobacco industry. Excerpts from these valuable sources of material appear below to give us a general idea of what seems to be the key market for the company and how it positions its most popular cigarette brands.**

### **General market**

"The younger segment represents the most critical source of business to maintain volume and grow share in a declining market. They're recent smokers and show a greater propensity to switch than the older segment. Export has shown an ability to attract this younger group since 1987 to present." (RJR Macdonald, 1989)

"In order to make further inroads into the younger segment, we must continue to project an image that is consistent with the needs and values of today's younger smokers." (RJR Macdonald, 1989)

## Export A

"The Export imagery will dimensionalize the breed of men who are masculine, independent, adventurous and possess the qualities of natural leadership... Women are attracted to these men because of their youthful virility, independence and spirit of adventure." (RJR Macdonald, 1982)

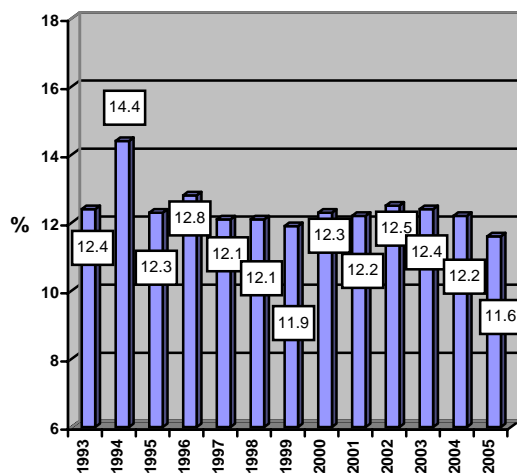
"Export 'A' allows Quebecois smokers who fit our prospect profile to express their difference as a unique people. The objective is to link the brand to Quebecers' strong feelings of being 'different' from their English speaking neighbours."

## Vantage

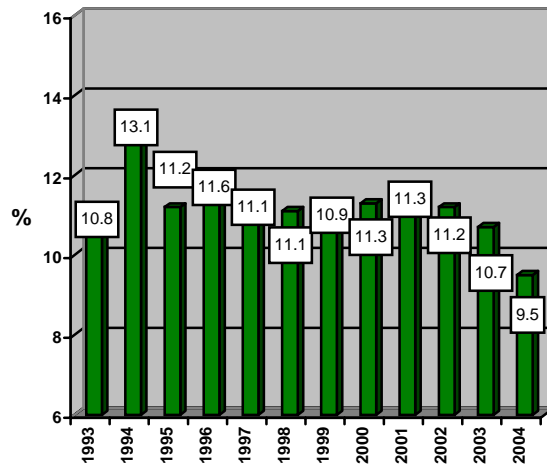
"A market segmentation study conducted in 1990 indicated that Vantage was heavily overdeveloped in the Potential Quitter segment (index 200) and hence the brand of choice for smokers who were considering exiting the market." (RJR Macdonald, 1996)

## CANADIAN MARKET SHARE

Cdn. Domestic tobacco market share

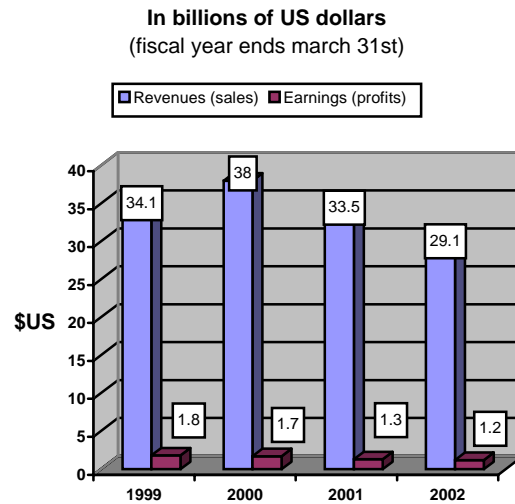


Export A market share



## REVENUES AND EARNINGS

JTI-Macdonald Corp. is not a publicly traded company. Information is therefore not available on its financial performance. Instead, this graph offers the parent company's (Japan Tobacco International) tobacco sales and profits for four previous years.



## EMPLOYMENT

As of September 2003, there were approximately 503 people working for JTI-Macdonald.



## OWNERSHIP

In May 1999, Japan Tobacco International purchased from the U.S. tobacco manufacturer RJ Reynolds its international subsidiary RJ Reynolds International, which included Canada's RJR-Macdonald. The acquisition obviously prompted the company's name change to JTI-Macdonald. Already the owner of Mild Seven, one of the most popular international cigarette brands, Japan Tobacco gained control over the international sales of Camel, Winston and Salem brands of cigarettes. Japan Tobacco also owns food and pharmaceutical companies.



## OTHER CANADIAN CIGARETTE MANUFACTURERS

The Canadian cigarette market is mostly dominated by the Big 3 major manufacturers: Imperial Tobacco Canada, Rothmans, Benson & Hedges and JTI-Macdonald. In 2004, their sales accounted for 94.1% of the Canadian market. The remaining 6% is divided among smaller manufacturers. The three largest of the smaller manufacturers are Grand River Enterprises (GRE), Tabac ADL Tobacco (GRE and ADL are both owned by First Nations people) and Bastos du Canada Ltee. Unfortunately, information on these smaller companies is not as abundant as for the Big 3 manufacturers.

Grand River Enterprises



### LOCATION

**Head office address:**

PO Box 750, 2176 Chiefswood Road  
Ohsweken, Ontario  
N0A 1M0  
Tel: (519) 445-0919  
Fax: (519) 445-0257  
Website: [www.mohawkgre.com](http://www.mohawkgre.com)



### OFFICER



**Steven R. Williams**, President

Mr. Williams is a Mohawk and member of the Wolf Clan. His political background with Six Nations of the Grand River includes being the elected Chief from 1991-95. His Board and Committee memberships include the Ontario Indian Economic Development Bank (Chair), Assembly of First Nations Finance Committee (Ontario Representative).

## MAJOR BRANDS



As stated earlier in this report, Grand River Enterprises, which is located on the Six Nations Reserve near Brantford, Ontario is now the third or fourth largest cigarette manufacturer in Canada, producing about as many cigarettes as JTI-Macdonald, which has 11.6% of the Canadian domestic tobacco market. However, since the vast majority of GRE's cigarettes are exported to the U.S. market, and, because the company is not traded publicly, it is hard to get a precise grasp on its financial performance and production levels.

As an indicator of growth, the number of cigarettes cases GRE produced between 2001-03 has increased significantly. In January 2001, GRE produced 4,500 cases of cigarettes. In January 2002, it produced 10,200 cases and in January 2003, 25,600 cases, or 250 million cigarettes.

GRE exports 80% of its brands (such as Seneca). The products are usually sent by truck to free trade zones in California, Florida, Idaho, Nebraska, Nevada, New York and Oklahoma. The importers pay duty and then the cigarettes are resold.

GRE brands sold in Canada include Sago, D.K., and Putter's Light. GRE has permission to sell its cigarettes to non-natives through convenience stores in every province east of Ontario.

The company has also been moving into markets beyond North America, as indicated by the GRE Europe office, which is located in Germany. Part of its sales strategy appears to include exploiting sacred imagery and dressing First Nations people up in ceremonial and/or traditional outfits to market its products (as indicated in the photos below).





## LOCATION

### Head office address

1665 Nishk Street  
Pointe-bleue, Quebec

G0W 2H0

Telephone: (418) 275-6161

1-888-671-7070

Fax: (418) 275-6188

1-800-275-6188

Website: [www.adltobacco.com](http://www.adltobacco.com)

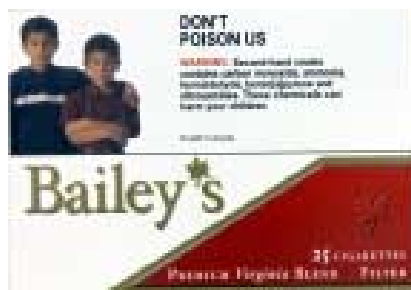
## OFFICERS

**Alain Paul**, President

**Donald Paul**, Vice-President

**Martin Audet**, Operations Manager

## MAJOR BRANDS







## LOCATION

### Head office address

R. R. #4

Montague, Prince Edward Island

C0A 1R0

Telephone: (902) 838-2456

Fax: (902) 838-2363

Website: [www.choicetobacco.com](http://www.choicetobacco.com)

## OFFICER

Joseph Spriet, President

## MAJOR BRAND



As reported in September 2005 in The Guardian newspaper on Prince Edward Island, Choice Tobacco was sold to a Québec company. Choice was founded in 1986 by former tobacco growers Joe Spriet, Frank Lava and Lucien Viaene, as a small tobacco manufacturing enterprise following a federal government acreage buyout of the tobacco industry on the island.

Choice manufactured fine cut tobacco for the roll-your-own market and originally sold its products across Canada and even into Eastern Europe. Stiffer competition over the years reduced the operation to a more regional market in The Maritimes. The new owners were expected to relocate the company's equipment and operations to Québec.

## OTHER COMPANIES

### **Bastos du Canada Limited**

371 Saint-Marc Street, Box 68  
Louiseville, Quebec  
J5V 2L9  
Telephone: (819) 228-5531  
Fax: (819) 228-2437

### **Frank Correnti Cigars**

606 King Street West  
Toronto, Ontario  
M5V 1M6  
Telephone: (416) 504-4108  
Fax: (416) 504-8380  
Website: [www.correnticigars.com](http://www.correnticigars.com)

### **Les Entreprises Steve Lépine**

1970 Notre-Dame  
Lavaltrie, Quebec  
J0K 1H0

### **Les Tabacs Tabec Inc.**

175 Sutton Street  
Delson, Quebec  
J0L 1G0  
Telephone: (450) 638-2475  
Fax: (450) 632-8866

### **Compagnie de Tabac Dynasty Inc.**

130, Montée de Liesse,  
Saint-Laurent, QC H4T 1N4  
Telephone: 514-733-2000

### **House of Horvath**

77 Ossington Avenue  
Toronto, Ontario  
M6J 2Z2  
Telephone: (416) 534-4254  
Toll Free: 1-800-387-0378

### **Les Produits de Tabac Tremblay Inc.**

640 boul Langelier  
Québec, QC  
G1K 5R3  
Telephone: (418) 522-0211  
Fax : (418) 522-3940  
**Products:** Cigarette making equipment;  
Tobacco processing; Tobacco products.

## **TOBACCO INDUSTRY FRONT GROUPS & ALLIES**

**It is now well documented that the tobacco industry uses front groups as a strategy to defeat or weaken any effective tobacco control measure. The industry has understood for many years that it has a serious credibility problem and cannot effectively engage in public debates to oppose these measures.**

**To overcome this major obstacle, the industry has frequently relied on its allies to convey its position. For example, during the debates for the new health warning system, the industry called upon the printing industry to pressure the federal government not to adopt the world-precedent setting regulation.**

**In the absence of allies or when their help is just not enough, the tobacco industry goes a step further and sets up bogus organizations which seem to defend the interests of a specific group of stakeholders. The links between the tobacco industry and these groups are not always apparent and the public can be deceived into believing these organizations are credible. Obviously, the tobacco industry benefits from the gains made by front groups.**

**This section offers several examples of front groups and allies linked or suspected to be linked with the tobacco industry.**

## MYCHOICE.CA



**Nancy Dagineault**  
President

The Canadian Tobacco Manufacturers Council (CTMC) paid \$2.5 million for this virtual venture, designed to mobilize support against tobacco control legislation. And it is not shy about admitting it.

In the past, tobacco companies in Canada refrained from divulging information regarding their financial support for front groups. But when those financial ties were exposed, following investigations by journalists or tobacco control groups, the companies were dealt significant public relations blows. Rather than suffer the consequences of further vilification, the CTMC has resorted to being open about its funding practices, at least in this case.

Regardless of whether the funding is overt or covert, MyChoice.ca does lack legitimacy in the eyes of many journalists and the general public. When the CTMC launched

## MONCHOIX.CA



**Arminda Mota**  
Vice-president

MyChoice.ca at a press conference in Toronto's financial district on September 28, 2004, it didn't receive much favourable coverage by the mainstream media (for more information, see: "Smokers not keen about rights groups: Would rather join non-smokers than Big Tobacco's cause," by Peter Kuitenbrouwe, National Post, Sept. 29, 2004).

According to the CTMC, MyChoice.ca was established to be a virtual venue where Canada's adult smokers could converge and voice their concerns on issues related to tobacco. There are member messenger boards, surveys and discussion groups on the website. The CTMC insists that it is in no way controlling the outcome of this initiative, despite institutionalizing a Board of Directors with a president at the helm. It also insists that there are no explicitly stated policy objectives, and they are simply

assisting with the dissemination of information. However, the majority of articles posted by their Webmaster highlight the need to lift the ban on smoking in public and workplaces and reduce tobacco taxes.

In an attempt to stop Quebec's smoke-free legislation, which was successfully passed and will come into force May 31, 2006, the CTMC launched MonChoix.ca on April 5, 2005.

The websites claim to be Canada's largest adult smokers' rights group, with over 22,000 members. However, there is no way of authenticating age or whether or not people are registering more than once.

English website: [www.mychoice.ca](http://www.mychoice.ca)

French website: [www.monchoix.ca](http://www.monchoix.ca)

## THE FAIR AIR ASSOCIATION OF CANADA (FAAC)

"The Fair Air Association" of Canada is an 'Association of Associations', claiming to represent the view of a myriad of stakeholders regarding second-hand smoke measures. Its umbrella encompasses members of the hospitality industry, including pub and bar owners, gaming organizations (namely BINGO operators), ventilation manufacturers and engineers and tobacco companies. Its president, Karen Bodirsky, also admitted in a conversation with a Toronto City Councillor in March 2004, that a 'substantial portion' of the FAAC's funding is received from the tobacco industry.

The FAAC dismisses second-hand smoke as a serious threat to health. Medical evidence is depicted as flawed and exaggerated. Ventilation is championed as the only viable alternative to smoking bans. An aggressive economic argument is employed, predicting gloom and disaster for the hospitality industry, should the bans not be reversed.



Most recently, the FAAC provided part of the funding for a study authored by economist Dr. Michael Evans, a long-time friend of the tobacco industry, which predictably claimed to prove that smoking bans result in economic disaster.

### **Fair Air Association of Canada**

Karen Bodirsky, CEO

56 The Esplanade, Suite 204

Toronto, Ontario

M5E 1A7

Telephone: (416) 214-2737,

(416) 648-4325

Fax: (416) 214-0270

Website: [www.faac.ca](http://www.faac.ca)

## OPERATION ID

“Operation ID” is a program with the alleged purpose of helping retailers not to sell tobacco to minors. The program is run by the “Canadian Coalition for Responsible Tobacco Retailing”, an organization set up by the tobacco industry. The program was originally conceived in the United States by the now defunct Tobacco Institute and was called "It's the law". It has since changed its name to "We card" and it's being promoted by the Coalition for Responsible Tobacco Retailing (the same name as in Canada).

Two Philip Morris memos from 1991 and 1995 clearly indicate what are the true purposes of this program. The first memo says:

"1- A reduction in legislation introduced and passed restricting or banning sales and marketing activities;

2- Passage of legislation favourable to the industry;

3- Greater support from business, parent and teacher groups."

The second memo offers even more direct evidence:

"...we believe that the first building block to a successful, fully integrated program is an "It's the law" Program. This is fundamental to our long term strategy for stopping the proliferation of anti-tobacco legislation."

## WISE DECISIONS

“Wise decisions” is another tobacco industry funded program that was being developed by a consultant firm called Cunningham Gregory and Company. In our opinion, the program is yet another public relations attempt, similar to Operation ID, to show



Unfortunately, over 250 businesses, organizations and politicians from across the country have endorsed the program.

Operation ID is located in Ottawa at the following address:

### **Operation I.D.**

800 - 45 O'Connor Street

Ottawa, Ontario

K1P 1A4

Telephone: 1-800-305-9880

Fax: 1-800-528-9176

E-mail: [webmaster@operationid.com](mailto:webmaster@operationid.com)

that the tobacco industry is proactive in preventing kids from starting to smoke.

The program targets schoolchildren from grades 6 to 8. The initial version of the

program was recently tested as part of a pilot project in schools in several provinces.

It seems to reinforce the usual industry position that children start smoking because of peer and family pressure and that it finally boils down to a personal decision. According to the Ontario Medical Association, the curriculum focuses "on young people's personal attitudes toward smoking, the factors that influence these attitudes, the influence of family and friends upon their decisions, the decision-making process and health lifestyles."

The program contains almost no information on the devastating health consequences of tobacco use or on the tobacco industry's past and present behavior. By any objective criteria it could not be considered an effective tobacco control measure.

**Cunningham Gregory + Company**

11 Winchester Street  
Toronto, Ontario  
M4X 1A6  
Telephone: 416.968.2060  
Fax: 416.968.9380  
Website: [www.cunngregco.com](http://www.cunngregco.com)

## **PUBCO**

PUBCO was launched in 2001 by Ottawa pub and bar owners to oppose a recently passed municipal by-law, which introduced the most complete smoking ban in Canada.

According to Physicians for a Smoke-Free Canada, PUBCO represents less than 10% of bars and restaurants in Ottawa, yet was quite active in the campaign to oppose the by-law. A possible link with the tobacco industry was suggested following the publication of a newspaper ad, which included a phone number referring supporters to the Canadian Tobacco Manufacturers Council.

PUBCO expanded its activities to other Ontario municipalities to oppose similar by-laws. It also jointed with the Fair Air Association of Canada to co-fund a study designed to prove that smoking bans have negative economic consequences. The report was released in February 2005 and was authored by Michael Evans. In July 2005, it announced it would seek a \$5 million aid package to offset losses from Ontario's new

## **PUBCO** Pub and Bar Coalition of Canada

Smoke-free Ontario Act, which will ban smoking in all enclosed workplaces and public places as of May 31, 2006. PUBCO also has a website laden with familiar tobacco industry rhetoric.

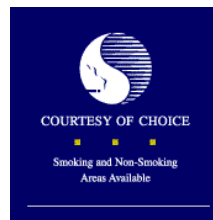
**Pub and Bar Coalition of Canada**

17 Grenfell Crescent, Suite 210B  
Ottawa, Ontario  
K2G 0G3  
Telephone: 613-321-0603  
Fax: 613-321-9681  
Website: [www.pubcoalition.com](http://www.pubcoalition.com)

## COURTESY OF CHOICE

“Courtesy of Choice” is a tobacco industry program set up to oppose effective smoking by-laws. The program advocates that it is possible to accommodate patrons in restaurants and hotels by offering smoking and non-smoking sections without any physical separation. It also promotes ventilation as a solution to protect non-smokers from second hand smoke.

Confidential documents show that the Canadian Tobacco Manufacturers Council has funded hotel associations in Canada to promote the program as a reasonable alternative to effective smoking by-laws.



Information on the program is available on the International Hotel and Restaurant Association's website ([www.ih-ra.com/courtesy/](http://www.ih-ra.com/courtesy/)). The Hotel Association of Canada is a member of the International Association and has a link on its website to access the program. ([www.hotels.ca/programs/index.html](http://www.hotels.ca/programs/index.html)).

## ALLIANCE FOR SPONSORSHIP FREEDOM

Because of a loophole in the Tobacco Products Control Act (TPCA), which banned advertising as of 1988, sponsorships became the ideal vehicle for the tobacco industry to profusely promote its products. The problem became so serious that a total sponsorship ban was included in Bill C-71, the Tobacco Act, the TPCA's successor following the Supreme Court ruling in 1995.

To oppose this ban, a new organization called “Alliance for Sponsorship Freedom” was launched in 1996. The Alliance was composed of 250 arts, sports, fashion and entertainment events receiving tobacco sponsorship. The health community soon learned that the Alliance was actually set up by Edelman Public Relations Worldwide, a PR firm that worked with tobacco companies including Imperial Tobacco.

Unfortunately, because of the Alliance, the federal government adopted Bill C-42, which amended the Tobacco Act, by



introducing a five-year transition period before the implementation of a complete tobacco sponsorship ban. The Alliance no longer exists.



## REGULATORY TOXICOLOGY AND PHARMACOLOGY

Funding research to refute independent scientific evidence, which leads to effective public policies, is another key tobacco industry strategy. The infamous Black Dog Pub study published in "Regulatory Toxicology and Pharmacology" is a good example of this strategy.

The study, which claims that a ventilation system can effectively protect patrons in bars and restaurants from exposure to second-hand smoke, is being widely promoted by the hospitality industry to oppose smoke-free policies.

However, the objectivity of both the study and the journal is questionable. Indeed, the study's author, Dr. Roger Jenkins, and his employer have both received funding from the tobacco industry. As for the journal, several editors, such as Gio Gori, are well-known tobacco industry collaborators.



Furthermore, Regulatory Toxicology and Pharmacology is the official journal of the International Society of Regulatory Toxicology and Pharmacology, which has RJReynolds as one of its main sponsor. Website: [www.academicpress.com/rtp](http://www.academicpress.com/rtp)

## ASSOCIATION FOR THE RESPECT OF SMOKERS' RIGHTS

The "Association for the Respect of Smokers' Rights" (ARSR) is an older version of mychoice.ca. The ARSR was launched in April 2000 as a response to the proposed Tobacco Products Information Regulations, which introduced the new graphic health warning system with pictures.

The ARSR had planned to go on a cross-country tour to unite smokers and businesses to defend their rights. The ARSR never admitted receiving tobacco industry funding but made it clear in its press material that it would ask manufacturers for support. The Association was active in the media for several months but hasn't been heard from since. Its website no longer exists ([www.smokersrights.org](http://www.smokersrights.org)).



The previous incarnation of a smokers' Association was called the Smokers Freedom Society, which was headed at one point in time by Luc Dumoulong who is the present President of the National Convenience Stores Distributors Association, a well-known industry supporter. The Society was created in 1986 during the debate for the Non-Smokers' Health Act. It received \$100,000 from the tobacco industry.

## QUEBEC COALITION FOR FAIR TOBACCO TAXATION AND MATRAC

The tobacco tax cut in 1994 was one of the most devastating public health losses in recent history. The “Quebec Coalition for Fair Tobacco Taxation” (QCFTT) and the “Movement for the Abolition of Taxes Reserved for Cigarettes” (MATRAC), an acronym which refers to a policeman's baton in French, led the charge in Quebec that resulted in the tax rollback.

The tobacco industry was part of the QCFTT with tobacco farmers, wholesalers, unions and retailers. The industry helped the Coalition conduct a large-scale petition campaign and to lobby both the federal and provincial governments. MATRAC organized several hundred Quebec convenience stores and made headlines by staging daily illegal sales of contraband cigarettes in different political ridings.

Michel Gadbois, the head of the Quebec Food Retailers Association (QFRA) (Association des détaillants en alimentation du Québec) was the spokesperson for the Coalition. He previously worked in public relations for Rothmans, Benson & Hedges

and Imasco (former owner of Imperial Tobacco). The three largest Canadian tobacco companies are also members of the Association and have funded many of its activities.

According to a journalistic investigation, the QFRA also played a key role in helping the MATRAC launch its campaign. The schedule for the daily illegal sales of contraband cigarettes was planned in the Association's Montreal office. The Association also paid for transmitting the MATRAC's press releases. A meeting was also held in the Association's offices between the Canadian Tobacco Manufacturers Council and representatives of the MATRAC.

### **Association des détaillants en alimentation du Québec**

300 Léo-Pariseau Street, suite 1100  
Box 455, Place du Parc  
Montréal, Québec  
H2W 2N9  
Telephone: 514-982-0104  
Fax: 514-849-3021

## CANADIAN RESTAURANT AND FOOD SERVICES ASSOCIATION (CRFA)

The CRFA is dedicated to promoting ventilation as an alternative to complete smoking bans. It cites its desire to serve all its customers, including the 20 per cent that smoke, as its over-riding cause for concern. It is also a firm believer in the 'doomsday economics' attributed to smoking bans.

When the February 2003 GPI Atlantic Study was released, and found no evidence of an economic decline due to smoking bans, Luc Erjavec, the CRFA representative for Atlantic Canada, authored a press release which alleged otherwise. The Ontario Campaign for Action on Tobacco (OCAT) states that Erjavec cited statistics without any sources, and when it called upon him to account for them, he never responded.

Its president, Douglas Needham, has appeared in public with President and CEO of the ORHMA Terry Mundell. Mundell's links to the tobacco industry are very visible. OCAT reports that in 2002 the two went before a committee of York Regional Council to make a joint request for a ventilation pilot project to be undertaken in the region. Technology similar to that used in the Black Dog Pub Study, would be utilized. The Council turned down the request.

According to a propaganda-filled July 18, 2005 press release, the CRFA's Council of



Canadian Restaurant and  
Foodservices Association

Chain Restaurants, Quebec (CCRQ) recently helped score a victory for Quebec restaurants, bars and the tobacco industry. It says it helped make Quebec's Minister of Health postpone the start date of the smoking ban to May 31, 2006. CCRQ unsuccessfully argued for DSRs as an alternative to the smoke-free legislation, and promises the concerns of the food industry will continue to be represented in the future.

### **CRFA Head Office:**

#### [Canadian Restaurant and Foodservices Association](#)

316 Bloor Street West  
Toronto, Ontario M5S 1W5  
Phone: (416) 923-8416  
or toll-free 1-800-387-5649  
Fax: (416) 923-1450  
E-mail: [info@crfa.ca](mailto:info@crfa.ca)

### **Quebec Office:**

#### [Conseil des chaînes de restaurants du Québec \(CCRQ\)](#)

1000 de la Gauchetière Ouest  
Bureau 2429  
Montréal, Québec  
H3B 4W5  
Phone: (514) 448-2154  
Fax: (514) 448-5154

## PURVEYORS OF TOBACCO INDUSTRY PROPAGANDA

To ensure its survival, the tobacco industry has found it necessary to employ a team of ‘experts’, assembled to refute any cogent arguments pertaining to second-hand smoke and ‘smoking ban’ economics. Some of these ‘experts’ have been allied with the industry since the 1970s, and possess questionable credentials.

In tobacco control circles, one of the best-known international industry consultants is a Canadian, [John Luik](#).

The self-proclaimed “government/professional/corporation consultant” professes to have an interest in public policy, particularly where it concerns the application of Science. However, his doctorate is in Philosophy. He is no scientist, nor doctor. However, he still finds it appropriate to label non-tobacco funded research, related to second-hand smoking as ‘junk science’.

Luik did this with a limited amount of success when he co-authored a book with another industry consultant, Gio Gori, denouncing the U.S. Environmental Protection Agency’s landmark 1993 report on the health effects of second-hand smoke.

The book, published by the Fraser Institute, was also the basis for a seminar in Ottawa and an extensive book tour.

Indeed, NSRA published a pamphlet in April 1999 giving opinion leaders background on the episode. See: [“The Fraser Institute: Economic Think Tank or Front for the Tobacco Industry?”](#)

Tobacco litigation in the United States has yielded hundreds of documents about John Luik: the Philip Morris document site alone ([www.pmdocs.com](#)) yields 173 hits for the name “Luik.”

Other ‘experts for hire’ include Roger Jenkins, a chemist whose working relationship with American tobacco companies started in the 1970s. In Canada, he was a co-author of the flawed ‘Black Dog Pub’ study, geared toward supporting the ventilation alternative in the smoke-free debate.

For more information on proponents of propaganda, go to: <http://www.ocat.org/opposition/individuals.html>