



## “Spookily the Same:” The Tobacco Industry is Recycling Australian Arguments in Canada Against Plain and Standardized Packaging

Even before Health Canada’s initial consultation on tobacco plain and standardized packaging (PSP) ended 31<sup>st</sup> August 2016, Big Tobacco and its allies had launched a counteroffensive. Former Australian Health Minister Nicola Roxon was in Canada in September to set the record straight on Australia’s success, and commented that the industry’s arguments against PSP are “spookily the same” as the ones used in Australia.

### Recycled lies

**JTI-MacDonald** has launched a campaign with full page ads in daily newspapers, radio ads, a website ([www.bothsidesoftheargument.ca](http://www.bothsidesoftheargument.ca)) and [Facebook page](#) emphasizing that PSP failed in Australia and it won’t work in Canada either. The tobacco company is asking Canadians to petition their MPs about it.

“The government isn’t listening.

The consultation is unfair: it was too short, and most Canadians weren’t aware of it or didn’t understand it. This shows a disregard for democratic principles.”



“Plain packaging is loaded in favour of criminals.

The evidence from Australia is that illegal trade has increased since it introduced plain packaging.”

“This is a slippery slope that is both unproven in its effects and a threat to all brand owners.

If the Government can introduce plain packaging on cigarettes, they can do the same with fast food and soft drinks.”



“Introducing plain packaging will make cigarettes even easier to counterfeit. When Australia implemented this policy, illegal sales rose 21%. If the same happens here, it will cost you another \$330 million in lost tax revenue.”

## **Addressing the lies and countering the industry**

### **The government consultation was fair**

It lasted 3 months, which is standard. According to a Health Canada spokesperson, over 50,000 Canadians responded (the majority expressing support), which demonstrates there was sufficient time for input for those who were interested in participating. Canadians will have another opportunity to provide input during the Canada Gazette, Part I public comment period, which is anticipated to begin in fall 2017. Contrary to what Big Tobacco says, Canadians (smokers and non-smokers alike) have a voice and are welcome to participate in the democratic process of policy making.

### **The illegal tobacco market in Australia has decreased since the introduction of plain packaging**

The KPMG reports cited by JTI-MacDonald were commissioned by tobacco companies. They all come with [strong disclaimers](#) that the terms of reference were set by the tobacco companies and that the findings should therefore not be used for any other purpose. Unfortunately, this has not stopped Big Tobacco and its allies from using the data to discredit PSP in Australia and Canada.

### **Plain and standardized tobacco packaging is not a slippery slope**

Tobacco is a uniquely lethal consumer product: when used as intended by the manufacturer, cigarettes kill half of long-term smokers. Stringent controls on all aspects of its marketing and sale are therefore warranted. Unlike other products such as fast food or soft drinks, there is no safe level of consumption.

### **It will not be easier to counterfeit tobacco packaging**

The overt and covert markings that are part of the government-mandated tax stamp will remain on plain packs. The tax stamps are difficult to forge, and they facilitate the tracking and tracing of illicit goods.

## Keeping the contraband issue alive: Imperial Tobacco Canada confirms its use of front groups

A recently leaked [confidential presentation](#) from **Imperial Tobacco Canada (ITC)** to its parent company, British American Tobacco, confirms the use of the **Canadian Convenience Stores Association (CCSA)** and the **National Coalition Against Contraband Tobacco (NCACT)** as front groups to provide a “credible voice for contraband tobacco” in Canada. Referred to as “our campaigns,” the document details how, in the face of a shrinking illicit market, ITC strategized to freeze tobacco taxes, prevent effective policy measures from being implemented and create fear about how contraband tobacco threatens public safety through organized crime.



### Common tactic

It’s hard to know how large the illegal market actually is. A recent British American Tobacco presentation to its shareholders estimated the size at 23% for Canada as a whole.

A common tactic of Big Tobacco is to over-estimate the size of the illegal market, and then use the “crisis” as an argument for governments to focus on it, and to not undertake other tobacco control measures such as tax increases, new and enlarged graphic health warnings, and now, plain and standardized packaging.

Imperial’s strategy to keep the contraband issue alive continues. The **CCSA’s** new [website](#) warns of serious negative unintended consequences caused by plain and standardized tobacco packaging. Calling PSP a “boon to criminals,” the infamous KPMG study is cited, with claims that illegal contraband tobacco consumption in Australia jumped 30 per cent.

In a similar vein, on September 15<sup>th</sup> the **NCACT** issued a [press release](#) claiming a [new study](#) shows that 31% of cigarettes purchased in Ontario were illegal, with rates as high as 59% in northern Ontario. The study is extremely short on details and offers virtually no information on methodology. The NCACT states that contraband tobacco funds criminal organizations with links to other illegal activity such as firearms and drug smuggling, and warns how illegal cigarette manufacturers will benefit from the introduction of plain packaging.

## Junk science wars revisited

A new [research paper](#) on plain packaging from the **Montreal Economic Institute (MEI)** is reminiscent of the tobacco industry's strategy back in the early 2000s to address the threat of smoke-free workplaces and public places. This strategy involved criticizing and casting doubt on the scientific evidence on the health effects of exposure to second-hand smoke while also paying consultants to fabricate counter evidence designed to create confusion and prolong controversy. The ultimate goal of that strategy was to delay implementation of smoke-free policies.

The main messages of the MEI's paper are that:

- The evidence that plain tobacco packaging will work is lacking. The paper cites research by individuals with confirmed ties to the tobacco industry ([Davidson & de Silva](#), [Kaul & Wolf](#));
- The "Australian experiment" raises questions about its impact on illegal markets;
- Plain packaging infringes on personal choice and individual liberty, which fits the description of a "nanny state";
- There is a danger that plain packaging will be imposed on other industries, and that undermining private property rights carries high social costs in terms of economic efficiency and economic growth; and
- If the evidence is inconclusive, "the normal course of action should be to refrain from legislating."

## Look over there!

### What about marijuana and alcohol?

In an attempt to shift the focus off tobacco, **Imperial Tobacco Canada** issued a [press release](#) on September 22<sup>nd</sup> at precisely the start of the Quebec Coalition's PSP press conference featuring the Honourable Nicola Roxon. Calling PSP a "failed experiment" and a "public relations stunt," ITC stated that health lobby groups are ignoring the bigger problem of youth consuming marijuana and alcohol as reported in the latest findings from the Canadian Student Tobacco, Alcohol and Drugs Survey (CTADS).

### It's possible to do more than one thing at a time

Youth consumption of marijuana and alcohol is definitely a problem.

However, tobacco use and its disease vector—the tobacco industry— remain the leading cause of preventable death and disease in Canada. The government can move ahead with plain and standardized tobacco packaging while also addressing other important public health issues.

## Nanny state corner store



**Students For Liberty (SFL) Canada**, a well-funded libertarian organization, has launched a #FreeToChoose campaign, which it says focuses on “calling out big government ridiculousness and absurd regulations in Canada.” In addition to creating a [website](#), this past summer saw it open—for a one day stunt—a “Nanny State Corner Store” in Toronto, stocked with chocolate bars, chips and pop in plain packages with health warnings. Amazingly, the warning message “Smoking kills” on the door appears to point out the obvious along with other warnings such as “Door handles can spread germs” and “Water causes drowning.”



### **Addiction is not a choice**

For the 5 million Canadians burdened with a life-threatening addiction to smoking, the Students For Liberty #FreeToChoose slogan rings hollow. Most smokers are desperate to quit and have tried many times.

Plain and standardized packaging is not an absurd regulation. What is absurd is that 37,000 Canadians die each and every year from smoking related illnesses, and yet this entirely preventable epidemic is considered by libertarians like Students For Liberty as equally banal as contracting germs from a door handle.

As an aside, Students for Liberty does not make it clear how 72% of the cost of cigarettes translates into “Big Government” killing people. This appears to be more of a complaint against tobacco taxation than plain packaging.

### **Jobs threatened?**

The **Bakery, Confectionery, Tobacco Workers and Grain Millers Union**, which represents approximately 300 Canadians working in the tobacco industry in Montreal and Quebec City, recently issued an [open letter](#) to all members of parliament. The letter states that plain and standardized tobacco packaging threatens jobs in the legal industry because it will lead to an enlarged contraband market. The union calls on MPs to advocate for and support an open, fair and robust public hearing process into the proposed policy.

### **Plain and standardized packaging does not increase contraband**

Plain and standardized packaging has not caused an increase in the contraband market in Australia, and there is no reason to believe it would happen in Canada.

Numerous studies show that contraband flourishes where there is opportunity, primarily as a result of lax enforcement. Thanks to the concerted and coordinated efforts of municipal, provincial, and federal law enforcement authorities, contraband has declined considerably in Canada since 2009, a fact that tobacco companies readily report only to their shareholders.

## Conclusion

The Canadian tobacco industry, along with its front groups and allies, is recycling many of the same arguments against plain and standardized packaging that were used in Australia. The main themes include contraband and counterfeit tobacco, which threaten public safety and burden tax payers, the slippery slope of over-regulation, (nanny state) and a lack of evidence to support the measure. Ultimately, none of these arguments was successful in preventing Australia from ushering in its world precedent legislation, and Canada stands to benefit from its experience and valuable outcome data. However, Canadian public health advocates must remain vigilant and take every opportunity to counter Big Tobacco's lies and educate the public as well as policy makers on the truth about plain and standardized tobacco packaging.

For more information on Big Tobacco's front groups and allies, as well as the myths that are being recycled about PSP, consult our other documents:

[Plain and Standardized Packaging: Tobacco Industry Double Speak](#) and  
[Plain and Standardized Tobacco Packaging: Correcting the Myths.](#)

For an in-depth view of Imperial Tobacco's campaigns and strategies, consult:

[How Imperial Tobacco Ran A Fear Campaign About Contraband Cigarettes To Block Taxes And Prevent Health Regulations](#) (Annotated Version of Leaked Information).