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Ont. launches \$50B tobacco lawsuit

By CBC News

Ontario plans to sue the big tobacco companies for \$50 billion, seeking damages for "past and ongoing health-care costs linked to tobacco-related illness."

Ontario says it is going to sue the big tobacco companies for \$50 billion.

The province said in a news release it is seeking damages "for past and ongoing health-care costs linked to tobacco-related illness."

"Ontario is taking the next step towards recovering taxpayer dollars spent fighting tobacco-related illnesses. We are joining British Columbia and New Brunswick in initiating a lawsuit to recover health-care costs from tobacco companies," said Attorney General Chris Bentley.

The \$50-billion figure represents the cost the province says it has footed for providing health care to smokers for more than half a century.

"The amount of \$50 billion will have to be proven in court, of course, but that is our view of the costs of health-care-related illnesses directly tied to tobacco from 1955 until now," Bentley told reporters outside the provincial legislature.

Ontario set the framework for the lawsuit through legislation passed this year.

The Tobacco Damages and Health Care Costs Recovery Act allows the province to sue for recovery of past, present and continuing tobacco-related damages. It also creates a method to determine the costs associated with tobacco-related illnesses and allocates liability by market share.

"The taxpayers of the province of Ontario have paid a lot of money for health-care costs directly related to tobacco use over the decades," Bentley said. "We passed legislation, which is consistent with legislation in other places. We believe the taxpayers should be compensated for the costs that they have paid. That's what this lawsuit is about."

Douglas Lennox, a Toronto lawyer who has been involved in several lawsuits against tobacco companies, told CBC News that Ontario's case may never go before a judge. That's because British Columbia's lawsuit against the tobacco companies is already well underway, with the trial scheduled to begin a little over a year from now.

"If B.C. can win their trial, then you'll see a resolution for all of the other provinces shortly thereafter," Lennox said.

Imperial calls lawsuit 'hypocritical'

The lawsuit names 14 tobacco companies based in Canada, the U.S. and England. Among those named in the suit is Canada's largest tobacco manufacturer, Imperial Tobacco Co., a wholly owned unit of British American Tobacco of London. It sells cigarettes under such well-known brands as du Maurier and Player's.

Imperial spokesman Eric Gagnon said the suit came as no surprise given the legislation, but suggested the Ontario government was being hypocritical.

"They're collecting billions of dollars in taxes, and right now they are turning and suing the tobacco companies," Gagnon said from Montreal. "This is a legal product and we do it in the way the government dictates us to do it."

Tobacco companies in Canada operate under stringent legislation that limits advertising by cigarette companies, restricts the sale of cigarettes to minors and regulates how cigarettes can be displayed in stores.

The government also regulates other products, such as alcohol and casinos, which can pose significant health and safety risks, Gagnon noted.

"Are they going to sue those industries?" he said. "From our perspective this does not make any sense."

Bentley said he had no plans to go after other industries. He also rejected a connection between tobacco taxes and the suit, arguing the cost of health care related to smoking "far exceeds" the amount collected in taxes.

The allegations contained in the lawsuit have not been proven in court.

Anti-smoking groups welcomed the lawsuit, but said any money the province might win should be used to fund public health projects and not go into general revenues.

"If litigation is used by government only to recover the costs of treating diseases but not used to establish ways of reducing tobacco-caused disease, justice will not be done," said Dr. Atul Kapur, president of Physicians for a Smoke-Free Canada.

The first lawsuit against tobacco companies was pursued by four U.S. states in the mid-1990s, and led to a 50-state agreement in 1999 in which the industry agreed to pay \$246 billion US over a 25-year period for health-care costs that resulted from the use of its products.