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—
Chair

Ms. Bonnie Brown

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•(1105)

[English]

The Vice-Chair (Mr. Rob Merrifield (Yellowhead, CPC)): Let's call the meeting to order. I know we have more members who are on their way, but they will flow in as they will. They're animals of their own destiny, and we won't worry about them.

We do want to thank the witnesses for coming forward on the regulations for the fire-safe cigarettes. I want to thank the department, H el ene Goulet and Denis Choini ere, for coming in. We'll start with you, and then we'll go to the Non-Smokers' Rights Association, Physicians for a Smoke-Free Canada, and then Imperial Tobacco.

Thank you all for coming in.

We'll go in that order. We ask that you perhaps lead off the discussion with your feelings with regard to the regulations.

[Translation]

Mrs. H el ene Goulet (Director General, Tobacco Control Program, Healthy Environments and Consumer Safety Branch, Department of Health): Thank you, Mr. Chairman.

Good morning. My name is H el ene Goulet and I am Director General of the Tobacco Control Program at Health Canada. Sitting next to me is Mr. Denis Choini ere, Director of our Office of Regulations and Compliance.

I would like to thank you for inviting us to speak to you about the proposed cigarette ignition propensity regulations. You have just been given binders from Health Canada. They contain 15 tabs. We will be referring to these tabs as we go through our presentation.

I would like to start with a bit of history, if I may. Back in 1969, the Standing Committee on Health, Welfare and Social Affairs, as it was then known, produced a seminal report on tobacco and cigarette smoking under the chairmanship of Dr. Gaston Isabelle. You will find this report under tab 3 in your binder. The report contained a wide-ranging list of recommendations, including eliminating the promotion of cigarette sales, increasing educational efforts to discourage cigarette smoking and increasing our knowledge of the product.

Over the last 35 years, many of these recommendations have been implemented, to varying degrees. We are now pleased to be able to tackle another one, recommendation F—which you can find at page 49 of the Isabelle Report—that the government develop and legislate a standard with respect to the fuse effects, i.e. the ignition propensity of cigarettes.

More recently, this committee has had opportunities to examine the issue of cigarette ignition propensity, when considering former Bill C-260, an Act to amend the Hazardous Products Act (fire-safe cigarettes), introduced by the Honourable John McKay and which became law on March 31, 2004. Thus, some of you around the table are already familiar with the matter before the committee.

Let us now leave history and move to the current situation. Fires started by smokers' materials are the leading known cause of residential fire-related deaths in Canada, on average killing more than 70 people per year. In addition, each year these fires cause over 300 injuries and 40 million dollars in property damage. In order to reduce this toll, the Department is proposing regulations that would reduce the likelihood that a cigarette could ignite upholstered furniture, mattresses and bedding.

The proposed cigarette ignition propensity regulations, which you will find at tab 2, would establish a standard for the ignition propensity of cigarettes. Specifically, as of October 1, 2005, manufacturers and importers would have to ensure that all of their cigarette brands burn their full length no more than 25% of the time when tested on ten layers of filter paper using ASTM method E2187-04. You will find an overview of the method under tab 13.

Let me briefly add that a companion set of regulations, known as the proposed Regulations Amending the Tobacco Reporting Regulations, has been developed. It has been tabled in the House this morning and you will find it under tab 2. It requires cigarette manufacturers and importers to perform annual toxicity testing on all cigarette brands sold in Canada, both prior to and after the ignition propensity standard comes into force. I understand that these proposed regulations will be examined by your committee at a later date.

[English]

Consultation on this proposal began in December 2002 with the release of Health Canada's consultation paper entitled "Regulatory Proposal for Reducing Fire Risks from Cigarettes". It's included as tab 11 in your binder. Following this, we have worked diligently on completing the required research and analysis, including the cost-benefit analysis, and on developing the proposed regulations.

The proposed regulations were pre-published in the May 1, 2004, edition of the *Canada Gazette* part I, initiating a 75-day comment period. Copies of the pre-publication, at tab 10, were sent to over 300 stakeholders and interest groups in addition to being posted on our website. A total of 51 respondents offered their insight, concerns, and recommendations. Of the 51 respondents, 11 were from the tobacco industry or associated companies; 31 were from public safety officials, mainly firefighters; 9 were from non-governmental organizations; and one was from a foreign government.

An overview of the comments and recommendations from these submissions is included in tab 8 in your binder.

I will now provide a brief overview of the responses, including the main concerns raised and recommendations put forward in the department's responses.

All of the responses from public safety officials were very supportive. Many firefighters wrote, some including personal testimonies of the tragedies they have witnessed as a result of cigarette fires. They stressed the need for swift implementation of the regulations. One respondent, who has been with fire services for 36 years, felt it would be blatantly, if not criminally, negligent not to adopt the regulations.

Another recommendation from the NGO community was to require ignition propensity testing to be performed and reported prior to market release and every two years afterwards. However, submission of this type of information would be of little benefit since Health Canada would have to carry out its own testing to monitor compliance with the prohibition. Departmental officials felt that this requirement would represent an unnecessary regulatory burden on the industry.

The majority of concerns about the regulations were raised by members of the tobacco industry. The accuracy of the cost-benefit analysis was questioned. In particular, industry members complained that not all of the costs were included. We do not agree with that opinion. As part of our analysis, a questionnaire was sent to members of the tobacco industry asking them to identify the costs of compliance with the regulations. All of the costs identified by respondents of the questionnaire were included in the analysis.

For the industry, concerns remain that the proposed ASTM method is not a good predictor of ignition potential in real-world circumstances. However, no new evidence was presented to support this claim, and Health Canada believes the test method is valid.

One tobacco industry member requested a delay in the dates for compliance with the standard. In view of the fact that Parliament just passed legislation last March suggesting December 2004 as the date for coming into force of the standard, Health Canada felt that more than enough time was given to manufacturers and importers by delaying the coming into force of the standard to October 1, 2005.

To put this in perspective, in New York State, manufacturers were given six months to comply with a similar standard, and as far as we know they managed to do so without incident. We still feel the October 1, 2005, date is both reasonable and attainable.

The sole response received from a foreign government was from the People's Republic of China. They expressed similar concerns in

opposition to the regulations. Their concerns were similar to those of the tobacco industry, as I said, in that they questioned the ASTM method.

Overall, Health Canada estimates that the proposed regulations will help save 18 to 36 lives per year, help prevent between 77 and 155 injuries, and will reduce damages to property by \$9.5 million to \$19.1 million.

We've covered with you some of the relevant historical events and we've given you an overview of the proposed regulations and their impact. We've also provided you with comments from stakeholders and our view on these comments. We'd now be pleased to answer any questions you may have.

Thank you.

• (1110)

The Vice-Chair (Mr. Rob Merrifield): Thank you very much for your overview.

We will get to the questions, but we will listen to all of the witnesses prior to that.

We would ask the Non-Smokers' Rights Association, Mr. Haven and Mr. Damphousse, to go ahead. I don't know who is speaking.

[Translation]

Mr. François Damphousse (Director, Quebec Office, Non-Smokers' Rights Association): I will start, Mr. Chairman. Thank you very much. I would like first of all to introduce my colleagues. Mr. Neil Collishaw is Research Director at Physicians for a Smoke-Free Canada. Mr. Collishaw worked for the World Health Organization for several years. Previously, he worked at Health Canada. Mr. Russ Haven, a lawyer with the New York Public Interest Research Group, will speak of the experience in New York State. He will tell us how it came about that a regulation on fire-safe cigarettes was passed there.

I would now like to draw your attention to our brief. Many groups joined us to support the regulations as late as yesterday afternoon. Some 15 groups support these regulations. Among those, two are from New York State and several are coalitions, including the Coalition québécoise pour le contrôle du tabac which has more than 750 members in Quebec.

[English]

The Vice-Chair (Mr. Rob Merrifield): Sorry to interrupt you. We have it here. It's in English only. It will be translated and sent out.

[Translation]

Mr. François Damphousse: Thank you very much.

First of all, I would like to congratulate the committee for taking the time to consider this important health and public security issue. I would like to thank more specifically Mr. John McKay for the work he accomplished with his Bill C-260, which pushed this important file to the forefront.

We also want to thank Health Canada and Mr. Denis Choinière for the excellent work they did, especially with the publication of the Summary of the Impact Study of the Regulations. We found this to be an excellent document that responds to many of our concerns regarding fire-safe cigarettes. We really felt this needed to be said here this morning.

Without further delay, I will defer to my colleague Russ Haven, who will describe what happened in New York State.

•(1115)

[English]

Mr. Russ Haven (Legislative Counsel, New York Public Interest Research Group, Non-Smokers' Rights Association): Thank you all. I feel very honoured and privileged to come to you today to talk about our experience in New York State in advocating for and adopting a cigarette fire safety regulation.

My organization, the New York Public Interest Research Group, or NYPIRG, is a non-profit, non-partisan consumer protection and safety organization. We saw this as part of our ongoing work to prevent injuries in New York State and protect tax dollars that are spent on fighting fires and paying for hospital treatments for firefighters and burn victims. We saw this as an important fight. I have personally advocated on this issue since 1995.

However, my connection to this issue goes back a good deal further. In August 1975 I was at my home in New York state and I was painting the interior of the house. At the time I smelled smoke and immediately ran downstairs. I saw that the room where my grandmother was staying was in flames. In fact, my grandmother was lying on the ground in flames. I dragged her out of the room and tried to fight the fire. I called the fire department. Although there was limited damage to the house, my grandmother, who was in her eighties at that time, passed away later that night at the burn unit. As you can imagine, it was an awful tragedy that seared itself on my memory.

It wasn't until several years later, in the early 1980s, that I actually learned that this had been a problem, that the likelihood and the propensity of cigarettes to cause fires was a problem that had been known to the tobacco industry and at large going back at least to the 1930s. I was shocked to realize that.

As an advocate between 1995 and 2000, when the law was passed in New York, I worked to build a coalition of firefighters, insurance companies, real estate interests, senior citizens, health groups, and community groups that advocated on behalf of the law that we successfully passed. I'm very pleased to say that the law went into effect on June 28, 2004.

However, as you all know, the path to public policy, particularly for those opposed by powerful special interests, is never easy, and in New York's case, the hidden story behind the passage of our law is based on a couple of key circumstances.

Number one, in December 1998, three New York City firefighters, the same firefighters who became everyone's heroes on 9/11, died fighting a fire in Brooklyn at a public housing complex. The woman who started the fire was in her late sixties. She was smoking a Marlborough cigarette, it was determined. She escaped unharmed.

As you can imagine, this was a tragic event that energized the fire service industry as it had not been before.

The second thing that happened was, as we say in the States, a little bit of inside baseball—meaning unless you paid close attention to the political scene, you may have missed it. However, it turned out to be very important. It was a scandal that rocked the New York state capital, Albany, regarding how the tobacco industry had failed to disclose the money it was spending to lobby the state legislature. In one part of the scandal they had spent hundreds of thousands of dollars, giving it to what we call front groups, which were in this case essentially bar and restaurant owners, as a way to have them represent the interests of the tobacco industry without the tobacco industry being named.

The tobacco lobbyist for Philip Morris was subsequently banned from lobbying in New York State for three years and fined. But as a result of that scandal, it came out that over 115 legislators had been wined and dined and had received free gifts, like tickets to the U.S. Open and the Yankees and Mets baseball games, from the tobacco lobby, and in many cases these exceeded the gift limits under New York State's law.

•(1120)

As you can imagine, lawmakers were not pleased to be dragged into this scandal, and I think it created a climate of distrust between the New York State legislators and the tobacco lobbyists.

The third key thing that set the stage for passage of the law in 2000 was that Philip Morris—which, again, is the dominant marketer of tobacco products in the U.S. and in fact the largest cigarette maker in the world—had gotten its reduced ignition technology to the point where it was marketing its Merit cigarettes, which I will pass around to you now if I may, with a banded-paper technology that reduced the likelihood that those cigarettes, when carelessly handled, would cause fires. For years what we had been fighting was that the tobacco industry telling us that it could not market a product that would effectively reduce fires and was acceptable to consumers. This major initiative by Philip Morris changed that.

As I mentioned, our law went into effect this past June, and the process played out over several years. I think because New York State was in many ways inventing the wheel for the first time—finalizing the tests, dealing with issues that concerned the ability of laboratories to accurately reproduce tests and the quality control involved—it took more time, but all through the process we heard that the tobacco companies could not meet a tight timetable, that it was just impossible to do.

What we found was that companies representing 99% of the sales of the New York market before the law went into effect were actually certified as stating that their cigarettes met this very stringent standard. If I may, I'd like to submit for evidence a copy of a list of 746 separate types of cigarettes that are for sale in New York State and certified to comply with the New York State law.

New York State went through a very comprehensive process. They enlisted the support of Dr. Richard Gann, a specialist on this issue with the National Institutes of Standards and Technology. Mr. Gann's expertise is truly international. He was one of the lead investigators on the collapse of the World Trade Center, so that gives you some sense of how prominent he is.

I urge you to move today to favourably report this very, very important health policy initiative. New York was proud to be the first state. I wish I could come to you today and tell you that the United States had done what I hope you will soon do. But I believe that if you act and Canada adopts this, you will save lives; you will save taxpayers' money; you will save Canadians from the awful, unspeakable misery of dealing with burn injuries; and you will set in motion a global change for the better in terms of public safety.

I'm pleased to be here today. I congratulate Health Canada, the advocates, and the members of Parliament on your great work, and I again urge you in every way possible to move forward on this.

The Vice-Chair (Mr. Rob Merrifield): I want to thank you for your review of your experience in New York.

Now we'll ask Mr. Collishaw from Physicians for a Smoke-Free Canada to present.

[Translation]

Mr. Neil Collishaw (Research Director, Physicians for a Smoke-Free Canada): Thank you, Mr. Chairman and thank you to Mr. Haven for his comments and his very interesting information about our neighbours in New York State.

I would like to join Mr. Damphousse to congratulate our colleagues from Health Canada for the very thorough work they did on this file. But I would like to congratulate especially the members of this committee and parliamentarians, the members of my Parliament, of the Parliament that belongs to all of us Canadians. You have demonstrated a very strong leadership on this issue. I should note that this was an initiative of Mr. McKay, a member of Parliament. This initiative did not come from the government, but from Parliament. Mr. McKay had strong support from members on all sides of this committee. You have thus demonstrated that this Parliament, our Parliament, is a strong force in support of health and public welfare.

You are powerful. I am of the view that you exercise this power in a very responsible fashion, in the public interest. I want to express my appreciation. We do appreciate. We thank you.

•(1125)

[English]

Tobacco control is a pan-partisan issue. When members of Parliament can set aside their ideological differences and work together for the common good, as you have, you show Canadians that Parliament is supreme, and works supremely well for the benefit of all Canadians.

We urge you to recommend unanimously to Parliament that this draft regulation be approved. This committee will have the opportunity to show more leadership on tobacco issues in the coming months. The government is obliged to lay all draft regulations under the Tobacco Act before Parliament, and in the

normal course of things that means these regulations will then be examined by this committee.

You can follow through and show continuing leadership on this issue because there are many regulations in various stages of development at this time. There are regulations or consultation papers on deceptive labelling of cigarettes as light and mild; health promotion regulations; renewed tobacco labelling regulations; a renewal of the tobacco reporting regulations; and toxicity reporting regulations.

We look for continued parliamentary leadership on these and other tobacco control issues. Please continue to give Canadians reason to be proud of their Parliament and their parliamentarians. Please continue to show effective, all-party cooperation and public leadership on tobacco control.

Thank you very much.

The Vice-Chair (Mr. Rob Merrifield): Thank you very much.

Before we get into the questioning, we have representatives from the industry here. From Imperial Tobacco, Mr. McCarty, Mr. Fortier, and Mr. Duplessis.

Go ahead, gentlemen.

Mr. Donald McCarty (Vice-President, Law, Imperial Tobacco Canada Limited): Thank you, Mr. Chair. I think I'll take the lead.

Let me introduce my colleagues. To my far left is Gaëtan Duplessis, the head of our research and development department at Imperial Tobacco Canada. To my immediate left is Mr. Pierre Fortier, the vice-president of corporate affairs. I am Don McCarty, the vice-president, law, of Imperial Tobacco Canada.

Just to clarify one thing you said, Mr. Chairman, we are here on behalf of Imperial Tobacco Canada, not on behalf of the industry at large. We have no mandate in that respect.

Just a word on who we are. Imperial Tobacco Canada Limited is, as most of you know, Canada's leading tobacco company. We control approximately 58% of the market share of total tobacco products in the country. Our head office is located in Montreal. We have major manufacturing facilities located in Aylmer, and in Guelph in Ontario, together with sales offices and distribution centres in cities across the country. We employ approximately 1,200 people at Imperial Tobacco Canada.

This is actually our fourth appearance before a parliamentary committee, either of the House of Commons or of the Senate, on this issue. Rather than prepare a fourth submission, we have submitted to the *greffier* a copy of the submissions we've made at all previous presentations to this committee or to the Senate committee. They're available in both languages. I understand they'll be distributed to you during this presentation or a little later.

I'd like to talk a little bit about why we're here, but perhaps I should start off by explaining that we are not here to argue against the adoption of this regulation. We're not here to beg you for a postponement or to otherwise complain about the process that brought us here or anything of that nature.

What we are here for is to report on the progress we've made to date in terms of compliance with this regulation. We're also here to reiterate our commitment to dialogue with all sectors and all stakeholders in the tobacco industry, including government, the Canadian public, and non-governmental organizations. Although we will indicate our ability to comply with the draft regulation, hopefully by October 1, we have a number of points of disagreement. I'd like to state them for the record, if you don't mind.

We're also here to answer any questions the committee may have for us and to talk a little bit about the upcoming crunch of regulations that Mr. Collishaw so much hopes will be adopted. We're doing a full-court press on this. We will have spent, by the time October 1 comes along, in excess of \$35 million in order to ensure adequate sources of supply of the paper that is needed to make the cigarettes that will comply with this standard. We've made considerable efforts. There's been considerable travelling and committee work, but we firmly believe, unless some disaster occurs between now and October 1, we will be in a position to comply with the regulation by that date.

I would like to state one thing, which I think is important. I fully agree with many of the remarks made here in presentations and by Health Canada to the effect that cigarettes that start fires obviously can result in tragic fires. It is not always the cigarettes that are responsible. There are other issues that need to be addressed, particularly the question of education of smokers, which is something that hasn't been done in this country for a long time.

Needless to say, I certainly hope Health Canada is right when it predicts that lives will be saved, and I hope the numbers it has put forward are low. I'm hoping it will save even more lives. Our fear is that we are complying with a laboratory standard of ignition propensity, and I'm worried that the real-life situations that will occur will be different. I'm going to invite Mr. Duplessis to speak at the end of my presentation for a minute or two on why we think this is so.

There is a series of regulations that have been put forward by Health Canada on other issues. We're not here to talk about those. One of the purposes of our being here is to indicate to you that we will be back every time these regulations are proposed, and what we earnestly hope is that if these regulations are going to be proposed and discussed, that we are invited back to the table on every occasion. I suggest to you that progress on tobacco control can be more readily made by talking to us, either by picking up the phone or by sending us a letter, rather than perhaps screaming at us in the media, as is too often the case.

● (1130)

We will have interesting things to say about issues of tobacco control in the near future. We will have our own suggestions to bring forward to Health Canada and to this committee in the next couple of years. We hope that our being here today, and the dialogue we're attempting to foster with you, will make that process a little easier. We think these issues can be facilitated very much by dialogue.

Just before Mr. Merrifield proceeds to questions, what I would like to do is to ask Mr. Duplessis, the head of research and development, to indicate a little bit about what the test is we're actually going to be forcing the industry to comply with, and perhaps some of the problems it may pose in a real-life situation.

● (1135)

[Translation]

Mr. Gaëtan Duplessis (Division Head, Research and Development, Imperial Tobacco Canada Limited): Let's talk about this test. Up to a point, we agree with what our colleagues from Health Canada said. Ms. Goulet mentioned that there was a lack of correlation between the test results and what happens in the real world. Indeed, if I understood correctly her earlier comments, it has been impossible to demonstrate such a correlation.

To my knowledge, there have been very few tests—tests similar to those required by the proposed regulations—done on cigarettes in a real world situation, i.e. on mattresses, chesterfields, etc. We still do not know today what the effect would be on such circumstances. As Mr. McCarty said, we hope it will go in a positive direction. But at this time we do not know.

In this regard, a recent discovery shows the major difficulty surrounding such laboratory tests. Unfortunately, I only have these pictures here which I will provide later to the committee.

Let me explain. We built cigarette prototypes that comply with the test requirements. Seventy-five percent of those cigarettes burned out when they were set on ten layers of filter paper as required by the regulations.

Later we tried to evaluate what would happen with these cigarettes when somebody uses them in a normal fashion. So we set those cigarettes horizontally, lit them and looked if they would go out or not. We placed another series of identical cigarettes at an angle of 30 to 45 degrees. It turned out that when cigarettes were placed horizontally, 5 to 45 percent tended to burn out during normal combustion in a room. However, we were somewhat amazed to find that when these same cigarettes were placed at a 30 to 45 degree angle, none went out.

These results show pretty clearly how much it is difficult to design a cigarette whose ignition propensity is truly reduced in a real world situation. Very seldom is a cigarette placed perfectly level on ten layers of filter paper in the real world.

That being said, we are nevertheless forging ahead. We work very hard to comply with the requirements and ensure that compliant products will be on the market as of October 1.

[English]

Mr. Donald McCarty: If I may, Mr. Chair, I have just one last remark on this issue.

When these regulations were first put forward, they were in two parts. There was essentially one part of the regulations that talked about what the standard would be, in compliance with that standard; another part of the proposed regulations that Health Canada put forward was the question of toxicity testing. The industry had expressed concerns, and indeed others had expressed concerns—and I believe Health Canada shared them as well—that the adoption of the standard and the technological changes that would have to be made to a cigarette to comply with the standard would actually increase some of the health risks that may be associated with the cigarette.

There are, I understand, requirements forthcoming at some time in the future to perform different types of toxicity testing on these cigarettes. I don't really know at what point they're going to be coming forward. Our main preoccupation was that we are required already by the reporting regulations in the Tobacco Act to report to Health Canada on a number of issues, including the ingredients and constituents of tobacco and cigarette smoke. Having new testing regulations come into effect in October would skew the results for the entire year. We're addressing this issue with our colleagues at Health Canada, and we trust that we'll be able to resolve them. But there is this further issue coming forward of the toxicity testing to be required on these types of cigarettes; I just wanted to remind the committee of that.

It remains only for us at Imperial Tobacco to thank the members of the committee for inviting us to come forward to speak to you today on this issue.

• (1140)

The Vice-Chair (Mr. Rob Merrifield): Thank you all for being here and for sharing your expertise with the committee.

We'll now go to questioning.

Mr. Fletcher, you have ten minutes.

Mr. Steven Fletcher (Charleswood—St. James—Assiniboia, CPC): Thank you all for coming here today. I appreciate having all the stakeholders here, and I'm sure that when these issues are discussed in the future, all stakeholders will be invited.

I'll start off by directing my questions to Imperial Tobacco, and if I have time I'll branch out. Are you telling us you will meet the regulation deadline?

Mr. Donald McCarty: Unless disaster strikes, the answer is yes.

Mr. Steven Fletcher: And if you don't?

Mr. Donald McCarty: If we don't, then we'll have a problem. I don't really know what else I can tell you about that. We're just doing our best to comply. If we don't meet it, for valid reasons, I think we'd be entitled to come back to Health Canada and to this committee to tell them exactly why and to obtain the additional time we may need.

Mr. Steven Fletcher: In New York State they were able to meet shorter timelines, so can't you just transfer the knowledge you receive from New York State to Canada?

Mr. Donald McCarty: What must be understood about the technology we're talking about when we pass the cigarette, Merit, around is that it is proprietary to Philip Morris. It's Philip Morris that's been talking to Health Canada about its technology. The problem is that we are a competitor of Philip Morris, at least on the international scene, and we don't have access to that technology, so we have to develop our own.

Mr. Steven Fletcher: I'm amazed how complicated cigarettes are; they really seem more complicated than meets the eye.

I have to say that I found it a little ironic and interesting that Imperial Tobacco raised concerns about the toxicity of cigarettes when dealing with these new papers.

Do you have any studies showing that these alternatives you're showing would be more toxic in some way?

Mr. Donald McCarty: Perhaps I can ask Mr. Duplessis to address that issue of what we found on that topic so far.

Mr. Gaëtan Duplessis: So far, what we have found with the modified products, at least the prototypes we've been able to test so far, is principally a very, very significant increase—or what we judge to be a very significant increase—in carbon monoxide deliveries in the cigarettes. We have shared that information with Health Canada. We have also seen some indications of increases in other constituents of the tobacco smoke, which have been deemed undesirable, certainly in the public records, and we've also shared that with Health Canada.

The view that was expressed to us during those discussions was that these differences were insufficient to be of concern, if I can interpret their statements in that fashion. But I believe that was, by and large, the view that was expressed.

• (1145)

Mr. Steven Fletcher: Are you willing to share those results with the committee or Health Canada?

Mr. Gaëtan Duplessis: I don't have the details with me, but we can certainly provide them afterwards.

Mr. Steven Fletcher: You raised some doubt about real life versus laboratory results. I wonder if you would agree with the statement that lives would be saved in either case if these new regulations were implemented.

Mr. Donald McCarty: We honestly don't know. The only thing we can say is we certainly hope that Health Canada is right. But I certainly cannot endorse a figure of 18 to 36, or any other quantity Health Canada might give. I hope it saves many lives. We think it's appropriate for us to point out that may be a little optimistic, but maybe it's worth a try. That's the general argument we hear. I think it is.

Mr. Steven Fletcher: Is there an acceptable number of preventable deaths per year from fires caused by cigarettes, or your products, that you would accept?

Mr. Donald McCarty: One would be acceptable, sir.

Mr. Steven Fletcher: One would be acceptable—one preventable.

Mr. Donald McCarty: Any number of lives saved is acceptable. I'm not going to make a distinction.

Mr. Steven Fletcher: Okay. I wonder if I could ask some of the other delegations here—Health Canada or Physicians for a Smoke-Free Canada—for their comments on what they've heard from Imperial Tobacco.

The Vice-Chair (Mr. Rob Merrifield): Would you like to start?

Mr. François Damphousse: There was extensive research done in the United States by the American government on fire-safe cigarettes issues. One of the key concerns of the research group, which by the way included tobacco industry researchers, was whether these cigarettes increased toxic emissions. They included medical officers of health as part of their research group to take a look at whether they would.

When they looked at the key indicators, like tar and so on, they showed that there were no significant differences between the fire-safe cigarettes and the regular cigarettes. Even the research or technical advisory group created a protocol to test the toxicity levels of these products. Philip Morris actually tested the Merit cigarettes that were handed around, to see if there were any noticeable differences. I can submit to you as evidence the report from that research. They showed no distinctions, or insignificant differences, between their products and regular products on the market.

That research has been done. It's the first time I've heard somebody talking about the fact that there might be a problem.

The Vice-Chair (Mr. Rob Merrifield): The question was also to Health Canada.

Mr. Denis Choinière (Director, Office of Regulations and Compliance, Tobacco Control Program, Healthy Environments and Consumer Safety Branch, Department of Health): There were two issues raised. On the first issue of the suitability of the ASTM test method, we recognize that laboratory test methods are not perfect. When you understand the phenomenon, they are an attempt to replicate the process of that phenomenon, which in this case is fire created when a lit cigarette is left on upholstery or bedding. It's what we call a consensus test method, and it was developed in an ASTM technical committee with input from their sector, including academia, the industry, and researchers from government laboratories. Despite the weaknesses of the test method, we feel it's suitable at this stage.

Is it the best test method? Time will tell. Hopefully, just like any other test method, it will improve. We will learn from it as time goes on, and hopefully there'll be better versions in the future. That said, we feel that at this stage it's a suitable standard to put in place.

On the issue of toxicity that has been raised by the industry over the last 20 years, there were two formal committees established by the U.S. Congress to look at what they call fire-safe cigarettes. Both the technical scientific study group and the technical advisory group looked at that issue and recommended testing.

So far we've seen two tests that were conducted by U.S.-based manufacturers Philip Morris and Brown & Williamson, which is a sister company to Imperial Tobacco in Canada. In both instances the results do not show significant changes in toxicity. We believe there's a high probability that the cigarettes will be just as toxic after the standard is in place as they are now.

To be on the prudent side we are asking that monitoring, using a set of toxicity tests, be implemented through the regulations. This committee will be looking at those regulations in the near future. I don't want to spend too much time on this issue, since we will be coming back.

• (1150)

The Vice-Chair (Mr. Rob Merrifield): Okay, very quickly.

Mr. François Damphousse: A study was conducted in New Zealand where they basically changed the cigarette paper on cigarettes with roll-your-own paper, and all the cigarettes complied 100% to the testing method that would be approved under these regulations. I would like to submit that study as evidence to the committee today.

The Vice-Chair (Mr. Rob Merrifield): Thank you.

Mr. Steven Fletcher: Do I have time?

The Vice-Chair (Mr. Rob Merrifield): Actually, your time is gone.

We'll now go to Réal Ménard.

[*Translation*]

Mr. Réal Ménard: I have two questions. I would like to clearly understand what the tests performed will show or what goal is being pursued.

Unless I am mistaken, 25% of the time cigarettes burn down completely. Is that correct? Therefore, the committee is not able to say that we have a full guarantee that a cigarette that complies with the standard as of October 2005 will protect us against a fire if it comes into contact with material such as a mattress or some other similar material. Is this correct?

Mr. Denis Choinière: The regulations aim at reducing fire hazards. At this stage, we cannot prevent all fires. We believe that the standard put in place is realistic and that manufacturers are able to comply. When a batch of 40 cigarettes is being tested, a certain percentage, i.e. 25% of them is allowed to burn their full length. This means that there is allowance for a given percentage of a given brand of cigarettes to fail the test.

Mr. Réal Ménard: I should state that we support these regulations. But before we get into the details, I would like to know what certainty the committee can have at the present time. For example, could we have a comparison with what has been done in New York State.

If we allow 25% of the cigarettes to burn down completely, it means that 75% must have a lower ignition propensity. However, Mr. Duplessis seems to say that we should question the validity of the tests prescribed. Mr. Duplessis tells us that tests done with ten layers of filter paper are far removed from reality.

If we pass the regulations, as is very likely since all political parties in the House of Commons are in support, what should we be saying regarding public security when we will speak publicly about this subject?

Mr. Denis Choinière: We propose a reduction. We believe there will be a reduction. The figures we used are based on a best case scenario and a worst case scenario. Considering that 95% of fires caused by smoking material are due to cigarettes, we believe that the new standards will bring down the number of such fires by 30 to 60%, according to our scenarios. Our minimal estimate is 30%.

Mr. Réal Ménard: I wonder if Mr. Damphousse wants to add something on this.

Mr. François Damphousse: We have to start somewhere. I think it is quite commendable Health Canada didn't try to reinvent the wheel and chose these standards of reduced ignition propensity. As Mr. Haven mentioned, it took several years of efforts to put into place regulations that require a specific standard of 25% of cigarettes that will not go out on ten layers of filter paper. By using this same standard, we avoided starting from scratch. In my view, it is quite logical to proceed in such a fashion. Mr. Haven may want to elaborate on the standards that were established in New York State.

• (1155)

[*English*]

Mr. Russ Haven: In New York State they tested a large percentage of the market—I think over 80% of the brands—to see how they fared on the test, and almost all of them failed. They looked at the chemistry of cigarettes in evaluating what was then the most prominent technology, which is to wrap the cigarette in special paper that has thickened bands around the barrel of the cigarette. That prevents oxygen from feeding the coal of the cigarette, which means if you don't puff on it, it will go out.

In evaluating that technology and looking at the tests, it was determined that based on the testing methodology, ten layers of filter paper would be helpful in determining differences between different brands. It was also determined that the 25% failure rate was achievable within a margin of comfort. In fact, the 746 brands we submitted today demonstrate that is the case.

[*Translation*]

Mr. Réal Ménard: Fine. I have two short questions.

[*English*]

The Vice-Chair (Mr. Rob Merrifield): I'm sorry, your time is gone.

Mr. Savage, you have five minutes.

Mr. Michael Savage: It was my understanding that the NDP would go before us. I'm certainly prepared to cede my time to them.

The Vice-Chair (Mr. Rob Merrifield): I'm just following the rules we set out as a committee, but if you want the NDP to go, absolutely.

Mr. Blaikie.

Hon. Bill Blaikie: I won't take up very much time.

I think there's a high level of agreement even among the witnesses about the advisability of going ahead with these regulations and learning from the experience in having them enforced. There are various levels of skepticism and uncertainty, but nevertheless, there doesn't seem to be any violent disagreement about whether or not they should go ahead. I would hope the committee, Mr. Chairman, would report that these regulations should proceed.

There are just a couple of things I wanted to understand better. You keep referring to the ten layers of filter paper. Is this for purposes of testing? You're not trying to tell me cigarettes themselves have ten layers of paper. This is a methodology for testing the ignition capacity of these various papers. Is that right?

Mr. Denis Choinière: Yes, we use filter paper in a lab setting. If you look at tab 13, you'll see a pictorial representation of what it

looks like in the lab; it's a specific set-out filter paper that is pretty standard. The purpose of its use is to act as a heat sink. Depending on how much fuel or tobacco you have to be burned and how much heat is produced by the cigarette, the heat sink would help prevent the full combustion or not.

Hon. Bill Blaikie: So this is the actual paper that would be used on cigarettes, where the regulations—

Mr. Denis Choinière: No, it's totally different paper.

Mr. François Damphousse: You just light the cigarette on the filter paper.

Hon. Bill Blaikie: I see. I wasn't getting that.

I was listening to your most recent answer, Mr. Haven, when you were talking about the fact that in order to keep the cigarette going you'd have to inhale more. I'm wondering, from the point of view of people who are trying to reduce the other toxic effects of smoking as opposed to the accidental fire-producing effects, whether there might not be some unintentional by-product. It's in the sense of cigarette smokers, when they have a cigarette sitting in the ashtray, having to maybe inhale more often than they normally would in order to keep it from going out.

I'm not trying to be difficult. I'm just thinking this might actually be an insignificant side effect, and I wonder whether anybody has given any consideration to that.

• (1200)

Mr. Russ Haven: A good deal of thought went into that.

I should note that in addition to my organization, the American Cancer Society, the American Lung Association, the American Heart Association, and the Roswell Park Cancer Institute, which is a renowned research institute in Buffalo, New York, supported this along with physicians' groups.

The so-called relighting issue was certainly one that was considered. It's my understanding from the scientists and the health researchers that the real toxins in cigarettes accumulate the more you smoke the cigarette. It's not the relighting issue per se that creates the health damage so much as the fact that deeper down into the cigarette is where the toxins concentrate. So it appears to be a negligible issue if it does turn out that smokers are relighting more frequently or some of them are.

Hon. Bill Blaikie: I see that all those groups are lined up, but I just wanted to have it on the record that this was not a problem.

I have no more questions, Mr. Chairman.

The Acting Chair (Mr. James Lunney): Thank you very much, Mr. Blaikie.

We'll go to Mr. Savage.

Mr. Michael Savage: Thank you very much, Mr. Chair, and thank you all for taking the time to come here during the Christmas season to talk about cigarettes. Nothing says Christmas quite like a cigarette.

I was going through the Isabelle report from 1969, which was 35 years ago, and it specifically has a clause in it called "Fires Caused By Smoking" and the recommendation that the tobacco industry be encouraged to reduce the fuse effect of the cigarette. We've heard about the awful experience Mr. Haven had with his grandmother.

I was looking in the responses in section 8 for recommendations from NGOs, and there was a line here that one respondent mentioned that in one experiment a scientist in New Zealand achieved a 100% extinction rate with the cigarette papers used. I'm just wondering—maybe it's for Health Canada, but anybody else who wants to can answer this—since we've had a lot of advocacy on tobacco issues, why has it taken so long to get to the fuse characteristics of cigarettes in a meaningful way?

Mr. Denis Choinière: Well, I think this speaks to the complexity of the issue, which looks pretty simple on the surface. Once you've identified the problem, you need to find the solution. The solution in this case, in our view, has two parts. The first one is technological—you have to be able to solve the problem—and the second part is that you have to be able to measure whether or not the solution is effective.

Research from the industry in the nineties, especially under the leadership of the U.S. Congress with various pieces of legislation, showed that it should be technically possible to achieve a cigarette that has a reduced ignition propensity. Since about 2000 we have had an ASTM standard that officially recognizes the test methods that have been developed by the U.S. National Institute of Standards and Technology, which until then had not been developed as a consensus standard.

So we're now at a stage where the elements are there and we can bring them together in a regulation.

[Translation]

The Vice-Chair (Mr. Réal Ménard): I believe Mr. Damphousse wants to provide an additional answer.

[English]

Mr. François Damphousse: One simple reason we didn't move on this issue was that no governments around the world had the authority to regulate tobacco products; Canada was the first one to do so. We got the Tobacco Act passed in 1997.

We had two coroners' inquests in Canada, one in Quebec following the deaths of three small children in a fire caused by a cigarette and one for a wheelchair-bound elderly person in Ontario. Both coroners' inquests ruled that it is feasible to impose reduced ignition propensity standards, but we didn't even have the legislation to pass such regulations, so we had to fight to get the Tobacco Act passed, including provisions to have the authority to regulate the product. From then on, Health Canada started working on this issue.

Mr. Haven can also talk about what is happening in the United States on that issue specifically.

• (1205)

Mr. Russ Haven: In the United States, I think the clear answer is a lack of will on the part of the tobacco companies and the lack of political push to make it happen. We do amazing things through technology when people concentrate their attention on solving problems, whether it's going to the moon or developing the latest snack food you can't seem to put down. When commercial interests put their mind to something, it can happen.

In this case they were expert at slowing things down in Congress and blocking things in state legislatures. I think if you drive the process through what you do today, it will happen.

[Translation]

The Vice-Chair (Mr. Réal Ménard): Mr. Savage, you have one minute left.

[English]

Mr. Michael Savage: I wonder if anybody could just give me a sense of where this is in other jurisdictions. Are any other countries or any other states in the United States close to introducing this right now?

Mr. Russ Haven: In the United States there are probably a half a dozen to twelve states that have had fairly strong pushes for legislation in this area. After New York State adopted its law, a lot of the states thought our Congress would adopt a national standard, and in fact there are strong bills pending in Congress that the tobacco industry and the advocates would support.

I think part of it is that there's been a crowded schedule, but I'm sure if you act, that will provide additional pressure on the U.S. Congress to act.

[Translation]

The Vice-Chair (Mr. Réal Ménard): Okay. Your time is over. You may be able to deal with this when answering another question.

I am going to give the floor to Mr. Lunney, and then to Ms. Demers. Go ahead, Mr. Lunney.

Mr. James Lunney: Thank you, Mr. Chairman.

[English]

I wanted to pick up on a concern about the increased health risk. Representatives from Imperial mentioned there is an increase in carbon monoxide delivery. Now, I read in your submission that there appears to be a 10% to 15% increase in carbon monoxide, which I would think would be a rather significant health concern inasmuch as carbon monoxide binds to hemoglobin and it may take many months for that to be eliminated as cells die and are replaced.

I notice, Mr. Choinière, that as a Health Canada official you didn't seem to share the concern about the health risk there, and I'm wondering if you would care to comment on that.

Mr. Denis Choinière: There are over 4,000 chemicals in cigarette smoke. Right now, manufacturers annually report about 40 different levels. Carbon monoxide is one of the volatile gas phases, if you will, in the particulate phase. It is obviously of concern, but it's not the only chemical of concern.

The data we've seen from the two studies I mentioned earlier, the one from Philip Morris and the one from Brown & Williamson, tend to indicate that although some chemicals go up, others go down. I'm not sure that looking at the chemistry alone is sufficient. You have to look at the toxicity. This is why we are looking at mandating toxicity testing to be able to better assess the resultant smoke. Looking at the chemistry alone, for one or two chemicals out of 4,000, when some of them go down and some of them go up, is very complex. You cannot really make an educated guess.

Mr. James Lunney: I hear that. We know that tars can clog your lungs and foul your intake of oxygen, but we also know that carbon monoxide kills people regularly if they get too much of it. I would think that's a very significant risk factor.

I would ask the Imperial Tobacco representatives this. Are you satisfied that testing done in the States by Philip Morris, which you're referring to, is equivalent to your products?

Mr. Donald McCarty: I might ask Mr. Duplessis to comment further.

I think we need to make the point when comparing other jurisdictions that Canadian cigarettes are not necessarily the same as cigarettes in other jurisdictions. Our cigarettes use flue-cured tobacco. Generally, Canadian cigarettes do not have any additives or ingredients added to them. This is different from the situation in the United States. It's not always easy to make simple comparisons: if this happens in the States, therefore it's the case here.

In terms of your question in general, I would ask Mr. Duplessis to comment further, if he can.

• (1210)

Mr. Gaëtan Duplessis: It's extremely difficult to make comments in relation to work that was done in another jurisdiction or in another country where the products are very different, and most of all, of course, by another cigarette manufacturer. There was mention made of the Philip Morris analysis. My understanding is that it was based principally on the short-term bio or toxicity tests.

On the other hand, we do know that Philip Morris, in relation to some of their work, I believe, had something in excess of a 50% increase in cadmium in some of the samples that were tested. I say that, but I'm not sure how relevant or how irrelevant it is in relation to what will happen to Canadian products. It's very difficult to make reference to what Philip Morris may have done. The technology they are using is obviously proprietary to them. I'm not too sure what impact that will have, if any.

Finally, in relation to the overall aspects of tobacco use—this was mentioned earlier—we really do not know whether people will indeed change the patterns by which they smoke. I don't think anybody knows at this point, because the situation in New York has not been implemented long enough. Will they puff more often? I have absolutely no idea at this point in time whether they will or they won't. That remains to be seen.

[Translation]

The Vice-Chair (Mr. Réal Ménard): Do you wish to hear what Mr. Damphousse wanted to add?

[English]

Mr. François Damphousse: There's one thing that needs to be pointed out about the work done, especially by the research groups in the United States. When modifying the product to make it more fire-safe, only physical characteristics are changed. We're basically reducing tobacco density and the circumference of the cigarette, lowering the paper porosity, or even eliminating a chemical product like citrate, which controls the burn rate. It would be logical to assume that these modifications will not introduce any kind of chemical change in the smoke constituents.

[Translation]

The Vice-Chair (Mr. Réal Ménard): You are out of time. Should I put you down for another round, Mr. Lunney? You are at 5 minutes 42 seconds.

[English]

Mr. James Lunney: Yes, please.

[Translation]

The Vice-Chair (Mr. Réal Ménard): I want to give the chance to somebody else. However, I am putting you down for another round.

Ms. Demers, you have the floor.

Ms. Nicole Demers (Laval, BQ): Thank you to our witnesses.

Mr. Haven, you expressed my thinking very well when you talked about events that can speed up the legislative process. Firefighters, especially New York firefighters, are much more sexy than elderly people or people with restricted mobility or poor people.

Mr. Haven, following the passage of the legislation in New York State, did the sale of tobacco products decrease? Further, did consumers complain about the changes made to the product?

[English]

Mr. Russ Haven: I talked to the New York State regulatory office on Friday. They told me they have not received any consumer complaints.

My organization was in the forefront of pushing for this. We certainly get calls from our members and people at large when they see we're pushing for something they don't like, and we have not received any calls.

We also looked at some of the tax data for cigarette sales in New York to compare from the prior year to 2004 when the law went into effect, and there's no clear pattern. Some months are higher, some months are lower. So our assessment is that it hasn't had an impact.

New York State has high cigarette sales taxes, and we think that has much more to do with it. For example, the state tax is \$1.50. The New York City tax is \$1.50. So if you are a cigarette buyer in New York City you pay \$3.24 with the sales tax tacked onto what you pay for a pack of cigarettes. That is really what consumers complain about.

[Translation]

Ms. Nicole Demers: Mr. McCarty, are you saying that since the legislation was passed by New York State, Imperial Tobacco Canada Limited no longer sells any cigarettes in New York State or will not be able to in other states that will soon pass the same legislation?

• (1215)

Mr. Donald McCarty: That is not quite the case. In fact, our major market is in Canada. However, we sell cigarettes, for example, in duty-free stores in certain airports in New York State. However, we did not really notice any difference. The New York legislation does not apply to duty-free cigarettes.

Ms. Nicole Demers: So you only sell in airports.

Mr. Donald McCarty: We sell cigarettes in airports and in other places where there are tourists.

We did not really notice any difference but I have to confess we did not really monitor those sales closely. We are expecting better information on this.

Ms. Nicole Demers: But if the legislation were to apply to duty-free outlets, you would then need to comply?

Mr. Donald McCarty: It is not so now, but if after October 1...

Ms. Nicole Demers: In view of the state of technological advancement nowadays, I do not understand how your researchers are unable to develop technology similar to that which Philip Morris used to make its cigarettes more fire-safe. You seem to be an intelligent man, Mr. Duplessis. I presume you are very experienced in this area. I presume also that, even though this is proprietary information, nothing can remain secret for very long. One would have to be naive to believe that people in the tobacco industry do not know how to make their cigarettes less prone to cause fires. I am really surprised you should say this.

Mr. Donald McCarty: In fact, a cigarette is designed to burn. Therefore, it is difficult to make it safer. This is all very complex. Philip Morris was able to develop this technology. This might not be the best forum to discuss this, but in our view the company did this for competitive reasons, as is happening in other countries of the world. However, this topic is not very relevant at this time.

The company developed its technology and we do not have access to it since it owns the patent. We are not necessarily willing to pay the asking price to get access. Therefore, we are going to develop our own technology.

Ms. Nicole Demers: My father smoked Imperial brand tobacco. He rolled his own cigarettes and they kept going out. This might point you to a solution. Maybe it was because tobacco was used differently.

Mr. Donald McCarty: These regulations will not apply to roll-your-own cigarettes.

The Vice-Chair (Mr. Réal Ménard): Ms. Demers, your time is up. Thank you for sharing with us your family heritage. The Chair shares your positive opinion about New York firefighters.

That being said, I give the floor to Ms. Dhalla.

[English]

Ms. Ruby Dhalla (Brampton—Springdale, Lib.): Thank you very much, Mr. Chair. Perhaps we can have a subcommittee for Madam Demers' issue of her father's cigarettes extinguishing.

First of all, I want to take the opportunity to welcome all of our witnesses here today to talk about something I think is very important to the Canadian population who smoke.

My question is for Mr. McCarty from Imperial Tobacco. It has been said that there was a submission done to the Ontario Superior Court of Justice, which was done in 2001, that basically stated, based on this individual's personal experience—and he was the vice-president for research for Brown & Williamson—

Mr. Donald McCarty: What case are you referring to?

Ms. Ruby Dhalla: It was an affidavit that was submitted to the Ontario Superior Court of Justice.

Mr. Donald McCarty: In which case.

Ms. Ruby Dhalla: In regard to regulations and proposals that were done.

Mr. François Damphousse: [Inaudible—Editor]...was a family that was decimated by a fire caused by a cigarette.

Mr. Donald McCarty: I think we'll let the courts decide.

Ms. Ruby Dhalla: I wasn't going to comment on the case. I was going to quote something that this individual had written, and that is that the failure of Imperial Tobacco to make a less fire-prone cigarette has little to do with technological or commercial feasibility of such a design; rather it's a corporate policy, or a resistance towards making changes to products unless it's absolutely forced by government.

You made a submission, I believe on July 15, 2004, which said that you guys also allocate a significant amount of your budget as a corporate policy to fire safety and education. What amount of money does Imperial Tobacco spend on such research?

Mr. Donald McCarty: We're not actually allowed to advertise in this country at the present time. I'm not exactly sure who made that statement—I didn't catch who made it—but that's in a case that's before the Ontario Superior Court of Justice, which will actually proceed in January. I'm not prepared to comment at this point on the case.

Ms. Ruby Dhalla: How much money does Imperial Tobacco spend on fire education?

• (1220)

Mr. Donald McCarty: We're not allowed to advertise.

Ms. Ruby Dhalla: So you guys have not spent... In your submission you said you do a lot of work in terms of promotion of fire safety, education, and ignition propensity.

Mr. Donald McCarty: I'll have to revisit what you said, but I haven't seen it recently.

Ms. Ruby Dhalla: In terms of the research that's been done by Health Canada, they had estimated anywhere from 18 to 36 lives that would perhaps be saved and prevention of a number of injuries. How does that compare to the cost benefit of a company like yours having to implement these regulations?

Mr. Donald McCarty: I think I've answered the question already, in that I'm just hopeful that the figure is low and I'm hoping it saves more lives.

Ms. Ruby Dhalla: How much would it cost your corporation to have some sort of technology come in to address this issue that's being proposed?

Mr. Donald McCarty: If you just want to know how much we're spending on this—I think Mr. Duplessis will back me up—I think we're spending upwards of \$35 million to secure this technology and get it in place.

Ms. Ruby Dhalla: In regard to the international standards—and I think it's already been touched on briefly by some other colleagues—where will Canada rank after regulations have been implemented?

Perhaps Mr. Haven or François want to comment.

Mr. François Damphousse: This is going to be the first country in the world, which is why it's fantastic. As you've known from past experiences, for example, the health warnings with the images on packs of cigarettes were a world precedent. Other countries have picked up on those warnings. For example, Brazil now has similar warnings with pictures on packs of cigarettes there. Even the European Union is looking into the possibility of introducing picture health warnings.

So the fact that Canada has led the way in many policy reforms in tobacco control and will introduce this legislation will obviously have a tremendous impact in other jurisdictions across the world to look at what has been done in Canada. They'll pay attention to what's going on. They will obviously ask for the pre/post impact of the regulation. I'm convinced that many other countries are going to look towards Canada and New York, and they will likely introduce their own regulations to make sure products are changed to make them fire-safe.

Mr. Russ Haven: If I may add, obviously your concern is for the well-being of Canadians and what happens within your borders, but particularly when you think of third world countries, with no building codes, no fire response teams, no volunteer fire departments, no professional fire fighters, the devastation that must be happening in those countries where there's no reporting, I'm sure, outstrips what's happening in the United States and your country. By setting this example internationally, I think you will help set a corporate change around the globe.

Ms. Ruby Dhalla: I have one last question. Perhaps Mr. Haven can elaborate. You said there was a lack of will among many of the tobacco companies in terms of implementation of these regulations without enforcement by government. Can you please expand on that?

Mr. Russ Haven: For reasons we can only speculate on but are coming into clearer view as a result of the tobacco documents that are available on the website—an absolutely fascinating look into one set of corporate culture—it seems clear to me that there were concerns about litigation; that if you produced a product that was greatly reducing fires, you would get sued for all the fires that had been caused.

I think there's a tremendous resistance to any kind of regulation. I think they fear, and probably correctly so in the U.S., that this is the foot in the door to more regulation as a product. I think part of it was probably that if cigarettes—

[Translation]

The Vice-Chair (Mr. Réal Ménard): Your time is really up. You are already at six minutes and nine seconds. Maybe you could provide additional information later. I would like to give all members on my list a chance to ask their questions.

Mr. Carrie, you are next.

[English]

Mr. Colin Carrie (Oshawa, CPC): First of all, I'd like to thank all of you for coming. I do commend the tobacco industry for working with government and the different people here to make a safer product.

I want you to know that my line of questioning actually hurts me a little bit. I am from the health care profession. I'm not a real fan of cigarettes, but I have friends who smoke and I have constituents who smoke, and I'd like to talk a little bit about what has been called smokers' rights.

I was wondering, with this new design, does that give the manufacturer...? Are there difficulties with this? Because of these regulations, will smokers be charged more for these particular cigarettes?

• (1225)

Mr. Donald McCarty: Is your question whether they will be charged more for this?

Mr. Colin Carrie: Yes. With the changes in manufacturing, there must be some difficulties the manufacturer foresees with the manufacture of these new cigarettes. Is it going to cost the manufacturer more, and is that going to be passed on to the consumer?

Mr. Donald McCarty: It definitely costs us more to manufacture. It might be an offence under the Competition Act for me to reveal what our pricing strategy is going to be with respect to this issue or any other. It definitely increases the cost. I really can't comment on whether there will be a price increase in the near future to reflect this

Mr. Colin Carrie: Do you have any early research? Is it going to affect the taste of the cigarette?

Mr. Donald McCarty: I'll ask Mr. Duplessis to respond.

Mr. Gaëtan Duplessis: At this point in time we have very limited information on that. The reason why is up until now the biggest effort we've been concentrating on essentially is arresting a supply.... The available supply of materials that may enable the creation of cigarettes that would pass the test was certainly totally inadequate to meet the size of the Canadian market, so essentially a major effort was for us to work with a number of suppliers and test various options to determine one that hopefully would enable us to meet the requirements of the test as a first step. We in fact have agreements with suppliers to enable us to gear up and increase production so that we may in fact be able to—hopefully, if everything goes well—be on time for October 1.

In relation to the aspect on people's perceptions, at this point in time we have limited information. We're still redeveloping the total of our portfolio. There are some difficulties because virtually all of the brands have to be readjusted. It is not simply a question of changing papers. It is not that at all.

[Translation]

The Vice-Chair (Mr. Réal Ménard): Mr. Carrie, do you wish to hear Mr. Haven who wants to add something?

[English]

Mr. Colin Carrie: Sure.

Mr. Russ Haven: In New York State the experience was that there was no price increase to consumers as a result of the new law. It was a neutral change in terms of price for consumers.

On the other issue about the paper supply, while I can't comment on the experience of Imperial, I can say that this was a concern raised by the manufacturers in the U.S. in complying with New York State's law. As it turned out, not only did they comply on time, but many of them started shipping early.

Schweitzer-Mauduit, an international fine paper manufacturer, has their own patent for this. If it's costing the manufacturers more, they're not passing it on to consumers at this point.

Mr. Colin Carrie: You also mentioned that you haven't had any complaints. Does the product react differently? Does it keep going out and the smoker will have to keep relighting it?

Mr. Russ Haven: I've heard some consumers say that if they're in a bar and have had a pint or two and they're telling a story and gesturing with their hands, the cigarette may go out. While they weren't thrilled with that, they just sort of shrugged.

Again, this is a product for which price affects their buying habit and nicotine drives their buying habit, so as long as it continues to deliver nicotine, that appears to be what the smokers are interested in.

The Vice-Chair (Mr. Réal Ménard): You may ask one last, short question.

Mr. Colin Carrie: The regulatory proposal for reducing fire risks from cigarettes excludes cigars and other products. Why were they excluded from this?

• (1230)

Mr. Denis Choinière: Of the fires caused by what are called smokers' materials, 95% are caused by cigarettes. In order not to delay moving forward, we decided to tackle cigarettes first, but phase two for us will be looking at Kretek, Bidis, tobacco sticks, and other products like that.

[Translation]

The Vice-Chair (Mr. Réal Ménard): Thank you.

Mr. Savage, you have the floor.

[English]

Mr. Michael Savage: Thank you, Chair.

In regard to cigars being banned—I was going to ask that question as well—does that include Colts and Old Port cigars? Those are not part of this either right now?

Mr. Denis Choinière: No. Cigar use has been declining in Canada. Right now, only about 1% of smokers use them. From the reports we got from the fire chiefs, cigars are not involved in most of the fires they see, but we will be studying cigars in the near future.

Mr. Michael Savage: Thank you.

I guess this question would be for Health Canada as well. I wonder if you could lead us through how this is actually going to be enforced, both manufacturers in Canada and imported cigarettes. How are you going to enforce these regulations, this act?

Mr. Denis Choinière: The standard will apply to cigarettes that are sold in Canada and that are manufactured in Canada. Even if it's manufactured in Canada for export, the standard would still apply, and if it's manufactured outside of Canada, the standard would apply for sale in Canada.

The authority in the Tobacco Act is around the manufacturing, not around the sale. That's the difference we have from New York State. Whereas their standard applies at the sale, which is retail sale most often, ours applies at the manufacturing level. So inspectors will be sampling products at the manufacturing level, at the importation port, and they will be testing according to the standard to see whether or not the lots pass.

Mr. Michael Savage: So there won't be audits or anything like that at stores that sell cigarette products?

Mr. Denis Choinière: At this stage we aren't planning that.

Mr. Michael Savage: Thank you.

That's all, Mr. Chair.

[Translation]

The Vice-Chair (Mr. Réal Ménard): Thank you.

Mr. Goodyear, welcome to this committee.

[English]

Mr. Gary Goodyear (Cambridge, CPC): Thank you.

I would like to welcome everybody as well. I have just a couple of questions.

I understand that the industry is spending \$35 million to get this up and running.

Mr. Donald McCarty: That's us.

Mr. Gary Goodyear: Just you guys. Okay. Then let's just talk about Imperial Tobacco, because I don't want to ask you to impart other answers from other companies.

It seems to me that if we're going to make a cigarette that's less dense, perhaps smaller in circumference, it would require less of the main ingredient, which is tobacco. Would that not be true?

Mr. Donald McCarty: Not necessarily. The real cost around this is the purchasing of the equipment to make the paper that's necessary.

Mr. Gary Goodyear: That's a capital cost. That's a one-time cost.

I guess what I'm getting at is I'm finding it hard to believe this wouldn't be a money-maker over time for the tobacco industry, in the sense that you will be using less tobacco by making the cigarette thinner and less dense. It has to be less tobacco.

Mr. Donald McCarty: We're not necessarily making it any thinner or less dense; we're changing the paper. That's a capital cost—I agree with you—and I'm not complaining about spending it. I'm just telling you that's what we're going to spend.

Mr. Gary Goodyear: I'm not suggesting you are, but I'm hearing “less dense” and “thinner”. Now you're saying it's just paper, and I'm hearing that it's more than just paper.

Mr. Donald McCarty: There are other ways to make cigarettes fire-safe. If you make them the thinness of a very small, thin pencil, it will become fire-safe as well, but very few people actually like to smoke those. If you're looking at a regular cigarette with a regular circumference, this is what you have to do.

Mr. Gary Goodyear: I guess that leads into my second question, which is really quite simple, and perhaps, Neil, you could answer this.

I just want this to be of benefit to people, smokers and non-smokers. I am sensing that it's possible that this is a money-making venture down the road for the tobacco companies, and that's fair. I understand that. But I just want to make sure the motives are straight.

Given that there are 70 deaths per year and 300 injuries, and given the fact that we don't need a 5,000-member study to know that carbon monoxide does compete for oxygen at the cellular level, that it is a harmful chemical, and given the fact that people will have to puff at least one extra time to relight the cigarette, I would just like to know that there is a net benefit at the end of the day. I don't want to see 70 more people dying—if you understand my question—because of this additional toxicity. Can you comment on that, please?

Mr. Neil Collishaw: Yes, I can.

I think some of these issues were addressed very well by Mr. Choinière earlier, but I would like to reinforce some of the points that were made.

You stated correctly that we have around 70 to 100 deaths a year. Nobody pretends that this measure is going to completely solve that problem, but we are optimistic, according to the estimates of Health Canada, that a number of deaths will be prevented. They're estimating 18 to 36 deaths per year, and of the 300 injuries or so we're going to be able to prevent, I believe the numbers were 77 to 155. So it doesn't completely solve the problem, but it goes a long way.

On the other side, should we worry about carbon monoxide that selectively binds with hemoglobin—yes, we should, and we should worry about it for every one of the 40 billion cigarettes smoked in this country, because every one of them has carbon monoxide in it. The carbon monoxide that you get or that a smoker will get will vary very considerably, perhaps by a factor of two or three, depending on how the smoker smokes it. If the carbon monoxide is up a little bit or down a little bit, as Mr. Choinière pointed out, is of less concern than the toxic load of all of these products; they're all extremely toxic, including the ones that are fire-safe and the ones that are not fire-safe.

We are not yet addressing the problem in this country of 47,000 deaths a year caused by tobacco, but there are 18 to 36 deaths that we can prevent, and that's worth it. Let's go for it.

• (1235)

Mr. Gary Goodyear: Thank you.

[*Translation*]

The Vice-Chair (Mr. Réal Ménard): Thank you.

I give the floor to Ms. Demers.

Ms. Nicole Demers: Thank you, Mr. Chairman.

Mr. Duplessis, you mentioned earlier that it is difficult to determine in what measure changing the cigarette paper or reducing the ignition propensity of cigarettes would reduce the risk of fires.

Why is this so? Is it because you did not do any tests on mattresses or old furniture? Did you not try to carry out such tests?

Mr. Gaëtan Duplessis: We have not done any test with old furniture at this point in time. The work that has been started in the United States by the people working on those methods seems not to have been completed.

Since we started working on this project, all our resources have been focussed on developing a technology and making sure we will

be able to comply with the regulatory requirements. We will see what happens afterward.

I sincerely hope that the method will prove to be proper, especially in view of all the work I have done. I sincerely hope so, but we will see.

You, and Health Canada in particular, will need to be very careful about how you will talk to the public about these new cigarettes, and I believe Mr. Ménard referred to this earlier. Our own ability to communicate is very limited. However, it would be very unfortunate if the public were led to believe that these cigarettes are fire-safe. This could hurt the objectives the regulations are trying to achieve.

How will Health Canada and, more generally, the government deal with this communications issue? I do not know. However, we need to think about it.

Ms. Nicole Demers: Thank you.

Madam Goulet, in view of the concerns of Mr. Duplessis, I am turning to you.

In the past, Health Canada had budgets for health promotion and informed the public about the danger of cigarettes. Are you going to have budgets available to promote these new cigarettes and inform people that they are not an infallible way to prevent fires?

• (1240)

Mr. Denis Choinière: I will answer, if I may.

Ms. Nicole Demers: Okay.

Mr. Denis Choinière: Cigarettes are dangerous. We spent millions and millions of dollars over the last years to tell the public how dangerous they are and trying to convince people to stop smoking. With some people, it works, and with others, we planted a seed and maybe someday they will quit.

As we mentioned earlier, we have two possible scenarios. One is for a decrease of 30% and the other for a decrease of 60%. A reduction of 30% is not an enormous reduction. Therefore we do not believe it would be appropriate to promote a product that all smokers would not use. We do not want to change habits and do not want to change the image of cigarettes as being a dangerous product that causes fires.

So we are going to be very careful in this regard. We do not want to launch a media campaign.

The Vice-Chair (Mr. Réal Ménard): Mr. Damphousse wants to say something.

Mr. François Damphousse: Ms. Demers, the industry wanted to know if consumers might be less careful with their cigarettes if they think they are more safe. It does not mean that they cannot cause a fire.

I would like to table with the committee one of these research reports. We set up focus groups of consumers and it appears they understand very well that these cigarettes continue to burn and are not totally safe. Consumers will continue to be very careful when smoking. They will place their cigarettes in an ashtray and not throw them just anywhere.

I would like to table this report for your information.

The Vice-Chair (Mr. Réal Ménard): Do you have any other questions, Ms. Demers?

Ms. Nicole Demers: That is all. Thank you, Mr. Chairman.

The Vice-Chair (Mr. Réal Ménard): I want to let my colleagues know that we may have to pass a motion at the end of the meeting. We should set aside five minutes for this.

I give the floor to Mr. Lunney.

[English]

Mr. James Lunney: I would just like to acknowledge the presence of our colleague, John McKay, who has joined us at the committee and who brought this subject forward. I assume we'll be hearing from him shortly.

I also appreciate the comments of all of the hard-working folks who represent the Physicians for a Smoke-Free Canada; and, Mr. Haven, for your work over many years to bring this issue forward; and also yours, Mr. Damphousse, in Quebec; and others across the nation.

But inasmuch as the committee will have to examine these regulations, and while we have representatives of Imperial Tobacco here, I want to ask you about some concerns you raised about toxicity testing on page 17 of your report. For example, you say:

...Health Canada has no expectation of gathering any reliable toxicological data. Coupled with the fact that Health Canada will require annual testing despite knowing that the results will not change from year to year, these requirements are yet another example of unreasonable regulation, with the sole apparent objective of forcing the manufacturers to spend considerable resources to comply with reporting requirements.

You go on to say that “The RIAS”—the regulatory impact assessment statement—“also discusses the possibility of adding a third in vitro toxicity test at some later date.” That test, I understand, is to be this micronucleus assay test.

You continue that Imperial estimates that it will cost some millions of dollars, though the amount isn't specified, and you say, “This clearly would constitute an unfair and unreasonable financial burden given the fact that Health Canada refuses to establish necessary parameters for “acceptable' results”.

While you're here, I would like you to address that, and perhaps Health Canada would care to comment on where they plan to go with this.

Mr. Donald McCarty: I think what I'm trying to say is this. I indicated in a previous submission that I made to this committee, I believe, but it could have been the Senate committee, that toxicological testing is in essence a good thing, because if we are going to move forward with other issues, such as developing cigarettes that have a reduced potential for harm, we need to understand what causes harm and to develop tests that enable us to determine how we can reduce that.

It is one thing to say to somebody, “You're going to be required to do these three particular tests.” If you want details on them, Mr. Duplessis can give them to you. But if we're going to be required to do toxicological testing, we'd like to know—and we fully understand that it's difficult for Health Canada to actually do this—what standard is going to be adopted. If the result is X, is that better than X plus four, or X minus four? It says, “Just do the tests, and give us

the results.” What I think we're trying to point out here is that together we need to develop a road to come up with testing we can actually use, not only for this issue but also for other issues in measuring toxicity.

• (1245)

Mr. James Lunney: Are you implying that Health Canada is asking for the length of the rope you would be using to hang yourselves?

Mr. Donald McCarty: No. I think your question is a little facetious and I don't think it needs an answer.

Mr. James Lunney: Well, I only wondered because that was the implication in the way you worded your response.

Mr. Donald McCarty: What I'm trying to say in my response is that I think we need to work together with Health Canada on toxicological testing for reasons other than this regulation. We're willing to do it, and we will do it, but if we're going to be required to do a test on a particular product, I think you need to understand what standards we are going to attain. Doing the test is one thing. We need to know what results we are trying to achieve. We're willing to work with them to determine, if a micronucleus assay or other test is done, the result we should be striving for.

Mr. James Lunney: Thank you.

Could somebody explain what the in vitro micronucleus assay is?

Mr. Denis Choinière: Yes. You have a short description at tab 2. We propose three tests. One is on reactivity, which deals with the nucleus of the cell. Another one is neutral red uptake, which is cytotoxicity, what kills the cell or not. The third one is in vitro micronucleus. It's a general toxicity test. It looks within the nucleus, during one of the phases, for whether or not the chemical creates the appearance of micronuclei or not. It's only a standard test using genotoxicity, one of many.

Mr. James Lunney: Are these not tests that Health Canada could perform themselves? It is reasonable for you to expect the tobacco company to do these kinds of tests themselves?

Mr. Denis Choinière: We have adopted a certain approach with the current tobacco reporting regulations with respect to chemistry, where manufacturers and importers have to test over 40 chemicals of the smoke and report that. We think that since they are the ones who are putting those products on the market, they should be the ones testing and reporting the data to us.

Mr. James Lunney: Yes.

[Translation]

The Vice-Chair (Mr. Réal Ménard): You may ask one final question, Mr. Lunney.

[English]

Mr. James Lunney: Somebody might suggest that you're actually putting the tobacco companies in a position of conflict of interest by expecting them to fund and test the toxicity of their own products. It seems there's a public interest in examining it, and maybe Health Canada should be investing in that.

Mr. Denis Choinière: I'm not sure I understand. Do you think the data would be manipulated?

Mr. James Lunney: Well, that's generally what conflict of interest implies.

Mr. Denis Choinière: Okay. We have put in a requirement that the labs that do the testing have to be accredited according to what's called ISO 17025. It's a guide for laboratory accreditation. We hope this third-party oversight will prevent conflicts of interest.

Mr. Donald McCarty: If I may, Mr. Chairman, I'd like to respond to that. I do resent that implication. We provide all kinds of results to Health Canada on an annual, bi-annual, and quarterly basis. No one has ever questioned the accuracy of the test results. Regardless of what the results are, when we do them and are required to do them, we send them in. They say what they say, and we don't manipulate the results. I'd only like to make that clear.

Mr. James Lunney: May I give a short response to that?

[*Translation*]

The Vice-Chair (Mr. Réal Ménard): Yes, but I would like the exchanges to remain cordial and exempt of allegations as to intentions, since we are not a court of law. You are already at six minutes and ten seconds.

[*English*]

Mr. James Lunney: Briefly, I simply wanted to say that I didn't mean to imply that your industry particularly was guilty or vulnerable, in a sense. I think any industry might be considered vulnerable when they're asked to do their own testing. There are many other examples where the government employs such techniques, but I appreciate the fact that it's done by a third and independent body.

Thank you for clarifying that.

[*Translation*]

The Vice-Chair (Mr. Réal Ménard): Thank you, Mr. Lunney. I would like to thank all our witnesses for appearing before us this morning, especially Mr. Haven who came all the way from New York.

I would like to find out if my colleagues would wish to pass the following motion that was drafted by our clerk:

That the committee report to the House of Commons the Draft Cigarette Ignition Propensity Regulations as proposed and without amendment.

We could report this to the House of Commons right away. Is anyone opposed to this motion? Do we have unanimous consent? Somebody needs to move the motion. Ms. Demers, if you move it, we can pass it unanimously.

(The motion carries)

The Vice-Chair (Mr. Réal Ménard): So we will be able to report this to the House of Commons. Another stage has been cleared. Mr. McKay, did you wish to say a few words?

[*English*]

Hon. John McKay (Scarborough—Guildwood, Lib.): I want to take this final opportunity, Mr. Chair, to thank members of the committee, members of the House, and members of the Senate. As all of you know, it's a pretty formidable task to take a private member's bill from all of those stages, all the way through, and actually get to draft regulations, get to this stage, and feel that you did well.

The other thing the committee should be aware of is that I received an e-mail from one of the lawyers who helped me with the initial presentation of this bill. He indicated that this is setting somewhat of a precedent around the world, and Australia, the United Kingdom, New Zealand, and various other countries are actually studying this legislation.

I wish the officials well. I hope for the cooperation of the industry in setting standards. Possibly, we've saved some lives and saved some injuries.

Thank you for all of your hard work.

• (1250)

[*Translation*]

The Vice-Chair (Mr. Réal Ménard): Mr. McKay, in this committee the tradition is not to applaud, but in view of the exceptional character of the precedent we seem to be setting, I think we should acknowledge your perseverance.

[*Members applaud: Editor*]

Mr. Réal Ménard: Thank you very much. Not seeing anyone wishing to speak, I close this meeting to the call of the Chair.

The meeting is adjourned.

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