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**RBH**

Rothmans, Benson & Hedges Inc.

100 DUNDAS STREET WEST, TORONTO, ONTARIO M5G 1L1  
TELEPHONE (416) 467-8578

April 6, 1994

The International Trade-Mark Association  
1133 Avenue of the Americas  
New York, New York  
10036-710 U.S.A.

fax: 212-768-7796

Attention: Mr. Bruce McPherson

Dear Mr. McPherson,

The purpose of this letter is to bring you up-to-date on the plain packaging initiatives of the federal government here in Canada which we spoke about last week, and the Canadian tobacco industry position.

When Prime Minister Chrétien rose in the House to announce the tobacco tax roll-back on February the 8th, he included various initiatives to reduce smoking in his speech and specifically mentioned the feasibility of plain packages of cigarettes. This subject was then referred to the House of Commons Standing Committee on Health to make recommendations. We are now in receipt of the Terms of Reference for the Committee (see attached) and understand that the Committee will commence public hearings on April 11th. The Committee intends to meet twice weekly and is presently hoping to complete its work by mid-May.

I also attach a copy of the news release from the Health Committee (dated March 24th) as well as a list of the members of the Committee. You will note that the Committee "plans to examine the effectiveness of plain packaging of tobacco products and reducing both tobacco consumption and smuggling". I am also attaching for your information a sample of the plain packaging as we understand it may look if this legislation is approved.

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The CTMC has a number of initiatives underway which will ultimately argue against plain packaging for a variety of reasons including:

- Plain packaging will do nothing to achieve its anti-smoking objectives at considerable potential cost in jobs, international trade problems and smuggling.
- Plain packaging may be illegal.
- Plain packaging is merely harassment of smokers rather than an anti-smoking policy.
- Plain packaging is inappropriate at this time given the introduction of new warning requirements for September and pending Supreme Court hearing on advertising appeal.

A brief is now being prepared which will be presented to the Committee on May 5th by the CTMC. We will also be monitoring the Committee hearings and will be prepared to respond to all briefs presented.

As I indicated to you during our conversation, the tobacco issues environment in Canada is somewhat dangerous at this time because the anti-tobacco lobby has cleverly given the impression that governments have "caved-in" to the tobacco industry with the recent tobacco tax roll-back. They suggest that an initiative such as generic packaging must be undertaken immediately.

I am providing this information to you on the basis that you no doubt have an interest in this subject when one considers the confiscation of tobacco trade-marks as the ultimate objective of the anti-tobacco lobby. I would be very pleased to talk to you or a designate about the possibility of the International Trade-Mark Association making a presentation or sending a brief to the Committee. You also mentioned during our conversation, the possibility of having a representative of the I.T.N.A. in Canada forward a brief and/or make a presentation before the Committee.

To make a submission or present a brief one must contact the Clerk of the House of Committee on Health studying plain packaging (Ms. Carmen DePape, Clerk, Standing Committee on Health, House of Commons, Ottawa, Ontario K1A 6A6, telephone: 613-992-1775 or by fax: 613-992-7974). Please note that the deadline for making a presentation appointment before the Committee is April 6th.

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We are extremely concerned about the world precedent setting initiatives here in Canada and would appreciate any assistance your organization would be able to provide. I would be very pleased to discuss this with you or your designate. I may be contacted by telephone (416-442-3580) or by fax (416-442-3672). Your anticipated cooperation is very much appreciated.

Yours very truly,



John B. McDonald  
Director, Public Affairs

Encl.

c.c. Ms. Joan Clark, Q.C.  
President, A.I.P.P. - Ogilvy Renault

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