
The Lobby Monitor

Vol. 8, No. 11

March 17, 1997

Drugs, Tobacco and Booze Keep Lobbyists Alive

Tobacco Lobby Moves to the Senate

Lobbyists are turning their attention to the Senate as the Legal and Constitutional Affairs committee gets set to review the controversial C-71. The key element will be time. What tactics will work in the Red Chamber? *See Tobacco Lobby, page 2* Also, the Senate faces some ethical questions. Three senators sit on Boards of tobacco companies, creating a potential conflict of interest. *See Senate Ethics, page 2.*

Drug Lobby in High Gear

The review of the Drug Patent Act is underway. Will it be completed and does it really matter? Either way, the lobbyists are out in full force. *See Patent Lobby, page 3.*

Also in this Issue: **Registrations** *page 4* and **Registration Notes** *page 5* and **Delta File** *page 6*

Registrations in This Issue

Client Organizations

Agrevo Canada
Andersen Consulting
Archer Daniels Midland Co.
Barclays Global Investors
Boeing of Canada Ltd
Canadian Feed Industry Assoc
Cdn Shipowners Assoc
Clearnet Communications Inc
Eagle Brook Inc of Canada
Essroc Materials Inc
Food Institute of Canada
Four Winds Estates
Great Lakes Shipping Group
IMS Canada
Kemacoat International Ltd
KVH Industries Inc

Mitel Corporation
Nordx/CDT
Northrop Grumman Canada Ltd
Outdoor Advertising Assoc
Procter & Gamble Inc.
Produits Forestiers Alliance
Provenance Systems Inc
Redpath Sugars
Resorption Canada
Seaway Self Unloaders
Sifto Canada Inc
Southwestern Sales Corp
Ultramar Canada Inc
Universal Terminals Ltd
Weight Watchers Int'l Inc
Windsor Salt
Wyeth-Ayerst Canada Inc

Lobby Organizations

Association House
CAI Corporate Affairs Int
Gowling, Strathy (Ott)
GPC Govt Policy Cons (Ott)
GSI Grants Consultants
Hession, Neville & Assoc
Hill & Knowlton Canada (Ott)
IGRG-Industry Govt ReIn
Intersect, Alliance Inc
Paquette Gadler, Avocats
SAMCI (Ott)
Smith, Lyon
Strategic Inc (Ott)
T.J. Bindon Consulting Inc.
The Capital Hill Group (Ott)

Tobacco Lobby Moves on to the Senate

Friends and foes of the Liberals' tobacco legislation will face off in the Senate this week, as C-71 goes before the Legal and Constitutional Affairs Committee. Anti-smoking activists may have cheered the bill's passage through the House two weeks ago, supported by all but the Bloc Québécois and a half dozen renegade Liberal and Reform MPs, but many were equally taken aback by the blatant, in-your-face lobby efforts of the tobacco industry.

Wine and cheese receptions serenaded by bluegrass bands in the Hall of Honour, not-so-friendly allusions to Québec-Canada relations in the House of Commons, and plain, old threats ("Amend this bill, or we pull the plug on the broadcast of this weekend's Formula-1 race") may have characterized the tobacco lobby's sabre rattling so far. But now that the bill has moved on to the Senate, its enemies will likely move out of the spotlight, and back into more traditional lobbyist territory.

Lobbying the Senate

"Senate lobbying is far more discreet," says *Cynthia Callard*, who represents **Physicians for a Smoke-Free Canada**. "It won't be as apparent as in the House of Commons, especially to those outside of the smoky backrooms of those who influence decision-making." Callard, a veteran of the tobacco wars, was unsurprised by the last-minute histrionics on behalf of the tobacco industry in the House, but she doesn't expect to see a reprise in the Senate.

"They exploited the fears of Mont-realers, creating the idea that this bill was excessively strong, but I'm not sure

if they can make people honk their horns twice." She looks forward to putting "stronger evidence" into the public record at the next round of committee hearings. "The 'sober second thought' should take the hysteria, and we'll be able to show that these measures are moderate, not extreme." Callard is optimistic that the bill will eventually pass. "The Senate chooses its battles with the government carefully. It has its own PR concerns, and most senators can't afford to champion the tobacco industry over the interests of children. They'd end up looking like the Republicans in the United States." But she is concerned about the potential for lobbying within the Chamber itself.

In-House Dynamics

Three senators, Liberal *Michael Kirby* and Tories *William Kelly* and *Roch Bolduc*, sit on the boards of tobacco companies; RJR MacDonald and Rothmans, Inc. respectively. For his part, Kirby has disclosed his conflict of interest, and has previously voiced his intention to withdraw from any debate and subsequent votes on the issue. As for Kelly and Bolduc, the Office of the Leader of the Opposition is a little more coy. "It's a non-issue," insists *Fiona MacLeod*, who says that the two have yet to disclose, because "it doesn't matter at this point." She says that if the matter comes to a vote, they would "very likely" abstain.

Callard is not alone in her fears that these senators could act as "in-house lobbyists" for the tobacco industry. *Janice Forsythe* of the **Canadian Council on Smoking and Health**, is

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Senate Ethics

When it comes to potential senatorial conflicts of interest, the situation is murkier than on the other side of the parliamentary fence. Although full disclosure is not required, according to the Rules of the Senate, senators who have "a pecuniary interest not available to the general public" are not permitted to vote on questions affecting the matter in question, or sit on any committee to which such legislation is referred. But what may sound simple in the rule book isn't as clear-cut when it comes to practical application. According to sources with a yen for procedural quandaries, in practice, disclosure is very rarely seen. Abstentions from votes — and, presumably, committee membership, if necessary — is handled in an informal manner, with the onus resting on the senator to absent himself from debate or discussion of an issue.

"It's an honour code," admits a legislative assistant to one senator. "It's in a senator's interest to make sure he follows the rules, especially given the political implications." Yes, political implications — senators may not be elected, but most are faithful long-time members of their respective party, and not likely to want to cause trouble for their elected brethren by playing fast and loose with the rules. Then again, according, most of this so-called "honour" takes place under the table, as it were. "I don't remember there ever being an official disclosure in the Chamber, or for that matter, anyone being challenged on the issue," says an official who has been in the Senate for more than a decade. "Senators act with discretion [on matters of potential conflicts of interest], but not necessarily in the public arena."

When it comes to tobacco, however, anti-tobacco activists are sure to be shining a bright light into the chummy, informal corners of the Red Chamber to make sure that when the three senators who do sit on boards of directors of tobacco companies say they're following the rules, it's not just smoke and mirrors.

LM

Drug Lobby Back in Town

If legislators were looking for an easy ride leading up to the election, they could not have been more mistaken. Proposed bills affecting tobacco, copyright, MMT, endangered species, along with a few others, have legislators in the House and the Senate in the lobbying hot seat. It seems that everyone who is anyone in the GR community is getting their final kick at proposed legislation — and, in the process, bettering their bank-balances — before the much anticipated election call. While the booze lobby is maintaining a low profile watch on the Commons Health Committee's examination of substance abuse, the drug lobby is in high gear with the review of Bill C-91, the Drug Patent Act.

The Standing Committee on Industry has started its long-awaited round of hearings on the bill. More than 150 witnesses are slated to appear before the committee, including pharmaceutical and generic companies, seniors organizations, health-care associations, labour groups and academics. Hearings are expected to last until mid-April, according to committee chair David Walker's office. To fit in the long line of witnesses wishing to make a presentation, the committee will need to hold 4-5 meetings per week, an ambitious schedule for MPs who are becoming more concerned about winning their ridings than attending hearings that likely won't produce anything, including a report, before the election is called.

Lobbyists don't often pay much attention to committees, given their usually peripheral role in the legislative machine. However, on the Drug Patent issue, the committee mandate is to conduct a five year review of the existing drug patent protection and make recommendations. This has lobbyists on all sides of the issue

lining up their clients to present their views to the committee.

Lobby Tactics

Despite the we-sing-from-the-same-songbook performance by *Ministers Manley* and *Dingwall*, the committee meetings have been far from boring. Lobbyists on all sides have been lining the walls of the committee room. The key industry antagonists, the **Canadian Drug Manufacturers Association (CDMA)** and the **Pharmaceutical Manufacturers Association of Canada (PMAC)**, kicked off the meetings, followed by presentations from individual member companies. As expected, the pharmaceuticals (AKA the research companies), came out plugging the economic benefits of intellectual property protection. The presidents of key pharmaceutical companies — **Novartis, Pfizer, Biochem Pharma** and **Astra** — put forward many big-dollar figures on the amount they have invested in Canada and the jobs created, all due to C-91, and dangled more investment and job-creation carrots. The unspoken threat, of course, is that this would be gone like a puff of smoke, along with much more, if patent protection were in any way weakened. Informed observers said their presentations were very well delivered — and received.

The CDMA, on the other hand, committed a faux-pas in its presentation. It began like a high-speed breakaway

talkathon, turning what should have been the crowning jewel of their long, hard-fought campaign against patent protection into an almost comic interlude with the interpreters throwing up their arms in mock horror and pleading for a slowdown so they could keep up with the translation. Though spoken faster, the key claims for the generics, outside of lower health-care costs, are also job creation and investment.

The CDMA position on costs has been supported by a sizable seniors lobby and the labour lobby both of which focused on the increasing cost of health care.

Next Steps

All of these positions have been largely foreshadowed by the advocacy ad campaigns that have been waged in recent months. Even though the government seems predisposed to retaining current patent protection limits, there are other important things for the CDMA and PMAC to fight over. The biggest of these are the current injunction procedures which have the government automatically interceding in what are usually civil matters on behalf of the pharmaceutical companies.

The way things stand at the moment, with an election looming, no one can be certain whether this is the final forum, or whether it is merely a dress rehearsal which will be interrupted in the middle and be forced to start all over again in the next Parliament. **LM**

Available Soon.. Strategic Briefings

Reports on each department with an assessment of the advocacy issues and environmental factors that will influence policies and actions over the medium term.

Stakeholder commentary, expenditure profiles, key contact biographies will be available all in one bound copy (\$185) or by single department (\$100). Contact John Chenier or Jane Pelletier at (613) 230-3029 for more details

DATA SECTION

Registration Notes

Ports Privatization

The private sector is trying to get the jump on the port privatization bill (C-64). Rather than sit back and wait for the government's decision, a number of companies are taking matters into their own hands and working out how privatization will come about — with a little help of course. *Jean-Paul Sirois*, senior associate at **Association House** is spearheading the effort for **Sifto Canada Inc.**, **Redpath Sugars**, **Essroc Materials Inc.**, **Universal Terminals Ltd.**, **Archer Daniels Midland Co.**, and **Windsor Salt**. These clients are not new for Sirois. Many engaged his services while he worked with the **Chamber of Maritime Commerce**.

At issue is how ports will be privatized. The government is proposing that transition committees be set up with government and industry representation to work out the transfer. Sirois and his clients are going the next step.

“What we're focusing on is figuring out how this would work. We're trying to put flesh on the government's skeleton,” explains Sirois. This includes coming up with members for the transition committees and sketching out the new corporate by-laws that would govern private ports. “We're being proactive by proposing a model to the government, and they're responding well to it,” says Sirois.

The group also wants to avoid more haggling over the ports bill. “The users are concerned that the election will be called before the ports bill is passed. Then they'd be back to square one,” says Sirois. According to Sirois there is an opportunity to provide input on how privatization will work, while the bill is still in cabinet. His clients don't want to miss the boat.

Also on the Go...

Sirois has added **Seaway Self Unloaders** to his list of clients on the marine oil spill response organizations (LM vol8:no10) and he is keeping an eye on the proposed amendments to the Canadian Environmental Protection Act for **Eagle Brook Inc. of Canada**.

Tobacco Lobbying

Jill Maase, who, for a long time worked at SAMCT's Ottawa office before taking maternity leave, has come back to the lobby scene, but not at SAMCI. Instead, she has moved further

up Metcalfe Street, to share office space in the Royal Bank building with a loose alliance of mainly single-practitioner lobby veterans. This group works together under the **Inter/sect Alliance Inc.** banner.

It is under this banner that Maase has joined the ranks of the tobacco lobby. The **Outdoor Advertising Association of Canada** has hired Maase to get its voice heard in the crowd opposing the tobacco bill. Maase says the association supports the objectives of the bill but opposes the sponsorship ban. “The bill proposes specific limits on outdoor advertising. Event site advertising is all that would be permitted. This will have a significant impact on our client's business.”

The Association is calling for a provision in the bill that would treat outdoor advertising in the same manner as print media. Maase explains, “Advertising is allowed in print media that has 85% adult readership. Surveys of outdoor advertising suggests that 94% of the readership is adult.” At a minimum, the Association wants a longer transition period in the bill to give them time to remove existing outdoor ads. They have requested an appearance before the senate committee to take their message to the Red Chamber.

As is the practice with others in the alliance, Maase will also operate under her own firm name, **Para Public and Regulatory Affairs**, with her own clients. The first of these is **Biovail Corporation Int'l**.

Beefing Up Boeing's Image

The **Boeing Company** is preparing to launch a high profile, public awareness campaign in Canada. *Jacques Shore* of **Smith Lyons**, who has registered to assist with the campaign, says its purpose is “to ensure the public and the political leaders are aware of Boeing's role in Canada.” Shore explains that Boeing has been a ‘high-energy, low visibility company’ in the past, which has resulted in a lack of public awareness about the company's contribution to the Canadian economy. “Boeing is an important player in the Canadian aerospace industry,” says Shore. “The company procures an average of \$700 million annually which is significant when compared with the small sales here in Canada. It has also contributed to the development of numerous other Canadian companies.” The awareness campaign will no doubt offset some of the negative effects flowing from Boeing's

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Notes

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recent decision to cut ties with another darling of the Canadian aviation industry, CAE.

Shore adds that Boeing is also actively seeking out new provincial suppliers for its facilities in a possible effort to beef up its regional benefits capabilities. Boeing is currently competing to supply the government with its new Search and Rescue helicopter fleet.

Technology Grants

Sean Moore and **Steve Gaon** from **Gowling, Strathy and Henderson** are registered for **Northrop Grumman Canada Ltd.** According to Moore, they are meeting with government officials to discuss the application of the Technology Partnerships Canada Program to industrial research and development. Moore explains that Northrup is exploring how the Program might relate to certain types of work.

People

A new face is coming to **Tony Stikeman's** team at **Tactix Government Consulting**. **Sonya MacDonald** from Liberal MP Barry Campbell's office will join the firm at the beginning of April. MacDonald has strong blood lines in the Liberal and corporate camps. She is the daughter of former Liberal Defence and Finance Minister and chairman of the royal commission that launched Canada into the era of free trade, **Donald MacDonald**, who is currently a major rainmaker with **McCarthy Tetrault**.

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The Delta File, Recent Additions to Lobbyist File

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Cdn Courier Association
Cdn Federation of Students (CFS)
Cdn Federation of Students (CFS)
Cdn Federation of Students (CFS)
Cdn Federation of Students (CFS)
Cdn Industrial Transportation League
Copyright Collective of Canada
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Kraft Canada Inc.
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Plantewise Solutions Ltd.
Plantewise Solutions Ltd.
Rolls-Royce Ind Can Inc
Teleglobe Canada Inc
Working Ventures Cdn Fund Inc
Working Ventures Cdn Fund Inc

Tobacco Lobby

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also keeping a close eye on the possibility. "The tobacco lobby is incredibly well-placed in the Senate, and its members may have had opportunities for access that the anti-tobacco lobbyists haven't." While she doesn't expect the senators to vote on the bill, having previously declared conflicts of interest on tobacco-related issues, she says there's no way to be sure about participation in formal discussions. "We're concerned about the access that the tobacco lobby has to these and other senators."

Garfield Mahood with the **Non-Smokers' Rights Association** is only half-joking when he suggests that "the lobby has been in the Senate for a long time – perhaps millennia." He thinks it's important that the public be fully aware that some senators could be working behind the scenes to encourage colleagues to support amendments agreeable to the industry. "The best outcome for a Michael Kirby would be amendments sufficient to delay the timetable so the bill would die on the Order Paper when the election is called." Some sources who have been keeping tabs on the inner chamber dynamics, however, suggest that the so-called "tobacco senators" have already been put on the hot seat by their respective caucuses. "If they make too much of a fuss, or are too visible, it could cause trouble for them, both personally and politically."

Whatever its plan of attack, Mahood believes the tobacco lobby will again concentrate most of its efforts on the sponsorship issue, especially a delay in the implementation of the law. "Sponsorship is now the marketing vehicle of choice for cigarette companies." Tobacco industry advocates opposed to the bill would argue with Mahood's assertion. The official line has always been that sponsorship and ad-

vertising is aimed at people who already smoke, not recruiting youth, but the impassioned arguments against the bill's new restrictions on advertising at events resulted in little change at the House of Commons stage.

This One's Far From Over

But **Marie Josee Lapointe** of the **Canadian Tobacco Manufacturers Council** says that the industry still has faith in the system. "We hope to get a fair hearing, our brief is more substantial since we've had time to look at the bill and come up with amendments." She suggests that business and legal issues will take centre stage during this round of committee hearings. "We have jurists looking at the issue right now." And faith in the system not withstanding, the industry has contingency plans. "If this bill becomes law, we'll take it right back to the courts."

Liberal Senator **Philippe Gigantes** may not be the answer to Lapointe's prayers, but as the only Québec Liberal on the Legal and Constitutional Affairs Committee, he's likely to be a magnet for lobby efforts, a prospect with which he seems unfamiliar. "My two regrets in politics have been that I've never been lobbied, and I've never been offered a bribe. Do you

think that makes me insignificant?" He says he has some tough questions for the tobacco companies. "I want to ask them, why do you advertise?" Gigantes wonders why, if recruiting young people is not a goal, tobacco companies don't target "old wheezers" who already smoke, rather than put logos on racing cars driven by heroic figures. He looks forward to grilling the cigarette companies, and says he expects at least two weeks of committee hearings.

He may not be in the eye of the hurricane anymore, but it's a good bet that Health Minister **David Dingwall** is paying close attention to events in the Senate. Anti-smoking activists were quick to laud his efforts in getting the bill as far as he has done. "The minister did a fabulous job getting this legislation through Cabinet," says Forsythe, while even the self-described irascible Mahood agrees that Dingwall showed "remarkable commitment." But getting the bill through the House was only the start of his odyssey. Getting C-71 through the Senate, in one piece and with time to spare before a probable election call, could require him to flex a little political muscle – not to mention show off some of the lobby-wrangling tricks he's picked up over the last few months. **LM**

The Lobby Monitor is published 22 times a year by ARC Publications, a research, communications and publishing company

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Subscription: \$519 per year plus GST.

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