

Trust us

We're
The Tobacco Industry

Campaign for Tobacco-Free Kids

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Action on Smoking and Health (U.K.)

Campaign for Tobacco-Free Kids (U.S.A.)

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special thanks to Liz Freund and Anne Landman

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1. Introduction

Can anyone trust the tobacco industry?

Lately, the tobacco industry has engaged in an expensive public relations offensive designed to portray itself as a reformed industry. Because it has reformed, the industry implies, it should not be judged by its past actions. Leaving aside the fact that the tobacco industry wishes to be absolved for 50 years of lies and deceptions without being held accountable for its behavior, how much has the industry really changed? Sadly, it has not changed at all.

How should governments, the media, and wider society regard the tobacco industry? Should we believe the cigarette makers' claims to have reformed? Do they make good partners in health campaigns? Could their money play a useful role in funding youth prevention or scientific research? How seriously should politicians and journalists take the scientific and public policy arguments of tobacco companies? Above all, *should anybody trust the tobacco industry?*

In this report we show that denial, deceit, and obfuscation are the major tools of the tobacco trade. In almost every area they have touched, the cigarette makers have said one thing to the public and to governments, but in the privacy of their boardrooms, laboratories, and PR company offices they have said quite another. The great public controversy around smoking is not the result of honest people who simply have different views, but a carefully and expensively orchestrated

campaign by tobacco companies determined to put profit before life.

The release of millions of pages of tobacco company internal documents as a result of litigation in the United States has offered the most startling insights into what really goes on inside Big Tobacco—especially the major multinationals Philip Morris and British American Tobacco (BAT). We believe any citizen who takes the time to browse through the small sample we have chosen for this report will be repelled by what he/she learns about Big Tobacco.

We've changed! Goodbye to *Big Tobacco*, Welcome to *Big Tobacco*

Tobacco is already the biggest cause of premature death worldwide, and the human toll is projected to rise to 10 million per year before 2030. Against this background, the multinational tobacco companies are, with varying degrees of conviction, attempting to reposition themselves as part of the solution. Or as BAT says, it will offer "responsible behaviour in an industry that is often seen as controversial."

This report demonstrates that tobacco companies are not responsible and should not be trusted, whatever their claims to new ways. The evidence shows they have not changed. We argue that tobacco companies' false claims of change are intended to head off real change and therefore they should play no part in crafting the solution—including in the international negotiations for a World Health

Organization (WHO) Framework Convention on Tobacco Control. History shows that the overriding concern of the tobacco industry has been to wreck any attempt to contain the damage done by their products, and to push their products with a ruthless aggression that has amounted to a war on public health.

Those who argue that this time the industry truly has changed ignore its current behavior and the long history of Big Tobacco's Trojan overtures.

These companies have not changed and therefore cannot erase decades of deceit with a new PR strategy, however expensive and clever. No credit should be given for now accepting the basics of smoking and health—like the fact that smoking causes cancer—when this has been established in the legitimate scientific literature for 40 years. Even today, some companies still deny this. No kudos should be given for admitting that nicotine is addictive, and then saying that it is addictive in the same way the Internet or shopping can be. No one should welcome the tobacco industry's youth antismoking campaigns, a cynical attempt to make smoking seem more grown-up and even more appealing to youth. As our closing chapter shows, the companies continue to fight over every inch of territory in the battle for the truth about tobacco. They have abandoned absurd and untenable positions that were opening them to mounting ridicule and courtroom hazards, and conceded nothing more.

After reviewing in 2000 all the new postures adopted by Philip Morris, BAT, Japan Tobacco, Imperial Tobacco, and Gallaher, the UK House of Commons Health Committee summarized the supposed change of approach:

It seems to us that the companies have sought to undermine the scientific consensus until such time as that position appears ridiculous. So the companies now generally

accept that smoking is dangerous (but put forward distracting arguments to suggest that epidemiology is not an exact science, so that the figures for those killed by tobacco may be exaggerated); are equivocal about nicotine's addictiveness; and are still attempting to undermine the argument that passive smoking is dangerous.¹

Why do we not accept that *Big Tobacco* has changed?

The tobacco companies have not changed or even started to rehabilitate themselves. When it comes to erasing the record of 40 years of deceit, the remedial action being taken is simply not enough and not at all convincing.

This is what we do know:

- The central objectives of the companies—to sell more tobacco and have more tobacco users—have not changed, only their appearances and PR strategy.
- The companies are still working to undermine legitimate evidence-based public health measures everywhere in the world.
- The companies continue to make deceitful and evasive statements in relation to smoking and disease, nicotine addiction, and passive smoking.
- The companies have merely accepted, grudgingly, a small number of selective facts that are beyond reasonable doubt. Even these have been accepted with new qualifications and distracting caveats.
- While claiming to have changed their marketing practices, the companies actually are increasing their marketing expenditures, often in ways most effective at reaching youth.

- The companies are still promoting bogus health campaigns that do not work.
- The companies continue to oppose regulation of their product in a manner similar to the regulation of other consumer products.
- No one in the industry has withdrawn any earlier false and misleading statements.
- No one in the industry has apologized, resigned, or been fired.
- The tobacco industry is in a “zero-sum game” with public health—every smoker who quits is a lost customer. Why should anyone expect the tobacco industry to work constructively against its own commercial interests?

The reality is that the tobacco industry has not really changed; it has only geared up its PR machinery. The tobacco industry continues to aggressively promote tobacco use in every corner of the globe. If history has taught us anything about the tobacco industry, it is that it will change only if it is forced to change, and that change will come only if imposed from outside. The Framework Convention on Tobacco Control could be that vehicle for change.

¹ House of Commons (UK) Health Select Committee, Second Report Session 1999-2000. *The Tobacco Industry and the Health Risks of Smoking*. The Stationery Office, June 2000, para 54, <http://www.parliament.the-stationery-office.co.uk/pa/cm199900/cmselect/cmhealth/27/2702.htm>.

2. Addiction

For more than 40 years
the tobacco industry
has known that
the nicotine in
cigarettes is addictive.

Internally, the companies have long recognized that nicotine addiction is the prime reason that people continue to smoke. Publicly the companies have denied this, or, more recently, tried to fudge the definition of addiction. The industry maintains, however, that it has never been deceitful on the issue of nicotine and addiction: "We have not concealed, we do not conceal, and we will never conceal....[W]e have no internal research which proves that smoking...is addictive."²

(BAT, 1996)

Company documents suggest otherwise:

"We have, then, as our first premise, that the primary motivation for smoking is to obtain the pharmacological effect of nicotine."³

(Philip Morris, 1969)

"Different people smoke for different reasons. But the primary reason is to deliver nicotine into their bodies. Nicotine is an alkaloid derived from the tobacco plant. It is a physiologically active, nitrogen-containing substance. Similar organic chemicals include nicotine, quinine, cocaine, atropine and morphine."⁴

(Philip Morris, undated)

"Let's face facts: Cigarette smoke is biologically active. Nicotine is a potent pharmacological agent. Every toxicologist, physiologist, medical doctor and most chemists know that. It's not a secret."⁵

(Philip Morris, 1982)

Rather than being involved in the selling of cigarettes, the tobacco industry has very much seen itself, privately at least, as being in the business of selling nicotine in the most appealing way possible:

"Nicotine is addictive. We are, then, in the business of selling nicotine—an addictive drug effective in the release of stress mechanisms."⁶

(Brown & Williamson, 1963)

"In a sense, the tobacco industry may be thought of as being a specialized, highly ritualized, and stylized segment of the pharmaceutical industry. Tobacco products uniquely contain and deliver nicotine, a potent drug with a variety of physiological effects."⁷

(R.J. Reynolds, 1972)

"It may be useful, therefore, to look at the tobacco industry as if for a large part its business is the administration of nicotine (in the clinical sense)."⁸

(BAT, 1967)

"...BAT should learn to look at itself as a drug company rather than as a tobacco company."⁹

(BAT, 1980)

Although the tobacco industry has fought government efforts to regulate cigarettes as drug-delivery devices, in private that is exactly how they see their product:

"The cigarette should be conceived not as a product but as a package. The product is nicotine....Think of the cigarette pack as a storage container for a day's supply of nicotine....Think of a cigarette as a dispenser for a

dose unit of nicotine. Think of a puff of smoke as the vehicle of nicotine....Smoke is beyond question the most optimised vehicle of nicotine and the cigarette the most optimised dispenser of smoke."¹⁰

(Philip Morris, 1972)

"...[T]he primary motivation for smoking is to obtain the pharmacological effect of nicotine. In the past, we at R&D have said that we're not in the cigarette business, we're in the smoke business. It might be more pointed to observe that the cigarette is the vehicle of smoke, smoke is the vehicle of nicotine, and nicotine is the agent of a pleasurable body response."¹¹

(Philip Morris, 1969)

"A cigarette as a 'drug' administration system for public use has very, very significant advantages: Speed. Within 10 seconds of starting to smoke, nicotine is available in the brain. Before this, impact is available, giving an instantaneous catch or hit, signifying to the user that the cigarette is 'active.' Flavour, also, is immediately perceivable to add to the sensation. Other 'drugs' such as marijuana, amphetamines, and alcohol are slower and may be mood dependent."¹²

(BAT, undated)

Animal experiments referenced in the literature and found in tobacco company documents confirm the companies' awareness of the addictive properties of nicotine:

"...[M]onkeys can be trained to inject themselves with nicotine for its own sake, just as they will inject other dependence-producing drugs, e.g., opiates, caffeine, amphetamine, cocaine....The absorption of nicotine through the lungs is as quick as the junkie's 'fix!'"¹³

(Brown & Williamson, 1973)

In addition, Philip Morris conducted studies in rats demonstrating that nicotine is self-administered by rats

and has other hallmark properties of addictive substances.¹⁴

The companies realize that reducing and/or eventually eliminating nicotine from tobacco products will cause smokers to quit:

"If, as proposed above, nicotine is the sine qua non of smoking, and if we meekly accept the allegations of our critics and move toward reduction or elimination of nicotine in our products, then we shall eventually liquidate our business. If we intend to remain in business and our business is the manufacture and sale of dosage forms of nicotine, then at some point we must make a stand."¹⁵

(R.J. Reynolds, undated)

The companies continue to deny that they can or do manipulate nicotine levels in cigarettes. Their internal documents say otherwise. The nicotine level of cigarettes

"...was not obtained by accident... [W]e can regulate, fairly precisely, the nicotine and sugar levels to almost any desired level management might require."¹⁶

(BAT, 1963)

The companies recognize that by publicly admitting that nicotine is addictive, they would undermine their argument that people's decision to smoke is a "free choice":

"...[T]he entire matter of addiction is the most potent weapon a prosecuting attorney can have in a lung cancer/cigarette case. We can't defend continued smoking as 'free choice' if the person was 'addicted!'"¹⁷

(Tobacco Institute, 1980)

"To some extent the argument revolving around 'free choice' is being negated on the grounds of addiction. The threat is that this argument will increase significantly and lead to further restrictions on product specifications and greater danger in litigation."¹⁸

(Brown & Williamson, 1973)

"It has been suggested that cigarette smoking is the most addictive of habits—that nicotine is the most addictive drug. Certainly large numbers of people will continue to smoke because they are unable to give it up. If they could they would do so. They can no longer be said to make an adult choice."¹⁹

(BAT, 1980)

So publicly, the industry argues that nicotine is important for taste or flavor and that nicotine is not addictive:

"The claim that cigarette smoking causes physical dependence is simply an unproven attempt to find some way to differentiate smoking from other behaviors....The claims that smokers are 'addicts' defy common sense and contradict the fact that people quit smoking every day."²⁰

(Tobacco Institute, 1988)

"Those who term smoking an addiction do so for ideological—not scientific—reasons."²¹

(Philip Morris, 1996)

These denials culminated in U.S. Congressional hearings in 1994 when the chief executive officers of the seven largest American tobacco companies all testified that nicotine is not addictive:

"I do not believe that nicotine is addictive."

—Thomas Sandefur
(Brown & Williamson)

"I believe nicotine is not addictive."

— William Campbell *(Philip Morris)*²²

In the late 1990s, as these damning internal documents came to light, the companies responded by trying to fudge and change the definition of addiction—which they now apply to such activities as shopping or the Internet:

"The definition of addiction is wide and varied. People are addicted to the Internet. Others are addicted to shopping, sex, tea, and coffee. The line I would take is that tobacco isn't addictive but habit forming."²³

(Tobacco Marketing Association, 1998)

- ² T. Stevenson, BAT Denies Smoking Claims, *The Independent*, 31 October 1996.
- ³ T. Osdene, "Why One Smokes, First Draft, 1969," http://www.tobacco.new.edu/mn_trial/, Trial Exhibit 3681, Bates Number 1003287836-48.
- ⁴ Philip Morris, Draft Report into "Table," undated but using data from 1992. <http://www.gate.net/~jcannon/documents/951208m1.txt>.
- ⁵ J.L. Charles, Note to Dr. T.S. Osdene, Comments on "Future Strategies for the Changing Cigarette," National Conference on Smoking and Health, 23 February 1982, Minnesota Trial Exhibit 10,523, http://www.tobacco.neu.edu/mn_trial/, Bates Number 1003171563-67.
- ⁶ A. Yeaman, "Implications of Battelle Hippo I & II and the Griffith Filter," 17 July 1963, Document Number 1802.05, <http://www.library.ucsf.edu/tobacco/docs/html/1802.05/>.
- ⁷ C. Teague Jr., "RJR Confidential Research Planning Memorandum on the Nature of the Tobacco Business and the Crucial Role of Nicotine Therein," 14 April 1972, <http://www.rjrtdocs.com/>, Bates Number 500898378-8386.
- ⁸ S. Green, Note to D.S.F. Hobson, 2 March 1967, <http://www.library.ucsf.edu/tobacco/docs/html/1227.06/>.
- ⁹ BAT, "Brainstorming 11, What Three Radical Changes Might, Through the Agency of R&D, Take Place in This Industry by the End of the Century," 11 April 1980, http://www.tobacco.neu.edu/mn_trial/, Minnesota Trial Exhibit 11361, Bates Number 109884190-91.
- ¹⁰ Dunn WL. Motives and incentives in cigarette smoking. Summary of CTR-sponsored conference in St. Martin. 1972 Philip Morris Research Center, Richmond, VA (Summary of January 1972 St. Martin Conference referred to in preface of Dunn WL, ed. *Smoking Behavior: Motives and Incentives*. Washington, DC: VH Winston & Sons; 1973.) Cited in US Food & Drug Administration, Regulation of Cigarettes and Smokeless Tobacco Under the Federal Food, Drug, and Cosmetic Act. 60 Fed. Reg. Page 41314, 41617 (August 11, 1995).
- ¹¹ T. Osdene, "Why One Smokes, First Draft, 1969," http://www.tobacco.neu.edu/mn_trial/, Trial Exhibit 3681, Bates Number 1003287836-48.
- ¹² C.C. Craig, "Structured Creativity Group," BAT R&D, undated, http://www.tobacco.neu.edu/mn_trial/ Minnesota Trial Exhibit 10683, Bates Number 100515899-5910.
- ¹³ Brown & Williamson, "Secondary Source Digest," 1973, http://www.tobacco.neu.edu/mn_trial/, Minnesota Trial Exhibit 13809.
- ¹⁴ Philip Morris Tobacco Company, Unpublished. DeNoble Manuscript: Nicotine as a Positive Reinforcer for Rats: Effects of Infusion Dose and Fixed Ratio Size. Cited in US Food & Drug Administration, Regulation of Cigarettes and Smokeless Tobacco Under the Federal Food, Drug, and Cosmetic Act. 60 Fed. Reg. Page 41314, 41641 (August 11, 1995).
- ¹⁵ Quoted in *Report of Special Master: Findings of Fact, Conclusions of Law and Recommendations Regarding Non-Liggett Privilege Claims, Minnesota Trial Court File Number C1-94-8565*, 8 March 1998, Minnesota Plaintiff's Exhibit 43 (1), R.J. Reynolds, 500915683, p. 688. <http://www.stic.neu.edu/MN/specialmaster2-10-98.html>.
- ¹⁶ Quoted in *Report of Special Master: Findings of Fact, Conclusions of Law and Recommendations Regarding Non-Liggett Privilege Claims, Minnesota Trial Court File Number C1-94-8565*, 8 March 1998, Minnesota Plaintiff's Exhibit 56 (1) BATCo 1026303333, p. 336; B. Griffith, Letter to John Kirwan, BAT, 1963. <http://www.stic.neu.edu/MN/specialmaster2-10-98.html>.
- ¹⁷ Memo from Knopick to Kloepfer, Tobacco Institute, 9 September 1980, http://www.tobacco.neu.edu/mn_trial/ Minnesota Trial Exhibit 14303.
- ¹⁸ E. Pepples, Memo to J. Blalock, 14 February 1973, <http://www.library.ucsf.edu/tobacco/docs/html/1814.01/>.
- ¹⁹ Dr. S.J. Green, Transcript of note by S.J. Green, 1 January 1980, <http://www.library.ucsf.edu/tobacco/docs/html/1192.03/>.
- ²⁰ The Tobacco Institute, "Claims That Cigarettes Are Addictive Contradict Common Sense," 16 May 1988, http://www.tobacco.neu.edu/mn_trial/ Minnesota Trial Exhibit 14384, Minnesota Plaintiff's Exhibit 22(1), TI 00125189, p. 189.
- ²¹ Philip Morris, "Position Statement on a Wide Range of Issues," believed to be 1996, quoted on <http://www.gate.net/~jcannon/documents/pmpos961.txt>.
- ²² Hearing on the Regulation of Tobacco Products, U.S. House of Representatives, Committee on Energy and Commerce, Subcommittee on Health and the Environment, 14 April 1994.
- ²³ Quoted in an interview in *Punch* magazine, 11 April 1998.

3. Advertising

The tobacco industry has always maintained that the only function of advertising is to persuade smokers to switch between brands and that advertising does not affect overall consumption.

Clive Turner from the Tobacco Advisory Council reiterates the industry line:

"Certainly no tobacco advertising is concerned with encouraging non-smokers to start or existing smokers to smoke more and it seems blindingly obvious that, unless you are a smoker, tobacco advertising or sponsorship has absolutely no influence whatsoever in persuading or motivating a purchase."²⁴

(1986)

But according to advertising executive Emerson Foote, former CEO of McCann-Erickson, which has handled millions of dollars in tobacco industry accounts:

"The cigarette industry has been artfully maintaining that cigarette advertising has nothing to do with total sales. This is complete and utter nonsense. The industry knows it is nonsense. I am always amused by the suggestion that advertising, a function that has been shown to increase consumption of virtually every other product, somehow miraculously fails to work for tobacco products."²⁵

(1988)

Inadvertently supporting this view is Gareth Davies, chief executive of Imperial Tobacco, who while commenting on a proposed advertising ban in the United Kingdom said:

"Obviously I am very much against anything that tries to reduce consumption of a legal product that is used by adults."²⁶

(1997)

In fact, the industry is terrified of not being able to advertise. According to Philip Morris:

"Advertising is critical to our ability to expand the geographical presence of our brands and sustain their premium image."²⁷

(Philip Morris, 1993)

A Philip Morris document from 1990 discusses the dangers facing the industry:

"The pressure against us is growing at a frightening speed....It's quite possible that unless we change our whole approach very quickly, and start using our resources in a much more intelligent fashion, we will find that *within 12 months* we could well lose our advertising and sponsorship, and a good deal of our marketing, freedoms in most of our major markets....Defeat, like fear, is contagious. Once people sense surrender is in the air, the collapse of the whole operation can come with enormous rapidity. The collapse of South Vietnam is a graphic case in point."

The document suggests a "plan of action for winning this war," including:

"Go on the offensive through imaginative advocacy advertising campaigns, using leading figures around the world who will put the best arguments on a range of issues.... Fortify and widen the range of coalitions to oppose both advertising and sponsorship bans."

The reason why advertising is so important is that

"If one takes the pessimistic view of present trends, the tobacco industry could lose almost all its political clout within two years. Overstated? Not really. If you take away our advertising and sponsorship, you lose most, if not all, of your media and political allies....We could well be in this position within two years, or even less, if the pace of present restrictions worldwide continues. It doesn't take much imagination to see what this would mean for our share price, not to mention our reputation....Compared to the billions we could lose, our present commitment to recovering both commercial, political and, not least, moral ground is, to put it baldly, pitiful. The time to get on top of this deteriorating situation is now."²⁸

(Philip Morris, 1990)

Fritz Gahagan, who once worked as a marketing consultant for the tobacco industry, offers some insight into how the tobacco industry has dealt with one of its most intractable dilemmas:

"The problem is, how do you sell death? How do you sell a poison that kills 350,000 people per year, 1,000 people a day? You do it with the great open spaces...the mountains, the open places, the lakes coming up to the shore. They do it with healthy young people. They do it with athletes. How could a whiff of a cigarette be of any harm in a situation like that? It couldn't be—there's too much fresh air, too much health—too much absolute exuding of youth and vitality—that's the way they do it."²⁹

Most tobacco advertisements have absolutely nothing to do with cigarettes, as these creative guidelines for Marlboro, the world's best-selling brand, demonstrate:

"Every Marlboro ad needs to be judged on the following criteria: story value, authenticity, masculinity,

while communicating those enduring core values of freedom, limitless opportunities, self-sufficiency, mastery of destiny and harmony with nature."³⁰

(Philip Morris, undated)

Sports sponsorship has proven to be a useful tool for the tobacco industry's attempt to associate smoking with health and athletic prowess. As one R.J. Reynolds executive put it:

"We're in the cigarette business. We're not in the sports business. We use sports as an avenue for advertising our products....We can go into an area where we're marketing an event, measure sales during the event and measure sales after the event, and see an increase in sales."³¹

(1989)

Around the world, the tobacco companies sponsor sporting events and teams:

"The Marlboro soccer cup in Hong Kong and China, World Cup tie-ins and the inaugural Marlboro dynasty cup are excellent examples of how we associate Marlboro with Asia's favorite sport and position Marlboro as the principal contributor to football development in Asia."³²

(Philip Morris, 1990)

They also have proven extremely clever in finding ways around legal restrictions:

"The other major promotion in Turkey was centered around the World Cup. Football is by far the leading sport in Turkey, and the World Cup provided an opportunity too good to miss. However, due to copyright and legal issues, Marlboro could not be involved in a World Cup promotion. So we turned to a publisher to get around the problem.... The idea this time was to...produce a quality 36-page World Cup Guide created by the paper and sponsored by Marlboro. This approach avoided legal problems but still achieved our objective of linking the brand to the World Cup....In order to whet the appetite of

the public and create word-of-mouth publicity, the PM [Philip Morris] promoters carried out a drive, distributing 10,000 copies of the guide in front of stadiums at major soccer games and in pubs and cafes against the showing of a Marlboro pack."³³

(Philip Morris, 1990)

The World Cup tie-in has been extended to other places as well:

"As in Turkey, football is the most keenly followed sport in the Middle East. So we linked up with a leading Kuwaiti sports magazine, Al-Riyadhi, to produce a quality World Cup guide—a 30-page special supplement aimed at young adult Arabs, with a promotion contained in it. Top prizes were VIP trips to the World Cup in Italy, with runner-up prizes of latest model large screen TV's....The look of the guide was colourful and pictorial, with Marlboro branding on each spread. And in the center was a prestigious 6-page promotional ad, appealing to Arab patriotism....A total of 260,000 copies of the guide were produced, making it the largest print run for a magazine in the Middle East."³⁴

(Philip Morris, 1990)

Motor racing has been another key area for tobacco company sponsorships. The stated objective of the 1990 "Marlboro Superbike Show" in Taiwan was

"...to strengthen Marlboro's brand image in relation with excitement, vitality and masculinity, especially among young adult consumers."³⁵

(Philip Morris, 1990)

"In Malaysia, local advertising restrictions prevent the effective use of the American cowboy in broadcast media. So, we have decided to utilize the Marlboro world of sports as an advertising vehicle in TV, outdoor and newspapers to build Marlboro's image around its international motorsports involvement..."³⁶

(Philip Morris, 1990)

Barrie Gill, chief executive of Championship Sports Specialists Ltd., a sports sponsorship company, explains why tobacco companies are so interested in motor racing:

"It's the ideal sport for sponsorship. It's got glamour and worldwide television coverage. It's a 10-month activity involving 16 races in 14 countries with drivers from 16 nationalities. After football it's the Number One multinational sport. It's got total global exposure, total global hospitality, total media coverage and 600 million people watching it on TV every fortnight...It's macho, it's excitement, it's colour, it's international, it's glamour... They're there to get visibility. They're there to sell cigarettes."³⁷

(1984)

An R.J. Reynolds document supports this view:

"Malaysia, Key Camel Issue 1989: Seed the brand with images of the contemporaneity, glamour and excitement of Formula One-motor racing."³⁸

(R.J. Reynolds, 1989)

The tobacco companies also sponsor sporting federations when it suits their interests:

"To improve our sports allies we sponsored the Asia Pacific and Oceania Sports Assembly, and have since established a relationship with its president to review opportunities for sponsorship and to identify key sporting contacts by country. Recently this association provided access to Korea's peak sporting associations."³⁹

(Philip Morris, 1989)

In addition to heavy sponsorship of sporting events and teams, the industry has other avenues for attracting young people:

"While sports is by far the best avenue to attract, sample and influence our core target smokers, it's not the only way. International movies and videos also have tremen-

dous appeal to our young adult consumers in Asia."⁴⁰

(Philip Morris, 1990)

"[In Switzerland] Music is the second of our targeted promotional themes and Marlboro is involved in a big way...The real benefit of the concept is the quality of the personal contact which ensures that Marlboro and music are firmly linked in our target group's mind."⁴¹

(Philip Morris, 1990)

"Each region conducted literally hundreds of local and regional promotions which ranged from art and music to academic awards and competitions. They are far too numerous to mention here. Most notable among the transnational promotions was the Philip Morris Superband of jazz musicians who performed in Australia, the Philippines, Japan and Canada, and a special Marlboro Superband that performed in four cities in Spain. The Superbands received exceptional media coverage in each market, including television and radio 'specials' in Australia, Japan and Spain."⁴²

(Philip Morris, 1986)

Because advertising is so critical to the continued expansion of the tobacco industry, the companies have fought attempts to restrict or ban advertising with every means at their disposal:

"A law prohibiting tobacco advertising was passed in Ecuador, but, after a mobilization of journalists from throughout Latin America and numerous international organizations, it was vetoed by the President."

"...Additional legislation to ban tobacco advertising is pending in Costa Rica, but we believe this too will be defeated. We are now able, however, to sponsor sporting events. We have received the tacit approval of the Costa Rican government and are at present sponsoring several events."

"...In Venezuela, we were successful in stopping a detrimental, self-regulating advertising code, and are now negotiating a new one. Our work in Senegal resulted in a new advertising decree which reversed a total advertising ban."⁴³

(Philip Morris, 1986)

The companies use their political connections to fight advertising bans:

"Through the Pan-Arab Media Association we are lobbying Tihama (the principal publishing house and ad agency in SA [Saudi Arabia]) to resist the ad ban proposal. We are using the contacts of Surrey/Morse to communicate PM messages to their SA friends and to special US government contacts based in SA."⁴⁴

(Philip Morris, 1985)

When faced with pressure, the companies often offer to implement half-measures and voluntary codes:

"...by opening a dialogue followed by a few minor concessions, the industry can be saved from heavy legislation for at least two to three more years."⁴⁵

(Philip Morris, 1976)

"An industry code will be written [for Pakistan]...so that it can be used as both a lobbying lever and an argument against not introducing formal legislation."⁴⁶

(Philip Morris, 1994)

"...[C]omplete the removal of roadside cigarette hoardings [billboards] on the Dubai-Abu Dhabi road and capitalise on this minimum concession as an example of voluntary self-regulation by the Industry."⁴⁷

(Philip Morris, 1992)

Over the past two decades, the companies have responded to increasing restrictions on tobacco advertising by engaging in "brand-stretching":

"Opportunities should be explored by all companies so as to find non-

tobacco products and other services which can be used to communicate the brand or house name, together with their essential visual identities. This is likely to be a long-term and costly operation, but the principle is nevertheless to ensure that cigarette lines can be effectively publicised when all direct forms of communication are denied."⁴⁸

(BAT, 1979)

BAT has contemplated exploring "...the opportunities to cooperate with one another by beaming TV and radio advertising into a banned country."⁴⁹

(BAT, 1979)

Meanwhile, in Lebanon, Philip Morris has planned some novel ways to advertise Marlboro:

"Marlboro Tunnel Entrance Branding: Placement of Marlboro branding at the entrance of two major tunnels with 'Drive Safely' statements. Tunnel's illumination system to be provided by PM [Philip Morris] in return for the placement of previously mentioned (sic) signs.

Marlboro Pedestrian Bridge Branding: Refurbishment of 5 pedestrian bridges within the Greater Beirut area in return for which MARLBORO branded signs would be placed with 'Walk Safely' statements....Marlboro 'Promenade' Benches: Placement of Marlboro branded benches on the most famous Beirut seaside promenade....Marlboro Road Signs: Placement of street signs in the Greater Beirut area in the major highways leading to key/central locations. Signs to also feature Marlboro branding."

Under the heading "Diversification Program," the company proposes to

"Study the introduction of the Marlboro classics clothing line to Lebanon. This comes at a time when anti-smoking campaigns and activities are increasingly implemented."⁵⁰

(Philip Morris, 1993)

²⁴ C. Turner, "Cigarette Ads: The Aim Is Branding," *Campaign*, 14 March 1986.

²⁵ Quoted in L. Heise, Unhealthy Alliance, *World Watch*, October 1988, p. 20.

²⁶ Quoted in B. Potter, "Tobacco Chief to Fight Advert Ban," *Daily Telegraph*, 15 May 1997.

²⁷ W. Webb, 1993 Board Presentation Closing, 19 October 1993, <http://www.pmdocs.com>, Bates Number 2500157095.

²⁸ Philip Morris, Discussion Paper Not to Be Copied, "Some Reflections On Our Present Discontent—Or Why We Are Losing the Public Affairs War on Tobacco?" Private Confidential, 1990, <http://www.pmdocs.com/getallimg.asp?DOCID=2500057725/7729>, Bates Number 2500057725-29.

²⁹ Quoted in the British television news magazine *World in Action*, *Secrets of Safer Cigarettes*, 1988.

³⁰ Philip Morris, "Marlboro World-wide Creative Issues and Guidelines," undated, <http://www.pmdocs.com/getallimg.asp?DOCID=2501174579/4584>, Bates Number 2501174579-84.

³¹ J. DeParle, "Warning: Sports Stars May Be Hazardous to Your Health," *The Washington Monthly*, September 1989, pp. 34-49.

³² Philip Morris, "Marlboro 1990," <http://www.pmdocs.com/getallimg.asp?DOCID=2504034844/4875>, Bates Number 2504034844-75.

³³ Philip Morris, March 1990, <http://www.pmdocs.com/getallimg.asp?DOCID=2501260425B/0425Z>, Bates Number 2501260425B-25Z.

³⁴ Ibid.

³⁵ E. da Roza, "Marlboro Superbike Show '90," Inter-Office Correspondence, 18 September 1990, <http://www.pmdocs.com/getallimg.asp?DOCID=2504016566/6567>, Bates Number 2504016566.

³⁶ Philip Morris, "Marlboro 1990," <http://www.pmdocs.com/getallimg.asp?DOCID=2504034844/4875>, Bates Number 2504034844-75.

³⁷ Quoted in P. Taylor, *Smoke Ring—The Politics of Tobacco*, 1984, Bodley Head, pp. 101-103.

³⁸ R.J. Reynolds, "Camel Advisory Council Performance Update," 1989, <http://www.library.ucsf.edu/tobacco/mangini/html/s/096/otherpages/allpages.html>.

³⁹ J. Dollisson, "1989 2nd Revised Forecast Presentation—Corporate Affairs," 15 June 1989, <http://www.pmdocs.com/getallimg.asp?DOCID=2500101311/1323>, Bates Number 2500101311-23.

⁴⁰ Marlboro, 1990, <http://www.pmdocs.com/getallimg.asp?DOCID=2504034844/4875>, Bates Number 2504034844.

⁴¹ Philip Morris, March 1990, <http://www.pmdocs.com/getallimg.asp?DOCID=2501260425B/0425Z>, Bates Number 2501260425B/0425Z.

⁴² A. Whist, "Memo to Board of Directors, Philip Morris International Corporate Affairs," 17 December 1986, <http://www.pmdocs.com/getallimg.asp?DOCID=2025431401/1406>, Bates Number 2025431401-1406.

⁴³ A. Whist, "Philip Morris International Corporate Affairs," 17 December 1986, <http://www.pmdocs.com/getallimg.asp?DOCID=2025431401/1406>, Bates Number 2025431401-1406.

⁴⁴ J. B. Robinson, "Developments in the GCC," Telex to Geoff Bible, 17 December 1985, <http://www.pmdocs.com/getallimg.asp?DOCID=2044440393/0396>, Bates Number 2044440393-0396.

⁴⁵ M.P.D. Falconer, 1976 Philip Morris Asia inter-office memo referring to a meeting by Harry Paul, then Managing Director of BAT-Hong Kong, with the head of the Hong Kong television authority; quoted in Thomas Hedley and Jason Gagliardi, "The Cigarette Papers: A Strategy of Manipulation," *South China Morning Post*, 19 January 1999.

⁴⁶ Philip Morris, "Pakistan—Meeting in London," 1994, <http://www.pmdocs.com/getallimg.asp?DOCID=2504024765/4767>, Bates Number 2504024765-67.

⁴⁷ B. Baroudi, "GCC Marketing Freedoms," Memo to Harald Schedel, 12 August 1992, <http://www.pmdocs.com/getallimg.asp?DOCID=2501052285/2293>, Bates Number 2501052285-93.

⁴⁸ BAT, "Post Jesterbury Conference, Future Communication Restrictions in Advertising," 10 July 1979.

⁴⁹ Ibid.

⁵⁰ Philip Morris, "Projects for Future Exploitation," July 1993, <http://www.pmdocs.com/getallimg.asp?DOCID=2501261910/1926>, Bates Number 2501261910-26.

4. Agriculture and the International Tobacco Growers Association

For years, the tobacco industry has sought to align itself with tobacco farmers and tobacco-producing countries as a way of thwarting tobacco control initiatives.

The industry has adopted a two-pronged strategy which has involved (a) exaggerating the economic importance of tobacco and the impact of tobacco control activities on global demand and (b) misrepresenting the goals and programs of WHO. To carry out this strategy, the industry has worked directly, with sympathetic politicians and businessmen, and indirectly, through front organizations that it has created and funded. Much of the strategy has been coordinated by the companies through organizations such as the ICOSI (International Council on Smoking Issues), INFOTAB (International Tobacco Information Centre), and Agro-Tobacco Services.

By the late 1970s, the tobacco industry was arguing that

"Target countries should be made aware of...the long term threat anti-tobacco measures pose for their economy....We should approach the Grower Countries through our tobacco leaf buying connections and not through our cigarette manufacturing interests in the different countries. This has the advantage [that] the approach is made by the agricultural forces of the respective land, by people who themselves belong to the Third World, and not by an industry already under attack, by multinational enterprises who only care for their excessive profits."⁵¹

(BAT, 1979)

The industry identified "mobilization of the leaf industry, especially in developing countries," as one of two "viable pressure points" for "dealing with the WHO"⁵² (R.J. Reynolds, 1981).

Industry documents record that there was a need to "mobilize allies more effectively in the area of: Leaf growing, Advertising and News Media"⁵³ (B&W, 1983) and to "mobilise global Agro-lobby."⁵⁴

(INFOTAB, 1989)

An action plan was proposed for the 4th World Conference on Smoking and Health for "pre-emptive" action. It suggests:

"...oblique/indirect contact to be made with WHO governors from Third World countries to suggest to them that the extreme WHO antismoking position could be detrimental to the economic well-being of their countries."⁵⁵

(ICOSI, 1979)

In the mid-1980s, the industry held a meeting with representatives of the international leaf dealers, asking them to help "neutralize" WHO's activities. One of the industry presenters remarked that they would

"...like briefly to turn to the revised presentation which we will be making to selected Ministers of Agriculture and other Ministers. In these presentations we shall be highlighting the threats to their own tobacco industries from the WHO and other UN agencies, like UNCTAD and UNIDO.... We will be emphasizing that the continuity of the attacks upon an industry so important to their country's economy will be hard to stop or even reverse. We shall also be emphasizing the evangelical and biased nature of these attacks and the fact that they

ignore completely many of the problems which the Third World should be treating as priority problems, such as poverty, malnutrition, and housing.... At an international level, would they be prepared to monitor, with the aid of their agricultural attachés accredited to intergovernmental organizations (UN, EEC, etc.) and embassies in the major countries, the various antitobacco activities that are being planned or carried out...[and] engage their advice and assistance in devising strategies and actions appropriate to neutralize or moderate such activities?"⁵⁶

(INFOTAB, 1984)

Philip Morris was obviously pleased with the results the industry was getting:

"We have also helped organize growers in a number of countries. With their assistance for example, the industry was instrumental in moving the Food and Agricultural Organization away from its antitobacco stance. Indeed, the FAO has made a 180-degree turn on this point. Countries where we worked closely with the growers, and which were especially important in getting this change of position, include Malawi, Zimbabwe, Thailand, and Argentina."⁵⁷

(Philip Morris, 1985)

And in Turkey, Philip Morris explained that:

"...we will...recruit and train a Corporate Affairs Manager. This individual will initially focus on identifying and developing relationships with the leaders of the 'seed to market' elements of the Turkish tobacco industry, learning about the decision making process of the government and building relationships with the decision makers, and seeking opportunities to cultivate quietly a positive corporate image for Philip Morris. Particular care will be taken in developing relations with leaders of the tobacco growers."⁵⁸

(Philip Morris, 1987)

The International Tobacco Growers Association

By the late 1980s, when tobacco growers had not yet into a coherent voice for the industry, the major tobacco companies sought to "mobilise the Global Agro-Lobby"⁵⁹ (INFOTAB, 1989). The vehicle they devised, which is still very active, is the International Tobacco Growers Association, or ITGA:

"Manufacturers, through INFOTAB, would 'control' the primary funding of the organisation, and would thus be able to ensure that it stuck to politics. The ITGA would have the clout to combat idiotic crop-substitution programs. The ITGA could 'front' for our third world lobby activities at WHO, and gain support from nations hostile to MNCs. The ITGA (pushed by us) could activate regional agriculture lobbies which are at present very weak and resistant to industry pressure."⁶⁰

(BAT, 1988)

"By providing the resources necessary to transform the ITGA from an introspective and largely ineffectual trade association to a pro-active, politically effective organization, the industry created the opportunity to capture the moral high ground in relation to a number of fundamental tobacco-related issues....The major planks of the agro-tobacco platform are (a) the economic benefits of tobacco production, particularly in developing countries, (b) the social benefits, such as employment in rural areas, and (c) the general agricultural development benefits arising from tobacco cultivation. The primary focus of the agro-tobacco lobby effort has been at the WHO and the FAO."⁶¹

(BAT, 1991)

The level of control the companies wanted to exercise over ITGA's activities is revealed by a memo about the pilot issue of *Tobacco Forum*, which

was to be published "quarterly under the ITGA banner." The publication

"...is designed to be to be the 'voice' of the agro-tobacco interests. The circulation list will include WHO and FAO officials, national Health and Agriculture Ministers, and some 2,400 key media contacts around the world.... 'Tobacco Forum' is a 100% Infotab product, and can thus guarantee an editorial content which is acceptable to our sponsor companies."⁶²

(BAT, 1990)

A BAT document noting that the "problem had been their lack of global organisation and certainly their lack of funding" remarked that the

"...support of the Growers will be invaluable in our continued battle with critics of the Industry. Indeed, we have already used them to help us brief both delegates to the WHA [World Health Assembly] and to the FAO. The only hope of them being able to operate effectively is with funding help."⁶³

(BAT, 1988)

The documents show that BAT funded ITGA:

"Your letter to Ulrich Herter has been sent to me as the funding of the International Growers Association is handled by British-American Tobacco Company. We are happy to subscribe the sum of 30,000 pounds with a number of conditions:

- a) BATCo agrees to the programme of objectives for 1993
- b) Mr Oldman does not visit Governments where BATCo has an operating company without our agreement
- c) The progress against the objectives are [sic] reviewed after a period of six months
- d) We would expect one substantial publication to be produced during the year.

Provided you are happy with the above, I suggest that David Bacon

discusses with Martin Oldman what the programme for 1993 is to be so that we can have prior agreement."⁶⁴
(*BAT, 1992*)

The ITGA has been a very useful tool of the industry for indirectly influencing governments:

"...in cooperation with INFOTAB arranged for a letter from the International Tobacco Growers Association together with the June FAO Economic Impact of Tobacco Study to be anonymously distributed to key participants in the EMRO Executive Board meeting...in Tehran, Iran."⁶⁵

(*Philip Morris, 1989*)

"Through ITGA, 'lobby kit' containing FAO report on 'Economic Significance of Tobacco' and other economic impact data [was] provided to Latin American Ministers of Health and to participants at all six regional WHO meetings during month of September."⁶⁶

(*Philip Morris, 1989*)

"The ITGA will develop a lobby programme for targeted UK parliamentarians which, whilst not specifically linked to the recent ODA [Overseas Development Administration] developments, will seek to expand MPs' [Members of Parliament] knowledge and understanding of the concerns of tobacco growers particularly in developing countries."⁶⁷

(*BAT, 1991*)

In 1991, Martin Oldman left his position as assistant secretary general of INFOTAB to become the head of Agro-Tobacco Services, the organization that coordinated much of ITGA's activities:

"The principal role of the new consultancy will be to control the international voice of agro-tobacco on behalf of its clients, ensuring that best use is made of the ITGA as a vehicle for targeted lobby activities. In particular, the consultancy will provide the coordination, facilitation, and motivation necessary to realise the full potential

of the tobacco growers' lobby....To date, considerable progress has been made in getting the growers' voice heard in critical international fora such as the World Health Organization and the Food and Agriculture Organization. For example, the consultant has drafted a resolution debated at the 44th World Health Assembly and has mustered support from a number of tobacco-producing countries for a more balanced approach to socio-economic and environmental tobacco issues. In 1989, intensive lobbying in Rome caused the FAO to publish, despite the WHO's vigorous objection, important reports on the economic significance of tobacco and on tobacco trade projections....Through the ITGA it will create and manage lobby opportunities. Of particular current importance are the World Health Organization, the Food and Agriculture Organization, the United Nations Economic and Social Council, and the World Bank. A number of upcoming international events, such as the 8th World Conference on Tobacco or Health, the 45th World Health Assembly and the United Nations Conference on Environment and Development, are clearly also of importance....In conjunction with the ITGA, Agro-Tobacco Services will develop and implement action plans for each of the ITGA member organisations, develop new argumentation, and liaise with external allies. Whilst acknowledging local circumstances, individual action plans will be coordinated to meet the overall objectives of particular lobby initiatives."⁶⁸

(*BAT, 1991*)

In the early 1990s, the ITGA achieved "a number of their objectives" according to the documents. For example,

"At the 45th World Health Assembly we succeeded in having a resolution passed which maintains the pressure on the WHO to acknowledge and deal with the negative socio-economic effects on tobacco producing countries

which a successful Tobacco or Health program will induce. The Malawian led resolution gained support from a number of countries and countered the Executive Board's earlier contention that the Director-General's presentation of tobacco issues to ECOSOC in 1991 was an adequate response to the matters raised at the 44th WHA....With the adoption of the "Malawi Resolution," it would appear that we have succeeded in getting a full and proper acknowledgement of the concerns we have been voicing for several years. In this connection, our lobby of key diplomats in Geneva played an important, albeit unquantifiable role."⁶⁹

(*BAT, 1992/1993*)

"This development is important for at least two reasons. Firstly, it formally extends the scope of the tobacco debate in UN agencies not inherently prejudiced by perceived health concerns....To the extent that we are able to contribute effectively to the debate on a wider front, the ambitions of the "Tobacco or Health" program may be thwarted, or at least modified."⁷⁰

(*BAT, 1992/1993*)

By 1995, Oldman was worried about the continuing funding and management of the ITGA:

"There are...two issues which need to be resolved: (a) 'the management question', i.e. how best to provide effective control over the manufacturers' interest in the ITGA and its activities as they relate to an ongoing agro-tobacco program, and (b) 'the funding question' i.e. how to ensure that the long-term of the ITGA can be maintained in the light of significantly reduced funding in 1996 and 1997 and the absence of any direct funding post-1997."

In terms of the "Management Question,"

"Subscribers to the agro-tobacco program will wish to ensure that there is adequate control of the Associa-

tion's activities insofar as they are related to the achievement of the program's objectives..."

"Hitherto, [Agro Tobacco Services] has provided this facility, by acting as the manufacturers'/leaf dealers' agent and by actively contributing to the program's activities. It is envisaged that at least the steering function will have to be secured in some fashion although a more direct but discrete interface between the Association's Secretariat and manufacturers/dealers might be feasible. It is certainly the case that there is less need for 'hand-holding' today than when the current arrangements were initiated. This said, it would be unwise for there to be much less contact between the manufacturers/dealers in the future than exists at present."⁷¹

(BAT, 1995)

⁵¹ J. M. Hartogh, Letter to All Members of the ICOSI Working Group, enclosing a Memorandum by Dr. E. Bruckner, 26 June 1979, BAT Guildford Depository, Bates Number 100433043-47.

⁵² R. Marcotullio, INFOTAB, Board of Directors Meeting—30 March 1981, <http://www.rjrtdocs.com>, Bates Number 502741855-1859.

⁵³ R.L.O. Ely, Infotab Board Meeting 30 and 31 October, 18 November 1983, <http://www.bwdocs.aalatg.com>, Bates Number 680404650-53.

⁵⁴ INFOTAB, Appendix I, January 1989 Discussion Paper, 30 January 1989, <http://www.pmdocs.com/getallimg.asp?DOCID=2501045258/5268>, Bates Number 2501045258/5268.

⁵⁵ Action plan proposed by ICOSI Task Force for the 4th World Conference on Smoking and Health, to be held at Stockholm on June 18-22, 30 January 1979, <http://www.ctr-usa.org/ctr>, Bates Number 10395689-95.

⁵⁶ INFOTAB, "Meeting With Representatives of International Leaf Dealers," 4 May 1984, <http://www.bwdocs.aalatg.com>, Bates Number 690155210-33.

⁵⁷ Philip Morris, "Issues Raised in Hamish's Memo" 29 March 1985, <http://www.pmdocs.com/getallimg.asp?DOCID=2023268329/8337>, Bates Number 2023268340.

⁵⁸ Philip Morris, "Draft Corporate Affairs Plan," 25 November 1987, <http://www.pmdocs.com/getallimg.asp?DOCID=2501254715/4723>, Bates Number 2501254715-4723

⁵⁹ INFOTAB, Appendix I, January 1989 Discussion Paper, 30 January 1989, <http://www.pmdocs.com/getallimg.asp?DOCID=2501045258/5268>, Bates Number 2501045258-5268.

⁶⁰ J. Bloxcidge, Fax to Board Members, 11 October 1988, BAT Guildford Depository, Bates Number 502555416-7.

⁶¹ M. Oldman, Letter to G. Pedlow regarding the Agro-Tobacco Programme, 13 March 1991, BAT Guildford Depository, Bates Number 502555357-63.

⁶² J. Bloxcidge, Letter to B. Bramley, BAT, 23 August 1990, BAT Guildford Depository, Bates Number 502555387.

⁶³ B. Ely, Letter to B. Bramley, 19 October 1988, BAT Guildford Depository, Bates Number 502555415.

⁶⁴ B. Bramley, Letter to W. Staby, 27 October 1992, BAT Guildford Depository, Bates Number 502552567.

⁶⁵ Philip Morris, "EEMA Regional Annual Report Regarding PMI Corporate Affairs Action Plan," 16 October 1989, <http://www.pmdocs.com/getallimg.asp?DOCID=2500019962/9976>, Bates Number 2500019962-76.

⁶⁶ Philip Morris, "Boca Raton Action Plan: Status Report for the Period Ending September 30, 1989," <http://www.pmdocs.com/getallimg.asp?DOCID=2501204997/5021>, Bates Number 2501204997-5021.

⁶⁷ BAT, Meeting, 14 March 1991 at Infotab, BAT Guildford Depository, Bates Number 502555340.

⁶⁸ M. Oldman, Letter to D. Bacon Regarding Agro-Tobacco Services—A Proposal for a Consultancy Agreement, 1991, BAT Guildford Depository, Bates Number 502552645-54.

⁶⁹ Agro-Tobacco Services, Programme Review Number 1, 1992/1993, BAT Guildford Depository, Bates Number 502552606-11.

⁷⁰ "ITGA, The Way Ahead," 1992/1993, BAT Guildford Depository, Bates Number 502552621-7.

⁷¹ M. Oldman, Letter to D. Bacon from BAT, 29 March 1995, BAT Guildford Depository, Bates Number 502555220-6.

5. Developing Countries

With smoking rates declining or peaking in the North, the multinational cigarette companies have looked to expand their operations in the developing world.

As the trade journal *Tobacco Reporter* has reported:

"Tobacco use in the developed nations will trend down slightly through the end of the century, while in the developing countries use could rise by about three percent annually. A bright picture indeed! Not a smoke-free society, but continued growth for the tobacco industry."⁷²

(1989)

One former tobacco marketing executive put it more bluntly:

"They have to find a way to feed the monsters they've built. Just about the only way will be to increase sales to the developing world."⁷³

(1991)

One BAT document outlines why this is so:

"We should not be depressed simply because the total free world market appears to be declining. Within the total market, there are areas of strong growth, particularly in Asia and Africa; there are new markets opening up for our exports, such as Indo-China and the Comecom countries; and there are great opportunities to increase our market share in areas like Europe....This industry is consistently profitable. And there are opportunities to increase that profitability still further."⁷⁴

(BAT, 1990)

As Geoffrey Bible, the Chief Executive Officer of Philip Morris, put it in 1996:

"We are still in the foothills when it comes to exploring the full opportunities of many of our new markets."⁷⁵

In the words of the head of BAT's subsidiary in India:

"Our primary aim is to expand the market for cigarettes. We have the responsibility, being market leader, to do so."⁷⁶

(1997)

Children in developing countries present an extremely attractive target for the companies:

"This is a market with tremendous potential. The rate of population growth is 2.2. percent each year, and 40 percent of the population is under 18."⁷⁷

(Philip Morris Turkey, 1997)

But cheap labor is also certainly an attraction, as an R.J. Reynolds operations manager points out:

"Turkey is very attractive from a manufacturing standpoint. The workweek is 45 hours, compared with only 37 in Germany. Utilizing three shifts, we can run our factory six days, 24 hours, without overtime."⁷⁸

(1999)

Asia has been a major focus of expansion by the companies. "You know what we want," says a tobacco executive. "We want Asia."⁷⁹

(1988)

The main country in Asia that the companies would like to gain access to is China, with its more than 300 million smokers and hundreds of millions of young people and women:

"No discussion of the tobacco industry in the year 2000 would be complete without addressing what may be the most important feature on the landscape, the China market. In every respect, China confounds the imagination."⁸⁰

(Philip Morris Asia, 1986)

"Thinking about Chinese smoking statistics is like trying to think about the limits of space."⁸¹

(Rothmans, 1992)

"The Chinese cigarette market is already three times the size of the U.S. market, and accounts for over 30% of the world's 5.4 trillion units. Since the total international segment amounts to less than 1% of this huge market, we have plenty of room for dramatic growth."⁸²

(Philip Morris, 1993)

"The Chinese domestic tobacco industry is a major frontier for international tobacco companies."⁸³

(Philip Morris, 1994)

The tobacco industry has also been expanding into Eastern Europe and the former Soviet Union. According to BAT's director of new business development,

"Obviously there is enormous potential in all these countries. I would say that the demand for Western cigarettes is insatiable. It's a fantastic opportunity for everybody, and we're talking in any number of countries."⁸⁴

(1992)

As in developed countries, the industry seeks to undermine tobacco control activities in developing countries:

"It is unsafe to assume continued substantial growth in the developing countries in the light of the rapid escalation of international pressures on governments and consumers from the antismoking bodies...If we are to maximise growth in the long term in the developing countries, we must strive to neutralise antismoking pressure by being perceived as:

- A) "Behaving responsibly in the light of the overwhelming view regarding the health effects of smoking.
- B) Gearing our marketing methods to demonstrate that responsibility.
- C) Being an acceptable guest in the host country where our presence brings substantial economic benefits.
- D) Contributory, rather than exploitative."⁸⁵

(BAT, 1980)

In the late 1970s, the major multinational tobacco companies set up a "Developing Countries" Working Group to minimize "threats" to the industry in the developing world.⁸⁶ One of its principal assignments was

"to prevent, halt or slow down the implementation of the recommendations of the WHO Expert Committee's Report in those countries."⁸⁷

(Philip Morris, 1980)

The larger goal was clear:

"We must try to stop the development towards a Third World commitment against tobacco. We must try to get all or at least a substantial part of Third World countries committed to our cause. We must try to influence official FAO and UNCTAD policy to take a pro tobacco stand. We must try to mitigate the impact to WHO by pushing them into a more objective and neutral position."⁸⁸

(BAT, 1979)

Part of the industry's strategy to maintain and build its market in the developing world has been to fight smoking restrictions and continue to raise doubts about the health impact of smoking.

"...establish a centralized project to identify specialists in less developed countries who could address the medical/scientific aspects of the public smoking issue. Strengthen the industry's public position in regard to this issue."⁸⁹

(Philip Morris, 1981)

The industry has also been very interested in the particular characteristics of its new customers in the developing world:

"On the health issue, we are assessing the literature on Asian populations looking for potential specialists. The comparisons between Asian and Caucasian populations present interesting positive evidence on the smoking and health controversy."⁹⁰

(Philip Morris, 1989)

"There is a great coincidence of smoking and longevity in a place in Ecuador but it turned out they didn't inhale."⁹¹

(Philip Morris, 1980)

As long as people smoke their cigarettes, the companies are not too concerned about mortality rates. According to the Rothmans representative in Burkina Faso,

"The average life expectancy here is about 40 years, infant mortality is high: the health problems which some say are caused by cigarettes just won't figure as a problem here."⁹²

(1988)

The companies are worried, though, that people might think that they are selling higher tar cigarettes in the "Third World":

"Over the past 10 days or so I have been contacted by journalists in Canada and Japan about 'cigarette Marketing in the Third World'. The inquiries center on the claim that we are marketing Marlboro with higher 'tar' content in the Philippines. This is in fact so for a number of reasons that you are aware of. To date, I have managed to talk my way out of the situation, employing some unorthodox language. The inquiry from Japan came from Wyatt Andrews, the local CBS representative who said he was doing a story for Dan Rather. I think I managed to dissuade him from running the story. But there is no guarantee that we can hold the dike."⁹³

(Philip Morris, 1984)

Asked whether it is immoral to market cigarettes to the developing world, a Rothmans representative had this to say:

"It would be stupid to ignore a growing market. I can't answer the moral dilemma. We are in the business of pleasing our shareholders."⁹⁴

⁷² "Growth Through 2000," *Tobacco Reporter*, February 1989.

⁷³ R. Morelli, "Packing it in," *Marketing Week*, 28 June 1991, Vol. 14, Number 16, pp. 30-34.

⁷⁴ BAT, Talk to TMDP, Chelwood, August 1990.

⁷⁵ Philip Morris, 1996 *Annual Report*.

⁷⁶ K. Ramnath, CEO of the Indian Tobacco Company, partially owned by British American Tobacco, 1997, quoted in Chris Glass, "The Multinationals are Coming," *Tobacco Reporter*, January 1997.

⁷⁷ S. Arkayin, Director of Operations for Philip Morris Turkey, 1997, quoted in Chris Glass, "They Smoke Like Turks," *Tobacco Reporter*, February 1997.

⁷⁸ R.J. Reynolds Operations Director P. Blickisdorf, 1999, quoted in Taco Tuinstra, "Making Inroads," *Tobacco Reporter*, February 1999.

⁷⁹ Quoted in L. Heise, "Unhealthy Alliance," *World Watch*, 1988, October, p. 20.

⁸⁰ R. Scull, "Bright Future Predicted for Asia Pacific," *World Tobacco*, 1986, Number 94, p. 35.

⁸¹ D. Ibison, "Rothman's Joint Deal Opens Heavenly Gates," *Window Magazine*, 16 October 1992, Number 4.

⁸² J. Nelson and H. Storr, Remarks by Hans G. Storr at Prudential Securities Consumer Conference September 8, 1993, Boston, Massachusetts (to be followed separately by remarks from Jack Nelson), 8 September 1993, <http://www.pmdocs.com/>, Bates Number 2501109020.

⁸³ PM Asia Inc. PRC Market briefing, April 1994, <http://www.pmdocs.com/>, Bates Number 204575631.

⁸⁴ Quoted in M. Macalister, "Making a Packet—The New Tobacco Gold Rush," *The Observer Magazine*, 8 November 1992.

⁸⁵ BAT, Appreciation, Re: Aim—To Become Stronger in Tobacco, As a Sound Basis for Further Diversification, 16 May 1980, TDO-7000347 Minnesota Trial Exhibits-TE11338, Bates Number 109881322-109881331.

⁸⁶ J.M. Hartogh, "Developing Countries Ad Hoc Group (DCG) Progress Report Covering Events Since the ICOSI Board Of Directors Meeting on February 18, 1980," <http://www.pmdocs.com/getallimg.asp?DOCID=2501017385/7391>, Bates Number 2501017385-7391.

⁸⁷ "Terms of Reference of Developing Countries Group (DCG)," August 1980; <http://www.pmdocs.com/getallimg.asp?DOCID=2501017396>, Bates Number 2501017396.

⁸⁸ J.M. Hartogh, Letter to All Members of the ICOSI Working Group, enclosing a Memorandum by Dr. E. Bruckner, 26 June 1979, BAT Guildford Depository, Bates Number 100433043-47.

⁸⁹ Project Proposal: Identify And Orient Experts On Public Smoking In Less Developed Countries, 28 December 1981, <http://www.pmdocs.com/getallimg.asp?DOCID=2024987102/7103>, Bates Number 2024987102-7103.

⁹⁰ J. Dollisson, 1989 2nd Revised Forecast Presentation, Corporate Affairs, 15 June 1989, <http://www.pmdocs.com>, Bates Number 2500101311.

⁹¹ J. Lincoln, 24 November 1980, <http://www.pmdocs.com/getallimg.asp?DOCID=2024258054/8055>, Bates Number 2024258054-55.

⁹² Quoted in J. Sweeney, "Selling Cigarettes to the Africans," *Independent Magazine*, 29 October 1988.

⁹³ Quoted in H. Thomas and J. Gagliardi, "The Cigarette Papers: The Plan to Keep Asians Addicted," *South China Morning Post*, 20 January 1999.

⁹⁴ M. Pavitt, Public Affairs Manager, Rothmans Exports Ltd, quoted in J. Sweeney, "Selling Cigarettes to the Africans," *Independent Magazine*, 29 October 1988.

6. Economics, Taxes, and Trade

The tobacco industry recognizes that increased taxes on tobacco products represent one of the greatest threats to the viability of the industry:

"Of all the concerns, there is one—taxation—that alarms us the most. While marketing restrictions and public and passive smoking do depress volume, in our experience taxation depresses it much more severely. Our concern for taxation is, therefore, central to our thinking about smoking and health. It has historically been the area to which we have devoted most resources and for the foreseeable future, I think things will stay that way almost everywhere."⁹⁵

(Philip Morris, 1985)

The reason is simple:

"The problem with tax increases is that it does decrease consumption, just as...the social engineers posing these increases want to see."⁹⁶

(Philip Morris, 1987)

So, the industry will often try to shift the terms of the debate on taxes:

"Finally, we try to change the focus on the issues. Cigarette tax become[s] an issue of fairness and effective tax policy."⁹⁷

(Philip Morris, 1993)

Keeping the price of tobacco low is critical to the companies' attempts to retain current smokers and lure new smokers:

"Latin America: ... Marlboro Red has high appeal to young adult smokers and beginners. Images advertising per se is important, and Marlboro's

current campaign is well received.... Key to Marlboro Red's growth in Latin America is affordability. The real price of Marlboro needs to be watched carefully, as well as price gaps with competitive brands."⁹⁸

(Philip Morris, 1994)

"In markets subject to de facto price control, as in Switzerland, the Scandinavian markets and part of Africa, our objective is to maximize prices, such that we exceed cost base increases, while avoiding undesired margin scrutiny by the authorities whenever threatened. For selected markets, we will use flexible pricing to retain the affordability and competitiveness of our products, as in the GCC [Gulf Cooperation Council] and the Levant, or to establish a presence in growth markets, for example in Iraq and UAE [United Arab Emirates] exports."⁹⁹

(Philip Morris, 1989)

In its efforts to keep cigarette prices low, the industry seeks to protect the extremely lucrative duty-free trade:

"We will also work closely with the EEC Region to drive the relevant duty-free trade associations to ensure that any post-1992 ban on intra-EEC duty free sales does not spread into neighboring markets. Indeed our objective is to raise the duty-free allowance for cigarettes, where possible."¹⁰⁰

(Philip Morris, 1989)

Moreover, the companies have gone to extraordinary lengths to

defeat proposals to increase tobacco taxes around the world:

"Through Philip Morris efforts, the Dutch government revised its tax system to narrow the gap between roll your own and manufactured cigarettes."

"...In the Middle East, an announcement was made in October that GCC [Gulf Cooperation Council]...Finance Ministers would 'indefinitely postpone a GCC-wide duty increase on cigarettes.'"

"...The government in Hong Kong responded to Philip Morris pressure by narrowing the differential between duties on imported leaf and finished cigarettes...significantly benefiting Philip Morris."

"...In Australia, a Taxation Committee, representing tobacco manufacturers and the Tobacco Institute of Australia (TIA), was established. It operated effectively in preparing submissions to state and federal governments which resulted in no increases in tobacco taxation at the federal level or in five of six states."

"...In Quebec, Benson & Hedges pressed the government to overturn its ad valorem system of taxation on tobacco products. This was achieved through private representations to the government and a petition drive which amassed the largest number of signatures ever in the province. And we got the Prince Edward Island government to abolish its 10 percent retail tax on tobacco products."

"...In Brazil, we achieved a significant tax decrease..."

"...In the Nordic countries, our network of resources initiated a continuing effort to convert the Finnish tax system to a fully specific one."

"...In Morocco... [we] initiated a tax study which we expect will lead to structural changes in the future. And in Guatemala, a campaign was begun to prevent changes in the country's existing price/tax structure."¹⁰¹

(Philip Morris, 1986)

"Our priority strategies and action steps include...cooperat[ing] with Rothmans and Gallaher in an effort to strengthen the forces in the UAE [United Arab Emirates] who are resisting GCC [Gulf Cooperation Council] tax increases and thereby preventing a GCC consensus agreement to har-

to U.S. cigarettes:

"As former United States Trade Representative Clayton Yeutter has made clear, trade policy, not morals or health policy, is the fundamental issue involved in the exportation of cigarettes."¹⁰⁵

(R.J. Reynolds, 1996)

This is a complicated but critical issue. Cigarettes are not only taxed at the federal level but at the state and possibly local level.

monize tobacco taxes. Continue to support our UAE Distributor and his business partner, the Foreign Minister, with arguments and studies."¹⁰²

(Philip Morris, 1987)

"Detailed taxation proposals have been prepared and submitted to the Finance authorities in Turkey and Yugoslavia, both of which are pending further developments. Argumentation and documentation have also been prepared to change the tax system in the Cote d'Ivoire and Egypt, and to bring down the import duties in Nigeria and Guinea."¹⁰³

(Philip Morris, 1989)

"In the Philippines we have successfully delayed the passage of national legislation and more recently local legislation. PM is also lobbying for tax reform to stop discrimination of foreign-owned trademarks and move to a specific tax structure."¹⁰⁴

(Philip Morris, 1989)

Over the past two decades, the tobacco industry has sought to exploit the global move toward more open markets in order to sell more cigarettes. To this end, the companies worked with the Office of the U.S. Trade Representative in the late 1980s to open up markets, especially in Asia,

"Staff from Hong Kong and New York worked closely and cooperatively with the Washington office in developing new strategies on trade issues and market access, strengthening our relationship with the U.S. government, particularly the United States Trade Representative's office (USTR). The outcome will greatly enhance our business in Asia. Most notable was the Japanese government's agreement to suspend the tariff on imported cigarettes. The agreement resulted from a coordinated strategy undertaken by Philip Morris in conjunction with other U.S. manufacturers, the USTR and other U.S. government agencies, as well as members of Congress. In Taiwan, as a direct result of Philip Morris and industry pressure, the U.S. government undertook 12 months of negotiations which resulted late this year in an agreement which will open the market for imported American cigarettes in 1987."¹⁰⁶

(Philip Morris, 1986)

These market-opening efforts extended to other parts of the world as well:

"[In Egypt] We will also continue to leverage U.S. government support to eliminate the discriminatory tax applied

to international brands, in order to enter the mid-price segment."¹⁰⁷

(Philip Morris, 1989)

"Seek out opportunities to exploit Western government trade support, e.g., determine the feasibility of a venture with SEITA in France for exports to the USSR."¹⁰⁸

(Philip Morris, 1989)

"...[W]e will strive to obtain an exclusive license agreement with the Jordanian tobacco company for a secondary brand...exploiting the Jordanian/Saudi trade agreement which provides for duty-free imports into Saudi ex-Jordan."¹⁰⁹

(Philip Morris, 1989)

The North American Free Trade Agreement (NAFTA) and other trade agreements have been a boon to the global tobacco industry:

"Philip Morris strongly supports NAFTA and also supports the Uruguay Round process...[A]rtificial trade barriers have kept us out of some countries. The removal of trade barriers will provide us with expanded market opportunities. We are well positioned to take advantage of the new opportunities that the removal of trade barriers will offer us. I see both the NAFTA and the Uruguay Round as real 'winners' as far as Philip Morris is concerned."¹¹⁰

(Philip Morris, 1994)

f course, support for these agreements should never be taken for granted:

"Coordinated preliminary company involvement in the coalition (USA* NAFTA) effort aiming to secure legislative implementation of the NAFTA, including transmittal of \$100,000 for this effort. Also, attended several BRT-related NAFTA meetings, including one on grassroots implementation and one of the Working Group/Coordinating Committee, to plan strategy for 1993."¹¹¹

(Philip Morris, 1993)

The liberalization of investment rules is also important to the companies:

"Over the long term, local production seems to be the only means through which we can gain broad access to the total Chinese market. An additional consideration is that we need to establish a manufacturing base in China prior to the Hong Kong market's coming under the jurisdiction of CNTC Beijing in 1997."¹¹²

(Philip Morris 1991)

"Under the tight control from the monopoly, it is very difficult to gain access to the PRC market. However, China is changing and the changes can be sudden and unpredictable... [W]e must prepare ourselves to capitalise on any relaxation of rules and regulation."¹¹³

(Philip Morris, 1993)

⁹⁵ Philip Morris, "The Perspective of Philip Morris International on Smoking and Health Issues" (text of the discussion document used at the meeting of top management), 29 March 1985, <http://www.pmdocs.com/getallimg.asp?DOCID=2023268329/8337>, Bates Number 2023268329-49.

⁹⁶ R.N. Ferguson and M. Waugh, "Social-Political Context of Cigarette Sales and Use in the U.S.—1987," Memo to the Strategic Planning Committee, 27 May 1987, <http://www.pmdocs.com/getallimg.asp?DOCID=2050864094/4097>, Bates Number 2050864094-97.

⁹⁷ T. Walls, "Grasstops Government Relations," 30 March 1993, <http://www.pmdocs.com/getallimg.asp?DOCID=2024023252/3265>, Bates Number 2024023252-65.

⁹⁸ Philip Morris, "Summary of the Key Conclusions of Our Worldwide Review of the Issues Facing Marlboro," 1994, <http://www.pmdocs.com/getallimg.asp?DOCID=2048237361/7370>, Bates Number 2048237361-70.

⁹⁹ Philip Morris, "EFTA Eastern Europe Middle East Africa Long Range Plan 1990-1992," December 1989, <http://www.pmdocs.com/getallimg.asp?DOCID=2500066142/6294>, Bates Number 2500066142-94.

¹⁰⁰ Ibid.

¹⁰¹ A. Whist, Philip Morris International Corporate Affairs, 17 December 1986, <http://www.pmdocs.com/>

[getallimg.asp?DOCID=2025431401/1406](http://www.pmdocs.com/getallimg.asp?DOCID=2025431401/1406), Bates Number 2025431401-06.

¹⁰² Philip Morris, Draft Corporate Affairs Plan, 25 November 1987, <http://www.pmdocs.com/getallimg.asp?DOCID=2501254715/4723>, Bates Number 2501254715-23.

¹⁰³ Philip Morris, "EFTA Eastern Europe Middle East Africa Long Range Plan 1990-1992," December 1989, <http://www.pmdocs.com/getallimg.asp?DOCID=2500066142/6294>, Bates Number 2500066142-94.

¹⁰⁴ J. Dollisson, 1989 2nd Revised Forecast Presentation—Corporate Affairs, 15 June 1989, <http://www.pmdocs.com/getallimg.asp?DOCID=2500101311/1323>, Bates Number 2500101311-23.

¹⁰⁵ USCEA, "Global Tobacco Trade, US Policy and American Cigarettes," Executive Summary, 4 January 1996, <http://www.rjrtdocs.com/>, Bates Number 507610680.

¹⁰⁶ A. Whist, Memo to Board of Directors, Philip Morris International Corporate Affairs, 17 December 1986, <http://www.pmdocs.com/getallimg.asp?DOCID=2025431401/1406>, Bates Number 2025431401-06.

¹⁰⁷ Philip Morris, "EFTA Eastern Europe Middle East Africa Long Range Plan 1990-1992," December 1989, <http://www.pmdocs.com/getallimg.asp?DOCID=2500066142/6294>, Bates Number 2500066142-6294.

¹⁰⁸ Ibid.

¹⁰⁹ Ibid.

¹¹⁰ Philip Morris, Washington Relations Office Annual Meetings Q's & A's, 21 March 1994, <http://www.pmdocs.com/getallimg.asp?DOCID=2048589071/9091>, Bates Number 2048589071.

¹¹¹ C. Fuller, Director, Philip Morris Washington Relations Office, 1993, November/December Monthly Reports, <http://www.pmdocs.com/getallimg.asp?DOCID=2041424406/4415>, Bates Number 2041424406-15.

¹¹² Philip Morris, "People's Republic of China," 1991, <http://www.pmdocs.com/getallimg.asp?DOCID=2500098237/8268>, Bates Number 2500098237.

¹¹³ Philip Morris, "China—Vision 2000," 1993, <http://www.pmdocs.com/getallimg.asp?DOCID=2504033326/3348>, Bates Number 2504033326.

7. Secondhand Smoke/ Environmental Tobacco Smoke

Although the tobacco industry has known for nearly 20 years that secondhand smoke (otherwise known as environmental tobacco smoke, ETS) poses a severe risk to health, it has done everything in its power to downplay this risk and fight measures to restrict smoking in public places and worksites.

Indeed, industry scientists have reviewed the evidence showing that nonsmokers exposed to secondhand smoke suffer significant damage to the functioning of their small airways and found it to be credible:

"I have reviewed the above paper and find it to be an excellent piece of work which could be very damaging to our business. There are several things that can be done to minimize its impact."¹⁴

(Philip Morris, 1980)

Nevertheless, in the 1990s, Philip Morris mounted a multi-million-dollar campaign to undermine a study on the dangers of ETS, undertaken by the International Agency for Research on Cancer, an affiliate of WHO. The campaign was targeted at researchers, the media, and government. Its aims were as follows:

- "Delay the progress and/or release of the study.
- Affect the wording of its conclusions and official statement of results.
- Neutralize possible negative results of the study, particularly as a regulatory tool.
- Counteract the potential impact of the study on governmental policy, public opinion, and actions by private employers and proprietors."¹⁵

(Philip Morris, 1993)

The industry has long recognized that the ETS issue could threaten its

financial future if governments could muster the political will to pass public smoking restrictions. A confidential study for the U.S. Tobacco Institute on public attitudes on smoking written in the late 1970s remarked that

"What the smoker does to himself may be his business, but what the smoker does to the nonsmoker is quite a different matter....This we see as the most dangerous development yet to the viability of the tobacco industry that has yet occurred."¹⁶

(1978)

The industry realizes that

"The immediate implication [of smoking bans] for our business is clear: if our consumers have fewer opportunities to enjoy our products, they will use them less frequently and the result will be an adverse impact on our bottom line."¹⁷

(Philip Morris, 1994)

"What do these health claims, the heightened public sentiment for smoking restrictions, increasing non-smoker annoyance toward smokers mean for this industry? Lower sales, of course. The Tobacco Merchants Association took a look at smoking restriction legislation and cigarette consumption between 1961 and 1982. The conclusion: that restrictive smoking laws accounted for 21 percent of the variation in cigarette consumption from state to state during that time....Those who say they work under restrictions smoked about one-and-one-quarter fewer cigarettes each day than those who don't....That one-and-one-quarter per day cigarette reduction then, means

nearly 7 billion fewer cigarettes smoked each year because of workplace smoking restrictions. That's 350 million packs of cigarettes. At a dollar a pack, even the lightest of workplace smoking restrictions is costing this industry 233 million dollars a year in revenue."¹¹⁸

(Tobacco Institute, undated)

Aside from government regulations, the industry has also been concerned by private efforts:

"The voluntary restriction of smoking—by businesses, associations, public agencies and even labour unions—is one of the most damaging and most insidious challenges we face."¹¹⁹

(Tobacco Institute, undated)

The ETS issue has proven to be one of the most intractable problems for the tobacco industry. As a 1987 Philip Morris document states,

"It is apparent that the effects of ETS on others is now the most powerful antismoking weapon being employed against the industry."¹²⁰

(Philip Morris, 1987)

The president of the Tobacco Institute put it this way:

"The logical appeal of smoke-free air is irresistible to politicians, commentators, even some smokers. It is the most effective way to reduce smoking....As obvious as it may seem, our objective is to contain and refine the environmental smoke issue in order to decrease the pressure for safety measures....So far, our industry is seen as part of the problem, promoting a 'dangerous' custom, successfully resisting protective measures, doing nothing to satisfy public expectations. Some aspects of our fight on this issue have contributed to the anti-'greater exposure and credibility. To summarise, the direction we are headed will be to deflect this issue, to redefine it, to broaden it, to demonstrate as we have in the case of accidental fires and youth behavior that

"We will accept a no-smoking 'policy' bill for elevators if you need to pass something."

we are contributing to the solution rather than to the problem."¹²¹

(Tobacco Institute, 1985)

Although the industry has faced three broad categories of smoking restrictions, it has been quite successful in fending them off:

"The first is legislation. Over the past dozen or so years we have faced more than 1,000 public smoking bills and have defeated more than 90 per cent of them. Those we have defeated are typically reintroduced year after year, often redrafted to accommodate legislators' objections....The Institute—as a matter of policy and practice—is organised to aggressively oppose legislation of this sort. The second category is litigation. Compared to legislation, relatively little has occurred here....The third category is the voluntary restriction of smoking by organizations."¹²²

(Tobacco Institute, undated)

This is not to say the industry has opposed all smoking restrictions:

"Focus on *costless areas of compromise*—e.g. 'We will accept a no-smoking 'policy' bill for elevators if you need to pass something."¹²³

(Philip Morris, 1987)

The industry's strategy on the ETS issues has been quite consistent across countries:

"Andrew Nelmes [from Gallaher] outlined the UK strategy on ETS. That strategy is made of three components: (1) challenging unfounded reports linking ETS and human disease, (2) placing ETS in the proper perspective with regard to overall air quality, and (3) disassociating the public's annoyance with ETS from alleged health effects. By this strategy, TAC [Tobacco Advisory Council, now known as the Tobacco Manufacturers Association] hopes to (1) create "mar-

ketable" science, (2) to deflect criticism of ETS, and (3) to place the industry in the most favorable position possible."¹²⁴

(Philip Morris, 1988).

The effort to create "marketable science" has used elaborate schemes involving industry-financed scientists. Philip Morris's "Operation Whitecoat" was one such scheme:

"End Goals:

- Resist smoking restrictions
- Restore smoker confidence

Prerequisites:

- Reverse scientific and popular opinion
- Restore social acceptability of smoking
- Preserve product liability defences."¹²⁵

(Philip Morris, 1987)

"Philip Morris presented to the UK industry their global strategy on environmental tobacco smoke. In every major international area...they are proposing, in key countries, to set up a team of scientists organised by one national co-ordinating scientist and American lawyers, to review scientific literature or carry out work on ETS to keep the controversy alive. They are spending vast sums of money to do so."¹²⁶

(Philip Morris, 1988)

PM's recruitment method is outlined. The idea was to hire "consultants" who would, unbeknownst to the public, act as third-party advocates for the industry:

"The [scientific] consultants should, ideally, according to Philip Morris, be European scientists who have had no previous connections with tobacco companies and who have no previous

record on the primary [health] issue which might...lead to problems of attribution. The mechanism by which they identify their consultants is as follows: they ask a couple of scientists in each country...to produce a list of potential consultants. The scientists are then contacted by these co-ordinators or by the lawyers and asked if they are interested in problems of Indoor Air Quality: tobacco is not mentioned at this stage. CVs [curricula vitae] are obtained and obvious 'antismokers' or those with 'unsuitable backgrounds' are filtered out...Philip Morris then expect the group of scientists to operate within the confines of decisions taken by PM scientists to determine the general direction of research, which apparently then be "filtered" by lawyers to eliminate areas of sensitivity."¹²⁷

(Philip Morris, 1988)

In Europe, the industry was able to employ influential consultants, including an editor of the prestigious medical journal, *The Lancet*:

"Lancet: One of our consultants is an editor of this very influential British medical journal, and is continuing to publish numerous reviews, editorials, and comments on ETS and other issues."¹²⁸

(Covington and Burling, 1990)

In Asia meanwhile,

"Our objective is to limit the introduction and spread of smoking restrictions and maintain the widespread social acceptability of smoking in Asia."¹²⁹

(Philip Morris, 1989)

To accomplish that,

"PM, RJR and B&W agreed to fund a network of ETS scientists in Asia. Candidates have been identified in Korea, Taiwan, Hong Kong, Philippines and Thailand. JTI's [Japan Tobacco International's] support is being sought to expand the program to Japan. At the end of a training session in late June we will have a core of 10 scientists who are fully trained on the issues, ready

and prepared to make a contribution by way of writing articles, briefing government officials, and so forth. Their first task will be a press conference in Hong Kong in late June."¹³⁰

(Philip Morris, 1989)

Earlier attempts were somewhat less scientific:

"Malaysian Qualitative Research Study...The main objective of the study was to identify the unwritten rules of smoking behaviour that exist in Malaysia, that could be presented as a rationale to preclude restrictions on smoking in public places."¹³¹

(Philip Morris, 1981)

Despite their continued efforts to fight smoking bans, David Laufer, Philip Morris's director of marketing and sales, argued in 1994:

"...[T]he economic arguments often used by the industry to scare off smoking ban activity were no longer working, if indeed they ever did. These arguments simply had no credibility with the public, which isn't surprising when you consider our dire predictions in the past rarely came true."¹³²

(Philip Morris, 1994)

¹¹⁴ J.L. Charles, Personal and Confidential: Small-airways Dysfunction in Non-smokers Chronically Exposed to Tobacco Smoke, J.R. White and H. Froeb, Memo to T.S. Osdene, 30 March 1980, <http://www.tobaccodocuments.org/view.cfm?CitID=1709576&GetListArrayIdx=1&ShowImages=yes>.

¹¹⁵ D.I. Greenberg, International Agency for Research on Cancer Study, 15 September 1993, <http://www.pmdocs.com/getallimg.asp?DOCID=2501341817/1823>, Bates Number 2501341817-23.

¹¹⁶ The Roper Organization, *A Study of Public Attitudes Towards Cigarette Smoking and the Tobacco Industry in 1978*, Vol. 1, 1978, quoted in S.A. Glantz, J. Slade, L.A. Bero, P. Hanauer, and D.E. Barnes, *The Cigarette Papers*, University of California Press, 1996.

¹¹⁷ T. Wells, CAC Presentation Number 4, 8 July 1994, <http://www.pmdocs.com/getallimg.asp?DOCID=2041183751/3790>, Bates Number 2041183751-90.

¹¹⁸ Tobacco Institute, "Public Smoking: The Problem (SDC Introduction),"

undated but circa 1985, <http://www.tobaccodocuments.org/BatesNumberTIMN0014554-65>.

¹¹⁹ P.G. Sparber, "Smoking in the Workplace," Tobacco Institute, undated, <http://my.tobaccodocuments.org/BatesNumberTIMN0014640-64>.

¹²⁰ R.N. Ferguson and M. Waugh, "Social-Political Context of Cigarette Sales and Use in the U.S.—1987," Philip Morris Inter-Office Correspondence, Memo to the Strategic Planning Committee, 27 May 1987, <http://www.pmdocs.com/BatesNumber2050864094-97>.

¹²¹ W. Kloepper, Report on Public Smoking Issue Executive Committee, Tobacco Institute, 10 April 1985, <http://www.tobaccoinstitute.com/BatesNumberTIMN0013710-23>.

¹²² P.G. Sparber, "Smoking in the Workplace," Tobacco Institute, undated, <http://my.tobaccodocuments.org/BatesNumberTIMN0014640-64>.

¹²³ Philip Morris, 24 June 1987, <http://www.pmdocs.com/getallimg.asp?DOCID=2021502679/2683>.

¹²⁴ D. Hoel, "Joint Meeting on ETS—London, England," Privileged and Confidential Memo to F.S. Newman, Philip Morris, 18 June 1988, <http://www.tobaccodocuments.org/view.cfm?docid=23706&source=BLILEY&ShowImages=yes>, Bates Number 2021548222-35.

¹²⁵ J. Besques, "Minutes Of EEMA/EEC ETS Strategy Meeting Held On 870511, Strictly Confidential Memo, 26 May 1987, <http://www.pmdocs.com/BatesNumber2046754737-40>.

¹²⁶ Dr. S. Boyse, "Note On A Special Meeting Of The UK Industry On Environmental Tobacco Smoke London," 17 February 1988, <http://www.pmdocs.com/BatesNumber2063791181-87>.

¹²⁷ Ibid.

¹²⁸ Covington and Burling, "Report on the European Consultancy Programme," Privileged and Confidential Memorandum, 1 March 1990, Bliley Database, Bates Number 2500048956-69.

¹²⁹ PM Asia Corporate Affairs Plan, 1990–1992, December 1989, <http://www.pmdocs.com/getallimg.asp?DOCID=2500084000/4042>, Bates Number 2500084000-42.

¹³⁰ J. Dollisson, 1989 2nd Revised Forecast Presentation—Corporate Affairs, 15 June 1989, <http://www.pmdocs.com/BatesNumber2500101311-23>.

¹³¹ Philip Morris, 30 March 1981, <http://www.pmdocs.com/getallimg.asp?DOCID=2025048077/8088>.

¹³² T. Wells, CAC Presentation Number 4, 8 July 1994, <http://www.pmdocs.com/BatesNumber2041183751-90>.

8. Labeling

Tobacco companies have historically opposed any type of health labeling on cigarettes:

"We strongly oppose warning labels on cigarette packs for several reasons: first and foremost, warning labels may improperly imply that it has been scientifically established that smoking causes disease."¹³³

(R.J. Reynolds, 1981)

"In general, most labelling proposals suggest a state of knowledge about tobacco and health that actually does not exist...[A] disservice would be rendered by 'warning' labels that imply the use of cigarettes may induce cancer or heart disease."¹³⁴

(Council for Tobacco Research, undated)

In a curious instance of deference to health authorities, a 1981 Tobacco Institute memo states that

"Tobacco manufacturers respect the right of health officials to offer opinions on matters relating to public health....Under the circumstances, tobacco companies feel that warning labels are redundant and unnecessary."¹³⁵

(Tobacco Institute, 1981)

The companies have vigorously fought measures to put labels on cigarettes or, where labeling laws do exist, to ensure that the health warnings are not strengthened:

"Through [PM's] efforts, the GCC's [Gulf Cooperation Council] Health Ministers Laboratory Specialist Committee...delayed health warning and maximum constituent level labeling on cigarette packs. Rotating health

warning labels and initiatives to ban advertising were also defeated....

"prevent" the new health warning labels from being adopted:

...the GCC Health Ministers Laboratory Specialist Committee made a unanimous recommendation to ban cigarettes of our competitors... and delayed health warning... labeling on cigarette packs.

We launched a successful challenge to the Swedish government's health warning label proposal..."¹³⁶

(Philip Morris, 1986)

One of the industry's concerns is the effect of health warnings on consumption:

"Regulations beginning with disclosure and labelling may result in restrictions on and prohibition of some ingredients. This could alarm consumers, affect brand taste and have potentially adverse competitive results."¹³⁷

(Philip Morris, 1992)

"A statement linking smoking to LUNG CANCER looks right to the uninitiated public. By improving the 'accuracy' of the warning without apparent need, its credibility is enhanced and I wonder whether this is really in the best interest of the industry."¹³⁸

(Philip Morris, 1988)

In Norway, Philip Morris adopted a "legal defence plan, a government relations plan and a media plan" to

"The main target group for lobbying, will have to be senior and political officers of the Health Ministry... [S]imilar contacts must be established within Ministries of Trade, Justice, and Industry....Alert our sympathetic contacts within business life, including trade organisations and trade unions. Alert especially other consumer goods industries, illustrating the possible future threats."

The media plan consisted of "...questioning of the background of the requirement for new labels, the medical basis, possible trade mark offences and the experience of present Tobacco Law....Influential newspapers like VG and Dagens Næringsliv will be informed about the proposal. Hopefully they will give their comments on an editorial level. Such comments tend to be picked up by other medias (sic), and read by bureaucrats and politicians....Furnish business magazines with information about the consequences the new regulations will have for future business activities."¹³⁹

(Philip Morris, 1991)

Where they could not defeat labeling regulations, the companies tried to weaken them by seeking to add government attribution to the warning, thus giving the industry legal protection:

"Prevent the spread of unacceptable health warning labeling. Ensure appropriate attribution and where justified, invoke legal action. Prepare argumentation and lobbying initiatives for Eastern Europe."¹⁴⁰

(Philip Morris, 1989)

"In Algeria, Philip Morris efforts led to government approval for an attribution on health warning labels."¹⁴¹

(Philip Morris, 1986)

These efforts extend to the companies' exports:

"[W]e should consider placing health warnings on all of our exported cigarettes. I have been in favor of doing this for some time. I believe that doing so would improve our litigation posture somewhat in the product liability area, and would eliminate a focus of considerable criticism from health organizations, shareholders, and even some friendly members of Congress."¹⁴²

(Philip Morris, 1991)

When the government of Iceland proposed a health warning that stated "Warning: Cigarette smoking may cause cancer in the lungs and heart disease," an industry memo stated that

"Efforts are being made, through the facilities of the Tobacco Institute, to determine whether the United States Government (perhaps in conjunction with the industry) can convince the Iceland authorities to change or otherwise soften the regulation, perhaps by the addition of language to the effect that the warning is 'as required by Icelandic law'.¹⁴³

(Lorillard, 1969)

Philip Morris asked the world's largest public relations firm, Burson

Marsteller (BM), to prepare a "communication plan" for placing voluntary warnings on PM's packets. BM recommended that voluntary labeling

4218&if=avtidx, Bates Number TIMN0154202.

¹³⁶A. Whist, Philip Morris International Corporate Affairs, 17 December 1986,

Prevent the spread of unacceptable health warning labeling. Ensure appropriate attribution and where justified, invoke legal action.

"...is something we should do... [and that] we should control this publicity as much as possible."¹⁴⁴

(Philip Morris, 1991)

Indeed, the cigarette industry has turned a potential problem to its own advantage: health labels may indeed sell cigarettes:

"It appears that a potential new client...has requested 100 or 200 cases of Marlboro with the American Health Warning Notice on the packs...The thought occurs to me that practically the whole world now knows that both British and American cigarettes carry a warning notice. As far as I know, no other brands carry any particular legend except "made in U.S.A." in small letters and the ultimate consumers might smoke more of these health notice cigarettes, because they are assured by the notice that they are American made. As Marlboro has such a small proportion of sales in this market at the present time I think it well worth the chance of improving sales with the health notice."¹⁴⁵

(Philip Morris, 1973)

¹³³Quoted in H. Thomas and J. Gagliardi, "The Cigarette Papers: A Strategy of Manipulation," *South China Morning Post*, 19 January 1999.

¹³⁴R.C. Hockett, Scientific Information in Relating to Proposals to Label Tobacco Containers, undated, Council for Tobacco Research, Bates Number 11299087-95.

¹³⁵The Tobacco Institute, Tobacco in the Developing Nations, November 1980, <http://www.tobaccoinstitute.com/getallimg.asp?DOCID=TIMN0154202/>

<http://www.pmdocs.com/>, Bates Number 2025431401-06.

¹³⁷Philip Morris Corporate Affairs Department Goals, 1992, <http://www.pmdocs.com/getallimg.asp?DOCID=2047079509/9612>, Bates Number 2047079509-9612.

¹³⁸A. Borek memo, 17 May 1988, <http://www.pmdocs.com/getallimg.asp?DOCID=2501048577/8578>, Bates Number 2501048577-78.

¹³⁹Philip Morris, "Countering New Health Warnings Labels, Norway," 1991, <http://www.pmdocs.com/>, Bates Number 2501240776-79.

¹⁴⁰"Philip Morris EFTA Eastern Europe Middle East Africa Long Range Plan 1990-1992," December 1989, <http://www.pmdocs.com/getallimg.asp?DOCID=2500066142/6294>, Bates Number 2500066142-94.

¹⁴¹A. Whist, Philip Morris International Corporate Affairs, 17 December 1986, <http://www.pmdocs.com/>, Bates Number 2025431401-06.

¹⁴²M. Bring, Memo to Michael Miles, 24 July 1991, Philip Morris <http://docs.house.gov/tobacco/docs2/pmsearch.htm>, Bates Number 2023003838. Also available via <http://www.tobaccodocuments.org/view.cfm?CitID=973929&GetListArrayIdx=1&ShowImages=yes>.

¹⁴³A.J. Stevens, Letter regarding "Iceland—Health Warnings of Cigarettes," 25 August 1969, <http://www.tobaccodocuments.com>, Bates Number 88694579-80.

¹⁴⁴M. Bring, Memo to M. Miles "Warning Labels on Exported Cigarettes," 22 October 1991, <http://www.pmdocs.com/>, Bates Numbers 2023003853-3854 and 2045749945-9946.

¹⁴⁵L.M. Blumberg, American Health Warning Notice, Letter to H. Quick, Philip Morris International, 19 October 1973, <http://www.pmdocs.com/>, Bates Number 2024975020-21.

9. Tobacco Industry Lobbying

The tobacco industry continues to have one of the most well-funded and sophisticated corporate lobbying machines in existence, at local, regional, national, and international levels. This lobbying effort is undertaken by the companies themselves, or through third parties so that the relationship to the industry is hidden. Much of the strategy has been coordinated by the companies through industry-funded international consortiums, such as ICOSI (the International Council on Smoking Issues) and INFOTAB (the International Tobacco Information Centre).

The tobacco industry has undertaken a 20-year campaign against the United Nations and WHO in particular (see section 13, on The World Health Organization and Other Enemies) to undermine tobacco control policies. These lobbying efforts have been widespread:

"INFOTAB has been coordinating a lobbying effort in 38 countries where tobacco is economically significant, working through member companies, national tobacco associations and leaf dealers. I am coordinating a similar effort through the International Chamber of Commerce. The aim of these activities is to get national delegates to the WHA [World Health Assembly] to oppose the extreme antitobacco recommendations. Brazil, Mexico and Zimbabwe have been the most active countries on our behalf so far."¹⁴⁶

(R.J. Reynolds, 1986)

In the United States, the industry sought to:

"Establish better communication channels between the Washington

The aim of these activities is to get national delegates to the WHA to oppose the extreme anti-tobacco recommendations.

Office and Corporate Contributions so that these contributions serve the Company's political objectives better....In addition, Washington professionals should better identify who should receive such contributions, in what manner, and how it complements what we already do."¹⁴⁷

(Tobacco Institute, 1982)

"Identify members of Congress who, because of seniority, position within the leadership, etc., are likely to be the next generation of congressional leaders...[W]e should refine on-going programs to enhance our presence before these Members, such as dinner meetings and fundraising efforts, and special funding needs of Members."¹⁴⁸

(Tobacco Institute, 1982)

"Make it Hurt—the NRA [National Rifle Association] strategy. Let politicians know the down-side of anti-activity by identifying a vulnerable candidate, bringing forces to bear to cause him/her to lose the election, then discreetly let other politicians know we have done this."¹⁴⁹

(Philip Morris, 1987)

These tactics have been extended to the rest of the world:

"In the GCC [Gulf Cooperation Council] member countries, we have

set up a major network of information sources and resources through which to lobby the appropriate officials."¹⁵⁰

(Philip Morris, 1986)

"Link our smokers' rights programs with well-targeted PR campaigns to counter misinformation and bias, in particular in the Nordic markets; extend the program to Switzerland, Turkey, and the GCC."¹⁵¹

(Philip Morris, 1989)

"Philip Morris has taken a leading role in the Philippine Chamber of Commerce....We assisted with the highly successful U.S. visit made by President Aquino. Philip Morris International personnel now occupy key positions in a wide array of international organizations that can assist us in the years to come."¹⁵²

(Philip Morris, 1986)

"The Swiss market is experiencing substantially increased antitobacco activity....To counter this trend we are... expanding our network of government relations contacts in Swiss industry, trade, and tourism organisations; enlisting the support of citizens and

consumer organisations; using the parliamentary tobacco caucus to open a dialogue with the centre-right political parties; and broadening our contacts in the union movement."¹⁵³

(Philip Morris, 1989)

"In addition, we have had yet another tax increase in Uganda which is IMF/World Bank inspired. Both these issues, namely restricted access to donor foreign exchange funds and tax matters, are increasingly becoming a central part of economic management in the African countries in which we operate. The management of our companies do an excellent, if very time consuming, job in lobbying both of their Governments and IMF representatives but are increasingly becoming frustrated due to decisions being finally taken in Washington."¹⁵⁴

(BAT, 1993)

"We are working in 1985 to improve our performance still further in communicating to legislators. Our plan has three aspects. First we are going to recruit more people and better people and pay them more if necessary. Bahrain, Stockholm, London, Montreal, the Philippines, and Japan are all locations where we will be adding to our corporate affairs strength. Next, we are going to adopt a more systematic approach to cultivating the "right" people. To date we may have been a little haphazard. Third, we are going to pay more attention to cultivating the bureaucracy as opposed to just the top people."¹⁵⁵

(Philip Morris, 1985)

A memo on "Changes in British aid policy with regard to tobacco related projects" notes that

"Whilst a complete reversal of the new policy is unlikely, at least in the immediate future, opportunities can be created to ensure that the maximum flexibility is applied to the execution of the policy....[S]everal letters have already been written to

the Minister expressing concern.... [I]t was agreed that such representations should be supported by comment emanating from countries in Africa actually or potentially adversely affected by the revised policy, specifically Malawi, Uganda, Zimbabwe, Zaire, Kenya, Cameroon and Tanzania. Such comment will be motivated through British High Commissions and national government departments....The ITGA, through its members in Malawi, Tanzania and Zimbabwe, would also lobby appropriate Ministries in these countries."¹⁵⁶

(BAT, 1991)

Often the actions have been covert, as this letter from a Rothmans representative to an Egyptian member of parliament makes clear:

"When we met in June you asked me to prepare a 'scientific paper' on the smoking and health issue, for use in your capacity as a member of the People's Assembly. The attached paper has been written in response to your request....You will note that the paper is unsigned and I would ask you not to disclose my or my Company's name, as the source of this paper. Otherwise, you are free to use it as you see fit. Mr. Scott and I have been meeting with the other international manufacturers who market cigarettes in Egypt and have now agreed a common 'industry view' on the approach we would like to see taken on the proposed restrictions on the marketing of cigarettes. We feel that it would be best if we were to meet with you again to go through this document and if you are agreeable, would welcome an invitation to visit you in Cairo."¹⁵⁷

(Philip Morris, 1980)

The industry also creates and uses front organizations:

"Cigarette manufacturers trade associations—our best front—are being strengthened in a number of countries starting vigorous initiatives. New

national associations also are being formed, such as in Brazil."¹⁵⁸

(Philip Morris, 1979)

Or "allies":

"We shall continue to develop our executives as effective public spokesmen, and seek out the opportunities for them to spread our messages. We shall recruit and activate additional "voices/allies" with whom we can creatively market our views."¹⁵⁹

(Philip Morris, 1989)

"The close links which have been forged over many years [by the tobacco industry] with the Government, Members of Parliament, scientific contacts, the medical establishment, academic and professional circles, the trade unions, and others (including the media) should be assiduously preserved and extended. Through them, the industry is in a position to discuss and influence, often without publicity, most of the issues in which tobacco is involved."¹⁶⁰

(Tobacco Advisory Council, 1978)

¹⁴⁶R. Marcotullio, Memo "Regarding World Health Organisation," 17 March 1986, <http://www.rjrtdocs.com>, Bates Number 505745424.

¹⁴⁷Philip Morris, "Government Affairs Objectives," 7 January 1992, <http://www.pmdocs.com/getallimg.asp?DOCID=2023200348/0355>, Bates Number 2023200348/0355.

¹⁴⁸Philip Morris, "Government Affairs Objectives," 7 January 1992, <http://www.pmdocs.com/getallimg.asp?DOCID=2023200348/0355>, Bates Number 2023200348/0355.

¹⁴⁹Philip Morris, Operation Down Under Conference, 24/6-28/6, 24 June 1987, <http://www.pmdocs.com/getallimg.asp?DOCID=2021502679/2683>, Bates Number 2021502679/2683.

¹⁵⁰A. Whist, Memo to Board of Directors, Philip Morris International Corporate Affairs, 17 December 1986, <http://www.pmdocs.com/getallimg.asp?DOCID=2025431401/1406>, Bates Number 2025431401/1406.

¹⁵¹Philip Morris, "EFTA Eastern Europe Middle East Africa Long Range Plan 1990-1992," December 1989,

[http://www.pmdocs.com/
getallimg.asp?DOCID=2500066142/6294](http://www.pmdocs.com/getallimg.asp?DOCID=2500066142/6294),
Bates Number 2500066142-94.

¹⁵² A. Whist, Memo to Board of Directors,
Philip Morris International Corporate
Affairs, 17 December 1986,
[http://www.pmdocs.com/
getallimg.asp?DOCID=2025431401/1406](http://www.pmdocs.com/getallimg.asp?DOCID=2025431401/1406),
Bates Number 2025431401/1406.

¹⁵³ Philip Morris, "EFTA Eastern Europe
Middle East Africa Long Range Plan
1990-1992," December 1989,
[http://www.pmdocs.com/
getallimg.asp?DOCID=2500066142/6294](http://www.pmdocs.com/getallimg.asp?DOCID=2500066142/6294),
Bates Number 2500066142/6294.

¹⁵⁴ R.S. Hartley, Letter Regarding IMF/
World Bank to B. Bramley,
28 June 1993, BAT Guildford Depository,
Bates Number 502587026.

¹⁵⁵ Philip Morris, "Issues Raised in
Hamish's Memo", 29 March 1985,
<http://www.pmdocs.com/>,
Bates Number 2023268340.

¹⁵⁶ BAT, Meeting, 14 March 1991, at
Infotab, BAT Guildford Depository,
Bates Number 502555340.

¹⁵⁷ G.W. Moore, Letter to Hassan M. Soleib,
Eastern Co. SAE, Rothmans, 6 October
1980, [http://www.pmdocs.com/
getallimg.asp?DOCID=2501021931](http://www.pmdocs.com/getallimg.asp?DOCID=2501021931),
Bates Number 2501021931.

¹⁵⁸ Philip Morris, undated speech,
[http://www.pmdocs.com/
getallimg.asp?DOCID=2023024475/4491](http://www.pmdocs.com/getallimg.asp?DOCID=2023024475/4491),
Bates Number 2023024475.

¹⁵⁹ Philip Morris, "EFTA Eastern Europe
Middle East Africa Long Range Plan
1990-1992," December 1989,
[http://www.pmdocs.com/
getallimg.asp?DOCID=2500066142/6294](http://www.pmdocs.com/getallimg.asp?DOCID=2500066142/6294),
Bates Number 2500066142-94.

¹⁶⁰ C. Johnson, "A Public Relations Strategy
for the Tobacco Advisory Council;
Appraisal and Proposals," 20 November
1978, <http://www.library.ucsf.edu/tobacco/>,
British American Tobacco Documents,
Bates Number 109881385-1407.

10. Media Relations

The tobacco industry has long seen the media as key to its success in preventing the passage of effective regulations.

One of the ways the industry has bullied the media into giving it favorable coverage is by threatening to withhold advertising money:

Where the industry does not advertise heavily in the press, it has considered doing so in order to gain political support:

The recommendations which have been made so far have been directed towards some aspects of the internal organization of the Council which are important for its relations with the outside world.

"...[W]e are not using our very considerable clout with the media... The media like the money they make from our advertisements and they are an ally that we can and should exploit...[W]e should make a concerted effort in our principal markets to influence the media to write articles or editorials positive to the industry position on the various aspects of the smoking controversy."¹⁶¹

(Philip Morris, 1985)

"Please be advised that our threat to the press was mainly a tactical move. We knew that something re. advertising ban was under way and we had to involve the press...Threatening the press was the only way to get them to do something...While Bahrain in itself is not such an important market, its function as a forerunner in the Gulf must not be under-estimated. If we make a mistake here, it will sooner or later come up in other countries in the region."¹⁶²

(Philip Morris, 1980)

"At present, we do not enjoy the support of the print media [in Pakistan], largely because we do not advertise in the press. Consideration is being given by the companies as to whether it makes commercial sense to shift some media spend to the print media in an attempt to gain some support from them."¹⁶³

(Philip Morris, 1994)

Another way to curry favor with the media is to sponsor trips for journalists:

"During 1986, we hosted U.S. visits for 97 journalists from five countries. This activity will continue on an expanded scale in 1987 and focus more directly on the issue of environmental tobacco smoke. We will convene media briefings for journalists in Asia, Latin America, Europe, and Australia as well as increase the number of foreign journalists we bring to the U.S."¹⁶⁴

(Philip Morris, 1986)

The media like the money they make from our advertisements and they are an ally that we can and should exploit.

The industry takes care to monitor who its friends and foes are in the media:

"Refine the media press service so that credible answers to inquiries are presented in a timely manner. An important part of this effort will identify friends and opponents in the print and electronic sectors of the media."¹⁶⁵
(Philip Morris, 1987)

"Our media relations program will be strengthened to enable us to track journalists' views on important issues, and to facilitate our regular contacts with them."¹⁶⁶
(Philip Morris, 1989)

A sufficiently compliant media can serve the tobacco industry very well in regulatory battles:

"Work closely with the Kuwaiti media owners to maintain the effective opposition to the antitobacco proposal of the Minister of Health...who is seeking to mandate severe smoking restrictions. In cooperation with the organizations who are supported through sports sponsorships, publicize the benefits via the Pan Arab and Kuwaiti media."¹⁶⁷
(Philip Morris, 1987)

But sometimes it is better to hide behind third parties:

"...we try to keep Philip Morris out of the media on issues like taxation, smoking bans, and marketing restrictions. Instead, we try to provide the media with statements in support of our positions from third party sources, which carry more credibility than our company and have no apparent vested interest."¹⁶⁸

(Philip Morris, 1993)

The tobacco companies have become experts at "spin":

"...we try to change the focus on the issues. Cigarette tax become[s] an issue of fairness and effective tax policy. Cigarette marketing is an issue of freedom of commercial speech. Environmental tobacco smoke becomes an issue of accommodation. Cigarette-related fires become an issue of prudent fire safety programs. And so on."¹⁶⁹

(Philip Morris, 1993)

¹⁶¹ "The Perspective of Philip Morris International on Smoking and Health Issues" (Text of the discussion document used at the meeting of top management), 25 March 1985, <http://www.pmdocs.com/>, Bates Number 2023268329-49.

¹⁶² Telex from A. Borek to W. Thomas, 11 February 1981, <http://www.pmdocs.com/getallimg.asp?DOCID=2501021955>, Bates Number 2501021955.

¹⁶³ Philip Morris, "Pakistan—Meeting in London," 1994, <http://www.pmdocs.com/getallimg.asp?DOCID=2504024765/4767>, Bates Number 2504024765-67.

¹⁶⁴ A. Whist, Memo to Board of Directors, Philip Morris International Corporate Affairs, 17 December 1986, <http://www.pmdocs.com/getallimg.asp?DOCID=2025431401/1406>.

¹⁶⁵ Philip Morris, Draft Corporate Affairs Plan, 25 November 1987, <http://www.pmdocs.com/getallimg.asp?DOCID=2501254715/4723>.

¹⁶⁶ Philip Morris, "EFTA Eastern Europe Middle East Africa Long Range Plan 1990-1992," December 1989, <http://www.pmdocs.com/getallimg.asp?DOCID=2500066142/6294>, Bates Number 2500066142-94.

¹⁶⁷ Philip Morris, Draft Corporate Affairs Plan, 25 November 1987, <http://www.pmdocs.com/getallimg.asp?DOCID=2501254715/4723>.

¹⁶⁸ T. Walls, *Grasstops Government Relations*, Philip Morris, 30 March 1993, <http://www.pmdocs.com/getallimg.asp?DOCID=2024023252/3265>, Bates Number 2024023252-65.

¹⁶⁹ Ibid.

11. Product Design: “Light” and “Low Tar” Cigarettes

As evidence began to emerge in the 1950s on the health hazards of smoking, tobacco industry scientists began a mad scramble to develop a “safe” cigarette. The business benefits of developing such a product were obvious:

“I’ll bet that the first company to produce a cigarette claiming a substantial reduction in tars and nicotine...will take the market.”¹⁷⁰
(Philip Morris, 1958)

“Boy! Wouldn’t it be wonderful if our company was first to produce a cancer-free cigarette. What we could do to the competition.”¹⁷¹

(PR firm Hill and Knowlton, quoting a tobacco industry lawyer, mid-1950s)

In 1961, Philip Morris scientists looked into the possibility of a “Medically Acceptable Cigarette” that included the reduction of the general level of carcinogenic substances in smoke. Developing such a cigarette was estimated to take \$10 million and between seven and ten years, and

“To achieve this objective will require a major research effort, because carcinogens are found in practically every class of compounds in smoke.”¹⁷²
(Philip Morris, 1961)

The challenge was to reduce tar levels while maintaining or even raising nicotine levels to keep customers hooked:

“[Reducing the nicotine per cigarette] might end in destroying the nicotine habit in a large number

of consumers and prevent it ever being acquired by new smokers.”¹⁷³
(BAT, 1959)

“There is a danger in the current trend of lower and lower cigarette deliveries—i.e. the smoker will be weaned away from the habit...[I]f the nicotine delivery is reduced below a threshold ‘satisfaction’ level, then surely smokers will question more readily why they are indulging in an expensive habit.”¹⁷⁴

(BAT, 1977)

R.J. Reynolds’s effort in the 1980s to develop a safer cigarette called Premier included testing cocaine-laced versions of the product on baboons to make sure that the product would deliver the necessary level of drugs:

“I am sorry to hear that the samples from the animals who smoke Premier cigarettes loaded with crack [cocaine] were relatively low in cocaine content. You indicate the levels of a few ng/ml, measured shortly after exposure, are not physiologically meaningful. In our phone conversation today I listed several possible interpretations, including [that]...Premier really does not serve as a drug delivery device.”¹⁷⁵

(R.J. Reynolds, 1989)

A main goal of developing a so-called safer cigarette was to reassure smokers so they would not quit smoking:

“Manufacturers are concentrating on the low TPM [total particulate matter] and nicotine segment in order to create brands...which aim, in one way or another, to reassure the

consumer that these brands are relatively more ‘healthy’ than orthodox blended cigarettes.”¹⁷⁶

(BAT, 1971)

“All work in this area should be directed towards providing consumer reassurance about cigarettes and the smoking habit. This can be provided in different ways, e.g. by claiming low deliveries, by the perception of low deliveries, and by the perception of ‘mildness.’”¹⁷⁷

(BAT, 1977)

“Low tar products will eventually and substantially define the tobacco business. This will serve as an important mechanism for reassuring smokers.”¹⁷⁸

(BAT, 1979)

“Quitters may be discouraged from quitting, or at least kept in the market longer....A less irritating cigarette is one route (indeed, the practice of switching to lower tar cigarettes and sometimes menthol in the quitting process tacitly recognises this). The safe cigarette would have wide appeal, limited mainly by the social pressures to quit.”¹⁷⁹

(Imperial Tobacco, Canada, 1986)

“In conclusion, the ‘threat’ to the existing smoker base for the brand seems more likely to come from a desire to give up smoking (which is more strongly held by the SCUL [Silk Cut Ultra Light] smokers than the SCEM [Silk Cut Extra Mild] smokers), rather than from competitor brands... Indeed, it is the very low tar level of SCUL and its perceived less harmful effect on health which explains the

high opinion held by users of their brand. This is supported by the brand's imagery with the high association with 'health conscious people.'¹⁸⁰
(Gallaher, 1995)

Surveys of smokers showed that

"A minority saw low tar cigarettes as a stage on the way to quitting smoking...However, more common was a sense that low tar was a way of making quitting less urgent or necessary."¹⁸¹
(Gallaher, 1997)

However,

"...the effect of switching to low tar cigarettes may be to increase, not decrease, the risks of smoking."¹⁸²
(Tobacco Advisory Council, 1979)

This increase in risk is due in part to 'compensation,' whereby smokers adjust their intake of smoke in order to get a specific level of nicotine. Therefore, a smoker using a low-tar product compensates for the low nicotine delivery by inhaling more deeply and smoking more, an effect not replicated in the official machine measurements:

"Compensatory smoking: This is also a particularly tricky subject. On the one hand it is commercially sensitive. On the other, it must be in the interest of the industry to get data and speak out against those who claim that the low delivery programme is misleading in that smokers compensate for the low deliveries."¹⁸³

(Imperial, 1983)

Doubts were raised about the possibility of ever developing a truly safer cigarette:

"Because known carcinogens are produced from such a wide variety of organic materials during the process of pyrolysis [chemical reaction brought about by the action of heat], it is most unlikely that a completely safe form of tobacco smoking can be evolved."¹⁸⁴

(BAT, undated)

When scientists at the U.S. company Liggett developed a cigarette with a significantly reduced health hazard, they ran into trouble with company lawyers:

"The lawyers said we couldn't say it—we couldn't make a 'safe cigarette' because that implies that the cigarettes the manufacturers make aren't safe, and that would make the company liable so the programme was shelved."¹⁸⁵

(1996)

BAT scientists also faced objections from their boss, Patrick Sheehy:

"In attempting to develop a 'safe' cigarette you are, by implication in danger of being interpreted as accepting that the current product is 'unsafe' and this is not a position that I think we should take."¹⁸⁶

(BAT, 1986)

¹⁷⁰ C.V. Mace, Memo to R.N. DuPuis, untitled, 24 July 1958, quoted in P.J. Hilts, *Smokescreen—The Truth Behind the Tobacco Industry Cover-Up*, 1996, Addison Wesley, p. 26.

¹⁷¹ Quoted in "Tobacco on Trial: Week in Review," *Star Tribune*, 22 February 1998.

¹⁷² H. Wakeham, "Tobacco and Health—R&D Approach," 15 November 1961, Cipollone Trial Exhibit 608, Minnesota Trial Exhibit 10,300, http://www.tobacco.neu.edu/mn_trial/, Bates Number 1000277423-47.

¹⁷³ BAT Research & Development, Complexity of the P.A.5.A. Machine and Variables Pool, 26 August 1959, Minnesota Trial Exhibit 10,392, http://www.tobacco.neu.edu/mn_trial/, Bates Number 100099115-17.

¹⁷⁴ BAT, "The Product in the Early 1980s," 25 March 1977, Minnesota Trial Exhibit 11,386, http://www.tobacco.neu.edu/mn_trial/, Bates Number 1100699974-82.

¹⁷⁵ W.R. Rogers, "First Draft Report on Pilot Experiment on Crack Puffing by Baboons via Premier, Southwest Research Institute," Report to Dr. C. Smith, R.J. Reynolds, 9 February 1989, <http://www.rjrtdocs.com/rjrtdocs/frames.html>, Bates Number 511477664-69.

¹⁷⁶ P.L. Short, BAT, "A New Product," 21 October 1971, Minnesota Trial Exhibit 10,306, http://www.tobacco.neu.edu/mn_trial/, Bates Number 100028935-7.

¹⁷⁷ P.L. Short, "Smoking and Health Item 7: The Effect on Marketing," 14 April 1977, Minnesota Trial Exhibit 10,585.

¹⁷⁸ BAT, 4 April 1979, Litigation Usage: Minnesota Trial Exhibit 11350, <http://www.tobaccodocuments.org/> (Roswell Collection), Bates Number 109883101/3103.

¹⁷⁹ Creative Research Group, "Project Viking, Vol. 11: An Attitudinal Model of Smoking," prepared for Imperial Tobacco Ltd. (Canada), February-March 1986, quoted in R. Cunningham, *Smoke and Mirrors—The Canadian Tobacco War*, International Development Research Centre, 1996, pp. 79-80.

¹⁸⁰ Market Trends Ltd., "Silk Cut Research," prepared for Gallaher, November 1995, quoted in G. Hastings and L. MacFadyen, *Keep Smiling, No One's Going to Die: An Analysis of Internal Documents from the Tobacco Industry's Main UK Advertising Agencies*, The Centre for Tobacco Control Research and the Tobacco Control Resource Centre, 2000, p. 8; see <http://www.tobacco-control.org>.

¹⁸¹ Calcraft Buck. Silk Cut Ultra: Advertising Research Debrief, 8 May 1997, quoted in G. Hastings and L. MacFadyen, *Keep Smiling, No One's Going to Die: An Analysis of Internal Documents from the Tobacco Industry's Main UK Advertising Agencies*, The Centre for Tobacco Control Research and the Tobacco Control Resource Centre, 2000, p. 9; see <http://www.tobacco-control.org>.

¹⁸² P.N. Lee, Note on Tar Reduction For Hunter, Tobacco Advisory Council, 19 July 1979, quoted in ASH, *Tobacco Explained—The Truth About the Tobacco Industry—In Its Own Words*, 25 June 1988; see <http://www.ash.org.uk>.

¹⁸³ L. Blackman, Notes of a Meeting of Tobacco Company Research Directors, Imperial Head Office, 16 February 1983, Minnesota Trial Exhibit 11,259, http://www.tobacco.neu.edu/mn_trial/, Bates Number 109840698-702.

¹⁸⁴ F.J.C. Roe and M.C. Pike, "Smoking and Lung Cancer," undated, Minnesota Trial Exhibit 11,041, Bates Number 105453524-35.

¹⁸⁵ Quoted on Channel 4, *Big Tobacco*, Dispatches, 31 October 1996.

¹⁸⁶ P. Sheehy, Confidential Internal Memo, 18 December 1986, Minnesota Trial Exhibit. 11,296, http://www.tobacco.neu.edu/mn_trial/, Bates Number 109875217-8.

12. Tobacco Smuggling

Tobacco smuggling has become a global epidemic—up to one third of annual global tobacco exports enter the black market. For years, the tobacco industry has used the specter of cigarette smuggling to frighten governments into not raising tobacco taxes. However, recent court cases have revealed that rather than being a result of price differentials, tobacco smuggling is largely the result of actions taken by the tobacco industry itself, which appears to be complicit in the global smuggling trade. The tobacco industry benefits from smuggling in the following ways:

- The tobacco companies are still paid for the smuggled product and can sell large volumes that enter the illegal distribution chain.
- The reduced average market price as a result of smuggling increases total sales.
- Certain smokers (particularly the poor) may be "protected" from quitting by prices remaining low.
- Smuggling is used to press the case for reduced excise taxes, leading to increased demand in the legal markets.

In the documents, the industry uses a variety of euphemisms to describe smuggling. Often the cigarettes are labeled as "DNP," which stands for Duty Not Paid, instead of "DP," Duty Paid. Another common term is "Transit." For example, one BAT document discussing "Q&A" on Transit Trade, asks:

"Q: What is Transit Trade?

A. Transit trade is the movement of goods from one country to another without payment of taxes and tariffs. It is more commonly known as smuggling."¹⁸⁷

The companies have also used legal operations as cover for advertising aimed at stimulating sales in the illegal market—so-called "umbrella operations":

"The 'Available in Duty Free' cover for extensive media coverage needs to be very carefully used, as it can easily become antagonistic and will draw attention to the source of market supply, which we would rather did not come under scrutiny. Legitimate imports through various hotel groups is defensible and provides another source of "cover" for our brand building plans, and a promotional platform."¹⁸⁸

(BAT, 1993)

The companies need to maintain the "façade" over smuggling:

"...BAT has 'staffed up' in West Africa to the point where there is duplication of efforts between SOREPEX and BAT (UK & E). Our objective now is to preserve the 'façade' that SOREPEX represents between us and the sensitive markets of Togo, Benin, Niger (Unit I) and Equatorial Africa (Unit II), but at the same time, enable the BAT field force to take over the management of this important business."¹⁸⁹

(BAT, 1988)

And keep the exports disguised:

"Niger: Discussion was held concerning direct imports to Nigeria

through Mr Adji...[who] would disguise the cigarette importations by calling the shipment something else, e.g. matches."¹⁹⁰

(BAT, 1987)

Moreover, internal industry documents show that the active management of the smuggling business is seen as a priority. A BAT five-year plan outlines "active and effective management of DNP" sales:

"In 1993, it is estimated that nearly 6% of the total world cigarette sales of 5.4 trillion were DNP sales...A key issue for BAT is to ensure that the Group's system-wide objectives and performance are given the necessary priority through the active and effective management of such business."¹⁹¹

(BAT, undated)

A note of a meeting between senior BAT and Philip Morris executives with responsibility for Latin America shows extensive cartel behavior in seeking market share agreements, price fixing, and attempts to limit market support expenditures. It shows that BAT and Philip Morris can determine prices in the smuggled and legal markets independently:

"BATCo suggested an aggressive price increase to be negotiated at a local level for DNP to be implemented if possible by the end of August... Following action on DNP PMI [Philip Morris International] suggested we

should pursue a DP price increase. PMI wanted linkage between the DNP increase. This was not supported by us."¹⁹²

(BAT, 1992)

Smuggling is also a way to maintain market share, as this document from Imperial Tobacco Limited* (ITL—a BAT subsidiary, not related to Imperial Tobacco in the UK) in Canada illustrates:

"In share terms, ITL finished 1993 back where it left off in 1991. Following a loss of share in 1992, ITL rebounded by making its major trademarks available in smuggled channels in the second half of 1993."¹⁹³

(Imperial Tobacco, 1994)

Another ITL document to BAT further explains the situation:

"As you are aware, smuggled cigarettes (due to exorbitant tax levels) represent nearly 30% of total sales in Canada, and the level is growing. Although we agreed to support the Federal government's effort to reduce smuggling by limiting our exports to the U.S.A., our competitors did not. Subsequently, we have decided to remove the limits on exports to regain our share of Canadian smokers. To do otherwise would place the long-term welfare of our trademarks in the home market at great risk. Until the smuggling issue is resolved, an increasing volume of our domestic sales in Canada will be exported, then smuggled back for sale here."¹⁹⁴

(BAT, 1993)

The company was confident it could accurately evaluate what portion of its exports to the United States were being smuggled back into Canada. Indeed, it appears the company could supply a breakdown of its exports into legal and illegal sales on a monthly basis:

"Many Thanks for your Hand Written Spreadsheets...I am also look-

ing for your Duty Free sales. Legitimate DF to be reported as Duty Free and any Transit DF to be reported as Duty Free Unspecified."¹⁹⁵

(BAT, 1993)

At the height of the problem, Bill Neville, a lobbyist for the Canadian Tobacco Manufacturers' Council, remarked that:

"If there's smuggling, we're unapologetic that it should be Canadian cigarettes."¹⁹⁶

In the United Kingdom, Imperial Tobacco made a very similar admission in 2001 when asked about smuggling:

"We do not want only foreign brands to be imported to the UK. It's important that whatever is going on, our brands are not excluded from it."¹⁹⁷

The UK companies Imperial Tobacco and Gallaher are currently exporting billions of cigarettes manufactured in the UK to countries where there is little or no market for them, just as occurred in Canada. It has been estimated that more than half of the cigarettes currently being exported by Imperial are being smuggled back into the UK.¹⁹⁸ There is also evidence that the tobacco companies have targeted the "bootlegging" market, which is exploiting the difference in tax levels between the UK and continental Europe:

"Bootleggers (who account for over 70% of the market in most areas) only bother with big brands—Old Holborn and Golden Virginia. We need to create a demand for Amber Leaf among the newer, younger consumers to encourage both shop purchase and a willingness among bootleggers to sell Amber Leaf."¹⁹⁹

(Gallaher, 1997)

Smuggling is also used to build market share in different countries. One document implicates senior BAT executives in the development of a

marketing strategy based on smuggled cigarettes:

"Subject: DNP Brazil—Argentina

I am advised by Souza Cruz that the BAT Industries Chairman has endorsed the approach that the Brazilian Operating Group increase its share of the Argentinean market via DNP."²⁰⁰

(BAT, 1993)

Another shows the high degree of control over the smuggled market so that BAT's marketing planners treat it as just another channel:

"Kent Super Lights...DNP product should be launched two weeks after the DP product has been launched... Lucky Strike...[should] withdraw from the DNP market the 20's and 10's versions."²⁰¹

(BAT, 1994)

However, it is impossible to rely just on smuggling:

"1. Domestic
a) Nigeria

Obviously it is practically impossible to develop a pure GT [General Trade, a euphemism for smuggling] brand, thus a home base is necessary. It would therefore seem logical to import legally some quantity, allowing also for an advertising campaign to take place."²⁰²

(BAT, 1990)

Yet GT trade or "smuggling" will remain a priority:

"Fixed Assumptions:

1. The political situation in the Cameroons will remain unstable throughout 1992 and then settle down:
2. The economy will show no improvement over the next 5 years.
3. GT movements to this end market will remain a priority throughout the period."²⁰³

(BAT, 1991)

Of course, at times you have to keep those countries happy that are losing revenue from smuggling:

"Philip Morris International wish to propose an industry presentation to the Nigerian Government for a specific import duty to replace ad valorem rate. The objective would be to legalise 'profitable' imports thus providing the Nigerian Government with revenue currently lost by the proliferation of GT."²⁰⁴

(BAT, 1990)

¹⁸⁷B. Brady, Letter Regarding Q&A Overseas Trade, to K. Hardman & T. Bates, 25 May 1993, BAT Guildford Depository, http://www.publici.org/download/BAT_Q&A1.pdf, Bates Number 502553111-14.

¹⁸⁸A. O'Regan, Trip Notes—India 29 Nov to 2 Dec 93, Internal Memo to ADG Pereira, 7 December 1993, BAT Guildford Depository, <http://www.ash.org.uk/>, Bates Number 500045755-58.

¹⁸⁹R. Howe, Letter to M. Binst of Sorexex, 28 April 1988, BAT Guildford Depository, Bates Number 301626956-58.

¹⁹⁰BAT, Sorexex Meeting, 1 July 1987, BAT Guildford Depository, <http://www.ash.org.uk/>, Bates Number 301627037-38.

¹⁹¹BAT, "BATco Global Five-Year Plan 1994–1998," undated, BAT Guildford Depository, <http://www.ash.org.uk/>, Bates Number 500018206-10.

¹⁹²BAT, Meeting with Philip Morris Representatives at PennyHill Park, Bagshot, 5 August 1992, BAT Guildford Depository, <http://www.ash.org.uk/>, Bates Number 301653380-85.

* A BAT subsidiary, not related to Imperial Tobacco in the UK.

¹⁹³Imperial Tobacco Canada, Market Update, 25 April 1994, BAT Guildford Depository, Bates Number 202723892-902.

¹⁹⁴D. Brown, Letter to U. Herter, 3 June 1993, BAT Guildford Depository, Bates Number 500028145-47.

¹⁹⁵T. Harwood, Letter to D. Renaud, 11 March 1993, BAT Guildford Depository, Bates Number 500174516.

¹⁹⁶Quoted in R. Howard, "Threats Derailed Tobacco Tax. Companies Warning Led Ottawa to Ease 'War on Smugglers'," *Toronto Globe and Mail*, 22 May 1992.

¹⁹⁷Quoted on the BBC Money Programme, 14 February 2001.

¹⁹⁸A. Rowell and R. Cookson, "No Smoke Without Fire," *The Big Issue South West*, 2–8 October 2000, pp. 18–19.

¹⁹⁹S&C Saatchi. Amber Leaf: Gallaher Brief, 4 December 1997, quoted in G. Hastings and L. MacFadyen, *Keep Smiling, No One's Going to Die: An Analysis of Internal Documents From the Tobacco Industry's Main UK Advertising Agencies*, The Centre for Tobacco Control Research and the Tobacco Control Resource Centre, 2000, p13; see <http://www.tobacco-control.org>.

²⁰⁰K. Dunt, Memo Regarding DNP Brazil—Argentina, to U. Herter, B. Bramley [Chairman BAT], Pilbeam, Castro, 18 May 1993, Guildford Depository, <http://www.ash.org.uk/>, Bates Number 5000028732-4.

²⁰¹M. Waterfield, Colombia Trip Notes, 23–24 February, 1994, File Note 9, March 1994, BAT Guildford Depository, <http://www.ash.org.uk/>, Bates Number 503891624-27.

²⁰²S. Marshall to F. Combes, 10 July 1990, BAT Guildford Depository, <http://www.ash.org.uk/>, Bates Number 301626822-24.

²⁰³J. Green, Note to ADG Pereira, Regarding the Visit of Sir Patrick Sheehy, November 6, 1991, 1 November 1991, BAT Guildford Depository, <http://www.ash.org.uk/>, Bates Number 301773703-5.

²⁰⁴J.M. Ticehurst, Letter Regarding Unit I Visit, 14–26 May, 5 June 1990, BAT Guildford Depository, <http://www.ash.org.uk/>, Bates Number 301626844-5.

13. The World Health Organization and Other Enemies

The tobacco industry uses its political and economic power to fight its opponents:

"Our objective remains to develop and mobilize the necessary resources—internal Philip Morris, external agencies and consultants, the industry National Marketing Associations, and all potential allies—to fight the social and legislative initiatives against tobacco....We shall carefully target our opponents. We shall precisely identify, monitor, isolate, and contest key individuals and organizations."²⁰⁵

(Philip Morris, 1989)

"We must discredit the antis... We have been warned here about the danger of allowing ourselves to adopt a siege mentality. And we have heard some interesting comments questioning whether it is right, as they say in the Army, to shoot at everything that moves. But in developing countermeasures, I believe we mustn't forget that a state of war does exist."²⁰⁶

(Tobacco Institute, 1979)

Part of the industry's strategy is to reframe the debate:

"Portray the debate as one between the anti-tobacco lobby and the smoker, instead of 'pro-health public citizens' versus the tobacco industry."²⁰⁷

(Philip Morris, 1992)

The industry will go to great lengths to discredit individuals who oppose them:

"Selected reporters will have to question his [Ted Kennedy's] alcoholic

dependence and highlight the sexual harassing blamed on him in the USA, thus reducing the importance of his presence at the Conference."²⁰⁸

(BAT, 1992)

Creatively market throughout GCC the Childrens Research Unit study on juvenile smoking initiation which has been completed during 1987 in Kuwait.

The industry will even try to manipulate religious opinion to serve its ends:

"Work to develop a system by which Philip Morris can measure trends on the issue of Smoking and Islam. Identify Islamic religious leaders who oppose interpretations of the Quran which would ban the use of tobacco and encourage support for these leaders."²⁰⁹

(Philip Morris, 1987)

The tobacco industry spent millions of dollars attacking and trying to undermine WHO as well as other critics such as the International Organisation of Consumer Organisations (IOCU). WHO is seen by the industry as the "leading force in the international antismoking movement."²¹⁰

(R.J. Reynolds, 1986)

The counteroffensive continues to this day, with the industry attempting to undermine the Framework Convention on Tobacco Control, which BAT has portrayed as a "developed world

obsession being foisted on the developing world."²¹¹ To this end, the tobacco documents show how the companies have set out to "[b]lunt [WHO's] programme initiatives"²¹² and "[a]llo-

cate the resources necessary to stop [WHO] in their tracks."²¹³

An INFOTAB document outlines how to "Attack WHO" and "split FAO/WHO." The tactics it suggests include the following:

"...criticise budget management, address health priorities, expose resource blackmail, highlight regional failures, attack 'behaviourism'. Counter on public issues, discredit activists' credentials, engage in statistical warfare, invest in press relations, show impact of 'cuckoo' organisations."

The document also suggests the industry should "attack IOCU" with the following program goals: "relieve NGO pressure on WHO, expose activists' 'credentials', counter 'behaviourist' regulation, correct anti-business slant."²¹⁴

(INFOTAB, 1989)

Other documents spell out the need to "undertake a long-term initiative to counteract the WHO's aggressive global antismoking campaign and to introduce a public

debate with respect to a redefinition of the WHO's mandate."²¹⁵

(BAT, 1989)

The industry even explored covertly setting up and funding a foundation to

"...supersede the WHO and its Agencies as the principal advisor to the European community on a range of issues including public health."²¹⁶

(Philip Morris, 1991)

The tobacco industry established inappropriate relationships with WHO staff and consultants to influence policy. Its counteroffensive against WHO included using "independent" academic institutions, consultants, and journalists to undermine the organization's credibility, to question its "mission and mandate," and, ultimately, to stop WHO from working on tobacco. One such person was Paul Dietrich, an American lawyer with long-term ties to the tobacco companies. At one stage, Dietrich was a consultant to BAT while sitting on the Development Committee of the Pan American Health Organization (PAHO), the regional arm of WHO in the Americas. According to the documents, Dietrich seems to have exerted a degree of influence over PAHO's operations, priorities, and budget, although PAHO has vehemently denied this. For example, in December 1992, Dietrich sent BAT a memo stating that

"I am attaching with this memo, a copy of a bill for my monthly consulting fees from June 1, 1992, through September 30, 1992....My work on the Board of the Pan American Health Organisation continues as I try to redirect their priorities toward disease control rather than life-style issues."²¹⁷

(BAT, 1992)

In other correspondence, Sharon Boyse from BAT writes that

"Paul has managed to persuade PAHO to take tobacco off their list of priorities for this year."²¹⁸

(BAT, 1991)

Another key consultant was Gaston Vettorazzi, a former director of the Joint Meeting on Pesticide Residues (JMPPR), a joint WHO and United Nations Food and Agriculture Organization (FAO) standard-setting body dedicated to pesticide issues. After his retirement in the late 1990s, Vettorazzi was hired by the Cooperation Centre for Scientific Research Relative to Tobacco (CORESTA), an industry-funded research group. He was paid to assess pesticides used on tobacco and monitor WHO, attend WHO meetings, and pass reports to WHO officials who did not know his tobacco connections:

"Dr. Vettorazzi should be allowed to present his work to the JMPPR, but...he should do this in his own name and not mention CORESTA or the tobacco industry."²¹⁹

(CORESTA, 1992)

On several occasions, the industry has attempted to interfere with WHO budgets related to its Tobacco Or Health (TOH) program. One document describes Philip Morris's plan to explore "a variety of avenues...to contain [TOH's] funding from private sources."²²⁰

(Philip Morris, 1989)

The industry also launched a major campaign to discredit a study undertaken by the International Agency for Research on Cancer, a WHO affiliate organization (see Section 7, Secondhand Smoke/Environmental Tobacco Smoke).

Tobacco companies used other United Nations agencies to influence or resist WHO tobacco control initiatives. For example, they have long seen the FAO as a "natural ally"²²¹ (ICOSI, 1979) and have campaigned to "[s]plit FAO/WHO" on tobacco issues²²² (INFOTAB, 1989). Toward this end,

"In 1989, intensive lobbying in Rome caused the FAO to publish, despite the WHO's vigorous objection, important reports on the economic

significance of tobacco and on tobacco trade projections."²²³

(BAT, 1992)

A key part of this lobbying strategy has been through the front organization, the International Tobacco Growers Association (see Section 4, Agriculture and the International Tobacco Growers Association).

The tobacco industry also sought to discredit WHO and WHO officials in order to undermine the agency's effectiveness. Paul Dietrich, the U.S. lawyer and tobacco consultant mentioned previously, generated a series of articles attacking WHO's priorities, its officials, and its management in the media. These articles, with headlines such as "WHO spends money on WHAT?", were subsequently circulated by the industry. Dietrich was used by the industry to make presentations to journalists and governments attacking WHO. His tobacco ties were never mentioned. Correspondence with BAT shows the following:

"I have been talking to the industry about the possibility of questioning the WHO's priorities in the region... Basically the industry would be interested (at some stage in the near future yet to be determined) in having you do a tour of South Africa, plus the neighbouring countries of Botswana, Namibia, Lesotho, etc. They would be interested in South Africa in having presentations made to the Ministries of Health and Finance, as well as constitutional advisors and regional/black governments. [BAT's companies in South Africa] understand that this should be totally independent of the industry and I would like to discuss with you, (a) whether you would be prepared to do this and (b) if so, what platform/excuse you could use for your visit."²²⁴

(BAT, 1991)

- ²⁰⁵ Philip Morris, "EFTA Eastern Europe Middle East Africa Long Range Plan 900000-920000," December 1989, <http://www.pmdocs.com/getallimg.asp?DOCID=2500066142/6294>, Bates Number 2500066142-94.
- ²⁰⁶ R.M. Corner, "Countermeasures Development Program—Confidential," 20 May 1979, <http://www.tobaccoinstitute.com/>, Bates Number TIMN0156508-6520.
- ²⁰⁷ Philip Morris Corporate Affairs Department Goals, 1992, <http://www.pmdocs.com/getallimg.asp?DOCID=2047079509/9612>, Bates Number 2047079509-12.
- ²⁰⁸ J.B. Dastugue, 8th World Conference on Tobacco or Health, 1992, BAT Guildford Depository, Bates Number 300504295-98.
- ²⁰⁹ Philip Morris, Draft Corporate Affairs Plan, 25 November 1987, <http://www.pmdocs.com/getallimg.asp?DOCID=2501254715/4723>, Bates Number 2501254715-23.
- ²¹⁰ R.J. Marcotullio, Letter Re: World Health Organisation (WHO) 17 March 1986, <http://www.rjrtdocs.com>, Bates Number 505745424.
- ²¹¹ Martin Broughton, quoted on "BAT Profits Nearly Double," BBC Online, 7 March 2000.
- ²¹² J.M. Hartogh, To All Members of the ICOSI Task Force 4th World Conference on Smoking and Health, 26 June 1979, BAT Guildford Depository, Bates Number 100433043-47.
- ²¹³ INFOTAB, Appendix I, January 1989 Discussion Paper, 30 January 1989, <http://www.pmdocs.com/getallimg.asp?DOCID=2501045258/5268>, Bates Number 2501045258-68.
- ²¹⁴ Ibid.
- ²¹⁵ "World Watch: Protecting our Global 'Next Generation'—A Proposed Conference on Children's Health Issues," October 1989; BAT Guildford Depository, Bates Number 300516227-85.
- ²¹⁶ H. Gaisch, "A Strategy For Europe, Favouring A Rational Approach to Public Policy-Making in All Important Areas," 1 September 1991, <http://www.pmdocs.com/getallimg.asp?DOCID=2028463298/3304>, Bates Number 2028463298-04.
- ²¹⁷ P. Dietrich, Memorandum to Sharon Boyse of BAT, 22 December 1992, BAT Guildford Depository, Bates Number 500899119-20.
- ²¹⁸ S. Boyse, Memo to B. Bramley, 28 August 1991, BAT Guildford Depository, Bates Number 202019293.
- ²¹⁹ Minutes of the Extraordinary CORESTA Board Meeting Held in Paris, 16 January 1992, <http://www.pmdocs.com/getallimg.asp?DOCID=2028427174/7181>, Bates Number 2028427174-81.
- ²²⁰ Philip Morris, "Boca Raton Action Plan, WHO/IOCU/UICC: Strategies and Tactics," 31 January 1989, <http://www.pmdocs.com/getallimg.asp?DOCID=2501045143/5147>, Bates Number 2501045143-47.
- ²²¹ T. Finnegan, M. Senkus, and L. Zahn, "Action Plan Proposed by ICOSI TASK Force on 4th World Conference on Smoking and Health, Stockholm, June 18-22," 30 January 1979, <http://www.ctr-usa.org/ctr>, Bates Number 10395689-5695.
- ²²² INFOTAB, Appendix I, January 1989 Discussion Paper, 30 January 1989, <http://www.pmdocs.com/getallimg.asp?DOCID=2501045258/5268>, Bates Number 2501045258-68.
- ²²³ M. Oldman, Letter to D. Bacon Regarding "Agro-Tobacco Services (ATS), Proposal for a Consultancy Agreement," 7 January 1992, BAT Guildford Depository, Bates Number 502552644-50.
- ²²⁴ S. Boyse, Letter to P. Dietrich, 7 August 1991, BAT Guildford Depository, Bates Number 300516113.

14. Women

Throughout the world, smoking by women is a serious, growing public health problem. Women, especially those in developing countries, constitute a major untapped market for the cigarette companies. The tobacco industry uses the expertise of marketing and promotion tactics developed over decades to reach these potential smokers. As early as 1950, the industry recognized that:

"A massive potential market still exists among women and young adults, cigarette industry leaders agreed, acknowledging that recruitment of these millions of prospective smokers comprises the major objective for the immediate future and on a long term basis as well."²²⁵

The tobacco industry has repeatedly used the theme of women's independence in its advertising campaigns. In a report on the tobacco industry, the Investor Responsibility Research Center observed the following:

"Demographically, the population explosion in many underdeveloped countries ensures a large potential market for cigarettes. Culturally, demand may increase with the continuing emancipation of women and the linkage in the minds of many consumers of smoking manufactured cigarettes with modernization, sophistication, wealth, and success, a connection encouraged by much of the advertising of cigarettes throughout the world."²²⁶

The companies have targeted women with "low-tar" and "light" cigarette brands. In Imperial Tobacco's advertising campaign for its Matinée

As a focus,... we are naturally more interested to learn how you plan to target the emerging young adult female smokers rather than the older female smokers.

Extra Mild Cigarettes in Canada, for example,

"Our woman is front and centre. She is unquestionably the star. She is happy and healthy. She is not a physical fitness fanatic, but loves to take part in healthy fun activities. And while she is good at them, she is not a champion....As the strategy dictates, her activities are not too strenuous or aerobic. Smoking a low [tar and nicotine] cigarette would be a logical extension of the lifestyle depicted....The theme 'Feeling extra good, Smoking Extra Mild', is a reflection of the feeling that seems to be indicated by prior research, that is: 'Even though I smoke, I like to be active and look after myself—so I smoke an extra mild cigarette.'"²²⁷

(Imperial Tobacco, Canada, undated)

In developing countries, the tobacco industry uses its expertise in marketing and promotion to reach potential women smokers. The industry's hope in Africa, Asia, and Latin America is that

"...increasing smoking incidence among young women will serve to maintain starting incidence....[and that] Further female incidence will continue to rise in these regions.

The net result will be a continuing growth in incidence although at a slower rate than previously."²²⁸

(BAT, 1979)

Philip Morris's Virginia Slims brand has led the way in targeting young women in Asia:

"...[W]e are naturally more interested to learn how you plan to target the emerging young adult female smokers rather than the older female smokers"²²⁹

(Philip Morris, 1989)

In China, the company sees the need to boost brands

"...which are currently small but which may have long-term development potential such as a female brand like Virginia Slims."²³⁰

(Philip Morris, 1980)

Despite their efforts to increase smoking rates among women, the tobacco industry does not want to be recognized for its efforts, as these 1989 comments about an impending U.S. government report show:

"Although overall smoking is not rising in Asian markets because of our imports, smoking among women may well be rising and the report will

certainly blame us....Burson-Marsteller agreed to do a search of literature and studies to try and find an expert on the changing lifestyles of Asian women to show that smoking is part of a larger picture."²³¹

(Philip Morris, 1989)

²²⁵ *United States Tobacco Journal*, Cigarette Executives Expect Added Volume, 1950, 154 (26), 3, quoted in *Preventing Tobacco Use Among Young People, A Report of the Surgeon General*, U.S. Department of Health and Human Services, Public Health Service, Centers for Disease Control and Prevention, National Center for Chronic Disease Prevention and Health Promotion, Office on Smoking and Health, 1994, p. 166.

²²⁶ Investor Responsibility Research Center, Proxy Issues Report, Tobacco Sales in Developing Countries: Philip Morris Inc. (1982 Annual Meeting: April 28) R.J. Reynolds Industries Inc. (April 28), 1982 Analysis, 7 April 1982, <http://www.rjrtdocs.com>, Bates Number 503653421-37.

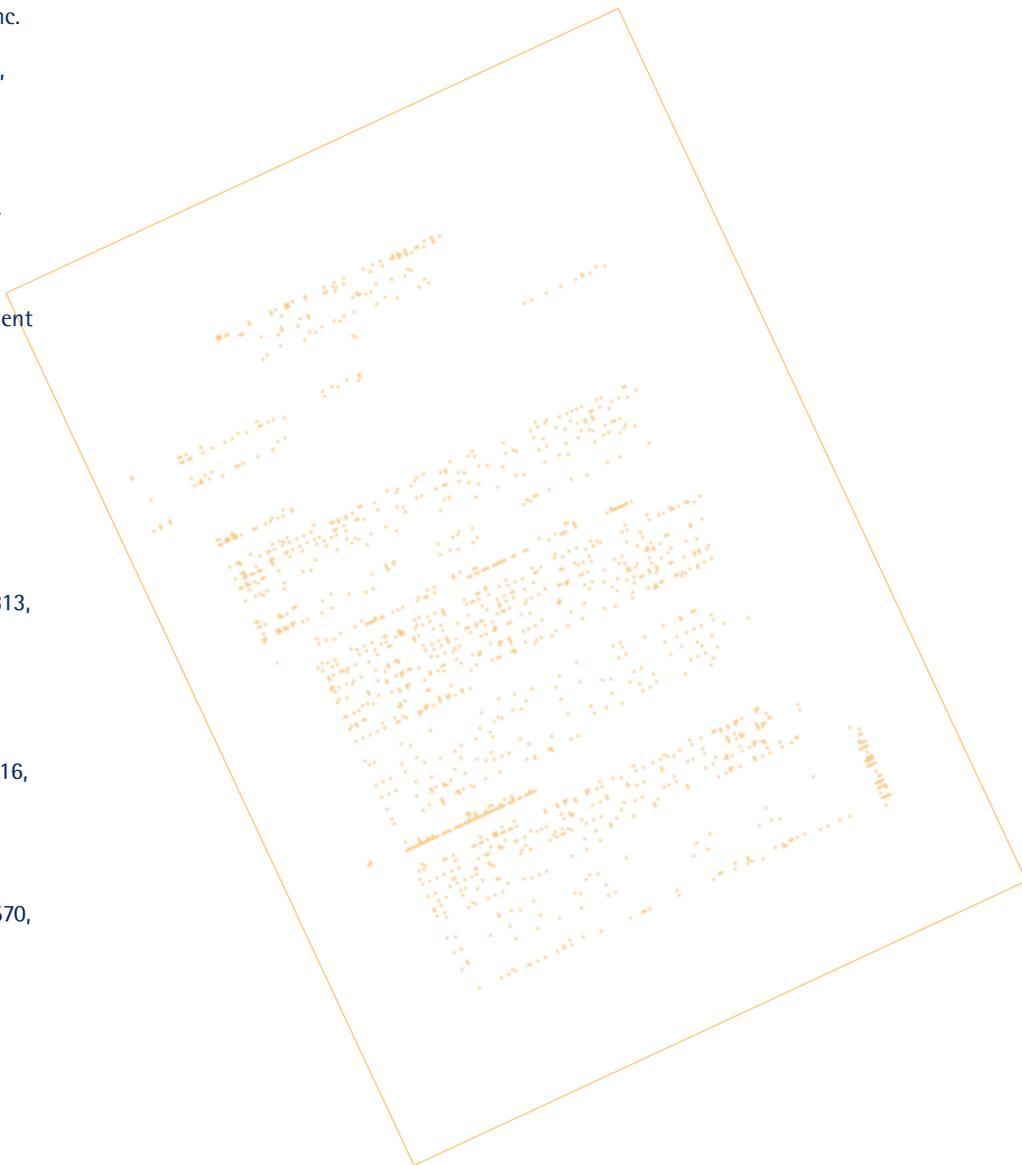
²²⁷ Imperial Tobacco Ltd., Matinée Extra Mild Creative Phase 2 Rationale, *RJR-Macdonald Inc. v. Canada* (Attorney General), quoted in R. Cunningham, *Smoke and Mirrors—The Canadian Tobacco War*, International Development Research Centre, 1996, pp. 177-178.

²²⁸ BAT, 4 April 1979, Litigation Usage, Minnesota Trial Exhibit 11,350, <http://www.tobaccodocuments.org>, (Roswell Collection), Bates Number 109883101-03.

²²⁹ C. Leiber, Philip Morris Asia, Inter-Office Correspondence, 25 October 1989, <http://www.pmdocs.com/getallimg.asp?DOCID=2504034812/4813>, Bates Number 2504034812-13.

²³⁰ D. Tso, 1981-1985 Five Year Plan—Marketing, Planning Inter-Office Correspondence, 25 September 1980, <http://www.pmdocs.com/getallimg.asp?DOCID=2504011906/1916>, Bates Number 2504011906-16.

²³¹ T. Ricke, "USTR Support Plan," Inter-Office Correspondence, 19 June 1989, <http://www.pmdocs.com/getallimg.asp?DOCID=2023263568/3570>, Bates Number 2023263568-70.



15. Youth Smoking

For many years, the tobacco industry has pledged its unequivocal opposition to youth smoking and its commitment to reducing it. However, its private comments quoted below illustrate how disingenuous these pledges have always been. The fact is that cigarette companies are addicted to underage smoking. Almost 90 percent of all regular smokers begin at or before age 18, and hardly anybody tries a first cigarette outside of childhood.²³² In other words, if large numbers of kids did not try smoking, become regular users, and turn into addicted adult smokers, the big cigarette companies would eventually not have enough adult customers to stay in business. In summary, marketing to youth is a commercial imperative for successful operation of a tobacco business because:

- New entrants to the market are needed to replace adult quitters or those that have died.
- New entrants are overwhelmingly drawn from the under 18 age group.
- Brand loyalty is formed early.
- Once formed, brand loyalty is hard and expensive to change.
- Early choice of brand generates revenue from smokers as they age.
- It follows, therefore, that marketing to teenagers is important for the viability of the industry as a whole and for success within the industry.

"Younger adult smokers have been the critical factor in the growth and decline of every major brand and company over the last 50 years... If younger adults turn away from smoking, the Industry must decline, just as a population which does not give birth will eventually dwindle."²³³

(R.J. Reynolds, 1984)

"The loss of younger adult males and teenagers is more important to the long term, drying up the supply of new smokers to replace the old. This is not a fixed loss to the industry: its importance increases with time."²³⁴

(R.J. Reynolds, 1982)

"...the base of our business is the high school student."²³⁵

(Lorillard, 1978)

An R.J. Reynolds marketing plan for 1975 outlines "Key Opportunity Areas" to

"Increase our young adult franchise....[I]n 1960, this young adult market, the 14-24 age group, represented 21% of the population....[T]hey will represent 27% of the population in 1975. They represent tomorrow's cigarette business. As this 14-24 age group matures, they will account for a key share of the total cigarette volume—for at least the next 25 years.... Thus our strategy becomes clear for our established brands: Direct advertising appeal[s] to the younger smokers..."²³⁶

(R.J. Reynolds, 1974)

Another Reynolds document recognizes the importance of a new brand targeted at youth:

"Evidence is now available to indicate that the 14-18-year old group is an increasing segment of the smoking population. RJR-T must soon establish a successful new brand in this market if our position in the industry is to be maintained over the long term."²³⁷

(R.J. Reynolds, 1976)

"Generally speaking in Asia, the full flavour segment is declining.... Despite that, Marlboro Red's share of young adults and beginners is up everywhere which is encouraging."²³⁸

(Philip Morris, 1994)

For the industry, therefore, it is imperative to target young smokers, although it frustrates them that in many countries they cannot directly advertise to them:

"It should be said that we are presently, and I believe unfairly, constrained from directly promoting cigarettes to the youth market. [I]f our company is to survive and prosper, over the long term we must get our share of the youth market....Thus we need new brands designed to be particularly attractive to the young smoker, while ideally at the same time appealing to all smokers....Perhaps these questions may be best approached by consideration of factors influencing pre-smokers to try smoking, learn to smoke, and become confirmed smokers."²³⁹

(R.J. Reynolds, 1973)

The industry has spent a huge amount of time studying what makes teenagers smoke. As Philip Morris researcher Myron E. Johnston wrote in a report that analyzed data on people as young as 12,

"It is important to know as much as possible about teenage smoking patterns and attitudes. Today's teenager is tomorrow's potential regular customer, and the overwhelming majority of smokers first begin to smoke while in their teens....[I]t is during the teenage years that the initial brand choice is made: At least a part of the success of Marlboro Red during its most rapid growth period was because it became the brand of choice among teenagers who then stuck with it as they grew older."²⁴⁰

(Philip Morris, 1981)

Imperial Tobacco in Canada also employed market research consultants to see why people smoked:

"Since how the beginning smoker feels today has implications for the future of the industry, it follows that a study of this area would be of much interest. Project 16 was designed to do just that—to learn everything there was to learn about how smoking begins, how high school students feel about being smokers, and how they foresee their use of tobacco in the future."²⁴¹

(Imperial Tobacco, 1977)

Philip Morris tried to investigate whether hyperactive children would be more likely to start smoking than "normal" children in an attempt to self-medicate with nicotine, but was hampered in its efforts to get access to school records:

"We have been seeking a data source to provide us with a large sample of hyperactives who, at the time of their diagnosis, were too young to be smokers. We would then track these children until they reached smoking age, and compare the proportion of

smokers among them with the proportion among a control group....Although school system records would seem best suited for such research...restrictions on access to records, on the length of time records can be kept, on the type of records which can be kept, and on the use of children in research without the informed consent of their parents will keep us out of the school systems until the rules are rewritten."²⁴²

(Philip Morris, 1977)

The industry has spent a huge amount of time and money working out the image that brands must convey to entice youngsters to smoke them. It markets cigarettes as a statement of individuality, rebellion, and a right of passage to adulthood to youngsters looking for reassurance and an identity:

"A new brand aimed at the young smoker must somehow become the 'in' brand and its promotion should emphasise togetherness, belonging and group acceptance, while at the same time emphasising individuality and 'doing one's own thing'....The teens and early twenties are periods of intense psychological stress, restlessness, and boredom. Many socially awkward situations are encountered. The minute or two required to stop and light a cigarette, ask for a light, find an ash tray, and the like provide something to do during periods of awkwardness and boredom....The fragile, developing self-image of the young person needs all of the support and enhancement it can get....This self-image enhancement effect has traditionally been a strong promotional theme for cigarette brands and should continue to be emphasised....[A] careful study of the current youth jargon, together with a review of currently used high school American history books and like sources for valued things, might be a good start at finding a good brand name and image theme. This is obviously a task for marketing people, not research people."²⁴³

(R.J. Reynolds, 1973)

"The first cigarette is a noxious experience to the novice. To account for the fact that the beginning smoker will tolerate the unpleasantness we must invoke a psychological motive. Smoking a cigarette for the beginner is a symbolic act. I am no longer my mother's child, I'm tough, I am an adventurer, I'm not square. Whatever the individual intent, the act of smoking remains a symbolic declaration of personal identity....As the force from the psychological symbolism subsides, the pharmacological effect takes over to sustain the habit."²⁴⁴

(Philip Morris, 1969)

The advertising agency, Ted Bates, explains how to market to children—by positioning the product as "adult":

"In the young smoker's mind, a cigarette falls into the same category with wine, beer, shaving, wearing a bra (or purposely not wearing one), declaration of independence, and striving for self-identity....Thus, an attempt to reach young smokers, starters, should be based, among others, on the following major parameters:

- Present the cigarette as one of the few initiations into the adult world.
- Present the cigarette as part of the illicit pleasure category of products and activities.
- In your ads create a situation taken from the day-to-day life of the young smoker but in an elegant manner have this situation touch on the basic symbols of the growing-up, maturity process.
- To the best of your ability, (considering some legal constraints), relate the cigarette to pot, wine, beer, sex, etc."²⁴⁵

(1975)

Of course the tobacco industry would like people to believe that internal documents discussing the

targeting of young people reflect “the old way of doing business” and that it has changed its ways. Yet recent documents show that it’s business as usual. A 1998 Rothmans document shows why marketing is so essential for motivation of the young smoker:

“Young adult smokers looking for reassurance that they are doing the right thing...Young adult smokers are also searching for an identity. Cigarettes have a key role to play as they are an ever-present statement of identity. By inference, if a brand of cigarettes does not convey much in the way of image values, there may well be little reason for a young adult smoker to persist with or adopt the brand. Strong image values can help establish an identity; weak image values are of no use.”²⁴⁶

(Rothmans, 1998)

Indeed, an advertising agency hired by Gallaher discloses how

“Smoking for these people is still a badge. A sign of maturity, discernment and independence.”²⁴⁷

(1995)

The same ad agency asks,

“What do we want this work to achieve? We want more 18–34 year old blokes smoking B&H [Benson & Hedges] than ever before. We want to see these dudes ripping-up packets of Marlboro and Camel and treating them with the disdain that second rate, American filth deserves. For Christ’s sake what the hell are people doing smoking brands that are made to be smoked by ‘cowhands’ and not by the youth of the trendiest, coolest, most happening country in the world. In many ways this brief is really a charity brief. Trying to help people recognise the error of their ways, thinking they are being cool smoking what Roy bloody Rogers smoked, and opening their eyes to the unchallengeable

truth that the coolest smoke in the world is a B&H.”²⁴⁸

(1998)

One R.J. Reynolds document discusses YAX, the company’s inside term for “young adult smoker brand”:

“Premise: A brand that helps provide the younger adult smoker with peace of mind and a sense of well-being by representing appealing forms of escape.

“POSITIONING HYPOTHESIS...

A brand that stands for the joy, closeness, and sense of belonging of male/female relationships via intimate and/or romantic situations will be perceived by younger adult smokers as contributing to their sense of well-being...A brand that stands for financial security via achievable wealth-oriented imagery will be perceived by younger adults as contributing to their sense of well-being...A brand that stands for good times and belonging via fun, group situations will be perceived by younger adult smokers as contributing to their sense of well-being.”²⁴⁹

(R.J. Reynolds, 1983)

Terence Sullivan, a sales representative for R.J. Reynolds, says:

“We were targeting kids, and I said at the time it was unethical and maybe illegal, but I was told it was just company policy.”

Sullivan remembers someone asking who exactly were the young people that R.J. Reynolds was targeting—junior high school kids or even younger? The reply was “They got lips? We want them.”²⁵⁰

(1990)

Tobacco company sponsorship of Formula One motor racing is designed to target the youth market:

“Motorsports Overall Objectives... To look at current and new program opportunities to extend our reach with starters and young adult smokers... Formula 1 Marketing Strategy Media:

Focus on TV, cinema, and innovative outdoor campaigns; explore new programming, e.g., MTV.”²⁵¹

(Philip Morris, 1991)

According to marketing specialists working for the tobacco industry, Formula One sponsorship would help make Gallaher’s UK Benson & Hedges brand more youthful, dynamic, and exciting. The image of Formula One is “international, glamorous, challenging, fast, furious, dangerous, living life to the full and living life on the edge.” Indeed,

“...[B]y sponsoring Formula One respondents claimed it made them believe that Benson & Hedges was a big, major league, very powerful brand with plenty of money. It also lent associations to the brand with young, fast, racy, adult, exciting, aspirational but attainable environments. It was coherent with all that respondents knew of the brand but also extended associative territory to make the brand more youthful, more dynamic, and more exciting.”²⁵²

(Colquhoun Associates for Gallaher, 1996)

Gordon Watson, general manager of BAT in Hong Kong, on sponsorship of the Macau Grand Prix:

“We’re not handing out money for nothing. We have gone into this very thoroughly and the entire JPS publicity is built around motor racing, seen as a fast, exciting, trendy sport for the young and, if you like, the young at heart. That’s who we are aiming at in the local market and early indications are that we’re on target.”²⁵³

In order to deflect growing criticism about their deliberate targeting of young people, the tobacco companies have recently pledged their opposition to youth smoking and their commitment to reducing it through designing and funding youth prevention programs. However, the evidence from tobacco industry documents suggests that companies have conceived,

lobbied for, and funded youth prevention programs as a public relations strategy to forestall regulation:

"...a program to discourage teens from smoking (an adult decision) might prevent or delay further regulation of the tobacco industry."²⁵⁴

(Tobacco Institute, 1982)

"As we discussed, the ultimate means for determining the success of this [youth] program will be: 1) A reduction in legislation introduced and passed restricting or banning our sales and marketing activities; 2) Passage of legislation favourable to the industry; 3) Greater support from business, parent, and teacher groups."²⁵⁵

(Philip Morris, 1991)

A 1994 memo from Philip Morris Latin America makes clear the industry's motivation for launching its youth programs:

"Increasing pressure from anti-tobacco forces in Latin America has created the need to explore various options to counter negative publicity.... Taking into consideration the emerging adverse legislative climate in the region, we have an opportunity to create good will for the tobacco industry by going public with a campaign to discourage juvenile smoking."²⁵⁶

(Philip Morris, 1994)

Indeed, the companies are sometimes quite explicit about the fact that their supposed "antismoking" advertisements in fact attract children to smoking. In the mid-1990s, for example, Philip Morris hired the Leo Burnett advertising agency to develop a commercial using animated characters that could be used throughout Latin America. The firm developed a sample ad using a "family" of animated matches. A report summarizing audience reactions in Brazil to the "Matches" commercial said that

"Its impact may even induce the feeling (mainly among nonsmokers)

that this television commercial is a warning against smoking, an anti-smoking campaign....This educational aspect clashes at times with the promotion of cigarettes and, consequently, evokes and/or suggests a stimulus for consumption, such as the lighted match and the Cigarette Industry as a sponsor....If this ambiguity may at first negatively affect the commercial, it is at the same time its strong element... It sells cigarettes as an option and not as a fad, in addition to having an educational appeal which aims at enlightening and not prohibiting. The commercial is aimed at teenagers and, on a lesser scale, at parents. The presentation in the form of a cartoon is attractive and, due to its childish character, it will hopefully attract children's attention....Indications are that this advertisement will distinguish the manufacturer from its competitors and improve its image before the public in general."²⁵⁷

(Philip Morris, 1994)

Of course, the tobacco companies are very particular about what types of youth programs they will support and which kind they will not:

"[Brown & Williamson] will not support a youth smoking program which discourages young people from smoking."²⁵⁸

(Tobacco Institute, 1983)

A 1992 Corporate Affairs Plan from Philip Morris Australia identifies youth programs as a way to counter the domestic antismoking movement:

"The industry has been reactive and aggressive in tone. It generally lacks support, allowing the anti's to effectively keep the focus on the health issue. The implications of Australian antismoking activity are significant because Australia serves as a seedbed for anti-smoking programs around the world."

To reverse these trends and "Make PM [Philip Morris] the 'respon-

sible' tobacco company," the plan calls for the company to

"Get politicians to 'force' action on the industry via...youth 'non smoking' campaign."²⁵⁹

(Philip Morris, 1982)

A 1991 Tobacco Institute memo provides further insight into the industry's motives for sponsoring youth programs:

"The youth program and its individual parts support the [Tobacco] Institute's objective of discouraging unfair and counterproductive federal, state and local restrictions on cigarette advertising, by:

- Reinforcing the belief that peer pressure—not advertising—is the cause of youth smoking.
- Seizing the political center and forcing the antismokers to an extreme....

The strategy is fairly simple:

- Heavily promote industry opposition to youth smoking.
- Align industry with broader, more sophisticated view of the problem, i.e., parental inability to offset peer pressure.
- Work with and through credible child welfare professionals and educators to tackle the 'problem'.
- Bait anti-tobacco forces to criticize industry efforts. Focus media attention on anti's' extremism. Anticipate and blunt anti's' strongest points.
- Establish the sense of a growing, well-accepted program by encouraging a proliferation of small, local projects, and appropriate co-ventures with other TI allies. Avoid dependency on any one organization...."²⁶⁰

(Tobacco Institute, 1991)

In addition to so-called youth smoking programs, the industry has been promoting ineffective youth access measures. In 1995, a Philip Morris executive stated that

"If we don't do something fast to project the sense of industry responsibility regarding the youth access issue, we are going to be looking at severe marketing restrictions in a very short time. Those restrictions will pave the way for equally severe legislation or regulation on where adults are allowed to smoke."²⁶¹

(Philip Morris, 1995)

However, her colleague added,

"If we can frame proactive legislation or other kinds of action on the Youth Access issue...we will be protecting our industry for decades to come."²⁶²

(Philip Morris, 1995)

²³² *Preventing Tobacco Use Among Young People: A Report of The Surgeon General*, 1994.

²³³ D. Burrows, "Strategic Research Report: Young Adult Smokers—Strategies and Opportunities," R.J. Reynolds Marketing Research, 29 February 1984, Bates Number 501431519-10.

²³⁴ D. Burrows, "NBER Models of Price Sensitivity by Age/Sex," R.J. Reynolds Marketing Development Department letter, 6 October 1982, Bates Number 513318391.

²³⁵ T.L. Atchley, "Product Information," Memo to C.L. Judge, 30 August 1978, <http://www.lorillarddocs.com/>, Bates Number 03537131-32.

²³⁶ R.J. Reynolds, "1975 Marketing Plans Presentation," 30 September 1974, Minnesota Trial Exhibit 12,493.

²³⁷ R.J. Reynolds Tobacco Co. Research Department, "Secret Planning Assumptions and Forecast for the Period 1976-1986," 15 March 1976.

²³⁸ "Summary of the Key Conclusions of Our Worldwide Review of the Issues Facing Marlboro," 1994, <http://www.pmdocs.com/getallimg.asp?DOCID=2048237361/7370>.

²³⁹ C. Teague Jr., "Some Thoughts About New Brands of Cigarettes for the Youth Market," 2 February 1973, <http://www.rjrtdocs.com/>, Bates Number 505101981-1992

²⁴⁰ M. Johnston, "Re: Young Smokers—Prevalence, Trends, Implications, and Related Demographic Trends," 31 March 1981, Minnesota Trial Exhibit 10,339, http://www.tobacco.neu.edu/mn_trial/, Bates Number 1000390803-55.

²⁴¹ Kwechansky Marketing Research, "Project 16," Report for Imperial Tobacco Ltd., 18 October 1977, Exhibit AG-216, *RJR-MacDonald Inc. v. Canada* (Attorney General), quoted in R. Cunningham, *Smoke and Mirrors—The Canadian Tobacco War*, International Development Research Centre, 1996, pp. 166-167.

²⁴² R. David, W.L. Dunn, A. Finch, E. Gay, and F. Ryan, "Smoker Psychology Behavioral Research Annual Report," 13 June 1977, <http://www.pmdocs.com/getallimg.asp?DOCID=2048370187/0190>, Bates Number 2048370187-90.

²⁴³ C. Teague Jr., "Some Thoughts About New Brands of Cigarettes for the Youth Market," 2 February 1973, <http://www.rjrtdocs.com/>, Bates Number 505101981-1992.

²⁴⁴ T. Osdene, "Why One Smokes, First Draft, 1969," http://www.tobacco.new.edu/mn_trial/, Trial Exhibit 3681, Bates Number 1003287836-48.

²⁴⁵ Ted Bates (advertising agency) New York, "What We Have Learned from People: A Conceptual Summarization of 18 Focus Group Interviews on the Subject of Smoking," 26 May 1975, Marketing and Research Counselors Inc., New York, quoted in Cancer Research Campaign and ASH, *Danger! PR in the Playground—Tobacco Industry Initiatives on Youth Smoking*, October, 2000, p. 18; see <http://www.ash.org.uk>.

²⁴⁶ Rothmans (UK) Marketing Services, "Young Adult Smokers: Smoking Behaviour and Lifestyles 1994-97," October 1998.

²⁴⁷ Benson & Hedges: Creative Brief, 8 February 1995, Submission from CDP to the Health Select Committee, House of Commons—Gallaher Brief 1995, quoted in G. Hastings and L. MacFadyen, *Keep Smiling, No One's Going to Die: An Analysis of Internal Documents From the Tobacco Industry's Main UK Advertising Agencies*, The Centre for Tobacco Control Research and the Tobacco Control Resource Centre, 2000, p. 17; see <http://www.tobacco-control.org>.

²⁴⁸ Submission from CDP to the Health Committee House of Commons—Gallaher Creative Briefs, 1998, <http://www.parliament.the-stationery-office.co.uk/pa/cm199900/cmselect/cmhealth/27/27ap29.htm>.

²⁴⁹ R.J. Reynolds, "RJR Project YAX: Premise and Hypothesis Statements," 1983, <http://www.rjrtdocs.com/>, Bates Number 502761709-14.

²⁵⁰ Quoted in P.J. Hiltz, *Smokescreen—The Truth Behind the Tobacco Industry Cover-Up*, 1996, Addison Wesley, pp. 96-98.

²⁵¹ Philip Morris, "Motorsports Sponsorship Marketing Review," December 1992, <http://www.pmdocs.com/>, Bates Number 2501058649/8680.

²⁵² Colquhoun Associates, "Brand equity check for Benson & Hedges in conjunction with exploration of the Gratis catalogue loyalty scheme: The qualitative research summary report," prepared for Gallaher, June 1996.

²⁵³ Quoted in R. Parke, "Masterminding a Special Gamble," *South China Morning Post*, 18 November 1984.

²⁵⁴ Tobacco Institute, "The Development of Tobacco Industry Strategy," 16 April 1982, <http://www.lorillarddocs.com/getallimg.asp?DOCID=03673753/3762>.

²⁵⁵ J.J. Slavitt, "TI Youth Initiative," 12 February 1991, <http://www.pmdocs.com/getallimg.asp?DOCID=2500082629>.

²⁵⁶ C.L. Leiber, "Youth Campaign for Latin America," 23 September 1994, <http://www.pmdocs.com/getallimg.asp?DOCID=2503016523/6524>.

²⁵⁷ Philip Morris, "PMI 'Matches' Copy Research," 1994, <http://www.pmdocs.com/getallimg.asp?DOCID=2503007035/7037>, Bates Number 2503007035/7037.

²⁵⁸ Tobacco Institute memo, 1983, quoted in *US News & World Report*, 4 May 1998.

²⁵⁹ "Philip Morris Corporate Affairs Plan, Philip Morris (Australia) Ltd.," 19 October 1992, <http://www.pmdocs.com/getallimg.asp?DOCID=2023240608-27>.

²⁶⁰ Tobacco Institute, "Discussion Paper," 1991, Bates Number TIMN 0164422.

²⁶¹ Philip Morris, Third Draft of a Speech, JJM to PM Invitational, Importance of Youth Issue, 10 February 1995, <http://www.pmdocs.com/getallimg.asp?DOCID=2044046017/6022>, Bates Number 2044046017-22.

²⁶² *Ibid.*

Epilogue—Has the Tobacco Industry Changed?

For the past 50 years, top tobacco industry executives have faced a dilemma—how to reconcile what their scientists were telling them privately about health and addiction with what they were saying publicly. For decades, the companies stood together, denying every accusation thrown at them. When faced with political or legal challenges, the industry made pious announcements that turned out to be nothing more than empty public relations gestures. But there came a point when the overwhelming weight of independent evidence meant that the “deny everything at all costs” strategy simply became untenable. This fact has been understood within the industry for more than 20 years. Take this secret BAT 1980 memo:

“The company’s position on causation is simply not believed by the overwhelming majority of independent observers, scientists and doctors.... The industry is unable to argue satisfactorily for its own continued existence, because all arguments eventually lead back to the primary issue of causation, and at this point our position is unacceptable....[O]ur position on causation, which we have maintained for some twenty years in order to defend our industry is in danger of becoming the very factor which inhibits our long term viability....On balance, it is the opinion of this department that we should now move to position B, namely, that we acknowledge ‘the probability that smoking is harmful to a small percentage of heavy smokers’....By giving a little we may gain a lot.

By giving nothing we stand to lose everything.”²⁶³

(BAT, 1980)

A defining moment for the industry came in the mid-1990s, when internal tobacco documents, a tiny sample of which appear in this report, found their way into the public domain. The documents exposed the lies that the industry had promoted for so long and forced a change in the public position of the industry. Over the past five years many of the leading cigarette manufacturers have been forced to issue new policy positions on smoking and health issues.

These positions have been accompanied by a barrage of industry propaganda stating that the industry has seen the error of its ways and can now be trusted. In essence, the companies are asking for a second chance. As a Philip Morris Asia executive put it in 1999:

“All that our industry can rightfully ask is that society give us a chance, give us some time, and judge us over the long term by our actions...and on the public’s perception of our industry that results from them.”²⁶⁴

Many of the companies have posted slick Web sites to tell the public how they are now “responsible” manufacturers of a “risky product” in a “controversial industry.” Understandably, these changes have not been met with much enthusiasm. In the words of the influential UK Health Select Committee:

“It seems to us that the companies have sought to undermine the

scientific consensus until such time as that position appears ridiculous. So the companies now generally accept that smoking is dangerous (but put forward distracting arguments to suggest that epidemiology is not an exact science, so that the figures for those killed by tobacco may be exaggerated); are equivocal about nicotine’s addictiveness; and are still attempting to undermine the argument that passive smoking is dangerous. The current exceptions to this—based on the evidence they gave us—are firstly Philip Morris who claim no longer to comment on these issues except to protect themselves in law and secondly Imperial who claim not to know whether smoking is dangerous or nicotine addictive.”²⁶⁵

So has the industry really changed, or are these new policy positions purely public relations puffery? In October 1999, Philip Morris announced that

“Philip Morris has decided it will no longer publicly debate whether smoking causes disease in smokers, or is addictive, except as necessary in the courtroom or other forums in which we are required to do so. In today’s environment, we don’t think it’s in the public interest—or frankly in the interest of our company, or the industry—to engage in public debates on these topics. Our approach is to support a single consistent message on these issues which adult consumers should rely on in making all smoking related decisions.”²⁶⁶

The company then posted on its website a statement seemingly accepting the medical and scientific consensus that cigarette smoking is addictive and causes lung cancer and other diseases. But old habits die hard, and after the statement garnered significant publicity, Philip Morris executives and attorneys repeatedly stated that the company still does not accept these scientific conclusions. In fact, only a month after it posted its "new" position, Philip Morris stated, in sworn court documents in the state of New York, that "nicotine in cigarettes is not 'addictive' under objective, scientifically verifiable pharmacological criteria used to define that term."

The company went on to say that while it admitted that cigarette smoking is a "risk factor for, and may in fact cause, certain kinds of diseases in humans...it has not been scientifically established whether cigarette smoking causes any of these diseases in humans."

Brown & Williamson also issued a new statement because the company realized that its policy of denial was actually causing more harm than good. "Articulation of our position had become an obstacle to working with the government, the public health community and in communicating with the public," said B&W.²⁶⁷

This said, the company still tries to fudge the health issue:

"The percentage of smokers developing diseases like lung cancer also varies between different populations. Nevertheless, for certain diseases, including lung cancer, studies in the U.S. and elsewhere indicate that the risks are strong and consistent. This suggests that smoking is a cause of (or a contributor to) disease in humans. However, we know of no way to verify that smoking is a cause of any particular person's adverse health or why smoking may have adverse health effects on some people and not others."²⁶⁸

And B&W still denies that the company had ever manipulated nicotine levels:

"Cigarettes are made from natural materials that are inherently variable. However, Brown & Williamson, like every cigarette manufacturer, uses technological means to manufacture consistent products. Nicotine levels are measured to ensure product consistency and that published figures are correct. The allegation that we alter the amount or nature of nicotine in order to addict smokers is simply not true; neither are the allegations that cigarettes are 'spiked' with added nicotine."²⁶⁹

The company also continues to reiterate the old canard that tobacco sponsorship is only about brand recognition:

"Sponsorships provide a public service by funding an event, such as a music concert or sports contest, for enjoyment by the public. Cigarette sponsorships encourage the recognition of Brown & Williamson brands rather than competitive brands of cigarettes and serve a role in building brand image."²⁷⁰

Other companies, while trying to appear responsible, have not really changed at all. B&W's parent, BAT, still denies that ETS is a health problem. "The claim that ETS presents a health hazard is not supported by the science," says BAT.²⁷¹ Gallaher's position on ETS is similar:

"Whilst readily accepting that environmental tobacco smoke can be a source of considerable annoyance to non smokers, the conclusions reached by those in the public health community appear to be based upon weak and inconclusive science."²⁷²

Likewise with smoking and addiction, many of the companies either deny the claim or fudge the issue. According to Ian Birks of Gallaher,

"The confusion in the debate is when we get to the use of the word addiction because it is an emotive word. It is a word which tends to get used in many different ways... We know of people who are addicted to soap operas, tea, coffee, cream cakes, chips, etc. The difficulty is that when the word is used broadly to describe all kinds of behavioural habits, then clearly smoking is a habit. It can be a strong habit for some people, but we reject the fact that people are addicted to smoking and cannot stop smoking because they can and do."²⁷³

BAT also fudges the issues by arguing that "people say they are addicted to particular foods, using the internet, taking exercise, watching certain television programmes, or even to working."²⁷⁴

Gareth Davis, the CEO of Imperial, also denies that smoking is addictive, saying that smoking "does not conform to what I see as addictive."²⁷⁵ Davis also dismisses 40 years of evidence showing that smoking causes cancer:

"I do not think that we can say that it [smoking] is safe or unsafe... [W]e do not know whether it is safe or unsafe." He added that "we do not agree that smoking has been shown to be a cause [of certain diseases]."²⁷⁶

And, just as some companies still deny that smoking is dangerous, others working for the industry deny that they have ever deceived the public. In March 2001, the latest trial in the United States against the cigarette industry started. New York's largest insurer, Empire Blue Cross and Blue Shield, accused the tobacco industry of driving up health care costs with a 40-year campaign of deception. However, the lead defense attorney for Philip Morris said that the cigarette companies had never conspired to mislead the public about the health hazards of smoking:

"It isn't so; it didn't happen."²⁷⁷

So as the companies try to rewrite the past and deny the facts of the present, they want to be trusted to regulate themselves. When BAT released a statement in the year 2000 detailing what it called a "quantum leap" for tobacco regulation, it turned out to be nothing more than another call for voluntary agreements rather than comprehensive regulation. The company's continued resistance to binding regulation and legislation is consistent with the industry's efforts not to be held accountable for the death and disease that its products cause. Experience in country after country has shown that voluntary codes, whether on advertising or disclosure, simply do not work. The industry favors voluntary codes because they can be subverted and violated without any risk of sanction.

Evidence of the tobacco industry's continued resistance to effective regulation is reflected in its stance on WHO's Framework Convention on Tobacco Control currently being negotiated in Geneva. In the words of BAT:

"The WHO, in its Framework Convention on Tobacco Control, is attempting to develop a comprehensive and legally binding international treaty that seeks to deny access to a legal product enjoyed by hundreds of millions of adult smokers around the world....Forcing farmers to replace crops, creating a complete ban on any in-store product, and to cap it all, classification of the cigarette as a pharmaceutical product!....In short, the implication is that we, as an industry, don't take our social and economic responsibility seriously, that we aren't capable of pro-active self-regulation, and that we need to be nannied by governments. We know that this is not the case and it is now up to us to correct these misconstrued views of our industry. It is time to push back—and we need to make our case, in a compelling way."²⁷⁸

The tobacco industry is asking governments and the public to trust it,

yet it has done nothing to earn that trust. In effect, the industry is saying "this time, we really mean it." Unfortunately, these companies have said the same thing before when faced with real threats to their profits. If the nations of the world cannot once and for all conclude that the tobacco industry should not be trusted, they will continue to suffer the disease, death, and disability caused by the industry's promotion of its products and its search for profit.

²⁶³ BAT, "Secret—Appreciation," 16 May 1980, Bates Number 109881322-31.

²⁶⁴ E. Woodward, "Examining the Key Issues Facing the Asian Tobacco Industry As It Gears up for the New Century," Presentations at the World Tobacco Trade Fair held in Hong Kong, October 1999.

²⁶⁵ <http://www.parliament.the-stationery-office.co.uk/pa/cm199900/cmselect/cmhealth/27/2702.htm>.

²⁶⁶ E. Woodward, "Examining the Key Issues Facing the Asian Tobacco Industry As It Gears up for the New Century," Presentations at the World Tobacco Trade Fair held in Hong Kong, October 1999; <http://www.globalink.org/gt/ap-docs/9911yu/3.htm>.

²⁶⁷ See <http://www.bw.com>.

²⁶⁸ Ibid.

²⁶⁹ See <http://www.bw.com>.

²⁷⁰ See <http://www.bw.com>.

²⁷¹ <http://www.parliament.the-stationery-office.co.uk/pa/cm199900/cmselect/cmhealth/27/2702.htm>.

²⁷² See <http://www.gallaher-group.com>.

²⁷³ <http://www.parliament.the-stationery-office.co.uk/pa/cm199900/cmselect/cmhealth/27/2702.htm>.

²⁷⁴ <http://www.parliament.the-stationery-office.co.uk/pa/cm199900/cmselect/cmhealth/27/2702.htm>.

²⁷⁵ A. Clark, "The Smoker's Smoker," *The Guardian*, 17 March 2000.

²⁷⁶ <http://www.parliament.the-stationery-office.co.uk/pa/cm199900/cmselect/cmhealth/27/2702.htm>.

²⁷⁷ "Tobacco Industry Denies Deceiving Public at Brooklyn Trial," *Dow Jones Newswires*, 27 March 2001.

²⁷⁸ Speech for Mr. Ooi Wei-Ming on behalf of British American Tobacco at the World Tobacco Symposium and Trade Fair 1999, <http://www.globalink.org/gt/ap-docs/9911yu/2.htm>.

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United Kingdom, 8, 14, 23, 28, 35, 47
United States, 20, 27, 30, 35, 37, 48
Venezuela, 10
West Africa, 34
Yugoslavia, 20
Zaire, 28
Zimbabwe, 13, 27, 28

Annex II:

Searching Tobacco Industry Documents: Basic Information, Steps, and Hints

As part of its settlement agreements with a number of U.S. states, the tobacco industry was forced to disclose millions of pages of internal documents, a large percentage of which are now publicly available on the World Wide Web. These documents have provided important revelations—from the tobacco industry's role in facilitating cigarette smuggling to industry efforts to enhance the addictiveness of cigarettes—that have helped spur legislative and regulatory action. The continuing challenge for tobacco control advocates is how to search through these documents, find the most relevant documents for legislative and regulatory efforts and then use them to good effect.

Document Web Sites for U.S.-based Tobacco Companies

There is a plethora of document Web sites, some more user-friendly than others. The U.S. Centers for Disease Control and Prevention (CDC) has compiled links to all of the major document sites at: <http://www.cdc.gov/tobacco/industry-docs/docsites.htm>. On this page one can find direct links and some search tips to a number of document sites, including:

- Brown & Williamson
(the U.S. subsidiary of British American Tobacco) <http://www.bw.aalatg.com/>
- Council for Tobacco Research
<http://www.ctr-usa.org/ctr/>
- Lorillard Tobacco Company
<http://www.lorillarddocs.com/>
- Minnesota Blue Cross/Blue Shield Tobacco Litigation
<http://www.cdc.gov/tobacco/industrydocs/mnbluecross.htm>
- R.J. Reynolds Tobacco Company
<http://www.rjrtdocs.com/rjrtdocs.com/frames.jsc>
- Philip Morris
<http://www.pmdocs.com>
- The Tobacco Institute <http://www.tobaccoinstitute.com/>
- University of California at San Francisco's Brown & Williamson Collection
<http://galen.library.ucsf.edu/tobacco/bw.html>

U.S. Committee on Commerce Document Website <http://www.house.gov/commerce/TobaccoDocs/documents.html>

Other Important Sites:

- <http://www.tobaccodocuments.org>
A meta-site that allows you to search multiple Web sites at once as well as look at various collections that researchers have compiled.
- <http://www.ash.org.uk/links/industry.html>
Links to document sites and compilations of quotes from industry documents

British American Tobacco Documents:

British American Tobacco (BAT) was allowed to place its documents in a separate repository in Guildford, England rather than placing them online.²⁷⁹ A limited subset of these documents can be found online at:

- <http://www.cctc.ca>
and
<http://outside.cdc.gov:8080/BASIS/ncttd/web/guildford/sf>

Getting Started

For beginners, the Philip Morris site is one of the easiest to use and contains a large number of useful documents. Becoming proficient with this site first will help advocates better understand the more difficult sites.

How to Begin:

The best way to explain how to use the document sites is to start with an example. Let's say you want to know about Philip Morris's marketing plans in China. If you go to the Philip Morris document site, <http://www.pmdocs.com> and type the word "China" as your search criteria, you will find this search returns 2,231 documents—clearly too many to look through. To narrow your search further, add the phrase "and marketing" to the search criteria. A search of "China and marketing" returns 108 documents. This is a much better, but still an unwieldy number. Let's say you first want to look at sports sponsorships. Add the word "sports" to the search criteria, so it reads "China and marketing and sports." This search will return 11 documents, including a 1991 marketing plan for Asia (<http://www.pmdocs.com/>

[getallimg.asp?DOCID=2504051352/1658](http://www.pmdocs.com/getallimg.asp?DOCID=2504051352/1658)), a 1994 plan to boost sponsorship of national and regional football in Asia (<http://www.pmdocs.com/getallimg.asp?DOCID=2504051355A/1404>) and a 1990 speech detailing Philip Morris's promotional activities in Asia, including sponsorships and point of sale promotions (<http://www.pmdocs.com/getallimg.asp?DOCID=2504034844/4875>).

Bear in mind that the search engines on the sites are only able to search the indices of the documents, rather than entire text of the document. Thus, those documents that contain the term "China" in the text, but not in the index, will not appear in a search for that term.

Search Tips and Tactics

When searching, keep a pad of paper handy to record code names of special projects, interesting terms, employee names and titles and other words that could aid in later searches.

Keywords:

Aside from specific search terms, there are some generic key words to keep in mind:

- "Memo" (written correspondence between company employees)
- "Plan" (can help you find countrywide marketing plans)
- "Letter" (written correspondence, usually with people outside the company)
- "Publication" (articles published in journals or other periodicals)
- "Article" (usually a newspaper or magazine article)
- "Telex" (the industry's word for e-mail as well as overseas telexes)
- "Confidential"—To help find the most confidential information, you can also try adding the terms "attorney work product" or just "work product" to your search criteria. Some of the most sensitive documents were given this designation in an attempt to shield them from the public.

- As you will find out when you start searching, the companies use code names and acronyms for many of their

campaigns, internal studies, and research projects. Examples include "Project 16," "Operation Downunder" and "FUBYAS" (an R.J. Reynolds acronym for "First Unbranded Young Adult Smokers"). These code names and acronyms can help you zero in on a particular project while excluding many extraneous documents.

- The courts have placed a unique "Bates Number" on each page of every document. These identifying numbers are stamped on the page, usually vertically, on the lower left corner of each document. Record the Bates numbers of important documents to use as references and make them easier to find again.
- Note the names and titles of the employees on the documents that you find. Often, one executive is put in charge of a company's political and/or marketing activities in a certain part of the world. Searching for documents authored by this person can reveal a cache of information about how the industry acted in certain countries. Also, these executives usually turned in regular reports to their headquarters about their division's activities. These reports can be a tremendous source of information.

Storing Documents for Later Use

The Philip Morris, Lorillard, and Tobacco Institute sites all allow you to "bookmark" documents. Any documents that you think are particularly important or that you might need in the future should be bookmarked. To do this, click the "view all pages" button, and then in your browser click the "add bookmarks" button. If you are using Internet Explorer it will prompt you to type in an identifying phrase into the "bookmark properties," whereas with Netscape you will have to go into the "edit bookmarks" section to type in the phrase. If you do not add these annotations, your bookmarks will just say "image viewer" and will not reflect the contents of the document itself, or even the title.

Where to Go for Further Help

The search instructions posted at each site contain basic information that every document researcher should read before searching. These contain vital instructions such as how to properly format search terms. Always read these instructions before proceeding! Consult the examples offered within them as your first step in addressing problems.

You may also be able to get assistance from other experienced researchers by joining the tobacco industry document discussion lists

"doc-talk" and "intldoc-talk" on the Web. To sign up for these lists, go to <http://www.smoke-screen.org>.

Technical Requirements

Internet Connection Speed:

Modem and telephone lines that support a 28.8 kbps (baud rate) should be adequate for viewing documents without being so slow as to be completely frustrating. At this speed, an average page of text should take between 5 and 7 seconds to load, while a 50-page document could take 6 to 8 minutes to load. Higher-speed internet connections (such as DSL, ISDN, satellite, or wireless services) offer faster download times but cost more and generally are available only in major urban centers.

Processing Speed:

To view the documents it is recommended that you have a minimum of 32 MB of RAM—upgrading the amount of RAM is relatively simple on most computers.

Software:

In order to view the documents, you will need a recent version of a Web browser such as - Internet Explorer (<http://www.microsoft.com/downloads/search.asp?>) or Netscape Navigator (<http://home.netscape.com/computing/download/>), which can be downloaded for free. You will also want a copy of Adobe Acrobat, a file-viewing program that can also be downloaded for free at (<http://www.adobe.com/products/acrobat/readstep.html>) The Brown & Williamson Web site requires its own unique viewer, which you can download free at that site.

Other Frequently Asked Questions

Q. How do I find a document if I only have the Bates number?

A. If, after typing in the Bates number on the appropriate site, you get the response "no records match your search", you'll need to try substituting a wildcard symbol (*) for the last digit in the Bates number. If that doesn't work, try substituting two wildcards for the last two digits of the number. The idea is to find numbers that are very close to the one you're looking for. Also, some sites respond to entering the Bates number of the starting page instead of the number for the entire document.

Q. Do all the sites respond to narrowing searches by using the word "and"?

A. No, on some sites you have to use a symbol (such as the "+" sign) to indicate the search term "and." Read the search directions on each site to find out whether words or symbols are used on each site for terms such as "and" or "or."

Q. How should I search for phrases, such as Philip Morris? Do I type in Philip Morris or Philip and Morris?

A. To find every occurrence of the company name Philip Morris you would type it exactly the way the name of the company appears. Likewise, if you want to find every occurrence of the two-word phrase political strategy, type the two words together just like that. However, if you want to find every document with both the words political and strategy contained somewhere in the description but not necessarily together, enter political and strategy as the search criteria.

Q. What about my privacy? Will the tobacco companies know it's me searching?

A. Visiting some of the sites will result in markers (or "cookies") being imbedded into your browser, which tells the companies where people go on the site and what they view. Currently there is no way of linking this information back to an individual, but cookies can be set up to identify the internet service provider you are using. All browsers allow you to either block cookies or delete them after each session.

Q. Is there any way to copy the text of a document into my word processor?

A. No, outside of retyping it verbatim. You should print documents directly from the site while you are online. For those sites that allow you to view and print documents in PDF format, you can save the document to your computer by clicking the "save" icon. It is possible to use a scanner to scan in the text from a printout, although the character recognition software is still somewhat crude.

Q. I've tried searching for a particular word or phrase but get nothing. How can I have a more productive search?

A. Be creative. Think of every other possible phrase that could possibly turn up something on the subject for which you are searching. If you're looking for information about China, also try phrases such as "Far East," or "Asia". Most important, read carefully what you do find. The more you read, the more terms you will discover that will return a productive search. Take note of the authors' names, the jargon and acronyms that the companies use to refer to particular regions, projects, marketing techniques, etc. and then start searching for documents with those words and names.

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<http://tobaccofreekids.org/campaign/global/docs/searching.pdf>

²⁷⁹Researchers wishing to view these documents must contact Martyn Gilbey at BAT to set up an appointment (tel. 44-171-845-1466; fax. 44-171-845-2783).

