Forty years on: a war to recognise and win

How the tobacco industry has survived the revelations on smoking and health

David Pollock
Formerly Director, Action on Smoking and Health

Nothing has significantly checked the growth of the tobacco industry since the introduction of smoking to Europe, and the industry has easily survived the 40 years since the first authoritative revelations about the health effects of smoking. Some explanations are offered and the tactics of the industry and the response of the UK Government are reviewed. The policies of British-American Tobacco and its subsidiaries, especially Brown and Williamson in the USA, are considered in detail, including the rejection of an early proposal for a pragmatic but honest deal. In particular, an internal document from 1970 is examined in which BAT purports to set policy for the whole industry. The document is revealed as showing far-sighted but cynical calculation, for instance, in limiting concessions to those countries where public and government awareness requires them. Examples of BAT activities are quoted to illustrate key points.

The tobacco industry is an egregious example of mankind’s failure to control the market and of the market’s failure to serve the true interests of mankind. It is also, regrettably, one of the few industries — another is arms — where the UK is a major player on the world scene: BAT alone has tobacco subsidiaries in 49 countries and through them supplies 10.6%1 of the world market, just behind Philip Morris’s 12%2. It is on BAT that I wish to concentrate in this article, drawing on various documents that have recently come to light, mainly in the USA.

Tobacco was a special commodity from the time it was first brought to Europe in the fifteenth century. James I, who (anonymously but famously) railed against it3, soon found that he could not eliminate ‘this vile custome of Tobacco taking’ whether by persuasion or by punitive taxation and instead became hooked on the income it provided4. Elsewhere, papal bans and Japanese imperial edicts5 were equally powerless, while the fiscal potential motivated the creation of state monopolies in many European kingdoms which are only now being dismantled.

But the modern industry was not born until James Duke leased and installed two of James Bonsack’s newly invented cigarette-making machines in 1884, each doing the work of 30–40 hand-rollers6.
Mechanisation led in short order to the emergence of significant enterprises, including W Duke, Sons & Co and R J Reynolds Tobacco Company in the USA and Imperial Tobacco in the UK. In the 1890s James Duke created the monopolistic American Tobacco trust which, not content with 90% of total US sales, invaded the British market too. Imperial's counterattack in the US led in 1902 to a truce: each kept out of the other's home market while they created the jointly owned British-American Tobacco Company to exploit their brands in the rest of the world. Anti-trust litigation led in 1911 to the break-up of American Tobacco, which was forced to sell its interest in BAT. Now wholly British, BAT was free to enter the American market in competition with its former parent. In 1927 it bought the US company Brown and Williamson, and in 1994 the American Tobacco Company, successor of its former parent, giving it about 19% of the US market. To this day, however, BAT has almost no presence in the British market.

The world market for tobacco is dominated by a handful of hugely profitable US and British companies, which have a controlling presence not only in all western countries but throughout the third world. Since 1989 they have bought up most of the industry in the former communist world, with BAT making major acquisitions, for example, in Hungary, Ukraine, Uzbekistan, Russia and Poland. The exception is China, but even that bastion of state monopoly seems doomed to fall: Beijing has agreed under American pressure to allow imports to compete with the Chinese National Tobacco Company, the largest company of all: its domestic market alone makes up about one-third of total world sales. Hitherto more used to allocation and distribution than to marketing and sales, CNCTC will either have to learn the ruthless ways of its western rivals or succumb: Philip Morris is already advertising there in anticipation of the market opening, and BAT's 1994 annual report writes ominously of China's 'longer term business potential'.

How is it that this industry has not only survived for 40 years the apparently devastating revelations about the risks of smoking but is still flourishing and expanding? It is a sobering fact that more disease and death have been generated by smoking since the health consequences became known than in all the previous history of tobacco use. Other companies, faced with revelations about health risks that are negligible by comparison, hasten to publish warning advertisements and withdraw offending products from the market. When Perrier found its water was contaminated with minute traces of benzene, millions of bottles were called in and tipped away. A cigarette boasts far more benzene and a cocktail of dozens of other carcinogens and poisons besides.

The asbestos industry has collapsed under the weight of regulation and litigation, almost bringing down the Lloyds insurance market with it; the nuclear power industry in many countries has been brought to its knees.
by public protest about health risks barely measurable on the same scale as those from smoking. Not so the tobacco companies. What has allowed them to continue killing their customers with apparent impunity?

Extrinsic factors have helped. When the problems emerged, the rule of *caveat emptor* was still strong and the consumer movement in its infancy. Disbelief affected even some doctors that so accepted a habit could be a killer. The extent of the risk was underestimated and even so the politicians sought to avoid panic. Iain Macleod, the Minister of Health, told the Cabinet in 1954 that he would accompany his Parliamentary statement about the presumptively causal relationship between smoking and lung cancer with a Lobby conference when he would encourage the press ‘to maintain a due sense of proportion’. The long delay between starting smoking and the onset of disease facilitated (as it still does) ignorant or wilful mockery of the connection. These doubts promoted ‘denial’ by smokers, intent on feeding their addiction, and prevarication by the companies, intent on milking it for the maximum profit.

Indeed, it was in no-one’s interest to destroy the industry. It curtailed smokers’ cravings, provided lucrative careers to its managers, made huge profits for its shareholders, and paid immense taxes to governments. The British Government was naively wary of precipitating a collapse in sales: Chancellor of the Exchequer Peter Thorneycroft warned a Cabinet committee in 1957 of ‘the enormous contribution to the Exchequer from tobacco duties and the serious effect on the Commonwealth, in particular on Rhodesia, that a campaign against smoking would have’. And crucially the victims, unlike those of asbestos or nuclear power, could be blamed for their own fate—a line adopted from the start by the British Government and ruthlessly followed by the industry, which still denies that nicotine is addictive even though as long ago as 1963 BAT was told in an expert report that it ‘appears to be intimately connected with the phenomena of tobacco habituation (tolerance) and/or addiction’.

The companies from the start adopted tactics designed to protect their shareholders’ investments. In the UK, the industry offered the Government £250,000 (worth about £3.6 million today) for research: the Cabinet minutes reveal that some Ministers thought it improper to accept what amounted to a bribe, but most were keen to take the cash. In the USA the notorious Frank Statement of false reassurance to smokers was published and the Council for Tobacco Research was formed as a public relations gambit. Driven by the structural imperatives of a public company, even scientists with moral doubts about their actions were swept along in a strategy that switched from seeking, in the 1950s, to disproving the health charge to trying, in the 1960s, to limit the harmful constituents and then, in the 1970s, to producing synthetic smoking materials and so-called safe cigarettes. When these efforts failed, research turned to serving the marketing efforts of a new generation of hard-
headed managers intent on resisting controls as long as possible and
maximising profits in the meantime. This transition was marked by the
formation, in 1979, of the International Committee on Smoking Issues
(ICSII) (later called Infotab and now the Tobacco Documentation
Centre) which helped the western companies concert across the world
their public line on health and tobacco control issues, for example by
producing tendentious model answers to awkward questions about
smoking and health or about companies' different standards in developed
and developing countries.

By then the industry was trapped in a policy — which continues to this
day — of arrogant denial of known facts and careless disregard for
customers' welfare while extracting the maximum short-term profit.
Though always a likely outcome, it was not inevitable. Once any
lingering doubt about the risks of smoking vanished from the minds of
the industry bosses, they might have sought a pragmatic deal with
governments to limit their liability for past damage (litigation by smokers
began in the USA in the mid-1950s) in return for a rapid switch to less
dangerous products.

Something on these lines was indeed proposed by Addison Yeaman,
Brown & Williamson's top in-house lawyer, in 1963. Alarmed at the
threat posed by the Surgeon-General's imminent (first) report, he seized
on the finding in BAT's research report that nicotine had a 'tranquillizing'
function ('nicotine, an addictive drug effective in the release of stress
mechanisms') and a 'possible effect on obesity' and on (exaggerated)
expectations of work on cigarette filters by a B&W scientist, Dr RB
Griffith.

In these, Yeaman saw an opportunity for the industry to 'pass from its
present terrain of defense to a field for effective counter attack'. He
proposed putting these allegedly beneficial effects of smoking and the
safeguard of the filters in the balance against the health risks certain to be
publicised by the Surgeon-General's report. Simultaneously B&W should
commission, in cooperation (he proposed) with the Surgeon-General, the
American Cancer Society and others, 'massive and impressively financed
research' into smoking and health, conducted through a 'new organiza-
tion' that was 'autonomous . . . uncontrolled'; and the industry should
'steel itself to issuing a warning', thereby reinforcing the defence
argument in product liability suits that the plaintiffs had voluntarily
assumed the risks. Yeaman's approach was not intended as a
surrender — indeed, he saw competitive advantage for B&W in it— but
it was too radical and risky for B&W and was rejected. Thereafter he
kept to the orthodox line.

A few years later, B&W's parent company BAT can be seen in a leaked
document at a defining moment in its policy on smoking and health. A
1970 paper, addressed to the chiefs of all its associated companies, sets
out an approach that owes a great deal more to commercial considerations than to concern for health. It says that BAT, 'the largest tobacco company in the world', should wherever possible 'exercise leadership within the industry on the question of Smoking and Health' in the face of 'the growing threat to the industry in a number of countries ... that its operations will be seriously restricted by legislation'. BAT saw itself as giving a lead away from attitudes in other companies that are 'through their intransigence likely to provoke the legislation we seek to avoid'.

BAT's 'over-riding policy' was, therefore, 'to discourage and delay the process of restrictive legislative action by governments in every way possible'—allegedly to allow more time for research (work on artificial smoking materials was just beginning). The policy should be to avoid 'unnecessary conflict' with medical authorities which might provoke government action. 'While in the past it has seemed good sense ... to contest the validity of all the evidence against smoking (and may still be necessary to avoid damages in lawsuits), there is little doubt that the inflexibility of this attitude is beginning to create in some countries hostility and even contempt for the industry among intelligent, fair-minded doctors.' The future line should therefore be that 'as tobacco manufacturers we are not competent to express any authoritative view on a medical matter' but that there is disagreement about the evidence. 'It seems to us that, in the absence of clinical proof of the mechanism involved, causation at the present time remains an open question' and that more research should therefore be undertaken.

This line was generally adopted within the industry and is still on offer 25 years later as a defence against effective tobacco control measures. As BAT's director of research wrote in 1976: 'the public position of tobacco companies ... is dominated by legal considerations ... Companies are actively seeking to make products acceptable as safer while denying strenuously the need to do so ... The industry has retreated behind impossible demands for “scientific proof” whereas such proof has never been required as a basis for action in the legal and political fields'.

The BAT 1970 policy paper, recognising that governments could not be completely controlled, admitted that compromises were inevitable 'to maintain the industry’s survival and prosperity. Our policy ... is that negotiation should be pursued to its limits ... in order to fend off anti-smoking legislation'. A line would need to be concerted between companies in each country where a threat arose, but some general principles are set out in the policy paper. 'Legislation is worse for the industry than self-imposed restraints': voluntary restrictions presented the industry in a more favourable light and might with benefit be offered 'at a significantly earlier stage than the moment when legislation is the only alternative'.
This was plainly the spirit in which the UK companies had adopted their code on tobacco advertising (‘this vague and woolly collection of criteria’ as a Board of Trade official called it) after the first report of the Royal College of Physicians and it was similarly the spirit in which the year after this document appeared the minimal concessions in the UK’s first voluntary agreement on tobacco advertising were offered. The principle is to seem to be making concessions while actually giving away nothing of value: as the BAT paper said, ‘viewed objectively, it may be less harmful than might be supposed to forfeit the use of one or more of the normal advertising media. It might in certain circumstances not be harmful at all’—if more effective and less provocative methods of promotion (merchandising is given as an example) could be used instead.

The paper suggests as a first step that a voluntary advertising code be agreed (e.g. no health claims, no appeals to the young, etc.)—but not in those countries where BAT has a minority market share. There it would be better to ‘seek out alternative concessions . . . The publication of tar and nicotine tables seems relatively harmless [and] may indeed be of real help . . . since they give nervous smokers an opportunity to continue to smoke with what they see as relative safety’ (emphasis added). Accordingly, every BAT company should have a brand at or very near the bottom of tar and nicotine tables. No doubt such brands were promoted as ‘milder’ and ‘lighter’, but the document stipulates that if there is to be any suggestion that low-tar cigarettes were actually safer ‘it must come from the government’, not the industry, presumably mainly to avoid the damaging implication that their other brands were less safe but probably also because they already realised that low-tar cigarettes offer dubious health benefits at best.

The BAT paper goes so far as to say that if governments laid down maximum tar levels ‘such action might be welcome . . . because [it] implies to the public that cigarettes meeting these standards are “safe”’. As to packs, while warnings in small print and ‘relatively innocuous’ wording could be less harmful than voluntary restrictions on the use of advertising media, printing tar and nicotine levels on packs should be strongly resisted. However, a possible concession to governments would be ‘to offer . . . to help finance . . . an advertising campaign advocating moderation in smoking . . . There is little reason to suppose that its effect on total consumption would be drastic . . . but the industry would be recognised by government and the public to be taking a responsible attitude.’

The level of far-sighted cynical calculation revealed in this policy statement has not diminished 25 years later. The industry is pursuing its own best interests, not those of consumers or governments, in a policy characterised by casuistry and bad faith. Despite the plain admissions in his company’s files, Sir Patrick Sheehy, chairman of BAT, told his 1990
Tobacco and health

AGM: 'cigarette smoking has not been proven to cause disease . . . A statistical association does not establish causation. Further research is needed . . .' and, when pressed, added 'I really do not have any comment . . . none at all. I am not a medical authority' and the chief executive officers of the US companies, including BAT's Brown & Williamson, all swore to a Congress committee in 1994 that nicotine was not in their belief addictive. Despite their assurances that nothing is further from their wishes than that children should smoke, companies pursue the young smoker competitively in advertising and promotional campaigns: BAT's Canadian part-owned subsidiary Imperial Tobacco in its 1988 marketing plan stated: 'if the last ten years have taught us anything, it is that the industry is dominated by the companies who respond most effectively to the needs of younger smokers' — and proceeded to define the 'target groups' for various brands as 'men [aged] 12–17' or 'men and women [aged] 12–34'. Adept use of small concessions in successive voluntary agreements has kept legislative control at bay in the UK and elsewhere.

Similarly, the differentiation of stance from country to country, evident in the 1970 BAT policy paper and thought to require explanation (especially as between developed and developing countries) in some of ICOSI's 1979 model answers, continues to this day. Thus, in 1993, Dr Sharon Boyse, head of BAT's Smoking Issues Department, visited Sri Lanka and reassured smokers that there was 'absolutely no laboratory proof that smoking is directly related to lung cancer or heart disease' — whereas lung cancer could be caused by keeping pet birds. David Bishop, chairman of BAT's local company, deplored the media's failure to highlight all the research that 'paints a different picture from what people have been led to believe all this time'. It is difficult to imagine so deliberate a bullish line being taken in the UK.

Explaining its apparent moderation, the BAT 1970 policy document says: 'in the long run . . . it is likely to be damaging to BAT, and to the industry to act as though a “war” exists between the industry and the government on Smoking and Health. If a “war” exists, or is believed to exist, then it is one which in the end we stand to lose.' Clearer advice to public health advocates could not be found: a bright light must be cast on the ways that the tobacco industry is indeed at war with public health. The cynical promotion of smoking, whether covertly to children in Canada or openly to women in Asia, the denials in public of what has been privately admitted for over 30 years, whether of the health effects of smoking or the addictive qualities of nicotine, and the manipulation of tar tables and of politicians alike — these and all the other trickery the industry relies on for survival worldwide need to be exposed as the acts of war they are. Then and only then will we in the end stand to win.
Forty years on: a war to recognise and win

References and notes

1 BAT Annual Report 1994
2 Philip Morris Annual Report 1993
3 A Counter-Blas to Tobacco 1603
7 Tobacco Reporter, March 1995: p 12
8 BAT Annual Report 1994
9 Cabinet minutes, 10 February 1954
10 Minutes of GEN 588 Cabinet committee, 7 May 1957
11 'The Government should not seek to intrude into the sphere of an individual's personal responsibility. It was, however, important to stress [in a forthcoming statement] this element of personal choice since direct Government action was excluded.' Minutes of Cabinet GEN 588 committee, 3 June 1957
12 Geissbuhler H, Haselbach C. The Fate of Nicotine in the Body: Report for BAT from Battelle Memorial Institute. Geneva: unpublished, 1963. This and most of the other company documents quoted in this article have since the time it was prepared been published on the Internet by Prof. Stanton Glantz of the University of California in San Francisco. They can be accessed at http://www.library.ucsf.edu/tobacco/docs/html/xxxx.xx, where the individual document reference number replaces the 'xxxx.xx'. This report is document Ref. 1200.20. The documents are introduced in the first of the series of articles published in a special edition of the Journal of the American Medical Association in July 1995 (see Glantz et al. JAMA 1995; 274: 219-24)
13 Cabinet minutes 10 February 1954. The calculated use of cash has been taken much further in the USA, but one spectacularly successful example in the UK was the gift (under the voluntary agreement of 1983) of (reportedly) £11 million to fund a Health Promotion Research Trust — provided its work ignored tobacco. The effect was to produce, until the HPRT was wound up in 1993, division and dissension in the health community between those urging a boycott of 'dirty money' and those compelled to accept it if their work was to be funded at all
14 This account is based on unpublished notes in ASH's possession of a journalist's interview in 1981 with Dr SJ Green, then recently retired after about 20 years as research director of BAT
15 Yeoman A. Implications of Battelle Hippo I & II and the Griffith Filter. Unpublished paper dated 17 July 1963—Internet Ref. 1802.05 (see Note 12)
16 Just two years later, the same Dr Griffith was to cause alarm on his return from a visit to England when he reported: 'scientists with whom I talked were unanimous in their opinion that smoke is weakly carcinogenic' and that BAT's 'entire laboratory facilities are operating on a 'crash' basis on the smoking and health problem' (report to Brown and Williamson Executive Committee, July 1965)—Internet Ref. 1805.01 (see Note 12)
17 Hargrove GC. Smoking and Health. 12 June 1970—Internet Ref. 1186.01 (see Note 12)
18 For example, Sir John Partridge, then chairman of Imperial Tobacco, used it in 1975 at the company's AGM: 'as a company we do not make, indeed we are not qualified to make, medical judgements... As with so many other things where excess of use has a bearing, responsibility must lie with the only person able to exercise control — the consumer'—Internet Ref. 2231.04 (see Note 12)
19 Green SJ. Cigarette Smoking and Causal Relationships. 27 October 1976—Internet Ref. 2331.08 (see Note 12). The question of the sufficiency of grounds for action was raised both (a) in the Government's decision in 1957 to remove from a Medical Research Council statement before publication the observation that 'the evidence [about smoking and lung cancer] now available is stronger than that which in comparable matters, is commonly taken as a basis for definite action' (Cabinet committee GEN 588, minutes of 7 May 1957) and (b) in the House of Commons Health Committee's accusation that in rejecting a ban on tobacco advertising the Government was 'awaiting a level of proof about its effectiveness which is in the nature of things


21 By 1977, BAT’s director of research was asking his chairman: ‘should we ‘cheat’ smokers by ‘cheating’ League Tables? . . . should we use our superior knowledge of our products to design them so that they give low league table positions but higher deliveries on human smoking?’ (Suggested Questions for CAC.III, 26 August 1977)—Internet Ref. 2231.09 (see Note 12)

22 BAT transcript

23 Quoted in *The Nation* 6 May 1991; *The Observer* 10 November 1991. Similarly, in the USA, RJ Reynolds’ ‘Old Joe Camel’ cartoon lifted Camel’s share of the under-18 market from 0.5% to 32.8% while leaving the adult share untouched (DiFranza J et al. RJR Nabisco’s cartoon camel promotes Camel cigarettes to children. *JAMA* 1991; 266: 3149–53); while in the UK, the playground humour of Imperial Tobacco’s ‘Reg’ advertising campaign seems to have increased the prevalence of smoking by under-age teenage boys in the areas where it ran, while prevalence was unchanged elsewhere (*An Investigation of the Appeal and Impact of the Embassy Regal ‘Reg’ Campaign on Young People*. London: Health Education Authority, September 1993)

24 As long ago as 1971, a BAT document predicted: ‘no further advertising within 3 years—at most within 5 years’ (speaking notes entitled ‘Smoking and Health Session, Chelwood, 28 May 1971: Talk 4: Likely commercial development’—Internet Ref. 1186.07 [see Note 12]). Twenty-three years later, the industry, and the Government, were still avoiding a ban on advertising, as proposed by the European Commission and by Kevin Barron MP’s Private Member’s Bill, by adroit use of a revision of the voluntary agreement, as is explicit in a leaked memorandum of 5 November 1993 to the Prime Minister from the Health Secretary, Mrs Virginia Bottomley

25 *The Island* (Sri Lanka). 29 October 1993