

Tobacco: the third world war

Introduction

The first words uttered by James B Duke (1865–1925), the tobacco tycoon who established the empire now known as British American Tobacco (BAT), on hearing of the invention of the cigarette machine were “Bring me the atlas.” When it was brought to him he turned over the leaves—looking not at the maps but at the bottom of each page. He stopped at the figure “Pop.: 430 000 000.” “That,” he said, “is where we are going to sell cigarettes.” And “that” was China.¹ By 1915 BAT had established a foundation for a “monopoly that seemed unshakeable.”²

At the turn of the century the BAT advertising system “left no region of China untouched.”³ Xian was described in 1911 as a city with “huge [BAT] posters on the city gates, city wall, on every vacant piece of wall or board in the street . . . in fact anywhere and everywhere.”⁴ BAT was also active in sponsorship—for example, in some theatres BAT sold packages of cigarettes at the doors to serve as tickets for admission,⁵ and in the mid 1920s BAT awarded scholarships to Hong Kong University.⁶

History repeats itself. In 1905 BAT successfully lobbied President Theodore Roosevelt to intervene in a Chinese boycott of foreign cigarettes.⁷ In 1915–7 BAT “refused to pay any taxes . . . until permitted to help administer the Chinese government collection of tobacco taxes.”⁸ When charged with tax evasion and faced with having their goods impounded, “BAT’s lawyers marshalled support from the British and American governments and forced the monopoly to back down.”⁹ As long ago as 1927 BAT “resorted to illegal as well as legal distributing techniques to circumvent governmental opposition.”¹⁰

China’s annual consumption of cigarettes rose from a negligible number in the 1890s to about 100 billion in the early 1930s, a rise ascribed to the business practices of the cigarette industry.¹¹ BAT was forced to leave China in 1952, after half a century in which its total profits there had amounted to more than US \$380 million.¹² As BAT departed, leaving behind an established cigarette smoking habit, it reportedly forecast “We will be back.” And they are.

In China today, 50 million of all the children alive will die from smoking.¹³ Worldwide, disease, disability, and death from tobacco will increase in the future. Annual deaths from cigarettes will quadruple from the current 2·5 million to about 10 million by 2030 (table 1) and the bulk of these deaths will be in third world countries (R Peto, paper presented to Hong Kong conference on smoking, 1989). The World Health Organisation has stated that in developing countries the legislative controls and other measures—which in industrialised countries succeed in limiting the use of tobacco—do not exist or are at best inadequate and that the burden on the third world will actually widen the gap between rich and poor nations.¹⁴ The third world cannot afford this increase either in human terms or in economic costs, such as medical and health costs, costs of lost productivity, and costs of fires or of the misuse of land.

Although indigenous production and consumption of tobacco remain a major problem in developing countries, the penetration of the transnational tobacco companies is a

Table 1 Past and future deaths due to cigarettes estimated worldwide*

| Year | Annual deaths (millions) |
|------|--------------------------|
| 1950 | 0·2 |
| 1975 | 1 |
| 2000 | 3 |
| 2025 | 8† |
| 2050 | 12† |

*From R Peto, paper presented to Hong Kong Conference on Smoking, 1989.

†On the assumption of no further large change in proportions of young adults who become regular smokers.

development of great concern. As markets decline in developed countries, these companies have set their sights on developing countries, as indicated in an article entitled “Bright future predicted for asia pacific” in the September 1986 issue of the industry journal *World Tobacco*, published in England. Using subheadings such as “Growth Potential” and “More smokers,” it estimated that sales in Asia alone will increase by at least 18% by the year 2000.¹⁵

In 1989 British American Tobacco boasted in a publication entitled “A British success: a world class performance” that its tobacco division was “an outstanding story” with 1988 sales of “11 billion cigarettes in China, 8 billion in Japan, 1 billion in Taiwan and nearly 460 million in Korea.” It claims to have “launched 60 new brands or new versions of existing brands throughout the world,” representing sales of over 100 billion cigarettes in 1988. The 1989 BAT annual report claims an “outstanding year” and eulogises about “significant gains in sales to the Far East, especially Japan and China.”

Rothmans’ 1990 annual report identified the potential of the Asia Pacific region. “We already have successful, well established operating companies in several markets—for example in Malaysia, where our associated company has yet again produced record results. Elsewhere in that region, further progress has been made in penetrating the growth markets of North East Asia, South Korea and Taiwan. The group remains fully committed to the tobacco business.” Other British and American companies are not far behind, representing a collective, powerful, sophisticated, and aggressive force (table 2).

Tobacco industry tactics in developing countries
Third world countries have very little experience in dealing with the transnational tobacco industry, whose tactics include promotion, political and commercial pressures, and weakening of national monopolies.

PROMOTION AND SALES: A DOUBLE STANDARD
In Asia the transnational companies apply standards different from those they use in their country of origin. For example, although based in countries with long established television advertising bans, the British and American cigarette companies strenuously fought against Hong Kong’s proposed ban on TV tobacco advertising by sponsoring a disinformation campaign aimed at both the public and the government. They took out full page

Table 2 Major transnational tobacco companies

| Company | Country in which based | Major brands include |
|--|------------------------|---|
| BAT Industries (British American Tobacco Co Ltd) | UK | Viceroy, Barclay, Lucky Strike, Players 555, Kent, Kool, Pall Mall, Capri |
| Rothmans International | UK | Rothmans, Cartier, Peter Stuyvesant, Dunhill |
| Imperial Tobacco (Hanson PLC) | UK | Embassy, Superkings, Lambert & Butler |
| Philip Morris | USA | Marlboro, Virginia Slims |
| RJR Nabisco | USA | Camel, Winston, Salem, More |
| American Brands | USA | Carlton |
| Gallaher Ltd subsidiary | UK | Silk Cut |
| Japan Tobacco International | Japan | Mild Seven |

newspaper advertisements showing, for example, a heavy hand across the front of a television obliterating the screen with the heading: "Soon your favourite programmes could be missing from TV."¹⁶

A board appointed by the government to examine the question of banning tobacco advertisements on the electronic media heard forceful representation by the Tobacco Institute, representing the seven major cigarette companies and chaired by the general manager of British American Tobacco. He misleadingly spoke of the "continuing smoking and health controversy" as if there were still scientific argument about the hazards of smoking. He told the board that "it is clear that the conclusion of serious responsible researchers is that advertising plays no significant role in initiating the use of tobacco products." He warned Hong Kong, "The principles of individual choice and individual responsibility for one's own actions are fundamental to any free society. Hand in hand with those principles go freedom of speech, freedom of action and freedom to select one's own style of living."¹⁷

Playing the same sensitive theme, the director general of the Advertising Association of the UK visited Hong Kong in 1986 and stated: "Hong Kong will be striking a serious blow at freedom which will reverberate around the world. Everyone is looking at Hong Kong at the moment in view of the 1997 issue. One strike at freedom and you start a dangerous domino effect in which freedoms go one by one. You can't afford to take a step backwards. You can't give away freedom for an emotional reason."¹⁸ Yet has such a drastic collapse of freedoms been observed in Britain, where television advertising of cigarettes has been banned since 1965? He supported the claim of BAT that advertising did not increase consumption by claiming that advertising only "stirred the bath water," affecting brand share. He backed this up by stating that the cigarette market in Hong Kong was a "mature market," a curious claim when only about 1% of women under 40 years smoke.

Hong Kong was fortunate in that many British and other health professionals gave great support during this intensive battle and, as a footnote, David beat Goliath—tobacco advertisements were banned from television from 1 December 1990.

In China, despite stated national regulations prohibiting tobacco advertising, advertisements for foreign cigarettes can be seen everywhere. In countries such as the Philippines these cigarette companies are promoting and marketing cigarettes in ways long banned in their country of origin—for example, selling cigarettes without a health warning, advertising on television, and selling cigarettes with higher tar content than the same cigarettes sold in the United States.¹⁹

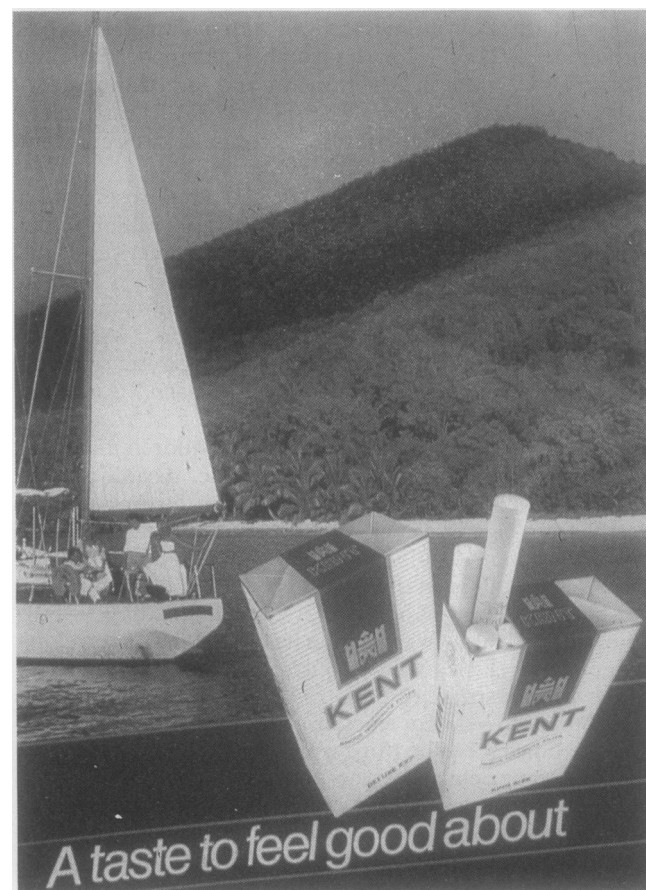
Women One of the best examples of the transnational

tobacco companies' attempts to create a market comes from Asia. In 1984 Virginia Slims was launched in Hong Kong, clearly targeted at young women, with the usual images of beauty, slimness, and desirability, combined with clear messages of emancipation. But as so few young women smoke in Hong Kong the number who could brand switch was negligible. This expensive advertising blitz seems a clear attempt to create a market. The same type of promotion aimed at women is seen in other developing areas, where currently on average only 5% of women smoke.²⁰

Youth As in the West, youth is another prime target of promotion, with the well recognisable images of health, wealth, macho, glamour, and the outdoors. With very few exceptions cigarette advertisements shown in developing countries promote idealised Western cultures and life styles, another questionable aspect of tobacco advertising in the third world. Examples range from the opulent, yachting life style of the "Kent" man surrounded by his bevy of female beauties to the seductive promises of the "Gold Passport holidays" of Benson and Hedges.

Silencing the media Cigarette advertising in developing countries is predominantly of foreign cigarettes, and anecdotal evidence supports the observation from developed countries that advertising revenue has a powerful effect in silencing the media from reporting the tobacco epidemic to the extent that its magnitude justifies. This is an issue of particular concern in developing countries, where knowledge of the harmfulness of smoking is often small, even non-existent.

Silencing by sponsorship Sponsorship, again predominantly or exclusively by foreign tobacco companies, links health, the outdoors, and sport—or glamour, sophistication, and the arts—with tobacco. Moreover, it is often used



Cigarette advertisement appearing in "Asia Magazine," "Malaysian Air Services," and elsewhere.

to circumvent bans on direct advertising. It also builds a constituency of thankful and financially dependent recipients in developing countries, who can often be relied on to support the tobacco industry.

POLITICAL AND COMMERCIAL PRESSURES

Foreign cigarette companies are attempting to interfere with the national public health laws of developing countries. The earlier example of Hong Kong's attempt to ban tobacco advertising is no isolated example; attempts by developing countries to introduce effective measures against tobacco are opposed by both the American and the British companies and their subsidiaries. The American companies have one more armoured division in this battle than do the British, however, and that is in threatening retaliatory trade sanctions against Asian countries unless they open up to the sales and promotion of foreign tobacco products, even in countries that have established national laws forbidding tobacco advertising (McNeil²¹ and Chan²²; letter from Senator R Dole and others to Chief Secretary, Hong Kong, 23 October 1986; letter from Senator Jesse Helms to the Prime Minister of Japan, 24 July 1986). South Korea, Taiwan, China, Japan, and Thailand have all been subject to such threats. For an industry that so often speaks of freedom, the use of such pressures on Asian governments is noteworthy. These pressures have led to protests in Asia, with demonstrations on the streets, anti-foreign posters, and outrage expressed in the media and in medical journals.²³

EFFECT ON THE NATIONAL MONOPOLIES

The entry of the transnational tobacco companies has a major effect on state monopolies, usually through four stages:

- 1 *The courtship* When foreign companies enter a country there are offers of help with technology in farming and manufacturing, free trips overseas, and co-production of glossy magazines.
- 2 *The marriage* Next come the joint ventures or formation of subsidiaries, in reality a "foot in the door." At this stage advertising and promotion by the foreign companies has begun to creep in, usually of a sophistication unknown to the national monopoly.
- 3 *The marriage turns sour* The relationship then becomes less harmonious, with accusations that a monopoly prevents free market access.
- 4 *The divorce* Finally the national monopolies weaken or may be disbanded. Even more worrying is the way in which some monopolies have turned quasi private and have begun copying the behaviour of the transnationals—for example, in Japan and more recently in Indonesia.

Why the transnationals are so important

The tobacco industry argues, "What does it matter what Asians smoke?" They claim that the issues are of fair trading, not health. It matters for several reasons.

- 1 There is emerging evidence that the opening of the markets is not only leading to a sharp increase in the market share of foreign cigarettes but also is leading to increased smoking among the youth in these countries (H Y Seung *et al*, paper presented to American Public Health Association's 116th annual meeting, Boston, 1988). Thus the issue is not simply replacing local with foreign cigarettes but market expansion, women being the subject of particular concern.
- 2 There is a replacement of a simple, unsophisticated, often rural industry with a powerful, sophisticated transnational company. The replacement of a national monopoly by an aggressive transnational tobacco company is not

just a neutral matter of free trade but may become a substantial determinant of current smoking patterns and hence of future disease.

3 The denial of the health evidence and the aggressive challenging of effective health initiatives by the transnational tobacco companies has an effect different from the present cooperative stand (at least in part) taken by some of the national monopolies.

4 Profits from selling foreign tobacco do not benefit the third world but, as in the earlier days of selling another addictive drug, opium, are instead returned to the shareholders in the West. Thus the introduction of foreign cigarettes can cause loss of foreign exchange.

5 Third world governments are often preoccupied by other general or health problems, such as high infant mortality or communicable diseases. These factors, combined with a virtual absence of policy, laws, health educational programmes, and tax policy on tobacco in some developing countries and a lack of experience in dealing with transnational tobacco industry tactics, may leave countries open and vulnerable to penetration by a foreign industry.

6 The same intent towards Eastern Europe is already evident in the tobacco companies' recent tactics. At an International Union Against Cancer conference held in Poland in November 1990 entitled "A tobacco free new Europe" participants expressed grave disquiet at both the economic impact and the health problems the new democracies will face if the transnational tobacco industries are allowed free access into their markets. Reports from Warsaw, Budapest, Moscow, and Prague, where cigarette advertising is still illegal, showed that the Western tobacco companies are ignoring the law and placing their trademarks everywhere.²⁴

What can be done?

IN DEVELOPING COUNTRIES

Asian and other developing countries clearly need to take their own action against tobacco, but many still lack basic prevalence data for understanding the scope of the problem in their own country. Countries including China, Malaysia, Hong Kong, Korea, and Thailand have established national coordinating organisations on tobacco control. Singapore, Indonesia, and the Philippines have active health societies and Japan has a non-smokers' rights group. Most countries in Asia have initiated health education and some legislation over the last decade. In general, however, these measures lag far behind those taken in Western countries. Developing countries are entering a crucial decade in initiating attempts to reduce the future health effects of the tobacco epidemic. For this task they require help based on the expertise already developed in many Western countries, not pressures from the British tobacco industry.

IN DEVELOPED COUNTRIES

In global terms, anti-smoking efforts in Britain are neutralised by the increase in smoking in poor countries. For every smoker who quits in London more start smoking in Lhasa. Health societies in Britain can assist by bringing these issues to public and government attention and by lobbying for the following recommendations:

- 1 British (and American) tobacco companies (and their subsidiaries) should, as a minimum, adhere to the same standards of product, marketing, promotion, and sales in developing countries that are required in Britain.
- 2 British (and American) tobacco companies should desist from lobbying and pressurising governments of developing countries to prevent the passing and implemen-

ting of anti-tobacco measures.

3 The government should desist from helping the United Kingdom tobacco companies with export activities. (In the United States it should become unacceptable and illegal to threaten or invoke trade sanctions in relation to tobacco.)

4 British (and American) expertise in countering the tobacco epidemic should be shared with developing countries so that Britain (and the United States) becomes an exporter of health rather than of tobacco related disease.

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