



PATRON:

This book has been wrapped to preserve it for your use. Please follow these procedures:

- 1) Remove wrap carefully, or ask Circulation staff to remove it for you.
- 2) Leave this band in place around the book.
- 3) Return book to the Circulation Desk.

CIRC STAFF:

Place unwrapped book with this band on Repair shelf.

**DO NOT PLACE THIS BOOK
IN A BOOK RETURN**

10/09
9/10

Thank you,
Preservation Department

Branch: Thesis

AND PUBLIC POLICY:
DY OF GOVERNMENT
GROUP RESPONSE

the Degree of Ph.D.

ATE UNIVERSITY

CHAE L. FRIEDMAN

973

7

MICHIGAN STATE UNIVERSITY LIBRARY



3 1293 10605 4962

Handwritten signature or initials

ette

pres

has

have

and

affec

versy

We ex

cult

of 1

ence

gove

ve e

tory

try

ABSTRACT

CIGARETTE SMOKING AND PUBLIC POLICY: A COMPARATIVE STUDY OF GOVERNMENT AND INTEREST GROUP RESPONSE

By

Kenneth Michael Friedman

The Surgeon General of the U.S. Public Health Service avowed: Cigarette smoking is the greatest preventable cause of illness, disability and premature death in the country." ¹ A growing body of scientific evidence has associated cigarette smoking with ill health and premature death. How have governments responded to this problem? How have economic interests and health interests responded? How has the economic importance of tobacco affected government action?

We consider in this study the response to the smoking-health controversy in three countries: the United States, Great Britain and Canada. We examine the various dimensions of tobacco's importance including its cultivation, manufacture, taxation and export. We discuss the awareness of interest groups of the problem and their activities designed to influence both government and consumer actions. We also consider the impact of government structure on government policy. In addition, in each country, we examine the impact of the market structures, competition, and regulatory environments in seeking to explain the response of the tobacco industry to the controversy.

ABSTRACT

CIGARETTE SMOKING AND PUBLIC POLICY:
A COMPARATIVE STUDY OF GOVERNMENT
AND INTEREST GROUP RESPONSE

By

Kenneth Michael Friedman

The Surgeon General of the U.S. Public Health Service avowed: Cigarette smoking is the greatest preventable cause of illness, disability and premature death in the country.¹ A growing body of scientific evidence has associated cigarette smoking with ill health and premature death. How have governments responded to this problem? How have economic interests and health interests responded? How has the economic importance of tobacco affected government action?

We consider in this study the response to the smoking-health controversy in three countries: the United States, Great Britain and Canada. We examine the various dimensions of tobacco's importance including its cultivation, manufacture, taxation and export. We discuss the awareness of interest groups of the problem and their activities designed to influence both government and consumer actions. We also consider the impact of government structure on government policy. In addition, in each country, we examine the impact of the market structures, competition, and regulatory environments in seeking to explain the response of the tobacco industry to the controversy.

Kenneth Michael Friedman

The ability of government to provide for certain kinds of public goods is uncertain, especially when the goal of public actions conflicts with individual freedom. We have found that in the U.S., Great Britain and Canada, national governments have acted both to enlighten cigarette smokers and to protect both children and adults from the health hazards associated with cigarette smoking. The history of this response has been largely a history of trying out a series of means to reduce illness and death due to smoking. We have found that representative political bodies in the U.S., Great Britain and Canada have hesitated to handle this type of issue, because these cases suggest that these bodies are vulnerable to pressure from affected economic interests which are decentralized and economically important in many constituencies.

We have found, in our study, that when government and industry actions are combined, the responses to the smoking-health controversy in these three countries have not been very different. Yet, the economic importance of cigarettes appears crucial. In all three countries different factors or combinations of factors have inhibited government action.

We have also examined several models of the interest group process and found that we can best explain what has happened in the smoking-health area, if we look at these governments as a series of interest groups competing among themselves to control public policies, while maximizing their own interests and those of their client groups.

While we have not formally tested any hypotheses, we have found, in examining the published and unpublished literature, on smoking and health, that several factors are crucial in explaining the responses. First, the

Kenneth Michael Friedman

The ability of government to provide for certain kinds of public goods is uncertain, especially when the goal of public actions conflicts with individual freedom. We have found that in the U.S., Great Britain and Canada, national governments have acted both to enlighten cigarette smokers and to protect both children and adults from the health hazards associated with cigarette smoking. The history of this response has been largely a history of trying out a series of means to reduce illness and death due to smoking. We have found that representative political bodies in the U.S., Great Britain and Canada have hesitated to handle this type of issue, because these cases suggest that these bodies are vulnerable to pressure from affected economic interests which are decentralized and economically important in many circumstances.

We have found, in our study, that when government and industry actions are combined, the responses to the smoking-health controversy in these three countries have not been very different. Yet, the economic importance of cigarettes appears crucial. In all three countries different factors or combinations of factors have inhibited government action.

We have also examined several models of the interest group process and found that we can best explain what has happened in the smoking-health area, if we look at these governments as a series of interest groups competing among themselves to control public policies, while maintaining their own interests and those of their client groups.

While we have not formally tested any hypothesis, we have found, in examining the published and unpublished literature, on smoking and health, that several factors are crucial in explaining the responses. First, the

Kenneth Michael Friedman

ground rules established by government define agency responsibility, who can act, and how they can act in responding to a public problem. Second, two kinds of competition help us understand both industry and government response to the controversy: competition between government agencies and levels of government on the one hand, and competition between companies for market shares and customers on the other. Finally, we have discovered that while the image of government as orchestrator of competition between private interests is a familiar one, much less attention has been paid to the possible benefits of competition both between and within levels of government. Regardless of the above, however, the smoking and health problem remains everywhere far from solution.

1. Harold S. Diehl, Tobacco and Your Health: The Smoking Controversy (New York: McGraw-Hill Book Company, 1969), p. 1.

Kenneth Michael Friedman

ground rules established by government before agency responsibility, who can act, and how they can act in responding to a public problem. Second, two kinds of competition help us understand both industry and government response to the controversy: competition between government agencies and levels of government on the one hand, and competition between companies for market shares and customers on the other. Finally, we have discovered that while the image of government as orchestrator of competition between private interests is a familiar one, much less attention has been paid to the possible benefits of competition both between and within levels of government. Regardless of the above, however, the smoking and health problem remains everywhere far from solved.

1. Harold S. Diefel, Industry and Your Health: The Smoking Controversy (New York: McGraw-Hill Book Company, 1969), p. 1.

**CIGARETTE SMOKING AND PUBLIC POLICY:
A COMPARATIVE STUDY OF GOVERNMENT
AND INTEREST GROUP RESPONSE**

By

Kenneth Michael Friedman

A DISSERTATION

**Submitted to
Michigan State University
in partial fulfillment of the requirements
for the degree of**

DOCTOR OF PHILOSOPHY

Department of Political Science

1973

CIGARETTE SMOKING AND PUBLIC POLICY:
A COMPARATIVE STUDY OF GOVERNMENT
AND INTEREST GROUP RESPONSE

By

Kenneth Michael Friedman

A DISSERTATION

Submitted to
Michigan State University
in partial fulfillment of the requirements
for the degree of

DOCTOR OF PHILOSOPHY

Department of Political Science

1973

G194373

Copyright by

KENNETH MICHAEL FRIEDMAN

1973

Copyright by
KIMMEL MICHARD PUBLISHERS
1973

ACKNOWLEDGMENTS

In writing and researching this study, I was helped and influenced by many people who contributed patience, argument and encouragement. I cannot begin to name all of the many friends who were of such tremendous help to me in my efforts: in East Lansing, West Lafayette, Washington, D.C., Canada and Great Britain. I appreciate their thoughtfulness and their assistance.

Standing above all in his influence upon this dissertation was Professor Rufus P. Browning: most especially for reviewing, providing new insights, patience, guidance and friendship, which have taught me so much. The faculty of Michigan State University provided me with an excellent background in the problems with which I have had to deal. Special thanks go to my committee members, Professor Joseph Schlesinger and Professor Paul Abramson, who provided guidance and thoughtful criticism, and who were always ready to help and encourage. I thank David Bell and David Meltz who reviewed a number of chapters and contributed inciteful comments and Kent Chabotar who acted as an outside reader. For their ideas, editorial help, and encouragement I owe more than gratitude to Mary Hellman and Nancy Hammond.

I must also thank my colleagues at Purdue for helping me order my thoughts and responses to the trio on my committee. Frederic Homer deserves special praise for his continuing encouragement, listening ability and analytic suggestions. Joseph Haberer, Michael Stohl and

ACKNOWLEDGMENTS

In writing and researching this study, I was helped and influenced by many people who contributed patience, argument and encouragement. I cannot begin to name all of the many friends who were of such tremendous help to me in my efforts: in East Lansing, West Lafayette, Washington, D.C., Canada and Great Britain. I appreciate their thoughtfulness and their assistance.

Standing above all in his influence upon this dissertation was Professor Rufus P. Browning: most especially for reviewing, providing new insights, patience, guidance and friendship, which have taught me so much. The faculty of Michigan State University provided me with an excellent background in the problems with which I have had to deal.

Special thanks go to my committee members, Professor Joseph Schuler and Professor Paul Abramson, who provided guidance and thoughtful criticism, and who were always ready to help and encourage. I thank

David Bell and David Heller who reviewed a number of chapters and contributed incisive comments and Kent Chabotar who acted as an outside reader. For their ideas, editorial help, and encouragement I owe more than gratitude to Mary Helman and Nancy Harwood.

I must also thank my colleagues at Purdue for helping me order my thoughts and responses to the title on my committee. Fredrick Horner deserves special praise for his continuing encouragement, listening ability and sensitive suggestions. Joseph Horner, Michael Stohl and

Frank Lee Wilson provided me with incisive criticisms on critical chapters. The criticism of these readers proved very valuable indeed. While all of the above scholars aided me in numerous ways to improve this study, the errors which may remain are my responsibility alone. Thanks also to Dotty Eberele and Ruthann Maple who typed the final manuscript.

For their assistance in financing part of this study I express my gratitude to Michigan State University for awarding me a Bio-Medical Support Grant, and especially Dr. William H. Knisely, Director of the Institute for Biology and Medicine at M.S.U., for his early encouragement and support. Thanks also to Professor Victor Hoar, Director of the Canadian-American Studies Center at M.S.U., for helping me obtain a Canadian-American Studies Travel Grant which aided my Canadian research.

The staff of the National Clearinghouse for Smoking and Health deserves special thanks. Richard H. Amacher, Technical Information Officer, Emil Corwin, and Mrs. Mildred H. Ritchie helped make my research in Washington, D.C. a very pleasurable experience. Miss Macy Galbreath, Librarian at The Tobacco Institute, Inc., patiently answered my letters and provided much useful information.

I know my parents, Harry and Rose Friedman, realize how deep is my sense of gratitude to them both. Finally, my gratitude to my wife Janet is so great and so hard to express that I can only symbolize my debt and my love by dedicating this study, Cigarette Smoking and Public Policy: A Comparative Study of Government and Interest Group Response, to her.

Frank Lee Wilson provided me with incisive criticisms on critical chapters. The criticism of these readers proved very valuable indeed. While all of the above scholars aided me in numerous ways to improve this study, the errors which may remain are my responsibility alone. Thanks also to Doty Eberle and Ruthann Maple who typed the final manuscript.

For their assistance in financing part of this study I express my gratitude to Michigan State University for awarding me a Biological Support Grant, and especially Dr. William H. Kinsley, Director of the Institute for Biology and Medicine at M.S.U., for his early encouragement and support. Thanks also to Professor Victor Haez, Director of the Canadian-American Studies Center at M.S.U., for helping me obtain a Canadian-American Studies Travel Grant which aided my Canadian research. The staff of the National Clearinghouse for Smoking and Health deserves special thanks. Richard H. Amacher, Technical Information Officer, Earl Corbin, and Mrs. Mildred H. Ritchie helped make my research in Washington, D.C. a very pleasant experience. Miss Mary Gilmartin, Librarian at The Tobacco Institute, Inc., patiently answered my letters and provided much useful information.

I know my parents, Harry and Rose Friedman, realize how deep is my sense of gratitude to them both. Finally, my gratitude to my wife Janet is so great and so hard to express that I can only underline my debt and my love by dedicating this study, Genetics Smoking and Public Policy: A Comparative Study of Government and Industry from Research, to Law.

TABLE OF CONTENTS

	Page
LIST OF TABLES	vii
LIST OF FIGURES	ix
INTRODUCTION	1
PART ONE: THE SMOKING-HEALTH CONTROVERSY IN THE UNITED STATES. . . .	10
Chapter I: The Economic and Political Importance of Tobacco in the United States.	11
A. Introduction.	11
B. United States Tobacco Agriculture	15
1. Concentration of Tobacco Growers.	21
2. Tobacco Farm Employment	26
3. U.S. Government's Role in Tobacco Farming	31
C. Cigarette Manufacturing in the United States.	42
D. Tobacco Taxation.	50
1. Introduction.	50
2. Federal and State Tobacco Taxation.	52
E. Tobacco Exports	59
Chapter II: Response of the U.S. Tobacco Industry to the Cigarette Smoking-Health Controversy	79
A. Introduction.	79
B. Support of Scientific Research.	80
C. Industry Public Relations and Propaganda.	85
D. Voluntary Industry Actions.	98
E. Tobacco Industry Diversification.	101
Chapter III: The Independent Regulatory Agencies, Voluntary Industry Self-Regulation and Smoking.	115
A. Federal Trade Commission.	115
B. Self-Regulation of Cigarette Advertising.	127
C. Federal Communications Commission and Cigarette Advertising . .	136
D. The Tobacco Industry and The Commissions.	147
Chapter IV: Congressional Response	157
Chapter V: National Health Interest Groups and Smoking	167
A. Introduction.	167

TABLE OF CONTENTS

LIST OF TABLES	vi
LIST OF FIGURES	ix
INTRODUCTION	1
PART ONE: THE SMOKING-HEALTH CONTROVERSY IN THE UNITED STATES	10
Chapter I: The Economic and Political Importance of Tobacco in the United States	11
A. Introduction	11
B. United States Tobacco Agriculture	13
1. Concentration of Tobacco Growers	21
2. Tobacco Farm Employment	25
3. U.S. Government's Role in Tobacco Farming	31
C. Cigarette Manufacturing in the United States	42
D. Tobacco Taxation	50
1. Introduction	50
2. Federal and State Tobacco Taxation	52
E. Tobacco Exports	59
Chapter II: Response of the U.S. Tobacco Industry to the Cigarette Smoking-Health Controversy	79
A. Introduction	79
B. Support of Scientific Research	80
C. Industry Public Relations and Propaganda	82
D. Voluntary Industry Actions	98
E. Tobacco Industry Diversification	101
Chapter III: The Independent Regulatory Agencies, Voluntary Industry Self-Regulation and Smoking	112
A. Federal Trade Commission	112
B. Self-Regulation or Cigarette Advertising	117
C. Federal Communications Commission and Cigarette Advertising	136
D. The Tobacco Industry and the Commission	147
Chapter IV: Congressional Response	157
Chapter V: National Health Interest Groups and Smoking	167
A. Introduction	167

	Page
B. American Medical Association.	.167
C. National Tuberculosis and Respiratory Disease Association . . .	.171
D. American Cancer Society	.172
E. American Heart Association.	.173
F. National Interagency Council on Smoking and Health.	.175
 Chapter VI: Surgeons General of the Public Health Service and Smoking.	 .181
A. Introduction.	.181
B. The Public Health Service and Cigarette Smoking	.181
C. Task Force for Smoking and Health	.183
 PART TWO: CANADA AND THE SMOKING-HEALTH CONTROVERSY.	 .191
 Chapter VII: The Economic Importance of Tobacco in Canada.	 .194
A. Introduction.	.194
B. Tobacco Agriculture	.194
C. Tobacco Exports	.206
D. Tobacco Manufacturing	.208
E. Tobacco Taxation.	.215
 Chapter VIII: Governmental Response to the Smoking-Health Controversy in Canada.	 .224
A. Canadian Smoking and Health Program	.224
B. Legislative Efforts	.231
C. Isabelle Committee Report	.241
D. Industry Reaction	.248
 Chapter IX: Canadian Tobacco Industry's Response	 .257
A. Formal Presentations.	.257
B. Industry Response to Cigarette Advertising.	.264
C. Canada's Approach to Smoking and Health	.271
 Chapter X: Canadian Health Interest Groups and Smoking	 .276
A. Introduction.	.276
B. Canadian Medical Association.	.277
C. Canadian Tuberculosis and Respiratory Disease Association . . .	.280
D. Canadian Cancer Society and the National Cancer Institute of Canada	.281
E. Canadian Heart Foundation	.284
F. Canadian Health Interests and Smoking	.284
 PART THREE: GREAT BRITAIN AND THE SMOKING-HEALTH CONTROVERSY . . .	 .289
 Chapter XI: Tobacco and the British Economy.	 .291
A. Introduction.	.291

A. Introduction	191
Chapter XI: Tobacco and the British Economy	191
PART THREE: GREAT BRITAIN AND THE SMOKING-HEALTH CONTROVERSY	180
F. Canadian Health Interests and Smoking	184
E. Canadian Heart Foundation	184
D. Canadian Cancer Society and the National Cancer Institute of Canada	181
C. Canadian Tuberculosis and Respiratory Disease Association	180
B. Canadian Medical Association	177
A. Introduction	176
Chapter X: Canadian Health Interest Groups and Smoking	176
C. Canada's Approach to Smoking and Health	171
B. Industry Response to Cigarette Advertising	164
A. Formal Presentations	157
Chapter IX: Canadian Tobacco Industry's Response	157
D. Industry Reaction	148
C. Isabelle Committee Report	141
B. Legislative Efforts	131
A. Canadian Smoking and Health Program	124
Chapter VIII: Governmental Response to the Smoking-Health Controversy in Canada	124
E. Tobacco Taxation	115
D. Tobacco Manufacturing	108
C. Tobacco Exports	108
B. Tobacco Agriculture	104
A. Introduction	104
Chapter VII: The Economic Importance of Tobacco in Canada	104
PART TWO: CANADA AND THE SMOKING-HEALTH CONTROVERSY	101
C. Task Force for Smoking and Health	185
B. The Public Health Service and Cigarette Smoking	181
A. Introduction	181
Chapter VI: Surgeons General of the Public Health Service and Smoking	181
F. National Interagency Council on Smoking and Health	175
E. American Heart Association	173
D. American Cancer Society	172
C. National Tuberculosis and Respiratory Disease Association	171
B. American Medical Association	167

	Page
B. Tobacco Manufacturing	.292
C. British Cigarette and Tobacco Taxation.	.298
D. Tobacco Industry Concentration.	.303
 Chapter XII: British Smoking and Health Program, Legislative and Interest Group Efforts.	 .307
A. Introduction.	.307
B. Governmental Efforts.	.307
C. Response to Cigarette Advertising	.310
D. The Verbal War of Sir George Godber	.319
E. The Royal College of Physicians of London and Smoking	.322
F. Postscript.	.330
 Chapter XIII: The British Tobacco Industry's Response.	 .337
A. Introduction.	.337
B. Diversification	.338
C. Industry Tactics.	.340
D. Industry Research Efforts	.345
E. Conclusion.	.351
 PART FOUR: COMPARATIVE PERSPECTIVES.	 .356
 Chapter XIV: Comparative Cigarette Consumption: Utility, Disutility, and Political Implications.	 .357
A. Introduction.	.357
B. Aggregate Indicators.	.359
C. Consumption and Politics.	.364
D. United States Consumption	.365
E. Canadian Consumption.	.366
F. Consumption in Great Britain.	.368
G. Conclusions	.369
 Chapter XV: Cigarette Smoking and Public Policy.	 .373
A. Introduction.	.373
B. Governmental Response	.373
1. The Goals of Government Action.	.373
2. The Dimensions of Public Policy Alternatives and Actions.	.378
3. Health-Related Responses of Government and Industry	.382
4. Factors Affecting Government Policy	.386
C. Economic Importance	.397
1. Tobacco and Politics.	.397
2. Market Structure and Industry Response.	.402
D. Smoking and Health as an Issue Area	.405
1. Introduction: Models of the Interest Group Process and the Role of Government.	 .405
2. Referee Models.	.406
3. Vector-Sum Model.	.407
4. Interest Group Liberalism Model	.408
5. Competitive Government.	.414

Page	
292	B. Tobacco Manufacturing
298	C. British Cigarette and Tobacco Taxation
303	D. Tobacco Industry Concentration
	Chapter XII: British Smoking and Health Program, Legislative and Interest Group Efforts 307
307	A. Introduction
307	B. Governmental Efforts
310	C. Response to Cigarette Advertising
319	D. The Verbal War of Sir George Goddard
322	E. The Royal College of Physicians of London and Smoking
330	F. Postscript
	Chapter XIII: The British Tobacco Industry's Response 337
337	A. Introduction
338	B. Diversification
340	C. Industry Tactics
342	D. Industry Research Efforts
351	E. Conclusion
	PART FOUR: COMPARATIVE PERSPECTIVES 356
	Chapter XIV: Comparative Cigarette Consumption: Utility, Disutility, and Political Implications 357
357	A. Introduction
359	B. Aggregate Indicators
364	C. Consumption and Politics
365	D. United States Consumption
366	E. Canadian Consumption
368	F. Consumption in Great Britain
369	G. Conclusions
	Chapter XV: Cigarette Smoking and Public Policy 373
373	A. Introduction
373	B. Governmental Response
373	1. The Goals of Government Action
378	2. The Dimensions of Public Policy Alternatives and Actions
382	3. Health-Related Responses of Government and Industry
386	4. Factors Affecting Government Policy
397	C. Economic Importance
397	1. Tobacco and Politics
402	2. Market Structure and Industry Response
402	D. Smoking and Health as an Issue Area
402	1. Introduction: Models of the Interest Group Process and the Role of Government
406	2. Referent Models
407	3. Vector-sum Model
408	4. Interest Group Liberalism Model
414	5. Competitive Government

LIST OF TABLES

Table	Page
-------	------

Chapter I

1. U.S. Tobacco Acreage, Production, and Value 1949-53 to 1964-68.	17
2. Cigarette Tobaccos.	18
3. Recent Cigarette Tobaccos Data.	19
4. Tobacco Farms and Farm Families in the United States by State 1969 and 1971.	22
5. Commercial Tobacco Farms: 1964	24
6. Cash Receipts from Tobacco as a Percentage of Total Cash Receipts from all Farm Commodities 1952-56 to 1967-71	25
7. Congressional Districts in Which There Were 2,700 or More Commercial Tobacco Farms in 1963.	30
8. Tobacco Price Support Loans, Commodity Credit Corporation, Crop Years, 1950-69.	36
9. Tobaccos' Contributions to State Economies.	44
10. Tobaccos' Contribution to the National Economy.	47
11. Tobacco Industry Contribution to the U.S. Economy	48
12. Internal Revenue Collections and Share From Tobacco Farms, Fiscal Years, 1940-70.	54
13. Tobacco Exports	61
14. Value of Cigarette Exports.	63
15. Public Law 480: Program Operation Costs.	65
16. CCC Program Costs	68

Chapter II

1. Cigarettes -- Estimated Output of Nonfilter and Filtertip 1950-71	92
2. Non-Tobacco Revenues and Earnings	104

Chapter VII

1. Acreage, Production and Value of Leaf Tobacco Crop by 5-Year Averages 1949-68 and Annually 1965-69.	195
2. Farm Cash Receipts from Farming Operations by Province. . . .	197
3. Provincial Tobacco Production and Value	204
4. Value of Export Trade Tobacco and Products Export Weight of Redried Leaf and Tobacco as a Percentage of Total Exports. .	207
5. Contribution of Tobacco Manufacturing To Total Manufacturing in Ontario and Quebec 1961-1966	210

LIST OF TABLES

Table

Table

Chapter I

1.	U.S. Tobacco Acreage, Production, and Value 1949-53	17
2.	Cigarette Tobacco to 1944-48	18
3.	Recent Cigarette Tobacco Data	19
4.	Tobacco Farms and Farm Handled in the United States by State 1969 and 1971	22
5.	Commercial Tobacco Farms: 1964	24
6.	Cash Receipts from Tobacco as a Percentage of Total Cash Receipts from all Farm Commodities 1952-56 to 1967-71	25
7.	Congressional Districts in Which There Were 2,700 or More Commercial Tobacco Farms in 1963	30
8.	Tobacco Price Support Loans, Commodity Credit Corporation, Crop Years, 1959-69	36
9.	Tobacco's Contribution to State Economies	44
10.	Tobacco's Contribution to the National Economy	47
11.	Tobacco Industry Contribution to the U.S. Economy	48
12.	Internal Revenue Collections and Share from Tobacco Farms, Fiscal Years, 1940-70	54
13.	Tobacco Exports	61
14.	Value of Cigarette Exports	63
15.	Public Law 450: Program Operation Costs	65
16.	CCC Program Costs	68

Chapter II

1.	Cigarettes -- Estimated Output of Nonfilter and Filtertip 1950-71	92
2.	Non-Tobacco Revenues and Payments	104

Chapter VII

1.	Acreage, Production and Value of Leaf Tobacco Crop by 2-Year Averages 1949-48 and Annually 1965-69	125
2.	Farm Cash Receipts from Tobacco Operations by Province	127
3.	Provincial Tobacco Production and Value	134
4.	Value of Export Trade Tobacco and Products Export Weight of United Leaf and Tobacco as a Percentage of Total Exports	207
5.	Contribution of Tobacco Manufacturing To Total Manufacturing in Ontario and Quebec 1961-1966	210

Table	Page
6. Canadian Tobacco Manufacturing.	211
7. Per cent of Diversification	213
8. Federal Government Tobacco Taxation	216
9. Provincial Tobacco Taxation in Canada	218

Chapter XI

1. Great Britain: Value of Tobacco Imports and Exports 1958-1968	297
2. British Tobacco Taxation.	300

Chapter XII

1. Ministry of Health Expenditures on Anti-Smoking Advertising .	309
2. British Expenditure on Sales Promotion of Cigarettes, Tobaccos, and Cigars, 1955-1968	313

Chapter XIV

1. Aggregate Cigarette Consumption and Per Capita Consumption for the United States, Canada and Great Britain 1950-1971 . .	360
2. Filter Tip Cigarettes as a Percentage of Total Output and/or Sales 1959-1970.	362
3. What would you say is the possibility that five years from now you will be a cigarette smoker?	367
4. Canadian Cigarette Smoking.	367

Chapter XV

1. Dimensions of Governmental Response to the Smoking-Health Controversy	383
2. Tobacco Industry Responses Potentially Favorable to Health in the Smoking-Health Controversy.	384

Table

6.	Canadian Tobacco Manufacturing	211
7.	Per cent of Privatization	213
8.	Federal Government Tobacco Taxation	216
9.	Provincial Tobacco Taxation in Canada	218

Chapter VI

1.	Great Britain: Value of Tobacco Imports and Exports 1988-1989	227
2.	British Tobacco Taxation	230

Chapter VII

1.	Ministry of Health Expenditures on Anti-Smoking Advertising	309
2.	British Expenditure on Sales Promotion of Cigarettes, Tobaccoes, and Cigars, 1955-1983	313

Chapter VIII

1.	Average Cigarette Consumption and Per Capita Consumption for the United States, Canada and Great Britain 1950-1971	360
2.	Filter Tip Cigarettes as a Percentage of Total Output and/or Sales 1959-1970	362
3.	What would you say is the possibility that five years from now you will be a cigarette smoker?	367
4.	Canadian Cigarette Smoking	367

Chapter IX

1.	Dimensions of Governmental Response to the Smoking-Health Controversy	383
2.	Tobacco Industry Responses Potentially Favorable to Health in the Smoking-Health Controversy	384

LIST OF FIGURES

Figure	Page
<u>Chapter IX</u>	
1. National Cancer Institute of Canada - Canadian Tobacco Industry Grants to Support Research Related to Lung Cancer.	263

LIST OF FIGURES

Figure	Page
Figure 1A	
1. National Cancer Institute of Canada - Canadian Tobacco Industry Grants to Support Research Related to Lung Cancer	263

INTRODUCTION

No single factor kills so many Americans as cigarette smoking . . . Bullets, germs and viruses are killers; but for Americans, cigarettes are more deadly than any of them. No single known lethal agent is as deadly as the cigarette. ¹

Cigarette smoking is, without question, the greatest single public health problem this nation has ever faced. ²

The Advisory Committee of the Surgeon General of the Public Health Service concluded in its 1964 report Smoking and Health that "cigarette smoking is a health problem of sufficient importance in the United States to warrant appropriate remedial action." Surgeon General William Stewart elaborated at the World Conference on Smoking and Health in 1967:

I am convinced that, in one important dimension our controversy is no longer controversial. The proposition that cigarette smoking is hazardous to human health long ago passed the realm of possibility. It has now gone beyond the probable, to the point of demonstrable fact. ³

A growing body of scientific evidence has associated cigarette smoking with ill health and premature death. This evidence has led national health interest groups (e.g. the American Cancer Society), and government health program administrators in several countries to demand governmental action to change consumer cigarette smoking habits. How do governments respond to a problem of this magnitude? How do the dominant social and economic forces in a nation interact to shape perceptions of the problem and of solutions to it? What policies show promise? Which appear to be failing? These are some of the questions under scrutiny in this study of political demand, government response, and policy impact in three countries -- the

INTRODUCTION

No single factor kills so many Americans as cigarette smoking. . . . Bullets, germs and viruses are killers; but for Americans, cigarettes are more deadly than any of them. No single known lethal agent is as deadly as the cigarette. ¹

Cigarette smoking is, without question, the greatest single public health problem this nation has ever faced. ²

The Advisory Committee of the Surgeon General of the Public Health Service concluded in its 1964 report Smoking and Health that "cigarette smoking is a health problem of sufficient importance in the United States to warrant appropriate remedial action." Surgeon General William Stewart

elaborated at the World Conference on Smoking and Health in 1967:

I am convinced that, in one important dimension our controversy is no longer controversial. The proposition that cigarette smoking is hazardous to human health long ago passed the realm of possibility. It has now gone beyond the probable, to the point of demonstrable fact. ³

A growing body of scientific evidence has associated cigarette smoking with ill health and premature death. This evidence has led national health interest groups (e.g. the American Cancer Society), and government health program administrators in several countries to demand governmental action to change consumer cigarette smoking habits. How do governments respond to a problem of this magnitude? How do the dominant social and economic forces in a nation interact to shape perceptions of the problem and of solutions to it? What policies have proved? Which appear to be failing? These are some of the questions under scrutiny in this study of political demand, government response, and policy impact in three countries -- the

United States, Canada, and Great Britain.

The cigarette smoking-health controversy is not a simple medical problem. Government actions -- through direct regulation of the tobacco industry or through public information programs -- or interactions influence consumer behavior. Obviously, these actions may, as an unintended consequence, conflict with the economic interests of the cigarette industry. Government and private health organization warnings have been countered by tobacco industry advertising; scientific research has been denied and criticized by industry spokesmen who often have refused to acknowledge that a real problem exists.

Policy making in this area presents the pervasive problem of Western democracies of how to rationalize an economic system based on profits with a larger public interest when the two come into conflict. It also raises the question of how political systems respond to scientific problems which affect the public where questions of causality are involved. What happens when this type of problem, faced by many people, conflicts with strong economic interests? How does the economic importance of tobacco affect government action on smoking and health? We will consider the various dimensions of tobacco's importance including tobacco growing, tobacco manufacturing, government tax revenues and exports in an attempt to examine the impact of this importance on public policy. We shall see that government policy in this area has been a function of an enormous variety of factors. And, consumer reaction to the smoking-health controversy has stemmed from an equally wide universe of influences.

An analytic framework has been adopted to simplify the wide range of considerations relevant to the study of public smoking-health policy. This

United States, Canada, and Great Britain.

The cigarette smoking-health controversy is not a simple medical problem. Government actions -- through direct regulation of the tobacco industry or through public information programs -- or interactions influence consumer behavior. Obviously, these actions may, as an unintended consequence, conflict with the economic interests of the cigarette industry. Government and private health organization warnings have been countered by tobacco industry advertising; scientific research has been denied and criticized by industry spokesmen who often have refused to acknowledge that a real problem exists.

Policy making in this area presents the pervasive problem of Western democracies of how to rationalize an economic system based on profits with a larger public interest when the two come into conflict. It also raises the question of how political systems respond to scientific problems which affect the public where questions of causality are involved. What happens when this type of problem, faced by many people, conflicts with strong economic interests? How does the economic importance of tobacco affect government action on smoking and health? We will consider the various dimensions of tobacco's importance including tobacco growing, tobacco manufacturing, government tax revenues and exports in an attempt to examine the impact of this importance on public policy. We shall see that government policy in this area has been a function of an enormous variety of factors. And, consumer reaction to the smoking-health controversy has stemmed from an equally wide universe of influences.

An analytic framework has been adopted to simplify the wide range of considerations relevant to the study of public smoking-health policy. This

framework will elucidate elements of the real world which have played an important role in government policy creation and effect. While we do not test any theory, the model we suggest may be useful in developing theory by suggesting hypotheses which may eventually be testable. Some of the variables that are suggested are operational, but many are not measurable or appropriate measures cannot be obtained. We do examine the effects of interest groups on public policy and briefly to discuss the apparent effects of policy upon behavior.

The smoking problem and its solutions comprise a network of behavior in three classes:

1. the strategies of health interest groups, government health administrators and tobacco corporations intended to shape government policies,
2. government policy, and
3. cigarette consumption

We will discuss actions within and between these classes of behavior. We will examine the actions of the actors and pinpoint some of the inter-relationships between them.

(1) Interest Group Strategies

In considering the smoking-health controversy in the U.S., Great Britain and Canada, we will examine the sequence of events, leading from health and economic interest groups' awareness of the problem to their activities designed to influence both government and consumer actions. We shall try to determine how interest groups attempt to influence government action. Interest groups seem to direct their arguments and efforts to the component of government most sympathetic to their cause, which brings us to the question of how government action is affected by the

framework will elucidate elements of the real world which have played an important role in government policy creation and effort. While we do not test any theory, the model we suggest may be useful in developing theory by suggesting hypotheses which may eventually be testable. Some of the variables that are suggested are operational, but many are not reasonably or appropriate measures cannot be obtained. We do examine the effects of interest groups on public policy and briefly to discuss the general effects of policy upon behavior.

The smoking problem and its solutions comprise a network of behavior

in three classes:

1. the strategies of health interest groups, government health administrators and tobacco corporations intended to shape government policies,
2. government policy, and
3. cigarette consumption

We will discuss actions within and between these classes of behavior. We will examine the actions of the actors and pinpoint some of the interrelationships between them.

(1) Interest Group Strategies

In considering the smoking-health controversy in the U.S., Great Britain and Canada, we will examine the sequence of events, leading from health and economic interest groups' awareness of the problem to their activities designed to influence both government and consumer actions. We shall try to determine how interest groups succeed to influence government action. Interest groups seek to direct their arguments and efforts to the component of government most amenable to their cause, which brings us to the question of how government action is affected by the

structure of government. A federal system with multiple pressure points may provide more possibilities for action and influence than a unitary governmental system. One hypothesis which we will examine is that the more decentralized the government structure, the more diffuse the resulting government actions. The uncertainties created for industry in this type of situation appear to result in a less cooperative industry strategy. Industry strategies vary in the degree of resistance and cooperation which, in turn, may shape government policy and ultimately, the rate and health consequences of cigarette smoking. Resistance and cooperation by the tobacco industry appear to be based upon their perception of government responsibility in ameliorating any negative consequences of government action, through gradual action, subsidy or benign neglect. We will examine the apparent impact of these three countries' market structures and competition on the willingness of tobacco companies cooperate with each other, and to direct, limit, or prevent government involvement.

The variability of health interest group strategies which attempt to influence consumer behavior will be examined comparatively over time. In addition, the cross-national diffusion of particular proposals for government action and scientific research will be considered. The development of coalitions of these health interest groups will be traced, when possible, to attempt to determine the conditions needed for interest groups to spur new government actions. One proposition that will be considered is that the effectiveness of health interest groups in obtaining government action depends upon their unity in demanding such action.

structure of government. A federal system with multiple pressure points may provide more possibilities for action and influence than a unitary governmental system. One hypothesis which we will examine is that the more decentralized the government structure, the more diffuse the resulting government actions. The uncertainties created for industry in this type of situation appear to result in a less cooperative industry strategy. Industry strategies vary in the degree of resistance and cooperation which, in turn, may shape government policy and ultimately, the rate and health consequences of cigarette smoking. Resistance and cooperation by the tobacco industry appear to be based upon their perception of government responsibility in ameliorating any negative consequences of government action, through gradual action, subsidy or benefit neglect. We will examine the apparent impact of these three countries' market structures and competition on the willingness of tobacco companies cooperate with each other, and to direct, limit, or prevent government involvement.

The variability of health interest group strategies which attempt to influence consumer behavior will be examined comparatively over time. In addition, the cross-national diffusion of particular proposals for government action and scientific research will be considered. The development of coalitions of these health interest groups will be traced, when possible, to attempt to determine the conditions needed for interest groups to spur new government actions. One proposition that will be considered is that the effectiveness of health interest groups in obtaining government action depends upon their ability in demanding such action.

The strategies used by tobacco industries will be explored to determine similarities and differences among countries and to discuss how these strategies have affected government policy. One hypothesis which we will explore is that the tobacco industry seeks to prevent government regulation by voluntarily cooperating with the government.

(2) Government Policy

Political scientists have often argued that differences in the formal governmental structure of different countries lead somehow to different types of public policy. Hennessey noted that "although these formal structures probably do make a difference it is necessary to specify what it is about these structures which brings about variation in public policy." ⁴ Thus, we will attempt to focus on who acts, why they act, and how they act.

Variations in public policy cross-nationally may help to sensitize us to variables that explain policy decisions. Froman has phrased the basic question somewhat differently: "Do different kinds of organizational structure facilitate or impede the handling of different kinds of policies?" ⁵ Unfortunately, the dimensions on which one should compare government policy responses from one country to the next are not clear in the literature. Salisbury has noted, in examining literature in the field, that "the literature contains a considerable shopping list of typologies specifically designed for categorizing the content of policy outputs." ⁶ No common set of concepts or measures is accepted by practitioners in the field, and as we shall see, most of these concepts have no empirical referents.

The strategies used by tobacco industries will be examined to determine similarities and differences among countries and to discuss how these strategies have affected government policy. The hypothesis which we will explore is that the tobacco industry seeks to prevent government regulation by voluntarily cooperating with the government.

(2) Government Policy

Political scientists have often argued that differences in the formal governmental structure of different countries lead somehow to different types of public policy. Hennessey noted that "although these formal structures probably do make a difference it is necessary to specify what it is about these structures which brings about variation in public policy." ⁴ Thus, we will attempt to focus on who acts, why they act, and how they act.

Variations in public policy cross-nationally may help to sensitise us to variables that explain policy decisions. Froman has phrased the basic question somewhat differently: "Do different kinds of organizational structure facilitate or impede the handling of different kinds of policies?" ⁵ Unfortunately, the dimensions on which one should compare government policy responses from one country to the next are not clear in the literature. Salisbury has noted, in examining literature in the field, that "the literature contains a considerable shopping list of typologies specifically designed for categorizing the content of policy outputs." ⁶ No common set of concepts or measures is accepted by practitioners in the field, and as we shall see, most of these concepts have no empirical referents.

The smoking-health controversy is typical of many problems presently facing governments, where governments are called upon to act on the basis of scientific evidence against important economic interests in which the goals and role of government action are diffuse and moot. In this sense, our present study may provide some insights into governmental response in other policy areas which we do not directly touch upon.

Policy studies can be comparative in a number of different respects:

1. by examining different countries,
2. by examining different policy issues within one country, or
3. by examining one policy area or issue over time.

We will limit ourselves in this study to making comparisons between countries and to examining a single issue over time.

The breadth of government policy relating to the smoking-health controversy will be considered, including both actions that oppose and those which favor the tobacco industry and cigarette consumption. Once again we hypothesize that the structure of government plays a considerable role in policy outputs as well as in the level and depth of governmental consideration of the problem. Thus, more centralized systems may lend themselves to broader and deeper consideration of the problem, while less centralized systems may lead to more rapid, specialized considerations of limited portions of the problem.

In considering governmental response, we will discuss three theories of the relationship between interest groups and government:

1. the "referee" theory which "asserts that the role of the central government is to lay down ground rules for conflict and competition among private associations;" ⁷

The smoking-health controversy is typical of many problems presently

facing governments, where governments are called upon to act on the basis of scientific evidence against important economic interests in which the goals and role of government action are diffuse and moot. In this sense, our present study may provide some insights into governmental response in other policy areas which we do not directly touch upon.

Policy studies can be comparative in a number of different respects:

1. by examining different countries,
2. by examining different policy issues within one country, or
3. by examining one policy area or issue over time.

We will limit ourselves in this study to making comparisons between

countries and to examining a single issue over time.

The breadth of government policy relating to the smoking-health controversy will be considered, including both actions that oppose and those which favor the tobacco industry and cigarette consumption. Once again we hypothesize that the structure of government plays a considerable role in policy outputs as well as in the level and depth of governmental consideration of the problem. Thus, more centralized systems may lend themselves to broader and deeper consideration of the problem, while less centralized systems may lead to more rapid, specialized considerations of limited portions of the problem.

In considering governmental response, we will discuss three theories

of the relationship between interest groups and government:

1. The "referee" theory which asserts that the role of the central government is to lay down ground rules for conflict and competition among private associations;

2. the "vector-sum" theory⁸ that Congress is the focal point for the pressures which are exerted by interested groups and Congress combines them into a single social decision; and
3. governments can be examined as a collection of interest groups competing among themselves to solve public problems while maximizing their client groups.

We will explore the utility of the first two approaches in explaining smoking-health policy in the U.S., Great Britain and Canada, and using the third approach, present an alternative focus which may be useful in addition to the first two.

(3) Cigarette Consumption

In considering the results of public policy and private economic health interest group effects, we will examine the response of cigarette smokers. We will briefly examine the cross-national changes over time in the level of cigarette consumption, both absolute and per capita, and variations in consumer preference for particular types of cigarettes (i.e., filter and non-filter brands).

Consumption is a broad indicator of the effectiveness or failure of health interest group and governmental actions in influencing cigarette smoker behavior. One proposition which we will examine is that the level of filter cigarette consumption increased sharply with the awareness of the cigarette smoking public of the smoking-health problem. Another is that centralized government consideration of the problem and unified action results in greater impact upon cigarette consumption than decentralized response. We will examine these aggregate indicators of cigarette consumption and criticize their utility in light of the smoking-health controversy in the hope that better indicators can be developed.

In short, in the present study we will consider, in the first stage of analysis, the impact on governmental policy of key political forces:

2. the "vector-sum" theory⁸ that Congress is the focal point for the pressures which are exerted by interested groups and Congress combines them into a single model decision; and

3. governments can be examined as a collection of interest groups competing among themselves to solve public problems while maximizing their client groups.

We will explore the utility of the first two approaches in explaining smoking-health policy in the U.S., Great Britain and Canada, and using the third approach, present an alternative focus which may be useful in addition to the first two.

(3) Cigarette Consumption

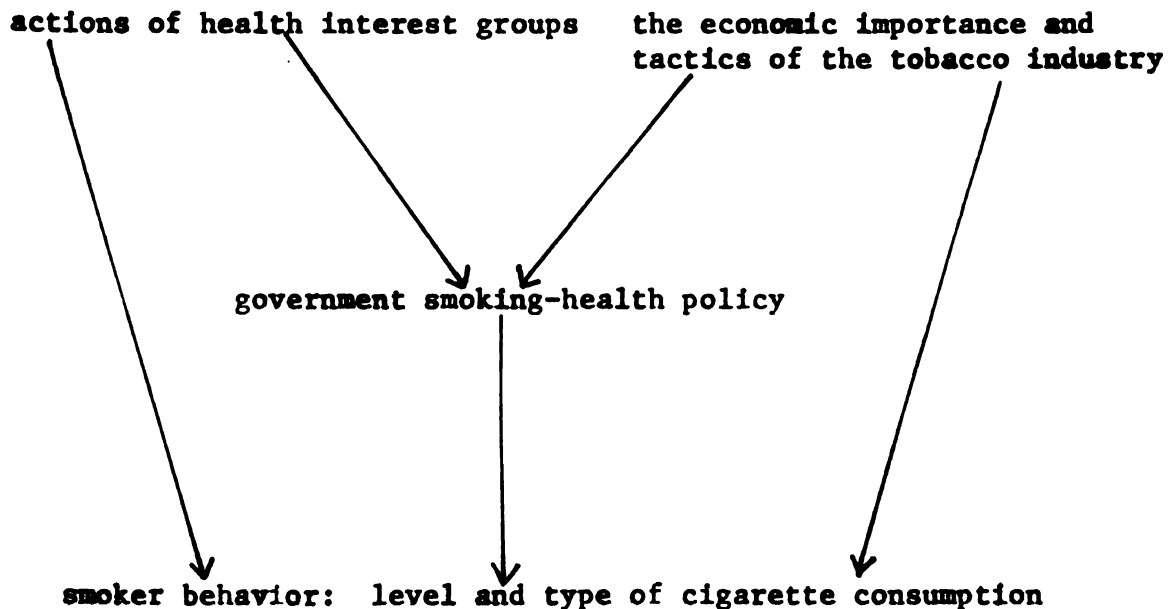
In considering the results of public policy and private economic health interest group effects, we will examine the response of cigarette smokers. We will briefly examine the cross-national changes over time in the level of cigarette consumption, both absolute and per capita, and variations in consumer preference for particular types of cigarettes (i.e., filter and non-filter brands).

Consumption is a broad indicator of the effectiveness or failure of health interest group and governmental actions in influencing cigarette smoker behavior. One proposition which we will examine is that the level of filter cigarette consumption increased sharply with the awareness of the cigarette smoking public of the smoking-health problem. Another is that centralized government consideration of the problem and unified action results in greater impact upon cigarette consumption than decentralized response. We will examine these separate indicators of cigarette consumption and criticize their utility in light of the smoking-health controversy in the hope that better indicators can be developed. In short, in the present study we will consider, in the first stage of analysis, the impact on governmental policy of key political forces:

the actions of health interest groups, the economic interests engaged in the growing of tobacco, and the strategies of the tobacco industry. In the second stage of analysis, we will look into trends in smoking, their possible health significance, and the possible impact of government policies, health interest group actions, and tobacco industry tactics on them. (see diagram below)

In comparatively analyzing the smoking-health controversy in three countries we hope to focus on those factors in each country which have most affected public policy. We do so in the hope that better (or at least more considered) public policy will result.

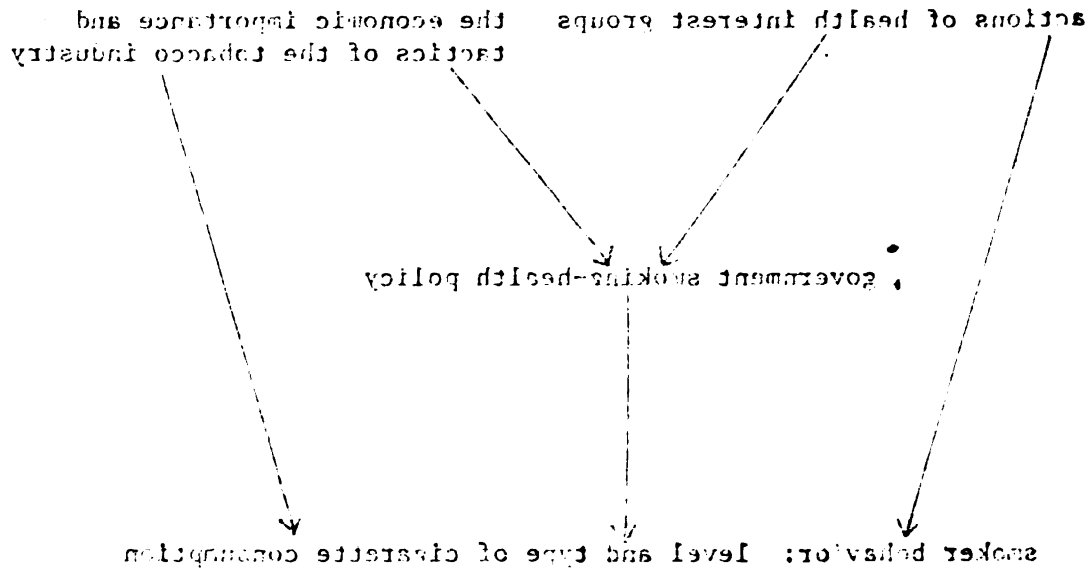
Diagram of the Two Stages of Analysis



the actions of health interest groups, the economic interests emanated in the growing of tobacco, and the strategies of the tobacco industry. In the second stage of analysis, we will look into trends in smoking, their possible health ramifications, and the possible impact of government policies, health interest group actions, and tobacco industry tactics on them. (see diagram below)

In comparatively analyzing the smoking-health controversy in three countries we hope to focus on those factors in each country which have most affected public policy. We do so in the hope that better (or at least more considered) public policy will result.

Diagram of the Two Stages of Analysis



Footnotes - Introduction

1. Harold S. Diehl, Tobacco and Your Health: The Smoking Controversy (New York: McGraw Hill, 1969), p. 1.
2. Ibid., p. 2.
3. World Conference on Smoking and Health: A Summary of the Proceedings, September, 1967, p. 118.
4. T.M. Hennessey, "The Comparative Analysis of Public Policy: Some Theoretical and Methodological Problems," unpublished paper, p. 20 (1969).
5. Lewis A. Froman, Jr., "The Categorization of Policy Contents," in Political Science and Public Policy, Austin Ranney, editor (Chicago: Markham Publishing Company, 1968), p. 44.
6. Robert H. Salisbury, "The Analysis of Public Policy: A Search for Theories and Roles," in Austin Ranney, editor, Political Science and Public Policy (Chicago: Markham Publishing Company, 1968), p. 155.
7. Robert Paul Wolff, "Beyond Tolerance," in Robert Paul Wolff, Barrington Moore, Jr. and Herbert Marcuse, A Critique of Pure Tolerance (Boston: Beacon Press, 1965), p. 11.
8. Ibid.

Bibliography

1. Harold S. Dole, *Foreign and World Affairs* (New York: McGraw-Hill, 1957), p. 1.
2. *Ibid.*, p. 2.
3. World Conference on Science and Health: A Summary of the Proceedings, September, 1957, p. 118.
4. T.M. Pennessy, "The Comparative Analysis of Public Policy: Some Theoretical and Methodological Problems," unpublished paper, p. 20 (1959).
5. Lewis A. Froman, Jr., "The Categorization of Policy Concepts," in *Political Science and Public Policy*, Austin Ranney, editor (Chicago: Markham Publishing Company, 1959), p. 44.
6. Robert H. Salisbury, "The Analysis of Public Policy: A Search for Theories and Roles," in Austin Ranney, editor, *Political Science and Public Policy* (Chicago: Markham Publishing Company, 1959), p. 105.
7. Robert Paul Wolff, "Beyond Tolsonism," in Robert Paul Wolff, *Reflections on Moore, Jr. and Herbert Parsons: A Critique of Their Theories* (Boston: Beacon Press, 1961), p. 11.
8. *Ibid.*

PART ONE

THE SMOKING-HEALTH CONTROVERSY IN THE UNITED STATES

THE SMOKING-HEALTH CONTROVERSY IN THE UNITED STATES
PART ONE

Chapter I: The Economic and Political Importance of Tobacco in the United States

A. Introduction

In the following sections we will examine the economic reasons for predicting that tobacco would be politically influential in the United States. Both the size and the structure of the tobacco industry facilitate its political influence. Cigarette manufacturing and tobacco growing are concentrated in a limited number of congressional districts in only a few states. Under the basic assumption of rational action by political leaders, we would expect representatives from these districts and states to defend their constituents' interests and defend the tobacco industry against attack. On the other hand, cigarette smokers, found in every district, constitute a sizeable voting bloc who may oppose anti-smoking efforts. In districts in which the smoking-health issue is not economically salient, we would expect representatives, acting rationally, to avoid actions which might antagonize and alienate their cigarette smoking constituents.

It is the concentration of tobacco's economic importance which has increased the obstacles to governmental regulation of cigarette smoking and which will increase the hardships that result from government policies which lead to reduced cigarette consumption. The congressional committee system and the seniority rule have resulted in a structural arrangement which allows a strong minority to exert considerable influence, although the actual significance of seniority has been

Chapter I: The Economic and Political Importance
of Tobacco in the United States

A. Introduction

In the following sections we will examine the economic reasons for predicting that tobacco would be politically influential in the United States. Both the size and the structure of the tobacco industry facilitate its political influence. Cigarette manufacturing and tobacco growing are concentrated in a limited number of congressional districts in only a few states. Under the basic assumption of rational action by political leaders, we would expect representatives from these districts and states to defend their constituents' interests and defend the tobacco industry against attack. On the other hand, cigarette smokers, found in every district, constitute a sizeable voting bloc who may oppose anti-smoking efforts. In districts in which the smoking-health issue is not economically salient, we would expect representatives, acting rationally, to avoid actions which might antagonize and alienate their cigarette smoking constituents.

It is the concentration of tobacco's economic importance which has increased the obstacles to governmental regulation of cigarette smoking and which will increase the hardships that result from government policies which lead to reduced cigarette consumption. The congressional committee system and the seniority rule have resulted in a structural arrangement which allows a strong minority to exert considerable influence, although the actual significance of seniority has been

challenged.¹ Representatives of tobacco producing and manufacturing districts have formed such a minority and have to a considerable extent either delayed or blocked anti-smoking legislation.

Senator Robert Kennedy, in his address to the World Conference on Smoking and Health on September 11, 1967, suggested that the political impact of the tobacco industry is a direct result of its economic power. He continued:

Cigarettes would have been banned years ago were it not for the tremendous economic power of their producers. If the cigarette industry's economic power were as miniscule as that of the marijuana industry, cigarettes would surely be illegal now and their sale subject to severe penalty as a health hazard.²

A Canadian parliamentary committee studying the problem similarly concluded that "if it were not for the economic complexities of the problem, the evidence would have been acted upon much sooner than it was."³

They argued:

There can be no question that if cigarettes were a food or drug or being newly marketed, their sale would have to be prohibited or strongly regulated on the basis of evidence now available, the known constituents of the smoke and the express purpose for which they are sold.⁴

If any meaningful actions are to be taken affecting cigarette consumption, care should be exercised to examine first the possible economic consequences by uncovering and exploring the established system of interrelationships that any action will affect. Industry officials warn that the economic effects on the nation of a troubled tobacco industry would be considerable. We attempt to further qualify this belief by indicating clearly the realities of the economic and political picture.

challenged.¹ Representatives of tobacco producing and manufacturing districts have formed such a minority and have to a considerable extent either delayed or blocked anti-smoking legislation.

Senator Robert Kennedy, in his address to the World Conference on Smoking and Health on September 11, 1967, suggested that the political impact of the tobacco industry is a direct result of its economic power.

He continued:

Cigarettes would have been banned years ago were it not for the tremendous economic power of their producers. If the cigarette industry's economic power were as minuscule as that of the marijuana industry, cigarettes would surely be illegal now and their sale subject to severe penalty as a health hazard.²

A Canadian parliamentary committee studying the problem similarly concluded that "if it were not for the economic complexities of the problem, the evidence would have been acted upon much sooner than it was."³

They argued:

There can be no question that if cigarettes were a food or drug or being newly marketed, their sale would have to be prohibited or strongly regulated on the basis of evidence now available, the known constituents of the smoke and the express purpose for which they are sold.⁴

If any meaningful actions are to be taken affecting cigarette consumption, care should be exercised to examine first the possible economic consequences by uncovering and exploring the established system of interrelationships that any action will affect. Industry officials warn that the economic effects on the nation of a troubled tobacco industry would be considerable. We attempt to further qualify this belief by indicating clearly the realities of the economic and political picture.

The economic importance of tobacco in the United States is evidenced in four principal ways. First, tobacco has been an important source of income for some 591,400 farm families on 373,700 farms that produce a yearly crop valued in excess of 1.3 billion dollars.⁵ Tobacco has been the fourth largest cash crop in the United States, exceeded in importance only by corn, soybeans, and wheat, and is a vital sector of the farm economy.⁶ Cigarette tobaccos comprise over 90 per cent of all tobacco cash receipts.⁷

Second, the cigarette manufacturing industry employs some 35 thousand people with an annual payroll in excess of 200 million dollars. Tobacco sales in 1972 were over 12 billion dollars, and tobacco company profits exceeded \$643 million in 1971.

Third, tax revenues from tobacco have increased (on all levels of government) 136 per cent from an average of \$1.989 billion between 1950 and 1954 to \$5.1 billion in fiscal 1972. Every state in the union now taxes cigarettes to raise needed public revenues, and total state cigarette taxation rapidly is approaching federal cigarette tax receipts.

Finally, tobacco exports have contributed substantially to the U.S.'s balance of payments with other countries. The United States leads the world in tobacco exports, and tobacco has been an important export commodity since the early 17th century.

Together, these four factors form an impressive economic rationale for governmental inaction. A structure of economic incentives has developed which benefits both the tobacco industry and the government. A state of reciprocal interdependence now exists in which both reap the benefits of cigarette consumption. Any decline in the consumption of

The economic importance of tobacco in the United States is evidenced in four principal ways. First, tobacco has been an important source of income for some 591,400 farm families on 373,700 farms that produce a yearly crop valued in excess of 1.3 billion dollars.⁵

Tobacco has been the fourth largest cash crop in the United States, exceeded in importance only by corn, soybeans, and wheat, and is a vital sector of the farm economy.⁶ Cigarette tobaccos comprise over 90 per cent of all tobacco cash receipts.⁷

Second, the cigarette manufacturing industry employs some 35 thousand people with an annual payroll in excess of 200 million dollars. Tobacco sales in 1972 were over 12 billion dollars, and tobacco company profits exceeded \$643 million in 1971.

Third, tax revenues from tobacco have increased (on all levels of government) 156 per cent from an average of \$1.989 billion between 1970 and 1974 to \$2.1 billion in fiscal 1972. Every state in the union now taxes cigarettes to raise needed public revenues, and total state cigarette taxation rapidly is approaching federal cigarette tax receipts.

Finally, tobacco exports have contributed substantially to the U.S.'s balance of payments with other countries. The United States leads the world in tobacco exports, and tobacco has been an important export commodity since the early 17th century.

Together, these four factors form an impressive economic rationale for governmental inaction. A structure of economic incentives has developed which benefits both the tobacco industry and the government. A state of reciprocal interdependence now exists in which both reap the benefits of cigarette consumption. Any decline in the consumption of

cigarettes would produce negative consequences for governments as well as for industry. This system of established interests resists any changes. The following sections map and explore these interrelationships and discuss their political implications.

The role of the federal government in supporting tobacco production has been large and the old conception of the yeoman farmer is inappropriate to the tobacco farmer. What now exists is a cooperative relationship fostered by the federal government in the 1930's and continued because of the vested interests and material benefits that have developed.

We find that cigarette manufacturing, tax revenues, tobacco production and exporting, provide directly and indirectly numerous jobs and income. The large number of people involved in one way or another with tobacco inhibits the likelihood of political actions and discourages any efforts that might interfere with the livelihood of so many. Incomes from tobacco are very important to the general economies of some congressional districts. These incomes affect indirectly the lives and livelihoods of almost everyone in these districts. Furthermore, we find that governmental reliance on cigarette tax revenues as a source of needed funds discourages any actions to reduce consumption and thereby decrease needed revenues.

In fact, in line with the economic importance of tobacco, we find that the federal government, through the Department of Agriculture, has actively supported tobacco production and has developed a constituency of clearly articulated group interests through its tobacco programs. These programs are geared toward two goals: first, to aid tobacco farmers to maintain income and second, to expand tobacco exports abroad.

cigarettes would produce negative consequences for governments as well as for industry. This system of established interests resists any changes. The following sections map and explore these interrelationships and discuss their political implications.

The role of the federal government in supporting tobacco production has been large and the old conception of the yeoman farmer as independent to the tobacco farmer. What now exists is a cooperative relationship fostered by the federal government in the 1930's and continued because of the vested interests and material benefits that have developed.

We find that cigarette manufacturing, tax revenues, tobacco production and exporting, provide directly and indirectly numerous jobs and income. The large number of people involved in one way or another with tobacco inhibits the likelihood of political actions and dissuades any efforts that might interfere with the livelihood of so many. Income from tobacco are very important to the general economies of some congressional districts. These incomes affect indirectly the lives and livelihoods of almost everyone in these districts. Furthermore, we find that governmental reliance on cigarette tax revenues as a source of needed funds discourages any actions to reduce consumption and thereby decrease needed revenues.

In fact, in line with the economic importance of tobacco, we find that the federal government, through the Department of Agriculture, has actively supported tobacco production and has developed a constituency of clearly articulated group interests through its tobacco programs. These programs are geared toward two goals: first, to aid tobacco farmers to maintain income and second, to expand tobacco exports abroad.

The federal government has operated programs to support and stabilize tobacco prices since the early 1930's and, more recently, has developed programs to increase tobacco exports. To date, the smoking-health controversy has had little apparent impact in weakening the close relationship between the U.S.D.A. and tobacco growers and groups.

B. United States Tobacco Agriculture

In the following sections, we examine some of the general trends in tobacco acreage, yields, production and crop values during the past twenty years. The data show a very substantial decline in acreage as well as a large increase in yield per acre. This change in turn has resulted in relatively stable production. In addition, we find that cigarette tobacco production accounts for over 90 per cent of total tobacco acreage, production and crop value. Cigarette tobaccos are the most important type of tobacco production and any actions that reduce cigarette consumption will affect adversely over 90 per cent of tobacco production. Generally, there are some indications that decreasing tobacco acreage and the present uncertainties of the smoking-health controversy may lead to diversification by tobacco farmers. In this section, we focus on the economic picture; in the next section we will consider in more detail the political implications.

Of the six basic classes of tobacco established by the United States Department of Agriculture to distinguish different varieties, only two are used in cigarette production.⁸ These two - flue-cured and light air-cured (burley and Maryland) tobaccos, are grown in a substantial area of the southeastern United States. Flue-cured tobacco is grown in most of North Carolina and large areas of Virginia, South

The federal government has operated programs to support and stabilize tobacco prices since the early 1930's and, more recently, has developed programs to increase tobacco exports. To date, the smoking-health controversy has had little apparent impact in weakening the close relationship between the U.S.D.A. and tobacco growers and groups.

B. United States Tobacco Agriculture

In the following sections, we examine some of the general trends in

tobacco acreage, yields, production and crop values during the past twenty years. The data show a very substantial decline in acreage as well as a large increase in yield per acre. This change in turn has resulted in relatively stable production. In addition, we find that cigarette tobacco production accounts for over 90 per cent of total tobacco acreage, production and crop value. Cigarette tobaccos are the most important type of tobacco production and any actions that reduce cigarette consumption will affect adversely over 90 per cent of tobacco production. Generally, there are some indications that decreasing tobacco acreage and the present uncertainties of the smoking-health controversy may lead to diversification by tobacco farmers. In this section, we focus on the economic picture; in the next section we will consider in more detail the political implications.

Of the six basic classes of tobacco established by the United States Department of Agriculture to distinguish different varieties, only

two are used in cigarette production.⁸ These two - flue-cured and light air-cured (burley and Maryland) tobaccos, are grown in a substantial area of the southeastern United States. Flue-cured tobacco is grown in most of North Carolina and large areas of Virginia, South

Carolina and Georgia; light air-cured tobaccos are produced in most of Kentucky and a significant area of Tennessee and Maryland.

Tables 1, 2, and 3 give a brief overview of some of the general changes in tobacco production statistics between 1949-53 and 1972. These show national tobacco acreage, yield per acre, production and crop value by crop years. They include five year averages from 1949-68 for those classes of tobacco used in cigarette production, as well as total tobacco production and more recent statistics from 1969-72 for flue-cured, burley and Maryland tobacco acreage, yield and production. Henceforth when we refer to agricultural aspects of the economy of tobacco, this fact should be kept in mind. Although more detailed breakdowns by the type of tobacco are sometimes useful, little distinction has been made by either side in the smoking-health controversy.

Tobacco acreage has declined substantially in the past twenty years. Sharply increased yields per acre, however, have caused total production figures to decline less sharply. Total production of all cigarette tobacco has declined from the 1949-53 to 1964-68 average (as well as more recently) caused in part by the increasing popularity of filter-tip cigarettes and the more recent popularity of slim cigarettes, both of which use less tobacco than non-filtered and king-sized varieties.⁹

Increasing cigarette tobacco yields during this same period have been accompanied by a decline in the quality of tobacco produced. Furthermore, this decline has made sales to domestic and foreign buyers more difficult and has forced the government to buy tobacco under the price support program,¹⁰ which will be discussed in detail later.

Recent revised price support legislation has attempted to control tobacco yields as well as acreage in order to increase the quality of

Carolina and Georgia; light air-cured tobaccos are produced in most of Kentucky and a significant area of Tennessee and Maryland.

Tables 1, 2, and 3 give a brief overview of some of the general changes in tobacco production statistics between 1949-53 and 1972. These show national tobacco acreage, yield per acre, production and crop value by crop years. They include five year averages from 1949-53 for those classes of tobacco used in cigarette production, as well as total tobacco production and more recent statistics from 1969-72 for flue-cured, burley and Maryland tobacco acreage, yield and production. Henceforth when we refer to agricultural aspects of the economy of tobacco, this fact should be kept in mind. Although more detailed breakdown by the type of tobacco are sometimes useful, little distinction has been made by either side in the smoking-health controversy.

Tobacco acreage has declined substantially in the past twenty years. Sharply increased yields per acre, however, have caused total production figures to decline less sharply. Total production of all cigarettes tobacco has declined from the 1949-53 to 1964-68 average (as well as more recently) caused in part by the increasing popularity of filter-tip cigarettes and the more recent popularity of slim cigarettes, both of which use less tobacco than non-filtered and king-sized varieties.⁹ Increasing cigarette tobacco yields during this same period have been accompanied by a decline in the quality of tobacco produced. Furthermore, this decline has made sales to domestic and foreign buyers more difficult and has forced the government to buy tobacco under the price support program,¹⁰ which will be discussed in detail later. Recent revised price support legislation has attempted to control tobacco yields as well as acreage in order to increase the quality of

Table 1

U.S. Tobacco Acreage, Production, and Value 1949-53 to 1964-68 ^a

	Total Cigarette Tobaccos	Total Tobacco	% Cigarette Tobaccos of Total
Acreage			
1949-53	1,516,000	1,681,360	90.1
1954-58	1,213,360	1,345,220	90.1
1959-63	1,058,710	1,173,700	90.2
1964-68	881,130		
% change 1949-53 - 1964-68	-41.8		
Production (lbs.)			
1949-53	1,875,566	2,129,109	88.0
1954-58	1,811,003	2,003,221	90.4
1959-63	1,909,257	2,092,113	91.2
1964-68	1,775,666		
% change 1949-53 - 1964-68	-5.3		
Crop Value			
1949-53	\$974,067	\$1,069,156	91.1
1954-58	999,418	1,091,538	91.5
1959-63	1,156,491	1,252,536	92.3
1964-68	1,155,160	1,275,200	90.6
% change 1949-53 - 1964-68	+18.6	+19.3	

a. Figures have been calculated from data available in Tobacco Situation and Annual Report on Tobacco Statistics, both published by the U.S.D.A. For details on tobacco acreage, yield per acre, pounds produced, price per pound and value of production see U.S.D.A., Statistical Reporting Service, Crop Reporting Service, Tobacco: United States and State Estimates, 1866-1965, Type and Class Estimates, 1919-1965 (Washington: Statistical Bulletin No. 454, June, 1970).

Table 1

U.S. Tobacco Acreage, Production, and Value 1949-53 to 1964-68^a

Acreage		Production (lbs.)		Crop Value	
1949-53	1954-58	1949-53	1954-58	1949-53	1954-58
1,516,000	1,213,360	1,875,566	1,811,003	\$274,067	\$29,418
1,028,710	881,130	1,909,257	1,775,666	1,125,160	1,125,491
1,173,760	881,130	2,002,113	1,775,666	1,225,200	1,225,491
1,345,250	881,130	2,139,109	1,775,666	\$1,069,126	1,091,238
1,681,360	881,130	2,139,109	1,775,666	\$1,069,126	1,091,238
% change 1949-53 - 1964-68 -41.8		% change 1949-53 - 1964-68 - 2.3		% change 1949-53 - 1964-68 +18.6	
% Cigarette Tobacco		% Cigarette Tobacco		% Cigarette Tobacco	
Total Tobacco		Total Tobacco		Total Tobacco	
% Cigarette Tobacco of Total		% Cigarette Tobacco of Total		% Cigarette Tobacco of Total	

a. Figures have been calculated from data available in Tobacco Situation and Annual Report on Tobacco Statistics, both published by the U.S.D.A. For details on tobacco acreage, yield per acre, pounds produced, price per pound and value of production see U.S.D.A., Statistical Reporting Service, Crop Reporting Service, Tobacco: United States and State Estimates, 1964-1965, Type and Class Estimates, 1919-1965 (Washington: Statistical Bulletin No. 454, June, 1970).

Table 2
Cigarette Tobaccos ^a

	Acreage	Yield per acre Average Price Per Lb. to Growers		Production lbs.	Crop Value (\$1,000)
Flue-cured (Types 11-14)					
1949-53	1,027,400	1,257	51.5	1,292,406	666,625
1954-58	842,060	1,509	54.1	1,255,205	675,201
1959-63	701,570	1,815	60.2	1,273,831	767,067
1964-68	588,030	1,967	64.1	1,160,056	740,406
% change 1949-53 - 1964-68	-42.8	+56.4	+24.5	-10.2	+11.1
Burley (Type 31)					
1949-53	439,000	1,316	49.6	578,439	287,531
1954-58	329,000	1,579	59.7	519,524	306,369
1959-63	318,546	1,870	62.2	599,470	368,830
1964-68	259,300	2,244	67.9	579,353	392,447
% change 1949-53 - 1964-68	-40.9	+70.5	+36.9	+1.5	+36.5
Maryland (Type 32)					
1949-53	49,600	823	48.9	40,721	19,911
1954-58	42,300	868	50.0	36,274	17,848
1959-63	38,600	933	57.3	35,956	20,594
1964-68	33,800	1,072	61.7	36,257	22,307
% change 1949-53 - 1964-68	-31.9	+30.2	+26.2	-11.0	+12.0

a. United States Department of Agriculture, Consumer and Marketing Service, Annual Report on Tobacco Statistics - 1969 (Washington, D.C., 1970), pp. 8-14.

Table 2

Cigarette Tobacco a

Blue-cured (Types 11-14)	Acres	Yield per acre Average Price Per lb. to Growers	Production lbs.	Crop Value (\$1,000)
1949-53	1,027,400	1,227	1,282,406	666,622
1954-58	842,000	1,209	1,222,202	672,201
1959-63	701,270	1,812	1,273,831	707,067
1964-68	288,030	1,967	1,160,026	740,406
Change 1949-53 - 1964-68	-42.8	+26.4	-10.2	+11.1
Burley (Type 31)				
1949-53	439,000	1,316	278,439	287,231
1954-58	329,000	1,229	219,254	306,399
1959-63	318,246	1,870	269,470	368,830
1964-68	229,300	2,244	279,323	392,447
Change 1949-53 - 1964-68	-40.9	+70.2	+39.9	+36.2
Maryland (Type 32)				
1949-53	49,600	823	40,721	19,911
1954-58	42,300	868	36,274	17,848
1959-63	38,600	933	32,926	20,294
1964-68	33,800	1,072	36,227	22,307
Change 1949-53 - 1964-68	-31.9	+30.2	-11.0	+12.0

a. United States Department of Agriculture, Consumer and Marketing Service, Annual Report on Tobacco Statistics - 1969 (Washington, D.C., 1970), pp. 8-14.

Table 3
Recent Cigarette Tobaccos Data ^a

	Acreage (000)	Yield per acre	Production lbs. (million)
Flue-cured (types 11-14)			
1969	576.8	1,825	1,052.8
1970	584.1	2,042	1,178.1
1971	525.8	2,052	1,076.3
1972	518.6	1,949	1,021.7
Average 1969-72	551.3	1,964.5	1,082.2
Burley (type 31)			
1969	237.7	2,488	591.4
1970	216.4	2,590	560.5
1971	213.5	2,213	472.6
1972	228.5	2,541	580.7
Average 1969-72	224.0	2,458	551.3
Maryland (type 32)			
1969	28.0	1,000	28.0
1970	27.0	1,090	29.4
1971	27.0	1,040	28.1
1972	26.0	950	24.7
Average 1969-72	27.0	1,020	27.55

a. Recent issues of Tobacco Situation.

Table 3

Recent Cigarette Tobacco Data^a

Production Tons (million)	Yield per acre	Average (100)	
Flue-cured (types 11-14)			
1,000.0	1,825	276.8	1969
1,178.1	2,042	284.1	1970
1,076.3	2,022	272.8	1971
1,061.7	1,949	273.6	1972
1,000.0	1,964.2	251.3	Average 1969-72
Burley (type 31)			
291.4	2,488	237.7	1969
260.2	2,260	216.4	1970
472.6	2,213	213.2	1971
280.7	2,241	228.2	1972
271.3	2,428	224.0	Average 1969-72
Maryland (type 32)			
28.0	1,000	28.0	1969
29.4	1,040	27.0	1970
28.1	1,040	27.0	1971
24.7	920	26.0	1972
27.25	1,000	27.0	Average 1969-72

^a Recent issues of Tobacco Statistics.

tobacco grown. Proponents of this legislation have argued that it will help increase American tobacco leaf exports. ¹¹

Table I also indicates that tobacco crop values have increased only 19 per cent from the 1949-53 average of \$1.069 billion to an average of \$1.275 billion between 1964-68. In 1971 cash receipts from tobacco were \$1.328 billion. Thus, recent increases in the value of tobacco production have been well below monetary inflation during the same time period. The value of cigarette tobaccos has increased from an average of \$974 million between 1949-53 to an average of \$1.155 billion in 1964-68. In stable dollars the dollar value of cigarette tobaccos has declined from December, 1958 to December, 1968. Price changes for major groups of the consumer price index increased 22.7 per cent while total tobacco crop value has only increased 19.3 per cent during 1949-68. ¹² Cigarette tobaccos have been an excellent cash crop producing a high cash yield per cultivated acre. Because of the high profits many small farmers are unable and unwilling to switch to less profitable crops, and are ready to fight politically against what they perceive as unwarranted government harassment. ¹³ The U.S.D.A. states:

Tobacco remains one of the few crops that can still utilize family labor and provide a reasonable income on a small farm. Thus it represents the strongest bastion of the diminishing farm family. ¹⁴

The substantial decline in tobacco acreage has given many tobacco farmers the opportunity to diversify. Among many of the younger farmers, diversification is the watchword of the day. While still relying for the moment on tobacco's relatively high return per acre, they are raising other crops or livestock. ¹⁵ Declining tobacco acreage probably will result in further diversification and a weakening in the importance of tobacco.

tobacco grown. Proponents of this legislation have argued that it will

help increase American tobacco leaf exports. ¹¹

Table I also indicates that tobacco crop values have increased only

19 per cent from the 1949-53 average of \$1.069 billion to an average of \$1.275 billion between 1964-68. In 1971 cash receipts from tobacco were \$1.328 billion. Thus, recent increases in the value of tobacco production have been well below monetary inflation during the same time period.

The value of cigarette tobaccos has increased from an average of \$974 million between 1949-53 to an average of \$1.122 billion in 1964-68. In stable dollars the dollar value of cigarette tobaccos has declined from December, 1958 to December, 1968. Price changes for major groups of the consumer price index increased 22.7 per cent while total tobacco crop value has only increased 19.3 per cent during 1949-68. ¹² Cigarette tobaccos have been an excellent cash crop producing a high cash yield per cultivated acre. Because of the high profits many small farmers are unable and unwilling to switch to less profitable crops, and are ready to fight politically against what they perceive as unwarranted government

harassment. ¹³ The U.S.D.A. states:

Tobacco remains one of the few crops that can still utilize family labor and provide a reasonable income on a small farm. Thus it represents the strongest bastion of the diminishing farm family. ¹⁴

The substantial decline in tobacco acreage has given many tobacco farmers the opportunity to diversify. Among many of the younger farmers, diversification is the watchword of the day. While still relying for the moment on tobacco's relatively high return per acre, they are raising other crops or livestock. ¹⁵ Declining tobacco acreage probably will result in further diversification and a weakening in the importance of

tobacco.

1. Concentration of Tobacco Growers

The concentration of tobacco growers in a relatively few states enhances their political influence. The following section discusses this concentration and examines its political importance. The data presented show this concentration and point to some of the problems in measuring it. We will examine political activity in the next chapter. Generally, there are indications that tobacco farming is becoming a less important source of income in tobacco growing states. It appears that the number of tobacco farms is declining, but less rapidly than the decline in total farms. This decline is due in part to the high cash yield per acre and to the difficulties involved in large-scale tobacco farming.

Tobacco is grown in eighteen different states, while cigarette tobacco is grown in thirteen states. Tobacco growers (and especially cigarette tobacco growers) are concentrated in a small number of states which produce a majority of American tobacco. Table 4 indicates the total number of tobacco farms in cigarette tobacco producing states as well as the number of families associated with tobacco farms in these states in 1969 and 1971. Data on other non-cigarette tobacco producing states is also presented.

Estimates of the number of tobacco farms in the United States vary. The 1959 Census of Agriculture reported that a total of 417,000 farms produced some tobacco during 1959.¹⁶ The Committee of Growers of U.S. Tobacco citing U.S.D.A. figures (they do not footnote the exact source) estimated that there were 525,000 tobacco farms in 22 states in 1969.¹⁷ Furthermore, while many farms produce tobacco, many produce extremely small quantities. Another and probably better measure of the number

1. Concentration of Tobacco Growers

The concentration of tobacco growers in a relatively few states enhances their political influence. The following section discusses this concentration and examines its political importance. The data presented show this concentration and point to some of the problems in measuring it. We will examine political activity in the next chapter. Generally, there are indications that tobacco farming is becoming a less important source of income in tobacco growing states. It appears that the number of tobacco farms is declining, but less rapidly than the decline in total farms. This decline is due in part to the high cash yield per acre and to the difficulties involved in large-scale tobacco farming.

Tobacco is grown in eighteen different states, while cigarette to-

bacco is grown in thirteen states. Tobacco growers (and especially cigarette tobacco growers) are concentrated in a small number of states which produce a majority of American tobacco. Table A indicates the total number of tobacco farms in cigarette tobacco producing states as well as the number of families associated with tobacco farms in these states in 1969 and 1971. Data on other non-cigarette tobacco producing states is also presented.

Estimates of the number of tobacco farms in the United States vary.

The 1959 Census of Agriculture reported that a total of 417,000 farms produced some tobacco during 1959.¹⁶ The Committee of Growers of U.S. Tobacco citing U.S.D.A. figures (they do not footnote the exact source) estimated that there were 325,000 tobacco farms in 22 states in 1969.¹⁷ Furthermore, while many farms produce tobacco, many produce extremely small quantities. Another and probably better measure of the number

Table 4

**Tobacco Farms and Farm Families in the
United States by State 1969 and 1971 ^a**

State (cash receipts from tobacco, 1971. millions of dollars)	Number of Tobacco Producing Farms		Number of Families Associated with Tobacco Farms	
	1969	1971	1969	1971
North Carolina (562)	132,200	80,000	186,000	182,000
Kentucky (271)	150,500	135,000	169,000	147,000
South Carolina (101)	23,600	13,000	33,000	33,000
Virginia (90)	45,400	28,000	51,000	48,000
Tennessee (76)	96,800	74,000	97,000	94,000
Georgia (92)	25,700	10,000	31,000	30,000
Florida (27)	6,100	2,300	8,500	10,000
Maryland (23)	5,800	3,000	8,000	6,000
Others: Indiana, Missouri, Ohio, West Virginia, Connecticut, Pennsylvania, Massa- chusetts, Wisconsin (86)	37,400	28,400	40,900	40,770
Totals (1,328)	534,500	373,700	624,400	591,400

^a. "Tobacco in the National Economy," Congressional Record, January 11, 1973, p. S 472. U.S.D.A., Tobacco Division, "Tobacco in the National Economy," June, 1970, p. 1. (mimeographed)

Table 4

Tobacco Farms and Farm Families in the
United States by State 1959 and 1971 a

State (cash receipts from tobacco, 1971. millions of dollars)	Number of Tobacco Producing Farms		Number of Families Associated with Tobacco Farms	
	1959	1971	1959	1971
North Carolina (62)	132,200	80,000	186,000	132,000
Kentucky (27)	120,200	132,000	169,000	147,000
South Carolina (10)	23,600	13,000	33,000	37,000
Virginia (9)	62,400	28,000	51,000	48,000
Tennessee (76)	96,200	74,000	97,000	94,000
Georgia (21)	22,700	16,000	31,000	30,000
Florida (27)	6,100	2,300	8,200	10,000
Maryland (23)	2,800	3,000	8,000	6,000
Others: Indiana, Missouri, Ohio, West Virginia, Connecticut, Pennsylvania, Mass- achusetts, Wisconsin (30)	37,400	28,400	40,900	42,700
Totals (1,326)	534,200	373,700	634,400	591,400

a. "Tobacco in the National Economy," Congressional Record, January 11, 1973, p. 2 472. U.S.D.A., Tobacco Division, "Tobacco in the National Economy," June, 1970, p. 1. (mimeographed)

of economically viable tobacco farms (excluding part-retirement, part-time and institutional farms) is the percentage of commercial ¹⁸ tobacco farms in each state. Table 5 presents these data using 1964 figures. The data show that tobacco represents a large percentage of commercial farms in tobacco growing states. The number of commercial farms is substantially less than the total number of such farms indicated previously.

These five most important tobacco states have followed the nationwide decline in the number of farms and farm acreage harvested. The general development pattern of urbanization and industrialization has become evident in the "New South," and farming has become less important in the expanding economy.

Regardless of the estimates, two facts are important. First, tobacco amounts to over 10 per cent of total cash receipts from all farm commodities in only six states. Second, with the decline in total tobacco acreage, there has been a decline in the number of tobacco farms and in the amount of tobacco farm labor. This point will be discussed later.

Table 6 indicates the importance of tobacco growing as a percentage of total cash receipts from all farm commodities between 1952-71. Tobacco's importance varies in the eighteen states that produce tobacco, from .3 percent in Missouri in 1971 to 36.8 percent in North Carolina in the same year. Only five states receive over 10 percent of their total farm commodity cash receipts from cigarette tobacco. These states are North Carolina, Kentucky, South Carolina, Virginia and Tennessee. Florida, Ohio, Indiana, Missouri and West Virginia receive less than 2.5 percent.

In all states, (except those producing non-cigarette tobaccos) tobacco has declined in importance or has remained stable since the 1961-65

of economically viable tobacco farms (excluding part-tobacco, part-time and institutional farms) is the percentage of commercial¹⁸ tobacco

farms in each state. Table 5 presents these data using 1964 figures. The data show that tobacco represents a large percentage of commercial farms in tobacco growing states. The number of commercial farms is substantially less than the total number of such farms indicated previously.

These five most important tobacco states have followed the nation-

wide decline in the number of farms and farm acreage harvested. The general development pattern of urbanization and industrialization has become evident in the "New South," and farming has become less important in the expanding economy.

Regardless of the estimates, two facts are important. First, tobacco

amounts to over 10 per cent of total cash receipts from all farm commodities in only six states. Second, with the decline in total tobacco acreage, there has been a decline in the number of tobacco farms and in the amount of tobacco farm labor. This point will be discussed later. Table 6 indicates the importance of tobacco growing as a percentage

of total cash receipts from all farm commodities between 1950-51. Tobacco's importance varies in the eighteen states that produce tobacco, from .3 percent in Missouri in 1971 to 36.8 percent in North Carolina in the same year. Only five states receive over 10 percent of their total farm commodity cash receipts from cigarette tobacco. These states are North Carolina, Kentucky, South Carolina, Virginia and Tennessee. Florida, Ohio, Indiana, Missouri and West Virginia receive less than 2.5 percent. In all states, (except those producing non-cigarette tobacco)

tobacco has declined in importance or has remained stable since the 1961-63

Table 5

Commercial Tobacco Farms: 1964 ^a

State	Number of Commercial Tobacco Farms	Percentage of all Commercial Farms
North Carolina	65,981	63.7
Kentucky	43,469	50.5
Tennessee	17,963	23.5
Virginia	16,763	36.3
South Carolina	12,036	35.5

a. Compiled from U.S. Bureau of the Census, Census of Agriculture, 1964, Statistics for the State and Counties (Washington: U.S. Government Printing Office, 1967).

Table 2

Commercial Tobacco Farms: 1964^a

State	Number of Commercial Tobacco Farms	Percentage of all Commercial Farms
North Carolina	62,981	63.7
Kentucky	43,469	50.2
Tennessee	17,963	23.2
Virginia	16,763	20.3
South Carolina	12,036	32.2

^a Compiled from U.S. Bureau of the Census, *Count of Agriculture, 1964, Statistics for the State and Counties* (Washington: U.S. Government Printing Office, 1967).

Table 6

Cash Receipts from Tobacco as a Percentage of Total Cash
Receipts from all Farm Commodities 1952-56 to 1967-71 ^a

Receipts from all farm commodities 1952-56 to 1967-71					% Change 1952-56 to 1967-71
State	1952-56	1957-61	1962-66	1967-71	
North Carolina	50.5	46.2	43.8	37.7	34.0
Kentucky	41.2	38.6	39.7	34.3	20.1
South Carolina	25.1	25.1	24.4	23.3	7.7
Virginia	19.0	17.3	18.1	15.3	24.2
Tennessee	16.1	14.8	14.5	12.0	34.2

a. Compiled from U.S.D.A. Annual Reports on Tobacco Statistics
and recent issues of Tobacco Situation.

Table 6

Receipts from all Farm Commodities 1922-26 to 1967-71
Cash Receipts from Tobacco as a Percentage of Total Cash

State	1922-26	1937-41	1942-46	1947-51	1952-56 to 1967-71 % Change
North Carolina	20.2	46.2	43.8	37.7	34.0
Kentucky	41.2	38.6	39.7	34.3	20.1
South Carolina	22.1	22.1	24.4	22.3	7.7
Virginia	19.0	17.3	18.1	12.3	24.2
Tennessee	16.1	14.8	14.2	12.0	34.2

a. Compiled from U.S.D.A. Annual Reports on Tobacco Statistics and recent issues of Tobacco Situation.

period. Moreover, there has been a decline in importance in the five states that have relied most on cigarette tobacco for farm income. The importance of cigarette tobacco has declined approximately 34.0 per cent in North Carolina, 20.1 per cent in Kentucky, 7.7 per cent in South Carolina, 24.2 per cent in Virginia and 34.2 per cent in Tennessee from the 1952-56 average to the 1967-71 average. Nationally, tobacco has declined approximately 1/5th to 2.5 per cent of total cash receipts from all farm commodities from an average of 3.1 per cent between 1964 and 1968.

2. Tobacco Farm Employment

The most relevant political consideration is not the number of tobacco farms however measured. Variations in the estimates of the number of tobacco farms are indicative of the crudeness of the measures used. However, the number of tobacco farms can be used to pinpoint the geographical and political concentration of tobacco growers.

Central to the problem of measuring political impact is not the number of tobacco farms per se but, more importantly, the number of tobacco farmers and farm employees. This more relevant measure indicates the number of individuals who may vote and affect political election outcomes and, in turn, be affected by changes in governmental policy towards tobacco.

Generally, the data indicate that there has been a substantial decline in tobacco farm employment. Furthermore, with the possible introduction of a mechanical tobacco harvester, declines in employment may continue and even accelerate. Tobacco remains, however (and this point should be emphasized), an important source of farm employment and

period. Moreover, there has been a decline in importance in the five states that have relied most on cigarette tobacco for farm income. The importance of cigarette tobacco has declined approximately 34.0 per cent in North Carolina, 20.1 per cent in Kentucky, 7.7 per cent in South Carolina, 24.2 per cent in Virginia and 34.2 per cent in Tennessee from the 1922-26 average to the 1967-71 average. Nationally, tobacco has declined approximately 1/5th to 2.2 per cent of total cash receipts from all farm commodities from an average of 3.1 per cent between 1964 and 1968.

2. Tobacco Farm Employment

The most relevant political consideration is not the number of tobacco farms however measured. Variations in the estimates of the number of tobacco farms are indicative of the crudeness of the measures used. However, the number of tobacco farms can be used to pinpoint the geographical and political concentration of tobacco growers. Central to the problem of measuring political impact is not the number of tobacco farms per se but, more importantly, the number of tobacco farmers and farm employees. This more relevant measure indicates the number of individuals who may vote and affect political election outcomes and, in turn, be affected by changes in governmental policy towards tobacco.

Generally, the data indicate that there has been a substantial decline in tobacco farm employment. Furthermore, with the possible introduction of a mechanical tobacco harvester, declines in employment may continue and even accelerate. Tobacco remains, however (and this point should be emphasized), an important source of farm employment and

income and affects the lives and livelihoods of a substantial number of people in a limited number of electoral districts.

During the past decade, the number of U.S. farm family workers on tobacco farms has decreased about 35 per cent and the number of hired workers has decreased 37 per cent.¹⁹ Hedrick, using U.S.D.A. figures, estimated that the number of persons employed in tobacco farming has declined from three hundred and eighty-eight thousand in 1949-51 to two hundred and thirty-nine thousand in 1965-67.²⁰

Tobacco is a labor-intensive crop that requires many man-hours of labor for each acre harvested.²¹ As mentioned previously by tobacco proponents, the tobacco farm represents the strongest bastion of the diminishing farm family. The labor required for tobacco growing has declined 57 per cent between 1950 and 1968, because of new technology, increased mechanization and improved management practices.²²

As a consequence of this declining labor requirement, tobacco, along with many other farm commodities, has been a declining source of farm employment and a weakening support of the farm family. The picture is not one-sided, however. The U.S.D.A. Economic Research Service reported that efficiency in tobacco production has not kept pace with that of other major crops. Thus, while tobacco employment has declined absolutely, it has become a greater percentage of total employment in all crops, increasing from a 10.6 per cent average in 1949-51 to a 12.9 per cent average in 1965-67.²³ The decline in tobacco farm employment has not been as steep as that found in the total farm picture. The failure to develop an economically feasible mechanical harvester has allowed tobacco to remain a labor- rather than a capital-intensive

income and affects the lives and livelihoods of a substantial number of people in a limited number of electoral districts.

During the past decade, the number of U.S. farm family workers on tobacco farms has decreased about 35 per cent and the number of hired workers has decreased 37 per cent.¹⁹ Hedrick, using U.S.D.A. figures, estimated that the number of persons employed in tobacco farming has declined from three hundred and eighty-eight thousand in 1949-51 to two hundred and thirty-nine thousand in 1965-67.²⁰

Tobacco is a labor-intensive crop that requires many man-hours of labor for each acre harvested.²¹ As mentioned previously by tobacco proponents, the tobacco farm represents the strongest bastion of the diminishing farm family. The labor required for tobacco growing has declined 57 per cent between 1950 and 1968, because of new technology, increased mechanization and improved management practices.²²

As a consequence of this declining labor requirement, tobacco, along with many other farm commodities, has been a declining source of farm employment and a weakening support of the farm family. The picture is not one-sided, however. The U.S.D.A. Economic Research Service reported that efficiency in tobacco production has not kept pace with that of other major crops. Thus, while tobacco employment has declined absolutely, it has become a greater percentage of total employment in all crops, increasing from a 10.6 per cent average in 1949-51 to a 12.9 per cent average in 1965-67.²³ The decline in tobacco farm employment has not been as steep as that found in the total farm picture. The failure to develop an economically feasible mechanical harvester has allowed tobacco to remain a labor- rather than a capital-intensive

crop.²⁴ Nevertheless, as U.S.D.A. analyst Johnny D. Braden noted there is a tobacco labor shortage and "competition for labor shows no sign of easing and probably will intensify as tobacco areas become more industrialized."²⁵

Tobacco farm employment has declined more slowly than the national decline in farm employment. The number of tobacco farmers and farm workers whose employment and income are affected by the prosperity of the tobacco industry has declined. With an absolute decline in their number, their importance as a political force probably will decline. Under the circumstances, congressmen from tobacco growing districts rationally should become less intense in their defense of tobacco as the number of their constituents who would be affected by changes in government policy declines. The saliency of the tobacco question and its possible consequences should depend very much upon the importance of tobacco to particular states and congressional districts.²⁶ In the long-run the decline in the number of tobacco farms and tobacco farm employment, accompanied by the increasing relative importance of other economic interests such as textiles, should weaken the intense concern and unqualified support of tobacco's present protagonists.

However, the short term outlook generally indicates that tobacco growers will continue to have a powerful political impact. Tobacco growers and their families are concentrated in twenty-four congressional districts in seven states.²⁷ Twenty-one of these districts are in only four states: North Carolina, Kentucky, Tennessee and Virginia. In each of these twenty-four districts, there are at least 2,700 commercial tobacco farms, while in seven, there are over 10,000. A vital economy

crop. ²⁴ Nevertheless, as U.S.D.A. analyst Johnny D. Batten noted there is a tobacco labor shortage and "competition for labor shows no sign of easing and probably will intensify as tobacco areas become more industrialized." ²⁵

Tobacco farm employment has declined more slowly than the national decline in farm employment. The number of tobacco farmers and farm workers whose employment and income are affected by the prosperity of the tobacco industry has declined. With an absolute decline in their number, their importance as a political force probably will decline. Under the circumstances, congressmen from tobacco growing districts rationally should become less intense in their defense of tobacco as the number of their constituents who would be affected by changes in government policy declines. The saliency of the tobacco question and its possible consequences should depend very much upon the importance of tobacco to particular states and congressional districts. ²⁶ In the long-run the decline in the number of tobacco farms and tobacco farm employment, accompanied by the increasing relative importance of other economic interests such as textiles, should weaken the intense concern and unqualified support of tobacco's present protectors.

However, the short term outlook generally indicates that tobacco growers will continue to have a powerful political impact. Tobacco growers and their families are concentrated in twenty-four congressional districts in seven states. ²⁷ Twenty-one of these districts are in only four states: North Carolina, Kentucky, Tennessee and Virginia. In each of these twenty-four districts, there are at least 2,700 commercial tobacco farms, while in seven, there are over 10,000. A vital economy

in these districts is based upon the economic prosperity of the large number of tobacco farms. Politicians recognize that tobacco is important to large numbers of their constituents and have attempted to protect their constituents' vital interests.

Table 7.1 shows these twenty-four districts, the number of commercial tobacco farms in each, the median income and ranking on median income of these tobacco growing congressional districts. The data used were gathered in 1963. Congressional districts in which tobacco farmers and farm families are concentrated are among the poorest congressional districts in the nation, in terms of median incomes.²⁸ In fact, sixteen of these districts are in the poorest forty-four of all congressional districts, while only one district is in the top half. These data indicate the relative poverty of congressional districts in which there is a high concentration of tobacco farming. Tobacco farmers very well may be yeomanlike as many supporters claim, but aggregate data do not present a particularly appealing picture of their economic success.

Generally, the data indicate that tobacco farming is an important factor in the economies of these relatively poor congressional districts. Tobacco, as a government supported cash crop, provides income to many congressional constituents who might otherwise be impoverished. Tobacco's importance as a source of income is perhaps somewhat exaggerated by the relative need and poverty in the surrounding community. With alternative sources of income presently unavailable, tobacco provides sustenance for many people in congressional districts that would, in its absence, be in even deeper economic trouble.

in these districts is based upon the economic prosperity of the large number of tobacco farms. Politicians recognize that tobacco is important to large numbers of their constituents and have attempted to protect their constituents' vital interests.

Table 7 shows these twenty-four districts, the number of congressional tobacco farms in each, the median income and ranking on median income of these tobacco growing congressional districts. The data used were gathered in 1963. Congressional districts in which tobacco farmers and farm families are concentrated are among the poorest congressional districts in the nation, in terms of median incomes. In fact, sixteen of these districts are in the poorest forty-four of all congressional districts, while only one district is in the top half. These data indicate the relative poverty of congressional districts in which there is a high concentration of tobacco farming. Tobacco farmers very well may be yeomanlike as many supporters claim, but aggregate data do not present a particularly appealing picture of their economic success. Generally, the data indicate that tobacco farming is an important factor in the economies of these relatively poor congressional districts. Tobacco, as a government supported cash crop, provides income to many congressional constituents who might otherwise be impoverished.

Tobacco's importance as a source of income is perhaps somewhat exaggerated by the relative need and poverty in the surrounding community. With alternative sources of income presently unavailable, tobacco provides sustenance for many people in congressional districts that would, in its absence, be in even deeper economic trouble.

Table 7

Congressional Districts in Which There Were 2,700
or More Commercial Tobacco Farms in 1963 ^a

State Median Income	State, District Number	# of Tobacco Farms ^b	Median Income (\$)	Rank (out of 435)
\$4,964	Virginia			
	4	5,716	3,532	405
	5	8,090	3,733	393
	9	2,761	3,370	411
4,208	Georgia			
	8	4,673	3,440	410
6,309	Maryland			
	5	2,745	6,809	69
3,821	South Carolina			
	6	14,745	2,748	427
4,051	Kentucky			
	1	3,551	3,453	407
	2	6,222	3,547	404
	4	6,799	4,869	298
	5	8,378	2,085	434
	6	12,734	4,161	352
	7	6,829	2,888	424
3,949	Tennessee			
	1	8,344	3,649	399
	4	3,442	2,962	422
	6	3,371	3,339	412
\$3,956	North Carolina			
	1	7,355	2,662	430
	2	12,814	2,775	426
	3	13,423	3,105	418
	4	10,244	4,148	355
	5	12,915	4,347	343
	6	3,022	5,208	266
	7	10,520	3,316	413
	9	2,765	4,175	351
	11	2,906	3,750	391

^a Entrepreneurs/organizers invest capital to create a set of
benefits for the U.S. Bureau of the Census, Congressional District Data Book
(Washington, D.C.: U.S. Government Printing Office, 1963). Also see
C.Q. Census Analysis: Congressional Districts of the United States,
August 21, 1964.

^b Data for 7 states represent 174,359 of 183,381 commercial
tobacco farms in the U.S. in 1963.

Table 7

or More Commercial Tobacco Farms in 1963^a
Congressional Districts in Which There Were 1,750

State Median Income	State, District Number	# of Tobacco Farms ^b	Median Income (%)	Rank (out of 433)
24,904	Virginia			
	4	2,716	3,232	402
	2	6,090	3,733	303
	9	2,761	3,750	411
4,208	Georgia	4,673	3,440	410
6,309	Maryland	1,742	6,809	69
3,821	South Carolina	14,742	2,748	427
4,021	Kentucky			
	1	3,221	3,423	407
	2	6,222	3,247	404
	4	6,709	4,869	208
	2	8,278	2,062	434
	6	12,734	4,191	302
	7	6,219	2,288	424
3,949	Tennessee			
	1	8,344	3,649	309
	4	3,442	2,942	422
	6	3,371	3,339	412
23,926	North Carolina			
	1	7,322	2,462	430
	2	12,814	2,772	426
	3	13,423	3,102	418
	4	10,244	4,148	322
	2	12,912	4,347	243
	6	3,021	2,208	206
	7	10,240	3,216	413
	9	2,762	4,122	321
	11	2,906	3,720	391

a. U.S. Bureau of the Census, Congressional District Data Book (Washington, D.C.: U.S. Government Printing Office, 1963). Also see
C.O. Census Analysis: Congressional Districts of the United States,
August 21, 1964.

b. Data for 7 states represent 174,229 of 183,321 commercial
tobacco farms in the U.S. in 1963.

Severe economic dislocation and hardship would result from a successful effort to reduce cigarette consumption sharply. Government action to ease any necessary transition from tobacco to non-tobacco farming (or other non-farming uses) might prevent intense political opposition from those affected. Policies designed to ameliorate the necessary changes will also weaken and probably divide those opposed.

While in the long run, the growers' political base in these congressional districts appears to be eroding slowly, at present, tobacco farm employment and income remain politically very important. The large and concentrated group strongly affected by trends in tobacco farming is the first of four elements which determine the substantial economic and political impact of tobacco.

3. U.S. Government's Role in Tobacco Farming

The federal government has played a major role in organizing tobacco farmers and assuring their prosperity. A system of incentives has developed which benefits the growers and indirectly the government. The following sections examine the government's role in aiding tobacco growers and later we will explore the economic benefits derived by the government from tobacco.

Robert H. Salisbury has conceptualized interest groups as benefit exchanges:

Entrepreneurs/organizers invest capital to create a set of benefits which they offer to a market of potential customers at a price. If, and as long as, enough customers buy, i.e., join, to make a viable organization, the group is in business. If the benefits fail, or are inadequate to warrant the cost of membership, or the leaders get inadequate return, the group collapses. 29

The federal government has helped to organize most tobacco farmers into interest groups by providing financial benefits and needed services. The

Severe economic dislocation and hardship would result from a successful effort to reduce cigarette consumption sharply. Government action to ease any necessary transition from tobacco to non-tobacco farming (or other non-farming uses) might prevent intense political opposition from those affected. Policies designed to ameliorate the necessary changes will also weaken and probably divide those opposed. While in the long run, the growers' political base in these congressional districts appears to be eroding slowly, at present, tobacco farm employment and income remain politically very important. The large and concentrated group strongly affected by trends in tobacco farming is the first of four elements which determine the substantial economic and political impact of tobacco.

3. U.S. Government's Role in Tobacco Farming

The federal government has played a major role in organizing tobacco farmers and assuring their prosperity. A system of incentives has developed which benefits the growers and indirectly the government. The following sections examine the government's role in aiding tobacco growers and later we will explore the economic benefits derived by the government from tobacco.

Robert H. Salisbury has conceptualized interest groups as benefit

exchanges:

Entrepreneurs/organizers invest capital to create a set of benefits which they offer to a market of potential customers at a price. If, and as long as, enough customers buy, i.e., join, to make a viable organization, the group is in business. If the benefits fall, or are inadequate to warrant the cost of membership, or the leaders get inadequate return, the group collapses. 29

The federal government has helped to organize most tobacco farmers into interest groups by providing financial benefits and needed services. The

government's tobacco program was developed to protect and aid tobacco growers by controlling production and supporting prices. American tobacco growers have had (in one form or another) price support and production control programs since they were first authorized in the Agricultural Adjustment Act of 1933. ³⁰

Earlier attempts to organize tobacco producers always had failed because the benefits of membership always had been outweighed by the costs. Tennent, in his fine study of the American cigarette industry, commented:

There were, indeed, occasional attempts at collective action by the farmers aimed at restricting crops, but the difficulty of effecting such control in the absence of adequate organization and the incentive of each farmer to flout the general will usually insured that results were negligible. In years of exceptional distress a resort to violence visited upon dissenters occurred sporadically; especially in Kentucky and Tennessee. The opposition of state authority, the difficulty of maintaining a state of semi-insurrection, the tenuousness of group loyalties, and the difficulties of securing adequate geographical coverage usually prevented lasting results. ³¹

The failure of tobacco farmers to organize in the 1920's had resulted in tobacco prices far below the cost of production and economic hardship. ³² Free market competition among the organized growers had resulted in very low prices forcing many marginal growers out of the market. During the Depression this outthroat competition became common and severe. The Depression brought about, for government, a new, more active role in regulating the economy and a new sense of social responsibility to maintain income. Under the Roosevelt administration, the government offered tobacco growers incentives to encourage their cooperation towards their common good.

government's tobacco program was developed to protect and aid tobacco

growers by controlling production and supporting prices. American

tobacco growers have had (in one form or another) price supports and

production control programs since they were first authorized in the

Agricultural Adjustment Act of 1933. 30

Earlier attempts to organize tobacco producers always had failed

because the benefits of membership always had been outweighed by the

costs. Tennent, in his fine study of the American cigarette industry,

commented:

There were, indeed, occasional attempts at collective action by the farmers aimed at restricting crops, but the difficulty of effecting such control in the absence of adequate organization and the incentive of each farmer to flout the general will usually insured that results were negligible. In years of exceptional distress a resort to violence visited upon disasters occurred sporadically; especially in Kentucky and Tennessee. The opposition of state authority, the difficulty of maintaining a state of semi-insurrection, the consciousness of group loyalties, and the difficulties of securing adequate geographical coverage usually prevented lasting results. 31

The failure of tobacco farmers to organize in the 1920's had resulted

in tobacco prices far below the cost of production and economic hard-

ship. 32 Free market competition among the organized growers had

resulted in very low prices forcing many marginal growers out of the

market. During the Depression this cutthroat competition became common

and severe. The Depression brought about, for government, a new, more

active role in regulating the economy and a new sense of social respon-

sibility to maintain income. Under the Roosevelt administration, the

government offered tobacco growers incentives to encourage their coopera-

tion towards their common good.

Several political scientists and economists, including Downs, Salisbury and Olson, have attempted to develop a rationality model to explain political and group actions. Often using economic concepts, they have sought to explain logically individual membership in groups. The logic of collective action necessitates that group benefits be provided for group members. If benefits are not somewhat restricted, then there is no incentive for membership and cooperation. Although the tobacco growers have a common interest in obtaining certain benefits (e.g., high tobacco prices and better quality tobacco), there is no common interest in paying the cost (i.e., limiting yields and production) of providing the collective good.

As Mancur Olson put it: "The customary view that groups of individuals with common interests tend to further those common interests appears to have little if any merit." ³³ He has concluded:

. . . in a large group in which no single individual's contribution makes a perceptible difference to the group as a whole, or the burden or benefit of any single member of the group, it is certain that a collective group will not be provided unless there is coercion or some outside inducements that will lead the members of the large group to act in their common interest. ³⁴

The government has provided this inducement to tobacco growers in the form of guaranteed minimum prices to participating growers and penalties to those who do not join participating grower groups. ³⁵

The U.S.D.A. under the Agricultural Adjustment Act, contracted with growers to restrict their production in return for cash payments. The 1933 act also authorized marketing agreements, licenses and codes. The act was supplemented by the Kerr-Smith Act in 1934 which taxed tobacco sales of growers who did not sign contracts with the U.S.D.A. ³⁶

Several political scientists and economists, including Downs, Salisbury and Olson, have attempted to develop a rationality model to explain political and group actions. Often using economic concepts, they have sought to explain logically individual membership in groups. The logic of collective action necessitates that group benefits be provided for group members. If benefits are not somewhat restricted, then there is no incentive for membership and cooperation. Although the tobacco growers have a common interest in obtaining certain benefits (e.g., high tobacco prices and better quality tobacco), there is no common interest in paying the cost (i.e., limiting yields and production) of providing the collective good.

As Mancur Olson put it: "The customary view that groups of individuals with common interests tend to further these common interests appears to have little if any merit." 33 He has concluded:

... in a large group in which no single individual's contribution makes a perceptible difference to the group as a whole, or the burden or benefit of any single member of the group, it is certain that a collective group will not be provided unless there is coercion or some outside inducements that will lead the members of the large group to act in their common interest. 34

The government has provided this inducement to tobacco growers in the form of guaranteed minimum prices to participating growers and penalties to those who do not join participating grower groups. 35

The U.S.D.A. under the Agricultural Adjustment Act, contracted with growers to restrict their production in return for cash payments. The 1933 act also authorized marketing agreements, licenses and quotas. The act was supplemented by the Hart-Weitz Act in 1934 which taxed tobacco sales of growers who did not sign contracts with the U.S.D.A. 36

The program was terminated abruptly in January, 1936, when the Supreme Court declared portions of the Agricultural Adjustment Act of 1933 unconstitutional and Congress repealed the Kerr-Smith Act.³⁷ To achieve effective production controls, additional legislation was enacted. The Agricultural Adjustment Act of 1938 authorized marketing quotas with a penalty to growers who exceeded these quotas. Marketing quotas were authorized when two-thirds or more of the tobacco growers voting in a special election voted in favor. Grower approval allows them to receive up to 75 per cent of parity price for their tobacco.³⁸ In most referendums, more than 90 per cent of the growers voting have favored marketing quotas.

As stated in the Agricultural Adjustment Act of 1938, its goal was "to provide an orderly, adequate, and balanced flow of such commodities in interstate and foreign commerce."³⁹ In reality, the 1938 act was one of many passed during the New Deal which helped to modify the tenets of laissez-faire capitalism and which reflected the newly recognized role of government to attenuate the "harsh human costs of free competition."

Cooperative tobacco associations (grower interest groups) are financed by and act as agents for the government's Commodity Credit Corporation (CCC). These cooperatives arrange for facilities, to receive, redry, pack and store tobacco. The Secretary of Agriculture has been required (except under special circumstances), under provisions of the act, to proclaim national marketing quotas and assign acreage allotments for individual farms through these local groups. Supply and demand conditions determine the size of the national marketing quota. If large

The program was terminated abruptly in January, 1936, when the Supreme Court declared portions of the Agricultural Adjustment Act of 1933 unconstitutional and Congress repealed the Kerr-Smith Act. 37 To achieve effective production controls, additional legislation was enacted. The Agricultural Adjustment Act of 1938 authorized marketing quotas with a penalty to growers who exceeded these quotas. Marketing quotas were authorized when two-thirds or more of the tobacco growers voting in a special election voted in favor. Grower approval allows them to receive up to 75 per cent of parity price for their tobacco. 38 In most referendums, more than 90 per cent of the growers voting have favored marketing quotas.

As stated in the Agricultural Adjustment Act of 1938, its goal was "to provide an orderly, adequate, and balanced flow of such commodities in interstate and foreign commerce." 39 In reality, the 1938 act was one of many passed during the New Deal which helped to modify the tenets of laissez-faire capitalism and which reflected the newly recognized role of government to attenuate the "harsh human costs of free competition."

Cooperative tobacco associations (grower interest groups) are financed by and act as agents for the government's Commodity Credit Corporation (CCC). These cooperatives arrange for facilities, to receive, store, pack and store tobacco. The Secretary of Agriculture has been required (except under special circumstances), under provisions of the act, to proclaim national marketing quotas and assign acreage allotments for individual farms through these local groups. Supply and demand conditions determine the size of the national marketing quota. If large

tobacco stocks have accumulated, the law requires that the national quota be cut back and that acreage allotments be reduced.

Joseph R. Williams, director of the Tobacco Division, U.S.D.A., restated the purpose of the price support program in his testimony before the Subcommittee on Tobacco of the House Committee on Agriculture in 1961:

The price support operations for tobacco administered by the Department of Agriculture through the Commodity Credit Corporation seek to maintain an average return to growers equal to the statutory level of support. The purpose and objectives of the program are to support average prices to growers at statutory minimum levels through either purchase or loans, or both. ⁴⁰

The tobacco farm program has been called the most successful of all farm programs. Prices received by tobacco growers have been equitable and costs to the government for price supports on tobacco have been relatively small. For many years, the government's tobacco price support program has operated with no losses to the government.

Charles S. Murphy, under secretary of Agriculture, stated in 1963 that "the tobacco program, which maintains decent prices for the people who produce tobacco has cost only \$39 million during the entire life of the program." ⁴¹ The cost of the price support program from 1933 to June, 1972, has been about 0.15 per cent of the cost for all farm commodity price support operations. ⁴²

Table 8 shows the value of CCC tobacco loans made for crop years 1950-1969, the percentage of the total crop under loan and the government's realized loss. Under the price support program, any net profits from CCC sales go to the growers according to their patronage; but any losses are assumed by the government. The government acts as a buyer of last resort, supporting the price of tobacco if established minimal

tobacco stocks have accumulated, the law requires that the national

quota be cut back and that surplus allotments be reduced.

Joseph R. Williams, director of the Tobacco Division, U.S.D.A.,

testified the purpose of the price support program in his testimony before

the Subcommittee on Tobacco of the House Committee on Agriculture in

1961:

The price support operations for tobacco administered by the Department of Agriculture through the Commodity Credit Corporation seek to maintain an average return to growers equal to the statutory level of support. The purpose and objectives of the program are to support average prices to growers at statutory minimum levels through either purchase or loans, or both.⁴⁰

The tobacco farm program has been called the most successful of all farm

programs. Prices received by tobacco growers have been equitable and

costs to the government for price supports on tobacco have been relative-

ly small. For many years, the government's tobacco price support pro-

gram has operated with no losses to the government.

Charles S. Murphy, under secretary of Agriculture, stated in 1965

that "the tobacco program, which maintains decent prices for the people

who produce tobacco has cost only \$39 million during the entire life of

the program."⁴¹ The cost of the price support program from 1933 to June,

1972, has been about 0.15 per cent of the cost for all farm commodity

price support operations.⁴²

Table 8 shows the value of CCC tobacco loans made for crop years

1950-1969, the percentage of the total crop under loan and the govern-

ment's realized loss. Under the price support program, any net profits

from CCC sales go to the growers according to their patronage; but any

losses are assumed by the government. The government acts as a buyer of

last resort, supporting the price of tobacco if established national

Table 8

**Tobacco Price Support Loans, Commodity Credit
Corporation, Crop Years, 1950-69 ^a**

Year	Loans Made ^b		Total Crops U.S. & Puerto Rico			Total Quantity Held Under Loan At Year End		Realized Loss ^c
	Quantity Mil.Lb.	Amount \$(Million)	Mil.Lb.	Value of Loans End of Year \$(Million)	Outstand at Loans as % Crop	Mil.Lb.	\$(Million)	
1950	155	78.5	2,056	125.5	7.6	311	5.3	^d
1951	265	131.8	2,360	114.2	11.2	247	.1	^d
1952	370	166.0	2,290	194.1	16.1	380	1.0	
1953	286	121.3	2,093	218.6	13.7	496	2.7	
1954	379	208.4	2,278	254.8	16.6	586	1.0	
1955	408	252.5	2,223	402.6	18.4	797	.5	
1956	363	202.6	2,200	587.8	16.5	857	.4	
1957	153	82.8	1,694	577.5	9.0	946	.1	
1958	167	105.3	1,762	566.9	9.4	901	4.3	
1959	83	46.5	1,825	580.8	4.5	892	1.9	
1960	79	46.8	1,972	417.7	4.0	668	.2	^d
1961	102	68.0	2,092	387.9	4.9	610	.6	
1962	328	212.9	2,350	304.7	13.9	451	9.3	
1963	519	310.2	2,376	437.4	22.8	610	16.1	
1964	413	262.9	2,266	666.9	18.2	942	11.5	
1965	130	92.3	1,871	826.3	6.9	1,149	.4	
1966	159	107.8	1,899	761.1	8.4	1,018	.3	
1967	353	243.6	1,979	678.8	17.8	921	7.6	
1968	191	135.0	1,718	756.0	11.1	1,035	1.8	
1969	264	209.8	1,815	811.9	14.5	1,109	4.9	

a. U.S.D.A. calculations

b. Crop year

c. Fiscal year

d. Gain

prices are not reached on the open market. CCC holdings have increased from 317.1 million pounds (valued at \$125.5 million) in 1950 to 1.153 billion pounds (valued at \$756 million) in 1968.⁴³ Recently loan stocks have declined to some 733.6 million pounds in May, 1973.⁴⁴ The Canadian tobacco journal, The Lighter, noted that the U.S.D.A. investment in tobacco "is almost as important in terms of value as the total investment in all other crops such as: corn, sorghum and wheat. . ."⁴⁵

While the costs of the price support program have been minimal, the program cannot be called a total success. Government acreage controls designed to protect the farmer from overproduction and assure him a reasonable remuneration have failed to reduce production. There has been a gradual reduction in the number of acres of tobacco grown; but, at the same time, with each decrease in government acreage allotments there has been an intense effort by tobacco growers to increase production per acre. Growers have acted to maximize their productivity within the confines of acreage controls. More importantly, accompanying this increasing productivity has been a general decline in the quality of tobacco grown associated with the farming techniques used to increase yields. Hedrick comments that "because of the tobacco program, the consumer has received a lower quality of product at a higher price than would have been the case in the absence of the program."⁴⁶

Acreage-poundage legislation was passed by Congress in 1965 in an attempt to increase the quality of production by limiting some of the pressures to increase tobacco yields. The legislation regulated tobacco yields as well as acreage, and allotments can be reduced if overproduction continues.⁴⁷ Recently, with production reduced below earlier

prices are not reached on the open market. CCC holdings have increased

from 317.1 million pounds (valued at \$125.2 million) in 1950 to 1.153 billion pounds (valued at \$750 million) in 1968.⁴³ Recently loan stocks

have declined to some 733.6 million pounds in May, 1973.⁴⁴ The

Canadian tobacco journal, The Lighter, noted that the U.S.D.A. investment in tobacco "is almost as important in terms of value as the total invest-

ment in all other crops such as: corn, sorghum and wheat. . ."⁴⁵

While the costs of the price support program have been minimal, the

program cannot be called a total success. Government acreage controls

designed to protect the farmer from overproduction and assure him a

reasonable remuneration have failed to reduce production. There has

been a gradual reduction in the number of acres of tobacco grown; but,

at the same time, with each decrease in government acreage allotments

there has been an intense effort by tobacco growers to increase produc-

tion per acre. Growers have acted to maximize their productivity within

the confines of acreage controls. More importantly, accompanying this

increasing productivity has been a general decline in the quality of

tobacco grown associated with the farming techniques used to increase

yields. Hedrick comments that "because of the tobacco program, the

consumer has received a lower quality of product at a higher price than

would have been the case in the absence of the program."⁴⁶

Acreage-poundage legislation was passed by Congress in 1965 in an

attempt to increase the quality of production by limiting some of the

pressures to increase tobacco yields. The legislation regulated tobacco

yields as well as acreage, and allotments can be reduced if overproduc-

tion continues.⁴⁷ Recently, with production reduced below earlier

levels, the percentage of the burley and flue-cured crops placed under government loan has declined substantially.

The federal price support program forced tobacco farmers into collective action and interest groups to take advantage of government tobacco price supports. Regulated by the government for so long and organized with the government's help, the tobacco growers are now a powerful interest group who lobby for their vested interests. Grower groups are the powerful grass roots support behind the vigorous opposition of some legislators to government involvement and regulation of cigarette smoking. The tobacco growers' common economic survival and prosperity have necessitated collective action to protect their challenged interests. Grower groups, established primarily to obtain material benefits, have extended their actions to combat the present challenge to their livelihoods and protect their vested interests.⁴⁸ Olson noted in general:

The lobbies of the large economic groups are by-products of organizations that have a capacity to 'mobilize' a latent group with 'selective incentives.' Only organizations that have the 'selective incentives' available are those that (1) have the authority and capacity to be coercive, or (2) have a source of positive inducements that they can offer to individuals in a latent group.⁴⁹

Without government help, it is doubtful that the growers would have been able to provide the necessary inducements to organize.

The Committee of Growers of U.S. Tobacco was formed in 1964 by representatives of 49 organizations of growers, and of persons directly interested in growers. The group was formed shortly after the Federal Trade Commission announced its "Proposed Trade Regulation Rules for the Advertising and Labeling of Cigarettes." These grower organizations had

levels, the percentage of the barley and flue-cured crops placed under government loan has declined substantially.

The federal price support program forced tobacco farmers into collective action and interest groups to take advantage of government tobacco price supports. Regulated by the government for so long and organized with the government's help, the tobacco growers are now a powerful interest group who lobby for their vested interests. Grower groups are the powerful grass roots support behind the vigorous opposition of some legislators to government involvement and regulation of cigarette smoking. The tobacco growers' common economic survival and prosperity have necessitated collective action to protect their challenged interests. Grower groups, established primarily to obtain material benefits, have extended their actions to combat the present challenge to their livelihoods and protect their vested interests. ⁴⁸ Olson noted in general:

The lobbies of the large economic groups are by-products of organizations that have a capacity to 'mobilize' a latent group with 'selective incentives.' Only organizations that have the 'selective incentives' available are those that (1) have the authority and capacity to be coercive, or (2) have a source of positive inducements that they can offer to individuals in a latent group. ⁴⁹

Without government help, it is doubtful that the growers would have been able to provide the necessary inducements to organize.

The Committee of Growers of U.S. Tobacco was formed in 1944 by representatives of 49 organizations of growers, and of persons directly interested in growers. The group was formed shortly after the Federal Trade Commission announced its "Proposed Trade Regulation Rules for the Advertising and Labeling of Cigarettes." These grower organizations had

become concerned specifically with FTC proposals to regulate cigarette advertising and "very alarmed about the whole subject of existing threats of extreme and emotionally hostile labeling." ⁵⁰

The presentations of the growers' committee in Congress have been consistent with tobacco industry views. The growers emphasize that consideration of their economic need is not paramount to consideration of the public's health; however, they feel "that there are far too many unknowns to arrive at the conclusion of placing further restrictions on our industry." ⁵¹ The growers feel unjustly accused of purveying disease and death, and although the growers are themselves already highly regulated they fear "unwarranted" regulation of cigarettes:

We people who grow tobacco and our predecessors for many generations have believed that we are in an honorable business. We have believed that in important respects tobacco is beneficial to the user. ⁵²

The tobacco growers have played an important supportive role in mobilizing anti-regulatory forces because of their high degree of organization and the concentration of their membership in a relatively small number of congressional districts.

Other government tobacco programs are additional evidence of the ability of tobacco interests to obtain governmental aid. In addition to tobacco price supports, the federal government also provides a number of other material benefits to tobacco growers. The U.S.D.A. provides free inspection, market news and demonstration services. ⁵³ Under the Tobacco Inspection Act of 1935, growers have received free and mandatory inspection of tobacco at tobacco auction markets, where two-thirds of the growers voting in referendum favored inspection. ⁵⁴ The tobacco market news service gathers information on the approximate value of the

become concerned specifically with FTC proposals to regulate cigarette advertising and "very alarmed about the whole subject of existing threats of extreme and emotionally hostile labeling." ⁵⁰

The presentations of the growers' committee in Congress have been consistent with tobacco industry views. The growers emphasize that consideration of their economic need is not paramount to consideration of the public's health; however, they feel "that there are far too many unknowns to arrive at the conclusion of placing further restrictions on our industry." ⁵¹ The growers feel unjustly accused of purveying disease and death, and although the growers are themselves already highly regulated they fear "unwarranted" regulation of cigarettes:

We people who grow tobacco and our predecessors for many generations have believed that we are in an honorable business. We have believed that in important respects tobacco is beneficial to the user. ⁵²

The tobacco growers have played an important supportive role in mobilizing anti-regulatory forces because of their high degree of organization and the concentration of their membership in a relatively small number of congressional districts.

Other government tobacco programs are additional evidence of the ability of tobacco interests to obtain governmental aid. In addition to tobacco price supports, the federal government also provides a number of other material benefits to tobacco growers. The U.S.D.A. provides free inspection, market news and demonstration services. ⁵³ Under the

Tobacco Inspection Act of 1935, growers have received free and mandatory inspection of tobacco at tobacco auction markets, where two-thirds of the growers voting in referendum favored inspection. ⁵⁴ The tobacco market news service gathers information on the approximate value of the

different grades of tobacco to ". . . aid the farmer to get a fair price for his tobacco." ⁵⁵ The demonstration service acquaints farmers with the objectives and benefits of inspection and market news and instructs them in how to prepare their tobacco so that it will be sold at the highest price consistent with quality:

These services (1) certify to the seller the grade of his tobacco, (2) furnish him with current average price and support or loan price for each grade, and (3) keep him informed as to the best way to prepare his crop for marketing. In short, they are designed to aid him in all ways to get as much money as possible for the tobacco which represents his year's work. ⁵⁶

In 1968, the tobacco market news service had a budget of some \$295 thousand while tobacco inspection, grading, classing and standardization received over \$3.5 million. ⁵⁷ Tobacco inspection and market news cost \$4.8 million during the 1972 fiscal year. ⁵⁸

The Federal Crop Insurance Program provided over \$146 million in tobacco crop insurance in 1968 (75,657 crops insured) second only to wheat in the amount of protection. Premiums for this insurance amounted to \$3.93 million while indemnities were \$2.16 million in 1968. ⁵⁹ Well over 10 per cent of the total tobacco crop is insured through the federal government.

Still another service to tobacco farmers was enacted in the 1965 Food and Agriculture Act. This act provides for a cropland adjustment program that pays farmers to divert cropland acres to non-agricultural and conservation uses. Under this program approximately \$3.1 million has been paid for converting tobacco acreage. ⁶⁰ With decreases in tobacco consumption and acreage under cultivation, this program may become more important in the future as a means of easing the transition from tobacco to other uses.

different grades of tobacco to ". . . aid the farmer to get a fair price for his tobacco." ²⁵ The demonstration service acquaints farmers with the objectives and benefits of inspection and market news and instructs them in how to prepare their tobacco so that it will be sold at the highest price consistent with quality:

These services (1) certify to the seller the grade of his tobacco, (2) furnish him with current average price and support or loan price for each grade, and (3) keep him informed as to the best way to prepare his crop for marketing. In short, they are designed to aid him in all ways to get as much money as possible for the tobacco which represents his year's work. ²⁶

In 1968, the tobacco market news service had a budget of some \$292 thousand while tobacco inspection, grading, classing and standardization received over \$3.2 million. ²⁷ Tobacco inspection and market news cost \$4.8 million during the 1972 fiscal year. ²⁸

The Federal Crop Insurance Program provided over \$146 million in tobacco crop insurance in 1968 (75,627 crops insured) second only to wheat in the amount of protection. Premiums for this insurance amounted to \$3.93 million while indemnities were \$2.16 million in 1968. ²⁹ Well over 10 per cent of the total tobacco crop is insured through the federal government.

Still another service to tobacco farmers was enacted in the 1965 Food and Agriculture Act. This act provides for a cropland adjustment program that pays farmers to divert cropland acres to non-agricultural and conservation uses. Under this program approximately \$3.1 million has been paid for converting tobacco acreage. ^(a) With decreases in

tobacco consumption and acreage under cultivation, this program may become more important in the future as a means of easing the transition from tobacco to other uses.

The present government loan stocks of tobacco represent a significant investment by the government in the future economic growth of tobacco and cigarettes. This investment makes the government an industry partner in seeking increased domestic and foreign sales. The government's tobacco inventory is the largest in value of any farm commodity⁶¹ and represents a possible loss of over 800 million dollars. Any government actions which succeed in reducing cigarette consumption domestically will lead to continued overproduction. Furthermore, under present government programs commitments decreased consumption of cigarettes, reduced cigarette industry purchases, and/or reduced foreign exports will be made up by additional government purchases.

The government is interested in protecting its \$800 million investment. Government inaction to maintain the status quo will protect this investment and possibly enable it to reduce its present holdings. In a declining tobacco market, price supports have burdened the governments with an enormous financial commitment. This commitment works against strong government actions to reduce cigarette consumption and protect the public interest.

Strongly vested interests to maintain government tobacco programs have developed on the part of program participants, government administrators and congressional sponsors. Once started, programs and benefits are difficult to give up. We are faced not only with the great economic needs of many people being satisfied by the tobacco economy, but also with a system of reciprocal benefits which provides administrators with jobs and status and tobacco farmers with much needed material benefits and services. Congressional and state representatives in turn are

The present government loan stocks of tobacco represent a significant

can't investment by the government in the future economic growth of tobacco and cigarettes. This investment makes the government an industry

partner in seeking increased domestic and foreign sales. The

government's tobacco inventory is the largest in value of any farm commodity⁶¹ and represents a possible loss of over 800 million dollars.

Any government actions which succeed in reducing cigarette consumption domestically will lead to continued overproduction. Furthermore, under

present government programs commitments decreased consumption of cigarettes,

reduced cigarette industry purchases, and/or reduced foreign

exports will be made up by additional government purchases.

The government is interested in protecting its \$800 million investment

Government inaction to maintain the status quo will protect this

investment and possibly enable it to reduce its present holdings. In a

declining tobacco market, price supports have burdened the government

with an enormous financial commitment. This commitment works against

strong government actions to reduce cigarette consumption and protect the

public interest.

Strongly vested interests to maintain government tobacco programs

have developed on the part of program participants, government administrators

and congressional sponsors. Once started, programs and benefits

are difficult to give up. We are faced not only with the great economic

needs of many people being satisfied by the tobacco economy, but also

with a system of reciprocal benefits which provides administrators with

jobs and status and tobacco farmers with much needed material benefits

and services. Congressional and state representatives in turn are

provided with political support. A functioning system of incentives ties the government to tobacco. The following section discusses cigarette manufacturing.

6. Cigarette Manufacturing in the United States

The cigarette manufacturing industry, like tobacco growing, is concentrated in only a few states. In fact, it is even more concentrated. Three states, North Carolina, Virginia and Kentucky, have accounted for more than 99 per cent of the value added⁶² by cigarette manufacture in 1960 and 1966. The second element which contributes to tobacco's economic importance is tobacco and cigarette manufacturing. We will examine the concentration of this industry as well as its political and economic effects. We also will discuss some general indicators of the importance of the tobacco manufacturing industry in the United States.

Once again, it is not simply the number of tobacco employees that is so important politically but their geographic concentration. Cigarette manufacturing is not very important to the total state economies of North Carolina, Virginia and Kentucky; but its economic effects in communities in which cigarettes are manufactured, such as Winston-Salem, Richmond and Louisville, are very substantial.

Table 9 presents a breakdown of cigarette manufacturing by state. The figures indicate the number of tobacco employees and their contribution to total state employment figures for the years 1950, 1960 and 1966.⁶³ Also presented are figures indicating total tobacco payroll and its contribution to the states' total economic picture as well as data showing the value added by cigarette and tobacco manufacture.

provided with political support. A functioning system of incentives ties the government to tobacco. The following section discusses cigarette manufacturing.

C. Cigarette Manufacturing in the United States

The cigarette manufacturing industry, like tobacco growing, is concentrated in only a few states. In fact, it is even more concentrated. Three states, North Carolina, Virginia and Kentucky, have accounted for more than 99 per cent of the value added⁶² by cigarette manufacture in 1960 and 1966. The second element which contributes to tobacco's economic importance is tobacco and cigarette manufacturing. We will examine the concentration of this industry as well as its political and economic effects. We also will discuss some general indicators of the importance of the tobacco manufacturing industry in the United States.

Once again, it is not simply the number of tobacco employees that is so important politically but their geographic concentration. Cigarette manufacturing is not very important to the total state economies of North Carolina, Virginia and Kentucky; but its economic effects in communities in which cigarettes are manufactured, such as Winston-Salem, Richmond and Louisville, are very substantial.

Table 9 presents a breakdown of cigarette manufacturing by state. The figures indicate the number of tobacco employees and their contribution to total state employment figures for the years 1950, 1960 and 1966.⁶³ Also presented are figures indicating total tobacco payroll and its contribution to the states' total economic picture as well as data showing the value added by cigarette and tobacco manufacture.

These figures clearly indicate that the tobacco manufacturing industry, and especially its cigarette component, have not kept pace with the general industrial economic growth of the tobacco manufacturing states. In North Carolina, for example, cigarette manufacturing makes up less than 4 per cent of total employment in the state, less than 5 per cent of total salaries and wages while contributing over 14 per cent of total value added. In comparison, textile mills and related products contributed over 40 per cent of total state employment in all industries, over 37 per cent of total salaries and wages and over 32 per cent of total value added by manufacture in 1965. The same situation is true in Virginia and Kentucky. Other industries are clearly as important or more important than tobacco and cigarette manufacturing. Clearly in North Carolina, textiles play a much more important role in the economic prosperity of the state than do cigarettes. As the data in Table 9 indicate, cigarette and in fact, tobacco manufacturing in these three states play a relatively small role in the total state employment and wages picture, but do contribute a larger portion of the total value added by manufacture than might be expected.⁶⁴

Over time, tobacco's contribution to the economic prosperity of cigarette manufacturing states has declined. Tobacco's contribution to statewide employment has declined in North Carolina from 6.3 per cent in 1950 to 4.2 per cent in 1966, in Kentucky from 6.0 per cent in 1950 to 4.9 per cent in 1966, and in Virginia from 5.6 per cent in 1950 to 4.0 per cent in 1966. Tobacco employment generally has remained stable, while general statewide employment figures have increased substantially. The same general picture is found in examining other measures of economic

These figures clearly indicate that the tobacco manufacturing industry, and especially its cigarette component, have not kept pace with the general industrial economic growth of the tobacco manufacturing states. In North Carolina, for example, cigarette manufacturing makes up less than 4 per cent of total employment in the state, less than 2 per cent of total salaries and wages while contributing over 14 per cent of total value added. In comparison, textile mills and related products contributed over 40 per cent of total state employment in all industries, over 37 per cent of total salaries and wages and over 32 per cent of total value added by manufacture in 1965. The same situation is true in Virginia and Kentucky. Other industries are clearly as important or more important than tobacco and cigarette manufacturing. Clearly in North Carolina, textiles play a much more important role in the economic prosperity of the state than do cigarettes. As the data in Table 9 indicate, cigarette and in fact, tobacco manufacturing in these three states play a relatively small role in the total state employment and wages picture, but do contribute a larger portion of the total value added by manufacture than might be expected.

Over time, tobacco's contribution to the economic prosperity of cigarette manufacturing states has declined. Tobacco's contribution to statewide employment has declined in North Carolina from 6.3 per cent in 1950 to 4.2 per cent in 1965, in Kentucky from 6.0 per cent in 1950 to 4.9 per cent in 1965, and in Virginia from 5.6 per cent in 1950 to 4.0 per cent in 1965. Tobacco employment generally has remained stable, while general statewide employment figures have increased substantially. The same general picture is found in examining other measures of economic

Table 9

Tobaccoes' Contributions to State Economies ^a

State	Year	No. of Employees all Industries	Total Tobacco Employees (Cigarette Employees) %	Total Salaries and Wages (\$1,000)	Tobacco Salaries and Wages %
North Carolina	1950	402,631	6.3	945,078	6.7
	1960	496,559	---	1,740,576	---
	1966	611,851	4.2 (3.0) ^c	2,806,053 (18,297)	4.8 (3.8)
Kentucky	1950	136,313	6.0	385,755	5.8
	1960	172,714	6.2 (4.6)	816,778 (8,023)	6.0 (4.6)
	1966	217,925	4.9 (3.6)	1,265,590 (7,919)	4.8 (3.7)
Virginia	1950	221,720	5.6	565,412	5.6
	1960	270,276	4.7 (3.2)	1,121,101 (8,615)	4.8 (3.5)
	1966	335,688	4.0 (2.8)	1,808,531 (9,386)	4.0 (3.1)

a. Compiled from various issues of the U.S. Bureau of the Census. Annual Survey of Manufacturers (Washington: U.S. Government Printing Office).

b. Percentages are of state totals.

c. Table figures in parentheses are for the contribution of cigarettes.

c. Table figures in parentheses are for the contribution of cigarettes.

d. Percentages are of state totals.

Manufacturers (Washington: U.S. Government Printing Office).

e. Computed from various issues of the U.S. Bureau of the Census. Percentages of

		(3.8)	(0.350)		(3.1)	(22,484)
	1880	332,088	13,510	1,208,231	4.0	15,100
			(8,012)		(3.2)	(20,000)
	1900	510,510	15,100	1,151,101	4.8	23,400
	1920	551,150	15,400	202,415	2.0	37,811
	1880	511,482	(1,010)	1,502,280	(3.1)	(41,150)
			10,111		4.8	01,511
	1900	115,110	(3,013)		(4.0)	(31,150)
	1920	130,313	10,110	210,118	0.0	00,520
			0.0	382,122	2.0	55,500
	1900	011,821	(18,521)	5,800,023	(3.8)	(100,023)
	1920	400,220	50,043	1,100,210	4.8	132,440
	1920	405,031	---		---	---
			0.3	202,018	0.0	03,183

State	Year	Industries all	(Cigarette Employees) Tobacco Employees	Total	Salaries and Wages	Salaries and Wages Tobacco
		No. of Employees				

Tobacco, Contributions to State Economies

Table 2

Table 9 (continued)

State	Year	Value Added by Manufacture	Tobacco Value Added (Cigarette Value Added) %	Capital Expenditures (\$1,000)	Capital Expenditures %	Tobacco Capital Expenditures
North Carolina	1950	1,858,230	17.1	---	---	---
	1960	3,760,774	---	250,807	---	---
	1966	6,132,997	14.5 (13.7)	897,492 (838,563)	2.4 (1.7)	17,229 (12,454)
Kentucky	1950	957,640	10.6	---	---	---
	1960	1,968,302	11.9 (10.5)	106,720 (206,149)	4.0 (3.0)	4,289 (3,198)
	1966	3,466,216	9.8 (9.0)	338,813 (311,710)	3.0 (2.7)	8,738 (7,728)
Virginia	1950	1,326,495	12.8	---	---	---
	1960	2,411,337	11.8 (10.6)	151,126 (254,930)	3.5 (2.0)	5,278 (3,030)
	1966	3,938,350	9.35 (8.45)	374,758 (332,828)	4.0 (2.7)	14,968 (10,275)

Table 3 (continued)

State	Year	Manufacture of tobacco	Tobacco consumption (cigarettes)	Value added in tobacco manufacture	Capital expenditures (\$1,000)	Capital expenditures per worker	Total expenditures
Alaska	1949	3,238,320	8.42	(335,858)	374,128	(5.5)	(10,552)
	1950	3,411,331	10.8	(308,342)	121,128	(3.0)	(3,030)
	1951	1,350,492	15.8	(504,441)	121,128	3.2	2,528
Kentucky	1949	3,400,510	(0.0)	(311,110)	588,041	(3.1)	(1,158)
	1950	1,800,305	11.1	(41,001)	102,150	0.4	928.4
	1951	827,440	10.1	(532,510)	102,150	(3.0)	(3,102)
North Carolina	1949	1,135,001	14.2	(88,448)	335,535	(1.1)	(424,511)
	1950	3,100,114	---	---	320,801	---	---
	1951	1,828,530	1.1	(312,213)	---	---	---

importance and growth such as salaries and wages and value added by manufacture. Tobacco manufacturing has increased substantially by each of these measures, but not as rapidly as the general statewide growth. Hence, tobacco and cigarette manufacturing are not as important to state prosperity as they once were.

The cigarette manufacturing industry employs 36,600 people, while the entire tobacco industry employs 75,100 persons. Cigarette manufacturing has been a highly automated industry since the introduction of James A. Bonsack's first practical cigarette-making machine in the 1880's. Cigarette manufacturers have employed less than 50 per cent of total tobacco employees, although they have been the largest single employer in the industry since about 1958. The total number of industry employees has declined substantially from 100,729 to 75,100 between 1949-67, according to government figures.

Table 10 presents tobacco industry data indicating the percentage contribution to the national economy. Nationally, tobacco manufacturing represents a very small percentage of national employment, payroll and value added by manufacture. One final aggregate measure of tobacco's importance should be briefly mentioned. Table 11 shows total tobacco industry contributions to the Gross National Product (GNP) including both domestic sales and exports, as well as the importance of tobacco as a percentage of the GNP for five year averages between 1940-1964 and yearly for 1965-69. Tobacco's contribution to the nation's economy has declined from 1.95 per cent in 1940 to a low point of 1.18 per cent in 1969 at the same time that its total contribution to the GNP has increased from \$2.19 billion in 1940 to \$11.02 billion in 1969. Recent estimates

importance and growth such as salaries and wages and value added by manufacture. Tobacco manufacturing has increased substantially by each of these measures, but not as rapidly as the general economic growth. Hence, tobacco and cigarette manufacturing are not as important to state prosperity as they once were.

The cigarette manufacturing industry employs 36,600 people, while the entire tobacco industry employs 75,100 persons. Cigarette manufacturing has been a highly automated industry since the introduction of James A. Bonsack's first practical cigarette-making machine in the 1880's. Cigarette manufacturers have employed less than 50 per cent of total tobacco employees, although they have been the largest single employer in the industry since about 1958. The total number of industry employees has declined substantially from 100,739 to 75,100 between 1949-57, according to government figures.

Table 10 presents tobacco industry data indicating the percentage contribution to the national economy. Nationally, tobacco manufacturing represents a very small percentage of national employment, payroll and value added by manufacture. One final aggregate measure of tobacco's importance should be briefly mentioned. Table 11 shows total tobacco industry contributions to the Gross National Product (GNP) including both domestic sales and exports, as well as the importance of tobacco as a percentage of the GNP for five year averages between 1940-1964 and yearly for 1965-69. Tobacco's contribution to the nation's economy has declined from 1.95 per cent in 1940 to a low point of 1.18 per cent in 1969 at the same time that its total contribution to the GNP has increased from \$2.19 billion in 1940 to \$11.02 billion in 1969. Recent estimates

Table 10

Tobaccos' Contribution to the National Economy^a

Year	Tobacco Employees (Cigarette Employees)	$\bar{x}^b$	Tobacco Payroll \$(000)	$\bar{x}^c$
1950	92,323	.64	212,536	.45
	(27,743)	.19	(75,546)	.16
1960	82,500	.49	319,386	.36
	(36,118)	.21	(165,558)	.18
1966	72,363	.38	356,171	.28
	(35,602)	.18	(209,272)	.16

a. Compiled from various issues of U.S., Bureau of the Census, U.S. Census of Manufactures (Washington: U.S. Government Printing Office).

b. Percentage contribution of tobacco and cigarette employment to total U.S. employment.

c. Percentage contribution of tobacco and cigarette payroll to total U.S. payroll.

Table 10

Tobacco's Contribution to the National Economy^a

Year	Tobacco Employees (Cigarette Employees)	Tobacco Payroll \$ (000)	Percentage Contribution to Total U.S. Payroll
1950	92,323 (27,743)	212,535 (72,545)	.42 .16
1960	82,200 (36,113)	319,725 (162,522)	.40 .18
1966	72,363 (32,662)	306,171 (102,222)	.38 .16

a. Compiled from various issues of U.S., Bureau of the Census, U.S. Census of Manufacturers (Washington: U.S. Government Printing Office).

b. Percentage contribution of tobacco and cigarette employment to total U.S. employment.

c. Percentage contribution of tobacco and cigarette payroll to total U.S. payroll.

Table 11

Tobacco Industry Contribution to the U.S. Economy ^a

	Domestic Sales \$(billions)	Total Sales \$(billions)	Total as Percentage of GNP
1940-44 average	2.353	2.467	1.63
1945-49 average	3.742	4.062	1.74
1950-54 average	4.904	5.247	1.56
1955-59 average	5.893	6.330	1.44
1960-64 average	7.677	8.184	1.46
1965-69 average	9.586	10.189	1.27
1965	8.651	9.157	1.34
1966	9.140	9.751	1.30
1967	9.382	10.217	1.29
1968	10.112	10.798	1.25
1969	10.444	11.020	1.18

a. U.S.D.A. calculations.

Table II

Tobacco Industry Contribution to the U.S. Economy^B

	Domestic Sales (\$ Billions)	Total Sales (\$ Billions)	Total as Percentage of GNP
1965-69 Average	9.259	10.189	1.37
1960-64 Average	7.677	8.184	1.46
1955-59 Average	5.993	6.300	1.44
1950-54 Average	4.964	5.247	1.26
1945-49 Average	3.742	4.062	1.74
1940-44 Average	2.333	2.467	1.63
1965	8.621	9.127	1.34
1966	9.140	9.721	1.30
1967	9.222	10.217	1.29
1968	10.112	10.798	1.22
1969	10.444	11.020	1.18

B. U.S.D.A. calculations.

of the importance of cigarette and tobacco industry have become increasingly clouded by industry diversification and the absence of detailed breakdowns of corporate sales and earnings figures by product lines.

The tobacco industry and cigarette manufacturing have grown substantially in the past twenty years. In recent years, cigarette manufacturing has contributed well over a billion dollars in value added by manufacture. The total value added by the tobacco industry (including cigars, smoking tobacco, snuff and chewing tobacco) has increased from \$677.25 million in 1954 to a total of over \$1.87 billion in 1966.

While generally tobacco manufacturing employment has declined and percentage contribution to the GNP has decreased, total industry sales have increased substantially from \$4.262 billion to \$10.551 billion during the period 1957-71. Most of the recent increase in sales can be attributed to the non-tobacco enterprises of tobacco manufacturing corporations as well as to increases in cigarette taxation. Net income after federal taxes has increased sharply from \$220 million in 1957 to \$643 million in 1971.⁶⁵

Cigarette manufacturing is concentrated in six companies that produce well over 99 per cent of total United States production.⁶⁶ These companies are R.J. Reynolds Industries, Inc., American Brands Inc., Brown and Williamson Tobacco Corporation, Philip Morris Inc., Loew's Theatres (owners of P. Lorillard Inc.) and Liggett and Myers Inc. Almost all tobacco production is controlled by these same six firms.⁶⁷

The strength of the tobacco manufacturing industry is indicated by its substantial sales and profits which can and have been mobilized to

of the importance of cigarette and tobacco industry have become increasingly clouded by industry diversification and the absence of detailed breakdowns of corporate sales and earnings figures by product lines.

The tobacco industry and cigarette manufacturing have grown sub-

stantially in the past twenty years. In recent years, cigarette manufacturing has contributed well over a billion dollars in value added by manufacture. The total value added by the tobacco industry (includ-

ing cigars, smoking tobacco, snuff and chewing tobacco) has increased from \$677.25 million in 1954 to a total of over \$1.87 billion in 1966. While generally tobacco manufacturing employment has declined and

percentage contribution to the GNP has decreased, total industry sales

have increased substantially from \$4.262 billion to \$10.551 billion

during the period 1957-71. Most of the recent increase in sales can be

attributed to the non-tobacco enterprises of tobacco manufacturing

corporations as well as to increases in cigarette taxation. Net income

after federal taxes has increased sharply from \$220 million in 1957 to

\$643 million in 1971. 62

Cigarette manufacturing is concentrated in six companies that

produce well over 99 per cent of total United States production. 66

These companies are R.J. Reynolds Industries, Inc., American Brands Inc.,

Brown and Williamson Tobacco Corporation, Philip Morris Inc., Loew's

Theaters (owners of R. Lorillard Inc.) and Liggett and Myers Inc. Almost

all tobacco production is controlled by these same six firms. 67

The strength of the tobacco manufacturing industry is indicated by

its substantial sales and profits which can and have been mobilized to

protect the industry from an increasingly uncertain environment of scientific controversy, contradictory propaganda and government action. Later, we will discuss the industry's reaction to this controversy.

Cigarette manufacturing in the United States is an oligopoly dominated by six firms. This economic power has been concentrated in three states in which the tobacco industry has had a very long and proud history. The glory that once was tobacco's has dimmed slightly as the relative importance of tobacco manufacturing has declined. But while tobacco's image has been tarnished recently, its economic import remains quite substantial in cigarette manufacturing states, especially when considered in conjunction with tobacco growing.

It is impossible to measure the exact political impact of the tobacco growers and manufacturers. They possess three of the basic resources useful in obtaining political influence: votes, money and information. These resources can be and have been mobilized by growers and manufacturers to elect political candidates who represent their views. Tobacco manufacturing and growing have declined relative to general economic growth, but nevertheless they remain very important. The reduction of tobacco consumption by government action without concurrent diversification into other areas by both tobacco growers and manufacturers would be catastrophic for the entire tobacco industry and for the many voters that it directly and indirectly affects.

D. Tobacco Taxation

1. Introduction

The discovery of tobacco and the diffusion of tobacco smoking have provided national governments with abundant tax revenues and some with

protect the industry from an increasingly uncertain environment of scientific controversy, contradictory propaganda and government action.

Later, we will discuss the industry's reaction to this controversy.

Cigarette manufacturing in the United States is an oligopoly

dominated by six firms. This economic power has been concentrated in three states in which the tobacco industry has had a very long and proud history. The glory that once was tobacco's has dimmed slightly as the relative importance of tobacco manufacturing has declined. But while tobacco's image has been tarnished recently, its economic import remains quite substantial in cigarette manufacturing states, especially when considered in conjunction with tobacco growing.

It is impossible to measure the exact political impact of the tobacco growers and manufacturers. They possess three of the basic resources useful in obtaining political influence: votes, money and information. These resources can be and have been mobilized by growers and manufacturers to elect political candidates who represent their views. Tobacco manufacturing and growing have declined relative to general economic growth, but nevertheless they remain very important. The reduction of tobacco consumption by government action without current diversification into other areas by both tobacco growers and manufacturers would be catastrophic for the entire tobacco industry and for the many voters that it directly and indirectly affects.

D. Tobacco Taxation

I. Introduction

The discovery of tobacco and the diffusion of tobacco smoking have provided national governments with abundant tax revenues and some with

profitable government monopolies. Tobacco taxation was first used by the British monarch James I in an attempt to discourage its use. He urged instead the growing of mulberry trees and the propagation of silk worms, as being of more value than tobacco.⁶⁸ Nevertheless, despite his personal hostility to the "noxious weed," James I and his successors to the British throne were forced in the interests of their subjects in the Virginia colony to foster the tobacco trade. In fact, James I forbade the planting of tobacco in England and Wales in 1619 to aid colonial development. MacInnes, in his book The Early English Tobacco Trade, commented that "the policy of the Government amounted to nothing short of the regulation of the national taste in tobacco in the interests of the colonies."⁶⁹

The tobacco trade brought prosperity to the Virginia colony and money into the Royal Treasury. This combination of economic sustenance and governmental revenue has successfully rationalized and legitimized tobacco use throughout its history. Cardinal Richelieu, who became Chief Minister of France in 1624, "thought that in tobacco he could find an inexhaustible spring of wealth."⁷⁰ Richelieu's motives were very mixed on this issue. On the one hand, he sought to check the new habit with a tax and on the other hand, he sought to make a profit for the state.⁷¹ This dilemma has often been considered and is now reasserting itself with the increased recognition of tobacco's possible harmful effects.

Many governments have condemned tobacco on moral grounds while profiting handsomely from its use. Corti in his book A History of Smoking noted that "whatever their form of government, [they] now encourage and facilitate the passion for smoking in every conceivable way, merely for

profitable government monopolies. Tobacco taxation was first used by the British monarch James I in an attempt to discourage its use. He urged instead the growing of mulberry trees and the propagation of silk worms, as being of more value than tobacco.⁶⁸ Nevertheless, despite his personal hostility to the "noxious weed," James I and his successors to the British throne were forced in the interests of their subjects in the Virginia colony to foster the tobacco trade. In fact, James I forbade the planting of tobacco in England and Wales in 1619 to aid colonial development. MacInnes, in his book The Early English Tobacco Trade, commented that "the policy of the Government amounted to nothing short of the regulation of the national taste in tobacco in the interests of the colonies."⁶⁹

The tobacco trade brought prosperity to the Virginia colony and money into the Royal Treasury. This combination of economic sustenance and governmental revenue has successfully rationalized and legitimized tobacco use throughout its history. Cardinal Richelieu, who became Chief Minister of France in 1624, "thought that in tobacco he could find an inexhaustible spring of wealth."⁷⁰ Richelieu's motives were very mixed on this issue. On the one hand, he sought to check the new habit with a tax and on the other hand, he sought to make a profit for the state.⁷¹

This dilemma has often been considered and is now reasserting itself with the increased recognition of tobacco's possible harmful effects. Many governments have condemned tobacco on moral grounds while profiting handsomely from its use. Corti in his book A History of Smoking noted that "whatever their form of government, [they] now encourage and facilitate the passion for smoking in every conceivable way, merely for

the sake of the revenue which it produces." ⁷² Governments rarely have played an active role in encouraging cigarette consumption (with the exception of countries in which tobacco is a government monopoly) and yet at the same time, before the present controversy, they have done little to discourage it.

Cigarette taxation, sometimes begun as part of a moral crusade against cigarettes, has become a vital source of governmental revenues. The present smoking-health controversy may well turn back the clock and lead to a new moral crusade which would seek to tax cigarettes out of existence. This time, however, the crusade may not be morally, but scientifically founded.

2. Federal and State Tobacco Taxation

In the following section, we will briefly examine federal and state tobacco taxation in America. Tobacco taxes, especially on cigarettes, provide substantial government revenues. Government benefits from tobacco are likely to inhibit policies which might decrease these revenues.

Tobacco taxation is the third element contributing to the economic importance of tobacco. Meyer Jacobstein, in his early study of the American tobacco industry, noted that "our policy has not been unique, for all important countries have, for centuries, regarded the tobacco industry principally in the light of a revenue yielder." ⁷³

Prior to the Civil War tobacco taxation was used on only two different occasions and then for only short periods of time. ⁷⁴ Since that time, cigarette taxation has remained continuously in effect since 1863. The federal government has collected over 57 billion dollars from tobacco excise taxes (88.6 per cent from cigarettes) between 1863 and 1969. ⁷⁵

the sake of the revenue which it produces." ⁷² Governments rarely have played an active role in encouraging cigarette consumption (within the exception of countries in which tobacco is a government monopoly) and yet at the same time, before the present controversy, they have done little to discourage it.

Cigarette taxation, sometimes begun as part of a moral crusade against cigarettes, has become a vital source of governmental revenues. The present smoking-health controversy may well turn back the clock and lead to a new moral crusade which would seek to tax cigarettes out of existence. This time, however, the crusade may not be morally, but scientifically founded.

2. Federal and State Tobacco Taxation

In the following section, we will briefly examine federal and state tobacco taxation in America. Tobacco taxes, especially on cigarettes, provide substantial government revenues. Government benefits from tobacco are likely to inhibit policies which might decrease these revenues. Tobacco taxation is the third element contributing to the economic importance of tobacco. Meyer Jacobstein, in his early study of the American tobacco industry, noted that "our policy has not been unique, for all important countries have, for centuries, regarded the tobacco industry principally in the light of a revenue yielder." ⁷³

Prior to the Civil War tobacco taxation was used on only two different occasions and then for only short periods of time. ⁷⁴ Since that time, cigarette taxation has remained continuously in effect since 1891. The federal government has collected over 27 billion dollars from tobacco excise taxes (88.6 per cent from cigarettes) between 1893 and 1960. ⁷⁵

Combined state, federal and local taxes have averaged almost 50 per cent of the total consumer price for cigarettes since 1954.⁷⁶

Table 12 provides data on tobacco and cigarette tax revenues since 1940 and shows tobacco and cigarette taxes as a percentage of total internal revenue collections. Federal cigarette taxes have increased substantially since 1940 but have declined from 10 per cent of total internal revenue collections to a low point of just over 1 per cent in 1970.⁷⁷ Tax revenues from cigarettes have not kept pace with the tremendous increase in federal taxation and revenues. Since 1953, cigarettes have accounted for over 95 per cent of total tobacco revenues and have yielded over 2 billion dollars a year in revenues to the government since 1965.⁷⁸

Jacobstein suggested that "there seems to prevail a tacit belief that a government ought to derive from this particular industry as much revenue as possible."⁷⁹ The federal government actually has been restrained in taxing cigarettes compared to many European governments. The tax rate on a package of twenty cigarettes has increased only 33 1/3 per cent from 6 to 8 cents since February, 1919. In fact, the tax rate has remained the same since November, 1951. Since 1951, the gap of potential revenue has not been overlooked. State taxation has filled the void left by the absence of increases in federal cigarette taxation.

Hedrick noted without interpretation that federal revenues would be affected importantly if tobacco consumption declined.⁸⁰ Tobacco tax revenues have declined substantially in their percentage contribution to total government revenues since 1940 and even more from the 1930's.⁸¹ Federal tobacco taxation has sought the proper tax to maximize consumption

Combined state, federal and local taxes have averaged almost 50 per cent of the total consumer price for cigarettes since 1944.⁷⁶

Table 12 provides data on tobacco and cigarette tax revenues since

1940 and shows tobacco and cigarette taxes as a percentage of total internal revenue collections. Federal cigarette taxes have increased substantially since 1940 but have declined from 10 per cent of total internal revenue collections to a low point of just over 1 per cent in 1970.⁷⁷ Tax revenues from cigarettes have not kept pace with the tremendous increase in federal taxation and revenues. Since 1953, cigarettes have accounted for over 25 per cent of total tobacco revenues and have yielded over 2 billion dollars a year in revenues to the government since 1965.⁷⁸

Jacobstein suggested that "there seems to prevail a tacit belief that a government ought to derive from this particular industry as much revenue as possible."⁷⁹ The federal government actually has been restrained in taxing cigarettes compared to many European governments. The tax rate on a package of twenty cigarettes has increased only 33 1/3 per cent from 6 to 8 cents since February, 1919. In fact, the tax rate has remained the same since November, 1951. Since 1951, the gap of potential revenue has not been overlooked. State taxation has filled the void left by the absence of increases in federal cigarette taxation. Hedrick noted without interpretation that federal revenues would be affected importantly if tobacco consumption declined.⁸⁰ Tobacco tax revenues have declined substantially in their percentage contribution to total government revenues since 1940 and even more from the 1930's.⁸¹ Federal tobacco taxation has sought the proper tax to maximize consumption

Table 12

**Internal Revenue Collections and Share From
Tobacco Taxes, Fiscal Years, 1940-70 ^a**

Fiscal Year Ending June 30	Total	Tobacco Taxes			As percent of total collected		
		Total	Cigarettes	Cigars	Tobacco Taxes	Cigarette Taxes Percent	Other Tobacco Taxes
		Million dollars					
1940	5,240	609	534	75	11.40	10.00	1.40
1941	7,370	695	617	81	9.47	8.37	1.10
1942	13,048	781	705	76	5.99	5.40	.58
1943	22,371	824	835	89	4.13	3.73	.70
1944	40,122	985	904	84	2.46	2.25	.21
1945	43,800	932	837	95	2.13	1.91	.22
1946	40,672	1,160	1,073	93	2.87	2.64	.23
1947	39,108	1,238	1,145	93	3.47	2.93	.24
1948	41,865	1,300	1,208	92	3.41	2.89	.25
1949	40,463	1,322	1,233	89	3.27	3.05	.22
1950	32,957	1,328	1,243	85	3.41	3.19	.22
1951	50,446	1,380	1,294	86	2.74	2.57	.17
1952	65,010	1,565	1,474	91	2.41	2.27	.14
1953	69,687	1,655	1,587	68	2.37	2.28	.10
1954	69,920	1,580	1,514	66	2.26	2.17	.09
1955	66,289	1,571	1,504	67	2.37	2.27	.10
1956	75,113	1,613	1,549	64	2.15	2.06	.09
1957	80,172	1,674	1,611	63	2.09	2.01	.08
1958	79,978	1,734	1,668	66	2.17	2.09	.08
1959	79,798	1,807	1,738	69	2.26	2.18	.09
1960	91,775	1,932	1,864	68	2.11	2.03	.07
1961	94,401	1,991	1,924	67	2.11	2.04	.07
1962	99,441	2,026	1,957	69	2.04	1.97	.07
1963	105,925	2,079	2,011	68	1.96	1.90	.06
1964	112,260	2,053	1,977	76	1.85	1.76	.07
1965	114,435	2,149	2,070	79	1.88	1.81	.07
1966	128,880	2,074	2,006	68	1.61	1.56	.05
1967	148,375	2,080	2,023	57	1.40	1.36	.04
1968	153,637	2,122	2,066	56	1.38	1.34	.04
1969	187,920	2,138	2,082	56	1.14	1.11	.03
1970 ^b	199,480	2,097	2,040	57	1.05	1.02	.03

^a. U.S.D.A. calculations made from the Commissioner of Internal Revenue Annual Reports.

^b. Estimated.

b. Estimated.

Revenue Annual Reports.

a. U.S.D.A. calculations made from the Commission of Internal

Fiscal Year Ending June 30	Total	Total Cigarettes Cigars	Cigarettes Cigars	Tobacco Taxes	As percent of total collected
		Million dollars	Percent	Tobacco Taxes	Tobacco Taxes
1970 ^b	199,400	2,097	2,040	27	1.02
1969	187,920	2,138	2,082	26	1.14
1968	153,637	2,122	2,066	26	1.38
1967	148,372	2,090	2,023	27	1.40
1966	128,880	2,074	2,006	68	1.61
1965	114,432	2,149	2,070	79	1.88
1964	112,240	2,023	1,977	76	1.83
1963	102,922	2,079	2,011	68	1.96
1962	99,441	2,026	1,927	69	2.04
1961	94,401	1,991	1,924	67	2.11
1960	91,772	1,932	1,864	68	2.11
1959	79,798	1,807	1,738	69	2.26
1958	79,978	1,734	1,668	66	2.17
1957	80,172	1,674	1,611	63	2.09
1956	72,113	1,613	1,549	64	2.12
1955	66,289	1,571	1,504	67	2.37
1954	69,920	1,580	1,514	66	2.26
1953	69,687	1,622	1,587	68	2.37
1952	62,010	1,562	1,474	91	2.41
1951	50,446	1,380	1,294	86	2.74
1950	32,927	1,328	1,243	82	3.41
1949	40,463	1,322	1,233	89	3.27
1948	41,862	1,360	1,208	92	3.41
1947	39,108	1,238	1,142	93	3.47
1946	40,672	1,160	1,073	93	2.87
1945	43,800	932	837	92	2.13
1944	40,122	922	904	84	2.46
1943	22,371	824	832	89	4.13
1942	13,048	781	702	76	2.99
1941	7,370	692	617	81	9.47
1940	2,240	609	234	72	11.40

Tobacco Taxes, Fiscal Years, 1940-70^a
Internal Revenue Collections and Share From

Table 12

and tax revenues rather than prohibition. Several changes in cigarette taxation have been suggested.

Senator Robert Kennedy suggested a sliding tax scale on cigarettes. The current rate--\$4 per 1,000 cigarettes--would remain on cigarettes with less than 10 milligrams of tar and .8 milligrams of nicotine.⁸² Others with higher tar and nicotine contents would be taxed a higher rate of up to \$15 per thousand. Nicholls, in his fine study Price Policies in the Cigarette Industry: A Study of "Concerted Action" and Its Social Control 1911-1950, stated:

. . . there is no excuse for continuing the present flat cigarette tax, based upon quantity rather than value of product. Such a tax not only strongly discourages price competition through its differentially heavy effect on economy brands, but is unduly regressive in its incidence.⁸³

Nicholls' remedy is a graduated or ad valorem tax which he hoped would return a degree of price competition to the cigarette industry.⁸⁴

Neither of these very different suggestions has received serious consideration. There are, however, few people seriously proposing changes in cigarette taxation. Differential taxation is one method which might be used to persuade economically cigarette smokers and manufacturers to produce allegedly less harmful cigarettes. Nicholls' proposal is probably overshadowed today by the threat to the industry's very existence so that competition no longer appears to many an important question. The existence of oligopoly in the tobacco industry and their competitive practices was popular with economists such as Tennant and Nicholls about twenty years ago and resulted in a good deal of scrutiny of the industry. At present an even greater controversy is being considered: do cigarettes cause disease and death and what should be done? Cigarette tax revenues

and tax revenues rather than prohibition. Several changes in cigarette taxation have been suggested.

Senator Robert Kennedy suggested a sliding tax scale on cigarettes.

The current rate--\$4 per 1,000 cigarettes--would remain on cigarettes with less than 10 milligrams of tar and .8 milligrams of nicotine. 82

Others with higher tar and nicotine contents would be taxed a higher

rate of up to \$12 per thousand. Nicholas, in his fine study Price

Policies in the Cigarette Industry: A Study of "Concerted Action" and

its Social Control 1911-1950, stated:

. . . there is no excuse for continuing the present flat cigarette tax, based upon quantity rather than value of product. Such a tax not only strongly discourages price competition through its differentially heavy effect on economy brands, but is unduly regressive in its incidence. 83

Nicholas' remedy is a graduated or ad valorem tax which he hoped would

return a degree of price competition to the cigarette industry. 84

Neither of these very different suggestions has received serious

consideration. There are, however, few people seriously proposing

changes in cigarette taxation. Differential taxation is one method which

might be used to persuade economically cigarette smokers and manufacturers

to produce allegedly less harmful cigarettes. Nicholas' proposal is

probably overshadowed today by the threat to the industry's very existence

so that competition no longer appears to many an important question. The

existence of oligopoly in the tobacco industry and their competitive

practices was popular with economists such as Tennant and Nicholas about

twenty years ago and resulted in a good deal of scrutiny of the industry.

At present an even greater controversy is being considered: do cigarettes

cause disease and death and what should be done? Cigarette tax revenues

have stifled a good deal of meaningful political debate that has been overwhelmed by the pragmatic reality of maximizing needed revenues from a limited number of tax sources.

The enactment of state cigarette tax legislation in the 1920's has been attributed to anti-tobacco feeling and to the growing demand for property tax relief by economically depressed agriculture. Originally, cigarette taxation was viewed as a last desperate stand against the 'cigarette fiend.'⁸⁵ In the late 19th and early 20th centuries, there were several states, including North Dakota, Iowa, Tennessee, Kansas, and Utah, which prohibited cigarettes.⁸⁶

The cigarette tax also was viewed as a method for shifting a portion of the state tax burden away from real property to consumer goods, from the farmers to the city dwellers and from the non-smokers to smokers. During the 1920's, ten predominantly agricultural states enacted cigarette tax legislation, several of which had repealed prohibition laws to increase tax revenues.

During the 1930's, the rationale for cigarette taxation shifted from efforts to decrease consumption to efforts to maximize revenues and furnish property tax relief. State cigarette tax rates and tax revenues have increased sharply since the early 1950's. The median cigarette tax per package has increased from 3 cents, as of November 1, 1954, to 10 cents on November 1, 1969.⁸⁷ The Advisory Commission on Intergovernmental Relations' report State-Federal Overlapping in Cigarette Taxes attributed that sharp increase in tax rates to two factors: first, "a persistent need for additional tax revenues to meet the States' expanding expenditure commitments" and second, "a marked decline in concern

have suffered a great deal of hardship. Political debate has been
overwhelmed by the practical reality of maximizing needed revenues from
a limited number of tax sources.

The enactment of state cigarette tax legislation in the 1930's has
been attributed to anti-tobacco feeling and to the growing demand for
property tax relief by economically depressed agriculturists. Originally,

cigarette taxation was viewed as a last desperate stand against the
'cigarette flood'.⁸⁵ In the late 19th and early 20th centuries, there
were several states, including North Dakota, Iowa, Tennessee, Kansas, and
Utah, which prohibited cigarettes.⁸⁶

The cigarette tax also was viewed as a method for shifting a portion
of the state tax burden away from real property to consumer goods, from
the farmers to the city dwellers and from the non-smokers to smokers.
During the 1930's, ten predominantly agricultural states enacted cigarette
tax legislation, several of which had repealed prohibition laws to increase
tax revenues.

During the 1930's, the rationale for cigarette taxation shifted from
efforts to decrease consumption to efforts to maximize revenues and fur-
nish property tax relief. State cigarette tax rates and tax revenues
have increased sharply since the early 1930's. The median cigarette tax
per package has increased from 3 cents, as of November 1, 1933, to 10
cents on November 1, 1969.⁸⁷ The Advisory Commission on Intergovern-
mental Relations' report State-Local Government in Cigarette Taxes
attributed that sharp increase in tax rates to two factors: first, "a
persistent need for additional tax revenues to meet the states' expand-
ing expenditure commitments" and second, "a marked decline in consum-

with the effects of tax increases on consumption." ⁸⁸ The report cited the emergence of the health issue in 1956 as the catalyst for the reemergence of the anti-cigarette spirit of the 1920's, and as an important factor in raising tax rates and revenue yields to new heights.

Cigarettes presently are taxed in all 50 states while only 19 states tax other tobacco products. Over 98 per cent of total net state tobacco taxes come from cigarettes. ⁸⁹ Cigarette taxation contributes presently over 5 per cent of total state tax revenues. This contribution amounts to over \$2 billion a year and, in some states, contributes over 10 per cent of total state tax revenues. In fiscal 1969, six states (New York, California, Texas, Illinois, New Jersey, and Florida) each collected over \$100 million in cigarette revenues. ⁹⁰

In the immediate future, state cigarette taxation probably will reflect three factors: the continuing cigarette-health controversy, growing anti-tobacco sentiment, and the continually increasing revenue needs of state governments. The reliance on cigarette tax revenues and the difficulty of replacing lost tax revenues make sharp changes in cigarette tax rates unlikely. ⁹¹ Other factors also work against sharp cigarette tax increases.

The Tobacco Tax Council in its booklet The Tax Burden on Tobacco indicated the significant tax benefits derived by governments from tobacco while at the same time complained about the heavy tax burden:

Aside from the fact that trends in cigarette tax rates imperil the market for cigarettes, is the injustice imposed upon cigarette users who secure no special benefits by virtue of paying the tax. Where cigarettes are concerned political expediency rather than tax equality has been the controlling factor in the minds of the taxing authorities at all levels of government. ⁹²

with the effects of tax increases on consumption." ⁸⁸ The report cited

the emergence of the health issue in 1956 as the catalyst for the

reemergence of the anti-cigarette spirit of the 1930's, and as an

important factor in raising tax rates and revenue yields to new heights.

Cigarettes presently are taxed in all 50 states while only 19 states

tax other tobacco products. Over 98 per cent of total net state tobacco

taxes come from cigarettes. ⁸⁹ Cigarette taxation contributes presently

over 5 per cent of total state tax revenues. This contribution amounts

to over \$2 billion a year and, in some states, contributes over 10 per

cent of total state tax revenues. In fiscal 1969, six states (New York,

California, Texas, Illinois, New Jersey, and Florida) each collected

over \$100 million in cigarette revenues. ⁹⁰

In the immediate future, state cigarette taxation probably will

reflect three factors: the continuing cigarette-health controversy,

growing anti-tobacco sentiment, and the continually increasing revenue

needs of state governments. The reliance on cigarette tax revenues and

the difficulty of replacing lost tax revenues make sharp changes in

cigarette tax rates unlikely. ⁹¹ Other factors also work against sharp

cigarette tax increases.

The Tobacco Tax Council in its booklet The Tax Burden on Tobacco

indicated the significant tax benefits derived by governments from

tobacco while at the same time complained about the heavy tax burden:

Aside from the fact that trends in cigarette tax rates impair

the market for cigarettes, is the injustice imposed upon

cigarette users who secure no special benefits by virtue of

paying the tax. Where cigarettes are consumed politically

expediency rather than tax morality has been the controlling

factor in the minds of the taxing authorities at all levels of

government. ⁹²

The tobacco industry today fears the effects of increasingly higher cigarette taxation upon consumption. Earle C. Clements, ex-president of The Tobacco Institute, Inc., has noted that "prohibition by taxation is still prohibition." ⁹³ R. J. Reynolds Industries, Inc. appealed to its shareholders in its 1970 Annual Report to "write to the representatives in your state legislature and let them know that you are opposed to unreasonable and punitive state cigarette taxes which directly influence your investment in our company." ⁹⁴ Tobacco distributor groups have condemned cigarette tax increases as a "bonanza" for organized crime. ⁹⁵

The alleged elasticity of demand for cigarettes has been used as a rationale to urge restraint in cigarette taxation. High taxation and high prices, it is argued, will reduce cigarette consumption:

Contrary to the thinking of economists of the past, the demand for cigarettes is quite elastic. Simply stated the demand for cigarettes in a given community is directly influenced by the market price for cigarettes. Consumers have already demonstrated their unwillingness to buy cigarettes in a community in which tax rates on cigarettes are high. They have several alternative choices. They can cut down or abandon their use of cigarettes; they can cross political boundaries where cigarette taxes are lower; or they can acquire their cigarettes from sources which by one means or another avoid the heavy burden of the tax in their own communities. ⁹⁶

Before substantial increases in state cigarette taxation in the 1950's and 1960's Tennant concluded:

. . . the price elasticity of tobacco demand is very low under the conditions we have been able to observe. The demand for any commodity must be elastic if only the price is pushed high enough.

Presumably public ire at extortion would cause consumers to restrict purchases well below that level. . . but within the observed range of movement, price has not been a sufficient variable to bring about changes in consumption. ⁹⁷

The tobacco industry today fears the effects of increasingly higher cigarette taxation upon consumption. Harry C. Clements, ex-president of The Tobacco Institute, Inc., has noted that "prohibition by taxation is still prohibition."⁹³ R. J. Reynolds Industries, Inc. appealed to its shareholders in its 1970 Annual Report to "write to the representatives in your state legislature and let them know that you are opposed to unreasonable and punitive state cigarette taxes which directly influence your investment in our company."⁹⁴ Tobacco distributor groups have condemned cigarette tax increases as a "donanza" for organized crime.⁹⁵

The alleged elasticity of demand for cigarettes has been used as a rationale to urge restraint in cigarette taxation. High taxation and high prices, it is argued, will reduce cigarette consumption:

Contrary to the thinking of economists of the past, the demand for cigarettes is quite elastic. Simply stated the demand for cigarettes in a given community is directly influenced by the market price for cigarettes. Consumers have already demonstrated their unwillingness to buy cigarettes in a community in which tax rates on cigarettes are high. They have several alternative choices. They can cut down or abandon their use of cigarettes; they can cross political boundaries where cigarette taxes are lower; or they can acquire their cigarettes from sources which by one means or another avoid the heavy burden of the tax in their own communities.⁹⁶

Before substantial increases in state cigarette taxation in the 1970's and 1980's Tennant concluded:

... the price elasticity of tobacco demand is very low under the conditions we have been able to observe. The demand for any commodity must be elastic if only the price is pushed high enough.

Presumably public fire an extinction would cause consumers to restrict purchases well below that level. . . but within the observed range of movement, price has not been a sufficient variable to bring about changes in consumption.⁹⁷

He found that consumption is affected both by secular influences and by the national income, and that the latter is apparently the more important influence although "the responsiveness of consumption to income is remarkably low." ⁹⁸

State consumption figures indicate an elasticity of demand based upon price. Public ire at high cigarette taxation and high prices has led to substantial interstate sales and smuggling, occurring from low to high tax states. ⁹⁹ Thus, state cigarette taxations appear more limited by alternative available sources of cigarettes in neighboring states with lower cigarette taxation and prices rather than an absolute inelasticity of demand. With lower prices often available close by, it is difficult to gauge the actual elasticity of demand at a particular price. Price differentials created by unequal taxation of cigarettes provide incentives for cigarette smuggling and this has become a large problem for some state governments. State cigarette taxation thus is constrained by the pattern of taxation in neighboring states and the difficulty of preventing out of state sales and illegal smuggling.

E. Tobacco Exports

Tobacco exports are the fourth element contributing to the importance of tobacco in the United States. The government's active role in aiding tobacco exporting has created an artificial market. Given the crucial role of exports in the increasingly difficult balance-of-payments problem, the success of these programs has further tied the government to the tobacco economy and to tobacco growers. Without these programs, U.S. tobacco exports would be reduced substantially. Government tobacco export programs help reduce CCC holdings and help protect the government's

He found that consumption is affected both by secular influences and by the national income, and that the latter is apparently the more important influence although "the responsiveness of consumption to income is remarkably low." 98

State consumption figures indicate an elasticity of demand based upon price. Public use at high cigarette taxation and high prices has led to substantial interstate sales and smuggling, occurring from low to high tax states. 99 Thus, state cigarette taxations appear more limited by alternative available sources of cigarettes in neighboring states with lower cigarette taxation and prices rather than an absolute inelasticity of demand. With lower prices often available close by, it is difficult to gauge the actual elasticity of demand at a particular price. Price differentials created by unequal taxation of cigarettes provide incentives for cigarette smuggling and this has become a large problem for some state governments. State cigarette taxation thus is constrained by the pattern of taxation in neighboring states and the difficulty of preventing out of state sales and illegal smuggling.

E. Tobacco Exports

Tobacco exports are the fourth element contributing to the importance of tobacco in the United States. The government's active role in aiding tobacco exporting has created an artificial market. Given the crucial role of exports in the increasingly difficult balance-of-payments problem, the success of these programs has further tied the government to the tobacco economy and to tobacco growers. Without these programs, U.S. tobacco exports would be reduced substantially. Government tobacco export programs help reduce CCC holdings and help protect the government's

vested interest in tobacco. This section examines the government's export role and its tobacco programs.

Exports of manufactured tobacco products and unmanufactured leaf have contributed substantially to our balance of payments with other countries.¹⁰⁰ Tobacco ranks fourth among farm crops in export value¹⁰¹ averaging approximately 10 per cent of total agricultural exports.¹⁰² Table 13 shows average U.S. exports of unmanufactured tobacco from 1955-59 and yearly 1960-69, by value and weight. During the 1972 calendar year exports of unmanufactured tobacco were valued at \$639 million and tobacco products at \$240 million. While the value of U.S. tobacco exports has increased substantially since 1949, the quantity of tobacco exported has increased very little. Exports of tobacco have been affected seriously by a decline in the quality of production that has accompanied rapidly increasing tobacco yields. Horace Godfrey, administrator for the Agricultural Stabilization and Conservation Service, in explaining this relative stability of tobacco exports, stated: "We have not shared in the expanding export market and export trade in tobacco."¹⁰³

The United States' share of total world tobacco exports has declined from an average of 35 per cent in 1955-59 to 32 per cent in 1969. The decline was much sharper in 1962-65 when the percentage declined to 27.75 per cent. In recent years, United Nations' sanctions against Rhodesian tobacco, and U.S. government subsidies have resulted in a partial recovery of a greater portion of world tobacco trade.¹⁰⁴ Due to increased foreign output and the reduced U.S. production previously discussed, the United States' share of total world leaf output has fallen from 29 per

vested interest in tobacco. This section examines the government's

export role and its tobacco programs.

Exports of manufactured tobacco products and unmanufactured leaf

have contributed substantially to our balance of payments with other

countries. ¹⁰⁰ Tobacco ranks fourth among farm crops in export value ¹⁰¹

averaging approximately 10 per cent of total agricultural exports. ¹⁰²

Table 13 shows average U.S. exports of unmanufactured tobacco from 1955-

59 and yearly 1960-69, by value and weight. During the 1972 calendar

year exports of unmanufactured tobacco were valued at \$639 million and

tobacco products at \$240 million. While the value of U.S. tobacco

exports has increased substantially since 1949, the quantity of tobacco

exported has increased very little. Exports of tobacco have been

affected seriously by a decline in the quality of production that has

accompanied rapidly increasing tobacco yields. Horace Godfrey, adminis-

trator for the Agricultural Stabilization and Conservation Service,

in explaining this relative stability of tobacco exports, stated: "We

have not shared in the expanding export market and export trade in

tobacco." ¹⁰³

The United States' share of total world tobacco exports has declined

from an average of 35 per cent in 1955-59 to 32 per cent in 1969. The

decline was much sharper in 1961-65 when the percentage declined to 27.75

per cent. In recent years, United Nations' sanctions against Rhodesian

tobacco, and U.S. government subsidies have resulted in a partial recovery

of a greater portion of world tobacco trade. ¹⁰⁴ Due to increased

foreign output and the reduced U.S. production previously discussed, the

United States' share of total world leaf output has fallen from 29 per

Table 13
Tobacco Exports ^a

Year	Tobacco Exports (million lbs)^c	Value \$(Million)
1955-59	499.8	349.9
1960	496.1	379.3
1961	501.0	390.9
1962	468.9	373.4
1963	505.5	403.1
1964	514.5	412.9
1965	468.1	382.7
1966	551.2	481.5
1967	572.3	498.3
1968	598.8	524.4
1969	577.5	539.7
1970	510.4	488.5
1971	473.3	462.0
1972	606.1 ^b	638.7

a. Tobacco Situation, March, 1971, p. 14 and March, 1973, p. 10.

b. 1972 exports were large due to the 1971 dock strike.

c. Figures are for unmanufactured tobacco.

Table 13

Tobacco Exports^a

Year	Tobacco Exports ^c (million lbs)	Value (million \$)
1955-59	499.8	399.9
1960	496.1	379.3
1961	501.0	390.9
1962	498.9	373.4
1963	505.5	403.1
1964	514.5	415.9
1965	498.1	395.7
1966	521.5	431.5
1967	522.3	436.3
1968	528.8	434.4
1969	527.5	439.7
1970	510.4	433.5
1971	473.3	402.0
1972	606.1 ^b	608.7

a. Tobacco Situation, March, 1971, p. 14 and March, 1972, p. 10.

b. 1972 exports were large due to the 1971 dock strike.

c. Figures are for manufactured tobacco.

cent in the early 1950's to 19 per cent in 1965-69.¹⁰⁵ The government's export payment program, discussed later, attempts to rectify this situation by subsidizing American tobacco exports.

Exports of manufactured cigarettes have increased substantially since the early 1950's and in calendar 1972 some \$240 million in tobacco products was exported. Exports of manufactured cigarettes are shown in Table 14 for calendar year averages for five year periods beginning in 1950. The value of exported cigarettes averaged over \$119 million annually during 1965-69.¹⁰⁶ U.S. tobacco imports have been substantial and have reduced the export surplus from tobacco exports. The United States is the third largest tobacco importing country in the world, averaging over \$130 million yearly between 1965-69.¹⁰⁷ In fiscal 1972 our total manufactured and unmanufactured tobacco imports totaled \$167 million.

America's tobacco export surplus has averaged over \$465 million annually for the past five years, increasing to \$745 million in calendar 1972. Total tobacco exports during the period 1949-68 have been valued in excess of \$9.16 billion and make a very substantial contribution to our balance of payments.

The United States government has developed several programs to aid tobacco exports which are a significant element in the total tobacco economy. The first government export program for tobacco was passed in 1954. The Agricultural Trade Development and Assistance Act of 1954 (Public Law 480 - 83rd Congress) was more recently called the Food for Peace Program:

Peace Program:

(Public Law 480 - 83rd Congress) was more recently called the Food for

1954. The Agricultural Trade Development and Assistance Act of 1954

economy. The first government export program for tobacco was passed in

tobacco exports which are a significant element in the total tobacco

The United States government has developed several programs to aid

our balance of payments.

in excess of \$9.16 billion and make a very substantial contribution to

1972. Total tobacco exports during the period 1949-68 have been valued

annually for the past five years, increasing to \$745 million in calendar

America's tobacco export surplus has averaged over \$465 million

million.

our total manufactured and unmanufactured tobacco imports totaled \$167

averaging over \$130 million yearly between 1953-69.¹⁰⁷ In fiscal 1972

States is the third largest tobacco importing country in the world,

and have reduced the export surplus from tobacco exports. The United

annually during 1965-69.¹⁰⁶ U.S. tobacco imports have been substantial

1950. The value of exported cigarettes averaged over \$119 million

Table 14 for calendar year averages for five year periods beginning in

products was exported. Exports of manufactured cigarettes are shown in

since the early 1950's and in calendar 1972 some \$240 million in tobacco

Exports of manufactured cigarettes have increased substantially

situation by subsidizing American tobacco exports.

ment's export payment program, discussed later, attempts to rectify this

cent in the early 1950's to 19 per cent in 1965-69.¹⁰⁵ The govern-

Table 14
Value of Cigarette Exports ^a

<u>Cigarette Exports</u>	<u>Calendar Years</u>
1950-54	15.8 billion
1955-59	17.1
1960-64	23.0
1965-69	24.3

a. Tobacco Situation, March, 1969.

Table 14
Value of Cigarette Exports

<u>Cigarette Exports</u>	<u>Calendar Years</u>
1950-54	12.8 billion
1955-59	17.1
1960-64	23.0
1965-69	24.3

a. Tobacco Situation, March, 1969.

[the program was designed to] expand international trade among the United States and friendly nations, to facilitate the convertibility of currency, to promote the economic stability of American agriculture and the national welfare, in furtherance of the foreign policy of the United States and to stimulate and facilitate the expansion of foreign trade in agricultural commodities produced in the United States by providing a means whereby surplus agricultural commodities may be sold through private trade channels and foreign currencies accepted in payment therefore.

The act authorizes sales of U.S. agricultural commodities for foreign currency and long term (dollar) credit. The program has helped expand U.S. tobacco sales to developing countries. Another section of the act provides for barter sales.¹⁰⁸ Tobacco is thereby exchanged for materials and services used by U.S. agencies overseas. These transactions, which are considered equivalent to dollar sales, make a direct contribution to the U.S. balance of payments.¹⁰⁹

Government tobacco exports also are made under the Mutual Security and AID programs in an effort to "promote collective strength, and foster in other ways the foreign policy of the United States." Total exports under specified government programs have averaged \$34 million yearly between 1955-59, \$56 million between 1960-64 and \$92.2 million between 1965-69.¹¹⁰ Government export programs have become increasingly important as a percentage of total unmanufactured tobacco exports since 1955. Exports under government PL 480 programs have increased from an average of 10.1 per cent between 1955-59 to a more recent average of approximately 20 per cent between 1965-69. Under the PL 480 program, the government has become a major exporter of tobacco, subsidizing all of the costs and explaining the benefits to the balance of payments, as a rationale.

[the program was designed to] expand international trade among the United States and friendly nations, to facilitate the convertibility of currency, to promote the economic stability of American agriculture and the national welfare, in furtherance of the foreign policy of the United States and to stimulate and facilitate the expansion of foreign trade in agricultural commodities produced in the United States by providing a means whereby surplus agricultural commodities may be sold through private trade channels and foreign currencies accepted in payment therefore.

The act authorizes sales of U.S. agricultural commodities for foreign currency and long term (dollar) credit. The program has helped expand U.S. tobacco sales to developing countries. Another section of the act provides for barter sales.¹⁰⁸ Tobacco is thereby exchanged for materials and services used by U.S. agencies overseas. These transactions, which are considered equivalent to dollar sales, make a direct contribution to the U.S. balance of payments.¹⁰⁹

Government tobacco exports also are made under the Mutual Security and AID programs in an effort to "promote collective strength, and foster in other ways the foreign policy of the United States." Total exports under specified government programs have averaged \$34 million yearly between 1955-59, \$26 million between 1960-64 and \$22.2 million between 1965-69.¹¹⁰ Government export programs have become increasingly important as a percentage of total unmanufactured tobacco exports since 1955. Exports under government PL 480 programs have increased from an average of 10.1 per cent between 1955-59 to a more recent average of approximately 20 per cent between 1965-69. Under the PL 480 program, the government has become a major exporter of tobacco, subsidizing all of the costs and exclaiming the benefits to the balance of payments, as a rationale.

The estimated CCC cost of financing the export of surplus agricultural commodities for foreign currencies includes the export value of shipments from commercial stocks. The cost includes the acquisition cost of CCC-owned commodities (based on domestic support prices, cost of storage processing, inland transportation and other costs of financing shipment). Table 15 shows program operation costs for PL 480 sales for foreign currencies and credit sales for dollars for the fiscal years 1962-68.

Table 15

Public Law 480: Program Operation Costs^a

SALES FOR FOREIGN CURRENCIES CREDIT SALES FOR DOLLARS
(millions of dollars)

1962	19.9	-
1963	23.3	1.6
1964	24.4	2.9
1965	15.4	4.7
1966	30.1	1.1
1967	16.7	4.5
1968	22.5	8.7

a. Tobacco Situation, June, 1969, p. 34.

Also under Congressional authorization provided in PL 480, the U.S.D.A. has worked with American agricultural and trade groups to help expand exports of a large number of American farm products including wheat, feed grains, cotton, fruits, tobacco and many others. In a one page statement issued in March, 1969, by the U.S.D.A. Foreign Agricultural Service entitled "Export Development Program for U.S. Tobacco," ¹¹¹ the department carefully explained its program in light of the smoking-health controversy. The U.S.D.A. noted that "on several occasions the Congress

The estimated CCC cost of financing the export of surplus agricultural-

tural commodities for foreign currencies includes the export value of shipments from commercial stocks. The cost includes the acquisition cost of CCC-owned commodities (based on domestic support prices, cost of storage processing, inland transportation and other costs of financing shipment). Table 15 shows program operation costs for FY 480 sales for foreign currencies and credit sales for dollars for the fiscal years 1962-68.

Table 15

Public Law 480: Program Operation Costs^a

SALES FOR FOREIGN CURRENCIES CREDIT SALES FOR DOLLARS
(millions of dollars)

1962	19.9	-
1963	23.3	1.6
1964	24.4	2.9
1965	15.4	4.7
1966	30.1	1.1
1967	16.7	4.2
1968	22.2	8.7

a. Tobacco Situation, June, 1969, p. 34.

Also under Congressional authorization provided in PL 480, the U.S.D.A. has worked with American agricultural and trade groups to help expand exports of a large number of American farm products including wheat, feed grains, cotton, fruits, tobacco and many others. In a one page statement issued in March, 1969, by the U.S.D.A. Foreign Agricultural Service entitled "Export Development Program for U.S. Tobacco," III the department carefully explained its program in light of the smoking-tobacco controversy. The U.S.D.A. noted that "on several occasions the Congress

has failed to enact proposed legislation which would exclude tobacco from participation in domestic programs and in foreign trade programs."¹¹²

The Department of Agriculture has carried out its export program for tobacco "with full sensitivity to the existing controversy over smoking and health and has imposed two major restraints on the program":

(1) The only objective of the tobacco export program is to encourage foreign countries that already are buying tobacco in the world market to buy a liberal part of their purchases from American supplies.

(2) The program is carried out only in countries where tobacco manufacturing is a government monopoly and such governments actively welcome the use of American tobaccos in products they manufacture for sale to their customers.¹¹³

These restraints have limited the program since 1967 to three countries, Austria, Japan and Thailand, from a high of nine countries including Finland, France and Italy in 1957 and 1959. Expenditures have declined from highs of \$723 thousand in 1960 and \$722 thousand in 1962 to a recent low point of \$102 thousand in fiscal 1965.¹¹⁴

The federal government has spent a total of \$4.22 million dollars since 1956; U.S. trade cooperators have spent some \$1.68 million; while "foreign monopoly" contributions have totaled some \$8.67 million. Most of the program's support is used to promote local cigarette brands that are made partly with U.S. tobacco.

Some opposition has developed within Congress to continuation of this program. At the 1969 Cigarette Labeling and Advertising Hearings held by the House Interstate and Foreign Commerce Committee, Congressman Edward I. Koch (N.Y.) stated:

I think it is outrageous that the American taxpayer should be taxed to pay for cigarette advertising and thereby spread disease and malignancy to other countries.¹¹⁵

When we in this nation are attempting to diminish cigarette

has failed to enact proposed legislation which would exclude tobacco from participation in domestic programs and in foreign trade programs." 112

The Department of Agriculture has carried out its export program for

tobacco "with full sensitivity to the existing controversy over smoking

and health and has imposed two major restrictions on the program":

(1) The only objective of the tobacco export program is to encourage foreign countries that already are buying tobacco in the world market to buy a liberal part of their purchases from American supplies.

(2) The program is carried out only in countries where tobacco manufacturing is a government monopoly and such governments actively welcome the use of American tobacco in products they manufacture for sale to their customers. 113

These restrictions have limited the program since 1967 to three countries,

Austria, Japan and Thailand, from a list of nine countries including

Finland, France and Italy in 1957 and 1959. Expenditures have declined

from highs of \$723 thousand in 1960 and \$722 thousand in 1962 to a recent

low point of \$102 thousand in fiscal 1965. 114

The federal government has spent a total of \$4.22 million dollars

since 1956; U.S. trade cooperators have spent some \$1.68 million; while

"foreign monopoly" contributions have totaled some \$8.67 million. Most

of the program's support is used to promote local cigarette brands that

are made partly with U.S. tobaccos.

Some opposition has developed within Congress to continuation of

this program. At the 1969 Cigarette Labeling and Advertising Hearings

held by the House Interstate and Foreign Commerce Committee, Congressman

Edward I. Koch (N.Y.) stated:

I think it is outrageous that the American taxpayer should be taxed to pay for cigarette advertising and thereby spread disease and malignancy to other countries. 115

When we in this nation are attempting to diminish cigarette

smoking, is it not unconscionable that we should encourage it in other countries. 116

The most recently established export program is also possibly the most extreme; it further ties the federal government to tobacco. A limited export payment program designed to "help regain the historic share of the world market for U.S. tobacco" was begun in 1966 using the CCC Charter Act authority. Under this program, the oldest crops in storage qualify for a 10-cent per pound subsidy payment; more recent crops qualify for five cents per pound: "The program assists in making U.S. tobacco more competitive with tobacco in countries that can offer it at lower prices because of subsidies, preferential duties, bilateral trading arrangements and cheaper foreign labor and land." 117 Government program costs for fiscal years 1966 through 1969 and 1972 are:

1966	less than \$50,000	
1967	\$33.1 million	
1968	\$28.4 million	118
1969	\$28.0 million	119
1972	\$26.7 million	120

The cost of the program since its inception has been approximately \$89.5 million. This program has helped to further the artificial market in tobacco. The U.S.D.A. announced in 1973 that this program would be ended and cited economic justifications unrelated to the smoking-health controversy.

In making American tobacco more competitive, the government has played a major role in its sale and in maintaining not only prices and production but tobacco grower income. This program, as well as the others already discussed, has aided U.S. tobacco exports, and, in so doing, has helped dispose of and limit the quantity of tobacco held under the CCC price support program.

smoking, as it not unreasonably that we should encourage it in other countries. 116

"The most recently established export program is also possibly the most extreme; it further ties the Federal Government to tobacco. A limited export payment program designed to "help retain the historic share of the world market for U.S. tobacco" was begun in 1966 under the CCC Charter Act authority. Under this program, the oldest crops in storage qualify for a 10-cent per pound subsidy payment; more recent crops qualify for five cents per pound: "The program assists in making U.S. tobacco more competitive with tobacco in countries that can offer it at lower prices because of subsidies, preferential duties, bilateral trading arrangements and cheaper foreign labor and land." 117 Government program costs for fiscal years 1966 through 1969 and 1972 are:

1966	Less than \$20,000
1967	\$33.1 million
1968	\$38.4 million
1969	\$28.0 million
1972	\$26.7 million

The cost of the program since its inception has been approximately \$89.2 million. This program has helped to further the artificial market in tobacco. The U.S.D.A. announced in 1973 that this program would be ended and cited economic justifications unrelated to the smoking-health controversy.

In making American tobacco more competitive, the government has played a major role in its sale and in maintaining not only prices and production but tobacco grower income. This program, as well as the others already discussed, has aided U.S. tobacco exports, and, in so doing, has helped dispose of and limit the quantity of tobacco held under the CCC price support program.

Table 16 summarizes the costs of CCC program operations previously discussed. Total program costs are shown for the fiscal years 1962-68.

Table 16

CCC Program Costs

(millions of dollars)

1962	29.2
1963	41.0
1964	38.8
1965	20.4
1966	31.4
1967	61.9
1968	61.3

The export payment program has increased sharply total CCC program costs. Costs over the past seven years have totaled \$284 million. The federal government plays an integral and vital role in the tobacco economy. In so doing, the government reaps the benefits of tobacco taxation and exports which make important contributions and cannot be replaced easily.

The increasing extent of government involvement and the vested interests that have been created inhibit change. The system of benefits once established is most difficult to change. In the following section, we will consider the changes in the cigarette manufacturing industry that have been brought by the smoking-health controversy.

Table 16 summarizes the costs of CCC program operations previously discussed. Total program costs are shown for the fiscal years 1962-63.

Table 16

CCC Program Costs

(Millions of dollars)

1962	29.2
1963	41.0
1964	38.8
1965	20.4
1966	31.4
1967	61.9
1968	61.3

The export payment program has increased sharply total CCC program costs. Costs over the past seven years have totaled \$284 million. The federal government plays an integral and vital role in the tobacco economy. In so doing, the government reaps the benefits of tobacco taxation and exports which make important contributions and cannot be replaced easily. The increasing extent of government involvement and the vested interests that have been created inhibit change. The system of benefits once established is most difficult to change. In the following section, we will consider the changes in the cigarette manufacturing industry that have been brought by the smoking-health controversy.

Footnotes - Chapter I

1. Nelson W. Polsby, Miriam Gallaher and Barry Spencer Rendquist, "The Growth of the Seniority System in the U.S. House of Representatives," American Political Science Review, LXIII (September, 1969), pp. 787-807.
2. News Release from the Office of Robert F. Kennedy, New York, September 11, 1967.
3. Canada, Report of the Standing Committee on Health, Welfare and Social Affairs on Tobacco and Cigarette Smoking (Commons) (Ottawa: Queen's Printer for Canada, 1969), p. 12.
4. Ibid., p. 9.
5. "Tobacco in the National Economy," Congressional Record, January 11, 1973, p. S472. Also see "Some Facts about Tobacco -- for Background Information" (Washington: The Tobacco Institute, Inc., no date but apparently 1969). (Mimeographed.)
6. See Table 1. Also see Johnny D. Braden, "Tobacco Acreage and Yields -- Trends and Prospects," Tobacco Situation, March, 1971, pp. 32-36.
7. Calculated from U.S.D.A. figures.
8. Flue-cured and light air-cured tobaccos used in cigarette production are also utilized in pipe and chewing tobacco. These latter uses have declined appreciably to less than 10 per cent of total production.
9. See "Tobacco Used for Cigarettes," Tobacco Situation, September, 1969, pp. 36-38. The U.S.D.A. reported that the average U.S. cigarette contains about 23 per cent less tobacco than it did in the mid-1950's.
10. Joe Western, "U.S. Tobacco Program Once Praised as Model, Runs into Troubles," The Wall Street Journal, February 14, 1963.
11. "Job-Retraining Plan Is Extended by House: Senate Unit Votes Curb on Tobacco Yields," The Wall Street Journal, April 2, 1965.
12. Manufactured tobacco product prices have increased 58.6 per cent from 1957-59 to 1970. Tobacco Situation, March, 1971, p. 6.

Footnotes - Chapter I

1. Nelson W. Polsky, William Callahan and Barry Spencer Rendquist, "The Growth of the Seniority System in the U.S. House of Representatives," American Political Science Review, LXIII (September, 1969), pp. 787-807.
2. News Release from the Office of Robert F. Kennedy, New York, September 11, 1967.
3. Canada, Report of the Standing Committee on Health, Welfare and Social Affairs on Tobacco and Cigarette Smoking (Commons) (Ottawa: Queen's Printer for Canada, 1969), p. 12.
4. Ibid., p. 9.
5. "Tobacco in the National Economy," Congressional Record, January 11, 1973, p. 2472. Also see "Some Facts about Tobacco -- for Background Information" (Washington: The Tobacco Institute, Inc., no date but apparently 1967). (mimeographed.)
6. See Table I. Also see Johnny D. Braden, "Tobacco Acreage and Yields -- Trends and Prospects," Tobacco Situation, March, 1971, pp. 32-36.
7. Calculated from U.S.D.A. figures.
8. Flue-cured and light air-cured tobaccos used in cigarette production are also utilized in pipe and chewing tobacco. These latter uses have declined appreciably to less than 10 per cent of total production.
9. See "Tobacco Used for Cigarettes," Tobacco Situation, September, 1969, pp. 36-38. The U.S.D.A. reported that the average U.S. cigarette consumer about 23 per cent less tobacco than it did in the mid-1950's.
10. Joe Western, "U.S. Tobacco Program Once Praised as Model, Runs into Troubles," The Wall Street Journal, February 14, 1963.
11. "Job-Retraining Plan Is Extended by House: Senate Unit Votes Curb on Tobacco Yields," The Wall Street Journal, April 2, 1962.
12. Manufactured tobacco product prices have increased 28.6 per cent from 1927-29 to 1970. Tobacco Situation, March, 1971, p. 6.

13. See "Tobacco in the National Economy," Congressional Record, January 11, 1973, p. S471. Also see testimony of Fred S. Royster, Chairman, Committee of Growers of U.S. Tobacco, in U.S., Congress, House, Committee on Interstate and Foreign Commerce, Hearings, Cigarette Labeling and Advertising -- 1969, Part 2, 91st Cong., 1st Sess., 1969, pp. 655-669.
14. U.S., Department of Agriculture, Tobacco Division, "Tobacco in the National Economy," June, 1970, p. 1. (Mimeographed.)
15. See, for example, the following articles: Joseph G. Hertsberg, "Tobacco Farming: A Problem, High Costs Cast Gloom over Future of Farmers," The New York Times, October 6, 1969; "Tobacco Growers Feel Insecurity as Business Pessimism Mounts," The New York Times, March 30, 1969; and William K. Stevens, "Tobacco Farms Changing: Tobacco Farmers in Carolinas Yield to the Age of Technology," The New York Times, April 12, 1969.
16. U.S., Federal Trade Commission, A Report on Cigarette Advertising and Output (Washington, 1963), p. 15 (in the files of the Commission). The report was prepared for the U.S., Federal Trade Commission hearings on their proposed Trade Regulation Rule for the Prevention of Unfair or Deceptive Advertising and Labeling of Cigarettes in Relation to the Health Hazards of Smoking and Accompanying Statement of Basis and Purpose of Rule (Washington, 1964) (in the files of the Commission).
17. U.S., Congress, House, Committee on Interstate and Foreign Commerce, Hearings . . ., 1969, p. 657.
18. The U.S., Department of Agriculture defines commercial tobacco farms as all farms with a value of sales amounting to \$2,500 or more or farms with a value of sales of \$50 to \$2,499 if the farm operator was under 65 years of age and he did not work off the farm 100 or more days during the year.
19. Johnny Braden and Robert H. Miller, "Trends and Prospects for Tobacco Labor," Tobacco Situation, June, 1970, p. 37.
20. James L. Hedrick, Smoking, Tobacco and Health (rev.; Washington: U.S. Department of Health, Education, and Welfare, Public Health Service, Health Services and Mental Health Administration, 1969), p. 77. Total employment is derived from total hours by dividing by 2,000 per year (assuming a 50-week year and an 8-hour day). This is an artificial assumption for farm labor because farm enterprises typically require more than 8 hours a day in the summer and less than 8 hours a day in the winter. However, the assumption does permit crude comparisons with off-farm employment where the 50-week year and 8-hour day are reasonable assumptions for full employment.
21. Braden and Miller, Tobacco Situation, June, 1970, p. 37.

13. See "Tobacco in the National Economy," Congressional Record, January 11, 1973, p. 2471. Also see testimony of John D. Hovatter, Chairman, Committee of Growers of U.S. Tobacco, in U.S. Congress, House, Committee on Interstate and Foreign Commerce, Subcommittee on Labor and Administration -- Hearings, Part 2, 1st Sess., 1st Cong., 1973, pp. 653-654.
14. U.S. Department of Agriculture, Tobacco Division, "Tobacco in the National Economy," June, 1970, p. 1. (Unreproduced.)
15. See, for example, the following articles: Joseph G. Hovatter, "Tobacco Farming: A Profitable, High-Cost Business Over Time of Farmers," The New York Times, October 6, 1969; "Tobacco Growers Feel Insecurity as Business Investment Mounts," The New York Times, March 30, 1969; and William K. Stevens, "Tobacco Farming: The Tobacco Farmers in Carolina Yield to the Age of Technology," New York Times, April 12, 1969.
16. U.S. Federal Trade Commission, A Report on Competitive Advertising and Output (Washington, 1961), p. 11 (in the files of the Commission). The report was prepared for the U.S. Federal Trade Commission on their proposed Trade Regulation Rule for the prevention of unfair or deceptive advertising and labeling of products. It is a study of the effect of advertising on the sale of goods and services. (In the files of the Commission.)
17. U.S. Congress, House, Committee on Interstate and Foreign Commerce, Hearings . . ., 1969, p. 657.
18. The U.S. Department of Agriculture defines commercial tobacco farms as all farms with a value of sales amounting to \$2,500 or more or farms with a value of sales of \$10 to \$2,499 if the farm operator was under 65 years of age and he did not work off the farm 101 or more days during the year.
19. Johnny Braden and Robert H. Miller, "Trends and Prospects for Tobacco Labor," Tobacco Situation, June, 1970, p. 27.
20. James L. Heckick, Working, Thinking and Living (rev.; Washington: U.S. Department of Health, Education, and Welfare, Public Health Service, Health Services and Mental Health Administration, 1967), p. 27. Total employment is based on total hours by dividing by 2,000 per year (assuming a 50-week year and an 8-hour day). This is an artificial assumption for farm labor because farm enterprises typically require more than 8 hours a day in the summer and less than 8 hours a day in the winter. However, the assumption does permit crude comparisons with off-farm employment where the 50-week year and 8-hour day are reasonable assumptions for full employment.
21. Braden and Miller, Tobacco Situation, June, 1970, p. 27.

22. Ibid., p. 40. The mechanization of tobacco harvesting has been slowed by the small size of most tobacco farms which make the size and cost of presently developed mechanical harvesters uneconomical for most growers to own and operate. Furthermore, "federal laws and regulations hinder merging production units into a size of operation that can effectively use available production technology."
23. Hedrick, p. 77. The heavy labor requirement for tobacco places tobacco growing at a disadvantage at a time when labor costs are rising rapidly and the farm labor supply is declining as workers seek more advantageous employment in other sectors of the economy. See Braden and Miller, Tobacco Situation, June, 1970, p. 41.
24. R.J. Reynolds announced in its 1970 Annual Report that they had completed a production model of a compact mechanical harvester.
25. Johnny D. Braden, "Tobacco Acreage and Yields -- Trends and Prospects," Tobacco Situation, March, 1971, p. 36.
26. Representatives from non-cigarette tobacco states such as Pennsylvania and Connecticut have failed to support vigorously the cigarette industry in the present controversy. In fact, many ex-smokers have turned to other tobacco products as cigarette substitutes. The non-cigarette segment of the tobacco industry has not been under attack and vigorously has sought to take advantage of the present health controversy.
27. The tobacco industry is aware of its potential political influence and publicizes, through industry publications, the opinions of candidates on issues affecting tobacco. See "Tobacco and Politics," Tobacco Reporter, XCV (October, 1968), pp. 15, 16, 18.
28. Ten of the twenty top commercial tobacco farming districts ranked among the lowest twenty in the country in average cash value of farm products sold per farm. Thirteen of these lowest were major tobacco producing districts. See U.S., Bureau of the Census, Congressional District Data Book (Washington: U.S. Government Printing Office, 1964).
29. Robert H. Salisbury, "An Exchange Theory of Interest Groups," Midwest Journal of Political Science, XIII (February, 1968), p. 11.
30. James L. Hedrick, Smoking, Tobacco and Health, and Robert H. Miller, "U.S.D.A. Tobacco Price Support and Loan Programs," Tobacco Situation, June, 1969, pp. 30-33, have been used extensively in the following discussion.
31. Richard B. Tennant, The American Cigarette Industry: A Study in Economic Analysis and Public Policy (New Haven: Yale University Press, 1950), pp. 189-190. See Hedrick, pp. 85-86.

22. Ibid., p. 40. The mechanization of tobacco harvesting has been allowed by the small size of most tobacco farms which make the size and cost of presently developed mechanical harvesters uneconomical for most growers to own and operate. Furthermore, "federal laws and regulations hinder merging production units into a size of operation that can effectively use available production technology."
23. Hedrick, p. 77. The heavy labor requirement for tobacco places tobacco growing at a disadvantage at a time when labor costs are rising rapidly and the farm labor supply is declining as workers seek more advantageous employment in other sectors of the economy. See Braden and Miller, Tobacco Situation, June, 1970, p. 41.
24. R.J. Reynolds announced in its 1970 Annual Report that they had completed a production model of a compact mechanical harvester.
25. Johnny D. Braden, "Tobacco Acreage and Yields -- Trends and Prospects," Tobacco Situation, March, 1971, p. 36.
26. Representatives from non-cigarette tobacco states such as Pennsylvania and Connecticut have failed to support vigorously the cigarette industry in the present controversy. In fact, many ex-smokers have turned to other tobacco products as cigarette substitutes. The non-cigarette segment of the tobacco industry has not been under attack and vigorously has sought to take advantage of the present health controversy.
27. The tobacco industry is aware of its potential political influence and publicizes, through industry publications, the opinions of candidates on issues affecting tobacco. See "Tobacco and Politics," Tobacco Reporter, XCV (October, 1968), pp. 15, 16, 18.
28. Ten of the twenty top commercial tobacco farming districts ranked among the lowest twenty in the country in average cash value of farm products sold per farm. Thirteen of these lowest were major tobacco producing districts. See U.S., Bureau of the Census, Congressional District Data Book (Washington: U.S. Government Printing Office, 1964).
29. Robert H. Salisbury, "An Exchange Theory of Interest Groups," Midwest Journal of Political Science, XIII (February, 1967), p. 11.
30. James L. Hedrick, Smoking, Tobacco and Health, and Robert E. Miller, "U.S.D.A. Tobacco Price Support and Loan Programs," Tobacco Situation, June, 1969, pp. 30-33, have been used extensively in the following discussion.
31. Richard B. Tennant, "The American Cigarette Industry: A Study in Economic Analysis and Public Policy" (New Haven: Yale University Press, 1969), pp. 109-110. See Hedrick, pp. 85-86.

32. U.S., Federal Trade Commission, Report of the Federal Trade Commission on the Tobacco Industry (Washington: Government Printing Office, 1921).
33. Mancur Olson, The Logic of Collective Action (Cambridge: Harvard University Press, 1966), p. 2.
34. Ibid., p. 44.
35. See, for example, "Burley's Brief Freedom," The Wall Street Journal, November 22, 1968.
36. Tobacco Situation, June, 1969, p. 30.
37. Hedrick, p. 86.
38. This was later increased to 90 per cent of parity price.
39. Hedrick, p. 87.
40. U.S., Congress, House, Subcommittee on Tobacco of the Committee on Agriculture, Hearings, Tobacco Price-Support Program, 87th Cong., 1st Sess., 1961, pp. 4-5.
41. U.S., Congress, House, Subcommittee on Tobacco of the Committee on Agriculture, Hearings, 1965 Acreage-Poundage Marketing Quotas for Tobacco, 89th Cong., 1st Sess., 1965, p. 26.
42. U.S. Department of Agriculture, Tobacco Division, "Tobacco in the National Economy," p. 2. Hedrick notes that cumulative program losses ranked 16th among major commodities in 1965. Hedrick, p. 92. For details on the origins of the governments' role, see H.B. Rowe, Tobacco Under the A.A.A. (Washington: Brookings Institution, 1935).
43. U.S., Department of Agriculture, Annual Report of Tobacco Statistics, 1959, p. 6 and 1968, p. 9. Also see Tobacco Situation, June, 1969, p. 34.
44. Tobacco Situation, June, 1973, p. 12.
45. The Lighter, XXXVIII (Fall, 1968), p. 31.
46. Hedrick, p. 92.
47. Flue-cured tobacco growers approved the program effective for the 1965 crop, while burley tobacco acreage-poundage quotas disapproved the program in referendums held in 1966 and 1967, but later approved poundage restrictions. See Hedrick, p. 91, and Tobacco Situation, March, 1973, p. 30.

32. U.S., Federal Trade Commission, Report of the Federal Trade Commission on the Tobacco Industry (Washington: Government Printing Office, 1937).
33. Margaret Wilson, The Logic of Collective Action (Cambridge: Harvard University Press, 1957), p. 1.
34. Ibid., p. 44.
35. See, for example, "Burley's Bird Freedom," The Wall Street Journal, November 12, 1956.
36. Tobacco Situation, June, 1953, p. 30.
37. Hedrick, p. 86.
38. This was later increased to 90 per cent of parity price.
39. Hedrick, p. 87.
40. U.S., Congress, House, Subcommittee on Tobacco of the Committee on Agriculture, Report, Tobacco Price-Support Program, 87th Cong., 1st Sess., 1961, pp. 4-5.
41. U.S., Congress, House, Subcommittee on Tobacco of the Committee on Agriculture, Report, 1963 Agriculture-Conservation Program for Tobacco, 87th Cong., 1st Sess., 1963, p. 20.
42. U.S. Department of Agriculture, Tobacco Division, "Tobacco in the National Economy," p. 1. Hedrick rates last cumulative program losses ranked 10th among major commodities in 1957. Hedrick, p. 22. For details on the origins of the government's role, see H.S. Howe, Tobacco Under the A.A.A. (Washington: Brookings Institution, 1939).
43. U.S., Department of Agriculture, Annual Report of Tobacco Industry, 1959, p. 6 and 1953, p. 9. Also see Tobacco Situation, June, 1953, p. 34.
44. Tobacco Situation, June, 1953, p. 12.
45. The Farmer, XXVIII (Fall, 1953), p. 31.
46. Hedrick, p. 21.
47. Fine-cured tobacco growers approved the program effective for the 1965 crop, while burley tobacco growers opposed it. The program in referendums held in 1953 and 1957, but later approved poundage restrictions. See Hedrick, p. 21, and Tobacco Situation, March, 1953, p. 30.

48. For example, some burley tobacco growers have formed a lobby fund by contributing \$1 out of each pay check. "Not one farmer in 1,300 requested his dollar back last year." See George Vecsey, "Tobacco Chants Music to Growers' Ear," The New York Times, November 29, 1970.
49. Olson, p. 133.
50. U.S., Congress, House, Committee on Interstate and Foreign Commerce, Hearings . . ., 1969, p. 655. See testimony of Fred S. Royster, Chairman, Committee of Growers of U.S. Tobacco, pp. 663-665.
51. Ibid., p. 633.
52. Ibid., p. 659.
53. U.S., Department of Agriculture, Consumer and Marketing Service, Tobacco in the United States (Washington: U.S. Government Printing Office, 1966), p. 59.
54. See Tennant, pp. 221-222.
55. U.S., Department of Agriculture, Tobacco Division, Tobacco: Inspection-Market News and Demonstration Services (Washington: U.S. Government Printing Office, December, 1961), pp. 3, 11, 17.
56. Ibid., p. 18.
57. U.S., Congress, Senate, Appropriations Committee, Hearings, Department of Agriculture and Related Agencies Appropriations, Part 1: Agencies of the Department Farm Credit Administration, 91st Cong., 1st Sess., 1969, p. 874.
58. U.S., Department of Agriculture, Tobacco Division, "Tobacco in the National Economy," p. 2.
59. U.S., Congress, Senate, Appropriations Committee, Hearings . . ., 1969, p. 133.
60. U.S., Department of Agriculture, Tobacco Division, "Tobacco in the National Economy," p. 2. During fiscal year 1972, approximately \$1.4 million was paid to producers for diverting tobacco acreage.
61. Hedrick, p. 93. He uses 1965 cumulative data. Recent data can be obtained in Tobacco Situation.
62. Value added approximates the actual net productive contribution in a given industry. In the computation of value added for the Census of Manufacturers, the cost of purchased materials, supplies and other items, is deducted from the value of shipments. Hedrick writes that "value added thus defined includes such items as employees' payroll, management salaries, taxes paid (other than excise taxes) return to

48. For example, some buyers tobacco growers have listed a job lot fund by contributing \$1 out of each day's work. "One day's work" is 1.375 requested his dollar back last year." The George Vassar, "Tobacco Growers' Association," The New York Times, November 28, 1930.
49. Olson, p. 133.
50. U.S. Congress, House, Committee on Interstate and Foreign Commerce, Hearings . . . , 1909, p. 633. See testimony of Fred S. Fowler, Chairman, Committee of Growers of U.S. Tobacco, pp. 603-607.
51. Ibid., p. 633.
52. Ibid., p. 639.
53. U.S. Department of Agriculture, Consumer and Marketing Service, Tobacco in the United States (Washington: U.S. Government Printing Office, 1909), p. 37.
54. See Tennant, pp. 221-222.
55. U.S. Department of Agriculture, Tobacco Division, Tobacco: Facts and Figures (Washington: U.S. Government Printing Office, 1909), pp. 3, 11, 17.
56. Ibid., p. 18.
57. U.S. Congress, Senate, Appropriations Committee, Report of the Committee on Agriculture and Related Matters (Washington: U.S. Government Printing Office, 1909), p. 374.
58. U.S. Department of Agriculture, Tobacco Division, "Tobacco in the National Economy," p. 2.
59. U.S. Congress, Senate, Appropriations Committee, Hearings . . ., 1909, p. 133.
60. U.S. Department of Agriculture, Tobacco Division, "Tobacco in the National Economy," p. 2. During fiscal year 1932, approximately \$1.4 million was paid to producers for diverting tobacco acreage.
61. Hedrick, p. 91. He uses 1932 cumulative data. Recent data can be obtained in Tobacco Statistics.
62. Value added approximates the actual net productive contribution to a given industry. In the computation of value added for the tobacco manufacturers, the cost of purchased materials, supplies and other items, is deducted from the value of shipments. Hedrick writes that "value added thus defined includes such items as employees' payroll, management salaries, taxes paid (other than excise taxes) return to

- stockholders and interest rates, depreciation, and operating costs on buildings and equipment. The value added concept provides a convenient way for viewing the contribution of the tobacco manufacturing sector since the value of the tobacco leaf (i.e. the contribution of the farm sector) is excluded from the receipts to the manufacturing sector." Hadrick, p. 56. Also see U.S., Federal Trade Commission, A Report . . ., 1963, p. 20.
63. Data presented on statewide indicators are from U.S., Bureau of the Census, Annual Survey of Manufacturers (Washington: U.S. Government Printing Office, for the years indicated).
 64. Tobacco manufacturing and agriculture also benefit a number of other industries. See U.S., Congress, House, Subcommittee on Tobacco of the Committee on Agriculture, Tobacco Research Laboratory Hearings, 88th Cong., 1st Sess., 1964. See statement by Archie Davis, Chairman of the Board, Wachovia Bank and Trust Company, Winston-Salem, N.C., p. 54. For example, the following are estimated contributions by tobacco agriculture and manufacturing to other industries: fertilizer and lime industry, \$45 million; pesticide industry, \$20 million; fuel oil, petroleum, \$7 million; tobacco bed canvas, textiles, \$8 million; replacement of tobacco cures, \$11 million; twine, \$2.5 million; plastic covers, \$2.5 million, tobacco seeds, \$1.5 million; cigarette paper, \$25 million; transportation, \$79 million; and advertising, over \$146 million. Advertising will be discussed later.
 65. Tobacco Situation, June, 1969, p. 35, June, 1970, p. 36, and June, 1972, p. 27. Data include non-tobacco enterprises of tobacco manufacturing corporations.
 66. Data on the percentage contributions of various cigarette manufacturers were published yearly in Marketing-Communications. John Maxwell who wrote the reports has gathered tobacco market statistics for many years. Nicholls writes that "The American cigarette industry since 1911 is a prime example of the way in which a few dominant firms can, without any formal agreement whatsoever, develop 'tacit rules of the game' by which price competition can be avoided and joint profits maintained at a level at least approaching those of monopoly." William H. Nicholls, Price Policies in the Cigarette Industry: A Study of 'Concerted Action' and Its Social Control 1911-50 (Nashville: The Vanderbilt University Press, 1951), p. 201.
 67. Hadrick provides data on the value of total receipts, total deductions, profits before and after taxes, and total assets for these six largest cigarette manufacturing corporations for the 1965 fiscal year. Hadrick, p. 107. Concentration in the cigarette industry has been the subject of both economic discussion and controversy and governmental action in the past. Several major economic studies have examined the structure and competitiveness of the tobacco industry. See, for example: Nicholls, Tennant, Cox and Bernstein, all cited in the bibliography.

stockholders and interest rates, depreciation, and operating costs on buildings and equipment. The value added concept provides a convenient way for viewing the contribution of the tobacco manufacturing sector since the value of the tobacco leaf (U.S. contribution of the farm sector) is excluded from the receipts to the manufacturing sector." Hedrick, p. 55. Also see U.S. Federal Trade Commission, A Report . . . , 1963, p. 20.

63. Data presented on statewide indicators are from U.S. Bureau of the Census, Annual Survey of Manufactures (Washington: U.S. Government Printing Office, for the years indicated).

64. Tobacco manufacturing and agriculture also benefit a number of other industries. See U.S. Congress, House, Subcommittee on Tobacco of the Committee on Agriculture, Tobacco Research Laboratory Hearings, 84th Cong., 1st Sess., 1954. See statement by Louis Davis, Chairman of the Board, Waco-Vicksburg and Trust Company, Winston-Salem, N.C., p. 24. For example, the following are estimated contributions by tobacco agriculture and manufacturing to other industries: fertilizer and lime industry, \$45 million; pesticide industry, \$10 million; fuel oil, petroleum, tobacco leaf canopy, textiles, \$3 million; replacement of tobacco cases, \$11 million; twine, \$2.5 million; plastic covers, \$2.5 million; tobacco seeds, \$1.5 million; cigarette paper, \$25 million; transportation, \$29 million; and advertising, over \$10 million. Advertising will be discussed later.

65. Tobacco Situation, June, 1963, p. 35, June, 1970, p. 30, and June, 1972, p. 27. Data include non-tobacco enterprises of tobacco manufacturing corporations.

66. Data on the percentage contributions of various cigarette manufacturers were published yearly in Marketing Communications. John Maxwell who wrote the reports has gathered tobacco market statistics for many years. Nicholas writes that "The American cigarette industry since 1911 is a prime example of the way in which a few dominant firms can, without any formal agreement whatsoever, develop 'tacit rules of the game' by which price competition can be avoided and joint profits maintained at a level at least approaching those of monopoly." William W. Nicholas, Price Policies in the Cigarette Industry: A Study of 'General Advertisers' and the 'Big Five' (Tulsa: The University Press, 1971), p. 201.

67. Hedrick provides data on the value of total receipts, total distributions, profits before and after taxes, and total assets for the six largest cigarette manufacturing corporations for the five fiscal years. Hedrick, p. 124. Competition in the cigarette industry has been the subject of both economic discussion and controversy, and governmental action in the past. Several major economic studies have examined the structure and competitiveness of the tobacco industry. See, for example: Nicholas, Price Policies; Cox and Bernstein, all cited in the bibliography.

68. F.R. Billings, Tobacco: Its History, Varieties, Culture, Manufacture and Commerce, with an Account of Its Various Modes of Use, from Its First Discovery Until Now (Hartford, Connecticut: American Publishing Company, 1875), p. 59. Billings writes that King James I in 1624 prohibited the importation of foreign tobacco as well as the planting of tobacco in England or Ireland. "Whereas our commons, in their last sessions of parliament became humble petitioners to us, that for many weighty reasons, much concerning the interest of our kingdom, and the trade thereof, we would by our royal power utterly prohibit the use of all foreign tobacco, which is not of the growth of our own dominions: And whereas we have upon all occasions made known our dislike we have ever had of the use of tobacco in general, as tending to the corruption both of the health and manners of our people. Nevertheless because we have been often and earnestly importuned by many of our loving subjects, planters, and adventurers in Virginia and the Somer isles; that, as those colonies are yet but in their infancy, and cannot be brought to maturity, unless we be pleased, for a time, to tolerate unto them the planting and vending of their own growth; we have condescended to their desires: and do therefore hereby strictly prohibit the importation of any tobacco from beyond sea, or from Scotland, into England or Ireland other than from our colonies before named; moreover we strictly prohibit the planting of any tobacco either in England or Ireland." Ibid., p. 59.
69. C.M. MacInnes, The Early English Tobacco Trade (London: Kegan Paul, Trench, Trubner and Co., Ltd., 1926), p. 127.
70. Count (Egon Caesar) Corti, A History of Smoking, trans. Paul England (London: George G. Harrap & Co., Ltd., 1939), pp. 149-150.
71. Ibid.
72. Ibid., p. 265.
73. Meyer Jacobstein, The Tobacco Industry in the United States (New York: The Columbia University Press, 1907), p. 185.
74. Jacobstein writes that in 1794 a tax was levied on manufactures tobacco to help defray the costs of administering the national government. It gave rise to so much discontent, however, that it was abandoned after being in operation but two years. It was introduced again during the War of 1812, but remained in effect only until 1816, when the national government returned to dependence for its revenues upon tariff duties. The excise tax was not attempted again until 1862, when the financial stress of the rebellion imposed upon the national government the utilization of all available sources of revenue." Ibid., pp. 186-187.
75. The Tobacco Tax Council, The Tax Burden on Tobacco (Richmond, Virginia, 1969), p. 4.

68. E.R. Billings, Tobacco: Its History, Varieties, Culture, Manufacture and Commerce, with an account of its various uses of food, from its first discovery until now (London, Connecticut: American Fishing Company, 1875), p. 53. Billings writes that King James I in 1624 prohibited the importation of foreign tobacco as well as the planting of tobacco in England or Ireland. "Whereas our commons, in their last sessions of parliament became humble petitioners to us, that for many weighty reasons, much concerning the interest of our kingdom, and the trade thereof, we would by our royal power utterly prohibit the use of all foreign tobacco, which is not of the growth of our own dominions: And whereas we have upon all occasions made known our dislike we have ever had of the use of tobacco in general, as tending to the corruption both of the health and manners of our people. Nevertheless because we have been often and earnestly importuned by many of our loving subjects, planters, and adventurers in Virginia and the Somer Isles; that, as those colonies are yet but in their infancy, and cannot be brought to maturity, unless we be pleased, for a time, to tolerate unto them the planting and vending of their own growth; we have condescended to their desires: and do therefore hereby strictly prohibit the importation of any tobacco from beyond sea, or from Scotland, into England or Ireland and other than from our colonies before named; moreover we strictly prohibit the planting of any tobacco either in England or Ireland." Ibid., p. 59.
69. C.M. MacInnes, The Early English Tobacco Trade (London: Kegan Paul, Trench, Trubner and Co., Ltd., 1920), p. 127.
70. Count (Éran Casar) Corti, A History of Smoking, trans. Paul Ireland (London: George G. Harrap & Co., Ltd., 1939), pp. 149-150.
71. Ibid.
72. Ibid., p. 262.
73. Meyer Jacobstein, The Tobacco Industry in the United States (New York: The Columbia University Press, 1907), p. 182.
74. Jacobstein writes that in 1794 a tax was levied on manufactures tobacco to help defray the costs of administering the national government. It gave rise to so much discontent, however, that it was abandoned after being in operation but two years. It was introduced again during the War of 1812, but remained in effect only until 1816, when the national government returned to dependence for its revenues upon tariff duties. The excise tax was not attempted again until 1862, when the financial stress of the rebellion imposed upon the national government the utilization of all available sources of revenue." Ibid., pp. 186-187.
75. The Tobacco Tax Council, The Tax Bureau on Tobacco (London, 1919-1921), p. 4.

76. Ibid., pp. 36-51.
77. From data provided by the Department of Agriculture compiled from Internal Revenue Service publications. Tennant notes that "Federal tax yields from cigarettes in 1949 were greater than the proceeds from all internal revenue taxes for any year prior to 1918. Tennant, p. 3. For an earlier consideration of federal cigarette taxation, see T.J. Woelfter, Jr., The Plight of Cigarette Tobacco (Chapel Hill, N.C.: The University of North Carolina Press, 1931), pp. 56-67.
78. The Tobacco Tax Council, p. 5.
79. Jacobstein, p. 182.
80. Hedrick, p. 128.
81. See Tax Administrators News, I (September, 1938), p. 1. Tax revenues from tobacco represented a very substantial contribution to total federal tax collections: 1910, 9 per cent; 1915, 13 per cent; 1920, 5 per cent; 1925, 11 per cent; 1930, 12 per cent; 1931, 16 per cent; 1932, 21 per cent; 1933, 22 per cent; 1934, 16 per cent; 1935, 15 per cent.
82. See National Interagency Council on Smoking and Health, World Conference on Smoking and Health, September, 1967: A Summary of the Proceedings (New York, no date). Also see U.S., Congress, Senate, A Bill to Amend the Internal Revenue Code of 1954 to Tax Cigarettes on the Basis of Their Tar and Nicotine Content, 90th Cong., 1st Sess., 1967. Similar legislation was introduced by Congressman Moss in 1969. A graduated cigarette tax is used in New York City at the present time.
83. Nicholls, p. 418.
84. Ibid.
85. U.S., Advisory Commission on Intergovernmental Relations, State-Federal Overlapping in Cigarette Taxes, Report A-24 (Washington: U.S. Government Printing Office, September, 1964), p. 12.
86. Also see Jacobstein, p. 51. In certain states, laws are still on the books to prevent minors from smoking. For a discussion and digest of state laws pertaining to the sale of cigarettes to minors, see U.S., Congress, House, Hearings . . ., 1969, pp. 485-490.
87. The Tobacco Tax Council, pp. 36-51.
88. U.S., Advisory Commission on Intergovernmental Relations, State-Federal Overlapping . . ., p. 14.

76. 1944, pp. 30-31.
77. From data provided by the Department of Agriculture covering from Internal Revenue Service collection. (Source: Internal Revenue Service, 1944, pp. 30-31.) Tax yields from cigarettes in 1944 were greater than the proceeds from all internal revenue taxes for any year prior to 1944. (Source: p. 3. For an earlier consideration of Federal cigarette taxation, see T.L. Woolter, Jr., The History of Federal Taxation (1944), p. 30-31. N.C.: The University of North Carolina Press, 1944, pp. 30-31.)
78. The Tobacco Tax Council, p. 3.
79. Jacobson, p. 142.
80. Hattick, p. 118.
81. See Tax Administration News, I (September, 1938), p. 1. Tax revenue from tobacco represented a very substantial contribution to total Federal tax collections: 1910, 9 per cent; 1915, 13 per cent; 1920, 2 per cent; 1925, 11 per cent; 1930, 13 per cent; 1935, 15 per cent; 1940, 21 per cent; 1945, 23 per cent; 1950, 15 per cent; 1955, 15 per cent.
82. See National Interagency Council on Smoking and Health, 1951. Conference on Smoking and Health, September, 1951: A summary of the Proceedings (New York, no date). Also see U.S. Congress, Senate, A bill to amend the Internal Revenue Code of 1939 to tax cigarettes on the basis of Federal tax and cigarette tax, 80th Cong., 1st Sess., 1947. Similar legislation was introduced in Congress in 1949. A graduated cigarette tax is used in New York City at the present time.
83. Nicholas, p. 418.
84. 1944.
85. U.S. Advisory Commission on Intergovernmental Relations, 1951. Federal Government in Cigarette Taxation, Report A-14 (Washington: U.S. Government Printing Office, September, 1951), p. 12.
86. Also see Jacobson, p. 31. In certain states, laws are still on the books to prevent minors from smoking. For a discussion and digest of state laws pertaining to the sale of cigarettes to minors, see U.S. Congress, House, 1944, pp. 44-45.
87. The Tobacco Tax Council, pp. 30-31.
88. U.S. Advisory Commission on Intergovernmental Relations, 1951. Federal Government in Cigarette Taxation, Report A-14 (Washington: U.S. Government Printing Office, September, 1951), p. 12.

89. The Tobacco Tax Council, p. 6. There is also local cigarette taxation. See Hedrick, pp. 132-134, and The Tobacco Tax Council, pp. 65-71. Local cigarette taxation in cities and counties amounted to \$58.6 million for fiscal year 1969.
90. The National Tobacco Tax Association periodically publishes state cigarette tax data on comparative cigarette tax collections and per capita cigarette consumption by state. For additional state data on cigarette taxes and for general articles on all aspects of cigarette taxation, see proceedings of the yearly annual meeting of this association.
91. For a general discussion of the effects of health scares on tax revenues on the state level, see Joseph H. Murphy, "Significance of a Decline in Cigarette Use on Tax Revenues," American Journal of Public Health, LVI (December, 1966), pp. 38-43.
92. The Tobacco Tax Council, p. iv.
93. Earle C. Clements, "Where the Tobacco Industry Stands," Illinois Association of Tobacco Distributors, 1967 Yearbook, p. 33.
94. R.J. Reynolds Industries, Inc., 1970 Annual Report, p. 3.
95. Retail Tobacco Builders of America, Inc. et al., "Another Cigarette Tax Increase Means Another Bonanza for Organized Crime," The New York Times, March 29, 1971.
96. The Tobacco Tax Council, p. iv.
97. Tennant, p. 126.
98. Ibid., p. 121. Tennant discusses the elasticity of demand for all tobacco products on pp. 119-126.
99. For information on the disparities among state cigarette tax rates, see The Tobacco Tax Council.
100. Letter from Congressman Harold C. Cooley, Chairman, House Committee on Agriculture, to the President in U.S., Congress, House, Subcommittee on Tobacco of the Committee of Agriculture, Hearings . . ., 1965, p. 27. More detailed breakdowns of U.S. tobacco exports by country and by variety can be found in Tobacco Situation and in the U.S.D.A.'s periodical Foreign Agriculture Circular.
101. Hedrick, p. 6.
102. U.S., Joint Task Force of the U.S.D.A. and the State Universities and Land Grant Colleges, A National Program of Research for Tobacco (Washington, 1968), p. v. 1972 figures were taken from Tobacco Situation, March, 1973.

99. The Tobacco Tax Council, p. 8. There is also local cigarette taxation. See Hedrick, op. 122-124, and The Tobacco Tax Council, pp. 62-71. Local cigarette taxation in cities and counties amounted to \$36.6 million for fiscal year 1967.
90. The National Tobacco Tax Association periodically publishes state cigarette tax data on comparative cigarette tax collections and per capita cigarette consumption by state. For additional state data on cigarette taxes and for general statistics on all aspects of cigarette taxation, see proceedings of the yearly annual meeting of this association.
91. For a general discussion of the effects of health scares on tax revenues on the state level, see Joseph H. Murphy, "Significance of a Decline in Cigarette Use on Tax Revenues," American Journal of Public Health, LVI (November, 1966), pp. 36-43.
92. The Tobacco Tax Council, p. 1v.
93. Earle C. Clements, "Where the Tobacco Industry Stands," Illinois Association of Tobacco Distributors, 1967 Yearbook, p. 28.
94. R.J. Reynolds Industries, Inc., 1970 Annual Report, p. 3.
95. Retail Tobacco Builders of America, Inc. et al., "Another Cigarette Tax Increase Means Another Bonanza for Organized Crime," The New York Times, March 29, 1971.
96. The Tobacco Tax Council, p. 1v.
97. Tennant, p. 126.
98. Ibid., p. 121. Tennant discusses the elasticity of demand for all tobacco products on pp. 119-126.
99. For information on the disparities among state cigarette tax rates, see The Tobacco Tax Council.
100. Letter from Congressman Harold C. Cooley, Chairman, House Committee on Agriculture, to the President in U.S. Congress, House, 96th Congress, 1st Session, 1979. More detailed passages of U.S. tobacco exports by country and by variety can be found in tobacco situation and in the U.S.D.A.'s periodical Foreign Agricultural Annals.
101. Hedrick, p. 6.
102. U.S. Joint Task Force of the U.S.D.A. and the State Universities and Land Grant Colleges, A National Program of Research for Tobacco (Washington, 1968), p. v. 1973 figures were taken from Statistical Abstract, March, 1973.

103. U.S., Congress, House, Subcommittee on Tobacco of the Committee on Agriculture, Hearings . . . , 1965, p. 142.
104. Tobacco Situation, March, 1969, pp. 4-5.
105. Tobacco Situation, September, 1969, pp. 19-20.
106. U.S.D.A., Annual Report . . . , 1969, p. 41.
107. Hadrick, p. 78.
108. Under the barter program 435.0 million cigarettes valued at \$868 thousand were exported from July 1, 1954 through December 31, 1967. U.S., Department of Agriculture, Annual Report on Public Law 480, Food for Freedom: New Emphasis on Self-Help (Washington: U.S. Government Printing Office, 1967), pp. 94-95.
109. Tobacco Situation, March, 1969, p. 17.
110. These programs include barter sales, mutual security and A.I.D. programs. Data were compiled from Tobacco Situation, September, 1969, p. 14.
111. U.S., Congress, House, Committee on Interstate and Foreign Commerce, Hearings . . . , 1969, p. 49.
112. Ibid.
113. Ibid.
114. Figures were compiled by the Foreign Agriculture Service of the U.S. Department of Agriculture, June, 1970.
115. U.S., Congress, House, Committee on Interstate and Foreign Commerce, Hearings . . . , 1969, p. 47.
116. Ibid., p. 52.
117. Tobacco Situation, June, 1969, p. 32.
118. Ibid., p. 34.
119. U.S., Congress, House, Committee on Interstate and Foreign Commerce, Hearings . . . , 1969, p. 49.
120. U.S., Department of Agriculture, Tobacco Division, "Tobacco in the National Economy."

103. U.S., Congress, House, Subcommittee on Tobacco of the Committee on Agriculture, 1957-58, 1958, p. 47.
104. Tobacco Situation, March, 1958, pp. 4-5.
105. Tobacco Situation, September, 1958, pp. 19-20.
106. U.S.D.A., Annual Report, 1957, p. 41.
107. Hedrick, p. 78.
108. Under the latter program 437.0 million cigarettes valued at \$888 thousand were exported from July 1, 1954 through December 31, 1957. U.S., Department of Agriculture, Annual Report on Public Law 480, Food for Freedom, 1957-58, p. 31-32. (and footnote 1.2.) Government Printing Office, 1957, pp. 31-32.
109. Tobacco Situation, March, 1959, p. 15.
110. These programs include border sales, mutual security and A.I.D. programs. Data were compiled from Tobacco Situation, September, 1959, p. 14.
111. U.S., Congress, House, Committee on Interstate and Foreign Commerce, Hearings, 1959, p. 49.
112. Ibid.
113. Ibid.
114. Figures were compiled by the Foreign Agriculture Service of the U.S. Department of Agriculture, June, 1959.
115. U.S., Congress, House, Committee on Interstate and Foreign Commerce, Hearings, 1959, p. 47.
116. Ibid., p. 32.
117. Tobacco Situation, June, 1959, p. 31.
118. Ibid., p. 34.
119. U.S., Congress, House, Committee on Interstate and Foreign Commerce, Hearings, 1959, p. 47.
120. U.S., Department of Agriculture, Tobacco Division, "Tobacco in the National Economy."

Chapter II: Response of the U.S. Tobacco Industry to the Cigarette Smoking-Health Controversy

A. Introduction

The tobacco industry is a political actor in the controversy that has developed over the proposed regulation of cigarette smoking and the alleged health hazards involved. The industry has responded basically four ways to the challenge presented by this controversy:

1. since a major basis for the regulation of smoking is scientific evidence, the tobacco industry has supported scientific research to produce counter-evidence or to at least keep the scientific question open;
2. propaganda campaigns against the public claims of anti-cigarette groups and individuals;
3. voluntarily meeting some of the demands of the interests favoring regulation, in order to reduce the pressure for governmental control;
4. corporate diversification to protect corporations from the financial consequences of a decline in cigarette sales.

In the following sections we will discuss the U.S. tobacco industry's basic responses to the smoking-health controversy and probe some of the political implications of these actions. In general tobacco industry tactics have been designed to give the industry the time and the resources (i.e., profits) to diversify into other fields. Voluntary industry actions are geared to prevent or at least postpone government regulation and if possible to minimize the controversy before the public. At the same time the tobacco industry has denied and attacked anti-cigarette research findings and government or private proposals. The Tobacco Industry Research Committee and its successor, The Tobacco Institute, Inc., have unified the industry's stand before the public, have criticized all research which

A. Introduction

The tobacco industry is a political actor in the controversy that has developed over the proposed regulation of cigarette smoking and the alleged health hazards involved. The industry has responded basically four ways to the challenge presented by this controversy:

1. since a major basis for the regulation of smoking is scientific evidence, the tobacco industry has sponsored scientific research to produce counter-evidence or to at least keep the scientific question open;
2. propaganda and other means of the public claims of self-censorship and industry;
3. voluntarily meeting some of the demands of the industry favoring regulation, in order to reduce the pressure for governmental control;
4. corporate diversification to protect corporations from the financial consequences of a decline in cigarette sales.

In the following sections we will discuss the U.S. tobacco industry's

basic responses to the health-related controversy and probe some of the

political implications of these actions. In general tobacco industry

actions have been designed to give the industry the time and the resources

(i.e., profits) to diversify into other fields. Voluntary industry actions

are geared to prevent or at least postpone government regulation and if

possible to minimize the controversy before the public. At the same time

the tobacco industry has denied and attacked anti-cigarette research find-

ings and government or private programs. The Tobacco Industry Research

Committee and its successor, The Tobacco Institute, Inc., have unified

the industry's stand before the public, have criticized all research which

indicates a relationship between cigarette smoking and disease, and have opposed governmental regulation. Industry efforts have sought to publicize to the smoking public that the controversy has not been settled and that many unknowns remain to be answered by further research.

The tobacco industry has sought to prevent government action by its own voluntary action. These voluntary efforts attempt to buy time for the industry to protect its present nature and to allow the industry to change itself and its products. Diversification is the watchword of the industry while profits from cigarettes are used to make this change possible.

Political opposition to governmental action may decline as the industry becomes less reliant on cigarettes for its profits and survival. Change could even come more rapidly if the government would offer monetary incentives to hasten diversification. In the following sections we focus on the strategy used by the U.S. tobacco industry to prevent decreases in cigarette consumption which might have been expected in light of the smoking-health controversy. In addition we consider the substantial efforts made by the industry to diversify.

B. Support of Scientific Research

In 1953, five major cigarette manufacturers along with tobacco warehouse and growers' associations formed the Tobacco Industry Research Committee (TIRC)¹ to coordinate industry response to the increasingly ominous health charges against cigarette smoking. In a full-page newspaper advertisement entitled "A Frank Statement to Cigarette Smokers," the TIRC stated:

Recent reports on experiments with mice have given wide publicity to a theory that human cigarette smoking is in

indicates a relationship between cigarette smoking and disease, and have opposed governmental regulation. Industry efforts have sought to publicize to the smoking public that the controversy has not been settled and that many unknowns remain to be answered by further research.

The tobacco industry has sought to prevent government action by its own voluntary action. These voluntary efforts attempt to pay fine for the industry to protect its present nature and to allow the industry to change itself and its products. Diversification is the watchword of the industry while profits from cigarettes are used to make this change possible.

Political opposition to governmental action may decline as the industry becomes less reliant on cigarettes for its profits and survival. Change could even come more rapidly if the government would offer monetary incentives to hasten diversification. In the following sections we focus on the strategy used by the U.S. tobacco industry to prevent decreases in cigarette consumption which might have been expected in light of the smoking-health controversy. In addition we consider the substantial efforts made by the industry to diversify.

2. Support of Scientific Research

In 1953, five major cigarette manufacturers along with tobacco waterhouse and growers' associations formed the Tobacco Industry Research Committee (TIRC)¹ to coordinate industry response to the increasingly ominous health charges against cigarette smoking. In a full-page newspaper advertisement entitled "A Frank Statement to Cigarette Smokers," the TIRC

stated:

Recent reports on experiments with mice have given wide publicity to a theory that human cigarette smoking is in

some way linked with lung cancer in human beings . . . we feel it is in the public interest to call attention to the fact that eminent doctors and research scientists have questioned the claimed significance of these experiments.²

The TIRC at the same time pledged aid for tobacco-health research to be supervised by a scientist of "unimpeachable integrity and national reputation" and an advisory board of "disinterested scientists disinterested in the cigarette industry."³ Ex-senator Maurine Neuberger, one of the industry's sharpest congressional opponents, stated that "the TIRC furnished a mechanism by which millions of dollars could be spread among research institutions to purchase (albeit subtly and indirectly) good will for the tobacco industry throughout the scientific community."⁴

The authors of The Consumers Union Report on Smoking and the Public Interest have called the TIRC "a marriage of research and public relations,"⁵ and it also has been called "a mutual defense pact among . . . tobacco companies."⁶ The American Cancer Society has noted that "the T.I.R.C. is fighting a delaying action . . . to mislead the public into believing that no change in smoking habits is indicated from the existing statistical and pathological evidence, nor will be until 'direct experimental evidence' is at hand."⁷ In the present section, we will discuss the tobacco industry's research effort, public relations and propaganda.

In response to Robert F. Kennedy's charge of tobacco industry "inattention to responsibility" made at the World Conference on Smoking and Health in September, 1967, the industry retorted:

1. The industry has pledged \$10 million without strings to the American Medical Association's Educational and Research Fund⁸ and 2. The industry has granted more than \$12 million for basic research on smoking and health through the Council for Tobacco Research--U.S.A. 3. The industry has cooperated with the Federal Trade Commission in the setting up of its laboratory to test tar and nicotine

some way linked with lung cancer in human beings . . . we feel it is in the public interest to call attention to the fact that eminent doctors and research scientists have questioned the claimed significance of these experimental results.

The TIRC at the same time pledged aid for tobacco-related research to be supervised by a scientist of "unimpeachable integrity and national reputation" and an advisory board of "disinterested scientists distinguished in the cigarette industry." ³ Ex-senator Maurice Neuberger, one of the industry's

sharpest congressional opponents, stated that "the TIRC furnished a mechanism by which millions of dollars could be spread among research institutions to purchase (albeit subtly and indirectly) good will for the tobacco industry throughout the scientific community." ⁴

The authors of The Government's Report on Smoking and the Public

interest have called the TIRC "a marriage of research and public relations," ⁵ and it also has been called "a mutual defense pact among . . . tobacco companies." ⁶ The American Cancer Society has noted that "the T.I.R.C. is fighting a delaying action . . . to shield the public into believing that no change in smoking habits is indicated from the existing statistical and pathological evidence, nor will be until 'direct experimental evidence' is at hand." ⁷ In the present section, we will discuss the tobacco industry's research effort, public relations and propaganda. In response to Robert F. Kennedy's charge of tobacco industry "inattention to responsibility" made at the World Conference on Smoking and

Health in September, 1967, the industry retorted:

1. The industry has pledged \$10 million without strings to the American Medical Association, Educational and Research Fund and 2. The industry has granted more than \$12 million for basic research on smoking and health through the Council for Tobacco Research--U.S.A. 3. The industry has cooperated with the Federal Trade Commission in the setting up of its laboratory to test tar and nicotine

content of cigarettes. The industry has made available to the Commission the tremendous technological knowhow of its scientists in order to help make sure that figures are as accurate as possible and 4. In the industry's private laboratories, much effort and funds have gone into the development of new and better filters for cigarettes. In fact, in addition to the more than \$22 million made available to independent scientists, the industry has invested much more than a equivalent amount in its own research.

The Tobacco Institute commented, in conclusion, that "the picture presented by these efforts [including the voluntary cigarette advertising code discussed later] is scarcely that of an industry which is 'inattentive' to its responsibilities." 10

The Council for Tobacco Research -- U.S.A. (research successor of the TIRC funded by the tobacco industry) has awarded a total of over \$17 million in 396 separate research grants. In addition, the financial commitment to the Education and Research Foundation of the American Medical Association has been extended and now amounts to a total of \$18 million. These tobacco industry research grants have resulted in over 1,115 scientific papers. 11 Industry research expenditures also have been used to develop better filter cigarettes which lower tar and nicotine content. Cigarette advertising has publicized the "miracles" that have resulted from industry research.

Research allocations by the tobacco industry have been extremely small compared to their total revenues or even their advertising expenditures. Consumers Union, one of the industry's harshest constant critics, noted that the \$800 thousand allotted for research in 1963 was only about one-half of one per cent of the industry's intended advertising outlay, and only about half the amount spent for research by the far smaller West German cigarette industry. 12 Total industry research expenditures since 1954 amount to less than 20 per cent of recent yearly advertising expenditures.

content of cigarettes. The industry has made available to the Commission the tremendous technological know-how of its scientists in order to help make sure that filters are as accurate as possible and A. In the industry's private laboratories, much effort and funds have gone into the development of new and better filters for cigarettes. In fact, in addition to the more than \$22 million made available to independent scientists, the industry has invested much more than a equivalent amount in its own research.

The Tobacco Institute commented, in conclusion, that "the picture presented by these efforts (including the voluntary cigarette advertising code discussed later) is scarcely that of an industry which is 'inactive' to its responsibilities." 10

The Council for Tobacco Research -- U.S.A. (research sponsor of the TRC funded by the tobacco industry) has awarded a total of over \$17 million in 350 separate research grants. In addition, the financial commitment to the Education and Research Foundation of the American Medical Association has been extended and now amounts to a total of \$10 million. These tobacco industry research grants have resulted in over 1,115 scientific papers. 11 Industry research expenditures also have been used to develop better filter cigarettes which lower tar and nicotine content. Cigarette advertising has publicized the "miracles" that have resulted from industry research.

Research allocations by the tobacco industry have been extremely small compared to their total revenues or even their advertising expenditures. Consumers Union, one of the industry's harshest constant critics, noted that the \$800 thousand allotted for research in 1963 was only about one-half of one per cent of the industry's intended advertising outlay, and only about half the amount spent for research by the far smaller West

German cigarette industry. 12 Total industry research expenditures since 1954 amount to less than 10 per cent of recent yearly advertising expendi-

The Tobacco Reporter estimated that \$12.45 million was spent in the United States on smoking and health research in fiscal 1967 and that this figure increased to at least \$15.5 million in fiscal 1968.¹³ The effectiveness of this research is difficult to measure. The Tobacco Institute summed up the present situation:

So far, in spite of this massive [research] effort, there are eminent scientists who question whether any causal relationship has been proved between cigarette smoking and human disease, or emphysema. They believe that years more of exhaustive investigation will be required to clear up what is indeed now a muddy picture.¹⁴

Dr. Clarence Cook Little, scientific director of the Council for Tobacco Research -- U.S.A., found an almost identical picture after 15 years of scientific investigation:

... the gaps in knowledge are so great that those who dogmatically assert otherwise -- whether they state that there is or is not such a causal relationship [between cigarette smoking and disease] are premature in judgment.¹⁵

It is difficult to discuss these research efforts without at the same time discussing the industry's public relations response to the cigarette smoking-health controversy. The Tobacco Institute noted:

In fiscal 1969, for example, the tobacco industry's commitment in this area [i.e. research] was more than any government department . . . and millions more than the research expenditure on smoking and health reported for the same period by all the voluntary health associations combined.¹⁶

The tobacco industry has consistently argued for more research. For example, Liggett & Myers 1963 Annual Report stated:

The 'great cigarette controversy' which is presently occupying so much public attention begs for an answer. When this answer will be supplied is not known. The answer will not be generated from emotional argument nor enthusiastic dedication to a cause, but only from patient competent research.¹⁷

The Tobacco Research estimated that \$12.65 million was spent in the United States on smoking and health research in fiscal 1967 and that this figure increased to at least \$17.5 million in fiscal 1968. 18 The effectiveness of this research is difficult to measure. The Tobacco Institute

summed up the present situation:

So far, in spite of this massive [research] effort, there are eminent scientists who question whether any causal relationship has been proved between cigarette smoking and human disease, or even cancer. They believe that years more of exhaustive investigation will be required to clear up what is indeed now a muddy picture. 19

Dr. Clarence Cook Little, scientific director of the Council for Tobacco Research -- U.S.A., found an almost identical picture after 15 years of

scientific investigation:

. . . the gaps in knowledge are so great that those who dogmatically assert otherwise -- whether they state that there is or is not such a causal relationship [between cigarette smoking and disease] are premature in judgment. 20

It is difficult to discuss these research efforts without at the same time discussing the industry's public relations response to the cigarette

smoking-health controversy. The Tobacco Institute noted:

In fiscal 1969, for example, the tobacco industry's commitment in this area [i.e. research] was more than any government department . . . and millions more than the research expenditure on smoking and health reported for the same period by all the voluntary health associations combined. 21

The tobacco industry has consistently argued for more research. For

example, Liggett & Myers 1969 Annual Report stated:

The 'great cigarette controversy' which is presently occupying so much public attention begs for an answer. When this answer will be supplied is not known. The answer will not be generated from emotional argument nor enthusiastic dedication to a cause, but only from patient competent research. 22

Research expenditures by tobacco companies for their own product research increased substantially after the initial wave of negative scientific findings, and in response to the proliferation of new brands that demanded new scientific breakthroughs in order, at the very least, to make good advertising copy. Philip Morris noted, in their 1956 Annual Report, that planned research expenditures during 1957 would be three times as large as they were only three years ago.¹⁸ The tobacco companies have attempted to characterize their opponents as non-scientific. For example, American Tobacco noted in its 1964 Annual Report:

At the same time the industry has attempted to point to the non-scientific approach of their opponents noting that 'some of this [anti-cigarette] activity took on a prohibitionist and evangelical character, as distinct from scientific inquiry.'¹⁹

In 1967 they again commented:

The concern about smoking and its relationship to health is aggravated by persons and groups who do not seek scientific and factual answers but instead, unrelentingly and often hysterically, attempt to implicate smoking in almost every ailment known to man.²⁰

The tobacco industry has sought to convince the public that "after millions of dollars and over 20 years of research the question about smoking and health is still a question." The industry will not accept statistical correlations between smoking and disease as ample evidence for the condemnation of their product and argues that causality has not been proven:

In fact, even those who claim a cause and effect relationship has been proved admit that no particular ingredient, as it occurs in cigarette smoke, has been demonstrated as the cause of any particular disease.²¹

The 1963 American Cancer Society statement "Cigarette Smoking and Cancer," explained the organization's actions and responded to the tobacco industry

Research expenditures by tobacco companies for their own product

Research increased substantially after the initial wave of negative scientific findings, and in response to the proliferation of new brands that demanded new scientific breakthroughs in order, at the very least, to make good advertising copy. Philip Morris noted, in their 1993 Annual Report, that planned research expenditures during 1997 would be three times as large as they were only three years ago. 18 The tobacco companies have attempted to characterize their opponents as non-scientific. For

example, American Tobacco noted in its 1994 Annual Report:

At the same time, the industry has attempted to point to the non-scientific support of their opponents noting that "some of this anti-scientific activity took on a promotional and evangelistic character, as distinct from scientific inquiry." 19

In 1997 they again commented:

The concern about smoking and its relationship to health is motivated by persons and groups who do not seek scientific and factual answers but instead, unthinkingly and often hysterically, attempt to implicate smoking in almost every ailment known to man. 20

The tobacco industry has sought to convince the public that "after

millions of dollars and over 20 years of research the question about smoking and health is still a question." The industry will not accept statistical correlations between smoking and disease as ample evidence for the condemnation of their product and argues that causality has not been

proven:

In fact, even those who claim a cause and effect relationship has been proved with no particular ingredient, as it occurs in cigarette smoke, has been demonstrated as the cause of any particular disease. 21

The 1993 American Cancer Society statement "Cigarette Smoking and Cancer," explained the organization's actions and responded to the tobacco industry

position of requiring causal proof:

Although spokesmen for the tobacco industry and a few scientists state that all this evidence does not prove that cigarette smoking causes lung cancer, there is no other reasonable explanation for the consistent association between cigarette smoking and lung cancer. Responsible health agencies, therefore, have no alternative but to act on the assumption that the relationship is one of cause and effect. ²²

Research expenditures are used by the tobacco industry to symbolize its public responsibility and to back up its continued assertion that all the scientific answers are not known. They believe (unlike health interest groups and agencies) that actions against cigarette smoking are unwarranted as long as questions are unanswered. In December 1972 the industry gave a \$2.8 million grant to the Harvard Medical School for a five-year investigation of any specific effects cigarette smoke may have in the development of lung and heart diseases. ²³

C. Industry Public Relations and Propaganda

In 1954, then President of the American Tobacco Company Paul M. Hahn stated that the aim of industry research was to "let the results speak for themselves whatever they are." ²⁴ The TIRC and its successor, The Tobacco Institute, have been tireless in their defense of the cigarette industry and have publicized some research and sharply criticized other research. In effect, the tobacco industry has helped some results "speak for themselves."

The Tobacco Institute, Inc., was founded in 1958 with the following objectives:

1. To create a better public knowledge and understanding of the important position tobacco occupies in the nation's economy, its place in history, and its positive contributions to people in relaxation and employment.

Position of regarding causal proof:

Although spokesmen for the tobacco industry and a few scientists state that all this evidence does not prove that cigarette smoking causes lung cancer, there is no other reasonable explanation for the consistent association between cigarette smoking and lung cancer. Reasonable health agencies, therefore, have no alternative but to act on the assumption that the relationship is one of cause and effect.

Research expenditures are used by the tobacco industry to synthesize its public responsibility and to back up its continued assertion that all the scientific answers are not known. They believe (unlike health interest groups and agencies) that actions against cigarette smoking are unwarranted as long as questions are unanswered. In December 1971 the industry gave a \$2.8 million grant to the Harvard Medical School for a five-year investigation of any specific effects cigarette smoke may have in the

development of lung and heart diseases. 23

C. Industry Public Relations and Propaganda

In 1954, then President of the American Tobacco Company Paul M. Harman stated that the aim of industry research was to "let the results speak for themselves whatever they are." 24 The TTC and its successor, The Tobacco Institute, have been tireless in their defense of the cigarette industry and have published some research and sharply criticized other research. In effect, the tobacco industry has helped some results "speak for themselves."

The Tobacco Institute, Inc., was founded in 1958 with the following

objectives:

1. To create a better public knowledge and understanding of the important position tobacco occupies in the nation's economy, its place in history, and its positive contributions to people in relaxation and enjoyment.

2. To create a better public understanding of facts regarding tobacco use and health, and of the contribution the industry is making to efforts of science to find the answers to health questions.
3. To provide a means and material for meeting anti-tobacco attacks, including adverse government proposals and actions.
4. To secure recognition for The Tobacco Institute, Inc., as the central source of authoritative information concerning all aspects of the industry with which the Institute is concerned. ²⁵

The Institute also acts as a listening post to detect and evaluate legislative and regulatory developments, informing its membership and orchestrating industry response which does not conflict with anti-trust statutes.

In 1958, Edward F. Ragland, the vice president of the Institute, stated:

. . . there is a real and growing need for an articulate effort by the industry to keep the record straight, to negate the prejudiced representations of the crusaders and to tell of the praiseworthy contributions tobacco has made to a growing America throughout its entire history. ²⁶

Addison Y. Yeaman, vice president and general counsel for Brown and Williamson, has reiterated more recently this goal, stating that "we must and we will defend the tobacco industry against the mounting crusade of unwarranted harassment." ²⁷

The Institute periodically has published "Tobacco News" and "Reports on Tobacco and Health Research." The former attempts to indicate the economic importance of tobacco and the latter to indicate scientific opinions and studies which question charges against cigarette smoking. ²⁸ Yet, while claiming that the smoking-health controversy is still unsettled and muddled, ²⁹ the industry stated that, if something is amiss, it can be corrected. Earle C. Clements ex-president of The Tobacco Institute stated:

If there is something in tobacco or in the smoke which causes cancer or any other human disease, we want to know what it is. If there is something harmful, I am confident that scientists can remedy it. To date, however, extensive chemical tests have not demonstrated

2. To create a better public understanding of facts regarding tobacco use and health, and of the contribution the industry is making to efforts of science to find the answers to health questions.
3. To provide a means and material for meeting anti-tobacco attacks, including adverse government proposals and actions.
4. To secure recognition for The Tobacco Institute, Inc., as the central source of authoritative information concerning all aspects of the industry with which the Institute is concerned.

The Institute also acts as a listening post to detect and evaluate legislative and regulatory developments, informing its membership and organizing industry response which does not conflict with anti-trust statutes. In 1978, Edward F. Bagland, the vice president of the Institute, stated:

... there is a real and growing need for an articulate effort by the industry to keep the record straight, to negate the prejudiced representations of the crusaders and to tell of the pivotal contributions tobacco has made to a growing America throughout its entire history.

Addison Y. Yeaman, vice president and general counsel for Brown and Williamson, has reiterated more recently this goal, stating that "we must and we will defend the tobacco industry against the mounting crusade of unwarranted harassment."

The Institute periodically has published "Tobacco News" and "Reports on Tobacco and Health Research." The former attempts to indicate the economic importance of tobacco and the latter to indicate scientific opinions and studies which question charges against cigarette smoking. Yet, while claiming that the smoking-health controversy is still unsettled and muddled, the industry stated that, if something is airtight, it can be corrected. Larry C. Clements, executive vice president of the Tobacco Institute stated:

If there is something in tobacco or in the smoke which causes cancer or any other human disease, we want to know what it is. If there is something harmful, I am confident that scientists can remedy it. To date, however, extensive chemical tests have not demonstrated

that any substance as found in cigarette smoke accounts for human disease. ³⁰

While defending industry responsibility and supporting the need for additional research, industry spokesmen have vociferously attacked their opponents. The industry has been supported in most of its efforts by a number of business publications including Barron's and The Wall Street Journal. Both of these publications have opposed government intervention into "matters of purely personal behavior and private decisions. Since there is no logical place to stop that sort of thing some of us may be permitted to view that it is an extremely bad habit to start."³¹ Barron's, in an editorial, commented that "What began a few years ago as a seemingly well-intentioned, if disturbing, effort to brainwash the citizenry . . . has spiraled into a crusade as menacing and ugly as prohibition."³²

The tobacco industry however, has not allowed most of its defense to be conducted by others. The following quotations are indicative of the tobacco industry's response to the present challenge: ³³

Despite the unsettled state of the scientific situation, there are those who wish to impose further punitive and restrictive legislation on the tobacco industry. Generally, they ignore what the industry has already done through research and by voluntary regulation of its own advertising. . . . In a free society, the voluntary approach is far preferable to government regulation. ³⁴

In response to the "Report of the Task Force for Smoking and Health" which proposed governmental actions in 1968, the Tobacco Institute retorted, "The report is a shockingly intemperate defamation of an industry which had led the way in medical research to seek answers in the cigarette controversy." ³⁵

Addison Y. Yeaman described the present picture to the Tobacco Growers Information Committee:

that any substance as found in cigarette smoke accounts for human disease.³⁰

While defending industry responsibility and supporting the need for additional research, industry spokesmen have vociferously attacked their opponents. The industry has been supported in most of its efforts by a number of business publications including Fortune and the Wall Street Journal. Both of these publications have opposed government intervention into "matters of purely personal behavior and private decision. Since there is no logical place to stop that sort of thing some of us may be permitted to view that it is an extremely bad habit to start."³¹ Fortune's in an editorial, commented that "What began a few years ago as a seemingly well-intentioned, if disturbing, effort to brainwash the citizenry . . . has spiraled into a crusade as menacing and ugly as prohibition."³²

The tobacco industry however, has not allowed most of its defense to be conducted by others. The following quotations are indicative of the tobacco industry's response to the present challenge:³³

Despite the unsettled state of the scientific situation, there are those who wish to impose further punitive and restrictive legislation on the tobacco industry. Generally, they ignore what the industry has already done through research and by voluntary regulation of its own advertising. . . . In a free society, the voluntary approach is far preferable to government regulation.³⁴

In response to the "Report of the Task Force for Smoking and Health" which proposed governmental action in 1963, the Tobacco Institute reported, "The report is a shockingly intemperate defamation of an industry which had led the way in medical research to seek answers in the cigarette controversy."³⁵

Adelson Y. Yeaman described the present picture to the Tobacco

Growth Information Committee:

The deplorable reality is that our unseeing Surgeon General is in the vanguard of a formidable coalition of government agencies, legislators, fundraising organizations, propagandists, and do-gooders -- all engaged in a crusade against tobacco. ³⁶

Statistics, through repetitious claims and ballyhoo, have now assumed the face of scientific fact. Using this statistical platform, the Federal anti-cigarette forces have mounted a crusade of staggering proportions. Where once reasoned action followed due deliberations, now we see evidences of an arrogance which goes far beyond reason and due process. ³⁷

Paul D. Smith, vice president and general counsel for Philip Morris described the situation in even harsher terms:

One of the great tragedies of our time is that the propaganda machinery of our enemies is brainwashing not only the public but also many, many dedicated scientists. The result is, that instead of searching for the true cause of, for example, lung cancer, many researchers are accepting without investigation the allegation that cigarettes are the cause. ³⁸

What do our enemies have at stake? Well, remember that the small group who generated this health controversy and are keeping it alive have risked their careers and reputations on the speculation that cigarette smoking will eventually be demonstrated to be the cause of much premature death and disability. Not to be deterred by such a minor obstacle as the failure of the scientific proof to arrive they speak and act as if it had arrived. ³⁹

A large empire has been built, mainly financed with Federal funds and devoted to eliminating cigarette smoking. This empire, governed and supported principally by the Federal health establishment, has proved to be a good vehicle for ambitious public health officials to obtain funds. ⁴⁰

As the frustration of our enemies grows greater, their voices will grow louder and more shrill. They will devise new tactics to harass the industry. They will seek new allies and incite those who have already joined the battle against tobacco to make more vitriolic attacks. ⁴¹

We must not let our enemies become the only source of information for the uncommitted -- we must present the facts whenever given an opportunity. ⁴²

The deplorable reality is that our medical profession General is in the vanguard of a worldwide coalition of government agencies, legislators, foundations, organizations, propagandists, and journalists -- all engaged in a crusade against tobacco.

Statistics, through relentless claims and fallacies, have now assumed the face of scientific fact. Being this statistical platform, the Federal anti-cancer forces have mounted a crusade of staggering proportions. Where once reasoned action followed due deliberations, now we see evidence of an airbrush which goes far beyond reason and due process.

Paul D. Smith, vice president and general counsel for Philip Morris don-

tributed the situation in even harsher terms:

One of the great tragedies of our time is that the propaganda machinery of our enemies is brainwashing not only the public but also many, many dedicated scientists. The result is, that instead of searching for the true cause of, for example, lung cancer, many researchers are accepting without investigation the allegation that cigarettes are the cause.

What do our enemies have at stake? Well, remember that the small group who generated this health controversy and are keeping it alive have risked their careers and reputations on the speculation that cigarette smoking will eventually be demonstrated to be the cause of much premature death and disability. Not to be deterred by such a major obstacle as the failure of the scientific proof to arrive they speak and act as if it had arrived.

A large empire has been built, mainly financed with Federal funds and devoted to eliminating cigarette smoking. This empire, governed and supported financially by the Federal health establishment, has proved to be a good vehicle for ambitious public health officials to obtain funds.

As the frustration of our enemies grows greater, their voices will grow louder and more shrill. They will devise new tactics to harass the industry. They will seek new allies and incite those who have already joined the battle against tobacco to make more virulent attacks.

We must not let our enemies become the only source of information for the uncommitted -- we must present the facts whenever given an opportunity.

The Tobacco Institute has released numerous news items that criticize research linking cigarette smoking to disease. ⁴³ The following is taken from a critique of the March, 1967, Roswell Park Memorial Institute Report on Cigarette Testing which considered methods to determine the tar and nicotine content of cigarettes:

The sampling difficulties, the statistical deficiencies, and the deceptive and delusive exactitude in the reporting and ranking of results found in the paper are starkly revealed. Not since Procrustes stretched or cut travelers to fit his arbitrarily measured bed has a like effort to distort and overstate data been seen. ⁴⁴

The New York Times, in criticizing the tobacco industry, has commented the industry's standard response that scientific studies linking smoking and disease are "inaccurate and misleading has the hollowness of a cough in a grave yard." ⁴⁵ The industry's highly critical approach has created an atmosphere of hostility and conflict between them and anti-smoking proponents that has made cooperation and compromise difficult. Earlier, the TIRC was criticized for almost the same reasons by Printers' Ink, the advertising journal. They criticized Timothy V. Harknett, chairman of TIRC as a man of few -- but highly predictable -- words: "nothing has been proved." The journal continued that "the time has come, obviously, for the [TIRC] to drop this injured defensive tone and say and do something more positive. The industry's current problems won't just disappear . . . by disclaiming them." ⁴⁶

The tobacco industry's problems have not gone away, but The Tobacco Institute has been able to at least maintain and publicize the continuation of the scientific controversy. In addition, they have prevented a precipitous decline in cigarette sales which might have resulted if their opponents had become the only source of public information. The industry's response

The Tobacco Institute has released numerous news items that criticize research linking cigarette smoking to disease. ⁴³ The following is taken from a critique of the March, 1967, Roswell Park Memorial Institute Report on Cigarette Testing which considered methods to determine the tar and nicotine content of cigarettes:

The sampling difficulties, the statistical deficiencies, and the deceptive and selective exactitude in the reporting and ranking of results found in the paper are starkly revealed. Not since frontiers stretched or cut travelers to fit his arbitrarily measured bed has a like effort to distort and overstate data been seen. ⁴⁴

The New York Times, in criticizing the tobacco industry, has commented the industry's standard response that scientific studies linking smoking and disease are "inaccurate and misleading has the hollowness of a cough in a grave yard." ⁴⁵ The industry's highly critical approach has created an atmosphere of hostility and conflict between them and anti-smoking proponents that has made cooperation and compromise difficult. Earlier, the TIRC was criticized for almost the same reasons by Printers' Ink, the advertising journal. They criticized Timothy V. Hartnett, chairman of TIRC as a man of few -- but highly predictable -- words: "nothing has been proved." The journal continued that "the time has come, obviously, for the [TIRC] to drop this injured defensive tone and say and do something more positive. The industry's current problems won't just disappear . . . by disclaiming them." ⁴⁶

The tobacco industry's problems have not gone away, but The Tobacco Institute has been able to at least maintain and publicize the continuation of the scientific controversy. In addition, they have prevented a precipitous decline in cigarette sales which might have resulted if their opponents had become the only source of public information. The industry's response

to the "unfair and unjustified harassment from government and private sources that have been unequalled since the Volstead Act" ⁴⁷ was expressed by the industry publication Tobacco in 1963:

Perhaps the time has arrived for the tobacco industry to take off the gloves and fight back with all the political and economic weaponry that a gigantic industry can muster. ⁴⁸

Tobacco industry rhetoric and research expenditures have not assuaged the fears raised by the cigarette smoking-health controversy. Cigarette manufacturers have taken steps to reassure the cigarette smoking public. We will briefly discuss two actions taken by cigarette manufacturers to reassure the public: the promotion of the filter cigarette and the increase in cigarette advertising expenditures.

Consumers Union has commented: "One of the oddities of the present smoking situation is that while neither manufacturer nor customer wants to admit that the health charges are true, both have acted as if they are." ⁴⁹ The introduction of filter-tip cigarettes and their rapid acceptance by the smoking public supports the Consumers Union comment. Filter cigarettes have drastically altered the nation's smoking habits. Industry executives have been unwilling to attribute the rise of filters to health considerations claiming instead that "people like them because they keep tobacco out of the mouth, or that mass swings in taste are inexplicable and recent developments are merely another in a long line of such changes." ⁵⁰ Wegman commented in a legal analysis of the controversy:

The unprecedented success of the filter cigarette is indicative of the alacrity with which the public reacts to potential danger and its willingness to make concessions to them. Moreover, the mass changeover to filters demonstrates the remarkable resourcefulness and resiliency of the tobacco industry, and its ability to allay the public's fears by modifying the product. ⁵¹

to the "unfair and unjustified harassment from Government and private sources that have been experienced since the 'Warrent Act'." ⁴⁷ was expressed

by the industry publication Light in 1963:

Perhaps the time has arrived for the tobacco industry to take off the gloves and fight back with all the political and economic weapons that a gigantic industry can muster. ⁴⁸

Tobacco industry rhetoric and research expenditures have not assuaged

the fears raised by the cigarette smoking-health controversy. Cigarette manufacturers have taken steps to reassure the cigarette smoking public. We will briefly discuss two actions taken by cigarette manufacturers to reassure the public: the promotion of the filter cigarette and the increase in cigarette advertising expenditures.

Consumers Union has commented: "One of the objectives of the present

smoking situation is that while neither manufacturer nor customer wants

to admit that the health changes are true, both have acted as if they

are." ⁴⁹ The introduction of filter-tip cigarettes and their rapid

acceptance by the smoking public supports the Consumers Union comment.

Filter cigarettes have drastically altered the nation's smoking habits.

Industry executives have been unwilling to attribute the rise of filters

to health considerations claiming instead that "people like them because

they keep tobacco out of the mouth, or that mass swings in taste are in-

explicable and recent developments are merely another in a long line of

such changes. ⁵⁰ Graham commented in a recent analysis of the controversy:

The unprecedented success of the filter cigarette is indicative of the industry's view of the public's reaction to potential danger and its willingness to make concessions to them. Moreover, the mass conversion to filters demonstrates the tobacco industry's resourcefulness and its ability to resist the public's demand for a safer product.

The Manitoba Educational Research Council's report, A Study of Cigarette Advertising, included the following commentary on the introduction of filters:

The filter had a polarizing effect on smoker attitudes. There were elements in cigarette smoke which were dangerous. Filters removed dangerous elements in cigarettes. Filters were thereby invested with overtones of safety and security. Irrespective of their value in reducing the health hazard, filters developed favourable connotations in the mind of consumers.⁵²

Table 1 indicates the rapid increase in the percentage of total cigarette production accounted for by filter cigarettes, between 1950-68. The increase has been quite remarkable, from six-tenths of one per cent in 1950 to 80.1 per cent in 1970. Advertising can claim a good deal of credit for this success. The virtues of various "marvelous" filters and the "extraordinary" research behind them have been heavily advertised by the cigarette industry. Since the introduction of Kent filter cigarettes in 1952 by P. Lorillard, with an unusually heavy promotion campaign that played hard on the virtues of its "Micronite" filter developed by researchers in atomic energy plants,⁵³ other companies have promoted heavily their entrants into the rapidly growing filter market.

The introduction and acceptance of filter cigarettes has led to a rapid proliferation of brands and increasingly expensive advertising costs, especially for new brands.⁵⁴ While in 1951 nine of the twenty brands on the market had more than a 1 per cent market share, in 1964 seventeen of the forty-one brands (excluding dual versions of the same brand) had more than a 1 per cent share of the market.⁵⁵ The importance of the filter trend was noted by tobacco industry analyst Harry Wootten: not since the great business depression of the early 1930's with its outcropping of 10-cent brands have consumers appeared so receptive to new cigarettes.⁵⁶

The Manitoba Educational Research Council's report, A Study of Cigarette

Advertising, included the following commentary on the introduction of

filters:

The filter had a polarizing effect on smoker attitudes. There were elements in cigarette smoke which were dangerous. Filters removed dangerous elements in cigarettes. Filters were thereby invested with overtones of safety and security. Irrespective of their value in reducing the health hazard, filters developed favorable connotations in the mind of consumers.

Table I indicates the rapid increase in the percentage of total cigarette production accounted for by filter cigarettes, between 1950-58. The increase has been quite remarkable, from six-tenths of one per cent in 1950 to 80.1 per cent in 1970. Advertising can claim a good deal of credit for this success. The virtues of various "marvelous" filters and the "extraordinary" research behind them have been heavily advertised by the cigarette industry. Since the introduction of Kent filter cigarettes in 1952 by P. Lorillard, with an unusually heavy promotion campaign that played hard on the virtues of its "Microtite" filter developed by researchers in atomic energy plants,²³ other companies have promoted heavily their entrants into the rapidly growing filter market.

The introduction and acceptance of filter cigarettes has led to a rapid proliferation of brands and increasingly expensive advertising costs, especially for new brands.²⁴ While in 1951 nine of the twenty brands on the market had more than a 1 per cent market share, in 1964 seventeen of the forty-one brands (excluding dual versions of the same brand) had more than a 1 per cent share of the market.²⁵ The importance of the filter trend was noted by tobacco industry analyst Harry Woolten: not since the great business depression of the early 1930's with its outcropping of 10- cent brands have consumers appeared so receptive to new cigarettes.²⁶

Table 1

Cigarettes -- Estimated Output of Nonfilter and
Filtertip 1950-71 *

<u>Year</u>	<u>Total Output</u>	<u>% Filter</u>
1950	0.6	2.2
1951	0.7	3.0
1952	1.3	5.6
1953	2.9	12.4
1954	9.2	36.9
1955	18.7	77.0
1956	424.2	27.6
1957	442.3	38.0
1958	470.5	45.3
1959	489.9	48.7
1960	506.9	50.9
1961	528.3	52.5
1962	535.5	54.6
1963	550.8	58.0
1964	539.9	60.9
1965	556.8	64.4
1966	567.3	68.2
1967	576.2	72.4
1968	579.5	74.9
1969	557.6	77.0
1970	583.2	80.1
1971	576.4	82.4

a. Compiled from Tobacco Situation, March, 1969, March, 1971,
and March, 1972.

Table 1

Cigarettes -- Estimated Output of Nonfilter and
Filter 1950-VI^a

Year	Total Output	Filter
1950	0.6	2.2
1951	0.7	3.0
1952	1.3	2.6
1953	2.9	12.4
1954	9.2	36.9
1955	18.7	77.0
1956	424.2	27.6
1957	442.3	38.0
1958	470.2	42.3
1959	488.9	48.7
1960	506.9	50.9
1961	528.3	52.2
1962	532.2	54.6
1963	550.8	58.0
1964	552.9	60.9
1965	556.8	64.4
1966	567.3	68.2
1967	576.2	72.4
1968	579.2	74.9
1969	527.6	77.0
1970	583.2	80.1
1971	576.4	82.4

^a Compiled from Tobacco Statistics, March, 1969, March, 1971,
and March, 1972.

This "tar derby" of the late 1950's was basically the sharply intensified advertising competition caused by the proliferation of new filter brands vying for a share of the new growing filter market. In this period of change cigarette manufacturers experimented with filters while carefully watching consumer reactions to reduced tar and nicotine cigarettes with their often accompanying hard draw and reduced flavor.⁵⁷ It is noted in the Federal Trade Commission's study, A Report on Cigarette Advertising and Output, that 54.2 per cent of total 1962 output was composed of brands introduced on or after January 1, 1950.⁵⁸

Companies vied with each other using rhetorical unsubstantiated claims to advertise their brand as different from the others. Varying claims were made "to be up front with the least tars, the best filter, the most filter traps." Consumers Union tested tar and nicotine yields of U.S. (30-45 brands) and Canadian cigarettes (8-18 brands) several times during this period and concluded that "as evidence linking cigarettes and disease mounted, there was a noticeable downward trend of tar and nicotine yields for all types of cigarettes."⁵⁹ Diehl noted that, while some filters do remove at least some of the harmful ingredients in cigarette smoke, "laboratory studies show that this is true for some filter-tip cigarettes but not for all."⁶⁰ The Committee on Government Operations hearing on False and Misleading Advertising (Filter Tip Cigarettes) in 1958 included the following candid analysis:

Unfortunately, the much advertised health protection -- that is, less nicotine and tar -- was an unpublicized casualty. The filter cigarette smoker is in most cases, getting as much or more nicotine and tar from the filter than he would get from the regular cigarette the advertisers have persuaded him to abandon -- for his health's sake.⁶¹

This "tar berry" of the late 1950's was probably the sharply interest-

ing advertisement campaign for the promotion of new filter brands vying for a share of the new growing filter market. In this period of change cigarette manufacturers experimented with filters while carefully watching consumer reactions to reduced tar and nicotine cigarettes with their often accompanying hard draw and reduced flavor. ⁵⁷ It is

noted in the Federal Trade Commission's study, A Report on Cigarette Advertising and Output, that 54.2 per cent of total 1963 output was composed of brands introduced on or after January 1, 1959. ⁵⁸

Companies vied with each other using rhetorical unsubstantiated claims

to advertise their brand as different from the others. Varying claims were made "to be up front with the least tars, the best filter, the most

filter traps." Consumers Union tested tar and nicotine yields of U.S. (30-45 brands) and Canadian cigarettes (8-18 brands) several times during this period and concluded that "as evidence linking cigarettes and disease mounted, there was a noticeable downward trend of tar and nicotine yields for all types of cigarettes." ⁵⁹ It is noted that, while some filters do remove at least some of the harmful ingredients in cigarette smoke, "laboratory studies show that this is true for some filter-tip cigarettes but not for all." ⁶⁰ The Committee on Government Operations hearing on false and misleading Advertising (Filter Tip Cigarettes) in 1978 included the

following candid analysis:

Unfortunately, the much advertised health protection -- that is, less nicotine and tar -- was so minimized causally. The filter cigarette smokers in most cases, getting as much or more nicotine and tar from the filter than he would get from the regular cigarette the advertisement have persuaded him to smoke -- for his health's sake. ⁶¹

This type of blatant, misleading advertising led to the first attempts by the FTC to regulate the industry.

A further consequence of the "tar derby" and the uncertainty and confusion caused by the trend toward filter cigarettes was the rapid increase in advertising expenditures during this period. Advertising expenditures in selected media increased sharply from \$56.67 million in 1952 to \$147.77 million in 1959.⁶² The advertising figure doubled again, from 1959-67 to over \$300 million.⁶³ Advertising of filter cigarettes increased from 2.8 per cent of total advertising expenditures in 1952 to 52.2 per cent in 1959.⁶⁴

The trend toward filter cigarettes has been accelerated by disproportionately large advertising expenditures.⁶⁵ Thus, for example, in 1954 when only 9.2 per cent of consumption was of filter cigarettes 19.6 per cent of advertising expenditures was for filter brands. In 1968, filter sales were 74 per cent of consumption and disproportionately 95 per cent of advertising expenditures.⁶⁶ Advertising expenditures by cigarette manufacturers have increased from 2.1 per cent of sales in 1946 to 5.5 per cent in 1960, but the FTC report noted that "all of the increase in the expenditure/sales ratio occurred prior to 1957 and that this ratio has remained almost constant since then."⁶⁷ The "tar derby" was ended by a voluntary agreement between the FTC and the cigarette manufacturers in 1960; but, as the advertising expenditure figures indicate, there was no reduction in cigarette advertising. The cigarette manufacturers' political strategy includes the formation of coalitions with supporting groups. The core of this coalition contains groups with direct economic interests in tobacco, including tobacco distributors. In addition, the industry has appealed to other economic groups through the use of ideology and propaganda. This

This type of blatant misleading advertising led to the final attempt by

the FTC to regulate the industry.

A further consequence of the "tar derby" and the uncertainty and

confusion caused by the trend toward filter cigarettes was the rapid

increase in advertising expenditures during this period. Advertising

expenditures in selected media increased sharply from \$55.7 million in

1952 to \$147.77 million in 1959.⁶² The advertising firms doubled again,

from 1959-67 to over \$300 million.⁶³ Advertising of filter cigarettes

increased from 2.6 per cent of total advertising expenditures in 1952 to

22.2 per cent in 1959.⁶⁴

The trend toward filter cigarettes has been accelerated by dispro-

portionately large advertising expenditures.⁶⁵ Thus, for example, in

1954 when only 9.2 per cent of consumption was of filter cigarettes 18.6

per cent of advertising expenditures was for filter brands. In 1958, filter

sales were 74 per cent of consumption and disproportionately 93 per cent of

advertising expenditures.⁶⁶ Advertising expenditures by cigarette manu-

facturers have increased from 2.1 per cent of sales in 1946 to 2.8 per cent

in 1950, but the FTC report noted that "all of the increase in the expendi-

ture/sales ratio occurred prior to 1937 and that this ratio has remained

almost constant since then."⁶⁷ The "tar derby" was ended by a voluntary

agreement between the FTC and the cigarette manufacturers in 1959; but,

as the advertising expenditure figures indicate, there was no reduction in

cigarette advertising. The cigarette manufacturers' political strategy

includes the formation of coalitions with supporting groups. The core of

this coalition contains groups with direct economic interests in tobacco,

including tobacco distributors. In addition, the industry has appealed to

other economic groups through the use of lobbying and propaganda. This

political strategy is less obvious than The Tobacco Institute's news releases and advertisements, but it probably is even more important to the tobacco industry's efforts. In the following section, we will consider the industry's strategy to influence government policy.

The Tobacco Institute has served as spokesman for the tobacco industry in presentations to governmental regulatory agencies and congressional hearings. The tobacco industry's response to governmental proposals has been unified under the leadership of this trade association. The three presidents of the Institute (George V. Allen, head of the U.S. Information Agency under President Eisenhower; Earle C. Clements, former governor of Kentucky and U.S. Senator; and presently Horace Kornegay, former North Carolina Congressman) have acted effectively to block or retard government action unfavorable to their interests. Diehl commented: "Under such leadership the influence of the tobacco industry with the federal government is tremendous."⁶⁸

A. Lee Fritschler, in his book Smoking and Politics: Policymaking and the Federal Bureaucracy, has referred to what he calls the "tobacco subsystem." Policy in this subsystem was made "in a friendly spirit of friendly and quiet cooperation between small segments of Congress, the bureaucracy, and the interest group community."⁶⁹ He wrote:

The tobacco subsystem included the paid representatives of tobacco growers, marketing organizations, and cigarette manufacturers; congressmen representing tobacco constituencies; the leading members of four subcommittees in Congress -- two appropriations subcommittees and two substantive legislative committees in each house -- which handle tobacco legislation and related appropriations; and certain officials within the Department of Agriculture who were involved in various tobacco programs of that department. This was a small group of people well known to each other and knowledgeable about all aspects of the tobacco industry and its relationship with the government.

political strategy is less obvious than the Tobacco Institute's news releases and advertisements, but it probably is even more important to the tobacco industry's efforts. In the following section, we will consider the industry's strategy to influence government policy.

The Tobacco Institute has served as spokesman for the tobacco industry in presentations to governmental regulatory agencies and congressional hearings. The tobacco industry's response to governmental proposals has been unified under the leadership of this trade association. The three presidents of the Institute (George W. Allen, head of the U.S. Information Agency under President Eisenhower; E. C. Clements, former governor of Kentucky and U.S. Senator; and presently Horace Koenig, former North Carolina Congressman) have acted effectively to block or retard government action unfavorable to their interests. Under such leadership the influence of the tobacco industry with the federal government is tremendous.⁶⁸

A. Lee Fritschler, in his book Smoking and Politics: Policy Making and the Federal Bureaucracy, has referred to what he calls the "tobacco symbiosis." Policy in this symbiosis was made "in a friendly spirit of friendly and quiet cooperation between small agencies of Congress, the Bureau, and the interest group community."⁶⁹ He wrote:

The tobacco symbiosis included the full representatives of tobacco growers, marketing organizations, and cigarette manufacturers; congressional representatives of tobacco constituents; the leading members of both chambers of Congress -- two agricultural and two anti-Executive legislative committees in each house -- which handle tobacco legislation and related appropriations; and certain officials within the Department of Agriculture who were involved in various tobacco programs of that department. This was a small group of people well known to each other and knowledgeable as to all aspects of the tobacco industry and its relationship with the government.⁷⁰

The publicity and concern accompanying the smoking-health controversy have to some extent ended the "privitization" of the tobacco subsystem and opened it to the critical perusal of outsiders and the countervailing power of opposition groups. Nevertheless, little has been done to change the system itself. The absence of sufficient payoffs to anti-tobacco representatives helps to shield the system of reciprocal benefits from outsiders. Furthermore, tobacco congressmen on appropriations committees have made the legislative review process most difficult for agencies such as HEW which may have raised the congressmen's ire by their anti-smoking programs.

The Tobacco Reporter, in an article "Tobacco and Politics," appraised tobacco's political power and slightly revealed one of its sources. They noted particularly that Representative Carl Perkins of Kentucky heads up the House Committee on Education and Labor, the committee that works most closely with the Department of HEW.⁷¹ Any HEW efforts to expand its anti-smoking program will meet with powerful opposition from this committee which may also affect passage of the department's total budget.⁷²

In discussing the politics of hunger in America, Nick Kotz also has described the dynamics of the Agriculture subsystem of which tobacco is a part:

In the present state of scientific knowledge about the House at large rarely has challenged Agriculture budgets because most nonfarm bloc members find the subject too complex or dull, and rarely take the trouble to inform themselves about it. If some members, or the public, are roused to the point where a challenge develops, the House's committee chairmen generally pull together to defeat the move. Committee members follow to insure that they will have the chairman's support for their own pet bills -- and to keep sacrosanct the whole system of mutual support and protection.⁷³

The publicity and concern accompanying the smoking-related controversy have to some extent ended the "privatization" of the tobacco industry and opened it to the critical scrutiny of outsiders and the countervailing power of opposition groups. Nevertheless, little has been done to change the system itself. The absence of sufficient payoffs to anti-tobacco representatives helps to shield the system of reciprocal benefits from outsiders. Furthermore, tobacco congressmen on appropriations committees have made the legislative review process most difficult for agencies such as HEW which may have raised the congressmen's ire by their anti-smoking programs.

The Tobacco Reporter, in an article "Tobacco and Politics," appraised tobacco's political power and slightly revealed one of its sources. They noted particularly that Representative Carl Perkins of Kentucky heads up the House Committee on Education and Labor, the committee that works most closely with the Department of HEW.⁷¹ Any HEW efforts to expand its anti-smoking program will meet with powerful opposition from this committee which may also affect passage of the department's total budget.⁷² In discussing the politics of hunger in America, Nick Kots also has described the dynamics of the Agriculture subsystem of which tobacco is a

part:

The House at large rarely has challenged Agriculture budgets because most members find the subject too complex or dull, and rarely take the trouble to inform themselves about it. If some members, or the public, are turned to the point where a confidence is gained, the House's committee system generally will follow to defeat the move. Committee members follow to insure that they will have the chairman's support for their own pet bills -- and to keep safe the whole system of mutual support and protection.⁷³

Elizabeth Drew has rather succinctly summarized the reasons for the tobacco industry's success in dealing with Congress in 1965:

The industry brought it off because the tobacco lobby employed unusually skilled and well-organized strategy; because it hired some of the best legal brains and best-connected people in Washington to help with the fight; because it successfully grafted into its built-in congressional strength from tobacco-producing states a sufficient number of congressmen to whom the issue was not one of health, or even of the tobacco industry, but one of curbing the powers of regulatory agencies, such as the FTC; and because it succeeded in throwing a heavy smoke screen around the health issue. And finally it was the industry's good fortune that President Johnson remained aloof from the battle.

Governmental regulation is contrary to the American free enterprise tradition. Self-regulation is favored over governmental involvement even when regulation might bring substantial benefits to an enormous proportion of the population -- smokers and their friends and relatives. The economic argument against regulation is augmented by a philosophical argument which opposes government regulation. The tobacco industry has attracted some support from other economic groups which oppose government regulation, however no broad based coalition of business groups has been formed.

The tobacco industry's response to proposed government regulatory agency actions becomes almost predictable. The general response goes something like the following:

1. In the present state of scientific knowledge about smoking and health, the ruling contemplated by the [FTC] would be arbitrary in the extreme.
2. It was an arbitrary action made by a small group of unelected bureaucrats who accepted the foregone -- but still unproven -- conclusions of the anti-smoking lobby about cigarette smoking.
3. Furthermore, the agency's announcement is an obvious threat to usurp the Congressional function.

Elizabeth Frew has rather successfully summarized the reasons for the tobacco

industry's success in dealing with Congress in 1963:

The industry brought it off because the tobacco lobby employed unusually skilled and well-organized strategy; because it hired some of the best legal brains and best-connected people in Washington to help with the fight; because it successfully translated into its public-in-congressional strength from tobacco-producing states a sufficient number of congressmen to whom the lobby was not one of health, or even of the tobacco industry, but one of curbing the powers of regulatory agencies, such as the FTC; and because it succeeded in creating a heavy smoke screen around the health issue. And finally it was the industry's good fortune that President Johnson remained aloof from the battle.

Governmental regulation is contrary to the American free enterprise tradition. Self-regulation is favored over governmental involvement even when regulation might bring substantial benefits to an enormous proportion of the population -- smokers and their friends and relatives. The economic argument against regulation is augmented by a philosophical argument which opposes government regulation. The tobacco industry has attracted some support from other economic groups which oppose government regulation, however no broad based coalition of business groups has been formed. The tobacco industry's response to proposed government regulatory agency actions becomes almost predictable. The general response goes some-

thing like the following:

1. In the present state of scientific knowledge about smoking and health, the ruling conceived by the [FTC] would be arbitrary in the extreme.
2. It was an arbitrary action made by a small group of unelected bureaucrats who acted in the tobacco lobby about cigarette smoking.
3. Furthermore, the agency's involvement is an obvious threat to usurp the congressional function.

4. The industry also threatens litigation against what is alleged to be an illegal action.

The industry has made a number of efforts to explain the pressures alligned against it. The industry has explained away opponents by calling them zealots and fanatics as well as bureaucrats who are attempting to augment their own power. More recently The Tobacco Institute's President Horace Kornegay has attributed industry oppression to the need for a scapegoat by frustrated voluntary health interest groups:

In the 50's the seed of repression fell on more fertile soil. Although the medical indictment was statistical, it filled an aching void. It provided an easy answer to a problem that perplexed politicians, public health officials, and the public alike -- the failure to discover the cause or cure of cancer. Very importantly, the cigarette was a useful target for the many voluntary health and welfare groups dependent on emotional appeals for fund raising. Instead of facts, the American people have been given a scapegoat.

Whatever industry explanation is used to explain present political pressures, the industry's political strategy has sought rationally to prevent government policy which would interfere with their business. The Tobacco Institute has planned and orchestrated both industry and favorable scientific testimony at congressional hearings. John D. Morris noted in a New York Times article that "sympathetic committee members have been fed questions, research material and arguments. Witnesses have gotten varying degrees of help in preparing testimony and anticipating questions." ⁷⁸ Some witnesses have been recruited by the industry and had their expenses paid. Others have been paid by The Tobacco Institute to prepare their congressional testimony.

D. Voluntary Industry Actions

While the tobacco industry has vigorously opposed governmental regulation, it has even more vigorously desired uniform national regulation.

4. The industry also threatened litigation against those who alleged to be an illegal action.

The industry has made a number of efforts to explain the pressures aligned against it. The industry has explained away opponents by calling them reactionaries and lunatics as well as bureaucrats who are attempting to undermine their own power. More recently the Tobacco Institute's President Horace Kornegay has attributed industry opposition to the need for a scapegoat by frustrated voluntary health interest groups:

In the 50's the need of repression fell on more fertile soil. Although the medical profession was skeptical, it filled an aching void. It provided an easy answer to a problem that perplexed politicians, public health officials, and the public alike -- the failure to discover the cause or cure of cancer. Very importantly, the cigarette was a useful target for the truly voluntary health and welfare groups dependent on emotional appeals for fund raising. Instead of facts, the American people have been given a scapegoat.

Whatever industry explanation is used to explain present political pressures, the industry's political strategy has sought rationally to prevent government policy which would interfere with their business. The Tobacco Institute has planned and orchestrated both industry and favorable scientific testimony at congressional hearings. John D. Morris noted in a New York Times article that "sympathetic committee members have been fed questions, research material and arguments. Witnesses have gotten varying degrees of help in preparing testimony and manipulating questions." 78

Some witnesses have been recruited by the industry and had their expenses paid. Others have been paid by the Tobacco Institute to prepare their congressional testimony.

D. Voluntary Industry Activities

While the tobacco industry has vigorously opposed governmental regulation, it has even more vigorously desired uniform national regulation.

Independent state actions could create chaos for the tobacco industry and severely increase their costs. The industry favors federal action to prevent arbitrary and possibly capricious state and/or local actions. In fact actions by the federal government have helped restabilize the environment in which the tobacco industry operates after the smoking-health controversy had stimulated varying proposals for local control of cigarette advertising and labeling. Gabriel Kolko and James Weinstein have argued that large corporations have favored weak federal regulation to prevent chaotic local actions which would interfere with their business. The tobacco industry in accepting weak federal regulation has received federal protection from local regulation in return.

The industry has sought to prevent local action, keep the controversy open by continued well-publicized research and prevent open recognition of the independent regulatory agency's authority to act by voluntarily cooperating to prevent action. For example, Kornegay has said that "the way to close the knowledge gap is through a cooperative effort between the industry and the government."⁷⁹ while the same article quoted Robert Finch, then Secretary of HEW as stating that "I believe that industry and government working together offers great promise of finding the answers we need. I am confident our joint effort will yield a cooperative research program which strongly promotes the public interest."

Cooperative industry-government research thus has shifted part of the financial burden to the government and further strengthened the industry's argument that there is a "knowledge gap" and/or that a healthful cigarette can be developed. While this cooperative research continues (or is planned), can the federal government take meaningful action to reduce cigarette consumption? The price of industry cooperation may be far greater than

Independent state actors could create chaos for the tobacco industry and severely increase their costs. The industry favors federal action to prevent arbitrary and possibly capricious state and/or local actions. In fact actions by the federal government have helped stabilize the environment in which the tobacco industry operates after the smoking-related controversy had stimulated varying proposals for local control of cigarette advertising and labeling. Senator J. Bennett and James Weinstein have argued that large corporations have favored weak federal regulation to prevent chaotic local actions which would interfere with their business. The tobacco industry in assessing weak federal regulation has received federal protection from local regulation in return.

The industry has sought to prevent local action, keep the controversy open by continued well-publicized research and prevent open recognition of the independent regulatory agency's authority to act by voluntarily cooperating to prevent action. For example, Korte has said that "the way to close the knowledge gap is through a cooperative effort between the industry and the government." ⁷⁹ While the same article quoted Robert Hirsch, then Secretary of HHS as stating that "I believe that industry and government working together offers great promise of finding the answers we need. I am confident our joint effort will yield a cooperative research program which strongly promotes the public interest."

Cooperative industry-government research has been a part of the financial burden to the government and further strengthened the industry's argument that there is a "knowledge gap" and/or that a harmful cigarette can be developed. While this cooperative research continues (or is planned), can the federal government take meaningful action to reduce cigarette consumption? The price of industry cooperation may be far greater than

the government's financial expenditures. Finch's statement implies a research commitment by government and industry which soothes and pacifies the cigarette smoker while further postponing any hard decisions. Has the government accepted the industry view that causality must be proven before action can be taken? Obviously, the FTC and the FCC which have attempted to act have not accepted this position, nor has HEW; yet the Department of Agriculture continues its tobacco subsidy and export programs as well as its marketing and news services for tobacco farmers. Three other examples of tobacco industry cooperation were the agreement to call off the Tar Doby in 1970; the agreement to voluntarily disclose tar and nicotine ratings in 1970 and the agreement in 1971 to voluntarily place a health warning in printed cigarette advertisements. These agreements are discussed at other points of this study.

Voluntary cooperation by the tobacco industry has been accepted by the government in order to avoid prolonged court litigation which constantly has been threatened by the industry. Voluntary agreement also spares the government much of the difficulty and effort needed to monitor the tobacco industry. The FTC noted, for example, that with the voluntary tar and nicotine disclosure agreement:

. . . the commission will be able to employ substantial manpower and funds which would otherwise have been devoted to hearings and court proceedings to dealing with the serious problems relating to cigarette advertising.⁸⁰

The costs of government regulation are high, yet perhaps they are necessary if meaningful regulation is to take place. Voluntary agreements without realistic penalties can be broken easily and past FTC and FCC experience with tobacco companies provides little security that these agreements will not be violated. Furthermore, not all cigarette manufacturers have

the government's financial expenditures. First's statement implies a research committee by government and industry which would be binding on the cigarette maker while further postponing any hard decisions. The government accepted the industry view that eventually there would be a price before action can be taken. Obviously, the FTC and the FCC which have attempted to act have not accepted this position, nor has HUD; yet the Department of Agriculture continues its tobacco subsidy and export programs as well as its marketing and new services for tobacco farmers. There are other examples of tobacco industry cooperation where the agreement to call off the Tar Baby in 1970; the agreement to voluntarily disclose tar and nicotine ratings in 1970 and the agreement in 1971 to voluntarily place a health warning in printed cigarette advertisements. These agreements are discussed at other points of this study.

Voluntary cooperation by the tobacco industry has been accepted by the government in order to avoid proposed court litigation which currently has been threatened by the industry. Voluntary agreement also spares the government much of the difficulty and effort needed to monitor the tobacco industry. The FTC noted, for example, that with the voluntary tar and nicotine disclosure agreement:

. . . The commission will be able to employ substantial manpower and funds which would otherwise have been devoted to hearings and court proceedings on dealing with the serious problems relating to cigarette advertising.⁶⁰

The costs of government regulation are high, yet perhaps they are necessary if meaningful regulation is to take place. Voluntary agreements without realistic penalties can be broken easily and past FTC and FCC experience with tobacco companies provides little security that these agreements will not be violated. Furthermore, not all cigarette manufacturers have

volunteered to cooperate. In fact, there has been a good deal of concern that individual cigarette companies would continue television and radio advertising, after their legal elimination by changing the names and packaging of their smoking tobaccos (which can be legally advertised) to those of popular cigarette brands. ⁸¹

E. Tobacco Industry Diversification

In light of the uninspiring prospects for increases in cigarette consumption, the leading tobacco companies have acknowledged the serious threat posed to their prosperity, and possibly to their very survival, by diversifying into non-tobacco fields with greater growth potential. ⁸²

The rapidity of this process appears to indicate "the frank assumption [by cigarette manufacturers] that their business futures in tobacco have become somewhat dubious." ⁸³ Wegman wrote, in an attempt to interpret industry strategy:

If this [diversification] is interpreted as a hedge against future losses now regarded by the industry as inevitable then this fact alone, even in the absence of other manifestations, suggests that the cigarette interests may not be able to fend off the medical onslaught indefinitely. ⁸⁴

Quite to the contrary the medical onslaught may become relatively unimportant as tobacco companies with increasing diversification may become less interested in and reliant on tobacco sales. This present section discusses the extent and nature of this diversification and its possible long-range political effects.

As early as 1957, P. Lorillard announced to its stockholders that "we are . . . investigating the possibility and advisability of diversification and are considering whether expansion into new fields would be suitable and advantageous for our Company." ⁸⁵ Philip Morris came to the

voluntarily to cooperate. In fact, there has been a good deal of concern that individual cigarette companies would continue television and radio advertising, after their legal obligation by changing the names and packaging of their smoking tobacco (which can be legally advertised) to those of popular cigarette brands. 81

II. Tobacco Industry Diversification

In light of the unimpaired prospects for increases in cigarette consumption, the leading tobacco companies have acknowledged the serious threat posed to their prosperity, and possibly to their very survival, by diversifying into non-tobacco fields with greater growth potential. 82 The rapidity of this process appears to indicate "the firm assumption [by cigarette manufacturers] that their business future in tobacco have become somewhat dubious." 83 Nathan wrote, in an attempt to interpret

industry strategy:

If this [diversification] is interpreted as a hedge against future losses now regarded by the industry as inevitable then this fact alone, even in the absence of other manifestations, suggests that the cigarette industry may not be able to lead off the medical onslaught indefinitely. 84

Quite to the contrary the medical onslaught may become relatively unimportant as tobacco companies with increasing diversification may become less interested in and reliant on tobacco sales. This present section discusses the extent and nature of this diversification and its possible long-range political effects.

As early as 1937, F. Lorillard announced to its stockholders that "we are . . . investigating the possibility and advisability of diversification and are considering whether expansion into new fields would be suitable and advantageous for our Company." 85 Philip Morris came to the

same conclusion in 1959, announcing that "it is management's conviction that a sound program of diversification will benefit the operations and earnings of Philip Morris in the year ahead." ⁸⁶ American Tobacco also came to this same conclusion somewhat later, stating in its 1963 Annual Report:

. . . the Company and its stockholders would benefit from a well-conceived diversification and acquisitions program, if this could be carried out without undue distraction of the management from its primary responsibility, which is the maintenance and growth of our billion dollar tobacco business. ⁸⁷

Interestingly enough, this statement was made after the release of the 1964 Surgeon General's Report on Smoking and Health. The actions of the other tobacco companies also indicate their acceptance of diversification. Far from emphasizing their dedication and devotion to tobacco, these companies have attempted to change their images by emphasizing their new diversification. ⁸⁸

Five out of the six major United States tobacco companies have gone so far as to change their corporate names since the issuance of the Surgeon General's Report.

<u>Old Name</u>	<u>New Name</u>
R. J. Reynolds Tobacco Company	R. J. Reynolds Industries
American Tobacco Company	American Brands Incorporated
Philip Morris Tobacco Company	Philip Morris Incorporated
Liggett & Myers Tobacco Company	Liggett & Myers Incorporated
P. Lorillard Tobacco Company	Lorillard Incorporated
Brown & Williamson Tobacco Corp.	-----

Philip Morris stated in its 1969 Annual Report that "we conclude the year as a diversified, multi-national tobacco company . . ." ⁸⁹ Reynolds 1969 Annual Report shows for the first time "the respective contributions to sales and earnings from . . . its principal operating components:

and conclusion in 1959, announcing that "it is management's conviction that a sound program of diversification will benefit the shareholders and earnings of Philip Morris in the year ahead." ⁸⁰ American Tobacco also came to this same conclusion somewhat later, stating in its 1963 annual

Report:

... the Company and its stockholders would benefit from a well-conceived diversification and recapitalization program, if this could be carried out without undue distraction of the management from its primary responsibility, which is the maintenance and growth of our billion dollar tobacco business. ⁸¹

Interestingly enough, this statement was made after the release of the 1964 Surgeon General's Report on Smoking and Health. The actions of the other tobacco companies also indicate their acceptance of diversification.

Far from emphasizing their dedication and devotion to tobacco, these companies have attempted to change their images by emphasizing their new diversification. ⁸²

Five out of the six major United States tobacco companies have gone so far as to change their corporate names since the issuance of the Surgeon General's report.

New Names

R. J. Reynolds Industries
American Brands Incorporated
Philip Morris Incorporated
Liggett & Myers Incorporated
Borland Incorporated

Old Names

R. J. Reynolds Tobacco Company
American Tobacco Company
Philip Morris Tobacco Company
Liggett & Myers Tobacco Company
P. Lorillard Tobacco Company
Brown & Williamson Tobacco Corp.

Philip Morris stated in its 1963 annual report that "we conclude the year as a diversified, multi-national tobacco company. . . ." ⁸³ Reynolds 1963 Annual Report shows for the first time "the respective contributions to sales and earnings from . . . its principal operating components:

tobacco, transportation, and other sources (food and beverages, aluminum and packaging, and corn refining operations)."⁹⁰

The Tobacco Reporter⁹¹ has given the following estimates of the percentage of non-tobacco sales by the six major U.S. tobacco companies:

	<u>1968</u>	<u>1969</u>	<u>1970</u>	<u>1971</u>	<u>1972</u>
Reynolds	11	26	26	25	26
American	23	22	24	32	45
Philip Morris	17	32	23	23	19
Liggett & Myers	25	36	53	53	60
P. Lorillard	5	2	taken over by Loew's		
Brown & Williamson	0	4	6	6	8

More detailed figures have been gathered from annual reports for the two largest cigarette manufacturers: Reynolds and American. The figures in Table 2 indicate the percentage of net sales and operating revenues from non-tobacco operations, as well as, the percentage of total earnings from non-tobacco operations.⁹² These figures show the increasing non-tobacco activities of cigarette manufacturing firms, but also that diversification may be tapering off among some manufacturers.

P. Lorillard is now a subsidiary of Loew's Theatres [now called Loew's Corporation]. The New York Times reported that "[Lorillard] said frankly that the reason it was willing to seek shelter in a conglomerate was that the future of the tobacco industry in the United States seemed somewhat doubtful."⁹³ Brown & Williamson Tobacco Company, the only tobacco company in the United States to keep the word tobacco in its corporate title, is owned by British American Tobacco.

American cigarette manufacturers have purchased several large well-known non-tobacco companies in their efforts to diversify. The following

tobacco, transportation, and other sources (food and beverages, aluminum and packaging, and non-tobacco operations)."

The Tobacco Reporter⁹¹ has given the following estimates of the per-

centage of non-tobacco sales by the six major U.S. tobacco companies:

	1968 11	1969 20	1970 20	1971 22	1972 20
Reynolds	23	22	24	32	42
American	17	32	23	23	19
Philip Morris	22	30	23	23	60
Light & Myers	2	2	taken over by Low's		
P. Lorillard	0	4	6	6	8

More detailed figures have been gathered from annual reports for the two largest cigarette manufacturers: Reynolds and American. The figures in Table 2 indicate the percentage of net sales and operating revenues from non-tobacco operations, as well as, the percentage of total earnings from non-tobacco operations.⁹² These figures show the increasing non-tobacco activities of cigarette manufacturing firms, but also that diversification may be tapering off among some manufacturers.

P. Lorillard is now a subsidiary of Low's Theatres (now called Low's Corporation). The New York Times reported that "[Lorillard] said frankly that the reason it was willing to seek shelter in a conglomerate was that the future of the tobacco industry in the United States seemed somewhat doubtful."⁹³ Brown & Williamson Tobacco Company, the only tobacco company in the United States to keep the word tobacco in its corporate title, is owned by British American Tobacco.

American cigarette manufacturers have purchased several large well-known non-tobacco companies in their efforts to diversify. The following

Table 2

Non-Tobacco Revenues and Earnings^a

Year	% of net sales and operating revenues from non-tobacco operations		% of earnings from non- tobacco operations	
	<u>Reynolds</u>	<u>American</u>	<u>Reynolds</u>	<u>American</u>
1966	16.2	14.9	13.6	6.9
1967	19.0	22.5	13.8	12.6
1968	21.0	22.3	16.6	13.0
1969	24.1	19.7	17.6	15.7
1970	27.0	23.1	14.1	15.7

a. Compiled from R.J. Reynolds Industries, Inc., 1969 Annual Report, pp. 26-27, 1970 Annual Report, p. 17, and 1972 Annual Report. Data for American Brands Inc., was taken from their 1967, 1968, 1969 and 1970 Annual Reports.

Table 2

Non-Tobacco Revenues and Earnings^a

% of net sales and operating revenues from non-tobacco operations % of earnings from non-tobacco operations

Year	Reynolds	American	Reynolds	American
1956	16.2	14.9	13.6	6.9
1957	19.0	22.2	13.8	12.6
1958	21.0	22.3	16.6	13.0
1959	24.1	19.7	17.6	12.7
1970	22.0	23.1	14.1	12.7

^a Compiled from R.J. Reynolds Industries, Inc., 1959 Annual Report, pp. 26-27, 1970 Annual Report, p. 17, and 1972 Annual Report. Data for American Brands Inc., was taken from their 1957, 1958, 1959 and 1970 Annual Reports.

listing indicates the range of diversification that has taken place or has been announced in principle:

- American:** Sunshine Biscuits Inc. (Sunshine Krispy Crackers), James B. Beam Distilling Co. (Jim Beam -- Kentucky Straight Bourbon Whiskey), Duffy-Mott Co., Inc. (Mott's Apple Sauce, Sunsweet Prune Juice), Master Lock Co., Acme Visible Records (filing equipment), Swingline Inc. (Stapling machines), W. R. Case & Sons Cutlery Company, The Andrew Jergens Company (hand-care products).
- Liggett & Myers:** Allen Products Company (Alpo Dog Foods), Perk Foods Co., Inc. (Vets canned dog foods), National Oats Co., Mercury Mills, Inc. (room-size rugs), Brite Industries (watch bands), Paddington Corp., Carillon Importers Ltd., Austin, Nichols & Co., Inc. (all liquor corporations), Earl Grissmer Co., Inc. (Blue Lustra household cleaning products).
- P. Lorillard:** Golden Nugget Candy Co., Reed Candy Co.
- Brown & Williamson:** Vita Food Products (food specialties), Aleutian King Crab, Kohl Corporation (a chain of 64 supermarkets).
- Philip Morris:** American Safety Razor Company (Gem, Pal, Personna & Ever-Ready Razor Blades), Clark Gum Company, ASR Medical Industries, WikoLin Company of Bremen, West Germany (a specialty chemical maker), Miller Brewing Company (Miller Highlight Beer), Burma-Vita Company (shaving products), Milprint Inc. (packaging materials for institutional and consumer food products), Transvision (graphics and visual aids for the education field), Kech Industries Inc. (specialty adhesives and chemicals used in textile manufacture), Nicholet Paper Company (glassine and specialty papers), Mission Viejo Company (new communities, land development and home building).
- Reynolds:** Benck & Ford (Vermont Maid Syrup, My-T-Fine Desserts, College Inn and Vegamote products), The Chun King Corporation (oriental style foods), Filler Products Inc. (snack foods), Filmco Packaging Films (vinyl packaging products), McLean Industries, Inc. (Sea-Land Service, Inc. (containerized freight transportation), American Independent Oil Company, United States Lines, Inc.

Cigarette manufacturers have sought also to increase their foreign sales through marketing and production agreements with foreign companies.

listing indicates the range of diversification that has taken place or

has been announced in principle:

American:

Sunshine Biscuits Inc. (Sunshine Kipsy Crackers),
James H. Beam Distilling Co. (Jim Beam -- Kentucky
Straight Bourbon Whiskey), Duffy-Mott Co., Inc.
(Mott's Apple Sauce, Sunwest Prune Juice), Master
Lock Co., Acme Visible Records (tilling equipment),
Swingline Inc. (stapling machines), W. R. Case &
Sons Cutlery Company, The Andrew Jergens Company
(hand-care products).

Lidgett & Myers:

Allen Products Company (Alpo Dog Foods), Park Foods
Co., Inc. (Vets canned dog foods), National Oats Co.,
Mercury Mills, Inc. (room-size rugs), Brito Industries
(watch bands), Padbington Corp., Cavillon Importers
Ltd., Austin, Nichols & Co., Inc. (all liquor corp-
orations), Earl Griesmer Co., Inc. (Blue Institute house-
hold cleaning products).

P. Norblad:

Golden Nugget Candy Co., Reed Candy Co.

Brown & Williamson:

Vita Food Products (food specialties), Alentian King
Crab, Kohl Corporation (a chain of 64 supermarkets).

Philip Morris:

American Safety Razor Company (Gem, Pal, Personna &
Foxy-Rady Razor Blades), Clark Gum Company, ASR
Medical Industries, Winklin Company of Bremen, West
Germany (a specialty chemical maker), Miller Brewing
Company (Miller Highlight Beer), Butma-Vita Company
(shaving products), Milprint Inc. (packaging materials
for institutional and consumer food products), Trans-
vision (graphics and visual aids for the education
field), Koch Industries Inc. (specialty adhesives and
chemicals used in textile manufacture), Nicholas
Paper Company (glassine and specialty papers), Mission
Visto Company (new communities, land development and
home building).

Reynolds:

Perick & Ford (Vermont Maid Syrups, My-T-Fine Desserts,
College Inn and Vermont products), The Gun King
Corporation (oriental style foods), Filler Products
Inc. (snack foods), Filmo Packaging Films (visual
packaging products), McLean Industries, Inc. (sea-
land service, Inc. (containerized freight transport-
ation), American Independent Oil Company, United
States Lines, Inc.

Cigarette manufacturers have sought also to increase their foreign

sales through marketing and production agreements with foreign companies.

One way they do this is through outright purchases of foreign companies such as American Brands' purchase of a controlling interest in Gallahar Ltd., the second largest British tobacco company. There still appears to be good growth potential for cigarette consumption and sales outside the United States and American manufacturers are attempting to take part in this growth.⁹⁴

Intensive diversification programs are continuing even though most industry sales and revenues are still derived from cigarettes. For example, in 1966, Liggett & Myers notified its stockholders that "we are continuing our broad survey for additional diversification opportunities. We have added specialists to our own staff and are using outside services to intensify our search for desirable acquisitions."⁹⁵

Diversification has helped the tobacco industry continue growing in spite of increasing taxation and propaganda against cigarettes. Robert B. Walker, president and chairman of the board of American Brands, stated that his company's primary objective "is expansion by diversification into industries with growth potential."⁹⁶

Nevertheless, American cigarette manufacturers remain highly (if decreasingly) dependent upon tobacco sales and continue to defend their product vehemently. The 1969 Reynolds Annual Report stated that "despite the unsubstantiated attacks against the industry in recent years, and despite the unfair tax burden that it bears, tobacco remains a good business."⁹⁷ Walker has noted, however, that the marketplace has one law: "change or perish."⁹⁸ The cigarette manufacturers have made the decision to change and are rapidly pursuing that goal. They are fighting against proposed policies that would lead to a rapid decline in their cigarette sales and profits in order to allow themselves enough time and resources

one way they do this is through outright purchases of foreign companies such as American Brands' purchase of a controlling interest in Gallaher Ltd., the second largest British tobacco company. There still appears to be good growth potential for cigarette consumption and sales outside the United States and American manufacturers are attempting to take part in this growth. 94

Intensive diversification programs are continuing even though most industry sales and revenues are still derived from cigarettes. For example, in 1966, Liggett & Myers notified its stockholders that "we are continuing our broad survey for additional diversification opportunities. We have added specialists to our own staff and are using outside services to intensify our search for desirable acquisitions." 95

Diversification has helped the tobacco industry continue growing in spite of increasing taxation and propaganda against cigarettes. Robert N. Walker, president and chairman of the board of American Brands, stated that his company's primary objective "is expansion by diversification into industries with growth potential." 96

Nevertheless, American cigarette manufacturers remain highly (if decreasingly) dependent upon tobacco sales and continue to defend their product vehemently. The 1966 Kentucky Annual Report stated that "despite the unsubstantiated attacks against the industry in recent years, and despite the unfair tax burden that it bears, tobacco remains a good business." 97 Walker has noted, however, that the cigarette has one last "change or peril." 98 The cigarette manufacturers have made the decision to change and are rapidly pursuing that goal. They are fighting a losing proposed policies that would lead to a rapid decline in their cigarette sales and profits in order to allow themselves enough time and resources

to buy and merge into more lucrative fields. A good proportion of the money previously spent for cigarette television and radio advertising will probably be used to help finance continued diversification.⁹⁹ American Brands, for example, spent \$460 million in 1970 to diversify.¹⁰⁰

The long run political consequences of diversification are presently hidden by the very necessity to continue diversification. To openly acknowledge the hazards of cigarette smoking or to acquiesce to severe government policies would jeopardize the very income that is making diversification (and a decreasing reliance on tobacco income) possible. Diversification is making tobacco companies extremely important in a number of other industries including liquor, food products, and dog foods among others. The long-term trend may well liberate tobacco manufacturers from a relatively stagnant industry and the present smoking-health threat and make them stronger financially and more important politically than ever before. Continuing diversification will eventually make cigarette manufacturing a smaller component of industry profits and prospects. As this takes place, it may be expected that industry opposition to governmental regulation of cigarette smoking will be replaced by increasing cooperation.

to buy and merge into more innovative firms. A good proportion of the money previously spent for cigarette television and radio advertising will probably be used to help finance continued diversification.⁹⁹ American brands, for example, spent \$600 million in 1970 to diversify.¹⁰⁰

The long run political consequences of diversification are presently

hidden by the very necessity to continue diversification. To openly

acknowledge the hazards of cigarette smoking or to acknowledge to severe government policies would jeopardize the very income that is making diversification (and a decreasing reliance on tobacco income) possible. Diversification is making tobacco companies extremely important in a number of

other industries including liquor, food products, and dog foods among others. The long-term trend may well liberate tobacco manufacturers from a relatively stagnant industry and the present smoking-health threat and make them stronger financially and more important politically than ever before. Continuing diversification will eventually make cigarette manufacturing a smaller component of industry profits and prospects. As this takes place, it may be expected that industry opposition to governmental regulation of cigarette smoking will be replaced by increasing cooperation.

Footnotes - Chapter II

1. The sixth major cigarette manufacturer Liggett and Myers did not join. Their Vice President in charge of research Dr. Frederick R. Karkis is quoted as saying:

As far as I can visualize the T.I.R.C. has been mostly a publicity organization. They have given millions to various research analysts, but it is very difficult to know what purpose the money has served.

Ruth Brecher et al., The Consumer's Union Report on Smoking and the Public Interest (Mount Vernon, New York: Consumers Union, 1963), p. 112.

2. Ibid., p. 107.
3. Ibid.
4. Harold S. Diehl, Tobacco and Your Health: The Smoking Controversy (New York: McGraw-Hill Book Company, 1969), pp. 181-182.
5. Brecher et al., pp. 107-108.
6. Susan Langer, "Tobacco Activity Masks Unrest in Industry as Government Smoking Study is Prepared for Release," Science, CXLII (November 15, 1963), p. 942.
7. Brecher et al., p. 112. Congressman Morris K. Udall said in 1965 that the purpose of the TIRC has been to "minimize the importance of legitimate scientific findings and to question the truth of unbiased research. The Committee's main theme is 'but the facts aren't all in.'" U.S., Congress, House, Committee on Interstate and Foreign Commerce, Hearings, Cigarette Labeling and Advertising -- 1965, 89th Cong., 1st Sess., 1965, p. 26.
8. The Tobacco Institute, "Tobacco Institute Replies to RFK Charge of Industry Inattention to Responsibility," News Release, September 11, 1967.
9. Ibid.
10. The Tobacco Institute, "After Millions of Dollars and Over 20 Years of Research: The Question About Smoking and Health is Still a Question," The New York Times, December 1, 1970. (Advertisement.)
11. Ibid.

Footnotes - Chapter II

1. The sixth major cigarette manufacturer Liggett and Myers did not join. Their Vice President in charge of research Dr. Frederick R. Harris is quoted as saying:

As far as I can visualize the T.T.C. has been mostly a publicity organization. They have given millions to various research agencies, but it is very difficult to know what purpose the money has served.

Ruth Brecher et al., The Government's Union Report on Smoking and the Public Interest (Mount Vernon, New York: Consumers Union, 1963), p. 113.

2. Ibid., p. 107.

3. Ibid.

4. Harold S. Dichi, Tobacco and Your Health: The Smoking Controversy (New York: McGraw-Hill Book Company, 1960), pp. 161-162.

5. Brecher et al., pp. 107-108.

6. Susan Langer, "Tobacco Activity Hides Impact on Industry as Government Smoking Study Is Prepared for Release," Science, CXLII (November 15, 1963), p. 942.

7. Brecher et al., p. 113. Congressman Morris K. Udall said in 1965 that the purpose of the T.T.C. has been to "minimize the importance of legitimate scientific findings and to question the truth of unclouded research. The Committee's main theme is 'but the facts aren't all in.' U.S. Congress, House, Committee on Interstate and Foreign Commerce, Smoking, Cigarette Labeling and Advertising - 1965, 89th Cong., 1st Sess., 1965, p. 26.

8. The Tobacco Institute, "Tobacco Institute Replies to WMA Charges of Industry Inattention to Responsibility," News Release, September 11, 1967.

9. Ibid.

10. The Tobacco Institute, "After Millions of Dollars and Over 20 Years of Research: The Question About Smoking and Health is Still a Question," The New York Times, December 1, 1973. (Advertisement.)

11. Ibid.

12. Brecher et al., pp. 114-115. Also see "Embattled Tobacco's New Strategy," Fortune, January, 1963, p. 131.
13. "How Close is an Improved Cigarette," Tobacco Reporter, XCVI (April, 1969).
14. The Tobacco Institute, The New York Times, December 1, 1970.
15. Dr. Clarence Cook Little, Scientific Director of the Council for Tobacco Research -- U.S.A., asserted that "the gaps in knowledge are so great that those who dogmatically assert otherwise -- whether they state that there is or is not such a causal relationship -- are premature in judgment." The Tobacco Institute, "How Much is Known About Smoking and Health?" The New York Times, February 28, 1969. (Advertisement.)
16. The Tobacco Institute, The New York Times, December 1, 1970.
17. Liggett and Myers, 1963 Annual Report, p. 10. Also see R. J. Reynolds, 1966 Annual Report, p. 3 and American Tobacco, Annual Report 1966, p. 15.
18. Philip Morris, 1956 Annual Report, p. 7. Also see American Tobacco, 1955 Annual Report, pp. 10-11.
19. American Tobacco, 1964 Annual Report, p. 8.
20. American Tobacco, 1967 Annual Report, p. 3.
21. The Tobacco Institute, The New York Times, December 1, 1970.
22. American Cancer Society, Inc., "Cigarette Smoking and Cancer," Smoking and Health Reference Book (Canada) (Ottawa: Queen's Printer and Controller of Stationery, 1964), p. 54.
23. R. J. Reynolds Industries, Inc., 1972 Annual Report, p. 4. Financing the study are: American Brands, Inc., Brown & Williamson Tobacco Corp., Larus & Brothers, Inc., United States Tobacco Company, and Tobacco Associates. Noticeably absent is Loews, Inc., which owns P. Lorillard Tobacco. See Tobacco Reporter, C (January, 1973).
24. Brecher et al., p. 107.
25. Edward F. Ragland, "Objectives of The Tobacco Institute, Inc., Proceedings of The Thirty-Second Annual Meeting, National Tobacco Tax Association (Chicago: Federation of Tax Administrators, 1959).
26. Ibid., p. 35.
27. Address of Addison Y. Yeaman to The Tobacco Growers Information Committee Annual Meeting, November 6, 1967.

22. Brecher et al., pp. 114-115. Also see "Emballing Tobacco's New Strategy," Fortune, January, 1963, p. 131.
23. "How Close is an Improved Cigarette," Tobacco Reporter, XCVI (April, 1969).
24. The Tobacco Institute, The New York Times, December 1, 1970.
25. Dr. Clarence Cook Little, Scientific Director of the Council for Tobacco Research -- U.S.A., asserted that "the gaps in knowledge are so great that those who dogmatically assert otherwise -- whether they state that there is or is not such a causal relationship -- are premature in judgment." The Tobacco Institute, "How Much is Known About Smoking and Health?" The New York Times, February 28, 1969. (Advertisement.)
26. The Tobacco Institute, The New York Times, December 1, 1970.
27. Liggett and Myers, 1963 Annual Report, p. 10. Also see R. J. Reynolds, 1966 Annual Report, p. 3 and American Tobacco, Annual Report 1966, p. 15.
28. Philip Morris, 1966 Annual Report, p. 7. Also see American Tobacco, 1965 Annual Report, pp. 10-11.
29. American Tobacco, 1964 Annual Report, p. 8.
30. American Tobacco, 1967 Annual Report, p. 3.
31. The Tobacco Institute, The New York Times, December 1, 1970.
32. American Cancer Society, Inc., "Cigarette Smoking and Cancer," Smoking and Health Reference Book (Cancer: Queen's Printer and Controller of Stationery, 1964), p. 34.
33. R. J. Reynolds Industries, Inc., 1972 Annual Report, p. 4. Financing the study are: American Brands, Inc., Brown & Williamson Tobacco Corp., Laro & Brothers, Inc., United States Tobacco Company, and Tobacco Associates. Notably absent is Loew's, Inc., which owns P. Lorillard Tobacco. See Tobacco Reporter, C (January, 1973).
34. Brecher et al., p. 107.
35. Edward F. Ragan, "Objectives of the Tobacco Institute, Inc., Proceedings of the Thirty-Second Annual Meeting, National Tobacco Tax Association (Chicago: Federation of Tax Administrators, 1969).
36. Ibid., p. 32.
37. Address of Addison Y. Yerman to the Tobacco Growers Information Committee Annual Meeting, November 6, 1967.

28. See for example, "State Tobacco Taxes Doubled in Seven Years: Cigarettes Have Become the Subject of Tax Exploitation," Tobacco News, V (April, 1963), and "As Tobacco Goes, So Goes the Retailer," Tobacco News, VI (Fall, 1964). There were twenty-four issues of Reports on Tobacco and Health Research beginning in late 1957 before being suspended in 1968.
29. See, for example, The Tobacco Institute, "The Cigarette Controversy -- Eight Questions and Answers," mailed to R. J. Reynolds stockholders, May 28, 1969.
30. Earle C. Clements, "Where the Tobacco Industry Stands," The Illinois Association of Tobacco Distributors, 1967 Yearbook, pp. 30-32.
31. "Editorial: Breaking Bad Habits," The Wall Street Journal, December 28, 1964. Also see similar editorials -- "The Smoking Threat," The Wall Street Journal, January 14, 1964 and "Behind the Smoke Screen," The Wall Street Journal, March 16, 1964.
32. "Dangerous Lengths: The Federal Crusade Against Smoking Has Gone Too Far," Barron's, October 2, 1967.
33. Also see Diehl, pp. 217-229.
34. Clements, pp. 30-32.
35. Statement by The Tobacco Institute in connection with "The Report of The Task Force for Smoking and Health," News Release, August 16, 1968.
36. Yeaman, p. 3.
37. Ibid., pp. 5-6.
38. Address of Paul D. Smith (Vice-President and General Counsel Philip Morris Incorporated) to the Eighteenth Annual Convention of the Burley and Dark Leaf Tobacco Export Association, October 3, 1967, p. 3.
39. Ibid.
40. Ibid.
41. Ibid., p. 9.
42. Ibid., p. 11.
43. See, for example, Correspondance between The Tobacco Institute and The American Cancer Society, February 27, 1970 and April 29, 1970; and The Tobacco Institute, News Release, October 12, 1970 over the alleged premature and erroneous disclosure of scientific research before publication. Letters were also mailed to members of Congress explaining the Institute's position.

28. See for example, "State Tobacco Taxes Doubled in Seven Years: Cigarettes Have Become the Subject of Tax Exploitation," Tobacco News, V (April, 1963), and "As Tobacco Goes, So Goes the Retailer," Tobacco News, VI (Fall, 1964). There were twenty-four issues of Reports on Tobacco and Health Research beginning in late 1957 before being suspended in 1968.
29. See, for example, The Tobacco Institute, "The Cigarette Controversy -- Eight Questions and Answers," mailed to R. J. Reynolds stockholders, May 28, 1969.
30. Earle C. Clements, "Where the Tobacco Industry Stands," The Illinois Association of Tobacco Distributors, 1967 Yearbook, pp. 30-32.
31. "Editorial: Smoking and Health," The Wall Street Journal, December 28, 1964. Also see similar editorials -- "The Smoking Threat," The Wall Street Journal, January 14, 1964 and "Behind the Smoke Screen," The Wall Street Journal, March 10, 1964.
32. "Dangerous Deceit: The Federal Crusade Against Smoking Has Gone Too Far," Nation's, October 2, 1967.
33. Also see Diehl, pp. 217-229.
34. Clements, pp. 30-32.
35. Statement by The Tobacco Institute in connection with "The Report of The Task Force for Smoking and Health," News Release, August 16, 1968.
36. Yeaman, p. 3.
37. Id., pp. 2-6.
38. Address of Paul D. Smith (Vice-President and General Counsel Philip Morris Incorporated) to the Eighteenth Annual Convention of the Burley and Dark Leaf Tobacco Export Association, October 3, 1967, p. 3.
39. Id.
40. Id.
41. Id., p. 9.
42. Id., p. 11.
43. See, for example, Correspondence between The Tobacco Institute and The American Cancer Society, February 27, 1970 and April 29, 1970; and The Tobacco Institute, News Release, October 12, 1970 over the alleged premature and erroneous disclosure of scientific research before publication. Letters were also mailed to members of Congress explaining the Institute's position.

44. The Tobacco Institute, News Release, no date, but apparently 1967, p. 30. The Institute also reports on outside materials criticizing governmental actions and scientific reports. Also see the following news releases of The Tobacco Institute: "Tobacco Institute Issues Nine-Point Critique of New Public Health Service Survey," May 1, 1967; "Institute Says Much Recent Research Does Not Support Anti-Smoking Positions," August 21, 1967; "Smoking 'unimportant' in Heart Disease Prediction, New Studies Find," November 6, 1967; "FTC's Tar Ranking of Cigarettes Meaningless," November 27, 1967. The Institute has also publicized such outside critiques as Alan S. Donnahoe, "'Smoking and Health': Other Side of the Report, A Critique of the 1964 Surgeon General's Report," Richmond Times-Dispatch, January 19, 1964, and Dr. Vincent F. Lisanti, "Research Perspective on Smoking and Health," Tobacco, December 2, 1966.
45. "Editorial: The Cigarette Message," The New York Times, August 22, 1967.
46. Brecher et al., p. 11.
47. American Tobacco Company, 1968 Annual Report, p. 14.
48. The Manitoba Educational Research Council, A Study of Cigarette Advertising: A Report Submitted to the Department of National Health and Welfare (Winnipeg, 1966), p. 92.
49. Brecher et al., p. 127.
50. Ibid., p. 128. Also see address of Robert C. Hockett, "Where Do We Go From Here in Tobacco and Health Research?" to the Burley and Dark Leaf Tobacco Export Association, October 2, 1967. Hockett also commented that "the industry also made available a variety of relatively low 'tar' and nicotine cigarettes to meet public demand: created by various kinds of publicity given to theories."
51. Richard A. Wegman, "Cigarettes and Health: A Legal Analysis," Cornell Law Quarterly, LI (Summer, 1966), pp. 680-681.
52. The Manitoba Educational Research Council, pp. 79-80.
53. Brecher et al., p. 150.
54. Thomas Whiteside commented in 1963 that "Twelve years ago, there were five big brands -- Lucky Strike, Camel, Chesterfield, Old Gold and Philip Morris -- which accounted for ninety-five per cent of all cigarette sales in the country. Now fifteen brands account for roughly the same percentage." Thomas Whiteside, "A Reporter at Large: A Cloud of Smoke," The New Yorker, November 30, 1963, p. 70.
55. The Manitoba Educational Research Council, p. 90.
56. Ibid.

44. The Tobacco Institute, "New Survey, no date, but apparently 1967. p. 30. The Institute also reports on outside materials containing government action and scientific reports. Also see the following news releases of the Tobacco Institute: "Tobacco Institute Issues New Point Critique of New Public Health Service Survey," May 1, 1967; "Institute Says Much Recent Research Does Not Support Anti-Smoking Position," August 21, 1967; "Smoking 'Important' in Heart Disease Prediction," New Studies Find," November 6, 1967; "FDA's New Finding of Cigarette Misstatements," November 27, 1967. The Institute has also published such outside critiques as Alan S. Hershovitz, "Smoking and Health: Other Side of the Report, A Critique of the FDA Surgeon General's Report," Food and Cosmetics, January 15, 1964, and Dr. Vincent P. Lisanti, "Research Perspective on Smoking and Health," Tobacco, December 2, 1960.
45. "Editorial: The Cigarette Message," The New York Times, August 22, 1967.
46. Brecher et al., p. 11.
47. American Tobacco Company, 1968 Annual Report, p. 14.
48. The Manitoba Educational Research Council, A Study of Cigarette Advertising: A Report Submitted to the Department of Health and Welfare (Ottawa, 1968), p. 92.
49. Brecher et al., p. 127.
50. Ibid., p. 128. Also see address of Robert C. Hockett, "Where Do We Go From Here in Tobacco and Health Research?" to the Hurley and Park Leaf Tobacco Export Association, October 2, 1967. Hockett also commented that "the industry also made available a variety of relatively low 'tar' and nicotine cigarettes to meet public demand: created by various kinds of nicotine given to theories."
51. Richard A. Worman, "Cigarettes and Health: A Legal Analysis," Council Law Quarterly, 11 (Summer, 1966), pp. 600-611.
52. The Manitoba Educational Research Council, pp. 79-80.
53. Brecher et al., p. 120.
54. Thomas Whiteside commented in 1963 that "Twelve years ago, there were five big brands -- Lucky Strike, Camel, Chesterfield, Old Gold and Philip Morris -- which accounted for ninety-five per cent of all cigarette sales in the country. Now fifteen brands account for roughly the same percentage." Thomas Whiteside, "A Reporter at Large: A Cloud of Smoke," The New Yorker, November 30, 1963, p. 70.
55. The Manitoba Educational Research Council, p. 92.
56. Ibid.

57. See Brecher et al., pp. 149-155, for a discussion of the machinations and gyrations of cigarette manufacturers during this period. Also see U.S., Congress, House, Committee on Government Operations, False and Misleading Advertising (Filter-Tip Cigarettes) (Washington: U.S. Government Printing Office, 1958), pp. 14-15.
 58. U.S., Federal Trade Commission, A Report on Cigarette Advertising and Output (Washington, 1963).
 59. Brecher et al., p. 217.
 60. Diehl, p. 12.
 61. U.S., Congress, House, Committee on Government Operations, False and Misleading . . ., 1958, p. 15.
 62. U.S., Federal Trade Commission, A Report . . ., 1963, p. 37. See Table 21, "Cigarette Advertising Expenditures in Selected Media by Type of Cigarette: 1952-1962."
 63. U.S., Federal Trade Commission, 1969 Report to Congress (Washington, 1969), p. 37.
 64. U.S., Federal Trade Commission, A Report . . ., 1963, p. 37.
 65. P. Lorillard noted in its 1956 Annual Report that "In light of this trend toward greater acceptance of the filter type, the major part of our promotional effort will be with brands equipped to play an important role in this market." Market shares and company success (for individual manufacturers) have hinged substantially upon their ability or inability to switch to filtered cigarettes from the declining non-filter market. John C. Maxwell has estimated the percentage of total production made up by filter cigarettes for individual U.S. manufacturers for 1969 as follows:

R. J. Reynolds	80.5
American	37.2
Brown & Williamson	94.0
Philip Morris	95.8
P. Lorillard	98.3
Liggett & Myers	71.8
- John C. Maxwell, The Maxwell Report: A Quarterly Statistical Survey of the Cigarette Industry (New York: Oppenheimer & Company, 1970).
66. U.S., Federal Trade Commission, 1969 Report . . ., p. 8.

57. See Brecher et al., pp. 149-155, for a discussion of the machinations and variations of cigarette manufacturers during this period. Also see U.S., Congress, House, Committee on Government Operations, False and Misleading Advertising (Filter-Tip Cigarettes) (Washington: U.S. Government Printing Office, 1963), pp. 14-15.

58. U.S., Federal Trade Commission, A Report on Cigarette Advertising and Output (Washington, 1963).

59. Brecher et al., p. 217.

60. Diehl, p. 12.

61. U.S., Congress, House, Committee on Government Operations, False and Misleading . . ., 1968, p. 12.

62. U.S., Federal Trade Commission, A Report . . ., 1963, p. 37. See Table 21, "Cigarette Advertising Expenditures in Selected Media by Type of Cigarette: 1952-1962."

63. U.S., Federal Trade Commission, 1969 Report to Congress (Washington, 1969), p. 37.

64. U.S., Federal Trade Commission, A Report . . ., 1963, p. 37.

65. P. Lorillard noted in its 1966 Annual Report that "in light of this trend toward greater acceptance of the filter type, the major part of our promotional effort will be with brands equipped to play an important role in this market." Market shares and company success (for individual manufacturers) have hinged substantially upon their ability or inability to switch to filtered cigarettes from the declining non-filter market. John C. Maxwell has estimated the percentage of total production made up by filter cigarettes for individual U.S. manufacturers for 1969 as follows:

R. J. Reynolds	80.5
American	37.2
Brown & Williamson	94.0
Philip Morris	92.8
P. Lorillard	98.3
Liggett & Myers	71.8

John C. Maxwell, The Maxwell Report: A Quarterly Statistical Survey of the Cigarette Industry (New York: Coppenhaver & Company, 1970).

66. U.S., Federal Trade Commission, 1969 Report . . ., p. 8.

67. U.S., Federal Trade Commission, A Report . . . , p. 23.
68. Diehl, p. 181.
69. A. Lee Fritchler, Smoking and Politics: Policymaking and the Federal Bureaucracy (New York: Appleton-Century-Crofts, 1969), p. 2.
70. Ibid.
71. "Tobacco and Politics," Tobacco Reporter, October, 1968, p. 18.
72. Also see Drew Pearson and Jack Anderson, The Case Against Congress: A Compelling Indictment of Corruption on Capitol Hill (New York: Simon & Schuster, 1968), pp. 159, 182, 328-329.
73. Nick Kotz, Let Them Eat Promises: The Politics of Hunger in America (Garden City, New York: Doubleday and Company, Inc., 1971), pp. 84-85.
74. Elizabeth Drew, "The Cigarette Companies Would Rather Fight Than Switch," The New York Times Magazine, May 4, 1969.
75. See, for example, The Tobacco Institute, News Release, February 5, 1969 and February 12, 1969.
76. See, for example, Horace Kornegay "Remarks before the National Association of Farm Broadcasters," Chicago, November 28, 1969.
77. Horace Kornegay "Remarks to the Sales and Marketing Executives Club," Richmond, April 20, 1970. Also see Maurine B. Neuberger, Smoke Screen: Tobacco and the Public Welfare (Englewood Cliffs, New Jersey: Prentice-Hall, Inc., 1963), pp. 16-17.
78. John D. Morris, "The Tobacco Industry Held Losing in Struggle Over Cigarette Ads: Congressional Fight Centers on Freedom to Advertise without Regard to Health Risks," The New York Times, April 27, 1969. Morris also indicates that expenses of some witnesses have also been paid by the American Cancer Society and the American Heart Association. Also see Nan Robertson, "Witness Against Smoke Warning Got \$3,200 Fee: NYU Educator Was Paid by Tobacco Industry After His Testimony to Senate," The New York Times, August 23, 1967.
79. From an article by Horace Kornegay, "Tobacco's Goal: Closing the Knowledge," The Wilson Daily Times (Wilson, North Carolina, August 6, 1970).
80. John D. Morris, "8 Cigarette Makers To List Tars in Ads," The New York Times, December 24, 1970.
81. John D. Morris, "Tobacco Men Bar Evasion of TV Ad Ban," The New York Times, January 9, 1971.

67. U.S., Federal Trade Commission, A Report, p. 23.
68. Idid, p. 181.
69. A. Lee Fritchie, Smoking and Politics: Politicians and the Federal Bureaucracy (New York: Appleton-Century-Crofts, 1968), p. 2.
70. Idid.
71. "Tobacco and Politics," Tobacco Reporter, October, 1968, p. 18.
72. Also see Drew Pearson and Jack Anderson, The Case Against Congress: A Compelling Indictment of Corruption on Capitol Hill (New York: Simon & Schuster, 1966), pp. 159, 182, 328-329.
73. Nick Kotz, Let Them Eat Politics: The Politics of Hunger in America (Garden City, New York: Doubleday and Company, Inc., 1971), pp. 84-85.
74. Elizabeth Drew, "The Cigarette Companies Would Rather Fight Than Switch," The New York Times Magazine, May 4, 1969.
75. See, for example, The Tobacco Institute, News Release, February 2, 1969 and February 12, 1969.
76. See, for example, Horace Kornegay "Remarks before the National Association of Farm Broadcasters," Chicago, November 28, 1969.
77. Horace Kornegay "Remarks to the Sales and Marketing Executives Club," Richmond, April 20, 1970. Also see Maurice B. Weinberger, Smoke Screen: Tobacco and the Public Welfare (Englewood Cliffs, New Jersey: Prentice-Hall, Inc., 1967), pp. 16-17.
78. John D. Morris, "The Tobacco Industry Held Losing in Struggle Over Cigarette Ads: Congressional Fight Centers on Freedom to Advertise Without Regard to Health Risks," The New York Times, April 27, 1969. Morris also indicates that expenses of some witnesses have also been paid by the American Cancer Society and the American Heart Association. Also see Nan Robertson, "Witness Against Smoke Warning Got \$3,200 Fee: NYU Educator Was Paid by Tobacco Industry After His Testimony to Senate," The New York Times, August 23, 1967.
79. From an article by Horace Kornegay, "Tobacco's Goal: Closing the Knowledge," The Wilson Daily Times (Wilson, North Carolina, August 6, 1970).
80. John D. Morris, "8 Cigarette Makers to List Tars in Ads," The New York Times, December 24, 1970.
81. John D. Morris, "Tobacco Men Bar Evasion of TV Ad Ban," The New York Times, January 9, 1971.

82. Standard and Poor, Industry Surveys -- Tobacco Basic Analysis, May 14, 1970. Also see Vartanig G. Vartan, "Tobacco Stocks Gain: Diversity Aiding Cigarette Makers," The New York Times, November 1, 1970.
83. "Tobacco Industry Seeks to Diversify," The New York Times, April 16, 1969.
84. Wegman, Cornell Law Quarterly, LI (Summer, 1966), p. 685.
85. P. Lorillard, 1956 Annual Report, p. 3.
86. Philip Morris, 1958 Annual Report, p. 6.
87. American Tobacco, 1963 Annual Report, p. 12.
88. See, for example, Liggett & Myers, "We Haven't Really Changed the Name, but We Have Changed the Company. We Are Now 54 Percent Non-Tobacco," The New York Times, October 13, 1970.
89. Philip Morris, 1969 Annual Report, p. 2.
90. R. J. Reynolds Tobacco Company and Consolidated Subsidiaries, 1969 Annual Report, p. 2.
91. "Diversification 1969," Tobacco Reporter, XCVI (November, 1969) and "Tobacco Diversification During 1972," Tobacco Reporter, XCIX (December, 1972).
92. Other tobacco companies do not break down sales and earnings by product line in their annual reports.
93. "Tobacco Industry Seeks to Diversify," The New York Times, April 16, 1969. Also see Marilyn Bender, "Loews and Its Mutual Fund," The New York Times, February 18, 1973.
94. Alexander R. Hammer, "Cigarette Men Looking Abroad: Overseas Business Climbs Despite Some Problems," The New York Times, August 6, 1967.
95. Liggett & Myers, Annual Report 1965, p. 3.
96. J. B. Weiner, "The High-Stakes Strategy of American Tobacco," Dun's Review of Modern Industry, LXXXVIII (November, 1966), p. 105.
97. R. J. Reynolds, 1969 Annual Report, p. 3.
98. Weiner, Dun's Review, LXXXVIII (November, 1966), p. 105.
99. Stephen Grover, "Cigarette Ad Spending to Decline Drastically when TV Ban Starts," The Wall Street Journal, September 15, 1970.
100. American Brands, Inc., Annual Report 1970, p. 25. The company's acquisitions from 1966 to 1970 have involved the outlay of approximately \$892 million.

100. American Brands, Inc., Annual Report 1970, p. 22. The company's acquisitions from 1960 to 1970 have involved the outlay of approximately \$842 million.
99. Stephen Grover, "Cigarette Ad Spending to Decline Drastically When TV Ban Starts," The Wall Street Journal, September 12, 1970.
98. Weiner, Dun's Review, LXXXVIII (November, 1966), p. 102.
97. R. J. Reynolds, 1969 Annual Report, p. 3.
96. J. B. Weiner, "The High-Stakes Strategy of American Tobacco," Dun's Review of Modern Industry, LXXXVIII (November, 1966), p. 102.
95. Liggett & Myers, Annual Report 1965, p. 3.
94. Alexander R. Hammer, "Cigarette Men Looking Abroad: Overseas Business Climbs Despite Some Problems," The New York Times, August 6, 1967.
93. "Tobacco Industry Seeks to Diversify," The New York Times, April 16, 1969. Also see Marilyn Bender, "Loews and Its Mutual Fund," The New York Times, February 18, 1973.
92. Other tobacco companies do not break down sales and earnings by product line in their annual reports.
91. "Diversification 1969," Tobacco Reporter, XCVI (November, 1969) and "Tobacco Diversification During 1972," Tobacco Reporter, XCIX (December, 1972).
90. R. J. Reynolds Tobacco Company and Consolidated Subsidiaries, 1969 Annual Report, p. 2.
89. Philip Morris, 1969 Annual Report, p. 2.
88. See, for example, Liggett & Myers, "We Haven't Really Changed the Name, but We Have Changed the Company. We Are Now 54 Percent Non-Tobacco," The New York Times, October 13, 1970.
87. American Tobacco, 1967 Annual Report, p. 12.
86. Philip Morris, 1958 Annual Report, p. 6.
85. F. Lorillard, 1956 Annual Report, p. 3.
84. Wegman, Cornell Law Quarterly, LI (Summer, 1966), p. 622.
83. "Tobacco Industry Seeks to Diversify," The New York Times, April 16, 1969.
82. Standard and Poor, Industry Survey -- Tobacco Basic Analysis, May 14, 1970. Also see Virginia C. Jarman, "Tobacco Stocks Gain: Diversity Adding Cigarette Makers," The New York Times, November 1, 1970.

Chapter III; The Independent Regulatory Agencies,
Voluntary Industry Self-Regulation and Smoking

A. Federal Trade Commission

The Federal Trade Commission (FTC) has been actively concerned with cigarette advertising for many years preceding the voluntary agreement reached with cigarette manufacturers in 1960. This agreement ended the "tar derby" which we previously discussed. Misleading and false advertising have been a prime focus of government regulatory attempts by the U.S. government over the past 15 years. In the following section, we will consider FTC activities relating to cigarette advertising.

The commission has come a long way between 1955 and 1964. In 1957, the Legal and Monetary Affairs Subcommittee of the House Committee on Government Operations had concluded that "the Federal Trade Commission has failed to approach the problem of false and misleading advertising with vigor and diligence."¹ With the release of the Surgeon General's report in 1964, the commission rapidly acted to warn the public of the hazards of cigarette smoking. Prior to the 1964 report, health claims in cigarette advertising have brought the industry into conflict with the FTC whose jurisdiction over unfair trade practices in commerce extends to the merchandising of cigarettes:

Between 1945 and 1960 the Commission completed seven formal cease-and-desist order proceedings against cigarette manufacturers involving medical or health claims made in their advertising. Many other proceedings have been settled informally.²

A. Federal Trade Commission

The Federal Trade Commission (FTC) has been actively concerned with cigarette advertising for many years preceding the voluntary agreement reached with cigarette manufacturers in 1960. This agreement ended the "tar derby" which we previously discussed. Misleading and false advertising have been a prime focus of government regulatory attempts by the U.S. government over the past 15 years. In the following section, we will consider FTC activities relating to cigarette advertising.

The commission has come a long way between 1955 and 1964. In 1957, the Legal and Monetary Affairs Subcommittee of the House Committee on Government Operations had concluded that "the Federal Trade Commission has failed to approach the problem of false and misleading advertising with vigor and diligence."¹ With the release of the Surgeon General's report in 1964, the commission rapidly acted to warn the public of the hazards of cigarette smoking. Prior to the 1964 report, health claims in cigarette advertising have brought the industry into conflict with the FTC whose jurisdiction over unfair trade practices in commerce extends to the merchandising of cigarettes:

Between 1945 and 1960 the Commission completed seven formal cease-and-desist order proceedings against cigarette manufacturers involving medical or health claims made in their advertising. Many other proceedings have been settled informally.²

On September 15, 1955 after a year of conferences with the industry, the commission first promulgated cigarette advertising guidelines. The guidelines, among other things, sought the following:

. . . [to] prohibit representations, in cigarette advertising or labeling, which refer to either the presence or absence of any physical effects from cigarette smoking, or which make unsubstantiated claims respecting nicotine, tars, or other components of cigarette smoke, or which in any other respects containing misleading implications concerning the health consequences of smoking cigarettes or the advertised brand. ³

This first attempt to obtain voluntary industry compliance was weakened by two factors: the inability of the commission to enforce its actions and the failure of the commission to confront the problem vigorously

The FTC has attributed its lack of success in controlling cigarette advertising in part to the refusal of the courts to extend the use of the injunction permitted in the case of false and misleading drug advertising to cigarette advertising. Nevertheless, FTC Commissioner Robert T. Secrest reported to the Legal and Monetary Affairs Subcommittee in the summer of 1957:

[The FTC] is of the firm conviction that its adoption and administration of the guides did more to prevent deceptive advertising of cigarettes and to fulfill the Commission's responsibility to the public than it could possibly have accomplished by any other means. ⁴

He cited 75 instances of voluntary compliance which resulted in the withdrawal of objectionable advertising. Based upon hearings held the preceding July the subcommittee released its report in February, 1958, entitled False and Misleading Advertising (Filter-Tip Cigarettes). The report was part of a broader investigation of the advertising of products which have a direct relationship to the public health.

On September 12, 1952 after a year of conferences with the industry, the commission first promulgated cigarette advertising guidelines.

The guidelines, among other things, sought the following:

. . . [to] prohibit representations, in cigarette advertising or labeling, which refer to either the presence or absence of any physical effects from cigarette smoking, or which make unsubstantiated claims respecting nicotine, tars, or other components of cigarette smoke, or which in any other respects containing misleading implications concerning the health consequences of smoking cigarettes or the advertised brand.

This first attempt to obtain voluntary industry compliance was weakened by two factors: the inability of the commission to enforce its actions and the failure of the commission to confront the problem vigorously. The FTC has attributed its lack of success in controlling cigarette advertising in part to the refusal of the courts to extend the use of the injunction permitted in the case of false and misleading drug advertising to cigarette advertising. Nevertheless, FTC Commissioner Robert T.

Seeger reported to the Legal and Monetary Affairs Subcommittee in the

summer of 1957:

[The FTC] is of the firm conviction that its adoption and administration of the guides did more to prevent deceptive advertising of cigarettes and to fulfill the Commission's responsibility to the public than it could possibly have accomplished by any other means.

He cited 75 instances of voluntary compliance which resulted in the withdrawal of objectionable advertising. Based upon hearings held the preceding July the subcommittee released its report in February, 1958, entitled False and Misleading Advertising (Filter-Tip Cigarettes). The report was part of a broader investigation of the advertising of products which have a direct relationship to the public health.

In its report, the subcommittee sought to evaluate the efficiency of the FTC's programs to regulate filter-tip cigarette advertising. The subcommittee, chaired by Representative John A. Blatnik, was highly critical of both the cigarette industry and the FTC. The report stated:

There can be little doubt that the emergence of the filter cigarette is attributable to the widespread public belief that the filter-tip cigarette furnishes protection against . . . health hazards.

The cigarette industry has done a grave disservice to the smoking public, initially, blatantly, and more recently, very subtly, publicizing the filter-tip smoke as a health protection.⁵

The subcommittee further concluded that "there can be little question that reports linking cigarette smoking with lung cancer were . . . responsible for the 1953 decline in cigarette sales. . ."

The cigarette industry responding to this first investigation refused repeated private and even public invitations to appear before the subcommittee. The committee, in a caustic criticism of the industry, commented:

During a period fraught with public concern over grave health implications of cigarette smoking, business responsibility and even decency would apparently dictate that the American public is entitled to an accounting from cigarette manufacturers. It is indeed most reprehensible that the tobacco industry should so shirk its vast responsibilities to the customer and apparently conspire to boycott the hearings of a congressional committee.⁶

Blatnik's subcommittee criticized the belated FTC action for having "occurred after the public had been 'brainwashed' that filters would furnish health protection."⁷ Furthermore, Commissioner Seacrest felt that the FTC could not initiate a complaint against filter cigarette advertising "until a consumer survey was conducted to determine customer motivation for the purchase of filter cigarettes."⁸ The failure to

In its report, the subcommittee sought to evaluate the efficacy of the FTC's programs to regulate filter-tip cigarette advertising. The subcommittee, chaired by Representative John A. Blatnik, was highly critical of both the cigarette industry and the FTC. The report stated:

There can be little doubt that the experience of the filter cigarette is attributable to the widespread public belief that the filter-tip cigarette furnishes protection against . . . health hazards.

The cigarette industry has done a grave disservice to the smoking public, initially, blatantly, and more recently, very subtly, publicizing the filter-tip smoke as a health protection.⁵

The subcommittee further concluded that "there can be little question

that reports linking cigarette smoking with lung cancer were . . .

responsible for the 1953 decline in cigarette sales. . . ."

The cigarette industry responding to this first investigation refused

repeated private and even public invitations to appear before the sub-

committee. The committee, in a caustic criticism of the industry,

commented:

During a period fraught with public concern over grave health implications of cigarette smoking, business responsibility and even decency would apparently dictate that the American public is entitled to an accounting from cigarette manufacturers. It is indeed most reprehensible that the tobacco industry should so shift its vast responsibility to the customer and apparently conspire to boycott the hearings of a congressional committee.⁶

Blatnik's subcommittee criticized the belated FTC action for having

"occurred after the public had been 'brainwashed' that filters would

furnish health protection."⁷ Furthermore, Commissioner Seeger felt

that the FTC could not initiate a complaint against filter cigarette

advertising "until a consumer survey was conducted to determine customer

motivation for the purchase of filter cigarettes."⁸ The failure to

complete this survey was cited by the subcommittee as an example of the commission's delay in commencing enforcement action against filter cigarette advertising.

The FTC had cited the lack of uniform procedures for testing the smoke content of cigarettes as a problem hindering action. The Blatnik subcommittee countered this:

Although it was contended that the Commission has authority to ask any Government agency to make tests for it, the Commission has never made any request of the Bureau of Standards of any other Government agency to conduct such tests. ⁹

Furthermore, the commission had ignored published tests by private organizations such as Consumers Union and The Reader's Digest. The subcommittee concluded that "the record of the Commission in the area of testing . . . has been one of inaction." ¹⁰

The subcommittee summarized its criticisms of the FTC as follows:

The Federal Trade Commission has failed in its statutory duty to 'prevent deceptive acts or practices' in filter-cigarette advertising. The activities of the Commission to prevent this deception were weak and tardy. As a result, the connection between filter-tip cigarettes and 'protection' has become deeply embedded in the public mind. ¹¹

The Federal Trade Commission has failed to approach the problem of false and misleading advertising with vigor and diligence. ¹²

The rather vigorous attack by the Blatnik subcommittee on the tobacco industry and the FTC was not followed by any government and/or industry action. In fact, this first government attempt to obtain voluntary industry compliance, in retrospect, must be deemed a failure. The Cigarette Advertising Guides did not end the "tar derby" although they voluntarily ended some of the most flagrant tobacco industry violations.

Finally in 1960, the commission ended the "tar derby," when the leading cigarette manufacturers voluntarily agreed to discontinue the

complete this survey was cited by the subcommittee as an example of the commission's delay in commencing enforcement action against filter cigarette advertising.

The FTC had cited the lack of uniform procedures for testing the smoke content of cigarettes as a problem hindering action. The Blatnik subcommittee countered this:

Although it was conceded that the Commission has authority to ask any Government agency to make tests for it, the Commission has never made any request of the Bureau of Standards of any other Government agency to conduct such tests.⁹

Furthermore, the commission had ignored published tests by private organizations such as Consumers Union and The Tobacco's Impact. The subcommittee concluded that "the record of the Commission in the area of testing . . . has been one of inaction."¹⁰

The subcommittee summarized its criticisms of the FTC as follows:

The Federal Trade Commission has failed in its statutory duty to 'prevent deceptive acts or practices' in filter-cigarette advertising. The activities of the Commission to prevent this deception were weak and tardy. As a result, the connection between filter-tip cigarettes and 'protection' has become deeply embedded in the public mind.¹¹

The Federal Trade Commission has failed to approach the problem of false and misleading advertising with vigor and diligence.¹²

The rather vigorous attack by the Blatnik subcommittee on the tobacco industry and the FTC was not followed by any government and/or industry action. In fact, this first government attempt to obtain voluntary industry compliance, in retrospect, must be deemed a failure. The Cigarette Advertising Guides did not end the "tar derby" although they voluntarily ended some of the most flagrant tobacco industry violations. Finally in 1960, the commission ended the "tar derby," when the leading cigarette manufacturers voluntarily agreed to discontinue the

confusing and unsubstantiated claims of tar and nicotine content. Earl W. Kintner, then FTC chairman, stated that "in the absence of a satisfactory uniform test and proof of advantage to the smoker, there will be no more tar and nicotine claims in advertising." ¹³ What had been suggested first in 1955; was acclaimed in 1960. Kintner called the tar and nicotine blackout "a landmark example of industry-government cooperation in solving a pressing problem." ¹⁴

To other observers, Kintner's solution was only part of the problem. The end of the "tar derby" was to the industry's advantage and the public's disadvantage. The Consumers' Union report included the following somewhat sarcastic analysis of the voluntary accord:

. . . by calling off the infighting that had characterized the Tar Derby, the cigarette industry succeeded in extricating itself from the embarrassing position it had occupied since the health disclosures of the early 1950's -- that of constantly reminding its customers through its own advertising that cigarettes carried a real threat to their health. ¹⁵

The Reader's Digest, one of the tobacco industry's most persistent and harshest critics, blamed the FTC action for "discouraging the manufacture of high filtration cigarettes and for rescuing the smoker from chaos only to leave him in ignorance." ¹⁶ Another critic called the voluntary agreement "a landmark example of how bureaucrats solve a pressing problem by sweeping it under the rug." ¹⁷

Cigarette manufacturers have sought to minimize the health controversy, and voluntarily ending the "tar derby" was a major step in this direction. Government pressure on the industry to eliminate, voluntarily, false and misleading cigarette advertising perhaps succeeded too well. In eliminating the bone of contention, the FTC postponed its active involvement in the smoking health controversy. The government, instead

confusing and unsubstantiated claims of tar and nicotine content. Earl W. Kintner, then FTC chairman, stated that "in the absence of a satisfactory uniform test and proof of advantage to the smoker, there will be no more tar and nicotine claims in advertising."¹³ What had been suggested first in 1952, was recalled in 1960. Kintner called the tar and nicotine blackout "a landmark example of industry-government cooperation in solving a pressing problem."¹⁴

To other observers, Kintner's solution was only part of the problem. The end of the "tar derby" was to the industry's advantage and the public's disadvantage. The Consumers' Union report included the following somewhat sarcastic analysis of the voluntary accord:

... by calling off the lightning that had characterized the Tar Derby, the cigarette industry succeeded in extricating itself from the embarrassing position it had occupied since the health disclosures of the early 1950's -- that of constantly reminding its customers through its own advertising that cigarettes carried a real threat to their health.¹⁵

The Federal's Digest, one of the tobacco industry's most persistent and harshest critics, blamed the FTC action for "discouraging the manufacture of high filtration cigarettes and for rescuing the smoker from chaos only to leave him in ignorance."¹⁶ Another critic called the voluntary agreement "a landmark example of how bureaucrats solve a pressing problem by sweeping it under the rug."¹⁷

Cigarette manufacturers have sought to minimize the health controversy, and voluntarily ending the "tar derby" was a major step in this direction. Government pressure on the industry to eliminate, voluntarily, false and misleading cigarette advertising perhaps succeeded too well. In eliminating the bone of contention, the FTC postponed its active involvement in the smoking health controversy. The government, instead

of regulating and testing industry health claims, chose for the moment to eliminate them. Later, with the development of more refined testing procedures this decision would be reversed.

The cigarette industry has been divided on the use of tar and nicotine disclosures and health claims in cigarette advertising. Cigarette companies that had only a relatively small percentage of their sales in the rapidly expanding filter cigarette market found themselves handicapped in competing with companies better established in this market. The voluntary agreement ended industry competition to develop and market a safer cigarette.

Following the promulgation of the Cigarette Advertising Guides, the commission closely scrutinized cigarette advertising practices by monitoring cigarette advertisements. Furthermore, the commission has noted that it "has been deeply attentive to the progress of medical research into the health aspects of cigarette smoking."

In 1964, the FTC prompted by the Surgeon General's report proposed its Trade Regulation Rule for the Prevention of Unfair or Deceptive Advertising and Labeling of Cigarettes in Relation to the Health Hazards of Smoking and Accompanying Statement of Basis and Purpose of Rule. The commission noted in its report.

The findings and conclusions of the Advisory Committee's Report represent, in light of the nature of the issues and the gravity of the smoking and health problems, a compelling basis for remedial action by the Federal Trade Commission within its statutory jurisdiction and responsibilities for the prevention of unfair or deceptive acts and practices in commerce. 18

The commission had requested technical assistance and aid from the U.S. Public Health Service (PHS) on labeling and advertising of tobacco products. This request was among the factors which led the Surgeon

of regulating and testing industry health claims, chose for the moment to eliminate them. Later, with the development of more refined testing procedures this decision would be reversed.

The cigarette industry has been divided on the use of tar and nicotine disclosures and health claims in cigarette advertising. Cigarette companies that had only a relatively small percentage of their sales in the rapidly expanding filter cigarette market found themselves handicapped in competing with companies better established in this market. The voluntary agreement ended industry competition to develop and market a safer cigarette.

Following the promulgation of the Cigarette Advertising Guides, the commission closely scrutinized cigarette advertising practices by monitoring cigarette advertisements. Furthermore, the commission has noted that it "has been deeply attentive to the progress of medical research into the health aspects of cigarette smoking."

In 1964, the FTC prompted by the Surgeon General's report proposed its Trade Regulation Rule for the Prevention of Unfair or Deceptive Advertising and Labeling of Cigarettes in Relation to the Health Hazards of Smoking and Appropriately Statement of Facts and Purpose of Rule. The commission noted in its report.

The findings and conclusions of the Advisory Committee's Report represent, in light of the nature of the issues and the gravity of the smoking and health problems, a compelling basis for remedial action by the Federal Trade Commission within its statutory jurisdiction and responsibilities for the prevention of unfair or deceptive acts and practices in commerce. 18

The commission had requested technical assistance and aid from the U.S. Public Health Service (PHS) on labeling and advertising of tobacco products. This request was among the factors which led the Surgeon

General to announce on June 7, 1962, that he was establishing an expert advisory committee to review all available data on smoking and health. A medical doctor from the FTC staff was, in fact, an observer who participated in the initial deliberations of the advisory committee. The commission acted rapidly upon the Surgeon General's call for action in announcing the release of the report that, "out of its long and exhaustive deliberations the [advisory] Committee had reached the overall judgment that cigarette smoking is a health hazard of sufficient importance in the United States to warrant remedial action." 19

On January 11, 1964, the same day the advisory committee report was released by the Surgeon General the commission announced its intention to "move promptly, within the scope of its statutory jurisdiction and responsibilities, to determine the remedial action which it should take in the public interest." Only one week later, the commission notified interested parties of its proposed rule-making proceedings for the establishment of regulations for the advertising and labeling of cigarettes.

The commission's detailed and eloquent notice expressed its concern with the two ways in which cigarette advertising may be misrepresenting or concealing unlawfully the health hazards of smoking:

First, the Commission has reason to believe that many current advertisements falsely state, or give the false impression, that cigarette smoking promotes health or physical well-being or is not a health hazard, or that smoking the advertised brand is less of a health hazard than smoking other brands of cigarettes.

Second, the Commission has reason to believe that much current advertising suggests or portrays cigarette smoking as being pleasurable or desirable, compatible with physical health, fitness or well-being, or indispensable to full personal development and social success, without at the same time

General to announce on June 7, 1962, that he was establishing an expert advisory committee to review all available data on smoking and health.

A medical doctor from the FTC staff was, in fact, an observer who participated in the initial deliberations of the advisory committee. The commission acted rapidly upon the Surgeon General's call for action in announcing the release of the report that, "out of its long and exhaus-

live deliberations the [advisory] Committee had reached the overall judgment that cigarette smoking is a health hazard of sufficient importance in the United States to warrant remedial action." 19

On January 11, 1964, the same day the advisory committee report was released by the Surgeon General the commission announced its intention to "move promptly, within the scope of its statutory jurisdiction and responsibilities, to determine the remedial action which it should take in the public interest." Only one week later, the commission notified interested parties of its proposed rule-making proceedings for the establishment of regulations for the advertising and labeling of cigarettes.

The commission's detailed and eloquent notice expressed its concern with the two ways in which cigarette advertising may be misrepresenting

or concealing unlawfully the health hazards of smoking:

First, the Commission has reason to believe that many current advertisements falsely state, or give the false impression, that cigarette smoking promotes health or physical well-being or is not a health hazard, or that smoking the advertised brand is less of a health hazard than smoking other brands of cigarettes.

Second, the Commission has reason to believe that much current advertising suggests or portrays cigarette smoking as being pleasurable or desirable, compatible with physical health, fitness or well-being, or indispensable to full personal development and social success, without at the same time

reminding the consumer of the serious health hazard of cigarette smoking. Such advertising may create a psychological and social barrier to the consuming public's understanding and appreciation of the gravity of the risks to life and health involved in cigarette smoking. 20

The Commission proposed three trade regulation rules. The first would require a health warning in cigarette advertisements and on cigarette containers sold to the public stating "Caution: Cigarette smoking is dangerous to health. It may cause death from cancer and other diseases." The second trade regulation rule would forbid advertisements which stated or implied that smoking cigarettes (a) promotes good health or physical well-being, (b) is not a hazard to health, or (c) is less a hazard to health than smoking other brands. Exceptions were allowed for specific and factual claims that are backed up by "substantial and reliable" evidence. The rule provided that all facts on the health consequences of smoking a particular advertised brand must be "clearly, prominently and intelligibly" disclosed in close conjunction with the claim. Rule three provided that cigarette advertisement should not contain any statement as to the quantity of any cigarette-smoke ingredients (e.g., tars and nicotine) which have not been verified in a uniform and reliable test to be approved by the FTC.

The cigarette industry again refused to cooperate in the proceedings.

The Commission noted:

The industry has submitted no data or information with respect to such matters as the health hazards of cigarette smoking, the prospects for development of less hazardous cigarettes, and the purpose and effects of cigarette advertising. 21

Instead, the industry chose to make only a limited presentation taking the position that "the Commission lacks authority to conduct such a proceeding and, alternatively, that if the Commission has such authority,

reminding the consumer of the serious health hazard of cigarette smoking. Such advertising may create a psychological and social barrier to the consuming public's understanding and appreciation of the gravity of the risks to life and health involved in cigarette smoking. 10

The Commission proposed three trade regulation rules. The first would require a health warning in cigarette advertisements and on cigarette containers sold to the public stating "Caution: Cigarette smoking is dangerous to health. It may cause death from cancer and other diseases." The second trade regulation rule would forbid advertisements which stated or implied that smoking cigarettes (a) promotes good health or physical well-being, (b) is not a hazard to health, or (c) is less a hazard to health than smoking other brands. Exceptions were allowed for specific and factual claims that are backed up by "substantial and reliable" evidence. The rule provided that all facts on the health consequences of smoking a particular advertised brand must be "clearly, prominently and intelligibly" disclosed in close conjunction with the claim. Rule three provided that cigarette advertisement should not contain any statement as to the quantity of any cigarette-smoke ingredients (e.g., tars and nicotine) which have not been verified in a uniform and reliable test to be approved by the FTC.

The cigarette industry again refused to cooperate in the proceedings.

The Commission noted:

The industry has submitted no data or information with respect to such matters as the health hazards of cigarette smoking, the prospects for development of less hazardous cigarettes, and the purpose and effects of cigarette advertising. 11

Instead, the industry chose to make only a limited presentation taking the position that "the Commission lacks authority to conduct such a proceeding and, alternatively, that if the Commission has such authority,

it should not exercise it at this time." ²² Industry attacks on commission efforts to investigate and regulate are a long familiar story. Legal representatives of the cigarette companies specifically contested the jurisdiction and legal authority of the commission to promulgate the proposed trade regulation rules and reserved the right to object on such jurisdictional and other legal grounds. All cigarette manufacturers adopted the statement made by the Tobacco Institute, Inc., in their behalf.

Representatives of other economic interest groups also protested the proposed FTC actions. Paralleling the tobacco industry's contentions, one supporting group, the Grocery Manufacturers of America, Inc., believed that the proposed rules represented an undesirable extension of power which is better left to congressional legislation. ²³ A more general criticism was raised by both the Advertising Federation of America ²⁴ and the Television Bureau of Advertising, Inc. ²⁵ They claimed the proposed rules might establish a dangerous precedent for similar rule making against other industries in the future. The American Newspaper Publishers Association ²⁶ and The Radio Advertising Bureau, Inc., ²⁷ followed the tobacco industry's pattern of denying that the commission had the authority to act. Among others to voice opposition were the National Association of Broadcasters and the Association of National Advertisers.

Opponents of FTC actions have backed up their arguments with the threat of legal action to both delay and/or overturn any possible regulatory action. Uncertainty persists because of the absence of court tests upholding or rejecting the authority of the agency action. The

it should not exercise it at this time." ²² Industry attacks on commission efforts to investigate and regulate are a long familiar story. Legal representatives of the cigarette companies specifically contested the jurisdiction and legal authority of the commission to promulgate the proposed trade regulation rules and reserved the right to object on such jurisdictional and other legal grounds. All cigarette manufacturers adopted the statement made by the Tobacco Institute, Inc., in their behalf.

Representatives of other economic interest groups also protested the proposed FTC actions. Paralleling the tobacco industry's contentions, one supporting group, the Grocery Manufacturers of America, Inc., believed that the proposed rules represented an undesirable extension of power which is better left to congressional legislation. ²³ A more general criticism was raised by both the Advertising Federation of America ²⁴ and the Television Bureau of Advertising, Inc. ²⁵ They claimed the proposed rules might establish a dangerous precedent for similar rule making against other industries in the future. The American Newspaper Publishers Association ²⁶ and The Radio Advertising Bureau, Inc., ²⁷ followed the tobacco industry's pattern of denying that the commission had the authority to act. Among others to voice opposition were the National Association of Broadcasters and the Association of National Advertisers.

Opponents of FTC actions have backed up their arguments with the threat of legal action to both delay and/or overturn any possible regulatory action. Uncertainty persists because of the absence of court tests upholding or rejecting the authority of the agency action. The

tobacco industry prefers voluntary self-regulation to prevent the establishment of any new precedents. The other economic groups mentioned above have supported the tobacco industry's opposition to new government regulation.

The purpose of a trade regulation rule is to determine for the future whether certain business practices, if followed by the members of an industry, would be unlawful.²⁸ Several observers have commented that FTC actions regarding cigarette advertising are an exception in an otherwise lethargic picture. FTC commissioner Philip Elman, a driving force behind vigorous commission action, complained that in general "an atmosphere of all deliberate lack of speed prevails."²⁹ He called the commission's cigarette rule "an important beacon showing the kind of affirmative role that the Commission can play."³⁰ The highly critical "Nader Report" on the Federal Trade Commission published in 1969 noted likewise that "the singularly unusual case of the FTC's action on deceptive cigarette advertising is indicative of what the FTC would be capable of if properly directed and motivated."³¹ They continued that "the FTC can be effective, if it acts quickly and decisively, ignoring the various industrial lobbies."³²

Elman summarized past critical studies of the commission, stating that "over the years virtually every scholar, every objective critic who has carefully reviewed the commission's record has come to the same conclusion -- the commission is not performing effectively any of the roles given it by Congress."³³

Furthermore, Elman observed:

On those occasions when the commission has taken vigorous and creative action in the public interest -- for example, in

tobacco industry prefers voluntary self-regulation to prevent the establishment of any new precedents. The other economic groups mentioned above have supported the tobacco industry's opposition to new government regulation.

The purpose of a trade regulation rule is to determine for the future whether certain business practices, if followed by the members of an industry, would be unlawful.²⁸ Several observers have commented that FTC actions regarding cigarette advertising are an exception in an otherwise lethargic picture. FTC Commissioner Philip Elinor, a driving force behind vigorous commission action, complained that in general "an atmosphere of all deliberate lack of speed prevails."²⁹ He called the

commission's cigarette rule "an important reason showing the kind of affirmative role that the Commission can play."³⁰ The highly critical "Nader Report" on the Federal Trade Commission published in 1969 noted likewise that "the statistically unusual case of the FTC's action on deceptive cigarette advertising is indicative of what the FTC would be capable of if properly directed and motivated."³¹ They continued that "the FTC can be effective, if it acts quickly and decisively, ignoring the various industrial lobbies."³²

Elinor summarized past critical studies of the commission, stating that "over the years virtually every scholar, every objective critic who has carefully reviewed the commission's record has come to the same conclusion -- the commission is not performing effectively any of the roles given it by Congress."³³

Furthermore, Elinor observed:

On those occasions when the commission has taken vigorous and creative action in the public interest -- for example, in

announcing the Trade Regulation Rule concerning the health hazards of cigarette smoking -- the Congress has often acted to reverse or limit the Commission's decision. ³⁴

Nader attributed this weakness of the commission to the absence of a consumer constituency and support in the face of an organized industry.

He wrote:

In the rare instances when the Commission does try to act forcefully against strong economic-political-interests -- such as with its cigarette-advertising proposals in 1964-65 -- it finds itself overwhelmed by the industry concerned. Thus, a Federal agency that should have a strong grass-roots constituency is deprived of this democratic support in large part as a result of its past ineptitude and lassitude. ³⁵

The FTC was required to report each year to Congress under terms of the Federal Cigarette Labeling and Advertising Act of 1965, a congressional act which preempted the proposed 1964 FTC trade regulation rules which both Kinn and Nader have noted. The annual FTC report provided information on the effectiveness of cigarette labeling, current practices and methods of cigarette advertising and promotion as well as recommendations for congressional legislation. In the following section, we will consider the FTC reports and proposed actions during the moratorium period imposed upon them by congressional preemption of the field until June, 1966.

In the first FTC report to Congress in 1967, the commission set the stage for additional proposed FTC trade regulation rules by acknowledging that "there is virtually no evidence that the warning statement on cigarette packages [required by Congress] has had any significant effect." ³⁶ One statement reportedly used to rationalize government action has been the common public attitude that if cigarette smoking were really so dangerous the government would do something about it. ³⁷ The almost

announcing the Trade Regulation Rule concerning the health hazards of cigarette smoking -- the Congress has often acted to reverse or limit the Commission's decision. 36

Water attributed this weakness of the commission to the absence of a consumer constituency and support in the face of an organized industry.

He wrote:

In the rare instances when the Commission does try to act forcefully against strong economic-political interests -- such as with its cigarette-advertising provisions in 1954-55 -- it finds itself overwhelmed by the industry concerned. Thus, a Federal agency that should have a strong pro-consumer constituency is deprived of this democratic support in large part as a result of its past ineptitude and inactivity. 37

The FTC was required to report each year to Congress under terms of the Federal Cigarette Labeling and Advertising Act of 1955, a congressional act which preempted the proposed 1964 FTC trade regulation rules which both Elman and Water have noted. The annual FTC report provided information on the effectiveness of cigarette labeling, current practices and methods of cigarette advertising and promotion as well as recommendations for congressional legislation. In the following section, we will consider the FTC reports and proposed actions during the moratorium period imposed upon them by congressional prescription of the field until June, 1969.

In the first FTC report to Congress in 1967, the commission set the stage for additional proposed FTC trade regulation rules by acknowledging that "there is virtually no evidence that the warning statement on cigarette packages [required by Congress] has had any significant effect." 38 One statement repeatedly used to rationalize government action has been the common public attitude that if cigarette smoking were really so dangerous the government would do something about it. 39 The almost

ubiquitous cigarette advertisement is proof enough to many that cigarettes "can't be all that bad."

Mary Gardiner Jones, FTC Commissioner, commented in an article "Government in the Marketplace:"

[The FTC] is the only Federal agency which can move against the retailer or manufacturer who defrauds or deceives a consumer. ³⁸

Furthermore:

. . . there is need for the exercise of governmental power to protect consumers . . . Its powers to promote competition and truth and honesty in the marketplace are still vitally necessary to the welfare of consumers. ³⁹

Not only is there a need for government protection of consumers, but there is also an expectation that the government will act.

To inform the cigarette smoking public, the commission favored mandatory labeling of tar and nicotine content on cigarette packages and in cigarette advertisements, as well as other measures that would "prompt cigarette manufacturers to develop less hazardous cigarettes." The commission also suggested that educational programs should be emphasized heavily and increased substantially in the schools. In helping to set the ground work for additional remedial action by the Federal Communications Commission, the FTC suggested:

To counteract these forces [i.e. current cigarette advertising] may ultimately require either termination or drastic alteration of cigarette advertising on radio and television, and will certainly also require a vast educational campaign to negate the image of cigarette smoking as harmless and satisfying. ⁴⁰

The FTC's 1967 report carefully analyzed current practices and methods of cigarette advertising and promotion. Examination was also made of advertising expenditures, as well as the audience to which it was directed. The report concluded that "intentional or fortuitous, teenagers appear to be a prime target for televised cigarette advertising." ⁴¹ Furthermore,

advertising cigarette advertisement is proof enough to many that cigarette

advertising "can't be all that bad."

Mary Gardner Jones, FTC Commissioner, commented in an article

"Government in the Marketplace:"

[The FTC] is the only Federal agency which can move against the
retailer or manufacturer who deceives or defrauds a consumer.

Furthermore:

... there is need for the exercise of governmental power to
protect consumers. . . . Its powers to promote competition and
truth and honesty in the marketplace are still vitally necessary
to the welfare of consumers.

Not only is there a need for government protection of consumers, but

there is also an expectation that the government will act.

To inform the cigarette smoking public, the commission favored

mandatory labeling of tar and nicotine content on cigarette packages and

in cigarette advertisements, as well as other measures that would "prompt

cigarette manufacturers to develop less hazardous cigarettes." The

commission also suggested that educational programs should be emphasized

heavily and increased substantially in the schools. In helping to set

the ground work for additional remedial action by the Federal Communica-

tions Commission, the FTC suggested:

To counteract these forces [i.e. current cigarette advertising]
may ultimately require either limitation or drastic alteration
of cigarette advertising on radio and television, and will
certainly also require a vast educational campaign to negate the
image of cigarette smoking as harmless and satisfying.

The FTC's 1967 report carefully analyzed current practices and methods

of cigarette advertising and promotion. Examination was also made of

advertising expenditures, as well as the audience to which it was directed.

The report concluded that "intentional or fortuitous, teenagers appear

to be a prime target for televised cigarette advertising." ⁴¹ Furthermore,

the commission noted that cigarette advertising "continues to depict smoking as an enjoyable activity while ignoring completely the health hazards."

To avoid the possible elimination of cigarette advertising the tobacco industry and the broadcast media have each adopted voluntary limitations on cigarette advertising. In the following section, we will consider some of these voluntary limitations as well as outside evaluations of their success.

B. Self-Regulation of Cigarette Advertising

The Cigarette Advertising Code was adopted in April, 1964 by the manufacturers of over 99 per cent of all domestic cigarettes and went into effect January 1, 1965.⁴² The code prohibited cigarette advertising directed primarily to persons under 21, or appearing in school, college or university media. The code also prohibited passing out cigarette samples on school, college or university campuses. Furthermore, the code stated that "cigarette advertising shall not represent that cigarette smoking is essential to social prominence, distinction, success or sexual attraction." The depiction of smokers participating in or appearing to participate in athletic activity requiring physical exertion and the use of prominent athletes in cigarette commercials were prohibited.

The broadcasting industry, as a direct result of the Surgeon General's report, amended their advertising codes. The radio and television codes prohibited advertisements directed to youth that imply "that the use of cigarettes contributes to individual achievement, personal acceptance, or is a habit worthy of imitation." These codes also prohibited stating that the presence or construction of a filter is

the commission noted that cigarette advertising "continues to depict smoking as an enjoyable activity while ignoring completely the health hazards."

To avoid the possible elimination of cigarette advertising the tobacco industry and the broadcast media have each adopted voluntary limitations on cigarette advertising. In the following section, we will consider some of these voluntary limitations as well as outside evaluations of their success.

B. Self-Regulation of Cigarette Advertising

The Cigarette Advertising Code was adopted in April, 1964 by the manufacturers of over 99 per cent of all domestic cigarettes and went into effect January 1, 1965.⁴² The code prohibited cigarette advertising directed primarily to persons under 21, or appearing in school, college or university media. The code also prohibited passing out cigarette samples on school, college or university campuses. Furthermore, the code stated that "cigarette advertising shall not represent that cigarette smoking is essential to social prominence, distinction, success or sexual attraction." The depiction of smokers participating in or appearing to participate in athletic activity reducing physical exertion and the use of prominent athletes in cigarette commercials were prohibited.

The broadcasting industry, as a direct result of the Surgeon General's report, amended their advertising codes. The radio and television codes prohibited advertisements directed to youth that imply "that the use of cigarettes contributes to individual achievement, personal acceptance, or is a habit worthy of imitation." These codes also prohibited stating that the presence or construction of a filter is

beneficial to health or well being. Under the Cigarette Advertising Code, this type of representation is also prohibited unless the code's administrator held otherwise.

Former New Jersey Governor Robert B. Mayner, tobacco industry code administrator, testified before the House Commerce Committee that "the code has two basic goals: (1) to prohibit appeals primarily directed to persons under 21 years of age, and (2) to prohibit health claims."⁴³ The industry's code which went into effect in January, 1965, ended six years later in November, 1970. Membership in the code had dwindled from all nine of the country's cigarette manufacturers to three. The administrator had the power to levy a fine of up to \$100,000 for violating the code, but no fines were ever imposed.

The health claims section of the tobacco industry code was deleted in 1967 after the FTC changed its policy. The commission ended its objection to disclosure of tar and nicotine content in cigarette labeling and advertising, provided that no health claims were made. The commission found that:

The industry had made only limited use of tar and nicotine disclosures . . . and that with the exception of True, these brands were only an insignificant share of the 1966 market.

Some have questioned the utility of having two separate operating codes. Robert B. Walker, president of American Tobacco, commented in a letter to Governor Mayner that "it would appear to us that no useful purpose is served by the existence of two codes which duplicate each other in essential respects."⁴⁴ Mayner thought the industry's code "did a good deal of good:"⁴⁵

He noted that cigarettes are no longer advertised on college campuses, that testimonials were no longer used and that models

beneficial to health or well being. Under the Cigarette Advertising Code, this type of representation is also prohibited unless the code's administrator held otherwise.

Former New Jersey Governor Robert B. Meyner, tobacco industry code administrator, testified before the House Commerce Committee that

"The code has two basic goals: (1) to prohibit specials primarily directed to persons under 21 years of age, and (2) to prohibit health claims." ⁴³ The industry's code which went into effect in January, 1965, ended six years later in November, 1970. Membership in the code had dwindled from all nine of the country's cigarette manufacturers to three. The administrator had the power to levy a fine of up to \$100,000 for violating the code, but no fines were ever imposed.

The health claims section of the tobacco industry code was deleted in 1967 after the FTC changed its policy. The commission ended its objection to disclosure of tar and nicotine content in cigarette labeling and advertising, provided that no health claims were made. The commission found that:

The industry had made only limited use of tar and nicotine disclosures . . . and that with the exception of True, these brands were only an insignificant share of the 1966 market. Some have questioned the utility of having two separate operating codes. Robert B. Walker, president of American Tobacco, commented in a letter to Governor Meyner that "it would appear to us that no useful purpose is served by the existence of two codes which duplicate each other in essential respects." ⁴⁴ Meyner thought the industry's code "did a good deal of good." ⁴⁵

He noted that cigarettes are no longer advertised on college campuses, that testimonials were no longer used and that models

in television commercials 'are still a little more mature.' ⁴⁶

The FTC's evaluation of the attempts at self-regulation have been much more critical. The 1967 report to Congress noted:

Although minor changes have been made in some advertisements since promulgation of the Cigarette Code, their themes and basic impact remain unchanged. Cigarette advertising continues to promote the idea that cigarette smoking is both pleasurable and harmless. On their face, the various advertising codes may appear to set proper guidelines for cigarette advertising, but in practice it is impossible for cigarette manufacturers to comply with the codes without making known the health hazards of smoking or diminishing in any way the appeal of their advertisements.⁴⁷

The commission concluded: "in the interest of fairness to the adults of tomorrow, advertising without an adequate warning should not be permitted to continue. Self-regulation by the industry has proved to be ineffectual."⁴⁸

FTC commissioner Philip Elman went still further in his evaluation recommending to Congress that (1) cigarette advertising be banned entirely on television and radio, and (2) the "super-king size" 100 mm cigarettes, now being extensively promoted by the industry, be banned from interstate commerce as too dangerous for human consumption.⁴⁹

In their 1968 report to Congress, the FTC added a harsher recommendation along the lines of Elman's first proposal:

Cigarette advertising on television and radio should be banned entirely. Alternatively, cigarette advertising on television and radio should be limited as to the hours at which it may appear; the extent to which it may appear; and the type of programs on which it may appear.⁵⁰

The commission took special note in this report of cigarette manufacturers' attempts to influence public opinion including (1) efforts to discourage the display of commission tar and nicotine yield data in

in television commercials 'are still a little more mature.'⁴⁶
The FTC's evaluation of the attempts at self-regulation have been

much more critical. The 1967 report to Congress noted:

Although minor changes have been made in some advertisements since promulgation of the Cigarette Code, their themes and basic impact remain unchanged. Cigarette advertising continues to promote the idea that cigarette smoking is both pleasurable and harmless. On their face, the various advertising codes may appear to set proper guidelines for cigarette advertising, but in practice it is impossible for cigarette manufacturers to comply with the codes without making known the health hazards of smoking or diminishing in any way the appeal of their advertisements.⁴⁷

The commission concluded: "In the interest of fairness to the adults of tomorrow, advertising without an adequate warning should not be permitted to continue. Self-regulation by the industry has proved to be ineffectual."⁴⁸

FTC commissioner Philip Elman went still further in his evaluation

recommending to Congress that (1) cigarette advertising be banned entirely on television and radio, and (2) the "super-king size" 100 mm cigarettes, now being extensively promoted by the industry, be banned from interstate commerce as too dangerous for human consumption.⁴⁹

In their 1968 report to Congress, the FTC added a harsher recom-

mendation along the lines of Elman's first proposal:

Cigarette advertising on television and radio should be banned entirely. Alternatively, cigarette advertising on television and radio should be limited as to the hours at which it may appear; the extent to which it may appear; and the type of programs on which it may appear.⁵⁰

The commission took special note in this report of cigarette manufacturers' attempts to influence public opinion including (1) efforts to discourage the display of commission tar and nicotine yield data in

food and drug chain stores and (2) attempts to halt a PHS campaign to publicize the fact that large numbers of doctors have given up cigarettes. The commission report deals extensively with the controversy resulting from the publication of an article entitled "To Smoke or Not to Smoke -- That Is Still the Question" written by Stanley Frank. The True Magazine article concluded that "at the moment, all we can say for sure is that there is absolutely no proof that smoking causes human cancer." The article allegedly was written by an employee of the Tobacco Institute's public relations firm Hill & Knowlton, Inc. The article was given extensive advertising and reprints were distributed to people in the medical, communications, and educational fields as well as to government officials, security analysts and other opinion leaders. The bill for the over 400 thousand reprints was eventually paid by the tobacco industry.

Facts concerning the True Magazine episode were included in the FTC report because "they relate in a very material way to current practices and methods of cigarette advertising and promotion."⁵¹ In evaluating cigarette industry tactics in this case, the commission concluded that these "are not the acts of an industry either confident of its facts or solicitous of its reputation."⁵² At least several of the commission's members appear to have been angered and repulsed at the industry tactics and the vanity of self-regulation.

In May, 1960, the FTC removed its pressure for increased government regulation of cigarette advertising by announcing that it would consider a proposed rule requiring that all cigarette advertising disclose, clearly and prominently, a stronger health warning. The proposed

food and drug chain stores and (3) attempts to halt a PHS campaign to publicize the fact that large numbers of doctors have given up cigarettes.

The commission report deals extensively with the controversy resulting from the publication of an article entitled "To Smoke or Not to Smoke -- That Is Still the Question" written by Stanley Frank. The True Magazine

article concluded that "at the moment, all we can say for sure is that

there is absolutely no proof that smoking causes human cancer." The

article allegedly was written by an employee of the Tobacco Institute's

public relations firm Hill & Knowlton, Inc. The article was given

extensive advertising and reprints were distributed to people in the

medical, communications, and educational fields as well as to govern-

ment officials, security analysts and other opinion leaders. The bill

for the over 400 thousand reprints was eventually paid by the tobacco

industry.

Facts concerning the True Magazine episode were included in the FTC

report because "they relate in a very material way to current practices

and methods of cigarette advertising and promotion."²¹ In evaluating

cigarette industry tactics in this case, the commission concluded that

these "are not the acts of an industry either confident of its facts

or solicitous of its reputation."²² At least several of the commission's

members appear to have been angered and repulsed at the industry tactics

and the vacuity of self-regulation.

In May, 1969, the FTC renewed its pressure for increased government

regulation of cigarette advertising by announcing that it would consider

a proposed rule requiring that all cigarette advertising disclose,

clearly and prominently, a stronger health warning. The proposed

warning stated:

cigarette smoking is dangerous to health and may cause death from cancer, coronary heart disease, chronic bronchitis, pulmonary emphysema, and other diseases. 53

The FTC, in effect, was giving Congress notice that it was willing to back up its own recommendations with actions after the congressional moratorium on its actions expired. During the three years following the passage of the Cigarette Labeling and Advertising Act of 1965 no federal legislation regarding cigarettes had been passed and FTC recommendations remained unimplemented. Commenting on its efforts and those of the FTC, the FTC stated, "whether taken together or separately, the proposed rules of the two agencies are significant steps in the field of regulatory response to the public interest." 54 Both commissions appear to take a great deal of pride in their efforts in this area.

In its 1969 report to Congress, the FTC also took note of public opinion by suggesting that "the climate seems to be ripe for increased regulation of cigarette advertising and labeling." 55 They cited a Harris Poll indicating that over 50 percent of the public favored banning all cigarette advertising from television and radio. The commission also recommended a new stronger warning on cigarette packages and in all cigarette advertising:

Warning: Cigarette Smoking is Dangerous to Health and May Cause Death From Cancer, Coronary Heart Disease, Chronic Bronchitis, Pulmonary Emphysema and Other Diseases.

The commission would also require a statement setting forth the tar and nicotine content of each cigarette on the package and in all cigarette advertising and would ban cigarette advertising on radio and television entirely. Television and radio broadcasters, as part of their public

warning stated:

Cigarette smoking is dangerous to health and may cause death from cancer, coronary heart disease, chronic bronchitis, pulmonary emphysema, and other diseases. 23

The FTC, in effect, was giving Congress notice that it was willing to back up its own recommendations with actions after the congressional moratorium on its actions expired. During the three years following the passage of the Cigarette Labeling and Advertising Act of 1965 no federal legislation regarding cigarettes had been passed and FTC recommendations remained unimplemented. Commenting on its efforts and those of the FTC, the FTC stated, "whether taken together or separately, the proposed rules of the two agencies are significant steps in the field of regulatory response to the public interest." 24 Both commissions appear to take a great deal of pride in their efforts in this area. In its 1969 report to Congress, the FTC also took note of public opinion by suggesting that "the climate seems to be ripe for increased regulation of cigarette advertising and labeling." 25 They cited a Harris Poll indicating that over 50 percent of the public favored banning all cigarette advertising from television and radio. The commission also recommended a new stronger warning on cigarette packages and in all cigarette advertising:

Warning: Cigarette Smoking Is Dangerous to Health and May Cause Death From Cancer, Coronary Heart Disease, Chronic Bronchitis, Pulmonary Emphysema and Other Diseases.

The commission would also require a statement setting forth the tar and nicotine content of each cigarette on the package and in all cigarette advertising and would ban cigarette advertising on radio and television entirely. Television and radio broadcasters, as part of their public

service responsibilities, would be required to devote a significant amount of broadcast time for programs and announcements on health hazards of cigarette smoking.

The negative assessment of tobacco and broadcast industry self-regulation by the federal regulatory commissions has played a large role in determining commission actions. Bowman Gray (R.J. Reynolds) stated in his congressional testimony in 1965 that the industry's advertising code "represents a sincere effort by the industry to respond to criticism of the industry's advertising which has been voiced in some quarters. It is an earnest effort at industry self-regulation." 56

Criticism of the industry's own efforts has come from politicians as well as federal bureaucrats. Robert Kennedy said in his speech before the World Conference on Smoking and Health that:

. . . we have witnessed a charade of purported self-regulation for some years. The codes of self-regulation have been largely ineffective, and I see little hope for changes. 57

Kennedy's criticism is very similar to FTC and FCC comments articulated at a later date.

The 1969 FTC Report to Congress cited extensively from a confidential report, prepared by the Code Authority of the National Association of Broadcasters. The report assessed cigarette commercials on radio and television and was made public at hearings held by the House Interstate and Foreign Commerce Committee on June 10, 1969. 58

Warren Braren, the principal author of the report voluntarily testified that:

The broadcast industry has had ample opportunity to demonstrate its willingness and ability to enact a truly responsible and meaningful program to self-regulate broadcast cigarette advertising. The NAB and the code authority have failed in this public trust. 59

service responsibilities, would be required to devote a significant amount of broadcast time for programs and announcements on health hazards of cigarette smoking.

The negative assessment of tobacco and broadcast industry self-regulation by the federal regulatory commissions has played a large role in determining commission actions. Bowman Gray (R.-J. Reynolds) stated in his congressional testimony in 1965 that the industry's advertising code "represents a sincere effort by the industry to respond to criticism of the industry's advertising which has been voiced in some quarters. It is an earnest effort at industry self-regulation." 26

Criticism of the industry's own efforts has come from politicians as well as federal bureaucrats. Robert Kennedy said in his speech before the World Conference on Smoking and Health that:

... we have witnessed a charade of purported self-regulation for some years. The codes of self-regulation have been largely ineffective, and I see little hope for changes. 27

Kennedy's criticism is very similar to FTC and FCC comments articulated at a later date.

The 1969 FTC Report to Congress cited extensively from a confidential report, prepared by the Code Authority of the National Association of Broadcasters. The report assessed cigarette commercials on radio and television and was made public at hearings held by the House Interstate and Foreign Commerce Committee on June 10, 1969. 28

Warren Barten, the principal author of the report voluntarily

testified that:

The broadcast industry has had ample opportunity to demonstrate its willingness and ability to enact a truly responsible and meaningful program to self-regulate broadcast cigarette advertising. The NAB and the code authority have failed in this public trust. 29

The confidential Broadcast Cigarette Advertising Report written in 1966 concluded:

Cigarettes, and the advertising thereof, present a unique situation. For the first time broadcasting is confronted with a dilemma of accepting advertising for a product which, through normal and obviously popular use, is potentially if not necessarily capable of inflicting irreparable harm upon a user's health. 60

Furthermore, the report continued:

The difficulty in cigarette advertising is that commercials which have an impact upon an adult cannot be assumed to leave unaffected a young viewer, smoker or otherwise. The adult world depicted in cigarette advertising very often is a world to which the adolescent aspires. The cowboy and the steel-worker are symbols of a mature masculinity towards which he strives. Popularity, romantic attachment and success are also particularly desirable achievements for the young. To the young, smoking indeed may seem to be an important step towards, and a help in growth from adolescence to maturity. 61

The Bracer testimony was extremely damaging to the tobacco industry's claim of self-regulation and corroborated the FTC's own conclusions. They noted that their own reviews of cigarette advertising conducted in 1964, 1967, 1968 and 1969 "amply demonstrate the futility in relying upon voluntary regulation of cigarette advertising to achieve any significant changes in the content and meaning of cigarette advertising." 62

The FTC third proposed trade rule in August, 1970 sought to implement mandatory disclosure of tar and nicotine ratings. By this time the tobacco industry was willing to compromise in order to prevent further congressional action and additional negative publicity.

The Tobacco Institute acted in behalf of every major United States cigarette manufacturer except American Brands, Inc., when it notified the FTC in September, 1970 that a voluntary agreement on the disclosure of "tar" and nicotine content in cigarette advertising would be preferable to rule-making, litigation or legislation. These companies

The Confidential Broadcast Cigarette Advertising Report written in

1966 concluded:

Cigarettes, and the advertising thereof, present a unique situation. For the first time broadcast advertising is confronted with a dilemma of accepting advertising for a product which, through normal and obviously popular use, is potentially if not necessarily capable of inflicting irreparable harm upon a user's health. 60

Furthermore, the report continued:

The difficulty in cigarette advertising is that commercials which have an impact upon an adult cannot be assumed to leave unaffected a young viewer, smoker or otherwise. The adult world depicted in cigarette advertising very often is a world to which the adolescent aspires. The copy and the steel-worker are symbols of a mature masculinity towards which he aspires. Popularity, romantic attachment and success are also particularly desirable achievements for the young. To the young, smoking indeed may seem to be an important step towards, and a help in growth from adolescence to maturity. 61

The Batten testimony was extremely damaging to the tobacco industry's claim of self-regulation and corroborated the FTC's own conclusions. They noted that their own reviews of cigarette advertising conducted in 1964, 1967, 1968 and 1969 "amply demonstrate the futility in relying upon voluntary regulation of cigarette advertising to achieve any significant changes in the content and meaning of cigarette advertising." 62

The FTC third proposed trade rule in August 1970 sought to implement

mandatory disclosure of tar and nicotine ratings. By this time the tobacco industry was willing to compromise in order to prevent further congressional action and additional negative publicity.

The Tobacco Institute acted in behalf of every major United States cigarette manufacturer except American Brands, Inc., when it notified the FTC in September 1970 that a voluntary agreement on the disclosure of "tar" and nicotine content in cigarette advertising would be preferable to rule-making, litigation or legislation. These companies

announced that they were prepared to discuss available methods for insuring compliance with a voluntary program. The possibility of voluntary compliance depends in part upon the cooperation of American Brands which had agreed to cooperate only if the FTC dismissed a pending complaint against them charging them with misleading advertising. ⁶³

While the industry agreed to voluntarily disclose tar and nicotine contents, the earlier industry denials of the validity and usefulness of these measures have continued. Upon the release of the first government tests, conducted by the FTC in November, 1967 the Institute released a statement saying that there was no scientifically established relationship between tar and nicotine levels and human health. In agreeing to voluntarily cooperate, the industry reiterated its previous contention that the measures had no real meaning. ⁶⁴

Nevertheless, tobacco company actions show both their concern about adverse publicity and their recognition that low "tar" and nicotine cigarettes could be sold competitively. In March, 1966 the FTC partially withdrew its earlier ban on health statements in cigarette advertising:

It is the Commission's position that it is in the public interest to promote the dissemination of truthful information concerning cigarettes which may be material and desired by the consuming public . . . a factual statement of the tar and nicotine content (expressed in milligrams) of the mainstream smoke from a cigarette would not be in violation of such guides. ⁶⁵

The failure of voluntary industry advertising guidelines was in part due to the withdrawal of tobacco companies from the code to take advantage of the eased regulation. Philip Morris noted in its 1967 Annual Report that lower tar and nicotine delivery were the result of changes in filters, blends, paper in response to public demand for milder cigarettes

announced that they were prepared to discuss available methods for ensuring compliance with a voluntary program. The possibility of voluntary compliance depends in part upon the cooperation of American brands which had agreed to cooperate only if the FTC dismissed a pending complaint against them charging them with misleading advertising. 63

While the industry agreed to voluntarily disclose tar and nicotine contents, the earlier industry denial of the validity and usefulness of these measures have continued. Upon the release of the first government tests, conducted by the FTC in November 1967 the Institute released a statement saying that there was no scientifically established relationship between tar and nicotine levels and human health. In agreeing to voluntarily cooperate, the industry reiterated its previous contention that the measures had no real meaning. 64

Nevertheless, tobacco company actions show both their concern about adverse publicity and their recognition that low "tar" and nicotine cigarettes could be sold competitively. In March, 1966 the FTC partially withdrew its earlier ban on health statements in cigarette advertising. It is the Commission's position that it is in the public interest to promote the dissemination of truthful information concerning cigarettes which may be material and desired by the consuming public. . . . a factual statement of the tar and nicotine content (expressed in milligrams) of the mainstream smoke from a cigarette would not be in violation of such guides. 65

The failure of voluntary industry advertising guidelines was in part due to the withdrawal of tobacco companies from the code to take advantage of the eased regulation. Philip Morris noted in its 1967 Annual Report that lower tar and nicotine delivery were the result of changes in filters, blends, paper in response to public demand for milder cigarettes

and that "this indicates the industry's ability to respond affirmatively to consumer wishes."

However, voluntary cooperation has had its limitations. Voluntary disclosure was not to be considered as an admission by the industry that the FTC is authorized to promulgate a trade regulation rule on this matter and further the industry does not admit that failure to comply with its own voluntary agreement constitutes a violation of law.

Voluntary agreement with the industry may not bring either cooperation or compliance. Tobacco industry cooperation is on its own terms and is a very weak substitute for government regulation with penalties to violators. The present agreement allows the industry to test the commission's right to promulgate a trade regulation rule on this matter by taking the case to court. Horace R. Kornegay praised the agreement. He said "we believe we have again shown that Government-industry cooperation can and does achieve desired results much more efficiently and expeditiously rather than the extended processes of legislation, regulation or litigation." 66

The FTC accepted the voluntary disclosure plan because it appeared to be in the public interest to give the industry an opportunity to implement the letter and spirit of the plan. The commission however retained the right to reschedule the trade regulation rule proceedings and to "take any other action relating to this subject at any time it deems such action to be necessary or desirable in the public interest." 67

Generalizations about trends in tar and nicotine ratings over time are limited by a lack of comparability between test results. FTC tests made between October, 1968 and June, 1970 are comparable and show that

and that "this indicates the industry's ability to respond affirmatively to consumer wishes."

However, voluntary cooperation has had its limitations. Voluntary disclosure was not to be considered as an admission by the industry that the FTC is authorized to promulgate a trade regulation rule on this matter and further the industry does not admit that failure to comply with its own voluntary agreement constitutes a violation of law.

Voluntary agreement with the industry may not bring either cooperation or compliance. Tobacco industry cooperation is on its own terms and is a very weak substitute for government regulation with penalties to violators. The present agreement allows the industry to test the commission's right to promulgate a trade regulation rule on this matter by taking the case to court. Horace R. Kornegay praised the agreement. He said "we believe we have again shown that Government-industry cooperation can and does achieve desired results much more efficiently and expeditiously rather than the extended processes of legislation, regulation or litigation." 66

The FTC accepted the voluntary disclosure plan because it appeared to be in the public interest to give the industry an opportunity to implement the letter and spirit of the plan. The commission however retained the right to reschedule the trade regulation rule proceedings and to "take any other action relating to this subject at any time it deems such action to be necessary or desirable in the public interest." 67

Generalizations about trends in tar and nicotine ratings over time are limited by a lack of comparability between test results. FTC tests made between October 1968 and June 1970 are comparable and show that

71 varieties of cigarettes tested decreased in tar, 23 were unchanged and 11 increased while 34 varieties decreased in nicotine, 41 were unchanged, and 30 have increased.

Recently, in April, 1971, the Tobacco Institute announced that "henceforth media advertising will depict cigarette packages legibly showing the health warning that Congress requires on the packages: "Warning: The Surgeon General Has Determined that Cigarette Smoking is Dangerous to Your Health." Once again American Brands did not join in the cooperative voluntary effort. Kornegay reemphasized again that "the companies do not agree with the Surgeon General's opinion on the relationship of smoking to health, and he noted that the issue continues as a subject of controversy among scientific experts."⁶⁸

Two general trends can be cited to indicate the interest of the cigarette industry in producing less harmful cigarettes. The introduction and spread of filter cigarettes has been augmented by considerable industry advertising. Competition before the voluntary cessation of the tar derby was implicitly, if not explicitly, health oriented, and since the FTC turnabout allowing disclosures of tar and nicotine contents measured by the FTC, several cigarette companies have vigorously advertised their low tar and nicotine brands.

We next turn to the Federal Communications Commission which also has played an active and important role in government regulation of cigarette advertising.

C. Federal Communications Commission and Cigarette Advertising

In the following section we will consider the role the Federal Communications Commission has played in regulating cigarette advertising.

71 varieties of cigarettes tested decreased in tar, 23 were unchanged and 11 increased while 34 varieties decreased in nicotine, 41 were unchanged, and 30 have increased.

Recently, in April, 1971, the Tobacco Institute announced that "henceforth media advertisement will depict cigarette packages legibly showing the health warning that Congress requires on the packages." "Warning: The Surgeon General Has Determined that Cigarette Smoking Is Dangerous to Your Health." Once again American Brands did not join in the cooperative voluntary effort. Kordway reemphasized again that "the companies do not agree with the Surgeon General's opinion on the relationship of smoking to health, and he noted that the issue continues as a subject of controversy among scientific experts."⁶⁸

Two general trends can be cited to indicate the interest of the cigarette industry in producing less harmful cigarettes. The introduction and spread of filter cigarettes has been augmented by considerable industry advertising. Competition before the voluntary cessation of the tar derby was implicitly, if not explicitly, health oriented, and since the FTC turnaround allowing disclosure of tar and nicotine contents measured by the FTC, several cigarette companies have voluntarily advertised their low tar and nicotine brands.

We next turn to the Federal Communications Commission which also has played an active and important role in government regulation of cigarette advertising.

C. Federal Communications Commission and Cigarette Advertising

In the following section we will consider the role the Federal Communications Commission has played in regulating cigarette advertising.

The commission's actions appear to have had important effects in applying pressure upon the tobacco industry to change its advertising policies and in hastening congressional action. Our present purpose is to examine FCC actions in some detail, consider their rationale for these actions as well as discuss the response of the tobacco industry. In general the picture appears to be very similar to that found in surveying the FTC. FCC actions are once again based upon the Surgeon General's report and seek to prevent deceptive advertising. The industry, in response, has sought to form a coalition between themselves and broadcast interests who are directly affected by commission actions and for whom the FCC actions might become a precedent applicable to other advertising. This coalition has fought FCC regulation and proposed self regulation as a substitute. We will consider FCC reaction to this voluntary activity and evaluate its effects upon the nature of government regulation.

Consideration by the FCC of cigarette advertising first occurred in the early 1960's. The basis for this action had been laid in the Surgeon General's report, but the commission thought that inaction on its part was appropriate since the FTC had given notice that it would act. Unlike the FCC, the FTC possessed broad regulatory authority to regulate all media.

William E. Henry, chairman of the FCC, stated the basic conflict between the FCC and the tobacco industry in a 1966 address before the National Association of Broadcasters:

From the advertising presently being carried on radio and television no one would ever know that the great bulk of medical opinion, including a Surgeon General's Report, has concluded that there is an adverse causal relationship between

The commission's action appears to have had important effects in relieving pressure upon the tobacco industry to change its advertising policies and in hastening congressional action. Our present purpose is to examine FCC actions in some detail, consider their rationale for these actions as well as discuss the response of the tobacco industry.

In general the picture appears to be very similar to that found in surveying the FTC. FCC actions are once again based upon the Surgeon

General's report and seek to prevent deceptive advertising. The industry, in response, has sought to form a coalition between themselves and broadcast interests who are directly affected by commission actions and for whom the FCC actions might become a precedent applicable to other advertising. This coalition has fought FCC regulation and proposed self regulation as a substitute. We will consider FCC reaction to this voluntary activity and evaluate its effects upon the nature of government regulation.

Consideration by the FCC of cigarette advertising first occurred in the early 1960's. The basis for this action had been laid in the Surgeon General's report, but the commission thought that inaction on its part was appropriate since the FTC had given notice that it would act. Unlike the FCC, the FTC possessed broad regulatory authority to regulate all radio.

William E. Henry, chairman of the FCC, stated the basic conflict between the FCC and the tobacco industry in a 1966 address before the

National Association of Broadcasters:

From the advertising presently being carried on radio and television no one would ever know that the great bulk of medical opinion, including a Surgeon General's Report, has concluded that there is an adverse causal relationship between

cigarette smoking and health. Nor is there the slightest hint that the Congress of the United States last year passed a Cigarette Labeling Act which requires every pack to contain the warning -- and I quote -- 'Caution: Cigarette Smoking May be Hazardous to Your Health.' Despite all of this, the sign on broadcasting's door for cigarette advertisers reads: 'Business as usual.' A startling anomaly is thus created. Television viewers in particular are led to believe that cigarette smoking is the key to fun and games with the opposite sex, good times at home and abroad, social success and virility. But as the individual approaches the tobacco stand and mystically changes from television viewer to cigarette customer, so the message changes. Life with cigarettes is no longer beautiful: the package warns that smoking may have ugly consequences indeed. 69

The powers of the independent regulatory agencies derive from congressional efforts to bring both independence, objectivity and expertise to certain questions. Both FCC and FTC actions have been the result of their evaluations of the smoking-health controversy and the necessity for action within their own jurisdictions.

The FCC's first action came unexpectedly in June, 1967, in a ruling that the Fairness Doctrine was applicable to cigarette advertising:

The Fairness Doctrine has its foundation in the obligation imposed on licensees by the Communications Act to operate in the public interest, which includes the 'basic policy of the "standard of fairness"' and the broad encompassing duty of providing a fair cross section of opinion in the station's coverage of public affairs and matters of public controversy. 70

The doctrine as applied to cigarette advertising does not require that each cigarette commercial be balanced by an ant-smoking spot, but only that within total station programming opposing views be reasonably represented. 71 Roughly one anti-smoking commercial for three cigarette advertisements has been used as a simple measure of balance. This equated to approximately \$75 million worth of free promotion each year. 72

The FCC ruling resulted from a complaint by John F. Banzhaf III who was concerned "not so much about the dangers of smoking as about the tactics

cigarette smoking and health. Nor is there the slightest hint that the Congress of the United States last year passed a Cigarette Labeling Act which requires every pack to contain the warning -- and I quote -- "Caution: Cigarette Smoking May be Hazardous to Your Health." Despite all of this, the station on broadcasting's door for cigarette advertisers reads: "Business as usual." A startling anomaly is thus created. Television viewers in particular are led to believe that cigarette smoking is the key to fun and games with the opposite sex, good times at home and abroad, social success and virility. But as the individual approaches the tobacco stand and mystically changes from television viewer to cigarette customer, so the message changes. Life with cigarettes is no longer beautiful: the package warns that smoking may have ugly consequences indeed.

The powers of the independent regulatory agencies derive from congressional efforts to bring both independence, objectivity and expertise to certain questions. Both FCC and FTC actions have been the result of their evaluations of the smoking-health controversy and the necessity for action within their own jurisdictions.

The FCC's first action came unexpectedly in June, 1967, in a ruling

that the Fairness Doctrine was applicable to cigarette advertising:

The Fairness Doctrine has its foundation in the obligation imposed on licensees by the Communications Act to operate in the public interest, which includes the "basic policy of the standard of fairness," and the broad encompassing duty of providing a fair cross section of opinion in the station's coverage of public affairs and matters of public controversy.

The doctrine as applied to cigarette advertising does not require that

each cigarette commercial be balanced by an anti-smoking spot, but only

that within total station programming opposing views be reasonably

represented. 71 Roughly one anti-smoking commercial for three cigarette

advertisements has been used as a simple measure of balance. This

72 equated to approximately \$75 million worth of free promotion each year.

The FCC ruling resulted from a complaint by John F. Banzhaf III who was concerned "not so much about the dangers of smoking as about the tactics

being used in advertising cigarettes," ⁷³ and "about the use of the public airwaves to seduce young people into taking up smoking without any attempt to tell the other side of the story on television and radio." ⁷⁴

The FCC Memorandum Opinion and Order: Applicability of the Fairness Doctrine to Cigarette Advertising rejected requests for reconsideration of the ruling which were urged by representatives of the broadcast and tobacco industries:

The ruling is really a simple and practical one, required by the public interest. The licensee, who has a duty 'to operate in the public interest,' is presenting commercials urging the consumption of a product whose normal use has been found by the Congress and the Government to represent a serious potential hazard to public health. ⁷⁵

The FCC continued:

This obligation to inform the public of the other side of the matter stems not from any esoteric requirements of a particular doctrine but from the simple fact that the public interest means nothing if it does not include such a responsibility. ⁷⁶

Liggett and Myers comment in their 1968 Annual Report typifies the tobacco industry's reaction to the applicability of the "fairness doctrine." They noted it as "perhaps the most important adversity in the cigarette industry in 1968 . . .," ⁷⁷ while American Tobacco called the "fairness doctrine" requirement typical of the pressures exerted against the tobacco industry. ⁷⁸

The tobacco industry appealed to other industry groups for support, especially the broadcast industry, to oppose the FCC ruling which presented a common threat by establishing a new precedent. FCC commissioner Lee Loveinger also cited this new precedent:

No matter what the commission now says about the distinction between cigarette advertising and other types of advertising,

being used in advertising cigarettes,"⁷⁶ and "about the use of the public airwaves to seduce young people into taking up smoking without any attempt to tell the other side of the story on television and radio."⁷⁷

The FCC Memorandum Opinion and Order: Applicability of the Fairness

Doctrine to Cigarette Advertising rejected requests for reconsideration

of the ruling which were urged by representatives of the broadcast and

tobacco industries:

The ruling is really a simple and practical one, required by the public interest. The licensee, who has a duty to operate in the public interest, is presenting commercials urging the consumption of a product whose normal use has been found by Congress and the Government to represent a serious potential hazard to public health.⁷⁸

The FCC continued:

This obligation to inform the public of the other side of the matter stems not from any esoteric requirements of a particular doctrine but from the simple fact that the public interest means nothing if it does not include such a responsibility.⁷⁹

Liggitt and Myers comment in their 1968 Annual Report that the tobacco industry's reaction to the applicability of the "fairness doctrine." They noted it as "perhaps the most important adversity in the cigarette industry in 1968 . . ."⁸⁰ While American Tobacco called the "fairness doctrine" requirement typical of the pressures exerted against the tobacco industry.⁸¹

The tobacco industry appealed to other industry groups for support, especially the broadcast industry, to oppose the FCC ruling which presented a common threat by establishing a new precedent. FCC Commissioner Lee Loveinger also cited this new precedent:

No matter what the commission now says about the distinction between cigarette advertising and other types of advertising,

it is establishing the principle that the Fairness Doctrine applies to commercial advertising, as distinguished from paid political advertising.⁷⁹

Yet, in spite of his reservations Loveinger reluctantly voted for the ruling "because of a strong feeling that suggesting cigarette smoking to young people in the light of present knowledge is something very close to wickedness."⁸⁰ This sense of moral outrage and anger at tobacco industry actions or inactions has apparently motivated FTC and FCC members to press for additional governmental actions.

The broadcast industry was indignant over this FCC action as they had been earlier with FTC proposals. FCC action was a potentially catastrophic precedent not in keeping with the accepted role of government in not interfering with the workings of the free enterprise system. The fact that the independence of this free enterprise system from government is a myth has been discussed by numerous contemporary writers including Charles Reich in The Greening of America⁸¹ and John Kenneth Galbraith in The New Industrial State.⁸² The broadcast industry itself is closely regulated by the government. While many people now recognize and accept the ubiquitous government presence in modern business the tobacco industry and its supporters have consistently opposed governmental regulation and have argued in favor of self-regulation. In fact independent regulatory agencies have urged voluntary industry actions which would "obviate the need for formal enforcement proceedings or sanctions."⁸³

Opposition to the FCC action has been articulated in a number of different ways.⁸⁴ Vincent T. Wasilewski, the president of the National Association of Broadcasters, issued a statement declaring, "the FCC has

it is establishing the principle that the business doctrine applies to commercial advertising, as distinguished from political advertising.

Yet, in spite of his reservations, however reluctantly voted for the ruling "because of a strong feeling that suggesting cigarette smoking to young people in the light of present knowledge is something very close to wickedness."⁸⁰ This sense of moral outrage and anger at tobacco industry actions or inactions has apparently motivated FCC and FTC members to press for additional governmental actions.

The broadcast industry was indignant over this FCC action as they had been earlier with FCC proposals. FCC action was a potentially catastrophic precedent not in keeping with the accepted role of government in not interfering with the workings of the free enterprise system. The fact that the independence of this free enterprise system from

government is a myth has been discussed by numerous contemporary writers including Charles Reich in The Greening of America⁸¹ and John Kenneth Galbraith in The New Industrial State.⁸² The broadcast industry itself is closely regulated by the government. While many people now recognize and accept the ubiquitous government presence in modern business the tobacco industry and its supporters have consistently opposed governmental regulation and have argued in favor of self-regulation. In fact independent regulatory agencies have used voluntary industry actions which would "obviate the need for formal enforcement proceedings or actions."⁸³

Opposition to the FCC action has been articulated in a number of different ways.⁸⁴ Vincent T. Wallendorf, the president of the National Association of Broadcasters, issued a statement declaring, "the FCC has

arrogated to itself the formulation of a national policy . . . outside of its field of expertise." ⁸⁵ Opponents of regulatory action have chided Congress to reassert its authority by overruling FTC and/or FCC actions. Congressional hearings and actions have largely been a response to actions proposed by the FTC and/or the FCC. The tobacco industry has protested against the anti-smoking commercials which followed the fairness doctrine ruling, calling them "grossly inaccurate and misleading." ⁸⁶ Horace R. Kornegay, president of the Tobacco Institute has called FCC action and the resulting anti-smoking messages "distorted, misleading, and massive propaganda," that is "a disservice to the American people and to the concept of fairness. Nevertheless legal appeals by the tobacco industry have failed and the anti-smoking spots continued.

The U.S. Court of Appeals for the D.C. Circuit upheld the FCC fairness doctrine ruling in Banzhaf v. FCC (Case No. 21285, November 21, 1968). The court pointed out that "we are here faced with a most serious, unique danger to public health, 'authenticated by official and Congressional action . . .'" ⁸⁷ It is in part the perceived uniqueness of the present situation that has stimulated regulatory action and legitimized its controversial nature. The commission reiterated this uniqueness of the present situation that has stimulated regulatory action and legitimized its controversial nature. The commission reiterated this uniqueness in stressing that their action was limited to this particular product and that they were unaware of any other product commercials calling for such action. In addition they expressly disclaimed any intention to proceed against other product commercials. ⁸⁸

argued to itself the formation of a national policy . . . outside of its field of expertise." ⁸⁵ Opponents of regulatory action have cited Congress to reassert its authority by overturning FTC and/or FCC actions. Congressional hearings and actions have largely been a response to actions proposed by the FTC and/or the FCC. The tobacco industry has protested against the anti-smoking commercials which followed the fairness doctrine ruling, calling them "grossly inaccurate and misleading." ⁸⁶ Horace R. Kornegay, president of the Tobacco Institute has called FCC action and the resulting anti-smoking messages "distorted, misleading and massive propaganda," that is "a disservice to the American people and to the concept of fairness. Nevertheless legal appeals by the tobacco industry have failed and the anti-smoking spots continued.

The U.S. Court of Appeals for the D.C. Circuit upheld the FCC fairness doctrine ruling in Amman v. FCC (Case No. 21282, November 21, 1968). The court pointed out that "we are here faced with a most serious, unique danger to public health," authenticated by official and Congressional action . . . ⁸⁷ It is in part the perceived uniqueness of the present situation that has stimulated regulatory action and legitimized its controversial nature. The commission reiterated this uniqueness of the present situation that has stimulated regulatory action and legitimized its controversial nature. The commission reiterated this uniqueness in stressing that their action was limited to this particular product and that they were unaware of any other product commercials calling for such action. In addition they expressly disclaimed any intention to proceed against other product commercials. ⁸⁸

In February, 1969 the FCC released a second proposed rule relating to cigarette advertising, in advance of the congressional moratorium on actions relating to cigarette advertising. The commission announced that it would ban the broadcast of cigarette commercials by radio and television stations. Between 1967 and 1969 the FCC had progressed towards a much more outspoken position regarding cigarette advertising. In the 1969 Notice of Proposed Rule Making the commission stated vehemently that "presentation of commercials promoting the use of cigarettes is inconsistent with the obligation imposed upon broadcasters to operate in the public interest."⁸⁹ Furthermore:

It would thus appear wholly at odds with the public interest for broadcasters to present advertising promoting consumption of the product posing this unique danger -- a danger measured in terms of an epidemic of deaths and disabilities.⁹⁰

With the banning of cigarette commercials from the airwaves by congressional action after January 1, 1971 the FCC action was vacated and the commission faced the question of what would become of the anti-smoking spots. The commission reacted by telling radio and television stations that, in effect, they would be rendering a public service by continued broadcasting of anti-smoking commercials even in the absence of cigarette advertising. Furthermore, the commission also ruled, in what could become a precedent for additional remedial action, that the smoking issue is no longer "controversial" and therefore, cigarette companies do not have the right to reply to anti-smoking attacks.

Broadcast industry spokesmen have argued that the ban on cigarette commercials would relieve them of the "fairness" obligation to devote substantial time to the other side. In contrast Banshaf, who provided the impetus and rationale for the first FCC action believes that

In February, 1959 the FCC released a second proposed rule relating to cigarette advertising, in advance of the congressional moratorium on actions relating to cigarette advertising. The commission announced that it would ban the broadcast of cigarette commercials by radio and television stations. Between 1957 and 1959 the FCC had progressed towards a much more outspoken position regarding cigarette advertising. In the 1959 Notice of Proposed Rule Making the commission stated vehemently that "presentation of commercials promoting the use of cigarettes is inconsistent with the obligation imposed upon broadcasters to operate in the public interest." ⁵⁹ Furthermore:

It would thus appear wholly at odds with the public interest for broadcasters to present advertising promoting consumption of the product posing this unique danger -- a danger measured in terms of an epidemic of deaths and disabilities. ⁶⁰

With the banning of cigarette commercials from the airwaves by congressional action after January 1, 1971 the FCC action was viewed and the commission faced the question of what would become of the anti-smoking spots. The commission reacted by telling radio and television stations that, in effect, they would be rendering a public service by continued broadcasting of anti-smoking commercials even in the absence of cigarette advertising. Furthermore, the commission also ruled, in what could become a precedent for additional remedial action, that the smoking issue is no longer "controversial" and therefore, cigarette companies do not have the right to reply to anti-smoking attacks. Broadcast industry spokesmen have argued that the ban on cigarette commercials would relieve them of the "fairness" obligation to devote substantial time to the other side. In contrast Lammert, who provided a vigorous and rational for the first FCC action believes that

"television has a responsibility to make up for the two decades in which pro-smoking ads went unanswered." Three cigarette manufacturers have appealed this FCC ruling as a "violation of the free speech provisions of the First Amendment of the U.S. Constitution, that it is not authorized by the Federal Communications Act, and that it constitutes illegal censorship."

Both the threat and the reality of court actions have challenged and threatened FCC and FTC actions. Even while proposing their own actions under powers granted to them by Congress the independent regulatory commissions have suggested congressional action to avoid lengthy court tests of their powers. The tobacco industry and its supporters have used their right to challenge the legitimacy of commission actions to delay and/or prevent them.

The tobacco industry's proposal to voluntarily remove its commercial advertising from the broadcast media came only after the broadcast industry broke a formally unified front opposing government regulation by proposing a gradual elimination of tobacco commercials over a four year period. Their actions appears to have been in response to questions raised in Congressional testimony which nurtured grave doubts about the success of industry self-regulation.

In July 1969 the tobacco industry unexpectedly volunteered to discontinue all advertising of cigarettes on television and radio in September, 1970. Industry representatives said that two premises governed their action: truthful advertising is a basic commercial right, and smoking is an adult custom. Thus while vehemently denying the right of government to eliminate their advertising the industry agreed to remove it so as not to appeal to a young audience. It was the intention of the

"television has a responsibility to make up for the two decades in which pro-smoking ads went unanswered." Three cigarette manufacturers have appealed this FCC ruling as a "violation of the First Amendment of the U.S. Constitution, that it is not authorized by the Federal Communications Act, and that it constitutes illegal censorship."

Both the threat and the reality of court actions have challenged and threatened FCC and FTC actions. Even while proposing their own actions under powers granted to them by Congress the independent regulatory commissions have suggested congressional action to avoid lengthy court tests of their powers. The tobacco industry and its supporters have used their right to challenge the legitimacy of commission actions to delay and/or prevent them.

The tobacco industry's proposal to voluntarily remove its commercial advertising from the broadcast media came only after the broadcast industry broke a formally unified front opposing government regulation by proposing a gradual elimination of tobacco commercials over a four year period. Their actions appear to have been in response to questions raised in Congressional testimony which nurtured grave doubts about the success of industry self-regulation.

In July 1969 the tobacco industry unexpectedly volunteered to discontinue all advertising of cigarettes on television and radio in September 1970. Industry representatives said that two premises governed their action: truthful advertising is a basic commercial right, and smoking is an adult custom. Thus while vehemently denying the right of government to eliminate their advertising the industry agreed to remove it so as not to appeal to a young audience. It was the intention of the

cigarette manufacturers to "continue to avoid advertising directed to young people." Withdrawal of TV and radio advertising was in keeping with this policy.

Joseph F. Cullman, 3rd (President of Philip Morris) acting as industry spokesman cautioned the government that "cigarette advertising should not be singled out for punitive regulation. There are controversies over the possible health hazards of many products." He once again reiterated that the relationship between smoking and health was statistical saying that:

It is noteworthy that, after hearing extensive medical testimony, the House Commerce Committee recently concluded 'that nothing new has been determined with respect to the relationship between cigarette smoking and human health' since the previous Congressional hearings on the subject in 1965. ⁹¹

He further stated that "The public interest will best be served by disinterested, objective inquiry by qualified scientists." ⁹²

Government actions, and the resolve and determination of participants in government decision making to act against cigarette smoking have been buoyed up an unprecedented number of studies which have corroborated the conclusions of the 1964 Surgeon General's report. The Department of HEW reported to Congress in 1967 that "the research studies published since 1964 have strengthened those conclusions and have extended in some important respects our knowledge of the health consequences of smoking." The department's yearly reports have progressively strengthened the conclusions of the 1964 report.

The FTC and FCC have used these further scientific research findings to back up their own actions. Cooperation between government agencies is not overt but each agency's actions are closely watched by other

to "continue to avoid advertising directed to young people." Withdrawal of TV and radio advertising was in keeping with this policy.

Joseph F. Culman, 3rd (President of Philip Morris) acting as industry spokesman cautioned the government that "cigarette advertising should not be singled out for punitive regulation. There are controversies over the possible health hazards of many products." He once again reiterated that the relationship between smoking and health was statistical

saying that:

It is noteworthy that, after hearing extensive medical testimony, the House Commerce Committee recently concluded 'that nothing new has been determined with respect to the relationship between cigarette smoking and human health' since the previous Congressional hearings on the subject in 1967. 21

He further stated that "The public interest will best be served by

distorted, objective inquiry by qualified scientists." 22

Government actions, and the resolve and determination of participants

in government decision making to act against cigarette smoking have been

injected up an unprecedented number of studies which have corroborated

the conclusions of the 1964 Surgeon General's report. The Department

of HEW reported to Congress in 1967 that "the research studies published

since 1964 have strengthened these conclusions and have extended in

some important respects our knowledge of the health consequences of

smoking." The department's yearly reports have progressively strengthened

the conclusions of the 1964 report.

The FTC and FCC have used these further scientific research findings

to back up their own actions. Cooperation between government agencies

is not overt but each agency's actions are closely watched by other

agencies. Furthermore, the actions of one agency become formal bases for the actions of other agencies. For example, the arguments used to justify the FTC action are cited by the FCC in rationalizing its own efforts.

Serious consideration was also given to other factors in the FCC Notice of Proposed Rulemaking. Some difficulty has been caused by the limited jurisdiction of the FCC:

There is an argument that a proscription should only be across-the-board, and not just in one broadcast field; that a ban limited to one field would result, as a practical matter, in a shift in advertising expenditures to the non-prescribed areas.⁹³

The FCC concluded on this question that "we do not believe that this issue can be avoided upon the basis of what other media may be doing or may gain from our actions." The economic impact upon the cigarette industry was also given consideration. The FCC clearly noted that it was the premise of congressional action appropriating funds for a smoker-education effort -- to encourage young people not to smoke and to warn present smokers of the hazards to their health -- that "the economic well-being of an industry, however substantial, cannot be secured at the expense of the public health." The commission further clearly stated that "we intend to proceed on that premise, unless it is set aside by Congress." In evaluating the broadcasting and tobacco industries' claim that an adverse financial impact would result from implementation of the fairness doctrine the commission concluded: We see no merit to the contention that our ruling will lead to severe curtailment or possible elimination of cigarette advertising or have a serious economic impact on the broadcasting industry, contrary to the intent of congress in the Labeling Act.⁹⁴

agencies. Furthermore, the actions of one agency become formal bases for the actions of other agencies. For example, the arguments used to justify the FTC action are cited by the FCC in rationalizing its own actions.

Serious consideration was also given to other factors in the FCC Notice of Proposed Rulemaking. Some difficulty has been caused by the limited jurisdiction of the FCC:

There is an argument that a prescription should only be across-the-board, and not just in one broadcast field; that a ban limited to one field would result, as a practical matter, in a shift in advertising expenditures to the non-prescribed areas.

The FCC concluded on this question that "we do not believe that this issue can be avoided upon the basis of what other media may be doing or may gain from our actions." The economic impact upon the cigarette industry was also given consideration. The FCC clearly noted that it was the premise of congressional action appropriating funds for a smoker-education effort -- to encourage young people not to smoke and to warn present smokers of the hazards to their health -- that "the economic well-being of an industry, however substantial, cannot be secured at the expense of the public health." The commission further clearly stated that "we intend to proceed on that premise, unless it is set aside by Congress." In evaluating the broadcasting and tobacco industries' claim that an adverse financial impact would result from implementation of the fairness doctrine the commission concluded: We see no merit to the contention that our ruling will lead to severe curtailment or possible elimination of cigarette advertising or have a serious economic impact on the broadcasting industry, contrary to the intent of Congress

The FTC has also been very aware of the possible economic consequences of its actions. In its 1964 trade regulation rule the FTC noted the following:

So far as the impact of this trade regulation rule on the cigarette industry, and derivatively on the total national economy, is concerned, the catastrophic consequences of Commission action predicted by some of the witnesses at the public hearings in this matter are entirely too speculative to warrant the Commission's failing to perform its clear statutory duty. ⁹⁵

The commission continued:

We note that the witnesses who argued economic hardship at the public hearing did so in the form of naked assertion. No supporting data were adduced that would afford the commission more than a purely conjectural basis for assessing the economic hardship, if any, that compliance with the trade regulation rule promulgated herewith would entail. ⁹⁶

Congress has also been concerned about the possible economic impact of its actions. The House report on the Cigarette Labeling and Advertising Act contains the following statement of this concern:

The determination of appropriate remedial action in this area, as recommended by the Surgeon General's Advisory Committee, is a responsibility which should be exercised by Congress after considering all facets of the problem. The problem has broad implications in the field of public health and health research, and involves potentially far-reaching consequences for a number of sectors of our economy. The entire tobacco raising and manufacturing industry, and the numerous businesses which market tobacco products are involved. Some proposals have been made in this area which might lead to severe curtailing or the possible elimination of cigarette advertising. This could have a serious economic impact on the television, radio, and publishing industries in the United States. ⁹⁷

Nowhere is it suggested that the government should ameliorate the negative economic consequences of its actions or that it might have a responsibility to do so. The dividing line between public and private responsibility in an area as pressing as human health is unclear, yet

The FTC has also been very aware of the possible economic consequences of its actions. In its 1964 trade regulation rule the FTC noted the following:

So far as the impact of this trade regulation rule on the cigarette industry, and derivatively on the total national economy, is concerned, the catastrophic consequences of Commission action predicted by some of the witnesses at the public hearing in this matter are entirely too speculative to warrant the Commission's failing to perform its clear statutory duty.

The commission continued:

We note that the witnesses who argued economic hardship at the public hearing did so in the form of naked assertion. No supporting data were adduced that would assist the commission more than a purely conjectural basis for assessing the economic hardship, if any, that could result from the trade regulation rule promulgated herewith would entail.

Congress has also been concerned about the possible economic impact

of its actions. The House report on the Cigarette Labeling and Advertising

Act contains the following statement of this concern:

The determination of appropriate remedial action in this area, as recommended by the Surgeon General's Advisory Committee, is a responsibility which should be exercised by Congress after considering all facets of the problem. The problem has broad implications in the field of public health and health research, and involves potentially far-reaching consequences for a number of sectors of our economy. The entire tobacco industry and manufacturing industry, and the numerous businesses which market tobacco products are involved. Some proposals have been made in this area which might lead to severe curtailment or the possible elimination of cigarette advertising. This could have a serious economic impact on the television, radio, and publishing industries in the United States.

Whereas it is suggested that the government should coordinate the negative

economic consequences of its actions or that it might have a responsibility to do so. The dividing line between public and private responsibility in an area as pressing as human health is unclear, yet

implicit or explicit in many governmental actions or proposed actions is its own unwillingness to act. The implicit assumption apparently remains: the government which governs least governs best.

The FCC, for example, issued a "serious call" to the broadcast industry to focus upon what its responsibilities are, in light of the public health reports. In the words of Senator Magnuson and Mrs. Carpenter quoted by the commission:

The broadcast industry by following its own code could, in fact, obviate the necessity for Congressional action by voluntarily refusing cigarette advertising as they now refuse advertising for firearms and hard liquor. 98

Voluntary actions have been proposed as an equivalent substitute for government regulation, yet as we have seen the two are not necessarily equivalent. Even government actions which appear to be directed towards solving the problem sometimes become part of the problem themselves. Take for example the case of the total elimination of broadcast cigarette advertising. The commission itself specifically raised the issue of whether there should be an exemption so as to inform the public concerning cigarettes low in tar and nicotine and related filter aspects. The commission requested comment on this possible exemption and indicated their concern with the possible negative consequences of their proposed action. Eliminating advertising also eliminates a good deal of competition and prevents or at least slows consumer switching from one brand to another.

D. The Tobacco Industry and the Commissions

Cigarette advertising has clearly been a major focus of government interest and regulation by both the FTC and the FCC. There has been a great disparity between tobacco industry advertising and self-regulation

implicit or explicit in many governmental actions or proposed actions is its own unwillingness to act. The implicit assumption apparently is that the government which governs least governs best. The FCC, for example, issued a "serious call" to the broadcast industry to focus upon what its responsibilities are, in light of the public health reports. In the words of Senator Magnuson and Mrs. Gaffner quoted by the commission:

The broadcast industry by following its own code could, in fact, obviate the necessity for Congressional action by voluntarily refusing cigarette advertising as they now refuse advertising for firearms and hard liquor.⁹⁸

Voluntary actions have been proposed as an equivalent substitute for government regulation, yet as we have seen the two are not necessarily equivalent. Even government actions which appear to be directed towards solving the problem sometimes become part of the problem themselves. Take for example the case of the total elimination of broadcast cigarette advertising. The commission itself specifically raised the issue of whether there should be an exemption so as to inform the public concerning cigarettes low in tar and nicotine and related filter aspects. The commission requested comment on this possible exemption and indicated their concern with the possible negative consequences of their proposed action. Eliminating advertising also eliminates a good deal of competition and prevents or at least slows consumer switching from one brand to another.

D. The Tobacco Industry and the Commission

Cigarette advertising has clearly been a major focus of government interest and regulation by both the FTC and the FCC. There has been a great disparity between tobacco industry advertising and self-regulation

and evaluations by the commissions and especially some of its members of what would be in the public interest. Elman commented that "cigarette advertising reflects a single minded design to maximize profits by selling as many cigarettes as possible." ⁹⁹ He found that there was no real evidence that either cigarette manufacturers or broadcasters could be depended upon to reverse "the endless barrage of commercials pounding home the deceptive message that cigarette smoking is a pleasant and satisfying habit by healthy and attractive people." ¹⁰⁰ In addition, Elman, who has been exceptionally outspoken on this issue, complained and warned:

There is nothing in the Constitution or our way of life that compels the American people to put up with this situation indefinitely. In recent years there has been increased recognition of the duty of government to protect the consuming public against the hazards of unsafe or unwholesome products. In the case of cigarettes, however, there has been much concern but little action. We owe an obligation to our children to help them avoid becoming hopelessly trapped in the cigarette smoking habit -- a habit which, when they are old enough to appreciate its dangers may be impossible for them to break. ¹⁰¹

A number of congressional representatives have also voiced similar frustration with governmental cigarette smoking measures. For example, Senator Warren Magnuson has observed:

In persuading Americans to stop smoking we have failed abysmally. We are plainly not succeeding in erasing or even making a significant impact on this our widespread public health problem. In view of the enormity of the danger, our remedies have been pathetically ineffective. Our one-sentence warning on cigarette packages and our scattered spot commercials against smoking, as required by the Federal Communications Commission, are small efforts when pitted against the industry's countervailing monumental expenditures for cigarette advertising. ¹⁰²

The frustration also extends to the lack of industry cooperation. Elman

and evaluations by the commissions and especially some of its members of what would be in the public interest. Elman commented that "cigarette

advertising reflects a single minded desire to maximize profits by selling as many cigarettes as possible." ⁹⁹ He found that there was no real evidence that either cigarette manufacturers or producers could be depended upon to reverse "the endless barrage of commercials pounding

home the deceptive message that cigarette smoking is a pleasant and satisfying habit by healthy and attractive people." ¹⁰⁰ In addition, Elman, who has been exceptionally outspoken on this issue, complained

and warned:

There is nothing in the Constitution or our way of life that compels the American people to put up with this situation indefinitely. In recent years there has been increased recognition of the duty of government to protect the consuming public against the hazards of unsafe or unsatisfactory products. In the case of cigarettes, however, there has been much concern but little action. We owe an obligation to our children to help them avoid becoming hopelessly trapped in the cigarette smoking habit -- a habit which, when they are old enough to appreciate its dangers may be impossible for them to break. ¹⁰¹

A number of congressional representatives have also voiced similar frustration with governmental cigarette smoking measures. For example,

Senator Warren Magnuson has observed:

In persuading Americans to stop smoking we have failed abysmally. We are plainly not succeeding in erasing or even making a significant impact on this our widespread public health problem. In view of the enormity of the danger, our remedies have been patently ineffective. Our one sentence warning on cigarette packages and our scattered spot commercials against smoking, as required by the Federal Communications Commission, are small efforts when pitted against the industry's countervailing monumental expenditures for cigarette advertising. ¹⁰²

The frustration also extends to the lack of industry cooperation. Elman

stated his belief that Congress in passing the Cigarette Labeling Act of 1965 had:

"contemplated that the cigarette industry would impose effective voluntary limitations upon advertising which, combined with extensive education campaigns and the compulsory warning on the package, might adequately alert the public to the hazards of smoking." 103

These expectations were thwarted by the lack of self-restraint on the part of the cigarette industry and the increasingly larger advertising budgets. One high government official has been so outspoken as to call industry efforts "phony and completely inept," and that "tough Czar control over cigarette advertising broadcasts might have saved them from government action." He continued that "they could have regulated themselves, but they were a bunch of greedy bastards." This increasing awareness of the failure of self-regulation has forced greater governmental action. The conflict of economic profit versus the public good has been a central if unarticulated concern.

The cigarette smoking-health controversy is an issue wrapped in profits as well as in research. FCC Commissioner Nicholas Johnson has complained of the seeming reluctance of some broadcasters to accept the spirit of the fairness doctrine and its relationship to cigarette advertising:

For, once again, it is the appearance as well as the reality that moves men's souls. And, unfortunately from the standpoint of the broadcasters' relations with their public, broadcasting's encouragement of cigarette consumption is an issue wrapped in profits as well as property -- indeed, roughly \$200 million of advertising revenues a year. For, whether or not the judgment be warranted, association with profitable enterprise dependent upon the promotion of disease, dismemberment or degradation of one's fellow man -- especially children -- has historically been viewed in most human societies with even less charity than the senseless criminal act which produces the same end. It is true that \$200 million is not an insignificant amount of money

stated his belief that Congress in passing the Cigarette Labeling Act

of 1965 had:

"contemplated that the cigarette industry would impose effective voluntary limitations upon advertising which, combined with extensive education campaigns and the compulsory warning on the package, might adequately alert the public to the hazards of smoking."

These expectations were thwarted by the lack of self-restraint on the part of the cigarette industry and the increasingly larger advertising budgets. One high government official has been so outspoken as to call industry efforts "phony and completely inept," and that "tough Czar control over cigarette advertising broadcasts might have saved them from government action." He continued that "they could have regulated themselves, but they were a bunch of greedy bastards." This increasing awareness of the failure of self-regulation has forced greater government action. The conflict of economic profit versus the public good has been a central if unarticulated concern.

The cigarette smoking-health controversy is an issue wrapped in profits as well as in research. FCC Commissioner Nicholas Johnson has complained of the seeming reluctance of some broadcasters to accept the spirit of the fairness doctrine and its relationship to cigarette advertising:

For, once again, it is the appearance as well as the reality that moves men's souls. And, unfortunately from the standpoint of the broadcasters' relations with their public, broadcasting's encouragement of cigarette consumption is an issue wrapped in profits as well as property -- indeed, roughly \$200 million of advertising revenues a year. For, whether or not the payment be warranted, association with profitable enterprise dependent upon the promotion of disease, dismemberment or degradation of one's fellow man -- especially children -- has historically been viewed in most human societies with even less charity than the senseless criminal act which produces the same end. It is true that \$200 million is not an insignificant amount of money

voluntarily to forego. But especially if its loss is ultimately inevitable anyway, it may be far cheaper in the longrun to gain the goodwill of voluntary forbearance than to risk forever tainting the good name of American broadcasting. 104

The FCC and the FTC have both hoped for industry cooperation and meaningful self-regulation. The absence of both cooperation and meaningful self-regulation has antagonized and angered some commission members. The absence of meaningful voluntary action by the tobacco and broadcast industries in the United States has stimulated and in some ways forced vigorous commission action that might have otherwise been avoided.

The FCC and the FTC have been able to act because of congressional authorization. Their relative independence in the present situation has protected them from economic and political pressures. Yet, while they can act they can only act in a limited manner. Thus, regulatory consideration has focused around the problem of cigarette advertising. The regulatory commissions are limited in the focus of their actions, but not in the focus of their considerations. Their independence in this situation has been created by the uniqueness of their actions. No tobacco industry strategist gave much consideration to the possibility of trade regulation rules regarding an entire industry. In regulating broad categories of action instead of specific violations (which could be so easily contested in the courts) the FTC was able to focus the question of cigarette advertising on to a higher level of consideration. The importance of independent actors, including the regulatory commissions in spurring governmental action in the United States has been crucial. Without them consideration of the issues and governmental action would have been at least postponed if not precluded.

voluntarily to forego. But especially if the loss is ultimately inevitable anyway, it may be far easier in the long run to gain the goodwill of voluntary forebearance than to risk forever calling the good name of American Broadcasting.

The FCC and the FTC have both hoped for industry cooperation and meaning-

ful self-regulation. The absence of both cooperation and meaningful

self-regulation has antagonized and angered some commission members.

The absence of meaningful voluntary action by the tobacco and broadcast

industries in the United States has stimulated and in some ways forced

vigorous commission action that might have otherwise been avoided.

The FCC and the FTC have been able to act because of congressional

authorization. Their relative independence in the present situation has

protected them from economic and political pressures. Yet, while they

can act they can only act in a limited manner. Thus, regulatory con-

sideration has focused around the problem of cigarette advertising. The

regulatory commissions are limited in the focus of their actions, but

not in the focus of their considerations. Their independence in this

situation has been created by the uniqueness of their actions. No

tobacco industry strategist gave much consideration to the possibility

of trade regulation rules regarding an entire industry. In regulating

broad categories of action instead of specific violations (which could

be so easily contested in the courts) the FTC was able to focus the

question of cigarette advertising on to a higher level of consideration.

The importance of independent action, including the regulatory commissions

in spurring governmental action in the United States has been crucial.

Without them consideration of the issues and governmental action would

have been at least postponed if not precluded.

Footnotes - Chapter III

1. U.S., Congress, House, Committee on Government Operations, False and Misleading Advertising (Filter-Tip Cigarettes) (Washington: U.S. Government Printing Office, 1958), p. 25.
2. U.S., Federal Trade Commission, Trade Regulation Rule for the Prevention of Unfair or Deceptive Advertising and Labeling of Cigarettes in Relation to the Health Hazards of Smoking and Accompanying Statement of Basis and Purpose of Rule (Washington, 1964) (in the files of the Commission), p. 1.
3. Ibid.
4. U.S., Congress, House, Committee on Government Operations, False and Misleading . . ., 1958, pp. 21-22.
5. Ibid., p. 23.
6. Ibid.
7. Ibid., p. 24.
8. Ibid., p. 22.
9. Ibid., p. 24.
10. Ibid.
11. Ibid., p. 25.
12. Ibid.
13. Ruth Brecher et al., The Consumer's Union Report on Smoking and the Public Interest (Mount Vernon, New York: Consumers Union, 1963), p. 154.
14. Ibid., p. 155. Also see Thomas Whiteside, "A Reporter At Large: A Cloud of Smoke," The New Yorker, November 30, 1963, pp. 73-74 for additional information.
15. Brecher et al., p. 145.
16. Ibid., p. 154-155.

Footnotes to Chapter III

1. U.S., Congress, House, Committee on Government Operations, Crime and Marijuana Abstinence (Editor-Tip Clarette) (Washington: U.S. Government Printing Office, 1955), p. 22.
2. U.S., Federal Trade Commission, Trade Regulation for the Prevention of Unfair or Deceptive Practices and Unlawful Practices in Relation to the Sale of Goods and Services (Washington: U.S. Government Printing Office, 1954) (in the files of the Commission), p. 1.
3. Id.
4. U.S., Congress, House, Committee on Government Operations, Crime and Marijuana . . . , 1955, pp. 21-22.
5. Id., p. 23.
6. Id.
7. Id., p. 24.
8. Id., p. 25.
9. Id., p. 26.
10. Id.
11. Id., p. 27.
12. Id.
13. Ruth Brecher et al., The Government's Policy Report on Smoking and the Public Interest (Mount Vernon, New York: Consumers Union, 1953), p. 124.
14. Id., p. 125. Also see Thomas Whitely, "A Report on the Impact of Cloud of Smoke," The New Yorker, November 30, 1953, pp. 73-74 for additional information.
15. Brecher et al., p. 145.
16. Id., p. 124-125.

17. Ibid.
18. U.S., Federal Trade Commission, A Report on Cigarette Advertising and Output (Washington, 1963), p. 24.
19. U.S., Department of Health, Education, and Welfare, Smoking and Health: Report of the Advisory Committee to the Surgeon General of the Public Health Service (Washington: U.S. Government Printing Office, 1964), p. 33. This report is often referred to as the Surgeon General's Report.
20. U.S., Federal Trade Commission, A Report . . ., p. 3.
21. Ibid., p. 7.
22. Ibid., p. 6.
23. U.S. Federal Trade Commission, Official Transcript of Proceedings Before the Federal Trade Commission in the Matter of Proposed Trade Regulation Rules for the Advertising and Labeling of Cigarettes (Washington, March 16, 1964) (in the files of the Commission), p. 1708.
24. Ibid., p. 1910.
25. Ibid., p. 1914.
26. Ibid., p. 1837.
27. Ibid., p. 1761.
28. For a discussion of administrative rulemaking see Ben C. Fisher, "Rule Making Activities in Federal Administrative Agencies," The Administrative Law Review, XVII (Summer, 1965), pp. 252-262. Also see David L. Shapiro, "The Choice of Rule Making or Adjudication in the Development of Administrative Policy," Harvard Law Review, LXXVIII (1965), pp. 921-973, section on cigarettes, pp. 964-67.
29. U.S., Congress, Senate, Responses to Questionnaire on Citizen Involvement and Responsive Agency Decision-Making: A Report Submitted by the Subcommittee on Administrative Practice and Procedure to the Committee on the Judiciary, 91st Cong., 1st Sess., 1969, p. 123. See the response of Philip Elman, "Administrative Reform: The Federal Trade Commission," pp. 122-192. Press (Washington, 1968), p. 31.
30. Ibid., p. 166.
31. Edward F. Cox, Robert C. Fellmuth and John E. Schultz, "The Nader Report" on the Federal Trade Commission (New York: Richard W. Baron, 1969), p. 77.
32. Ibid., p. 78.

32. Idid., p. 78.
31. Edward F. Cox, Robert C. Fellmuth and John E. Schultz, "The Major Report" on the Federal Trade Commission (New York: Richard W. Barton, 1969), p. 77.
30. Idid., p. 160.
29. U.S., Congress, Senate, Responses to Questionnaire on Citizen Involvement and Responsive Agency Decision-Making: A Report Submitted by the Subcommittee on Administrative Practices and Procedures to the Committee on the Judiciary, 91st Cong., 1st Sess., 1969, p. 123. See the response of Philip Eiman, "Administrative Reform: The Federal Trade Commission," pp. 122-123.
28. For a discussion of administrative rulemaking see Ben C. Fisher, "Rule Making Activities in Federal Administrative Agencies," The Administrative Law Review, XVII (Summer, 1965), pp. 222-262. Also see David L. Shapiro, "The Choice of Rule Making or Adjudication in the Development of Administrative Policy," Harvard Law Review, LXXVIII (1965), pp. 921-973, section on cigarettes, pp. 964-67.
27. Idid., p. 1761.
26. Idid., p. 1837.
25. Idid., p. 1914.
24. Idid., p. 1910.
23. U.S. Federal Trade Commission, Official Transcript of Proceedings Before the Federal Trade Commission in the Matter of Proposed Trade Regulation Rules for the Advertising and Labeling of Cigarettes (Washington, March 16, 1964) (in the files of the Commission), p. 1708.
22. Idid., p. 6.
21. Idid., p. 7.
20. U.S., Federal Trade Commission, A Report . . . , p. 3.
19. U.S., Department of Health, Education, and Welfare, Smoking and Health: Report of the Advisory Committee to the Surgeon General of the Public Health Service (Washington: U.S. Government Printing Office, 1964), p. 33. This report is often referred to as the Surgeon General's Report.
18. U.S., Federal Trade Commission, A Report on Cigarette Advertising and Output (Washington, 1963), p. 24.
17. Idid.

33. U.S., Congress, Senate, Responses to Questionnaire . . . , 1969, p. 192.
34. Ibid., p. 123. Congressional Action will be discussed later.
35. Cox, Fellmuth and Schultz, from the Introduction by Ralph Nader.
36. U.S., Federal Trade Commission, 1967 Report to Congress (Washington, June 30, 1967), p. 4.
37. Ibid., p. 7.
38. "Topics: Government in the Marketplace," The New York Times, February 28, 1970.
39. Ibid.
40. U.S., Federal Trade Commission, 1967 Report to . . . , pp. 8-9.
41. Ibid., p. 13.
42. Congressional Quarterly, March 26, 1965, p. 535.
43. U.S., Congress, Senate, Committee on Commerce, Hearings, Cigarette Labeling and Advertising, Part 1, 89th Cong., 1st Sess., 1965, p. 563.
44. U.S., Congress, House, Committee on Interstate and Foreign Commerce, Regulation of Radio and Television Cigarette Advertisements, 91st Cong., 1st Sess., 1969, p. 148.
45. John D. Morris, "Cigarette Code on Ads Dropped," The New York Times, October 13, 1970.
46. Ibid.
47. U.S., Federal Trade Commission, 1967 Report to . . . , p. 26.
48. Ibid., pp. 28-29.
49. See concurring statement of Commissioner Elman regarding Cigarette Report to Congress.
50. U.S., Federal Trade Commission, 1968 Report to Congress (Washington, 1968), p. 31.
51. Ibid., p. 30.
52. Ibid.
53. U.S., Federal Trade Commission, 1969 Report to Congress (Washington, 1969), p. 32.

33. U.S., Congress, Senate, Responses to Questionnaire . . . , 1969, p. 192.
34. Id., p. 123. Congressional Action will be discussed later.
35. Cox, Fellmuth and Schultz, from the Introduction by Ralph Haber.
36. U.S., Federal Trade Commission, 1967 Report to Congress (Washington, June 30, 1967), p. 4.
37. Id., p. 7.
38. "Topics: Government in the Marketplace," The New York Times, February 28, 1970.
39. Id.
40. U.S., Federal Trade Commission, 1967 Report to . . . , pp. 8-9.
41. Id., p. 13.
42. Congressional Quarterly, March 26, 1965, p. 235.
43. U.S., Congress, Senate, Committee on Commerce, Hearings, Cigarette Labeling and Advertising, Part I, 89th Cong., 1st Sess., 1965, p. 303.
44. U.S., Congress, House, Committee on Interstate and Foreign Commerce, Regulation of Radio and Television Cigarette Advertisements, 91st Cong., 1st Sess., 1969, p. 148.
45. John D. Morris, "Cigarette Code on Ads Dropped," The New York Times, October 13, 1970.
46. Id.
47. U.S., Federal Trade Commission, 1967 Report to . . . , p. 26.
48. Id., pp. 28-29.
49. See concurring statement of Commissioner Eiman regarding Cigarette Report to Congress.
50. U.S., Federal Trade Commission, 1969 Report to Congress (Washington, 1969), p. 31.
51. Id., p. 30.
52. Id.
53. U.S., Federal Trade Commission, 1969 Report to Congress (Washington, 1969), p. 32.

54. Ibid.
55. Ibid., p. 34.
56. U.S., Congress, Senate, Hearings . . . , 1965, p. 251.
57. News release from the office of Robert F. Kennedy, New York, September 1, 1967.
58. U.S., Congress, House, Committee on Interstate and Foreign Commerce, Regulation of Radio . . . , 1969.
59. Ibid., p. 10.
60. Ibid., p. 18.
61. Ibid., p. 19.
62. U.S., Federal Trade Commission, 1969 Report to . . . , p. 30.
63. Letter from the Tobacco Institute to the FTC dated October 23, 1970.
64. See, for example, Liggett & Myers, 1966 Annual Report, pp. 7-8.
65. U.S., Federal Trade Commission, News Release, March 25, 1966.
66. John D. Morris, "8 Cigarette Makers To List Tars in Ads," The New York Times, December 24, 1970.
67. Ibid.
68. The Tobacco Institute, News Release, April 15, 1971.
69. Harold S. Diehl, Tobacco and Your Health: The Smoking Controversy (New York: McGraw-Hill Book Company, 1969), p. 163. Cutting Down," The New Yorker, December 17, 1970, has narrated a vivid
70. U.S., Federal Communications Commission, Memorandum Opinion and Order in the Matter of Television Station WCBS-TV, New York, N.Y.: Applicability of the Fairness Doctrine to Cigarette Advertising (Washington, September, 1967), p. 6. of the matter, but the sources conflict that has developed
71. "Fairness, Freedom and Cigarette Advertising: A Defense of the Federal Communications Commission," Columbia Law Review, LXVII, p. 1480. Also see NBC, Inc., 16FCC F 2d 956 in which the FCC held that anti-smoking messages must be presented on a virtually daily basis in ratio to the smoking commercials (e.g. no greater than a 5-1 disparity), including during periods of maximum audience listening.
72. Christopher Lydon, "Ban on TV Cigarette Ads Could Halt Free Spots Against Smoking," The New York Times, August 16, 1970.

32. Id.
33. Id., p. 34.
34. U.S. Congress, Senate, Hearings . . . , 1965, p. 221.
35. News release from the office of Robert F. Kennedy, New York, September 1, 1967.
36. U.S. Congress, House, Committee on Interstate and Foreign Commerce, Regulation of Radio . . . , 1969.
37. Id., p. 10.
38. Id., p. 18.
39. Id., p. 19.
40. U.S. Federal Trade Commission, 1969 Report to . . . , p. 30.
41. Letter from the Tobacco Institute to the FTC dated October 23, 1970.
42. See, for example, Lisagut & Myers, 1966 Annual Report, pp. 7-8.
43. U.S. Federal Trade Commission, News Release, March 25, 1966.
44. John D. Morris, "8 Cigarette Makers To List Tars in Ads," The New York Times, December 24, 1970.
45. Id.
46. The Tobacco Institute, News Release, April 15, 1971.
47. Harold S. Diehl, Tobacco and Your Health: The Smoking Controversy (New York: McGraw-Hill Book Company, 1969), p. 163.
48. U.S. Federal Communications Commission, Memorandum Opinion and Order in the Matter of Television Station WISN-TV, New York, N.Y.: Applicability of the Fairness Doctrine to Cigarette Advertising (Washington, September, 1967), p. 6.
49. "Fairness, Freedom and Cigarette Advertising: A Defense of the Federal Communications Commission," Columbia Law Review, LXVII, p. 1480. Also see FCC, Inc., 1969 F 24 and in which the FCC held that anti-smoking messages must be presented on a virtually daily basis in ratio to the smoking commercials (e.g. no greater than a 5-1 disparity), including during periods of maximum audience listening.
50. Christopher Lydon, "Ban on TV Cigarette Ads Could Halt Free Spots Against Smoking," The New York Times, August 16, 1970.

73. Thomas Whiteside, "Annals of Advertising: Cutting Down," The New Yorker, December 17, 1970, p. 46. Henry Geller, FCC Special Assistant to the Chairman for Planning, commented that "Mr. Banzhof's complaint was important, because while terse, it did constitute the focal point of FCC action. Letter from Henry Geller, October 15, 1970.
74. Ibid.
75. U.S., Federal Communications Commission, Memorandum Opinion and Order . . ., 1967, p. 42.
76. Ibid., p. 43.
77. Diggett and Myers, 1968 Annual Report, p. 5.
78. American Tobacco, 1968 Annual Report, p. 14.
79. U.S., Federal Communications Commission, Memorandum Opinion and Order . . ., 1967, p. 3.
80. Ibid., p. 6.
81. Charles A. Reich, The Greening of America (New York: Random House, 1970).
82. John Kenneth Galbraith, The New Industrial State (Boston: Houghton Mifflin Company, 1967).
83. U.S., Federal Trade Commission, Trade Regulation Rule for the Prevention of Unfair or Deceptive Advertising and Labeling of Cigarettes in Relation to the Health Hazards of Smoking and Accompanying Statement of Basis and Purpose of Rule (Washington, 1964), p. 153.
84. Thomas Whiteside in his article "Annals of Advertising: Cutting Down," The New Yorker, December 17, 1970, has narrated a vivid picture of the mostly behind-the-scenes conflict that has developed over cigarette advertising.
85. Ibid., p. 66.
86. The Tobacco Institute, News Release, December 15, 1970, p. 1.
87. Banzhaf v. Federal Communications Commission, Case No. 21285, U.S. Court of Appeals for the D.C. Circuit, November 21, 1968.
88. U.S., Federal Communications Commission, News Release, February 5, 1969, Report No. 7866.
89. U.S., Federal Communications Commission, Notice of Proposed Rule Making, February 5, 1969, p. 7 (in the files of the Commission).

73. Thomas Whiteside, "Annals of Advertising: Cutting Down," The New Yorker, December 17, 1970, p. 46. Henry Geller, FCC Special Assistant to the Chairman for Planning, commented that "Mr. Bantrol's complaint was important, because while terse, it did constitute the focal point of FCC action. Letter from Henry Geller, October 15, 1970.
74. Ibid.
75. U.S., Federal Communications Commission, Memorandum Opinion and Order . . . , 1967, p. 42.
76. Ibid., p. 43.
77. Lifegate and Myers, 1968 Annual Report, p. 2.
78. American Tobacco, 1968 Annual Report, p. 14.
79. U.S., Federal Communications Commission, Memorandum Opinion and Order . . . , 1967, p. 3.
80. Ibid., p. 6.
81. Charles A. Reich, The Greening of America (New York: Random House, 1970).
82. John Kenneth Galbraith, The New Industrial State (Boston: Houghton Mifflin Company, 1967).
83. U.S., Federal Trade Commission, Trade Regulation Rule for the Prevention of Unfair or Deceptive Advertising and Labeling of Cigarettes in Relation to the Health Hazards of Smoking and Accompanying Statement of Basis and Purpose of Rule (Washington, 1964), p. 133.
84. Thomas Whiteside in his article "Annals of Advertising: Cutting Down," The New Yorker, December 17, 1970, has narrated a vivid picture of the mostly behind-the-scenes conflict that has developed over cigarette advertising.
85. Ibid., p. 66.
86. The Tobacco Institute, News Release, December 15, 1970, p. 1.
87. Federal v. Federal Communications Commission, Case No. 21285, U.S. Court of Appeals for the D.C. Circuit, November 21, 1968.
88. U.S., Federal Communications Commission, News Release, February 2, 1969, Report No. 7800.
89. U.S., Federal Communications Commission, Notice of Proposed Rule Making, February 2, 1969, p. 7 (in the files of the Commission).

90. Ibid.
91. The Tobacco Institute, News Release, July 22, 1969.
92. Ibid.
93. U.S., Federal Communications Commission, Notice of . . ., 1969, p. 9.
94. Ibid., p. 10.
95. U.S., Federal Trade Commission, Notice of Proposed Rule Making, 1964, p. 23.
96. Ibid., p. 24.
97. U.S., Federal Communications Commission, Notice of . . ., 1969, pp. 14-15.
98. Ibid., p. 12.
99. U.S., Federal Trade Commission, 1968 Report to . . ., See concurring opinion of Philip Elman.
100. Ibid.
101. Ibid.
102. Ibid. As quoted in Elman's concurring opinion.
103. Ibid.
104. U.S., Federal Communications Commission, Memorandum Opinion and Order . . ., 1967, pp. 7-8. See concurring opinion of Commissioner Nicholas Johnson.

90. Ibid.
91. The Tobacco Institute, News Release, July 22, 1969.
92. Ibid.
93. U.S., Federal Communications Commission, Notice of . . ., 1969, p. 9.
94. Ibid., p. 10.
95. U.S., Federal Trade Commission, Notice of Proposed Rule Making, 1964, p. 23.
96. Ibid., p. 24.
97. U.S., Federal Communications Commission, Notice of . . ., 1969, pp. 14-15.
98. Ibid., p. 12.
99. U.S., Federal Trade Commission, 1968 Report to . . . See concurring opinion of Philip Elman.
100. Ibid.
101. Ibid.
102. Ibid. As quoted in Elman's concurring opinion.
103. Ibid.
104. U.S., Federal Communications Commission, Memorandum Opinion and Order . . ., 1967, pp. 7-8. See concurring opinion of Commissioner Nicholas Johnson.

Chapter IV: Congressional Response

Congressional hearings and actions, begun in 1964, eventually led to the passage of the Cigarette Labeling and Advertising Act of 1965.¹ Prior to its enactment, Congress had been inundated by proposed remedial actions in response to the Surgeon General's Advisory Committee report and to the proposed FTC trade regulation rules. Many bills were introduced in Congress to inform the public of the hazards of cigarette smoking. Several approaches to the problem were incorporated in these bills:

- (1) to require that cigarettes sold in interstate commerce be labeled with a health warning, and/or with a disclosure of nicotine and tar content;
- (2) to confer on the FTC the power and duty to regulate advertising and labeling of cigarettes;
- (3) to amend the Federal Food, Drug and Cosmetic Act so as to make that Act applicable to smoking;
- (4) to provide for informational and educational campaigns by HEW to acquaint the public with the health hazards involved in the use of cigarettes and to provide for continued research in this field; and
- (5) to enjoin all Governmental agencies, etc., from taking any action or pursuing any policy which encourages or promotes the public to buy or use cigarettes.

Hearings were held during the Second Session of the 88th Congress by the House Interstate and Foreign Commerce Committee to "review the scientific evidence of the causal link between smoking and cancer and, if Federal action was found to be required in the interest of public health, to determine what approach would be most desirable."³ In reality, the hearings also were held to prevent FTC imposition of its proposed trade regulation rules by substituting congressional legislation which would preempt agency action.

CHAPTER III: LEGISLATION

Congressional hearings and actions, begun in 1954, eventually led to the passage of the Cigarette Labeling and Advertising Act of 1965.¹ Prior to its enactment, Congress had been inundated by proposed remedial actions in response to the Surgeon General's Advisory Committee report and to the proposed FTC trade regulation rules. Many bills were introduced in Congress to inform the public of the hazards of cigarette smoking. Several approaches to the problem were incorporated in these bills:

- (1) to require that cigarettes sold in interstate commerce be labeled with a health warning, and/or with a disclosure of nicotine and tar content;
- (2) to confer on the FTC the power and duty to regulate advertising and labeling of cigarettes;
- (3) to amend the Federal Food, Drug and Cosmetic Act so as to make that Act applicable to smoking;
- (4) to provide for informational and educational campaigns by NIA to acquaint the public with the health hazards involved in the use of cigarettes and to provide for continued research in this field; and
- (5) to enjoin all governmental agencies, etc., from taking any action or pursuing any policy which encourages or promotes the public to buy or use cigarettes.

Hearings were held during the Second Session of the 84th Congress by the House Interstate and Foreign Commerce Committee to "review the scientific evidence of the causal link between smoking and cancer and, if Federal action was found to be required in the interest of public health, to determine what approach would be most desirable."² In reality, the hearings also were held to prevent FTC imposition of its proposed trade regulation rules by substituting congressional legislation which would prompt agency action.

The legitimacy of governmental regulation and its effects upon the free enterprise system was questioned in the House hearings. This issue was a central philosophical and practical concern of business groups and brought a number of other economic interest groups into a coalition opposed to government regulation. Congressman Koenig stated:

. . . what we have witnessed today is an expression of a bare and arrogant grab for power by an agency, a grab for power reserved by the Congress for itself with the public good in mind. No industry in the United States is today safe from the grasping tentacles of Federal Agency domination under the authority presently assumed by the Trade Commission.

Koenig's strategy and that of the tobacco industry was to attract support from both industry groups and congressmen who were also fearful of federal agency regulation. Koenig continued that "I strongly oppose this power grab and strongly feel this Congress should now reassert its mandate for the protection and for the good of our free enterprise system."⁵ The FTC did however support the tobacco industry in its contention that state and local regulation of cigarette advertising and labeling would create a great deal of chaos and confusion.⁶ The industry itself testified that unless something is done about preventing state and local action there would be "a rash of state regulatory action."⁷

Groups supporting governmental action were placed on the defensive by their inability to rationalize fully regulatory action while at the same time supporting the American free enterprise system. The American Center Society addressed itself directly to this problem:

[We believe] in the American free enterprise system, and in the right of an industry to govern itself for the benefit of mankind. But the industry must make this self-evident, or submit to Government Control.

To conclude: We believe in the freedom of the individual in the matter of cigarette smoking. We are opposed to

The legitimacy of governmental regulation and its effects upon the enterprise system was questioned in the House hearings. This issue was a central philosophical and practical concern of business groups and brought a number of other economic interest groups into a coalition opposed to government regulation. Congressman Kohnstegge stated:

... What we have witnessed today is an erosion of a basic and ancient right for power by an agency, a group for power reserved by the Congress for itself and the public good in mind. No industry in the United States is today safe from the grasping tentacles of Federal agency domination under the authority presently assumed by the Trade Commission.

Kohnstegge's strategy and that of the tobacco industry was to attract support from both industry groups and congressmen who were also fearful of Federal agency regulation. Kohnstegge continued that "I strongly oppose this power grab and strongly feel this Congress should now reassert its mandate for the protection and for the good of our free enterprise system." The FTC did however support the tobacco industry in its contention that state and local regulation of cigarette advertising and labeling would create a great deal of chaos and confusion.⁶ The industry itself testified that unless something is done about preventing state and local action there would be "a rash of state regulatory action."⁷

Groups supporting governmental action were pitted on the defensive by their inability to rationalize fully regulatory action while at the same time supporting the American free enterprise system. The American Cigarette Society addressed itself directly to this problem:

[We believe] in the American free enterprise system, and in the right of an industry to govern itself for the benefit of mankind. But the industry must make this self-evident, or submit to government control.

To conclude: We believe in the freedom of the individual in the matter of cigarette smoking. We are opposed to

legislation that would prohibit the smoking of cigarettes. Yet we recognize and point out to you that the reduction of cigarette smoking offers greater possibilities than any other available medical or public health measure for the prevention of cancer, of serious illness, of physical disability, of suffering and of premature death in this country- an astounding statement, but true.

Health interest group arguments were weakened by their inability to present a united front. In fact, some groups worked at cross purposes as we will consider later. Furthermore, even groups within the federal bureaucracy were divided as to how to go about regulating. HEW representatives, for example, suggested new and specific legislation to bring the labeling of cigarettes under the Federal Hazardous Substances Act which conflicted with the proposed FTC action.¹⁰

The hearings before the House Interstate and Foreign Commerce Committee ended without any legislative recommendations because of insufficient time for further hearings and for the preparation and consideration of carefully drawn legislation.¹¹ Additional hearings were held by the committee during the 89th Congress, and hearings also were held by the Senate Commerce Committee. The Senate committee¹² concurred with the Surgeon General's Advisory Committee in the judgment that "appropriate remedial action was warranted" while the House committee was "unwilling to conclude for or against the medical opinions embodied in the Advisory Committee's Report or the medical evidence elicited by its own hearings."¹³ However, the House committee did recommend that congressional action should be taken with regard to the relationship of smoking and health, if only to eliminate the delay caused by industry court tests of FTC trade regulation rules which would go into effect in the absence of congressional action to supersede it.¹⁴ Oren Harris, chairman of the committee, candidly suggested to tobacco industry representatives:

legislation that would prohibit the smoking of cigarettes. Yet we recognize and point out to you that the reduction of cigarette smoking offers greater potentialities than any other available medical or public health measure for the prevention of cancer, of serious illness, of physical disability, of suffering and of premature death in this country--an astounding statement, but true.

Health interest group arguments were weakened by their inability to present a united front. In fact, some groups worked at cross purposes as we will consider later. Furthermore, even groups within the Federal bureaucracy were divided as to how to go about regulating. For example, suggested new and specific legislation to bring the labeling of cigarettes under the Federal Hazardous Substances Act which conflicted with the proposed FTC action.¹⁰

The hearings before the House Interstate and Foreign Commerce Committee ended without any legislative recommendations because of insufficient time for further hearings and for the preparation and consideration of carefully drawn legislation.¹¹ Additional hearings were held by the committee during the 89th Congress, and hearings also were held by the Senate Commerce Committee. The Senate committee¹² concurred with the Surgeon General's Advisory Committee in the judgment that "appropriate remedial action was warranted" while the House committee was "unwilling to conclude for or against the medical opinions embodied in the Advisory Committee's report or the medical evidence elicited by its own hearings."¹³ However, the House committee did recommend that congressional action should be taken with regard to the relationship of smoking and health, if only to eliminate the delay caused by industry court tests of FTC trade regulation rules which would go into effect in the absence of congressional action to supersede it.¹⁴ Owen Harris, chairman of the committee, candidly suggested to

Tobacco industry representatives:

. . . you had better start a lot of thinking on this and come up with something that everybody can live with or else I suspect [regulation] is going to be a lot more severe than you might expect.

The resulting congressional legislation entitled the Cigarette Labeling and Advertising Act of 1965¹⁶ (Public Law 89-92, 15 U.S.C. 1331 et seq.) stated:

It is the policy of the Congress, and the purpose of this Act, to establish a comprehensive Federal program to deal with cigarette labeling and advertising with respect to any relationship between smoking and health, whereby-- (1) the public may be adequately informed that cigarette smoking may be hazardous to health by the inclusion of a warning to that effect on each package of cigarettes; and (2) commerce and the national economy may be (A) protected to the maximum extent consistent with this declared policy and (B) not impeded by diverse, non-uniform, and confusing cigarette labeling and advertising regulations with respect to any relationship between smoking and health.

Fritschler, in his book The Politics of Smoking, called the bill "more a victory for cigarettes than it was for health."¹⁷ Elizabeth Drew in her article "The Quiet Victory of the Cigarette Lobby- How It Found the Best Filter Yet- Congress," said the bill "wasn't an example of congressional initiative to protect public health; it is an unabashed act to protect private industry from government regulation."¹⁸ Luther Terry, former U.S. Surgeon General said "I would never infer that Congress intentionally perpetrated a hoax, but to my interpretation it turned out to be that, despite the good intentions of the Congress."¹⁹ The law prohibited for three years any requirements by any federal, state, or local authority that cigarette advertisements include a statement relating to smoking and health. Until the acts expiration in 1969 the FTC and the FCC were prohibited from requiring health warnings in cigarette advertisements. Senator Maurine Neuberger reacted cynically to this imposed moratorium stating

. . . You had better start a lot of thinking on this and come up with something that everybody can live with or else I suspect [regulation] is going to be a lot more severe than you might expect.

The resulting congressional legislation entitled the Cigarette Labeling and Advertising Act of 1955¹⁶ (Public Law 85-92, 12 U.S.C. 1331 et seq.) stated:

It is the policy of the Congress, and the purpose of this Act, to establish a comprehensive Federal program to deal with cigarette labeling and advertising with respect to any relationship between smoking and health; whereby-- (1) the public may be adequately informed that cigarette smoking may be hazardous to health by the inclusion of a warning to that effect on each package of cigarettes; and (2) commerce and the national economy may be (A) protected to the maximum extent consistent with this declared policy and (B) not impeded by diverse, non-uniform, and confusing cigarette labeling and advertising regulations with respect to any relationship between smoking and health.

Hechtler, in his book The Politics of Smoking, called the bill "one a victory for cigarettes than it was for health."¹⁷ Elizabeth New in her article "The Quater Victory of the Cigarette Policy-- How It Found the Beat After Yet-Congress," said the bill "wasn't an example of congressional initiative to protect public health; it is an unadmitted act to protect private industry from government regulation."¹⁸ Luther Terry, former U.S. Surgeon General said "I would never infer that Congress intentionally perpetrated a hoax, but to my interpretation it turned out to be that, despite the good intentions of the Congress."¹⁹ The law prohibited for three years any reduplication by any federal, state, or local authority that cigarette advertisements include a statement relating to smoking and health. Until the acts expiration in 1959 the FTC and the FCC were prohibited from reduplication health warnings in cigarette advertisements. Senator Wayne Neuberger reacted cynically to this imposed restriction stating

that "while Congress can impose a moratorium on warning statements in advertising there can be no parallel moratorium on the deaths and disease caused by smoking."²⁰ Drew's analysis of the successful passage of the bill presented earlier succinctly explained the elements of the tobacco industry's successful strategy.

Most importantly, the tobacco industry wished to prevent the chaos of non-uniform state and local regulation which could substantially raise their cost of doing business. To gain one crucial objective, uniform regulation, the industry was willing to compromise by adding a health warning to their cigarette packages. Drew noted in addition that "the label might even be a boon of sorts, providing a new defense for the industry in further personal injury cases brought by cigarette smokers."²¹

The bill also required the Secretary of HEW to submit reports to Congress annually concerning current information on the health consequences of smoking and recommendations for legislation. The FTC also was required to submit yearly reports which we have already discussed. The HEW reports cited numerous times in this study, results were "a steady output of progressively grimmer official reports on the consequences of smoking."²²

In 1969, House and Senate hearings again were spurred when the FTC and FCC notified them of proposed rulemaking after the expiration of the 1965 act and its moratorium on agency action. The FCC gave notification on February 6, 1969, of proposed rulemaking to ban cigarette advertising from radio and television in the absence of "a contrary congressional direction."²³ On May 20, 1969, the FTC issued a notice of proposed trade regulation rules requiring that cigarette advertisements bear a health warning.

that "While Congress can impose a moratorium on certain cigarette advertising there can be no parallel moratorium on the action and disease caused by smoking." ²⁰ Drew's analysis of the successful passage of the bill presented earlier succinctly explained the elements of the tobacco industry's successful strategy.

Most importantly, the tobacco industry wished to prevent the passage of non-uniform state and local regulation which could substantially raise their cost of doing business. To gain one critical objective, uniform regulation, the industry was willing to compromise by adding a health warning to their cigarette packages. Drew noted in addition that "the label might even be a boon of sorts, providing a new defense for the industry in further personal injury cases brought by cigarette smokers." ²¹

The bill also required the Secretary of HHS to submit reports to Congress annually concerning current information on the health consequences of smoking and recommendations for legislation. The FTC also was required to submit yearly reports which we have already discussed. The HHS reports cited numerous times in this study, results were "a steady output of progressively grimmer official reports on the consequences of smoking." ²²

In 1969, House and Senate hearings again were required when the FTC and FCC notified them of proposed rulings after the expiration of the 1965 act and its moratorium on agency action. The FCC gave notification on February 6, 1969, of proposed rulings to ban cigarette advertising from radio and television in the absence of "a contrary congressional direction." ²³ On May 20, 1969, the FCC issued a notice of proposed trade

regulation rules regarding that cigarette advertising would have a health

warning.

Both the House Interstate and Foreign Commerce Committee and the Senate Commerce Committee again held hearings to consider further government action. The House committee concluded in its report that "it is incumbent on the Congress to act on the reported legislation to prevent intrusion by the [FCC] and the [FTC] into basic areas of policy making which it has reserved for itself." ²⁴ On the basis of its extensive committee hearings, the House committee concluded that nothing new has been determined with respect to the relationship between cigarette smoking and health since its hearings in 1964 and 1965. ²⁵ Nevertheless, the committee recommended reenacting the 1965 act which would prohibit the proposed FTC and FCC actions and added a stronger warning requirement on cigarette packages to read:

Warning: The Surgeon General Has Determined That Cigarette Smoking is Dangerous to Your Health and May Cause Lung Cancer and Other Diseases. ²⁶

HEW, the FTC and the Department of Commerce had recommended that "advertisements advise the public, particularly for the benefit of new smokers, of the hazards." ²⁷ HEW suggested that "levels of 'tar' and nicotine in cigarette smoke should be published on cigarette packages, on cigarette vending machines, and in all advertisements." ²⁸ A minority report by several House committee members opposed preempting independent regulatory commission action. They commented:

It is a very dangerous proposition that Congress should take over regulatory functions in the case of special interests from the agencies which have the responsibility for protecting the health of the Nation. ²⁹

They suggested that "it would probably be best not to have any bill at all and let the normal processes of government proceed with this product as with all other products." They continued that "if there is to be a

With the House Interstate and Foreign Commerce Committee and the Senate Commerce Committee again held hearings to consider further government action. The House committee concluded in its report that "it is incumbent on the Congress to act on the reported legislation to prevent intrusion by the (FTC) and the (FTC) into basic areas of policy making which it has reserved for itself." ²⁶ On the basis of its extensive committee hearings, the House committee concluded that nothing new had been determined with respect to the relationship between cigarette smoking and health since its hearings in 1964 and 1965. Nevertheless, the committee recommended reenacting the 1965 act which would prohibit the proposed FTC and FCC actions and added a stronger warning requirement on cigarette packages to read:

Warning: The Surgeon General has determined that cigarette smoking is hazardous to your health and may cause lung cancer and other diseases. ²⁷

Now, the FTC and the Department of Commerce had recommended that "advertisements advise the public, particularly for the benefit of new smokers, of the hazards." ²⁷ HWT suggested that "levels of 'tar' and nicotine in cigarette smoke should be published on cigarette packages, on cigarette vending machines, and in all advertisements." ²⁸ A minority report by several House committee members opposed prescribing independent regulatory commission action. They commented:

It is a very dangerous proposition that Congress should take over regulatory functions in the case of special interests from the agencies which have the responsibility for protecting the health of the nation. ²⁹

They suggested that "it would probably be best not to have any bill at all and let the normal processes of government proceed with this product as with all other products." They continued that "if there is to be a

bill, then it should not be a sweeping carte blanche protection for a particular industry from any regulation for 6 years by the [FCC,] the [FTC] and the individual states." ³⁰

Senate hearings ³¹ came later than those in the House and faced two surprising developments: (1) the National Association of Broadcasters (NAB) volunteered to eliminate gradually all cigarette advertising on radio and television over a 4 year period; and ³² (2) the tobacco industry countered with an offer to remove all cigarette advertising from radio and television by September, 1970, if all anti-trust considerations would be waived. The NAB offer came after damaging testimony was heard which criticized industry self-regulation. The tobacco industry proposal drew strong opposition from the NAB in behalf of the broadcasting industry which cited the over \$200 million in lost revenues which it would suffer. The Senate committee proposed the elimination of all television and radio broadcasting of cigarette advertisements after January 1, 1971 as well as strengthened cautionary labeling. The proposed bill also extended the preemption of state and/or local health regulation or prohibition of cigarette advertising and proposed an additional moratorium on FTC actions in this area until July, 1972.

The proposed Senate bill met with strong opposition from advocates of stronger government regulation. Senator Moss's filibuster threat, in light of FTC and FCC proposals which would take effect after expiration of the 1965 act resulted in a strengthened act. The final result, entitled the Public Health Cigarette Smoking Act of 1969, eliminated all cigarette advertising on radio and television after January 1, 1971 and strengthened the warning label on cigarette packages. In addition the act extended the

bill, then it should not be a sweeping carte blanche protection for a particular industry from any regulation for 6 years by the (FTC) and the individual states." 30

Senate hearings 31 came later than those in the House and lasted two outstanding developments: (1) The National Association of Broadcasters (NAB) volunteered to eliminate gradually all cigarette advertising on radio and television over a 4 year period; and 32 (2) The tobacco industry countered with an offer to remove all cigarette advertising from radio and television by September, 1970, if all anti-trust considerations would be waived. The NAB offer came after damaging testimony was heard which criticized industry self-regulation. The tobacco industry proposal drew strong opposition from the NAB in behalf of the broadcasting industry which cited the over \$100 million in lost revenues which it would suffer. The Senate committee proposed the elimination of all television and radio broadcasting of cigarette advertisements after January 1, 1971 as well as strengthened mandatory labeling. The proposed bill also extended the prohibition of state and/or local health regulation or prohibition of cigarette advertising and proposed an additional moratorium on FTC actions in this area until July, 1972.

The proposed Senate bill met with strong opposition from advocates of stronger government regulation. Senator Ross's filibuster threat, in light of the FCC and FTC proposals which would take effect after expiration of the 1968 act resulted in a strengthened act. The final result, entitled the Public Health Cigarette Smoking Act of 1970, eliminated all cigarette advertising on radio and television after January 1, 1971 and strengthened the warning label on cigarette packages. In addition the act extended the

preemption of state or local health regulation and prevented additional FTC action regarding cigarette advertising only until June, 1971.

The United States Congress primarily has reacted to actions proposed by the independent regulatory agencies instead of acting independently on the smoking-health issue. The tobacco industry's position has found strong support in Congress among representatives from tobacco growing districts as well as from representatives opposed to increased government and/or regulatory agency control of business. The industry has had to compromise to obtain legislative action which would prevent harsher action by the FTC and the FCC and to obtain national uniform control over cigarette labeling and advertising. The benefits of Congressional legislation, as we have noted, have been mixed. Legislative intent has not necessarily resulted in legislative effect. The congressional hearing system has produced a great deal of testimony and debate but little of it has been new. The ground covered in congressional hearings has been basically covered before by the regulatory agencies.

Yet, while Congress has played a reactive role a number of individuals have played important major roles in breaking down the privatization of the issue. Blatnik, Bennett, Fino, Neubarger, Robert Kennedy, John Moss and Frank Moss have all attempted to spur action. Their failures are indicative of the ability of this strong economic interest with powerful political friends and allies to block legislation unfavorable to its interests. It is noteworthy that the tobacco industry did not oppose either the 1965 or the 1969 Cigarette Labeling and Advertising Acts which as we have already noted were in some ways victories for them.

protection of state or local health regulation and prevention and control

The action regarding cigarette advertising only until June, 1961.

The United States Congress primarily has reacted to actions pro-

posed by the independent regulatory agencies instead of acting independently

on the smoking-health issue. The tobacco industry's position has found

strong support in Congress among representatives from tobacco growing

districts as well as from representatives opposed to increased government

and/or regulatory agency control of business. The industry has had to

continue to obtain legislative action which would prevent further action

by the FTC and the FCC and to obtain national uniform control over cigar-

ette labeling and advertising. The benefits of Congressional legislation,

as we have noted, have been mixed. Legislative intent has not necessarily

resulted in legislative effect. The congressional health system has

produced a great deal of testimony and debate but little of it has been

new. The ground covered in congressional hearings has been basically

covered before by the regulatory agencies.

Yet, while Congress has played a reactive role a number of individuals

have played important major roles in breaking down the privatization of

the issue. Blatnik, Bennett, Eno, Neuberger, Robert Kennedy, John Moss

and Frank Moss have all attempted to spur action. Their failures are

indicative of the ability of this strong economic interest with powerful

political friends and allies to block legislation unfavorable to its

interests. It is noteworthy that the tobacco industry did not oppose

either the 1960 or the 1961 Cigarette Labeling and Advertising Acts which

as we have already noted were in some ways victories for them.

Footnotes - Chapter IV

1. For a discussion of prior legislative attempts see Ruth Brecher et al., The Consumer's Union Report on Smoking and the Public Interest (Mount Vernon, New York: Consumers Union, 1963), pp. 184-185. Also see U.S., Congress, House, Committee on Interstate and Foreign Commerce, Hearings, Cigarette Labeling and Advertising, 88th Cong., 2nd Sess., 1964, p. 69.
2. U.S. Federal Communications Commission, Memorandum Opinion and Order in the Matter of Television Station WCBS-TV, New York, N.Y.: Application of the Fairness Doctrine to Cigarette Advertising (Washington; September, 1967), p. 6.
3. Ibid.
4. U.S., Congress, House, Committee on Interstate and Foreign Commerce, Hearings . . ., 1964, p. 136.
5. Ibid.
6. Ibid., p. 120.
7. Ibid., p. 159.
8. Ibid., p. 293.
9. Ibid., p. 294.
10. U.S., Congress, House, Committee on Interstate and Foreign Commerce, Hearings, Cigarette Labeling and Advertising -- 1965, 89th Cong., 1st Sess., 1965, p. 12.
11. U.S., Federal Communications Commission, Memorandum Opinion and Order . . ., p. 13.
12. U.S., Congress, Senate, Committee on Commerce, Hearings, Cigarette Labeling and Advertising, 89th Cong., 1st Sess., 1965.
13. Ibid., p. 14.
14. U.S., Congress, House, Committee on Interstate and Foreign Commerce, Hearings . . ., 1965, p. 1.

Footnotes - Chapter IV

1. For a discussion of prior legislative attempts see Ruth Brecher et al., The Consumer's Union Report on Smoking and the Public Interest (Globe, New York: Consumers Union, 1963), pp. 184-185. Also see U.S. Congress, House, Committee on Interstate and Foreign Commerce, Cigarette Labeling and Advertising, 88th Cong., 2nd Sess., 1964, p. 69.
2. U.S. Federal Communications Commission, Memorandum Opinion and Order in the Matter of Television Station WOL-TV, New York, N.Y.: Application of the Fairness Doctrine to WOL-TV Advertising (Washington, September, 1967), p. 6.
3. Ibid.
4. U.S. Congress, House, Committee on Interstate and Foreign Commerce, Hearings . . ., 1964, p. 139.
5. Ibid.
6. Ibid., p. 120.
7. Ibid., p. 129.
8. Ibid., p. 293.
9. Ibid., p. 294.
10. U.S. Congress, House, Committee on Interstate and Foreign Commerce, Hearings, Cigarette Labeling and Advertising -- 1965, 89th Cong., 1st Sess., 1965, p. 12.
11. U.S. Federal Communications Commission, Memorandum Opinion and Order . . ., p. 13.
12. U.S. Congress, Senate, Committee on Commerce, Hearings, Cigarette Labeling and Advertising, 89th Cong., 1st Sess., 1965.
13. Ibid., p. 14.
14. U.S. Congress, House, Committee on Interstate and Foreign Commerce, Hearings . . ., 1965, p. 1.

15. Ibid., p. 166.
16. The law was made effective January 1, 1966.
17. A. Lee Fritchler, Smoking and Politics: Policymaking and the Federal Bureaucracy (New York: Appleton-Century-Crofts, 1969), p. 112.
18. Elizabeth B. Drew, "The Quiet Victory of the Cigarette Lobby: How It Found the Best Filter Yet -- Congress," Atlantic Monthly, September, 1965, p. 76.
19. U.S., Congress, House, Interstate and Foreign Commerce Committee, Hearings, Cigarette Labeling and Advertising -- 1969, Part 2, 91st Cong., 1st Sess., p. 268.
20. Cited in Richard A. Wegman, "Cigarettes and Health: A Legal Analysis," Cornell Law Quarterly, LI (Summer, 1966), p. 727.
21. Drew, Atlantic Monthly, September, 1965, p. 77.
22. Elizabeth B. Drew, "The Cigarette Companies Would Rather Fight Than Switch," The New York Times Magazine, May 4, 1969, p. 129.
23. U.S., Federal Communications Commission, Notice of Proposed Rule Making, February 5, 1969. (in the files of the Commission).
24. U.S., Congress, House, Committee on Interstate and Foreign Commerce, Public Health Smoking Act of 1969, 91st Cong., 1st Sess., Report No. 91-289, June 5, 1969, p. 5.
25. Ibid.
26. Ibid., p. 2.
27. Ibid., p. 11. The Commerce Department opposed labeling requirements for export sales which would disadvantage American cigarette exports. Ibid., p. 9.
28. Ibid., p. 14.
29. Ibid., p. 34.
30. Ibid. Congressman Eckhardt noted that "it is most paradoxical for those who profess great respect for States' rights (but whose southern districts produce tobacco) to favor a bill providing that Congress has preempted the field of controlling all advertising to the exclusion of the States." Ibid., p. 38.
31. See U.S., Congress, Senate, Committee on Commerce, Public Health Cigarette Smoking Act of 1969, 91st Cong., 1st Sess., Report No. 91-566, December 5, 1969.
32. Ibid., pp. 8-10.

38. Ibid., pp. 8-10.
39. See U.S., Congress, Senate, Committee on Commerce, Public Health and Safety, Cigarette Smoking Act of 1969, 91st Cong., 1st Sess., Report No. 91-259, December 2, 1969.
40. Ibid. Congressman Eckhardt noted that "it is most paradoxical for those who profess great respect for States' rights (and were southern districts produce tobacco) to favor a bill providing that Congress has preempted the field of controlling all advertising to the exclusion of the States." Ibid., p. 38.
41. Ibid., p. 11. The Commerce Department opposed labeling requirements for export sales which would disadvantage American cigarette exports. Ibid., p. 9.
42. Ibid., p. 14.
43. Ibid., p. 34.
44. U.S., Congress, House, Committee on Interstate and Foreign Commerce, Public Health Smoking Act of 1969, 91st Cong., 1st Sess., Report No. 91-259, June 2, 1969, p. 2.
45. U.S., Federal Communications Commission, Notice of Proposed Rule Making, February 2, 1969 (in the files of the Commission).
46. Elizabeth B. Drew, "The Cigarette Companies Would Rather Fight Than Switch," The New York Times Magazine, May 4, 1969, p. 129.
47. Drew, Atlantic Monthly, December, 1962, p. 77.
48. Cited in Richard A. Weisman, "Cigarettes and Health: A Legal Analysis," Cornell Law Quarterly, LI (Summer, 1966), p. 737.
49. U.S., Congress, House, Interstate and Foreign Commerce Committee, Report, Cigarette Labeling and Advertising -- 1969, Part 2, Vice Cong., 1st Sess., p. 100.
50. Elizabeth B. Drew, "The Quiet Victory of the Cigarette Industry: How It Found the Best Filter Yet -- Congress," Atlantic Monthly, September, 1962, p. 70.
51. A. Lee Fritchler, Smoking and Politics: Policy-making and the Political Process (New York: Appleton-Century-Crofts, 1965), p. 112.
52. The law was made effective January 1, 1966.
53. Ibid., p. 100.

Chapter V: National Health Interest Groups and Smoking

A. Introduction

National health interest groups in the United States have played a crucial role in the smoking and health controversy. They have focused attention on the problem and pressured for government action. Four groups requested the Public Health Service investigation which resulted in the Surgeon Generals report. Many have supported efforts to reduce cigarette and pressured for government action. In the following chapter we will consider some of the public statements on cigarette smoking by four national health interest groups: the American Medical Association, the American Cancer Society, the American Heart Association and the National Tuberculosis and Respiratory Disease Association. Over time they have become increasingly aware and opposed to cigarette smoking. We will discuss the National Interagency Council for Smoking and Health, a coalition of health interest groups formed with federal government aid which has helped coordinate anti-smoking efforts of both government and private health interest groups.

B. American Medical Association

The American Medical Association (AMA) has played an unclear and almost contradictory role in the smoking-health controversy. From an observer's standpoint, what was not said was as important as what was. Drew Pearson and Jack Anderson presented a picture of the machinations going on behind the scenes of public statements:

A. Introduction

National health interest groups in the United States have played a crucial role in the smoking and health controversy. They have focused attention on the problem and pressured for government action. Four groups requested the Public Health Service investigation which resulted in the Surgeon General's report. They have supported efforts to reduce cigarette and pressured for government action. In the following chapter we will consider some of the public statements on cigarette smoking by four national health interest groups: the American Medical Association, the American Cancer Society, the American Heart Association and the National Tuberculosis and Respiratory Disease Association. Over time they have become increasingly aware and opposed to cigarette smoking. We will discuss the National Interagency Council for Smoking and Health, a coalition of health interest groups formed with federal government aid which has helped coordinate anti-smoking efforts of both government and private health interest groups.

B. American Medical Association

The American Medical Association (AMA) has played an unclear and almost contradictory role in the smoking-health controversy. From an observer's standpoint, what was not said was as important as what was. Fred Pearson and Jack Anderson presented a picture of the negotiations going on behind the scenes of public statements:

Anticipating the Surgeon General's report on smoking and health, the tobacco men sought to counteract it. They offered to finance a new AMA study of the smoking hazard, thus hoping to give the impression that the Government report wasn't conclusive and that smokers need not kick the habit until the AMA results came in at some indefinite date. In return the tobacco lobbyists promised to use their influence in Congress to block the medicare bill. The doctors were more concerned about medicare, which they fancied to be a threat to their fees, than about the threat to the nation's lungs. So it happened that those who abet and those who cure illness lay down together in millennial bliss. ¹

They reported:

After cancelling an earlier tobacco study on the ground that the Surgeon General's investigation would make it unnecessary, the AMA suddenly approved a brand-new study December 4, 1963, on the eve of the great struggle over medicare. To finance the study, the AMA accepted a \$10 million grant for tobacco research from six cigarette companies on February 7, 1964. ²

In June, 1963, the Florida AMA group had proposed a resolution which declared that "if smoking among school children continues to increase at the present rate, total disability and death from damage from pulmonary diseases will become so great as to produce a major medical and economic catastrophe in this country." The AMA noted that it was in accord with the intent of the Florida resolution but that "because of the stature of the [AMA] it cannot incriminate a single factor as an ideological agent in disease without complete documentation." ³ They continued that "the AMA is continuing its study of this important subject and is merely deferring any public pronouncement pending the availability of more information."

In response to FTC proposals for a cautionary warning statement on cigarette packages in 1964 the AMA stated:

With respect to cigarettes, cautionary labeling cannot be anticipated to serve the public interest with any particular degree of success. The health hazards of excessive smoking have been

Anticipating the Surgeon General's report on smoking and health, the tobacco men sought to counteract it. They offered to finance a new AMA study of the smoking hazard, thus hoping to give the impression that the Government report wasn't conclusive and that smokers need not kick the habit until the AMA results came in at some indefinite date. In return the tobacco lobby-ists promised to use their influence in Congress to block the medicare bill. The doctors were more concerned about medicare, which they fancied to be a threat to their fees, than about the threat to the nation's lungs. So it happened that those who sleet and those who cure illness lay down together in millennial bliss.¹

They reported:

After cancelling an earlier tobacco study on the ground that the Surgeon General's investigation would make it unnecessary, the AMA suddenly approved a brand-new study December 4, 1963, on the eve of the great struggle over medicare. To finance the study, the AMA accepted a \$10 million grant for tobacco research from six cigarette companies on February 7, 1964.²

In June, 1963, the Florida AMA group had proposed a resolution which

declared that "if smoking among school children continues to increase at the present rate, total disability and death from damage from pulmonary diseases will become so great as to produce a major medical and economic catastrophe in this country." The AMA noted that it was in accord with the intent of the Florida resolution but that "because of the stature of the [AMA] it cannot incriminate a single factor as an ideological agent in disease without complete documentation."³ They continued that "the AMA is continuing its study of this important subject and is merely deferring any public pronouncement pending the availability of more information."

In response to FTC proposals for a cautionary warning statement on

cigarette packages in 1964 the AMA stated:

With respect to cigarettes, cautionary labeling cannot be said to serve the public interest with any particular degree of success. The health hazards of excessive smoking have been

well-publicized for more than ten years and are common knowledge. We do not believe that the answer to the cigarette problem lies in cautionary labeling requirements. Experience in other countries indicates that the effect of such labeling at best is only to reduce temporarily the consumption.

As Pearson and Anderson had noted "the letter sounded almost as if it had been written by tobacco men instead of medical men." ⁴ Neuberger stated in her 1963 book that the AMA "long maintained an uncharacteristic silence about smoking."

She noted:

As late as December 1961, Dr. I.S. Ravdin, [later] President of the American Cancer Society, flatly accused the AMA of 'pussy-footing' in its approach to smoking. Yet the AMA's unique role as spokesman on public health matters for a substantial segment of the nation's doctors make it imperative that the AMA speak out on smoking. ⁵

In September, 1968, the Committee for Research on Tobacco and Health reported on the 114 grants that had been awarded to independent investigators using money from the \$18 million fund. They concluded that "no new evidence has been adduced in these studies or elsewhere which would substantially alter the conclusions of the 1964 Advisory Committee or change the policy of the AMA House of Delegates as expressed four years ago." ⁶

At the AMA's 1968 meeting the House of Delegates passed the following resolution:

Resolved that the American Medical Association again urge its members to play a major role against cigarette smoking by personal example and by advice regarding the health hazards of smoking; and be it further resolved, that the American Medical Association discourage smoking by means of public pronouncements and educational programs; and be it further resolved, that the American Medical Association take a strong stand against smoking by every means at its command. ⁷

well-polished for more than ten years and are common knowledge. We do not believe that the answer to the cigarette problem lies in cautiously labeling cigarettes. Experience in other countries indicates that the effect of such labeling at best is only to reduce temporarily the consumption.

As Pearson and Anderson had noted "the latter sounded almost as if it had been written by tobacco men instead of medical men." A Member stated in her 1963 book that the AMA "long maintained an uncharacteristic silence about smoking."

She noted:

As late as December 1961, Dr. I.S. Ravdin, [later] President of the American Cancer Society, flatly accused the AMA of 'passivity' in its approach to smoking. Yet the AMA's unique role as spokesman on public health matters for a substantial segment of the nation's doctors make it imperative that the AMA speak out on smoking. 2

In September, 1968, the Committee for Research on Tobacco and Health reported on the 114 grants that had been awarded to independent investigators using money from the \$18 million fund. They concluded that "no new evidence has been adduced in these studies or elsewhere which would substantially alter the conclusions of the 1964 Advisory Committee or change the policy of the AMA House of Delegates as expressed four years ago." 6

At the AMA's 1968 meeting the House of Delegates passed the following resolution:

Resolved that the American Medical Association reaffirm its members to play a major role against cigarette smoking by personal example and by advice regarding the health hazards of smoking; and be it further resolved, that the American Medical Association discourage smoking by means of public pronouncements and educational programs; and be it further resolved, that the American Medical Association take a strong stand against smoking by every means at its command. 7

AMA actions and inactions are significant because they eliminated possible unified efforts by the health interest groups. While the AMA has played something of a passive role the American Cancer Society, the American Heart Association and the National Tuberculosis and Respiratory Disease Association have led a cooperative effort on the part of many U.S. health interest groups to focus attention on the controversy and to obtain government and public action.

In 1961, the heads of these three groups and the American Public Health Association urged the President to establish a commission to study the "wide-spread implications of the tobacco problems." In early 1962 representatives of these four organizations met with Surgeon General Luther L. Terry and shortly afterwards he recommended the establishment of an advisory committee composed of "outstanding experts who would assess available knowledge in this area (smoking and health) and make appropriate recommendations. . . ." ⁸ The Surgeon General's report resulted from the suggestion of the four health interest groups.

Earlier the American Cancer Society, the American Heart Association, the National Cancer Institute and the National Heart Institute had jointly sponsored a Study Group on Smoking and Health. In its report issued March 6, 1957 the group concluded that:

The sum total of scientific evidence established beyond reasonable doubt the cigarette smoking is a causative factor in the rapidly increasing incidence of human epidermoid carcinoma of the lung. The evidence of a cause-effect relationship is adequate for considering the initiation of public health measures. ⁹

After the FCC's fairness doctrine ruling the three major U.S. health interest groups: the American Cancer Society, the American Heart Association and the National Tuberculosis Association have all produced

AAA actions and inactions are significant because they eliminated possible unified efforts by the health interest groups. While the AAA has played something of a passive role the American Cancer Society, the American Heart Association and the National Tuberculosis and Respiratory Disease Association have led a cooperative effort on the part of many U.S. health interest groups to focus attention on the controversy and to obtain government and public action.

In 1961, the heads of these three groups and the American Public Health Association urged the President to establish a commission to study the "wide-spread implications of the tobacco problem." In early 1962 representatives of these four organizations met with Surgeon General Luther L. Terry and shortly afterwards he recommended the establishment of an advisory committee composed of "outstanding experts who would assess available knowledge in this area (smoking and health) and make appropriate recommendations. . . ." ⁸ The Surgeon General's report resulted from the suggestion of the four health interest groups.

Earlier the American Cancer Society, the American Heart Association, the National Cancer Institute and the National Heart Institute had jointly sponsored a Study Group on Smoking and Health. In its report issued March 6, 1957 the group concluded that:

The sum total of scientific evidence established beyond reasonable doubt the cigarette smoking is a causative factor in the rapidly increasing incidence of human epithelial carcinoma of the lung. The evidence of a cause-effect relationship is adequate for considering the initiation of public health measures. ⁹

After the FCC's fairness doctrine ruling the three major U.S. health interest groups: the American Cancer Society, the American Heart Association and the National Tuberculosis Association have all produced

anti-smoking TV and radio spots.¹⁰ We will next briefly consider the proposals and actions of these three national health interest groups.

C. National Tuberculosis and Respiratory Disease Association

The National Tuberculosis and Respiratory Disease Association adopted its first program directed at the smoking problem in 1960. It pointed to the "alarming increase in deaths from lung cancer--cigarette smoking is a major cause of lung cancer--the risk of lung cancer increases with the number of cigarettes smoked."¹¹ The organization stated that "Parents, teachers, and physicians have a special opportunity and a duty to warn our youth of these facts before the cigarette smoking habit has become established."¹² State and local TB-RD associations were urged to establish programs to inform the public of the hazards of smoking.

One of the society's main activities is working with teachers so that children and teenagers can be informed as to the serious consequences of adopting the smoking habit. Since 1960 the association has produced publications, film spots and teachers' aids designed to help persons either not take up or to abandon it.

In 1966 the association and the Public Health Service sponsored a meeting of experts to discuss means by which resources for tuberculosis and other respiratory diseases could be improved and to enumerate those steps which were most urgent in an accelerated attack on these conditions. Members of this task force agreed that "the single most significant action which could be taken to prevent chronic bronchitis, and to reduce the incidence of chronic obstructive pulmonary disease, would be the drastic reduction or elimination of cigarette smoking."¹³

anti-smoking TV and radio spots.¹⁰ We will next briefly consider the proposals and actions of these three national health interest groups.

C. National Tuberculosis and Respiratory Diseases Association

The National Tuberculosis and Respiratory Diseases Association adopted its first program directed at the smoking problem in 1960. It pointed to the "alarming increase in deaths from lung cancer--cigarette smoking is a major cause of lung cancer--the risk of lung cancer increases with the number of cigarettes smoked."¹¹ The organization stated that "Parents, teachers, and physicians have a special opportunity and a duty to warn our youth of these facts before the cigarette smoking habit has become established."¹² State and local TB-TD associations were urged to establish programs to inform the public of the hazards of smoking.

One of the society's main activities is working with teachers so that children and teenagers can be informed as to the serious consequences of adopting the smoking habit. Since 1960 the association has produced publications, film spots and teachers' aids designed to help persons either not take up or to abandon it.

In 1966 the association and the Public Health Service sponsored a meeting of experts to discuss means by which resources for tuberculosis and other respiratory diseases could be improved and to enumerate those steps which were most urgent in an accelerated attack on these conditions. Members of this task force agreed that "the single most significant action which could be taken to prevent chronic bronchitis, and to reduce the incidence of chronic obstructive pulmonary disease, would be the drastic reduction or elimination of cigarette smoking."¹³

Association representatives testified at congressional hearings in 1965 and 1969 and urged strong action by the federal government to protect the American public from the dangers of cigarette smoking. In 1959 the group supported action to ban cigarette advertising on television and radio noting that the 1965 Labeling Act had failed to exert any significant influences on the smoking habits of our population.

Moreover, in 1967 the NTRDA acted as a friend of the court in supporting the "fairness doctrine" as it applied to cigarette advertising on the airways.¹⁴ The association was founded at the turn of the century to fight tuberculosis and is now the oldest voluntary health organization in America. Its anti-smoking programs have become an integral part of its efforts. It has provided through its more than 1300 affiliated associations an organizational framework within which a widespread (grassroots) anti-smoking movement can develop and function.

D. American Cancer Society

The American Cancer Society has committed itself to publicize the facts about smoking and health. It has believed that an informed public could decide whether to smoke or not to smoke. While the society has opposed a "prohibitionist" solution to the problem they have called for strong leadership and national action by government and by voluntary health agencies. In their 1964 statement to the FTC they noted:

Unless those with responsibilities for protecting health act vigorously, the public will understandably forget and light up. Warnings in advertising and national government action are important, but we must also have energetic, persuasive educational programs in every community worked out with the cooperation of physicians, schools, public health officers, trade unions, churches, responsible clubs and organizations. .

Association representatives testified at congressional hearings in 1955 and 1959 and urged strong action by the Federal Government to protect the American public from the dangers of cigarette smoking. In 1959 the group supported action to ban cigarette advertising on television and radio noting that the 1967 Labeling Act had failed to exert any significant influences on the smoking habits of our population.

Moreover, in 1967 the NCIWA acted as a friend of the court in supporting the "fairness doctrine" as it applied to cigarette advertising on the airways.¹⁴ The association was founded at the turn of the century to fight tuberculosis and is now the oldest voluntary health organization in America. Its anti-smoking programs have become an integral part of its efforts. It has provided through its more than 1300 affiliated associations an organizational framework within which a widespread (grassroots) anti-smoking movement can develop and function.

D. American Cancer Society

The American Cancer Society has committed itself to publicize the facts about smoking and health. It has believed that an informed public could decide whether to smoke or not to smoke. While the society has opposed a "prohibitionist" solution to the problem they have called for strong leadership and national action by government and by voluntary health agencies. In their 1964 statement to the FTC they noted:

Unless those with responsibilities for protecting health act vigorously, the public will understandably forget and fight up. Warnings in advertising and national government action are important, but we must also have energetic, persuasive educational programs in every community worked out with the cooperation of physicians, schools, public health officers, trade unions, churches, responsible clubs and organizations.

In its testimony before the House Committee on Interstate and Foreign Commerce in 1964 the society carefully defended the free enterprise system while at the same time warning the industry:

The ACS believes in the American free enterprise system, and in the right of an industry to govern itself for the benefit of mankind. But the industry must make this self-evident, or submit to Government Control. ¹⁵

In testifying at the 1965 Senate hearings on cigarette labeling and advertising the society commented that "We in the American Cancer Society feel that Congressional Action is as important as the findings of our scientists." ¹⁶ Earlier in their testimony they noted:

We feel very strongly that the time for the argument over the evidence is past -- only the spokesmen for the tobacco industry are interested in pumping life into this argument. Today, we must take action to warn the public against cigarette smoking. ¹⁷

In 1967 the Board of Directors of the society recommended that all cigarette advertising in all media be terminated. They voiced the hope that this could be done voluntarily without government action. They suggested that "the elimination of cigarette advertising may do much to destroy the social acceptability of this dangerous habit. It will make giving up smoking easier for many, and it will stop the constant media pressures on the young to start smoking." The ACS also elaborated on their earlier statement that cigarette smoking must remain a matter of individual choice adding that "We want the choice to be not only informed but free from seductive advertising appeals." ¹⁸

E. American Heart Association

The American Heart Association has also been long aware of the relationship between cigarette smoking and disease. Dr. Lewis January, former President of the group, testifying for the group at the 1969

In its testimony before the House Committee on Interstate and Foreign Commerce in 1964 the society carefully defended the free enterprise system while at the same time warning the industry:

The ACS believes in the American free enterprise system, and in the right of an industry to govern itself for the benefit of mankind. But the industry must make this self-evident, or submit to Government Control. 15

In testifying at the 1965 Senate hearings on cigarette labeling and advertising the society commented that "We in the American Cancer Society feel that Congressional Action is as important as the findings of our scientists." 16 Earlier in their testimony they noted:

We feel very strongly that the time for the argument over the evidence is past -- only the spokesmen for the tobacco industry are interested in pumping life into this argument. Today, we must take action to warn the public against cigarette smoking. 17

In 1967 the Board of Directors of the society recommended that all cigarette advertising in all media be terminated. They voiced the hope that this could be done voluntarily without government action. They suggested that "the elimination of cigarette advertising may do much to destroy the social acceptability of this dangerous habit. It will make giving up smoking easier for many, and it will stop the constant media pressures on the young to start smoking." The ACS also elaborated on their earlier statement that cigarette smoking must remain a matter of individual choice adding that "we want the choice to be not only informed but free from seductive advertising appeals." 18

E. American Heart Association

The American Heart Association has also been long aware of the relationship between cigarette smoking and disease. Dr. Lewis January, former President of the group, testifying for the group at the 1969

House hearings, said that "The weight of evidence we face requires the AMA to act against cigarette smoking as in fact we have done against other risk factors of heart attacks.¹⁹ On January 18, 1969 the Board of Directors adopted a very strong position on cigarette smoking:

Cigarette smoking should be discontinued entirely or sharply limited. The American Heart Association favors such action to be taken voluntarily by the tobacco industry. If such is not forthcoming the American Heart Association would support legislation towards this end. And I emphasize -- consistent with constitutional principles.²⁰

January observed in his testimony that

The cigarette industry has had 4 years to alter its advertising policy. If it chooses not to do so voluntarily, then we believe that there is a need for stronger congressional action than we have had in the past.²¹

He suggested that the AHA supported legislation that would seek in constructive ways to reduce further the number of cigarette smokers in the nation, and the hazards inherent in present-day cigarettes. He concluded suggesting that "We are in fact, we think supporting progress, and we are respectfully telling Congress: 'Do not go backward -- go forward and we are with you.'" ²²

The American Cancer Society, American Heart Association and the National Tuberculosis and Respiratory Disease Association have supported efforts to reduce cigarette smoking. In noting the opposition of health interest groups, a Tobacco Institute spokesman complained that "instead of a massive assault on the scientific mysteries of reported associations between smoking and illness, many of the competent research support sources have diverted publicly collected funds into wholesale anti-cigarette propaganda."²³ Health interest groups have supported specific legislative proposals as well as proposed actions by the independent

House hearings, said that "the weight of evidence we face requires the

AMA to act against cigarette smoking as in fact we have done against

other risk factors of heart attacks. 19 On January 13, 1969 the board

of Directors adopted a very strong position on cigarette smoking:

Cigarette smoking should be discontinued entirely or sharply limited. The American Heart Association favors such action to be taken voluntarily by the tobacco industry. If such is not forthcoming the American Heart Association would support legislation towards this end. And I emphasize -- consistent with constitutional principles. 20

January observed in his testimony that

The cigarette industry has had 4 years to alter its advertising policy. If it chooses not to do so voluntarily, then we believe that there is a need for stronger congressional action than we have had in the past. 21

He suggested that the AMA supported legislation that would seek in

constructive ways to reduce further the number of cigarette smokers in

the nation, and the hazards inherent in present-day cigarettes. He

concluded suggesting that "We are in fact, we think supporting progress,

and we are respectfully telling Congress: 'Do not go backward -- go

forward and we are with you.'" 22

The American Cancer Society, American Heart Association and the

National Tuberculosis and Respiratory Disease Association have supported

efforts to reduce cigarette smoking. In noting the opposition of health

interest groups, a Tobacco Institute spokesman complained that "instead

of a massive assault on the scientific mysteries of reported associations

between smoking and illness, many of the competent research support

sources have diverted publicly collected funds into who's-a-anti-ciga-

rette propaganda." 23 Health interest groups have supported specific

legislative proposals as well as proposed actions by the independent

regulatory agencies and the Surgeon General.

F. National Interagency Council on Smoking and Health

But while the major U.S. health interest groups back governmental action, their lack of unity weakened efforts for stronger action. In 1968, to facilitate the development of a smoking and health coalition of national health interest groups, three government agencies helped establish the National Interagency Council on Smoking and Health. The Council has served as a medium of exchange for groups and organizations concerned with the smoking problem. It was intended as an instrument to disseminate information on existing and emerging programs and materials dealing with smoking as a health hazard. The group began with fifteen private health interest groups and three government agencies: U.S. Children's Bureau; U.S. Office of Education and the U.S. Public Health Service. While the AMA is presently a member of the group, it wasn't at its inception. In 1970, the council had some 26 private members and 5 federal government agencies.²⁴

Luther Terry commented that the National Interagency Council "is the national focal point providing direction, co-ordination and impetus in mobilising for action our national effort to reduce the wasteful toll of self-induced disease related to cigarette smoking."²⁵ To this end the group sponsored several conferences including the 1967 World Conference on Smoking and Health and the 1970 National Conference on Smoking and Health for member groups and others "to compare experiences and to exchange ideas, to report on new medical and scientific findings and to recommend programs of research, education, and public and citizen action against cigarette smoking."²⁶

regulatory agencies and the Surgeon General.

F. National Interagency Council on Smoking and Health

But while the major U.S. health interest groups back governmental action, their lack of unity weakened efforts for stronger action. In 1968, to facilitate the development of a smoking and health coalition of national health interest groups, three government agencies helped establish the National Interagency Council on Smoking and Health. The Council has served as a medium of exchange for groups and organizations concerned with the smoking problem. It was intended as an instrument

to disseminate information on existing and emerging programs and materials dealing with smoking as a health hazard. The group began with

fifteen private health interest groups and three government agencies:

U.S. Children's Bureau, U.S. Office of Education and the U.S. Public Health Service. While the AMA is presently a member of the group, it wasn't at its inception. In 1970, the council had some 26 private mem-

bers and 5 federal government agencies. 24

Luther Terry commented that the National Interagency Council "is the national focal point providing direction, co-ordination and impetus in mobilizing for action our national effort to reduce the wasteful toll of self-induced disease related to cigarette smoking. 25 To this end

the group sponsored several conferences including the 1967 World Conference on Smoking and Health and the 1970 National Conference on Smoking and Health for member groups and others "to compare experiences and to exchange ideas, to report on new medical and scientific findings and to recommend programs of research, education, and public and

citizen action against cigarette smoking." 26

As in the case of U.S. tobacco growers the organizational problems in exchanging information and cooperating allowed discussion and interaction and inhibited their ability to pressure for government action. Once again the problem of providing a collective good proved very difficult without outside aid. Through grants and contracts the federal government provided benefits which allowed health interest groups to publish a newsletter on smoking and health and meet at conferences such as the National Conference on Smoking and Health and the World Conference on Smoking and Health which have been aided by government grants. As with the tobacco growers, the government has facilitated the creation of an interest group, a political constituency to support its efforts and to pressure for additional efforts.

In commenting on the government's role in funding the council, Donald R. Hall in his book Cooperative Lobbying -- The Power of Pressure ²⁷ stated:

This 'voluntary' association has thus tapped federal funds to create a permanent office and staff with the avowed purpose of propagandizing taxpayers and their children to change their attitudes and tastes. As Senator Morton would say, 'If cigarettes today will it be tailfins, books and movies tomorrow?' At best, this appears to be highly questionable use of taxpayers' funds. ²⁸

As Hall also notes the product of these subsidized groups of this type is "political and the public is unaware of the relationship" between the group and the government. ²⁹ The government has played an important and relatively unexplored role in organizing latent interest groups in the United States. In the smoking-health situation only a very small tip of the apparently enormous iceberg of government creation has been uncovered. As we mentioned previously tobacco grower groups have also been

As in the case of U.S. tobacco growers the organizational problems

in exchanging information and cooperating showed discussion and inter-
action and inhibited their ability to pressure for government action.

Once again the problem of providing a collective good proved very
difficult without outside aid. Through grants and contracts the federal

government provided benefits which allowed health interest groups to

publish a newsletter on smoking and health and meet at conferences

such as the National Conference on Smoking and Health and the World

Conference on Smoking and Health which have been aided by government

grants. As with the tobacco growers, the government has facilitated

the creation of an interest group, a political constituency to support

its efforts and to pressure for additional efforts.

In commenting on the government's role in funding the council,

Donald R. Hall in his book Cooperative Lobbying -- The Power of Pressure

stated:

This 'voluntary' association has thus tapped federal funds to
create a permanent office and staff with the avowed purpose of
propagandizing taxpayers and their children to change their
attitudes and tastes. As Senator Morton would say, 'If citizens
today will let the politicians, books and movies tomorrow'
At best, this appears to be highly questionable use of tax-
payers' funds. 18

As Hall also notes the product of these subsidized groups of this

type is "political and the public is unaware of the relationship" between

the group and the government. 19 The government has played an important

and relatively unexplored role in organizing latent interest groups in

the United States. In the smoking-health situation only a very small tip

of the apparently enormous iceberg of government creation has been unco-

ered. As we mentioned previously tobacco grower groups have also been

created and continued by distributing government benefits.

Recently opponents of cigarette smoking have taken a different tack. Surgeon General Steinfeld said that the "non-smoker may have untoward effects from the pollution his smoking neighbor forces upon him. It is high time to ban smoking from all confined public places such as restaurants, theatres, airplanes, trains and buses." ³⁰

The focus of public attention may shift from the smoker to the non-smoker. If the percentage of cigarette smokers in our population declines, limitations on smoking in public places may become a reality. The social acceptability of smoking is very much a matter of custom and as aficionados of chewing tobacco and the spittoon as well as those who fancied snuff know, social custom and taste are extremely fickle. Cigarette smoking is not the only use of tobacco and with the threat of health hazards and governmental pressures, a new form of smoking may become the fashion.

The Federal Aviation Administration has already considered the need to further regulate the smoking of cigarettes, cigars, and pipes by persons in the passenger compartments of aircraft operated by air carriers, air travel clubs, and commercial operators. ³¹ The FAA ruled in May, 1973 that smoking is permissible on planes, but that smokers and non-smokers be separated. The Interstate Commerce Committee has also considered banning smoking on interstate buses, and an ICC hearing examiner recommended action. ³²

created and continued by distributing government benefits. Recently opponents of cigarette smoking have taken a different tack. Surgeon General Steinfeld said that the "non-smoker may have untoward effects from the pollution his smoking neighbor forces upon him. It is high time to ban smoking from all confined public places such as restaurants, theatres, airplanes, trains and buses." 30

The focus of public attention may shift from the smoker to the non-

smoker. If the percentage of cigarette smokers in our population declines, limitations on smoking in public places may become a reality. The social acceptability of smoking is very much a matter of custom and as aficionados of chewing tobacco and the spittoon as well as those who lanced snuff know, social custom and taste are extremely fickle. Cigarette smoking is not the only use of tobacco and with the threat of health hazards and governmental pressures, a new form of smoking may become the fashion.

The Federal Aviation Administration has already considered the need to further regulate the smoking of cigarettes, cigars, and pipes by persons in the passenger compartments of aircraft operated by air carriers, air travel clubs, and commercial operators. 31 The FAA ruled in May, 1973 that smoking is permissible on planes, but that smokers and non-smokers be separated. The Interstate Commerce Committee has also considered banning smoking on interstate buses, and an ICC hearing

32
examiner recommended action.

Footnotes - Chapter V

1. Brew Pearson and Jack Anderson, The Case Against Congress: A Compelling Indictment of Corruption on Capitol Hill (New York: Simon and Schuster, 1969), p. 329.
2. Ibid., p. 330. The same incident was reported in James Ridgeway, The Closed Corporation: American Universities in Crisis (New York: Random House, 1968), p. 103.
3. U.S., Federal Trade Commission, Division of Scientific Opinions, Bureau of Deceptive Practices, Statements on Cigarette Smoking and Health by United States and Foreign Health Associations and Organizations, Medical Societies, Governmental Public Health Bodies, and Officials, and International Health Organizations (Washington: undated, but apparently 1964), pp. 7-8.
4. Pearson and Anderson, p. 330.
5. Maurine B. Neuberger, Smoke Screen: Tobacco and the Public Welfare (Englewood Cliffs, New Jersey: Prentice-Hall, Inc., 1963), p. 81.
6. Journal of the American Medical Association, CCV (September 2, 1968), p. 105.
7. U.S., Congress, House, Committee on Interstate and Foreign Commerce, Hearings, Cigarette Labeling and Advertising -- 1969, Part 1, 91st Cong., 1st Sess., 1969, p. 321.
8. U.S., Federal Trade Commission, Trade Regulation Rule for the Prevention of Unfair or Deceptive Advertising and Labeling of Cigarettes in Relation to the Health Hazards of Smoking and Accompanying Statement of Basis and Purpose of Rule (Washington, 1964), p. 12.
9. Ibid., pp. 9-10.
10. See Philip H. Dougherty, "Advertising: Anti-Smoking Spots Multiply," The New York Times, October 6, 1967 and Philip H. Dougherty, "Advertising: Anti-Smoking Spots," The New York Times, July 21, 1969. The tobacco industry has vigorously protested against these spot advertisements calling them "grossly inaccurate and misleading." Alexander R. Banner, "Lag Burns Tobacco Men," The New York Times, January 11, 1970.

Footnotes - Chapter V

1. Drew Pearson and Jack Anderson, The Case Against Congress: A Compelling Indictment of Corruption on Capitol Hill (New York: Simon and Schuster, 1959), p. 32.
2. Ibid., p. 330. The same incident was reported in James Ridgeway, The Closed Corporation: American Universities in Crisis (New York: Random House, 1968), p. 103.
3. U.S., Federal Trade Commission, Division of Scientific Opinions, Bureau of Deceptive Practices, Statements on Cigarette Smoking and Health by United States and Foreign Health Associations and Organizations, Medical Societies, Governmental Public Health Bodies, and Officials, and International Health Organizations (Washington: undated, but apparently 1964), pp. 7-8.
4. Pearson and Anderson, p. 330.
5. Maurine B. Neuberger, Smoke Screen: Tobacco and the Public Welfare (Englewood Cliffs, New Jersey: Prentice-Hall, Inc., 1963), p. 81.
6. Journal of the American Medical Association, CCV (September 2, 1963), p. 102.
7. U.S., Congress, House, Committee on Interstate and Foreign Commerce, hearings, Cigarette Labeling and Advertising -- 1960, Part I, 91st Cong., 1st Sess., 1969, p. 321.
8. U.S., Federal Trade Commission, Trade Regulation Rule for the Prevention of Unfair or Deceptive Advertising and Labeling of Cigarettes in Relation to the Health Hazards of Smoking and Accompanying Statement of Basis and Purpose of Rule (Washington, 1964), p. 12.
9. Ibid., pp. 9-10.
10. See Philip H. Dougherty, "Advertising: Anti-Smoking Spots Multiply," The New York Times, October 6, 1967 and Philip H. Dougherty, "Advertising: Anti-Smoking Spots," The New York Times, July 21, 1969. The tobacco industry has vigorously protested against these spot advertisements calling them "grossly inaccurate and misleading." Alexander R. Hammer, "Lag Burns Tobacco Men," The New York Times, January 11, 1970.

11. U.S., Federal Trade Commission, Division of Scientific Opinions, Bureau of Deceptive Practices, Statements on Cigarette Smoking . . ., p. 4. The compilation was made part of the public record in preparation for the hearings on the FTC Proposed Trade Regulation Rules for the Advertising and Labeling of Cigarettes.
12. Ibid., p. 5.
13. U.S., Congress, Senate, Consumer Subcommittee of the Committee on Commerce, Hearings, Cigarette Labeling and Advertising, 91st Cong., 1st Sess., 1969, p. 630. See statement of Dr. John L. Gompertz, President of NTRDA.
14. Ibid., p. 631.
15. U.S., Congress, House, Committee on Interstate and Foreign Commerce, Hearings, Cigarette Labeling and Advertising, 88th Cong., 2nd Sess., 1964, p. 293.
16. U.S., Congress, Senate, Committee on Commerce, Hearings, Cigarette Labeling and Advertising, Part 1, 89th Cong., 1st Sess., 1965, p. 161.
17. Ibid., p. 159.
18. Harold S. Diehl, Tobacco and Your Health: The Smoking Controversy (New York: McGraw-Hill Book Company, 1969), p. 197.
19. U.S., Congress, House, Committee on Interstate and Foreign Commerce, Hearings, Cigarette Labeling and Advertising -- 1969, Part 2, 91st Cong., 1st Sess., 1969, p. 504.
20. Ibid., p. 505.
21. Ibid.
22. Ibid., p. 506.
23. The Tobacco Institute, News Release, January 3, 1971.
24. In 1970 the following groups were members: American Academy of Pediatrics, American Association of Health Physical Education and Recreation, American Cancer Society, American College Health Association, American College of Chest Physicians, American College of Physicians, American College of Surgeons, American Dental Association, American Heart Association, American Hospital Association, American Medical Association, American Nurse's Association, Inc., American Pharmaceutical Association, American Public Health Association, American School Health Association, Association of Classroom Teachers of the NEA, Association of State and Tutorial Health Officers, Boy's Clubs of America, National Board of Young Men's Christian Association, National Board of Young Women's Christian Association,

11. U.S., Federal Trade Commission, Division of Scientific Operations, Bureau of Detective Practices, Statement of Scientific Practices
p. 4. The compilation was made part of the public record in preparation for the hearings on the FTC Proposed Trade Regulation Rules for the Advertising and Labeling of Cigarettes.
12. Ibid., p. 5.
13. U.S., Congress, Senate, Consumer Subcommittees of the Committee on Commerce, Hearings, Cigarette Labeling and Advertising, 88th Cong., 1st Sess., 1964, p. 601. See statement of Dr. John E. Conner, President of NITSA.
14. Ibid., p. 631.
15. U.S., Congress, House, Committee on Interstate and Foreign Commerce, Hearings, Cigarette Labeling and Advertising, 88th Cong., 1st Sess., 1964, p. 293.
16. U.S., Congress, Senate, Committee on Commerce, Hearings, Cigarette Labeling and Advertising, Part I, 88th Cong., 1st Sess., 1964, p. 161.
17. Ibid., p. 159.
18. Harold S. Diehl, Tobacco and Your Health: The Smoking Controversy (New York: McGraw-Hill Book Company, Inc.), p. 197.
19. U.S., Congress, House, Committee on Interstate and Foreign Commerce, Hearings, Cigarette Labeling and Advertising -- 1964, Part 2, 91st Cong., 1st Sess., 1964, p. 304.
20. Ibid., p. 202.
21. Ibid.
22. Ibid., p. 206.
23. The Tobacco Institute, News Release, January 3, 1971.
24. In 1970 the following groups were members: American Academy of Pediatrics, American Association of Health Physical Education and Recreation, American Cancer Society, American College Health Association, American College of Chest Physicians, American College of Physicians, American Heart Association, American Hospital Association, American Medical Association, American Nurses' Association, Inc., American Pharmaceutical Association, American Public Health Association, American School Health Association, Association of (Laboratory) Teachers of the NEA, Association of State and Territorial Health Officers, Boy's Clubs of America, National Board of Young Men's Christian Association, National Board of Young Women's Christian Association.

National Congress of Parents and Teachers, National League for Nursing, National Student Nurses' Association, National Tuberculosis and Respiratory Disease Association, Public Health Cancer Association of America, Student American Medical Association, U.S., Children's Bureau, U.S. Department of Defense, U.S. Office of Education, U.S. Public Health Service, U.S. Veterans Administration.

25. National Interagency Council on Smoking and Health, National Conference on Smoking and Health: September 9-11, 1970, A Summary of Proceedings (New York, no date), p. 7.
26. Ibid.
27. Donald R. Hall, Cooperative Lobbying — The Power of Pressure (Tucson, Arizona: The University of Arizona Press, 1969).
28. Ibid., p. 316.
29. Ibid.
30. Environmental Action, II (January 23, 1971).
31. See The Federal Register, 35(FR 5045), March 25, 1970.
32. "No Smoking Signs on Buses Advised by ICC Examiner," The Wall Street Journal, February 9, 1971.

National Congress of Parents and Teachers, National League for Nursing,
National Student Nurses' Association, National Tuberculosis and
Respiratory Disease Association, Public Health Cancer Association of
America, Student American Medical Association, U.S. Children's
Bureau, U.S. Department of Defense, U.S. Office of Education, U.S.
Public Health Service, U.S. Veterans Administration.

25. National Interagency Council on Smoking and Health, National Conference
on Smoking and Health: September 2-11, 1970. A Summary of Proceedings
(New York, no date), p. V.

26. Ibid.

27. Donald R. Hall, Cooperative Lobbying -- The Power of Pressure (Tucson,
Arizona: The University of Arizona Press, 1969).

28. Ibid., p. 316.

29. Ibid.

30. Environmental Action, 11 (January 23, 1971).

31. See The Federal Register, 35(FR 2042), March 25, 1970.

32. "No Smoking Signs on Buses Advised by ICC Examiner," The Wall Street
Journal, February 9, 1971.

Chapter VI: Surgeons General of the Public Health Service and Smoking

A. Introduction

The Public Health Service and its National Clearinghouse for Smoking and Health have been the focal points of governmental action against cigarette smoking in the United States. In the following section we will explore the increasingly outspoken opposition to cigarette smoking by Surgeons General of the U.S. Public Health Service.

B. The Public Health Service and Cigarette Smoking

U.S. Surgeons General of the Public Health Service Luther Terry, William H. Stewart and Jesse Steinfeld have been outspoken opponents of cigarette smoking and very critical of the tobacco industry. Their comments and the role they have played has been very similar to the one played by Sir George Godber, Chief Medical Officer, of the British Ministry of Health. Both Godber and the U.S. Surgeons General have acted as public gadflies, publicizing the controversy, chastising the government for its lassitude and proposing new efforts.

As early as July, 1957, then Surgeon General Dr. Leroy Burney acknowledged, "The Public Health Service feels the weight of the evidence is increasingly pointing in one direction: that excessive smoking is one of the causative factors in lung cancer." ¹

Steinfeld commented at the National Conference on Smoking and Health in 1970:

I believe the time is ripe for government and voluntary groups to mount a more vigorous program on all fronts to portray

I believe the time is ripe for government and voluntary groups to mount a more vigorous program on all fronts to portray

in 1970:

Steinfeld commented at the National Conference on Smoking and Health of the causative factors in lung cancer." I

is increasingly pointing in one direction: that excessive smoking is one acknowledged, "The Public Health Service feels the weight of the evidence as early as July, 1957, then Surgeon General Dr. Leroy Burney

ment for its lassitude and proposing new efforts.

as public gadflies, publicizing the controversy, chastising the government for its lassitude and proposing new efforts. Ministry of Health. Both Godber and the U.S. Surgeons General have acted played by Sir George Godber, Chief Medical Officer, of the British

comments and the role they have played has been very similar to the one cigarette smoking and very critical of the tobacco industry. Their

William H. Stewart and Jesse Steinfeld have been outspoken opponents of

U.S. Surgeons General of the Public Health Service Luther Terry,

B. The Public Health Service and Cigarette Smoking

Surgeons General of the U.S. Public Health Service.

explore the increasingly outspoken opposition to cigarette smoking by

cigarette smoking in the United States. In the following section we will

and Health have been the focal points of governmental action against

The Public Health Service and its National Clearinghouse for Smoking

A. Introduction

Chapter VI: Surgeons General of the Public Health Service and Smoking

cigarette smoking as what it really is -- a dirty, smelly, foul chronic form of suicide with the added uncertainty of 'russian roulette' for the individual smoker.²

He stated in the same speech that while he didn't suggest that the campaign against cigarette smoking be stopped for the sake of the tobacco farmer he did suggest that "we give support to those movements designed to help these people switch to other forms of agricultural production or to other lines of work."³

Terry, who became Director of the National Interagency Council on Smoking and Health after being Surgeon General noted in his testimony on the proposed 1969 legislation that the 1965 act was inadequate. He continued, "I would never infer that the Congress intentionally perpetrated a hoax, but to my interpretation it turned out to be that, despite the good intentions of the Congress."⁴

Earlier at the World Conference on Smoking and Health in 1967 he stated:

We have come to the end of our era in the smoking and health field. The period of uncertainty is over. While science will continue to probe the reason why, there is no longer any doubt the cigarette smoking is a direct threat to the user's health.

He continued:

Today, armed with facts that come from careful scientific inquiry, we are on the threshold of a new era, a time of action, a time for public and private agencies, community groups and individual citizens to work together to bring this hydra-headed monster under control.

Health Consequences of Smoking: 1968 Supplement to the 1967 Public

Health Service Review voiced very similar sentiments to those expressed in Britain by Godber. He noted:

Problems created by cigarette smoking have made this a difficult health issue. Effective preventive programs must be

cigarette smoking as what it really is -- a dirty, smelly, foul chronic form of suicide with the added uncertainty of 'Russian roulette' for the individual smoker."

He stated in the same speech that while he didn't suggest that the campaign against cigarette smoking be stopped for the sake of the tobacco farmer he did suggest that "we give support to those movements designed to help these people switch to other forms of agricultural production or to other lines of work." 3

Terry, who became director of the National Interagency Council on Smoking and Health after being Surgeon General noted in his testimony on the proposed 1969 legislation that the 1965 act was inadequate. He continued, "I would never infer that the Congress intentionally perpetrated a hoax, but to my interpretation it turned out to be that, despite the good intentions of the Congress." 4

Earlier at the World Conference on Smoking and Health in 1967 he

stated:

We have come to the end of one era in the smoking and health field. The period of uncertainty is over. While science will continue to probe the reason why, there is no longer any doubt the cigarette smoking is a direct threat to the user's health.

He continued:

Today, armed with facts that come from careful scientific inquiry, we are on the threshold of a new era, a time of action, a time for public and private agencies, community groups and individual citizens to work together to bring this hydra-headed monster under control.

Health Consequences of Smoking: 1968 Supplement to the 1967 Public

Health Service Review voiced very similar sentiments to those expressed

in Britain by Godber. He noted:

Problems created by cigarette smoking have made this a difficult health issue. Effective preventive programs must be

created if we are to meet smoking's grave challenge to human health successfully and reduce the burden of suffering and economic loss involved. ⁶

Wilbur J. Cohen who was HEW Secretary in 1968 was very outspoken on the smoking and health issue unlike his predecessors or successors. For example, Maurine Neuberger in her 1963 book Smoke Screen: Tobacco and the Public Welfare reported that when Secretary of HEW, Anthony Celebrezze, had publicly commented that "he did not consider it the proper role of the Federal government to tell citizens to stop smoking." ⁷ She continued that "this curiously ambiguous statement could have meant that prohibition was not a solution to the smoking problem. It could equally have been interpreted as denying the government's responsibility even to educate its citizens to the dangers of smoking." ⁸

In contrast Cohen clearly delineated the obstacles which bar the way to reaching the goals of the government program in his 1968 Annual Report to the President:

One is economic, involving public revenues, agricultural income, and industrial profits. The second is social acceptability of cigarette smoking and its near-addictive hold on many people. A third is the posture of those who insist that the health hazards of cigarette smoking have not been proved, despite the evidence. ⁹

In addition to suggesting that the warning statement on cigarette packages be strengthened and that the level of tar and nicotine should be printed on cigarette packages and in all advertisements, he also suggested the following governmental steps be taken:

That formal liaison between the government and the tobacco industry, begun by the HEW Secretary in 1968, be supported. It is essential to strengthen such cooperation to deal with the smoking and health problem.

That increased appropriations be made to support research, both basic and behavioral. We must learn more about what elements

created if we are to meet smoking's grave challenge to human health successfully and reduce the burden of suffering and economic loss involved.⁶

Wilbur J. Cohen who was HNW Secretary in 1968 was very outspoken on the smoking and health issue unlike his predecessors or successors. For example, Marjorie Neuberger in her 1963 book Smoke Screen: Tobacco and the Public Welfare reported that when Secretary of HNW, Anthony

Celebrezze, had publicly commented that "he did not consider it the proper role of the Federal Government to tell citizens to stop smoking."⁷ She continued that "this curiously ambiguous statement could have meant that prohibition was not a solution to the smoking problem. It could equally have been interpreted as denying the government's responsibility even to educate its citizens to the dangers of smoking."⁸

In contrast Cohen clearly delineated the obstacles which bar the way to reaching the goals of the government program in his 1968 Annual Report to the President:

One is economic, involving public revenues, agricultural income, and industrial profits. The second is social acceptability of cigarette smoking and its near-addictive hold on many people. A third is the posture of those who insist that the health hazards of cigarette smoking have not been proved, despite the evidence.⁹

In addition to suggesting that the warning statement on cigarette packages be strengthened and that the level of tar and nicotine should be printed on cigarette packages and in all advertisements, he also suggested the following governmental steps be taken:

That formal liaison between the government and the tobacco industry, begun by the HNW Secretary in 1968, be supported. It is essential to strengthen such cooperation to deal with the smoking and health problem. That increased appropriations be made to support research, both basic and behavioral. We must learn more about what elements

in tobacco cause harmful effects on human health and how; we must at the same time learn more about why people smoke, how those who want help may be helped to resist the habit, and we must work toward the discovery of a nonhazardous cigarette. That increased appropriations be made to broaden and expand programs of public information and education. Special efforts are needed to take advantage of improved methods of teaching children about the effects of smoking. The Department should support the training of classroom teachers and the preparation of teaching materials to accomplish this.

That Federal taxes on cigarettes be substantially increased and made uniform throughout the Nation. When the national economy suffers excess illness, disability, work loss and premature death among cigarette smokers, surely a greater use of Federal taxing authority is justified, to help finance necessary research and educational programs.

Cohen, a Democrat who was a lame duck secretary at the time, placed a substantial burden to act on his Republican successor, much of which apparently has been ignored. 10

The ability of U.S. Surgeons General to vigorously speak out on the smoking-health issue is at least partially due to his isolation from political pressures. Once appointed during his term of office he is not subject to dismissal or threats of dismissal from the congress or from the President. The independence of both the independent regulatory agency commissioners and the Surgeons General has been crucial in allowing them to play such an important role in pressuring for greater government action. Their ability to speak out and the protection afforded by their positions has allowed them to act as focal points of expertise and pressure.

The Department of Health, Education, and Welfare has emphasized that its smoking and health program would cooperate closely with the states and with health and education agencies as well as with voluntary health organizations. The National Clearinghouse for Smoking and Health was set up within HEW to achieve its objectives: 1) to reduce the number of

in tobacco cause harmful effects on human health and how; we must at the same time learn more about why people smoke, how those who want help may be helped to resist the habit, and we must work toward the discovery of a nonaddictive cigarette. That increased appropriations be made to broaden and expand programs of public information and education. Special efforts are needed to take advantage of improved methods of teaching children about the effects of smoking. The Department should support the training of classroom teachers and the preparation of teaching materials to accomplish this. That Federal taxes on cigarettes be substantially increased and made uniform throughout the Nation. When the national economy suffers excess illness, disability, work loss and premature death among cigarette smokers, surely a greater use of Federal taxing authority is justified, to help finance necessary research and educational programs.

Cohen, a Democrat who was a lame duck secretary at the time, placed a substantial burden to act on his Republican successor, much of which apparently has been ignored. 10

The ability of U.S. Surgeons General to vigorously speak out on the smoking-health issue is at least partially due to his isolation from political pressures. Once appointed during his term of office he is not subject to dismissal or threats of dismissal from the Congress or from the President. The independence of both the independent regulatory agency commissioners and the Surgeons General has been crucial in allowing them to play such an important role in pressuring for greater government action. Their ability to speak out and the protection afforded by their positions has allowed them to act as focal points of expertise and pressure.

The Department of Health, Education, and Welfare has emphasized that its smoking and health program would cooperate closely with the States and with health and education agencies as well as with voluntary health organizations. The National Clearinghouse for Smoking and Health was set up within HEW to achieve its objectives: 1) to reduce the power of

people smoking cigarettes; 2) to reduce the number of young people taking up cigarettes and 3) to help develop less hazardous smoking for those who do not wish to quit or are unable to do so. The clearinghouse serves as a repository of scientific information, carries on a national program of public information, and educational projects, and carries on research in smoking behavior and methods of cessation.

The NCSH has negotiated contracts with national and local organizations aimed at developing and carrying on specific programs. The government has acted as coordinator and facilitator, without setting up a large organizational infrastructure. While the program staff is not nearly as modest as the Canadian program its budget has remained at about \$2 million. ¹¹

NCSH has expanded its original goals to "develop a climate of opinion so that cigarette smokers unable and unwilling to quit will accept a less hazardous cigarette and less hazardous ways of smoking." ¹² Steinfeld has called the NCSH the focal point of federal smoking and health activities.

C. Task Force for Smoking and Health

In November 1967 Surgeon General Stewart appointed an 11-member Task Force to review and evaluate government and private programs aimed at reducing cigarette smoking and to recommend further steps that might be taken. They concluded that "We believe the health dangers are so serious and the programs to meet them are, relatively, so inadequate that there is need for a vigorous acceleration in protective action." ¹³ They found that "there is and has been a continuing serious imbalance between the forces which encourage smoking and those which encourage cessation

people smoking cigarettes; 2) to reduce the number of young people taking up cigarettes and 3) to help develop less hazardous smoking for those who do not wish to quit or are unable to do so. The organization serves as a repository of scientific information, carries on a national program of public information, and carries on research in smoking behavior and methods of cessation.

The NCSH has negotiated contracts with national and local organiza-

tions aimed at developing and carrying on specific programs. The government has acted as coordinator and facilitator, without setting up a large organizational infrastructure. While the program staff is not nearly as modest as the Canadian program its budget has remained at about \$2 million. 11

NCSH has expanded its original goals to "develop a climate of opinion so that cigarette smokers unable and unwilling to quit will accept a less hazardous cigarette and less hazardous ways of smoking." 12 Steinfeld has called the NCSH the focal point of federal smoking and health activities.

C. Task Force for Smoking and Health

In November 1967 Surgeon General Stewart appointed an 11-member Task Force to review and evaluate government and private programs aimed at reducing cigarette smoking and to recommend further steps that might be taken. They concluded that "We believe the health dangers are so serious and the programs to meet them are, relatively, so inadequate that there is need for a vigorous acceleration in protective action." 13 They found that "there is and has been a continuing serious imbalance between the forces which encourage smoking and those which encourage cessation

or restraint." 14 The advisory group recommended that the Public Health Service's educational and research programs should be greatly expanded.

The Task Force made specific recommendations in five primary areas:

1) advertising and promotion; 2) education of youth to prevent cigarette smoking; 3) influence of health professions on their clientele; 4) use of group approaches to prevent or reduce smoking; and 5) development of less hazardous cigarettes and ways of smoking.

The report is notable for its vigor and directness in attacking cigarette smoking and the cigarette manufacturers:

Cigarette smoking is one of the foremost preventable causes of death in the United States as well as in other parts of the world. 15

The most impelling consideration to the Task Force in arriving at its recommendations is the human suffering involved in the death and disease that are linked with the smoking habit. 16

The report directly attacked U.S. cigarette manufacturers stating:

... one of the reasons why cigarette consumption has remained high, while cigarette brands with high tar and nicotine levels remain large sellers, and why death and morbidity rates associated with smoking continue to increase is the inability or unwillingness of the cigarette industry to face up to the health hazards of cigarette smoking or even to admit they exist. The public relations and political posture of large parts of the industry has been rather to attack the evidence and to pretend that a health crisis associated with cigarette smoking which now confronts the United States does not, in fact, exist at all. 17

The Task Force did not seek to reevaluate the evidence linking cigarette smoking and illness, instead they accepted the premise that cigarette smoking is a major health problem for the nation. The report is a plan of action against cigarette smoking that calls for both private and government efforts to meet the three objectives of the Department of Health, Education and Welfare: 1) to encourage young people not to start

or restraint." 14 The Advisory Group recommended that the Public Health Service's educational and research programs should be greatly expanded. The Task Force made specific recommendations in five primary areas: 1) advertising and promotion; 2) education of youth to prevent cigarette smoking; 3) influence of health professions on their clientele; 4) use of group approaches to prevent or reduce smoking; and 5) development of less hazardous cigarettes and ways of smoking.

The report is notable for its vigor and directness in attacking

cigarette smoking and the cigarette manufacturers:

Cigarette smoking is one of the foremost preventable causes of death in the United States as well as in other parts of the world. 15

The most compelling consideration to the Task Force in arriving at its recommendations is the human suffering involved in the death and disease that are linked with the smoking habit. 16

The report directly attacked U.S. cigarette manufacturers stating:

... one of the reasons why cigarette consumption has remained high, while cigarette brands with high tar and nicotine levels remain large sellers, and why death and morbidity rates associated with smoking continue to increase is the inability or unwillingness of the cigarette industry to face up to the health hazards of cigarette smoking or even to admit they exist. The public relations and political posture of large parts of the industry has been rather to attack the evidence and to pretend that a health crisis associated with cigarette smoking which now confronts the United States does not, in fact, exist at all. 17

The Task Force did not seek to reevaluate the evidence linking cigarette

smoking and illness, instead they accepted the premise that cigarette

smoking is a major health problem for the nation. The report is a plan

of action against cigarette smoking that calls for both private and

government efforts to meet the three objectives of the Department of

Health, Education and Welfare: 1) to encourage young people not to start

smoking; 2) to reduce the number of people now smoking; and 3) to encourage the development of less hazardous cigarettes and methods of smoking and concurrently, help develop a climate of opinion so that, as these are developed, smokers will turn to them.

The Tobacco Institute Inc. called the report "a shockingly intemperate defamation of an industry which has led the way in medical research to seek answers in the cigarette controversy, and criticized it for its praise or promotional verbiage for the National Clearinghouse for Smoking and Health and its failure to note that the Task Force chairman Daniel Barn is director of the clearinghouse.

The report sought to further facilitate coordination of programs by the federal government and private groups. To this end, the formation of a Federal Council on Smoking and Health was proposed, to coordinate Federal Actions and policies and keep all agencies informed of progress and problems. The report also suggested that the Department of Health, Education and Welfare use its influence to broaden the membership of the National Interagency Council, to seek a larger budget for the council, and to help establish a paid, fulltime council staff.

The proposals suggested are in actuality a manifesto seeking stronger federal government action and support for "appropriate" health efforts by private agencies and individuals. HEW's close relationships with private groups are supported and specific group actions and the National Interagency Council on Smoking and Health are praised.

The report concludes on a very optimistic note indicating the progress in seeking solutions that has been made. Significant American participation in the first World Conference on Smoking and Health held in

smoking; 2) to reduce the number of people now smoking; and 3) to encourage the development of less hazardous cigarettes and methods of smoking and concurrently, help develop a climate of opinion so that, as these are developed, smokers will turn to them.

The Tobacco Institute Inc. called the report "a shockingly intimate and defamatory of an industry which has led the way in medical research to seek answers in the cigarette controversy, and criticized it for its praise or promotional verbiage for the National Clearinghouse for Smoking and Health and its failure to note that the Task Force chairman Daniel Horn is director of the clearinghouse.

The report sought to further facilitate coordination of programs by the federal government and private groups. To this end, the formation of a Federal Council on Smoking and Health was proposed, to coordinate Federal Actions and policies and keep all agencies informed of progress and problems. The report also suggested that the Department of Health, Education and Welfare use its influence to broaden the membership of the National Interagency Council, to seek a larger budget for the council, and to help establish a paid, fulltime council staff.

The proposals suggested are in actuality a manifesto seeking stronger federal government action and support for "uncoordinated" health efforts by private agencies and individuals. How's close relationships with private groups are supported and specific group actions and the National Interagency Council on Smoking and Health are praised.

The report concludes on a very optimistic note indicating the progress in seeking solutions that has been made. Significant American participation in the first World Conference on Smoking and Health held in

New York City in September 1967 was interpreted as most important and indicative of the new awareness of smoking as a health threat, an awareness the Task Force felt was absent ten and even five years earlier.

The report noted that there were now millions of ex-smokers and more importantly there is organization among those "who care and are influential in guarding the nation's health and welfare." ¹⁸ Previously unrepresented ex-smokers and non-smokers are now presumably being represented. Their unarticulated interests are now being aggregated and heard. Their implicit interests and potential importance are recognized by the Task Force and act as a support behind anti-smoking actions. As their numbers grow (or decrease) politicians and/or administrators will use their existence and potential political power as a supportive constituency behind their efforts.

The Task Force clearly recognized the need for effective organization, coordination and government support if anti-smoking efforts are to be successful. Their review and evaluation was made to specify actions that could be taken by HEW, but at the same time the report was directed and circulated to a much wider audience in an explicit attempt to further and develop "a broader national effort." ¹⁹

New York City in September 1967 was interpreted as most important and indicative of the new awareness of smoking as a health threat, an awareness the Task Force felt was absent ten and even five years earlier. The report noted that there were now millions of ex-smokers and more importantly there is organization among those "who care and are influential in guarding the nation's health and welfare." It previously underscored ex-smokers and non-smokers are now presumably being represented. Their unarticulated interests are now being aggregated and heard. Their implicit interests and potential importance are recognized by the Task Force and act as a support behind anti-smoking actions. As their numbers grow (or decrease) politicians and/or administrators will use their existence and potential political power as a supportive constituency behind their efforts.

The Task Force clearly recognized the need for effective organization, coordination and government support if anti-smoking efforts are to be successful. Their review and evaluation was made to speedily actions that could be taken by HW, but at the same time the report was directed and circulated to a much wider audience in an explicit attempt to further and develop "a broader national effort." It

Footnotes - Chapter VI

- programmed for tobacco research. The Department commented that "Following the issuance of the Surgeon General's Report on 'Smoking and Health' in 1964, the Department expanded and redirected its
1. U.S., Federal Trade Commission, Trade Regulation Rule for the Prevention of Unfair or Deceptive Advertising and Labeling of Cigarettes in Relation to the Health Hazards of Smoking and Accompanying Statement of Basis and Purpose of Rule (Washington, 1964), p. 10.
 2. Jesse Steinfeld, "Smoking: The Continuing Challenge," National Conference on Smoking and Health: September 9-11, 1970: A Summary of Proceedings, sponsored by the National Interagency Council on Smoking and Health (New York, no date), p. 35.
 3. Ibid., pp. 40-41.
 4. U.S., Congress, House, Committee on Interstate and Foreign Commerce, Hearings, Cigarette Labeling and Advertising -- 1969, Part 1, 91st. Cong., 1st Sess., 1969, p. 268.
 5. National Interagency Council on Smoking and Health, World Conference on Smoking and Health, September 1967: A Summary of the Proceedings (New York, no date), p. 1.
 6. U.S., Department of Health, Education, and Welfare, Public Health Service, Health Consequences of Smoking: 1968 Supplement to the 1967 Public Health Service Review, Publication No. 1696 (Washington: U.S. Government Printing Office, 1969).
 7. Maurine B. Neuberger, Smoke Screen: Tobacco and the Public Welfare (Englewood Cliffs, New Jersey: Prentice-Hall, Inc., 1963), p. 66.
 8. Ibid.
 9. U.S., Department of Health, Education, and Welfare, 1968 Annual Report to the President (Washington: U.S. Government Printing Office, 1969), p. 19.
 10. Ibid., p. 20.
 11. See letter from William H. Stewart, M.D., Surgeon General, to Hon. Harley O. Staggers, Chairman, House Committee on Interstate and Foreign Commerce, May 1, 1969, found in U.S., House, Committee on Interstate and Foreign Commerce, Hearings . . ., 1969, pp. 180-182. Additional money has

Footnotes - Chapter VI

1. U.S., Federal Trade Commission, Trade Regulation Rule for the Prevention of Unfair or Deceptive Advertising and Labeling of Cigarettes in Relation to the Health Hazards of Smoking and Smoking with Stigmatism of 1960 and Bureau of Sales (Washington, 1960), p. 10.
2. Jesse Steinfield, "Smoking: The Continuing Challenge," National Commission on Smoking and Health: Background Brief, 1961. A Summary of Proceedings, sponsored by the National Interagency Council on Smoking and Health (New York, no date), p. 32.
3. Ibid., pp. 40-41.
4. U.S., Congress, House, Committee on Interstate and Foreign Commerce, Hearings, Cigarette Labeling and Advertising -- 1960, Part I, 91st Cong., 1st Sess., 1969, p. 108.
5. National Interagency Council on Smoking and Health, World Conference on Smoking and Health, September 1961: A Summary of Proceedings (New York, no date), p. 1.
6. U.S., Department of Health, Education, and Welfare, Public Health Service, Health Consequences of Smoking: 1968 Supplement to the 1967 Public Health Service Report, Publication No. 1350 (Washington: U.S. Government Printing Office, 1969).
7. Marlene B. Koberger, Smoke Screen: Tobacco and the Public Welfare (Englewood Cliffs, New Jersey: Prentice-Hall, Inc., 1965), p. 69.
8. Ibid.
9. U.S., Department of Health, Education, and Welfare, 1968 Annual Report to the President (Washington: U.S. Government Printing Office, 1969), p. 19.
10. Ibid., p. 20.
11. See letter from William H. Stewart, M.D., Surgeon General, to Hon. Harley O. Staggers, Chairman, House Committee on Interstate and Foreign Commerce, May 1, 1969, found in U.S., House, Committee on Interstate and Foreign Commerce, Hearings . . . , 1969, pp. 130-132. Additional money has

been spent on the smoking and health problem by the National Institutes of Health. At least one effort has been cooperative. The Lung Cancer Task Force, within the National Cancer Institute, has representatives from the cigarette industry serving on it. The committee is trying to lay out a way of approaching the problem of developing a less hazardous cigarette. The Department of Agriculture also conducts "major" research on tobacco, and in fiscal 1972, \$6.2 million was programmed for tobacco research. The Department commented that "Following the issuance of the Surgeon General's Report on 'Smoking and Health' in 1964, the Department expanded and redirected its research in an effort to ascertain what, if any, element in tobacco or its smoke, may be injurious to health." "Tobacco in the National Economy," Congressional Record, January 11, 1973, p. S471.

12. U.S., Department of Health, Education, and Welfare, 1969 Annual Report to the President (Washington: U.S. Government Printing Office, 1970), p. 159.
13. U.S., Department of Health, Education, and Welfare, Task Force for Smoking and Health: Report to the Surgeon General (Washington: U.S. Government Printing Office, 1968), from the introductory letter by Daniel Horn transmitting The Task Force's recommendations to the Surgeon General.
14. Ibid.
15. Ibid., p. 16.
16. Ibid., p. 12.
17. Ibid., p. 11.
18. Ibid., p. 16.
19. Ibid.

been spent on the smoking and health problem by the National Institutes of Health. At least one effort has been cooperative. The Lung Cancer Task Force, within the National Cancer Institute, has representatives from the cigarette industry serving on it. The committee is trying to lay out a way of approaching the problem of developing a less hazardous cigarette. The Department of Agriculture also conducts "major" research on tobacco, and in fiscal 1962, \$6.2 million was programmed for tobacco research. The Department commented that "Following the issuance of the Surgeon General's Report on 'Smoking and Health' in 1964, the Department expanded and redirected its research in an effort to ascertain what, if any, element in tobacco or its smoke, may be injurious to health." "Tobacco in the National Economy," Congressional Record, January 11, 1963, p. 2671.

12. U.S., Department of Health, Education, and Welfare, 1963 Annual Report to the President (Washington: U.S. Government Printing Office, 1963), p. 159.

13. U.S., Department of Health, Education, and Welfare, Task Force for Smoking and Health: Report to the Surgeon General (Washington: U.S. Government Printing Office, 1965), from the introductory letter by Daniel Horn transmitting The Task Force's recommendations to the Surgeon General.

14. Id.

15. Id., p. 16.

16. Id., p. 12.

17. Id., p. 11.

18. Id., p. 16.

19. Id.

PART TWO
CANADA AND THE SMOKING-HEALTH CONTROVERSY

CANADA AND THE SMOKING-HEALTH CONTROVERSY
PART TWO

Part Two: Canada And The Smoking-Health Controversy

The Canadian government's smoking and health program has been based upon "sensible and gradual change." The government has been acutely aware of the social costs as well as the social benefits of its actions. Canadian governmental structure has facilitated central and organized consideration of the problem, and the absence of independent regulatory agencies and judicial review have at the same time reduced the threat of unexpected action against the cigarette industry while making government action definitive and final.

In the following chapters we will discuss and analyse the Canadian governments' program to reduce cigarette consumption. In addition, we will consider the development of health interest group awareness of the problem and action. The economic importance of tobacco in Canada will also be explored including its importance to national and provincial agricultural employment, manufacturing and tax revenues. Finally we will examine the response of the tobacco industry to the present controversy.

The following list indicates some of the important dates in the history of the smoking-health controversy in Canada. It briefly highlights the chronology of awareness and action.

- | | |
|---------|--|
| 1963 | Canadian Conference on Smoking and Health |
| 1968-69 | Hearings on Tobacco and Cigarette Smoking by the House of Commons Standing Committee on Health, Welfare and Social Affairs |
| 1969 | Report of the House of Commons Committee on Tobacco and Cigarette Smoking |
| 1969 | Canadian Broadcasting Company voluntarily agrees to end cigarette advertising |

The Canadian government's smoking and health program has been based upon "reasonable and gradual change." The government has been consciously aware of the social costs as well as the social benefits of its actions.

Canadian governmental structure has facilitated control and organized consideration of the problem, and the absence of independent regulatory agencies and judicial review have at the same time reduced the threat of unexpected action against the cigarette industry while making government action definitive and final.

In the following chapters we will discuss and analyze the Canadian government's program to reduce cigarette consumption. In addition, we will consider the development of health interest group awareness of the problem and action. The economic importance of tobacco in Canada will also be explored including its importance to national and provincial agricultural employment, manufacturing and tax revenues. Finally we will examine the response of the tobacco industry to the present controversy. The following list indicates some of the important dates in the history of the smoking-health controversy in Canada. It briefly highlights the chronology of awareness and action.

1963	Canadian Conference on Smoking and Health
1968-69	Hearings on Tobacco and Cigarette Smoking by the House of Commons Standing Committee on Health, Welfare and Social Affairs
1969	Report of the House of Commons Committee on Tobacco and Cigarette Smoking
1969	Canadian Broadcasting Company voluntarily agrees to end cigarette advertising

- 1970 Canadian tobacco industry voluntarily agrees to end gift coupon schemes and contests
- 1971 The British Columbia government passes legislation to ban all tobacco advertising
- 1971 The federal government introduces legislation to ban all forms of cigarette advertising and to limit the tar and nicotine contents of cigarettes
- 1971 The tobacco industry voluntarily agrees to end TV and radio cigarette advertising and set a limit on tar and nicotine content of cigarettes

While Canada has generally responded more slowly to the controversy than the United States or Great Britain, the most recent voluntary industry agreement has brought Canada abreast and even ahead of American and British efforts. In the following chapters we will explore why and how the smoking-health controversy has evolved in Canada beginning with a consideration of the Canadian government's response to the problem.

1970	Canadian tobacco industry voluntarily agrees to end gift coupon schemes and contests
1971	The British Columbia government passes legislation to ban all tobacco advertising
1971	The federal government introduces legislation to ban all forms of cigarette advertising and to limit the tar and nicotine contents of cigarettes
1971	The tobacco industry voluntarily agrees to end its and radio cigarette advertising and set a limit on tar and nicotine content of cigarettes

While Canada has generally responded more slowly to the controversy than the United States or Great Britain, the most recent voluntary industry agreement has brought Canada abreast and even ahead of American and British efforts. In the following chapters we will explore why and how the smoking-health controversy has evolved in Canada beginning with a consideration of the Canadian government's response to the problem.

Chapter VII: The Economic Importance of Tobacco in Canada

A. Introduction

The economic importance of tobacco in Canada is based upon the same four factors which determine its importance in the United States: agriculture, exports, manufacturing and tax revenues. While the absolute size of the tobacco economy is considerably smaller in Canada than in the United States, its relative importance is comparable to its importance in America. As we will show, tobacco agriculture and manufacturing are highly concentrated in two provinces, Ontario and Quebec, where it plays an important but declining role. The following chapter assesses the economic importance of tobacco in Canada and some of the consequent political implications.

B. Tobacco Agriculture

Tobacco agriculture is the first factor in the economic importance of tobacco in Canada. Tobacco farms have produced almost 200 million pounds of tobacco yearly between 1959 and 1968. Such a crop is now valued in excess of \$140 million annually. Canada produces 99 per cent of the tobacco it consumes which would otherwise have to be imported. Table 1 presents data on Canadian tobacco acreage, production and value of the leaf tobacco crop by five-year averages from 1949 to 1968 and annually from 1965 to 1968. During this period, tobacco production and acreage have increased sharply in contrast to decreases in the United States. Tobacco production has clearly become more important in Canada during

Chapter VII: The Economic Importance of Tobacco in Canada

A. Introduction

The economic importance of tobacco in Canada is based upon the same four factors which determine its importance in the United States: agriculture, exports, manufacturing and tax revenues. While the absolute size of the tobacco economy is considerably smaller in Canada than in the United States, its relative importance is comparable to its importance in America. As we will show, tobacco agriculture and manufacturing are highly concentrated in two provinces, Ontario and Quebec, where it plays an important but declining role. The following chapter assesses the economic importance of tobacco in Canada and some of the consequent political implications.

B. Tobacco Agriculture

Tobacco agriculture is the first factor in the economic importance of tobacco in Canada. Tobacco farms have produced almost 200 million pounds of tobacco yearly between 1959 and 1968. Such a crop is now valued in excess of \$140 million annually. Canada produces 99 per cent of the tobacco it consumes which would otherwise have to be imported. Table I presents data on Canadian tobacco acreage, production and value of the leaf tobacco crop by five-year averages from 1969 to 1973 and annually from 1965 to 1968. During this period, tobacco production and acreage have increased sharply in contrast to decreases in the United States. Tobacco production has clearly become more important in Canada during

Table 1

**Acreage, Production and Value of Leaf Tobacco
Crop by 5-Year Averages 1949-68 and Annually
1965-69^a**

	<u>Acres</u>	<u>Yield per Acre</u>	<u>Production lbs.</u>	<u>Total Farm Value (\$)</u>
1949-53	104,512	1,326	138,563,800	57,874,400
1954-58	128,060	1,316	168,742,000	75,145,000
1959-63	129,392	1,543	199,592,600	99,398,200
1964-68	118,100	1,687	197,676,000	130,425,000
1965	99,344	1,700	168,800,000	106,198,000
1966	130,198	1,799	234,182,000	164,029,000
1967	140,733	1,514	213,096,000	144,973,000
1968	134,871	1,622	218,807,000	153,807,000
1969	132,752	1,864	247,465,000	162,925,000

a. Canada, Dominion Bureau of Statistics, Quarterly Bulletin of Agricultural Statistics, LXIII (Ottawa: Queen's Printer, July-September, 1970). Also see Canada, Dominion Bureau of Statistics, Tobacco and Tobacco Products Statistics Quarterly, XXXVII (Ottawa: Queen's Printer, July, 1970).

Table 1

Acres, Production and Value of Leaf Tobacco
Crop by 5-Year Averages 1949-68 and Annually
1969-69^a

Year	Acres	Yield per Acre	Production lbs.	Total Farm Value (%)
1969-69	132,722	1,864	247,462,000	162,922,000
1968	134,871	1,622	218,807,000	123,807,000
1967	140,733	1,214	213,066,000	144,973,000
1966	130,198	1,799	234,182,000	164,028,000
1965	99,344	1,700	168,820,000	106,198,000
1964-68	118,100	1,687	197,676,000	130,422,000
1959-63	129,392	1,243	199,292,600	99,398,200
1954-58	128,060	1,316	168,742,000	72,142,000
1949-53	104,212	1,326	138,263,800	27,874,400

^a Canada, Dominion Bureau of Statistics, Quarterly Bulletin of Agricultural Statistics, LXIII (Ottawa: Queen's Printer, July-September, 1970). Also see Canada, Dominion Bureau of Statistics, Tobacco and Tobacco Products Statistics Quarterly, XXXVII (Ottawa: Queen's Printer, July, 1970).

this period. This production is highly concentrated in two provinces: Ontario ¹ and Quebec. Table 2 indicates the relative importance of tobacco in these provinces and in all of Canada as a percentage of all crops and as a percentage of all cash receipts from farm operations.

Commercial tobacco production began in Ontario at the turn of the 19th century. Flue-cured tobacco, used extensively in cigarette production was first grown about 1913 in Ontario and its production spread to over twelve counties by the mid-1930's. ² Ontario produces over 95 per cent of Canada's total flue-cured crop, ³ and five counties within the province, Norfolk, Elgin, Bryand, Oxford and Middlesex, in 1966 and 1967 produced over 90 per cent of the total market value of flue-cured tobacco sold in Ontario.

The Ontario Flue-cured Tobacco Growers' Marketing Board represents 3,774 farmer members operating 4,559 farms plus an additional 1,163 sharegrowers registered with the tobacco board, who have employed up to 40,000 seasonal laborers in the harvesting season. The organization was established under provincial legislation entitled the Ontario Farm Products Marketing Act. The group provides marketing auctions and a warehouse system for its members, while the federal government provides grading services. Flue-cured acreages are rigidly allocated by the board, and approved varieties of tobacco must be raised by participating growers. The board serves the same function as the federal government in the United States by controlling acreage to maintain tobacco prices. The inability of farmer groups to cooperate in providing for their own common good led to government involvement. Canadian agricultural co-operatives were unable with government legislation to control the marketing of farm crops. ⁴ The U.S.D.A., in a brochure describing tobacco growing in Ontario noted:

This period. This production is highly concentrated in two provinces: Ontario and Quebec. Table 2 illustrates the relative importance of tobacco in these provinces and in all of Canada as a percentage of all crops and as a percentage of all cash receipts from farm operations. Commercial tobacco production began in Ontario at the turn of the 19th century. Fine-cured tobacco, used extensively in cigarette production was first grown about 1813 in Ontario and its production spread to over twelve counties by the mid-1830's.² Ontario produces over 90 per cent of Canada's total fine-cured crop,³ and five counties within the province, Norfolk, Elgin, Brant, Oxford and Middlesex, in 1962 and 1963 produced over 90 per cent of the total market value of fine-cured tobacco sold in Ontario.

The Ontario Fine-cured Tobacco Growers' Marketing Board represents 3,774 farmer members operating 4,559 farms plus an additional 1,161 growers registered with the tobacco board, who have employed up to 40,000 seasonal laborers in the harvesting season. The organization was established under provincial legislation entitled the Ontario Tobacco Marketing Act. The group provides marketing facilities and a warehouse system for its members, while the federal government provides grading services. Fine-cured acreages are rigidly allocated by the board, and approved varieties of tobacco must be raised by participating growers. The board serves the same function as the federal government in the United States by controlling acreage to maintain tobacco prices. The inability of farmer groups to cooperate in providing for their own common good led to government involvement. Canadian agricultural co-operatives were unable with government legislation to control the marketing of farm crops.⁴ In the U.S.D.A., in a brochure describing tobacco growing in Ontario noted:

Table 2
Farm Cash Receipts from Farming Operations
By Province ^a

Province	Year	Tobacco \$(000)	Total Crops	% of Total Crops	% of Total Cash Receipts Including Livestock & Products, Forest & Maple Products
<u>Quebec</u>	1950	1,992	26,940	7.4	.62
	1955	3,579	35,388	10.1	.9
	1960	4,722	46,303	10.2	1.2
	1965	4,299	55,052	7.8	.8
<u>Ontario</u>	1950	54,694	145,029	37.7	8.4
	1955	72,196	201,440	35.8	10.0
	1960	91,697	248,946	36.8	10.8
	1965	84,835	294,255	28.8	7.7
<u>Canada</u>	1950	56,724	765,205	7.4	2.66
	1955	75,812	822,409	9.2	3.34
	1960	96,429	1,072,083	9.0	3.43
	1965	89,134	1,635,153	5.6	2.34

a. Canada, Dominion Bureau of Statistics, Handbook of Agricultural Statistics, Part II, Farm Income, (Ottawa: Queen's Printer, June, 1967).

underplant their allotted acres. It has operated in a
of 'Rights' [Land with rights is now worth 8 to 12 times as
much as equivalent land without rights.] into land value
raises costs and acreage restrictions lead to an inefficient

Table 2

Farm Cash Receipts from Farming Operations
By Province ^a

Province	Year	Tobacco (\$'000)	Total Gross	% of Total Gross	% of Total Cash Receipts including Livestock & Products, Forest & Range Products
Alberta	1950	1,902	26,240	7.4	1.02
	1952	3,279	32,369	10.1	.9
	1953	4,722	46,383	10.2	1.2
	1954	4,299	52,022	8.3	.8
Ontario	1950	24,694	142,029	17.4	8.4
	1952	22,196	201,460	11.0	10.0
	1953	21,697	246,966	8.8	10.8
	1954	24,822	294,222	8.4	7.7
Quebec	1950	26,724	762,202	3.5	2.66
	1952	22,812	822,409	2.8	3.34
	1953	26,429	1,022,093	2.6	3.43
	1954	29,124	1,622,122	1.8	2.34

^a Canada, Dominion Bureau of Statistics, Handbook of
Agricultural Statistics, Part II, Farm Income, (Ottawa: Queen's
Printer, June, 1957).

[The] growing of flue-cured tobacco in Ontario is a high-investment enterprise. Cash operating costs are large and weather risks are exceedingly high [Furthermore,] because of their extremely high labor costs and large tobacco acreages, Ontario growers in recent years have made fast progress in the use of labor-saving machinery for the production and handling of tobacco.

The rather small number of flue-cured tobacco growers and their proximity to each other have made the task of organization and cooperation simpler than in the United States. In addition this same situation will accelerate such as the mechanical tobacco harvester which reduces labor costs and which is more feasible economically on the large Canadian tobacco farms than on their smaller American counterparts.

The report of the Canadian Federal Task Force on Agriculture entitled Canadian Agriculture in the Seventies ⁶ questioned the supply management by the Ontario Flue-cured Tobacco Growers' Marketing Board:

Production controls under authority granted by a provincial legislature have virtually excluded new entrants to the industry and thus reduce the opportunity for efficient farm managers to produce tobacco. Furthermore, the Ontario Board likely operated in such a way as to reduce the export earnings of agriculture, especially when growers chose to underplant their allotted acres. It has operated in a short-run context, losing sight of long-run considerations. The production control program has brought serious problems to tobacco farmers themselves. Capitalization of the value of 'Rights' [Land with rights is now worth 8 to 12 times as much as equivalent land without rights.] into land value raises costs and acreage restrictions lead to an inefficient use of resources. High prices are required to meet rising costs. But to a great extent the rising costs are a result of the production control program.

The same situation exists, of course, in the United States, as described in Chapter I.

While opposing the Ontario Board's actions, the task force noted that the powers of such boards are not derived from federal government legislation, but from the provincial government. While the task force took

[The] growing of blue-cured tobacco in Ontario is a high-investment enterprise. Cash operating costs are large and weather risks are exceedingly high. . . . [Furthermore], because of their extremely high labor costs and large tobacco acreages, Ontario growers in recent years have made fast progress in the use of labor-saving machinery for the production and handling of tobacco.

The rather small number of blue-cured tobacco growers and their proximity to each other have made the task of organization and cooperation simpler than in the United States. In addition this same situation will accelerate such as the mechanical tobacco harvester which reduces labor costs and which is more feasible economically on the large Canadian tobacco farms than on their smaller American counterparts.

The report of the Canadian Federal Task Force on Agriculture entitled Canadian Agriculture in the Seventies⁶ questioned the supply management by the Ontario Blue-cured Tobacco Growers' Marketing Board:

Production controls under authority granted by a provincial legislature have virtually excluded new entrants to the industry and thus reduce the opportunity for efficient farm managers to produce tobacco. Furthermore, the Ontario Board likely operated in such a way as to reduce the export earnings of agriculture, especially when growers chose to underplant their allotted acres. It has operated in a short-run context, losing sight of long-run considerations. The production control program has brought serious problems to tobacco farmers themselves. Capitalization of the value of 'rights' [land with rights is now worth 8 to 12 times as much as equivalent land without rights.] into land value raises costs and acreage restrictions lead to an inefficient use of resources. High prices are required to meet rising costs. But to a great extent the rising costs are a result of the production control program.

The same situation exists, of course, in the United States, as described

in Chapter I.

While opposing the Ontario Board's actions, the task force noted that the powers of such boards are not derived from federal government legislation, but from the provincial government. While the task force took

note of proposals aimed at reducing use of cigarettes for health reasons, they nevertheless recommended the "intensive exploitation of export market opportunities involving the use of trade missions, trade fairs and where advisable, use of export subsidies in a market development context...." ⁸

The United States federal government has helped build up export markets for American tobacco growers for many years and recently an export subsidy has been used to make American tobacco more competitive and increase exports. Canada might feel compelled to begin export subsidies to meet the increased American competitiveness in foreign markets.

The Canadian task force also recommended:

Intensive research into the production and manufacture of tobaccos that can be readily marketed under the demand conditions, including consideration of effects on health, of the 1970's be undertaken and supported by government, the manufacturing industry and tobacco growers.

A Federal government inter-departmental committee be created to make a continuing assessment of the effect of anti-tobacco activities of the Federal government, and consider a program of adjustment assistance for the industry, if required.

Canada appears to be giving serious consideration to aiding the tobacco industry if the anti-tobacco activities of the government make it necessary. When this might occur and how much it might cost have not yet been estimated, but Canada differs from both the United States and Great Britain in seriously raising assistance as an apparently feasible alternative. Nevertheless, while speculation on tobacco's future abounds the task force expects that "barring further and unforeseen pressure by government against smoking . . . domestic demand will be fairly stable until 1980." ¹⁰

In addition to the flue-cured growers there are some 1083 burley tobacco growers ¹¹ who are located predominantly in Essex and Kent counties in Ontario. They are represented by the Burley Tobacco Marketing Association which has described its own role:

case of proposals aimed at reducing use of cigarettes for health reasons, they nevertheless recommended the "intensive exploitation of export markets opportunities involving the use of trade missions, trade fairs and others advisable, use of export subsidies in a market development context...." 8

The United States federal government has helped build up export markets for American tobacco growers for many years and recently an export subsidy has been used to make American tobacco more competitive and increase exports. Canada might feel compelled to begin export subsidies to meet the increased American competitiveness in foreign markets.

The Canadian task force also recommended:

Intensive research into the production and manufacture of tobacco that can be readily marketed under the demand conditions, including consideration of effects on health of the 1970's be undertaken and supported by government, the manufacturing industry and tobacco growers.

A federal government inter-departmental committee be created to make a continuing assessment of the effect of anti-tobacco activities of the federal government, and consider a program of adjustment assistance for the industry, if required.

Canada appears to be giving serious consideration to aiding the tobacco industry if the anti-tobacco activities of the government make it necessary.

When this might occur and how much it might cost have not yet been established.

Canada differs from both the United States and Great Britain

in seriously raising assistance as an apparently feasible alternative.

Nevertheless, while speculation on tobacco's future shows the task force expects that "barring further and unforeseen pressure by government against

smoking . . . domestic demand will be fairly stable until 1980." 10

In addition to the fine-cured growers there are some 1000 bushy

tobacco growers 11 who are located predominantly in lower and west counties

in Ontario. They are represented by the Hurley Tobacco Marketing

Association which has described its own role:

Since 1935 . . . burley farmers have been working together through a voluntary organization called the Burley Tobacco Marketing Association of Ontario. This is an entirely farmer-operated group and has no affiliation with government-controlled marketing agencies. The Association acts to regulate production of burley tobacco so that a normal flow to market will assure its 2,000 members an adequate return for this high-cost commodity. Burley farmers have never received any financial aid or support from government to market their crop. ¹²

Thus, the purpose of the organization is to control production and maintain prices as is the purpose of the Ontario Flue-cured Tobacco Growers' Marketing Board and the many boards and other similar groups that cooperate for the same purposes in the United States. More recently, Ontario burley growers have begun to contract directly with cigarette manufacturers to regulate more efficiently the quantity and quality of their tobacco production. ¹³ Burley production in 1970 was estimated at 2.5 million pounds of tobacco produced on 1,276 acres, grown under contract with tobacco companies. ¹⁴ Thus, in 1970 the average burley farmer earns less than \$2,500 a year from tobacco from an average of under 1 1/2 acres that were planted. The 1970 figures were down considerably from the 3,544,341 pounds produced in 1969 on 2,120 acres. In sum, burley tobacco alone does not appear to be a viable livelihood for the 1,083 members of the Burley Tobacco Marketing Association of Ontario.

Tobacco production in Quebec is actually very limited. Quebec's 119 flue-cured tobacco farmers are represented by the Quebec Flue-cured Tobacco Growers' Board. The plight of its members seems very similar to the situation encountered by many tobacco farmers in the United States. Tobacco is "the one and only source of revenue of a great many farmers and their families" in Quebec. ¹⁵ Many farms, otherwise unproductive, have been transformed to grow this tobacco and contribute to the

Since 1937 . . . Burley farmers have been working together through a voluntary organization called the Burley Tobacco Marketing Association of Ontario. This is an entirely farmer-operated group and has no affiliation with government-controlled marketing agencies. The Association acts to maintain production of burley tobacco so that a normal flow to market will assure the 2,000 growers an adequate return for this high-cost commodity. Burley farmers have never received any financial aid or support from government to market their crop.

Thus, the purpose of the organization is to control production and maintain prices as is the purpose of the Ontario Fine-Cured Tobacco Growers' Marketing Board and the many boards and other similar groups that cooperate for the same purposes in the United States. More recently, Ontario burley growers have begun to contract directly with cigarette manufacturers to receive more efficiently the quantity and quality of their tobacco production. ¹³ Burley production in 1930 was estimated at 2.5 million pounds of tobacco produced on 1,235 acres, grown under contract with tobacco companies. ¹⁴ Thus, in 1930 the average burley farmer earns less than \$2,500 a year from tobacco from an average of under 1 1/2 acres that were planted. The 1930 figures were down considerably from the 3,541,341 pounds produced in 1909 on 2,120 acres. In sum, burley tobacco alone does not appear to be a viable livelihood for the 1,000 members of the Burley Tobacco Marketing Association of Ontario.

Tobacco production in Quebec is actually very limited. Quebec's 110 fine-cured tobacco farmers are represented by the Quebec Fine-Cured Tobacco Growers' Board. The plight of its members seems very similar to the situation encountered by many tobacco farmers in the United States. Tobacco is "the one and only source of revenue of a great many farmers and their families" in Quebec. ¹⁵ Many farmers, otherwise unproductive, have been transformed to grow this tobacco and contribute to the

agricultural and economic development of many counties of the Province of Quebec. ¹⁶

In addition to tobacco production in Ontario and Quebec, there is a "young and expanding" flue-cured tobacco industry in the Maritime provinces, Prince Edward Island, New Brunswick and Nova Scotia, which has been assisted by Canadian cigarette manufacturers. The Lighter published by the Canadian Department of Agriculture reported that some tobacco companies have followed a policy aimed at increasing tobacco planting by offering assistance to farmers wanting to produce tobacco. ¹⁷ Tobacco acreage in these provinces has increased from under 50 acres in 1960 to an estimated 4,500 acres in 1970 produced by about 100 growers. In contrast to the situation in Ontario, tobacco acreage in the Maritimes has expanded because of the presence of low-priced land and the absence of restraints on production. The incomes and jobs produced by these new tobacco farms have been substantial. Production has been deliberately spurred to help revitalize the agricultural economies of these provinces, in which weather makes most agriculture a precarious enterprise. ¹⁸

Increases in Canadian crop yields and larger acreage harvested have produced increased annual tobacco crops which are often in excess of possible sales. Table 1 provides figures on crop yields and acreage for the period 1949 to 1968. Recently, as in the United States poundage controls have been proposed as possibly a more rational approach to limiting production. ¹⁹ In keeping with the American acreage-poundage program, it was further suggested that "each farm could market 10 per cent more tobacco than the farm's poundage quota without penalty, but any excess marketings would be deducted from the farm's poundage quota the following year." ²⁰

agricultural and economic development of many counties of the Province of Quebec. 16

In addition to tobacco production in Ontario and Quebec, there is

a "young and expanding" flue-cured tobacco industry in the Maritime provinces, Prince Edward Island, New Brunswick and Nova Scotia, which has been assisted by Canadian cigarette manufacturers. The latter published

by the Canadian Department of Agriculture reported that some tobacco companies have followed a policy aimed at increasing tobacco planting by offering assistance to farmers wanting to produce tobacco. 17 Tobacco

acres in these provinces has increased from under 50 acres in 1950 to an estimated 4,500 acres in 1970 produced by about 100 growers. In contrast to the situation in Ontario, tobacco acreage in the Maritimes has

expanded because of the presence of low-priced land and the absence of restrictions on production. The incomes and jobs produced by these new

tobacco farms have been substantial. Production has been deliberately spurred to help revitalize the agricultural economies of these provinces,

in which weather makes most agriculture a precarious enterprise. 18

Increases in Canadian crop yields and larger acreage harvested have

produced increased annual tobacco crops which are often in excess of

possible sales. Table I provides figures on crop yields and acreage for

the period 1949 to 1968. Recently, as in the United States bountage

controls have been proposed as possibly a more rational approach to limiting production. 19 In keeping with the American acreage-bountage program,

it was further suggested that "each farm could market 10 per cent more

tobacco than the farm's bountage quota without penalty, but any excess

marketings would be deducted from the farm's bountage quota the following

The geographical concentration of Canadian tobacco growers and their relatively small numbers have allowed private organizational controls to function with minimal government intervention. Canada presently does not have any tobacco price supports, but this is due more to the relative success of the present system and increased exports than to a difference in Canadian and American governmental philosophies as to the role of government in protecting the farmer. ²¹

In the absence of private grower agreements, cooperatives and provincial legislation, the Canadian federal government is committed to play a substantial role in organizing tobacco farmers through the formation of cooperatives and marketing boards. The Canadian government's commitment to agriculture ²² is substantial and explicit:

Basic to the concept of Canada's national agricultural policy is the premise that a stable agricultural policy is in the interests of the national economy and that farmers as a group are entitled to a fair share of the national income. ²³

Thus, Canada is a lot closer to the position in which the United States government finds itself than is obvious on first inspection. It is committed financially to maintain the viability of tobacco farming. In fact, Canadian producer marketing boards have been established with the aid of government legislation in order to stabilize prices. "Direct government aids are also available through price stabilization, crop insurance and farm credit policies." ²⁴

The Agricultural Stabilization Act (SC 1958, C.22 proclaimed March 3, 1958) established the Agricultural Stabilization Board. The board is empowered to stabilize the prices of the agriculture industry in realizing fair returns for labor and investment and to maintain a fair relationship between prices received by farmers and the costs of goods and services

The geographical concentration of Canadian tobacco growers and their relatively small numbers have allowed private organizational controls to function with minimal government intervention. Canada presently does not have any tobacco price supports, but this is due more to the relative success of the present system and increased exports than to a difference in Canadian and American governmental philosophies as to the role of government in protecting the farmer.²¹

In the absence of private grower agreements, cooperatives and provincial legislation, the Canadian federal government is committed to play a substantial role in organizing tobacco farmers through the formation of cooperatives and marketing boards. The Canadian government's commitment to agriculture²² is substantial and explicit:

Basic to the concept of Canada's national agricultural policy is the premise that a stable agricultural policy is in the interests of the national economy and that farmers as a group are entitled to a fair share of the national income.²³

Thus, Canada is a lot closer to the position in which the United States government finds itself than is obvious on first inspection. It is committed financially to maintain the viability of tobacco farming. In fact, Canadian producer marketing boards have been established with the aid of government legislation in order to stabilize prices. "Direct government aids are also available through price stabilization, crop insurance and farm credit policies."²⁴

The Agricultural Stabilization Act (R.S.C. 1985, c.22 proclaimed March 7, 1985) established the Agricultural Stabilization Board. The Board is empowered to stabilize the prices of the agriculture industry in realizing fair returns for labor and investment and to maintain a fair relationship between prices received by farmers and the costs of goods and services

they buy. ²⁵ Tobacco is one of the crops which has been supported under this program although there are no supports presently in effect.

The relative importance of tobacco in Ontario, Quebec and in Canada as a whole is very much on the order of its importance in the United States. Tobacco is especially important in Ontario where as Table 3 shows, it often has made up over 35 per cent of total crop farm receipts, and since 1965, has amounted to over \$100 million a year. The data indicate that Canadian flue-cured tobacco production affects fewer individuals, even relatively speaking, than in the United States. In addition, we can infer from tobacco income figures that burley farmers produce tobacco as a supplement to their income, not as the sole or even the major source. Furthermore, neither Ontario nor Quebec can be accurately characterized as a "tobacco state" like some southern U.S. states. In both provinces tobacco is one agricultural product among several in provinces that have most of their economic resources and commitment in industry and commerce.

Because of differences in historical development and in the system of acreage allotments that have been used, Canadian flue-cured tobacco farms are much larger than their American counterparts. This fact combined with the relatively small number of growers eases the Canadian government's task if it chooses to regulate growers, cooperate with them or help them mitigate the consequences of anti-tobacco government actions.

As in the United States, the tobacco growers are politically well organized through the grower organizations already mentioned and have lobbied intensively in Ottawa to protect their obvious economic interests. What is perhaps ironic is that the grower opposition to government anti-smoking action was facilitated by government legislation aiding cooperative grower groups. Tobacco growers' testimony before the Standing Committee

they buy. 22 Tobacco is one of the crops which has been supported under

this program although there are no supports presently in effect.

The relative importance of tobacco in Britain, Canada and in Canada

as a whole is very much on the order of its importance in the United

States. Tobacco is especially important in Ontario where as Table 3 shows,

it often has made up over 35 per cent of total crop farm receipts, and

since 1965, has amounted to over \$100 million a year. The data indicate

that Canadian fine-cured tobacco production affects fewer individuals,

even relatively speaking, than in the United States. In addition, we can

infer from tobacco income figures that heavily farmers produce tobacco as

a supplement to their income, not as the sole or even the major source.

Furthermore, neither Ontario nor Quebec can be accurately characterized

as a "tobacco state" like some southern U.S. states. In both provinces

tobacco is one agricultural product among several in provinces that have

most of their economic resources and commitment in industry and commerce.

Because of differences in historical development and in the system

of acreage allotments that have been used, Canadian fine-cured tobacco

farms are much larger than their American counterparts. This fact com-

bined with the relatively small number of growers eases the Canadian

government's task if it chooses to regulate growers, cooperate with them

or help them mitigate the consequences of anti-tobacco government actions.

As in the United States, the tobacco growers are politically well

organized through the grower organizations already mentioned and have

lobbied intensively in Ottawa to protect their obvious economic interests.

What is perhaps ironic is that the grower's position to government anti-

smoking action was facilitated by government legislation allowing cooperative

grower groups. Tobacco growers' testimony before the Standing Committee

Table 3
Provincial Tobacco Production and Value^a

Ontario	Year	Harvested Area (acres)	Production (000)lbs	Value \$(000)
	1960	124,321	200,201	109,272
	1961	126,718	197,664	101,059
	1962	121,640	190,265	91,165
	1963	104,178	189,719	86,279
	1964	76,267	142,738	78,390
	1965	89,220	158,810	101,765
	1966	120,561	220,736	156,318
Quebec	1960	11,598	13,914	5,399
	1961	11,081	11,900	4,156
	1962	8,901	12,388	4,582
	1963	8,933	10,376	4,046
	1964	8,334	9,919	4,299
	1965	9,348	9,272	3,961
	1966	9,935	12,082	6,845
Other Provinces	1965	776	... ^b	472
	1966	923	... ^b	784

a. Canada, Dominion Bureau of Statistics, Canada Year Book, (Ottawa: Queen's Printer, 1968,) p. 515.

b. Unavailable

Table 3

Provincial Tobacco Production and Value^a

Province	Year	Harvested Area (acres)	Production (000) lbs	Value \$ (000)
Ontario	1960	124,321	200,201	100,272
	1961	126,718	197,664	101,029
	1962	121,640	190,262	91,122
	1963	104,178	183,719	86,279
	1964	76,267	142,738	78,340
	1965	80,220	128,810	101,762
	1966	120,261	220,736	126,318
Quebec	1960	11,298	13,014	2,309
	1961	11,081	11,000	4,126
	1962	8,901	12,388	4,282
	1963	8,932	10,376	4,046
	1964	8,324	9,919	4,299
	1965	9,348	9,222	3,961
	1966	9,922	12,082	6,842
Other Provinces	1965	276	..p	472
	1966	923	..p	784

a. Canada, Dominion Bureau of Statistics, Canada Year Book,
 (Ottawa: Queen's Printer, 1968), p. 212.
 b. Unavailable

on Health, Welfare and Social Affairs investigating tobacco and cigarette smoking, followed what must be termed the expected line. The growers testified:

While we are vitally concerned with health, we see no reason that our industry, with such a long history and with such valuable contributions to our national economy should be eliminated unless the danger of cigarette smoking can be established beyond reasonable doubt. ²⁶

Furthermore, in a well-documented section of their testimony entitled "Loss from a Damaged Tobacco Industry," the growers described the "devastating losses to the national treasury, the tobacco-growing communities and the producers" ²⁷ which could be caused by government action.

They concluded:

We ask that you do not recommend legislation that will seriously cripple or destroy the livelihood of all those who work with tobacco on the basis of unproved accusations and prejudices against tobacco. ²⁸

The sophistication and depth of their presentation in examining the actual economic costs involved contrasts rather sharply with the more anecdotal and vague presentations of tobacco growers in the United States. Nevertheless, while there are differences in style, the basic goal of preventing government action and maintaining economic viability is identical.

Our discussion of tobacco agriculture would not be complete without briefly mentioning the Canadian Department of Agriculture's tobacco program. The Department maintains a tobacco research station at Delhi, Ontario, which has recently begun a five-year multi-disciplinary program "with a view to producing safer tobacco producing safer tobacco products, mainly cigarettes." ²⁹ These experiments are an attempt to assist growers in their efforts to produce more "suitable" ³⁰ tobacco for the industry. Nevertheless, "the station's overall objective- to improve the efficiency

on Health, Welfare and Social Affairs investigating tobacco and cigarette smoking, followed what must be termed the expected line. The growers

testified:

While we are vitally concerned with health, we see no reason that our industry, with such a long history and with such valuable contributions to our national economy should be eliminated unless the danger of cigarette smoking can be established beyond reasonable doubt.

Furthermore, in a well-documented section of their testimony entitled "Loss from a Damaged Tobacco Industry," the growers described the devastating losses to the national treasury, the tobacco-growing communities and the producers.²⁷ which could be caused by government action.

They concluded:

We ask that you do not recommend legislation that will seriously cripple or destroy the livelihood of all those who work with tobacco on the basis of unproved accusations and prejudices against tobacco.

The sophistication and depth of their presentation in examining the actual economic costs involved contrasts rather sharply with the more anecdotal and vague presentations of tobacco growers in the United States. Nevertheless, while there are differences in style, the basic goal of preventing government action and maintaining economic viability is identical.

Our discussion of tobacco agriculture would not be complete without

briefly mentioning the Canadian Department of Agriculture's tobacco program. The Department maintains a tobacco research station at Delhi, Ontario, which has recently begun a five-year multi-disciplinary program "with a view to producing safer tobacco producing safer tobacco products, mainly cigarettes."²⁸ These experiments are an attempt to assist growers in their efforts to produce more "safer" tobacco for the industry. Nevertheless, "the station's overall objective - to improve the efficiency

of production and the quality of tobacco to meet domestic and export requirements- remains as a constant ingredient in all the research work at Delhi." 31

The present success of this program is perhaps indicated by the industry's voluntary agreement to limit the tar and nicotine contents of its cigarettes and the apparent ability of the growers to supply this "suitable" variety.

C. Tobacco Exports

As in the United States, tobacco exports play an integral role in the crop's economic importance. The Lighter noted:

1968 Tobacco is now Canada's second most important individual export commodity (next to wheat) and has become increasingly valuable as a contributor to the Canadian merchandise trade balance. 32
 Unlike in the United States, there is no export subsidy in Canada at the present time although the government has subsidized a number of tobacco trade missions overseas in order to increase foreign exports to countries in which sales are controlled by a government tobacco monopoly.

The Minister of Trade and Commerce reported that the cost of the Canadian tobacco trade mission program during 1963 to 1965 was \$21,000. 33 In fiscal 1969-70, \$15,000 was spent on a trade mission promoting the export sale of tobacco. 34 Table 4 indicates the value of export trade and productions and the export weight of redried leaf. Recently, exports have totaled about one-fourth of total tobacco production.

Canada, unfortunately, is highly dependent on the British market with over 90 per cent of Canadian flue-cured exports going to this purchaser in 1966-68. 35 Furthermore, Canada's tobacco market in Western Europe has declined because of the dissatisfaction with high prices and some complaint

of production and the quality of tobacco to meet domestic and export requirements--remains as a constant ingredient in all the research work at the "C.I." 31

The present success of this program is perhaps indicated by the industry's voluntary agreement to limit the tar and nicotine contents of its cigarettes and the apparent ability of the growers to supply this "quality" variety. 32

4. Tobacco Exports

As in the United States, tobacco exports play an important role in the crop's economic importance. The latter noted:

Tobacco is now Canada's second most important individual export commodity (next to wheat) and has become increasingly valuable as a contributor to the Canadian merchandise trade balance. 33

Unlike in the United States, there is no export subsidy in Canada at the present time although the government has subsidized a number of tobacco trade missions overseas in order to increase foreign exports to countries in which sales are controlled by a government tobacco monopoly.

The Minister of Trade and Commerce reported that the cost of the Canadian tobacco trade mission program during 1963 to 1965 was \$11,000. 34

In fiscal 1969-70, \$12,000 was spent on a trade mission promoting the export sale of tobacco. 35 Table A indicates the value of export trade and productions and the export weight of retolled leaf. Generally, exports have totaled about one-fourth of total tobacco production.

Canada, unfortunately, is highly dependent on the British market with

over 90 per cent of Canadian fine-cured exports going to this purchaser in 1966-68. 36 Furthermore, Canada's tobacco market in Western Europe has declined because of the dissatisfaction with high prices and some complaints

Table 4

**Value of Export Trade Tobacco and Products
Export Weight of Redried Leaf and Tobacco
as a Percentage of Total Exports^a**

<u>Year</u>	<u>\$ (000)</u>	<u>lbs (000)</u>	<u>Percentage of Total Exports</u>
1965	35,383	47,835 ^b	.41
1966	40,003	53,414 ^b	.40
1967	49,874	56,708 ^c	.45
1968	50,291 ^d	59,366	.38

a. Canada, Standing Committee on Health, Welfare and Social Affairs, Minutes of Proceedings and Evidence (Commons), No. 17 (February 18, 1969), p. 529, and various issues of The Lighter.

b. Figures for year ending December 31st.

c. Figures for year ending September 30th.

d. Ten months.

Table 4

Value of Export Trade Tobacco and Products
Export Weight of Retried Leaf and Tobacco
as a Percentage of Total Exports^a

Year	\$ (000)	lbs (000)	Percentage of Total Exports
1957	32,363	47,833 ^b	.41
1958	40,003	23,414 ^b	.40
1959	49,874	26,703 ^c	.42
1960	50,201 ^d	29,286	.38

a. Canada, Standing Committee on Health, Welfare and Social
Affairs, Minutes of Proceedings and Evidence (Ottawa), No. 17 (February
18, 1960), p. 219, and various issues of the Report.
b. Figures for year ending December 31st.
c. Figures for year ending September 30th.
d. Ten months.

about quality. In addition, British entrance into the European Economic Community threatens continued large exports to Britain under commonwealth preference. A Canadian Department of Agriculture report commented:

The future for Canadian flue cured tobacco sales to Britain seems bleak. United States tobacco will be more competitive in price than at present, and tobacco from within the Community and from the associated countries will be favored. Looming over the tobacco scene is the possibility of the trade embargo with Rhodesia being removed, which could change the equation dramatically. But opinions differ. There are only four buyers of importance in Britain and, in a recent survey of the trade here, about the only consensus we could identify was that Canadian sales would decline, but gradually, over a period of years. ³⁶

In 1970 the Canadian Tobacco Manufacturers' Council estimated that tobacco leaf exports amount to \$60 million. Nevertheless, tobacco exports amount to less than one-half of one per cent of all Canadian exports and tobacco is not one of Canada's 22 principal exports.

D. Tobacco Manufacturing

The Canadian tobacco agricultural industry, tobacco manufacturing and cigarette manufacturing contribute to employment, income, taxes and exports. Having already discussed tobacco agriculture and exports, we now turn to tobacco manufacturing.

The Department of National Health and Welfare has been well aware of the importance of the tobacco industry in Canada, and they have noted carefully the "instinctive sympathy towards the production and manufacture of tobacco products" on the part of a number of government departments. ³⁷ Certainly Canadian government involvement, as in the United States and Britain as well, has sometimes been in contradictory directions.

The Canadian tobacco industry provides jobs and income for over 8,000 Canadian workers. Unfortunately, no figures are available which

about quality. In addition, British entrance into the European economic community threatens continued large exports to Britain under current tariff preferences. A Canadian Department of Agriculture report commented:

The future for Canadian fine cured tobacco sales to Britain seems bleak. United States tobacco will be more competitive in price than at present, and tobacco from within the Community and from the associated countries will be favored. Looking over the tobacco scene is the possibility of the trade embargo with products being removed, which could change the position dramatically. But opinions differ. There are only four buyers of importance in Britain and, in a recent survey of the trade here, about the only consensus we could identify was that Canadian sales would decline, but gradually, over a period of years. 36

In 1970 the Canadian Tobacco Manufacturers' Council estimated that tobacco leaf exports amount to \$60 million. Nevertheless, tobacco exports account to less than one-half of one per cent of all Canadian exports and tobacco is not one of Canada's 22 principal exports.

B. Tobacco Manufacturing

The Canadian tobacco agricultural industry, tobacco manufacturing and cigarette manufacturing contributes to employment, income, taxes and exports. Having already discussed tobacco agriculture and exports, we now turn to tobacco manufacturing.

The Department of National Health and Welfare has been well aware of the importance of the tobacco industry in Canada, and they have noted carefully the "instinctive sympathy towards the production and manufacture of tobacco products" on the part of a number of government departments. 37 Certainly Canadian government involvement, as in the United States and Britain as well, has sometimes been in contradictory directions. The Canadian tobacco industry provides jobs and income for over 8,000 Canadian workers. Unfortunately, no figures are available which

indicate the relative contribution of cigarette manufacturing to this figure. As in the United States, cigarette manufacturing in Canada is concentrated geographically in two provinces, Ontario and Quebec.

The following tables give a brief overview of the importance of cigarette manufacturing in Canada. Table 5 presents data on the contributions of tobacco manufacturing to total manufacturing on Ontario and Quebec as measured by the number of employees, total salaries and wages and value added in manufacture for the years 1961 to 1966. Table 6 presents national data on tobacco product manufacturing including the number of employees, total salaries and wages and value added for 1961-66.

In general, the relative importance of tobacco manufacturing in Ontario and Quebec has declined. Nevertheless, tobacco manufacturing remains the sole source of employment and income for many families and indirectly for many others. Tobacco employment in Quebec has declined from 1.6 per cent of manufacturing employment in 1961 to 1.3 per cent in 1966, while in Ontario the percentage has declined only slightly to less than one-half of one per cent. Salaries and wages, while constituting large sums of money, have declined relatively as a percentage of total salaries and wages. Cigarette manufacturing in the United States is more important economically in the states where it is manufactured than in Ontario or Quebec. Furthermore, almost two-thirds of the value added by manufacture is produced in Quebec which produces only a small percentage of the tobacco grown in Canada. The political impact of the tobacco industry has been weakened by the geographical and political separation of manufacturing and agriculture and the separation of their economic impacts.

indicate the relative contribution of cigarette manufacturing to this figure. As in the United States, cigarette manufacturing in Canada is concentrated geographically in two provinces, Ontario and Quebec.

The following tables give a brief overview of the importance of cigarette manufacturing in Canada. Table 2 presents data on the contributions of tobacco manufacturing to total manufacturing in Ontario and Quebec as measured by the number of employees, total salaries and wages and value added in manufacture for the years 1961 to 1966. Table 6 presents national data on tobacco product manufacturing including the number of employees, total salaries and wages and value added for 1961-

66.

In general, the relative importance of tobacco manufacturing in Ontario and Quebec has declined. Nevertheless, tobacco manufacturing remains the sole source of employment and income for many families and indirectly for many others. Tobacco employment in Quebec has declined from 1.6 per cent of manufacturing employment in 1961 to 1.3 per cent in 1966, while in Ontario the percentage has declined only slightly to less than one-half of one per cent. Salaries and wages, while constituting large sums of money, have declined relatively as a percentage of total salaries and wages. Cigarette manufacturing in the United States is more

important economically in the states where it is manufactured than in Ontario or Quebec. Furthermore, almost two-thirds of the value added by manufacture is produced in Quebec which produces only a small percentage of the tobacco grown in Canada. The political impact of the tobacco industry has been weakened by the geographical and political separation of manufacturing and agriculture and the separation of their economic

interests.

Table 5

**Contribution of Tobacco Manufacturing
To Total Manufacturing in Ontario and Quebec
1961-1966**

Quebec^a	<u>Employees</u>	<u>Salaries & Wages</u> \$ (000)	<u>Value Added</u> \$ (000)
1961	7,105	30,843	89,069
1962	7,263	32,876	92,193
1963	7,127	33,079	92,815
1964	7,180	34,261	93,917
1965	6,869	34,918	102,068
1966	6,765	36,613	107,754
Ontario^b			
1961	2,981	11,507	30,325
1962	3,596	13,323	34,562
1963	3,622	13,592	42,766
1964	3,417	14,002	45,249
1965	3,147	14,552	57,927
1966	3,202	15,550	63,268

a. Canada, Dominion Bureau of Statistics, Manufacturing Industries of Canada: Province of Quebec (Ottawa: Queen's Printer, 1969). The number of employees has declined from 1.6 per cent of total employment in 1961 to 1.31 per cent in 1966. Salaries and wages declined from 1.74 to 1.44 during the same period, while value added declined from 2.69 per cent to 2.18 per cent.

b. Same as above except for the province of Quebec. The importance of tobacco employment, salaries and wages and value added have all declined in Ontario. Tobacco is relatively unimportant in Ontario.

Table 2

Contribution of Tobacco Manufacturing
To Total Manufacturing in Ontario and Quebec
1961-1966

Quebec	Employees	Salaries & Wages \$ (000)	Value Added \$ (000)
1961	7,102	30,843	80,069
1962	7,263	32,876	92,193
1963	7,127	32,079	92,816
1964	7,180	34,261	93,917
1965	6,869	34,918	102,068
1966	6,762	36,613	107,724
Ontario ^b			
1961	2,981	11,207	39,322
1962	3,268	13,323	34,262
1963	3,622	13,292	42,766
1964	3,417	14,002	42,249
1965	3,147	14,222	27,927
1966	3,202	12,220	63,268

a. Canada, Dominion Bureau of Statistics, Manufacturing Industries of Canada: Province of Quebec (Ottawa: Queen's Printer, 1968). The number of employees has declined from 1.6 per cent of total employment in 1961 to 1.31 per cent in 1966. Salaries and wages declined from 1.74 to 1.44 during the same period, while value added declined from 2.69 per cent to 2.13 per cent.

b. Same as above except for the province of Quebec. The importance of tobacco employment, salaries and wages and value added have all declined in Ontario. Tobacco is relatively unimportant in Ontario.

Table 6

Canadian Tobacco Manufacturing^a

Year	Number of Employees	Salaries & Wages ^b \$(000)	Value Added \$(000)
1961	8,471	38,503	108,878
1962	9,081	41,240	113,680
1963	8,847	41,238	117,622
1964	8,956	43,260	123,392
1965	8,615	44,837	143,642
1966	8,683	47,750	151,243
1967	8,816	52,704	165,184
1968	8,570	56,722	155,317

a. See Canada, Dominion Bureau of Statistics, Manufacturing and Primary Industries Division, Tobacco Products Industries, 1968 Annual Census of Manufacturers (Ottawa: Queen's Printer, March, 1970), p. 7.

b. Figures are in Canadian dollars.

Table 6

Canadian Tobacco Manufacturing^a

Year	Number of Employees	Salaries & Wages ^b \$(000)	Value Added \$(000)
1968	8,270	26,722	122,317
1967	8,816	22,704	162,184
1966	8,683	42,720	121,243
1965	8,612	44,837	143,642
1964	8,926	43,260	123,362
1963	8,847	41,238	117,622
1962	9,081	41,240	113,680
1961	8,471	38,203	108,378

a. See Canada, Dominion Bureau of Statistics, Manufacturing and Primary Industries Division, Tobacco Products Industries, 1968 Annual Census of Manufacturers (Ottawa: Queen's Printer, March, 1970), p. 7.

b. Figures are in Canadian dollars.

As in the United States and Great Britain cigarette manufacturing is concentrated in only a few companies which are interrelated with tobacco firms in Great Britain and the United States. Benson and Hedges (Canada) Limited is a subsidiary of the U.S. tobacco manufacturer Philip Morris Inc., and controls approximately 10 per cent of the Canadian cigarette market according to 1970 estimates published in the Tobacco Reporter.³⁸ Imasco Limited,³⁹ formerly Imperial Tobacco Company of Canada Limited, by far the largest Canadian cigarette manufacturer, is owned by British American Tobacco Limited which also owns the American tobacco manufacturer Brown and Williamson Tobacco Corporation. Imasco had by far the largest share of the cigarette market in 1970, between 45 and 50 per cent. Macdonald Tobacco Inc., which has about 18 per cent of the cigarette market is privately owned. Rothmans of Pall Mall Canada Limited,⁴⁰ the last of the four major Canadian manufacturers, holds about 24 per cent of the cigarette market and is related to the Rothmans International Group based in Great Britain; the group owns the smallest of the three major British cigarette manufacturers, Carreras.

Thus, four firms control over 99 per cent of Canada's cigarette industry which produced over \$800 million in cigarettes in 1968. As in the United States, and as we will see in Britain, market shares are unequal, highly competitive and changing. Furthermore, this situation has sometimes led Canadian manufacturers to take actions that provoke both public and governmental concern which we will consider further in our discussion of cigarette advertising.

Only one of the Canadian firms still uses tobacco in its corporate name, and as in the United States, its absence symbolizes the new diversified nature of companies producing cigarettes. Table 7 provides estimates

As in the United States and Great Britain cigarette manufacturing is concentrated in only a few companies which are interrelated with tobacco firms in Great Britain and the United States. Benson and Hedges (Canada) Limited is a subsidiary of the U.S. tobacco manufacturer Philip Morris Inc., and controls approximately 10 per cent of the Canadian cigarette market according to 1970 estimates published in the Tobacco Reporter.³⁸ Imasco Limited,³⁹ formerly Imperial Tobacco Company of Canada Limited, is by far the largest Canadian cigarette manufacturer, is owned by British American Tobacco Limited which also owns the American tobacco manufacturer Brown and Williamson Tobacco Corporation. Imasco had by far the largest share of the cigarette market in 1970, between 45 and 50 per cent. Macdonald Tobacco Inc., which has about 18 per cent of the cigarette market is privately owned. Rothmans of Pall Mall Canada Limited,⁴⁰ the last of the four major Canadian manufacturers, holds about 24 per cent of the cigarette market and is related to the Rothmans International Group based in Great Britain; the group owns the smallest of the three major British cigarette manufacturers, Carreras.

Thus, four firms control over 99 per cent of Canada's cigarette industry which produced over \$800 million in cigarettes in 1968. As in the United States, and as we will see in Britain, market shares are unequal, highly competitive and changing. Furthermore, this situation has sometimes led Canadian manufacturers to take actions that provoke both public and governmental concern which we will consider further in our discussion of cigarette advertising.

Only one of the Canadian firms still uses tobacco in its corporate name, and as in the United States, its absence symbolizes the new diversified nature of companies producing cigarettes. Table 7 provides estimates

from the Tobacco Reporter of the percentage of sales outside of tobacco by Rothmans and Imasco, the two largest producers from 1969 to 1971. ⁴¹

Table 7

Per cent of Diversification

	1969	1970	1971
Rothmans-Canada	0	54	64
Imasco	26	25	25

For example, Rothmans owns 50.1 per cent of Canadian Breweries Inc., which in turn owns 100 per cent of Carling Brewing Company in the United States. Imasco owns, among other subsidiaries, Growers Wine Company, Ltd., S & W Fine Foods Inc., based in San Francisco, and the Uddo and Taormina Corporation, New Jersey manufacturers of canned and frozen foods under the Progresso Food label. ⁴² In 1967, Imasco formed Innotron Ltd. specifically to investigate diversification possibilities in other fields. Finally, Benson and Hedges (Canada) Ltd., which has been a subsidiary itself since 1958, owns Formosa Spring Brewery, while Macdonald Tobacco Co. owns a textile firm, X-Y Textile Co. Limited. Thus, as in the United States, tobacco companies in Canada are hedging their bets by diversifying into non-tobacco fields.

The Canadian government has not remained aloof from the economic prospects of tobacco. The Department of Regional Economic Expansion has made grants to the tobacco industry. In the fiscal year ending March 31, 1971, grants of over \$800,000 were made to aid the tobacco industry in Prince Edward Island, Quebec and Nova Scotia. ⁴³ Unfortunately, no breakdowns as to the purpose of the grants are available. ⁴⁴

In reply to the question in Parliament of "how much money was spent during fiscal 1969-70 to assist the tobacco industry and producers in

from the Tobacco Report of the percentage of sales outside of tobacco by Rothmans and Imasco, the two largest producers from 1969 to 1971. ⁴¹

Table 7

Per cent of Diversification			
	1969	1970	1971
Rothmans-Canada	0	24	64
Imasco	26	25	15

For example, Rothmans owns 50.1 per cent of Canadian Breweries Inc., which in turn owns 100 per cent of Carling Brewing Company in the United States. Imasco owns, among other subsidiaries, Growers Wine Company, Ltd., S & W Fine Foods Inc., based in San Francisco, and the Radio and Television Corporation, New Jersey manufacturers of canned and frozen foods under the Progresso Food label. ⁴² In 1967, Imasco formed Imatron Ltd. specifically to investigate diversification possibilities in other fields. Finally, Benson and Hedges (Canada) Ltd., which has been a subsidiary itself since 1968, owns Fortmosa Spring Brewery, while Macdonald Tobacco Co. owns a textile firm, X-Y Textile Co. Limited. Thus, as in the United States, tobacco companies in Canada are hedging their bets by diversifying into non-tobacco fields.

The Canadian government has not remained aloof from the economic prospects of tobacco. The Department of Regional Economic Expansion has made grants to the tobacco industry. In the fiscal year ending March 31, 1971, grants of over \$200,000 were made to aid the tobacco industry in Prince Edward Island, Quebec and Nova Scotia. ⁴³ Unfortunately, no breakdown as to the purpose of the grants are available. ⁴⁴

In reply to the question in Parliament of "how much money was spent during fiscal 1969-70 to assist the tobacco industry and producers in

Canada," the government responded: 1968-9 \$536,160, 1969-70, \$489,337. ⁴⁵ Unfortunately, once again no breakdown of these figures was given, and the figures apparently do not include the grants made one year later by the Department of Regional Economic Expansion mentioned above.

Much of the positive effect of tobacco on the Canadian economy is unheralded and generally unmeasured. One interesting example of the tobacco industry's impact on the Canadian economy was elucidated in an article in the Tobacco Reporter. The magazine reported a meeting between Minister of National Health and Welfare Munro and members of the Canadian outdoor advertising industry about the government's proposed total cigarette advertising ban in an attempt to have the ban modified. The industry claimed that such a ban would cost the industry some \$3 million in lost revenues, roughly 18 per cent of its total revenues. They suggested that the ban be implemented over a 10-year period, or that the government cover the loss with an anti-smoking campaign using billboards. The Tobacco Reporter article continued:

Backing up their claim to lost revenue, the billboard representatives said a total ban would cause some of its 55 member companies to be forced out of business. The group further predicted that about 25 per cent of the industry's work force would have to be dismissed. ⁴⁶

Government action against cigarette smoking involves jobs and peoples' lives and politicians recognize this. Furthermore, tobacco is an extremely successful, longstanding and profitable business whose profits spill off in many directions. Adverse action against smoking might well first affect these related industries such as advertising without having the intended impact of reducing cigarette consumption. As in the case of the United States, the government is very hesitant to act in any manner which would adversely affect the lives and livelihoods of people without

and to elude government and bypass the Legislature

to loss with an anti-smoking campaign using billboards. The tobacco
industry has implemented over a 10 year period, or that the government cover
revenues, roughly 18 per cent of its total revenues. They suggested that

the industry's work force would have to be dismissed. The group further predicted that about 25 per cent of its 22 member companies to be forced out of business. Representatives said a total tax would cause some of backing up their claim to lost revenue, the billboards

Government action against cigarette smoking involves jobs and people'

It would adversely affect the lives and livelihoods of people without the United States, the government is very hesitant to act in any manner the intended impact of reducing cigarette consumption. As in the case first affect these related industries such as advertising without having sell off in many directions. Adverse action against smoking might well severely successful, long-standing and profitable business whose policies lives and politicians recognize this. Furthermore, tobacco is an ex-

assurance that the effect of such action will justify it. The Canadian government has apparently watched and waited while the United States and Great Britain have acted, weighing the outcomes of the actions of others to minimise the economic harm and maximise the intended impact of their own actions.

E. Tobacco Taxation

Federal and provincial tobacco taxation also play a very important role in the economic importance of cigarettes in Canada. Table 8 presents data on federal tax revenues from tobacco and its relative contribution to total net general revenue for fiscal years 1956 to 1968. From 1964 to 1968 the relative contribution of tobacco taxes to total net general revenues has declined from 5.7 to 4.4 per cent, although in absolute terms revenue has increased from \$391 to \$460 million. Over this same five year period, tobacco taxes have yielded the government over \$1.7 billion. Between 1958 and 1968, federal tobacco taxation in Canada has increased from \$8 per thousand plus 10 per cent sales tax to \$10 per thousand plus 12 per cent sales tax. Canadian federal tobacco taxation is over two and one-half times as important to total net general revenue as tobacco taxation is to the federal government in the United States.

Furthermore, provincial tobacco taxation has increased sharply in Canada. In 1958, only three provinces, New Brunswick, Quebec and Prince Edward Island, taxed cigarettes. In 1969, the number had increased to nine with only British Columbia, Yukon Territory and Northwest Territories still not taxing cigarettes. Provincial tobacco tax revenues have increased from \$22.2 million in 1958 to \$74.65 million in 1966, to an estimated \$200 million in 1970, according to the Canadian Tobacco

assurance that the effect of such action will justify it. The Canadian government has apparently watched and waited while the United States and Great Britain have acted, weighing the outcomes of the actions of others to minimize the economic harm and maximize the intended impact of their own actions.

II. Tobacco Taxation

Federal and provincial tobacco taxation also play a very important role in the economic importance of cigarettes in Canada. Table 8 presents data on federal tax revenues from tobacco and its relative contribution to total net general revenue for fiscal years 1956 to 1962. From 1956 to 1962 the relative contribution of tobacco taxes to total net general revenue has declined from 5.7 to 4.4 per cent, although in absolute terms revenue has increased from \$391 to \$460 million. Over this same five year period, tobacco taxes have yielded the government over \$1.7 billion. Between 1958 and 1962, federal tobacco taxation in Canada has increased from \$8 per thousand plus 10 per cent sales tax to \$10 per thousand plus 12 per cent sales tax. Canadian federal tobacco taxation is over two and one-half times as important to total net general revenue as tobacco taxation is to the federal government in the United States. Furthermore, provincial tobacco taxation has increased sharply in Canada. In 1958, only three provinces, New Brunswick, Quebec and Prince Edward Island, taxed cigarettes. In 1962, the number had increased to nine with only British Columbia, Yukon Territory and Northwest Territories still not taxing cigarettes. Provincial tobacco tax revenues have increased from \$21.2 million in 1958 to \$74.62 million in 1962, to an estimated \$90 million in 1963, according to the Canadian Tobacco

Table 8

Federal Government Tobacco Taxation ^a

Year ^b	Tobacco Excise Duties & Special Excise Taxes \$(million)	Total Taxes \$(million)	Total Net General Revenue \$(million)	Tobacco Taxes as % of Total Net General Revenue
1956	237	4,311	4,668	5.07
1957	253	5,019	5,441	4.65
1958	274	4,993	5,395	5.08
1959	289	4,622	5,066	5.70
1960	331	5,299	5,736	5.77
1961	343	5,618	6,103	5.62
1962	367	5,754	6,249	5.87
1963	384	5,928	6,427	5.97
1964	391	6,283	6,827	5.73
1965	395	7,326	7,918	4.99
1966	424	8,018	8,695	4.88
1967	447	8,723	9,425	4.74
1968	460	9,558	10,376	4.43

a. Compiled from Canada, Dominion Bureau of Statistics, Federal Government Finance-Revenue and Expenditure - Direct and Indirect Debt (Ottawa: Queen's Printer, December, 1969).

The Federal tax rate on cigarettes has increased from \$8 per thousand + 10 per cent sales tax in 1958 to \$10 per thousand + 12 per cent in 1968. Also see Canada, Dominion Bureau of Statistics, Principal Taxes and Rates: Federal Provincial and Selected Municipal Governments (Ottawa: Queen's Printer, February, 1969).

b. For fiscal years ended March 31st.

Table 8

Federal Government Tobacco Taxation^a

Year ^d	Tobacco Excise Duties & Special Excise Taxes \$(million)	Total Taxes \$(million)	General Revenue \$(million)	Total Net Tobacco Taxes as % of Total Net General Revenue
1958	460	9,258	10,376	4.43
1957	447	8,723	9,425	4.74
1956	424	4,618	8,695	4.83
1955	395	7,326	7,918	4.99
1954	391	6,283	6,827	5.73
1953	384	5,958	6,427	5.97
1952	367	5,794	6,249	5.87
1951	343	5,618	6,103	5.62
1950	331	5,299	5,736	5.77
1949	289	4,622	5,066	5.70
1948	274	4,993	5,335	5.08
1947	253	5,019	5,441	4.65
1946	237	4,311	4,668	5.07

a. Compiled from Canada, Dominion Bureau of Statistics, Federal Government Finance-Revenue and Expenditure - Direct and Indirect Taxes (Ottawa: Queen's Printer, December, 1959).

The Federal tax rate on cigarettes has increased from 28 per thousand + 10 per cent sales tax in 1952 to 210 per thousand + 15 per cent in 1958. Also see Canada, Dominion Bureau of Statistics, Financial Trends and Taxes: Federal Provincial and Selected Municipal Governments (Ottawa: Queen's Printer, February, 1960).

b. For fiscal years ended March 31st.

Manufacturers Council,⁴⁷ but the percentage contribution of tobacco taxes to total provincial taxes had declined slightly from 2.2 per cent in 1958 to 1.9 per cent in fiscal 1966 as shown in Table 9.

Like in the United States, and as we will see in Great Britain, the importance of tobacco taxes is seen by the tobacco industry as a persuasive incentive against government action to reduce cigarette consumption. Take for example the following paragraph from the Tobacco Reporter, written while the government hearings on smoking and health were still in progress:

At a time when the Canadian government and that country's tobacco industry are heading for a major struggle, it is reassuring to learn that the Canadian government does not anticipate a victory over cigarette smoking. When Tobacco Reporter asked the Canadian Minister of Finance, Edgar Benson, if he expected the anti-smoking campaign and proposed legislation to cut down on the government's revenue from cigarette taxes he replied, 'I think not, you know. There has been a campaign going on for quite a long time and revenues continue climbing.'⁴⁸

The difficulty in replacing tobacco revenues is enormous and the political liability for the political party that imposes new or heavier taxes are potentially large. While the burden of progressive change generally rests on the government, there is little incentive to tamper with a system that raises so much revenue so easily with so few political repercussions.

The tobacco industry is very sensitive to the burden of tobacco taxation. In an address before the National Association of Tobacco and Confectionery Distributors Convention in October, 1969, Paré candidly observed:

In the past two years we have experienced a greater rash of provincial and federal tobacco taxes than ever before known in the long history of the Canadian Tobacco Industry.

Table 9

Provincial Tobacco Taxation in Canada^a

<u>Year</u>	<u>Tobacco Taxes</u> \$(000)	<u>Total Taxes</u> ^b \$(000)	<u>Total Net General</u> <u>Revenues</u> \$(000)	<u>Percentage Tobacco</u> <u>Taxes to Total</u> <u>Taxes</u>
1950	10,003	478,342	952,453	2.09
1955	15,022	664,285	1,614,088	2.26
1958	22,248	1,010,159	2,178,869	2.20
1962	28,358	2,087,571	3,255,814	1.36
1964	31,244	2,699,814	4,207,530	1.16
1965	53,404	3,354,149	5,100,611	1.59
1966	74,646	4,008,235	5,864,163	1.86

giant U.S. tobacco neighbor.

a. Compiled from Canada, Dominion Bureau of Statistics, Provincial Government Finance: Revenue and Expenditure (Ottawa: Queen's Printer, November, 1969). Also see Canada, Dominion Bureau of Statistics, Principal Taxes and Rates: Federal, Provincial and Selected Municipal Governments (Ottawa: Queen's Printer, 1969). In 1962 Nova Scotia levied a cigarette tax to provide hospital benefits for residents, while in 1965 Ontario, Manitoba and Saskatchewan began taxing cigarettes with Newfoundland following in 1968.

b. Yukon and Northwest Territories are excluded.

Table 9

Provincial Tobacco Taxation in Canada^a

Year	Total Taxing (\$'000)	Total Taxing ^b (\$'000)	Total Taxing ^b (\$'000)	Percentage of Total Taxing (\$'000)
1960	16,008	478,362	99,443	2.30
1961	17,032	664,232	1,014,478	2.25
1962	22,348	1,010,159	2,170,281	2.20
1963	28,338	2,087,271	3,252,816	1.36
1964	31,244	2,669,814	4,207,230	1.12
1965	23,404	3,324,149	2,100,611	1.20
1966	24,646	4,008,232	2,204,103	1.26

a. Compiled from Canada, Dominion Bureau of Statistics, *Provincial Government Finance: Revenue and Expenditure* (Ottawa: Queen's Printer, November, 1969). Also see Canada, Dominion Bureau of Statistics, *Provincial Taxes and Rates: Federal, Provincial and Municipal* (Ottawa: Queen's Printer, 1967). In 1962, 1963 and 1964, a cigarette tax to provide hospital benefits for residents, while in 1965 Ontario, Manitoba and Saskatchewan began taxing cigarettes with

reforms and following in 1968.

b. Yukon and Northwest Territories are excluded.

For instance the total of provincial taxes in the past two years is nearly equivalent to the total in the previous 8 years . . . an increase of over 300%. It would be unreasonable to expect this sudden and heavy load to have no effect on sales. However, manufacturers would like to think that governments now recognize the inordinately heavy tax burden that 5 million Canadian smokers carry and hope that more stable rates in the future would provide a levelling of this burden and permit the industry to maintain a pattern of growth consistent with that of population. 49

There are several reasons why the Canadian tobacco industry is less politically powerful than the tobacco industry in the United States. First, Canada has no provinces that can be characterized as "tobacco provinces." This is in part due to the lesser importance of tobacco production and manufacturing to the provincial economies, but it is also due to the separation of tobacco agriculture and manufacturing in two provinces, Ontario and Quebec. The absence of overlapping economic interests has weakened tobacco's political importance, both regionally and nationally. Furthermore, Canada has no regional tobacco tradition and identification. The Canadian tobacco industry has always been both peripheral to the Canadian economy and especially overshadowed by its giant U.S. tobacco neighbor.

Second, the economic importance of tobacco is not politically well represented in Canada's parliamentary system. Tobacco interests are not "overrepresented" as they are in the United States. Unlike the United States, Canada has no seniority and committee system that allow key representatives in "tobacco states" to postpone and/or block proposed legislation and carefully watch over federal administrative programs and appropriations. The Canadian parliamentary system facilitates more centralized consideration of the controversy which is less vulnerable to regional economic interests and political pressures.

For instance the total of provincial taxes in the past two years is nearly equivalent to the total in the previous 8 years . . . an increase of over 80%. It would be unreasonable to expect this sudden and heavy load to have no effect on sales. However, manufacturers would like to think that governments now recognize the inordinately heavy tax burden that 2 million Canadian smokers carry and hope that more stable rates in the future would provide a leveling of this burden and permit the industry to maintain a pattern of growth consistent with that of population."

There are several reasons why the Canadian tobacco industry is less

politically powerful than the tobacco industry in the United States. First, Canada has no provinces that can be characterized as "tobacco provinces." This is in part due to the lesser importance of tobacco production and manufacturing to the provincial economies, but it is also due to the separation of tobacco agriculture and manufacturing in two provinces, Ontario and Quebec. The absence of overlapping economic interests has weakened tobacco's political importance, both regionally and nationally. Furthermore, Canada has no regional tobacco tradition and identification. The Canadian tobacco industry has always been both peripheral to the Canadian economy and especially overshadowed by its giant U.S. tobacco neighbor.

Second, the economic importance of tobacco is not politically well represented in Canada's parliamentary system. Tobacco interests are not "overrepresented" as they are in the United States. Unlike the United States, Canada has no sectoral and committee system that allow key representatives in "tobacco states" to postpone and/or block proposed legislation and carefully watch over federal administrative programs and appropriations. The Canadian parliamentary system facilitates more centralized consideration of the controversy which is less vulnerable to regional economic interests and political pressures.

On the other hand the Canadian government may be inhibited by the importance of tobacco taxes which is greater than in the United States. The Canadian government is inhibited too by its own awareness and sensitivity to the social consequences and political impact of its actions. The smoking-health controversy has not become a political party issue in Canada. Both Liberals and Conservatives have tried to avoid antagonizing cigarette smokers and at least postpone the political repercussions of having to find alternatives to cigarette taxes and also avoid the ire of those economically harmed by a government anti-smoking program. As we have noted previously the Canadian approach has been characterized by gradualism which has had an important impact on the tobacco industry's response to the problem.

On the other hand the Canadian government may be inhibited by the importance of tobacco taxes which is greater than in the United States. The Canadian government is inhibited too by its own awareness and sensitivity to the social consequences and political impact of its actions. The smoking-health controversy has not become a political party issue in Canada. Both Liberals and Conservatives have tried to avoid antagonizing cigarette smokers and at least postpone the political repercussions of having to find alternatives to cigarette taxes and also avoid the ire of those economically harmed by a government anti-smoking program. As we have noted previously the Canadian approach has been characterized by gradualism which has had an important impact on the tobacco industry's response to the problem.

Footnotes - Chapter VII

1. For a historical consideration see Robert Leslie Jones, History of Agriculture in Ontario 1613-1886 (Toronto: The University of Toronto Press, 1946).
2. Canada, Standing Committee on Health, Welfare and Social Affairs, Minutes of Proceedings and Evidence (Commons), No. 43 (June 17, 1969), p. 1902.
3. For detailed information see special section on Ontario Tobacco Statistics in The Lighter, XXXVIII (Fall, 1968), pp. 37-41.
4. See Canada, Restrictive Trade Practices Commission Report Concerning the Production, Purchase and Sale of Flue-Cured Tobacco in Ontario (Ottawa, 1956), pp. 132-3.
5. Albert A. Davis, Tobacco in Ontario, Canada, Foreign Agricultural Service, U.S. Department of Agriculture (Washington, November, 1968). Also see Canada, Report of the Federal Task Force on Agriculture (Ottawa: Queen's Printer, 1970), p. 239.
6. Ibid.
7. Ibid., p. 242.
8. Ibid., p. 243.
9. Ibid.
10. Ibid., p. 241.
11. The Lighter, XLI (Winter, 1971), p. 7.
12. Canada, Standing Committee on Health, Welfare and Social Affairs, Minutes . . . , (June 17, 1969).
13. The Lighter, XXXVII (Fall, 1967).
14. The Lighter, XLI (Winter, 1971), p. 7.
15. Canada, Standing Committee on Health, Welfare and Social Affairs, Minutes . . . , (June 17, 1969).
16. Ibid., p. 1915.

Footnotes - Chapter VII

1. For a historical consideration see Robert Leslie Jones, History of Agriculture in Ontario 1613-1920 (Toronto: The University of Toronto Press, 1920).
2. Canada, Standing Committee on Health, Welfare and Social Affairs, Minutes of Proceedings and Evidence (Ottawa), No. 43 (June 17, 1929), p. 1907.
3. For detailed information see special section on Ontario Tobacco Statistics in The Liberator, XXXVIII (Fall, 1929), pp. 37-41.
4. See Canada, Restrictive Trade Practices Commission Report Concerning The Production, Purchase and Sale of Manufactured Tobacco in Ontario (Ottawa, 1930), pp. 132-3.
5. Albert A. Davis, Tobacco in Ontario, Canada, Foreign Agricultural Service, U.S. Department of Agriculture (Washington, November, 1928). Also see Canada, Report of the Federal Task Force on Agriculture (Ottawa: Queen's Printer, 1930), p. 239.
6. Ibid.
7. Ibid., p. 242.
8. Ibid., p. 243.
9. Ibid.
10. Ibid., p. 241.
11. The Liberator, XLI (Winter, 1921), p. 7.
12. Canada, Standing Committee on Health, Welfare and Social Affairs, Minutes . . ., (June 17, 1929).
13. The Liberator, XXXVII (Fall, 1927).
14. The Liberator, XLI (Winter, 1921), p. 7.
15. Canada, Standing Committee on Health, Welfare and Social Affairs, Minutes . . ., (June 17, 1929).
16. Ibid., p. 1912.

17. The Lighter, XXXVIII (Winter, 1968), p. 37.
18. Ibid.
19. Dave McClaren, "Time Now for Positive Militant Action," Delhi News Record, January 20, 1971.
20. The Lighter, XLI (Winter, 1971), p. 13.
21. While no subsidy was paid tobacco producers during the period 1960-69, a grant was made for 1967-68 to the Ontario Flue-Cured Tobacco Grower's Marketing Board (\$141,865) for commitments incurred pertaining to the sale or disposal of the 1961 tobacco crop. Canada, Debates (Commons) (March 2, 1970), p. 4214.
22. See Canada, Report of the Federal Task Force on Agriculture, pp. 267-303. See chapter 11: "Government Agribusiness and Farmer Organizations." The report includes sections on the role of government in organizational structure of agriculture and on the Canadian philosophy on the role of government. Also see W.M. Drummond, W.J. Anderson and T.C. Kerr, A Review of Agricultural Policy in Canada, Agricultural Economics Research Council of Canada (June, 1966), pp. 61-65.
23. Canada, Canada Yearbook (Ottawa: Queen's Printer, 1968), p. 481.
24. Ibid., 474.
25. Ibid., p. 481.
26. Canada, Standing Committee on Health, Welfare and Social Affairs, Minutes . . ., (June 17, 1969), p. 1901.
27. Ibid., p. 1904.
28. Ibid., p. 1913.
29. Bryan F. Hilkey, "Cigarette Production, Selection, and Smoking Procedures for a Multi-Disciplinary Tobacco and Health Research Program," The Lighter, XLI (Winter, 1971), p. 9.
30. Ibid., p. 12.
31. S.S. Hatfield, "Research Objectives Emphasize Smoking and Health," The Lighter, XL (Fall, 1970), p. 5.
32. The Lighter, XXXIX (Summer, 1969), p. 14.
33. Canada, Standing Committee on Health, Welfare and Social Affairs, Minutes of Proceedings and Evidence (Commons), No. 17 (February 18, 1969), p. 528.

17. The Listener, XXXVIII (Winter, 1965), p. 37.
18. Ibid.
19. Dave McClinton, "Time Now for Positive Militant Action," World News Record, January 20, 1961.
20. The Listener, XLI (Winter, 1971), p. 13.
21. While no subsidy was paid tobacco producers during the period 1967-69, a grant was made for 1969-70 to the Ontario Tobacco Growers' Marketing Board (1961, 1962) for commitments incurred prior to the sale or disposal of the 1961 tobacco crop. Canada, Politics (Commons) (March 2, 1970), p. 4214.
22. See Canada, Report of the Federal Task Force on Agriculture, pp. 267-303. See chapter II: "Government Agriculture and Food Production." The report includes sections on the role of government in organizational structure of agriculture and on the Canadian position on the role of government. Also see W.M. Greenwood, W.L. Anderson and T.C. Kerr, A Review of Agricultural Policy in Canada, Agricultural Economics Research Council of Canada (June, 1967), pp. 61-63.
23. Canada, Canada Yearbook (Ottawa: Queen's Printer, 1966), p. 481.
24. Ibid., 474.
25. Ibid., p. 481.
26. Canada, Standing Committee on Health, Welfare and Social Affairs, Minutes . . . (June 17, 1969), p. 1961.
27. Ibid., p. 1964.
28. Ibid., p. 1913.
29. Bryan F. Zilkey, "Cigarette Production, Selection, and Smoking Procedures for a Multi-Disciplinary Tobacco and Health Research Program," The Listener, XLI (Winter, 1971), p. 9.
30. Ibid., p. 12.
31. S.S. Hatfield, "Research on Effective Injunctive Smoking and Health," The Listener, XL (Fall, 1970), p. 2.
32. The Listener, XXXIX (Summer, 1969), p. 14.
33. Canada, Standing Committee on Health, Welfare and Social Affairs, Report of Proceedings and Evidence (Commons), No. IV (February 18, 1969), p. 516.

34. Canada, Debates (Commons) (October 5, 1970), p. 8728.
35. Canada, Report of the Federal Task Force on Agriculture, p. 239.
36. G.E. Blackstock, "UK Access to the ECC -- Evaluation of Commercial Aspects," Agriculture Abroad, Canada, Department of Agriculture, XXVI (August, 1971), p. 139. For a more detailed presentation, see "Tobacco in the ECC," Tobacco Intelligence, XXIII (London: Commonwealth Secretariat, May, 1971), pp. 105-13.
37. Canada, Department of National Health and Welfare, The Canadian Smoking and Health Program: A Case History (Ottawa, 1967), p. 2.
38. "Why Did the Canadian Games Suddenly Stop," Tobacco Reporter, XCVII (August, 1970), p. 36.
39. As of December 31, 1968, the company employed 5,594 persons.
40. As of June 30, 1969, the company employed 1,400 persons.
41. "Diversification Moves in 1971," Tobacco Reporter, XCVIII (December, 1971), p. 12.
42. Canadian Manufacturers Association, 1971 Canadian Trade Index, p. 1971.
43. Canada, Debates . . . , (October 5, 1970), p. 8728.
44. It was noted in The Lighter that "government intervention is very widespread throughout the tobacco industries of many countries; this is sometimes due to the importance of tobacco for farm incomes but more frequently to its importance as a source of government income." See The Lighter, XL (Summer, 1970), pp. 20-21.
45. Canada, Debates . . . , (October 5, 1970), p. 8728.
46. "Government-Industry Agreements Will Bring End to Radio TV Cigarette Ads in Canada," Tobacco Reporter, XCVIII (October, 1971), p. 50.
47. Canadian Tobacco Manufacturers' Council, Facts About the Canadian Tobacco Economy for the Year 1970 (Estimated) (Ottawa, April, 1971). (Mimeographed.)
48. Guy Goodwin, "Canadian Industry Speaks Out," Tobacco Reporter, XCVI (February, 1969), pp. 33, 34, 36.
49. Address delivered by Paul Paré to the National Association of Tobacco and Confectionery Distributors Convention, October 8, 1969, p. 13.

49. Address delivered by Paul Kane to the National Association of Tobacco and Cigarette Distributors Convention, October 8, 1969, p. 13.
48. See Goodwin, "Canadian Industry Speaks Out," Tobacco Forum, XCVI (February, 1969), pp. 33, 34, 36.
47. Canadian Tobacco Manufacturers' Council, Facts About the Canadian Tobacco Industry for the Year 1969 (Ottawa, April, 1971). (Unpublished.)
46. "Government-Industry Agreements Will Bring End to Radio TV Cigarette Ads in Canada," Tobacco Forum, XCVIII (October, 1971), p. 29.
45. Canada, Debates . . . , (October 5, 1970), p. 8728.
44. It was noted in The Lighter that "government intervention is very widespread throughout the tobacco industries of many countries: this is sometimes due to the importance of tobacco for farm incomes but more frequently to its importance as a source of government income." See The Lighter, XI (Summer, 1970), pp. 20-21.
43. Canada, Debates . . . , (October 5, 1970), p. 8728.
42. Canadian Manufacturers Association, 1971 Canadian Trade Year, p. 1971.
41. "Cigarette Production Moves in 1971," Tobacco Forum, XCVIII (December, 1971), p. 12.
40. As of June 30, 1969, the company employed 1,400 persons.
39. As of December 31, 1968, the company employed 2,594 persons.
38. "Why Did the Canadian Games Suddenly Stop," Tobacco Forum, XCVII (August, 1970), p. 36.
37. Canada, Department of National Health and Welfare, The Good and Bad of Smoking and Health Problems: A Basic History (Ottawa, 1967), p. 2.
36. G.E. Blackstock, "UK Access to the ECU -- Evaluation of Commercial Access," Agriculture Canada, Department of Agriculture, 1971 (August, 1971), p. 13. For a more detailed presentation, see "Tobacco in the ECU," Tobacco Intelligence, XXIII (London: Commonwealth Secretariat, May, 1971), pp. 12-13.
35. Canada, Report of the Federal Task Force on Alcoholism, p. 239.
34. Canada, Debates (Continued), p. 8458.

Chapter VIII: Government Response to the
Smoking-Health Controversy in Canada

A. Canadian Smoking and Health Program

The Canadian government first publicly recognized the smoking and health problem on June 17, 1963, when Minister of Health and Welfare Judy LaMarsh told the Canadian House of Commons:

There is scientific evidence that cigarette smoking is a contributory cause of lung cancer, and that it may also be associated with chronic bronchitis and coronary heart disease. Health agencies, including my department, have a duty to inform the public about the risk to health connected with cigarette smoking.

Official recognition in Canada came several years after similar official recognition of the problem both in the United States and in Great Britain. Briefly, the Canadian program seeks to facilitate a long term reduction in per capita cigarette consumption and tar and nicotine intake basically through a health education program. The present chapter considers the Canadian government's response to the smoking-health controversy since LaMarsh's 1963 speech.

In November of the same year, the Department of National Health and Welfare sponsored a Canadian Conference on Smoking and Health to discuss the smoking problem and to develop a coordinated national program. The meeting was attended by representatives of federal and provincial governments, voluntary and professional health associations and the tobacco industry and growers. While some favored strong legislative action, "the consensus favoured a program of research and health education."²

The basic objective of the national program which resulted from this conference was "to reduce the incidence of lung cancer and other diseases

Report of the Committee on the
Health of the People

4. Canadian 20th and 21st Centuries

The Canadian government first publicly recognized the smoking and health problem on June 17, 1961, when Minister of Health and Welfare Judy LaMarsh told the Canadian House of Commons:

There is scientific evidence that cigarette smoking is a contributory cause of lung cancer, and that it may also be associated with chronic bronchitis and coronary heart disease. Health agencies, including my department, have a duty to inform the public about the link between smoking and cigarette smoking.

Official recognition in Canada came several years after similar official recognition of the problem both in the United States and in Great Britain. Initially, the Canadian program seems to facilitate a long term reduction in per capita cigarette consumption and tar and nicotine intake. Through a health education program. The present chapter considers the Canadian government's response to the smoking-health controversy since LaMarsh's 1963 speech.

In November of the same year, the Department of National Health and Welfare sponsored a Canadian Conference on Smoking and Health to discuss the smoking problem and to develop a coordinated national program. The meeting was attended by representatives of federal and provincial governments, voluntary and professional health associations and the tobacco industry and growers. While some favored legislative action, "the conference favored a program of research and health education."

The basic objective of the national program which resulted from this conference was "to reduce the incidence of lung cancer and other diseases

attributable to cigarette smoking, by the reduction or elimination of this health hazard." ³ To accomplish this objective, the program included: (1) a program of health education and (2) a program of epidemiological and motivational research to assist the educational program. The government also acknowledged its role in "assisting in the coordination of activities of the various governmental and non-governmental agencies" and "in producing basic educational materials for use across the country," as well as in "promoting research into the intent and nature of the smoking habit in Canada and the motivational aspects of smoking." ⁴

From the program's inception Canadian government officials have stressed the coordination of public and private efforts to reduce cigarette smoking. They have also recognized the inherent conflict between government departments such as health and welfare and agriculture. The disjointed U.S. approach has left this conflict within the government unresolved and almost unexplored. But as we shall see, the Canadian situation is somewhat simpler than the one in the United States where the federal government is burdened by tobacco subsidies and the government investment and commitment that it implies.

Health education is expected to be a major means of achieving the program's objectives "to inform the public about the risks to health connected with cigarette smoking; to encourage smokers to discontinue the habit; to dissuade non-smokers from acquiring the habit." ⁵ The five audiences to whom health education programs were to be directed were, in order of priority: (1) health workers (2) teachers and personnel in teacher training institutions (3) pre-teen and teen-age school children (4) parent organizations, voluntary, professional and civic groups and (5) the general public.

attributable to cigarette smoking, by the reduction or elimination of this

human hazard." ³ To accomplish this objective, the program included:

(1) a program of health education and (2) a program of epidemiological and motivational research to assist the educational program. The govern-

ment also recognized its role in "assisting in the coordination of activities of the various governmental and non-governmental agencies" and "in producing basic educational materials for use across the country," as well as in "promoting research into the intent and nature of the smoking habit in Canada and the motivational aspects of smoking." ⁴

From the program's inception Canadian government officials have stressed the coordination of public and private efforts to reduce cigarette smoking. They have also recognized the inherent conflict between government departments such as health and welfare and agriculture. The Canadian U.S. approach has left this conflict within the government unexplored and almost unexplored, but as we shall see, the Canadian situation is somewhat simpler than the one in the United States where the federal government is burdened by tobacco subsidies and the government investment and commitment that it implies.

Health education is expected to be a major means of achieving the program's objectives "to inform the public about the risks to health connected with cigarette smoking; to encourage smokers to discontinue the habit; to dissuade non-smokers from acquiring the habit." ⁵ The five audiences to whom health education programs were to be directed were, in order of priority: (1) health workers (1) teachers and personnel in teacher training institutions (3) pre-teen and teen-age youth (4) parents and (5) the general public, professional and civic groups and (5) the general

public.

The Department of National Health and Welfare has coordinated the Canadian smoking and health program. A total of \$600,000 (Canadian dollars) was marked by the cabinet for a five-year period beginning in 1964 -- \$200,000 for research, and \$400,000 for health education (exclusive of salaries). ⁶

In the early stages of the Canadian government's action, restrictive legislation was considered but postponed indefinitely:

Recalling the dismal results of Canada's attempted prohibition of alcoholic beverages in the 1920's, Departmental thinking favoured a program of health education in the matter of cigarettes.

As in the United States, the unfortunate experiment prohibiting alcohol is used in Canada as a rationale against extreme action by the government against cigarettes. It was envisioned, however, that the situation might reach a point where legislative action would be justified. ⁸

In the following section the Canadian government's programs and activities directed towards each of its five primary target groups will be examined. The data are from the 1967 publication by the Department of National Health and Welfare, The Canadian Smoking and Health Program: A Case History.

1. Professional Health Workers

The government found that the immediate need for professional health workers was an authoritative reference book containing the most significant reports on the smoking and health issue. The Smoking and Health Reference Book (Canada) ⁹ begun in March, 1964, was completed expeditiously to fill this void. A ready-reference section provided answers to the most frequently asked medical questions on smoking. Copies of the publication (printed in both English and French) were sent to parliamentarians,

The Department of National Health and Welfare has coordinated the Canadian smoking and health program. A total of \$100,000 (Canadian dollars) was marked by the cabinet for a five-year period beginning in 1964 -- \$200,000 for research, and \$400,000 for health education (exclusive of salaries).⁶

In the early stages of the Canadian government's action, restrictive

legislation was considered but postponed indefinitely.

Regarding the dismal results of Canada's attempted prohibition of alcoholic beverages in the 1930's, departmental thinking favoured a program of health education in the matter of cigarettes.

As in the United States, the unfortunate experiment prohibiting alcohol is used in Canada as a rationale against extreme action by the government against cigarettes. It was envisioned, however, that the situation might reach a point where legislative action would be justified.⁷

In the following section the Canadian government's programs and

activities directed towards each of its five primary target groups will be examined. The data are from the 1967 publication by the Department of National Health and Welfare, The Canadian Smoking and Health Program: A Case History.

1. Professional Health Workers

The government found that the immediate need for professional health workers was an authoritative reference book containing the most significant reports on the smoking and health issue. The Smoking and Health Reference Book (Canada)⁸ began in March, 1964, was completed and edited by Dr. J. H. A. ready-reference section provided answers to the most frequently asked medical questions on smoking. Copies of the publication, prepared in both English and French) were sent to parliamentarians,

newsmen and every Canadian doctor as the first concrete evidence of the Canadian program.

The government also has sought to attract the attention of this group through a series of educational displays exhibited at major medical and public health conventions. For example:

Smoking machines, excellent attention-getters and participation inviters, were incorporated in these [exhibits] to demonstrate the dangerous tar content of cigarettes and the advantages of non-inhaling. ¹⁰

2. Teachers and Personnel in Teacher Training Institutions

To reach this group, the government put together a Teacher's Information Kit which included pamphlets, posters, reprints, reference lists and a comic book treatment of the smoking problem. The kit drew heavily from already existing sources and contained little indigenous Canadian material. The kit was planned, however, so that its interim make-up could be adapted to include new and better tested materials as the latter became available. Most of the items in the original kit have been superseded by distinctively Canadian materials. To provide national consistency, a Teacher's Resource Guide, designed for use within the standard health education curricula of the various provinces, was published in 1966. ¹¹

3. Pre-Teen and Teen-Age School Children

A number of different programs have been used to reach pre-teen and teen-age school children. Monthly soft sell ads using humor and teen-age jargon were placed in a national publication beamed at the high school student. A film produced by the National Film Board entitled "Let's Discuss Smoking" featured a group of secondary school students discussing the problem with an educational psychologist. In May, 1965, a Canadian Youth Conference on Smoking and Health was held in Ottawa to get further

man and every Canadian doctor as the first concrete evidence of the

Canadian program.

The government also has sought to attract the attention of this group

through a series of educational displays exhibited at major medical and

public health conventions. For example:

Smoking machines, excellent attention-getters and
participation incentives, were incorporated in these
[exhibits] to demonstrate the dangers and cost
of cigarettes and the advantages of non-smoking.¹⁰

2. Teachers and Personnel in Teacher Training Institutions

To reach this group, the government put together a Teacher's Information Kit which included pamphlets, posters, reprints, reference lists and a comic book treatment of the smoking problem. The kit drew heavily from already existing sources and contained little indigenous Canadian material. The kit was planned, however, so that its interior make-up could be adapted to include new and better tested materials as the latter became available. Most of the items in the original kit have been superseded by distinctively Canadian materials. To provide national consistency, a Teacher's Resource Guide, designed for use within the standard health education curriculum

of the various provinces, was published in 1966.¹¹

3. Pre-Teen and Teen-Age School Children

A number of different programs have been used to reach pre-teen and teen-age school children. Monthly soft sell ads using humor and teenage jargon were placed in a national publication based at the high school student. A film produced by the National Film Board entitled "Let's Discuss Smoking" featured a group of secondary school students discussing the problem with an educational psychologist. In May, 1963, a Canadian Youth Conference on Smoking and Health was held in Ottawa to get further

help in understanding the beliefs, attitudes and receptivity of this particular audience, to encourage teen-age participation in the program in the delegates' own regions, and to provide potential leaders with authoritative information and experience.

The Department of National Health and Welfare also commissioned the National Film Board to produce an animated cartoon entitled "The Drag" which portrayed a normal youngster taking up the habit which was initially unenjoyable and ultimately dangerous. The ridiculousness of his acceptance of cigarette smoking was the point to be put across, preferably with a good measure of belly laughs.¹² While emphasizing the soft-sell approach, the department's objective is still "to discourage cigarette smoking entirely, particularly among those who still have a choice -- young people who have not yet become dependant and committed to cigarettes as a part of their lives."¹³

4. Parent Organizations, Voluntary, Professional and Civic Groups

The government and this fourth target group cooperate:

A close working relationship with a number of national agencies directly committed to the objectives of the Program has been maintained from the first -- both through their representation on a technical advisory committee to the Minister, and through the association of natural allies.¹⁴

The 1964 Canadian Conference on Smoking and Health augmented the exchange of information and cooperation between these groups. Such an exchange was achieved "through direct liaison and by Advisory Committees on Health Education and on Research."¹⁵ Furthermore in 1968, a coordinating committee of key organizations was formed to carry out cooperative programs. This committee is composed of the Canadian Cancer Society, the Canadian Heart Foundation, the Canadian Tuberculosis and Respiratory

help in understanding the beliefs, attitudes and receptivity of this particular audience, to encourage teen-age participation in the program in the delegates' own regions, and to provide potential leaders with authoritative information and experience.

The Department of National Health and Welfare also commissioned the

National Film Board to produce an animated cartoon entitled "The Trick" which portrayed a normal youngster taking up the habit which was initially undesirable and ultimately dangerous. The ridiculousness of his acceptance of cigarette smoking was the point to be put across, preferably with a good measure of belly laughs.¹² While emphasizing the self-kill approach, the department's objective is still "to discourage cigarette smoking entirely, particularly among those who still have a choice -- young people who have not yet become dependent and committed to cigarettes as a part of their lives."¹³

4. Parent Organizations, Voluntary, Professional and Civic Groups

The government and this fourth target group cooperate:

A close working relationship with a number of national agencies directly committed to the objectives of the Program has been maintained from the first -- both through their representation on a technical advisory committee to the Minister, and through the association of natural allies.¹⁴

The 1964 Canadian Conference on Smoking and Health suggested the exchange of information and cooperation between these groups. Such an exchange was achieved "through direct liaison and by Advisory Committees on Health Education and on Research."¹⁵ Furthermore in 1968, a coordinating committee of key organizations was formed to carry out cooperative projects. This committee is composed of the Canadian Cancer Society, the Canadian Heart Foundation, the Canadian Tuberculosis and Respiratory

Disease Association, the Canadian Medical Association and the Department of National Health and Welfare. The activities of these health-interest groups will be dealt with later. The Canadian committee serves basically the same function as the American, National Interagency Council for Smoking and Health, coordinating efforts when possible and exchanging information.

5. The General Public

In addition to posters and publications, public service commercials have been used to inform the Canadian people of the hazards of cigarette smoking. Canada has no equivalent of the "fairness doctrine" used in the United States to compel Canadian television to allow free time for anti-smoking programs. However, the Department of National Health and Welfare is given free time voluntarily as a public service to the Canadian public. Some of this time is used for anti-smoking commercials. The government has been very cognizant of the difficult situation it faces in attempting to combat cigarette advertising:

Financially the Program was in no position to challenge the industry's multi-million dollar expenditure in their field. Free public service time was the one hope. It was a somewhat thin one, what with the broadcasters being sensitive to the relationship between the good will of the cigarette makers and their contribution to TV income.¹⁶

The government made funny, professionally excellent anti-smoking commercials primarily appealing to young people. The first 20-second color cartoons were aired initially by some Canadian stations in February, 1967, several months before the United States Federal Communications Commission decision applying the "fairness doctrine" to cigarette advertisements on television and radio. Although the government's commercials were restricted originally to young people's and women's programs, they have been scheduled increasingly during prime time. Furthermore, departmental publications and

Disease Association, the Canadian Medical Association and the Department of National Health and Welfare. The activities of these health-interest groups will be dealt with later. The Canadian committee serves basically the same function as the American, National Interagency Council for Smoking and Health, coordinating efforts when possible and exchanging information.

2. The General Public

In addition to posters and publications, public service commercials have been used to inform the Canadian people of the hazards of cigarette smoking. Canada has no equivalent of the "fairness doctrine" used in the United States to compel Canadian television to allow free time for anti-smoking programs. However, the Department of National Health and Welfare is given free time voluntarily as a public service to the Canadian public. Some of this time is used for anti-smoking commercials. The government has been very cognizant of the difficult situation it faces in attempting to

combat cigarette advertising:

Financially the Program was in no position to challenge the industry's multi-million dollar expenditure in their field. Free public service time was the one hope. It was a somewhat thin one, what with the broadcasters being sensitive to the relationship between the good will of the cigarette makers and their contribution to TV income.

The government made funny, professionally excellent anti-smoking commercials primarily appealing to young people. The first 30-second color cartoons were aired initially by some Canadian stations in February, 1967, several months before the United States Federal Communications Commission decision applying the "fairness doctrine" to cigarette advertisements on television and radio. Although the government's commercials were restricted originally to young people's and women's programs, they have been scheduled increasingly during prime time. Furthermore, departmental publications and

services have been natural media for projecting the smoking and health message in articles on related subjects.

The government, in describing its own programs, has emphasized the news media's substantial coverage in publicizing smoking-health activities which are announced through department news releases. They take pride in the department's policy that "only those stories which could meet the yardstick of a discriminating national newsmag should be offered"¹⁷ and "no release . . . has failed to reach the national news wires."¹⁸

Like the Federal Trade Commission in the United States, the Canadian government tests and publicly reports on the tar and nicotine contents of cigarettes. The first report was released by John Munro, Minister of National Health and Welfare on November 20, 1968, and showed tar and nicotine levels for 84 different types of cigarettes. The report announced that "the main purpose in releasing this information is to allow people to know tar and nicotine levels of the cigarettes they smoke so they may, if they wish, avoid those with high and choose those with low levels."¹⁹

A second report was released in May, 1969 and included the suggestion that "caution should be used in comparing the results with those obtained in the 1968 tests."²⁰ Test results eventually will be standardized so that results will be comparable over time as well as within a single test period, and hopefully uniform procedures will allow cross-national comparisons.

In the third report released in July, 1970 Munro noted that "some types [of cigarettes] show progressive reductions" in tar and nicotine contents, indicating that such reductions are feasible. He commented again, however, that "we know of no safe cigarette and it is my Department's position that by far the best measure is to stop smoking completely."²¹ In announcing

services have been natural media for projecting the smoking and health

message in articles on related subjects.

The Government, in describing its own programs, has emphasized the news media's substantial coverage in publicizing smoking-health activities which are announced through department news releases. They take pride in the department's policy that "only those stories which could meet the yardstick of a discriminating national newsmag should be offered"¹⁷ and "no release . . . has failed to reach the national news wires."¹⁸

Like the Federal Trade Commission in the United States, the Canadian Government tests and publicly reports on the tar and nicotine contents of cigarettes. The first report was released by John Munro, Minister of National Health and Welfare on November 20, 1968, and showed tar and nicotine

levels for 84 different types of cigarettes. The report announced that "the main purpose in releasing this information is to allow people to know tar and nicotine levels of the cigarettes they smoke so they may, if they wish, avoid those with high and choose those with low levels."¹⁹

A second report was released in May, 1969 and included the suggestion that "caution should be used in comparing the results with those obtained in the 1968 tests."²⁰ Test results eventually will be standardized so that results will be comparable over time as well as within a single test period, and hopefully uniform procedures will allow cross-national comparison.

In the third report released in July, 1970 Munro noted that "some types [of cigarettes] show progressive reductions" in tar and nicotine contents, indicating that such reductions are feasible. He commented again, however, that "we know of no safe cigarette and it is my department's position that by far the best measure is to stop smoking completely."²¹ In announcing

the results of the fourth tests on February 2, 1971 Munro cited the cooperation of his department with the Department of Agriculture in attempting to develop the tobaccos required for the production of less hazardous cigarettes. ²²

The Department of National Health and Welfare's smoking and health program is directed in the long range towards eroding the cigarette smoking habit. It is clear, however, from more recent Canadian government actions, that their patience in waiting for this long run effect is limited. Program changes are apt to continue to result from periodic program evaluations within government and from pressures from health interest groups and others for more dynamic government efforts to reduce cigarette smoking.

B. Legislative Efforts

The only national legislation regulating cigarette smoking in Canada came in 1908 with the passage of the Tobacco Restraint Act. This bill, intended to penalize those who made tobacco available to people under sixteen, was similar in content to a British law passed at about the same time. While the Canadian 1908 act has remained on the books, it has never been enforced. The act also sought to remedy the problem of already existing diverse and conflicting provincial legislation, and in effect, to bring unity and order to an otherwise confusing picture of regulation. The Minister of Justice, in introducing the 1908 act, commented that "it has been thought better that there should be some legislation of general application to the whole of Canada." ²³

Unlike both the United States where federal legislation in 1965 prohibited individual state action against cigarette smoking and Britain where the problems posed by federalism do not exist, Canada has imposed no legislative limits on its provinces on this issue. The question of provincial

The members of the fourth committee on February 2, 1971 have cited the cooperation of his department with the Department of Agriculture in attempting to develop the tobacco required for the production of less dangerous cigarettes.

The Department of National Health and Welfare's smoking and health program is directed in the long range towards ending the cigarette smoking habit. It is clear, however, from more recent Canadian government actions, that their patience in waiting for this long run effect is limited. Program changes are apt to continue to result from periodic program evaluations within government and from pressures from health interest groups and others for more dynamic government efforts to reduce cigarette smoking.

2. Legislative History

The only national legislation regulating cigarette smoking in Canada came in 1908 with the passage of the Tobacco Restriction Act. This bill, intended to penalize those who made tobacco available to people under sixteen, was similar in content to a British law passed at about the same time. While the Canadian 1908 act has remained on the books, it has never been enforced. The act also sought to remedy the problem of already existing diverse and conflicting provincial legislation, and in effect, to bring unity and order to an otherwise confusing picture of regulation. The Minister of Justice, in introducing the 1908 act, commented that "it has been thought better that there should be some legislation of general application to the whole of Canada."

Unlike both the United States where federal legislation in 1965 prohibited individual state action against cigarette smoking and Britain where the problem posed by restriction do not exist, Canada has imposed no legislative limits on its provinces on this issue. The question of provincial

prerogatives on this issue was not raised until 1971 when the province of British Columbia proposed a ban on all tobacco and liquor advertising. The possible conflict or disparity between national and provincial government actions poses a constant threat to the stable business environment of the tobacco industry. Uniform national legislation as in the United States and Great Britain provides a stable legal environment that is attractive to the industry. Recently this potential disparity and conflict has become a reality which may well force national legislation.

A number of bills to regulate cigarettes have been introduced into the Canadian Parliament. For example, Bill C-59, An Act to Repeal the Tobacco Restraint Act, was given its first reading on May 11, 1967. The bill sought to repeal the 1908 act which had proven ineffectual and unenforceable. Bill C-32, An Act to Restrain the Use of Tobacco, first read on the same day, continued the provisions of the 1908 act, which made it an offense to make cigarettes available to persons under the age of sixteen years. In addition, the bill sought to "protect the consumer or purchaser of tobacco products from being deceived or misled as to their character, toxicity or safety and to restrain the use and consumption of tobacco in Canada." The proposed act would have given the Governor in Council power to regulate the labelling, packaging, and advertising of tobacco products and is intended as a basis for the compulsory publicizing of tobacco product ingredients. Bill C-119, An Act to Amend the Tobacco Restraint Act, was introduced on May 29, 1967. The purpose of the bill was to "force the manufacturers of cigarettes to stipulate on their products that the said products may be injurious to health."

Other legislation was proposed to extend the protection of the Food and Drugs Act, which protects the consumer against inter alia fraudulent

photographs on this issue was not released until 1971 when the provision of

British Columbia proposed a ban on all tobacco and liquor advertising.

The possible conflict or disparity between national and provincial government action poses a constant threat to the stable business environment of the tobacco industry. British Columbia's legislation as in the United States and Great Britain provides a stable legal environment that is attractive to the industry. Recently this potential disparity and conflict has become a reality which may well force national legislation.

A number of bills to regulate cigarettes have been introduced into the Canadian Parliament. For example, Bill C-20, An Act to Regulate the Tobacco Industry Act, was given its first reading on May 11, 1967. The bill sought to repeal the 1908 act which had proven ineffectual and unenforceable. Bill

C-21, An Act to Regulate the Use of Tobacco, first read on the same day, contained the provisions of the 1908 act, which made it an offence to make cigarettes available to persons under the age of sixteen years. In addition,

the bill sought to "protect the consumer or purchaser of tobacco products

from being deceived or misled as to their character, toxicity or safety and to restrain the use and consumption of tobacco in Canada." The proposed act would have given the Governor in Council power to regulate the labelling, packaging, and advertising of tobacco products and its ingredients as a basis for the compulsory labelling of tobacco product ingredients.

Bill C-119, An Act to Amend the Tobacco Industry Act, was introduced on May 13, 1967. The purpose of the bill was to "force the manufacturers of

of tobacco to stipulate on their products that the said products may be

injurious to health."

Further legislation was proposed to extend the protection of the

Tobacco Act, which protects the consumer against false advertising

advertising and selling of food, drugs, cosmetics, and devices to tobacco products.²⁴ Bill C-287, An Act to Amend the Broadcasting Act, first introduced April 5, 1967, sought to control or prohibit cigarette advertising.

None of these proposed bills advanced past the first reading stage in Parliament and the ineffectual 1908 act is still law. There is a close similarity between legislative attempts in Canada and proposals or legislative attempts in Canada and proposals or actions in the United States and Great Britain. As we shall see, Canadian policy has been somewhat constrained by the actions or inactions of its powerful neighbor.

Canadian legislative action regulating cigarette smoking has been separate from the administrative actions we have discussed which were taken without legislative initiative. Legislative action has focussed attention on the problem and highlighted some of the possible alternatives.²⁵ No legislation actually has been passed to date, but the Canadian government seems to be moving inexorably toward legislation to control cigarette advertising.

This conclusion is substantiated further by governmental reports released since 1968. In response to six private member bills introduced in the House of Commons, bills which sought to regulate cigarettes or cigarette advertising, the Standing Committee on Health, Welfare and Social Affairs held lengthy hearings to gather testimony on possible government actions.²⁶

The serious temper of the hearings was set at the opening by Health Minister John Munro in his presentation to the committee on December 19, 1968. He evinced the realization by the government that regulatory alternatives warranted exploration. The Report on Cigarette Smoking and Health which he presented reviewed: 1) cigarette smoking as a health problem;

advertising and selling of food, drugs, cosmetics, and devices to reduce
 products. Bill C-237, An Act to amend the Food and Drug Act, first intro-
 duced April 2, 1967, sought to control or prohibit cigarette advertising.

Some of these proposed bills advanced past the first reading stage
 in Parliament and the Intellectual Property Act is still law. There is a close
 similarity between legislative attempts in Canada and proposals or legisla-
 tive attempts in Canada and proposals or actions in the United States
 and Great Britain. As we shall see, Canadian policy has been somewhat
 constrained by the actions or inactions of its powerful neighbors.

Canadian legislative action regarding cigarette smoking has been
 separate from the administrative actions we have discussed which were taken
 without legislative initiative. Legislative action has focused attention
 on the problem and highlighted some of the possible alternatives.²² No
 legislation actually has been passed to date, but the Canadian government
 seems to be moving inexorably toward legislation to control cigarette
 advertising.

This conclusion is substantiated further by governmental reports
 released since 1968. In response to six private member bills introduced
 in the House of Commons, bills which sought to regulate cigarettes or
 cigarette advertising, the Standing Committee on Health, Welfare and Social
 Affairs held lengthy hearings to gather testimony on possible government
 actions.²³

The serious nature of the hearings was set at the opening by Health
 Minister John G. Diefenderfer in his presentation to the committee on December 19,
 1968. He evoked the realization by the government that regulatory action
 was warranted exploration. The report on Cigarette Smoking and Health
 which he presented reviewed: 1) cigarette smoking as a health problem;

2) the Canadian smoking and health program and 3) further possibilities for action. With reference to additional possible government actions,

Munro stated:

It is clear that to accelerate progress towards the elimination of the health hazards of cigarette smoking and to ensure success in achieving this goal both intensification of present efforts and use of additional methods will be required.

. . . It now appears that certain actions now considered desirable can only be obtained by legislation.²⁷

The magnitude of the evidence indicating the dangers of cigarette smoking led to government support for remedial action. Munro added:

The evidence of the dangers of cigarette smoking is now overwhelming and the magnitude of the health problem very large and increasing. Every effort to reduce the prevalence, amount and dangers₂₈ of cigarette smoking could, therefore, now be justified.

Canadian legislative hearings are a sign of government interest and concern in developing a legislative program to combat the problem. Without government support, no committee hearings would have been held.²⁹

The minister suggested two considerations upon which all other actions to control cigarette smoking could be based: (1) "any effort to promote the use of cigarettes would be inconsistent with the objective of doing everything possible--short of an outright ban on the sale and use of cigarettes;" (2) "Continued sale of the product could only be consistent with this objective if accompanied by an adequate warning of the risks for potential users; a list of contents; and instructions regarding less hazardous use."³⁰

The Department of National Health and Welfare recommended to the committee that they explore the feasibility of further action in three categories: (I) legislation, (II) voluntary action by cigarette manufacturers and (III) increased social action apart from legislation. The following is an outline of the alternatives which Health Minister Munro suggested in

(1) the Canadian smoking and health program and (2) further possibilities for action. With reference to additional possible government actions,

it is stated:

It is clear that to accelerate progress towards the elimination of the health hazards of cigarette smoking and to ensure success in achieving this goal both intensification of present efforts and use of additional methods will be required.

... It now appears that certain actions now considered desirable can only be obtained by legislation.

The magnitude of the evidence indicating the dangers of cigarette

smoking led to government support for remedial action. There is added:

The evidence of the dangers of cigarette smoking is now overwhelming and the magnitude of the health problem very large and increasing. Every effort to reduce the prevalence, extent and danger of cigarette smoking could, therefore, now be justified.

Canadian legislative hearings are a sign of government interest and concern in developing a legislative program to combat the problem. Without government

support, no committee hearings would have been held.

The minister suggested two considerations upon which all other actions to control cigarette smoking could be based: (i) "any effort to promote the use of cigarettes would be inconsistent with the objective of doing everything possible--short of an outright ban on the sale and use of cigarettes;"

(ii) "continued sale of the product could only be consistent with this objective if accompanied by an adequate warning of the risks for potential users; a list of contents; and instructions regarding less hazardous use."

The Department of National Health and Welfare recommended to the committee that they explore the feasibility of further action in three categories: (i) legislation, (ii) voluntary action by cigarette manufacturers and (iii) increased social action apart from legislation. The following is an outline of the alternatives which Health Minister Evans suggested in

his testimony, many of which already have been proposed and/or discussed in the United States.

I. Legislation

A. Cigarette advertising and promotional activities

1. A complete ban on all cigarette advertising and promotional efforts.
2. A ban on cigarette smoking in advertising for all products other than cigarettes.

If a complete ban on cigarette advertising or promotion was not feasible, the following combination of measures was suggested:

1. Elimination of the act of cigarette smoking from all cigarette advertisements and advertisements for other products.
2. Elimination of all advertisements that could be construed as suggesting that people smoke more or take more puffs on a cigarette.
3. Elimination of all coupon and premium schemes and the free distribution of cigarettes.

The Minister carefully noted the possible conflicts between federal and provincial jurisdiction in the matter of cigarette advertising controls and suggested that the committee consider other alternatives in the event that the above suggestions were not feasible in federal law.

Partial advertising bans were not recommended and Britain was cited as an example of the fact that a partial ban is likely to result in increased promotional activities in other permissible areas. United States governmental agencies also noted this difficulty in their deliberations and the FCC deferred at first to broader FTC action to prevent this shift in advertising. In Britain, the elimination of cigarette advertising on television was followed by increases in overall promotional budgets and in coupon gift schemes. The elimination of TV and radio cigarette advertising in the United States beginning 1971 resulted in a greater than 400 per cent

has testimony, many of which already have been proposed and/or discussed in the United States.

1. Legislation

- A. Cigarette advertising and promotional activities
1. A complete ban on all cigarette advertising and promotional activities.
2. A ban on cigarette smoking in advertising for all products other than cigarettes.

If a complete ban on cigarette advertising or promotion was not feasible, the following combination of measures was suggested:

1. Elimination of the act of cigarette smoking from all cigarette advertisements and coverages for other products.
2. Elimination of all advertisements that could be construed as suggesting that people smoke more or take more puffs on a cigarette.
3. Elimination of all coupon and premium schemes and the free distribution of cigarettes.

The Director carefully noted the possible conflicts between federal and provincial jurisdiction in the matter of cigarette advertising controls and suggested that the committee consider other alternatives in the event that the above suggestions were not feasible in federal law.

1. Strict advertising bans were not recommended and Britain was cited as an example of the fact that a partial ban is likely to result in increased promotional activities in other permissible areas. United States government agencies also noted the difficulty in their deliberations and the fact that referred at first to prohibit FCC action to prevent this shift in advertising. In Britain, the elimination of cigarette advertising on radio and television was followed by increases in overall promotional budgets and in the elimination of TV and radio cigarette advertising. The elimination of TV and radio cigarette advertising in the United States beginning in 1971 resulted in a greater than one per cent

increase in newspaper cigarette advertising, an over 100 per cent increase in magazine advertising and an over 600 per cent increase in outdoor advertising. In fact, even with the elimination of some \$211 million dollars in broadcast cigarette advertising, total advertising outlays for the year dropped only 28 per cent from 1970 to some \$200 million. ³¹

B. Cigarettes and cigarette packages and cartons

1. A statement on all cigarette packages and cartons that would warn potential and current smokers of the dangers and indicate to smokers a less hazardous way to use the product. A suggested statement was:

Warning: The smoke of these cigarettes contains cancer-producing chemicals, irritants, nicotine, carbon monoxide, and other toxic substances and should not be inhaled into the lungs.

Munro also suggested that consideration be given to a required warning in all cigarette advertising that might remain after legislative action.

Several samples were noted:

Danger: Cigarette Smoking Can Cause Disease and Death.

Danger: Cigarette Smoking Can Cause Dependency, Damage Health and Shorten Life.

Warning: Cigarette Smoking is Dangerous to Health and May Cause Death Especially from Coronary Heart Disease, Cancer and Chronic Bronchitis.

Warning: The Use of Tobacco May be Hazardous to Your Health.

The Minister carefully noted legislative action taken in the United States and the stronger cautionary statement that at the time had been recommended by the Federal Trade Commission as a result of public surveys and the FTC's review of the situation.

2. Maximum levels of tar and nicotine contents be established for all cigarettes, plain-end and filter.

increase in newspaper cigarette advertising, an over 100 per cent increase in magazine advertising and an over 600 per cent increase in outdoor advertising. In fact, even with the elimination of some \$211 million dollars in broadcast cigarette advertising, total advertising outlays for the year dropped only 28 per cent from 1970 to some \$100 million. 31

B. Cigarettes and cigarette packages and cartons

1. A statement on all cigarette packages and cartons that would warn potential and current smokers of the dangers and indicate to smokers a less hazardous way to use the product. A suggested statement was:

Warning: The smoke of these cigarettes contains cancer-producing chemicals, irritants, nicotine, carbon monoxide, and other toxic substances and should not be inhaled into the lungs.

It is also suggested that consideration be given to a required warning

in all cigarette advertising that might remain after legislative action.

Several samples were noted:

Warning: Cigarette Smoking Can Cause Disease and Death.
 Danger: Cigarette Smoking Can Cause Dependancy, Damage Health and Shorten Life.
 Warning: Cigarette Smoking is Dangerous to Health and May Cause Death Especially from Coronary Heart Disease, Cancer and Chronic Bronchitis.
 Warning: The Use of Tobacco May be Hazardous to Your Health.

The Federal Trade Commission noted legislative action taken in the United States and the stronger cautionary statement that at the time had been recommended by the Federal Trade Commission as a result of public surveys and the FTC's review of the situation.

2. Maximum levels of tar and nicotine contents be established for all cigarettes, plain and filter.

- a. Moderate initial maximums and progressive decreases in tar and nicotine levels be established as growers and manufacturers adapted to the change and thus result in substantial reductions in exposure over the long term.
- b. Maximum levels of tar and nicotine contents be established for all filter cigarettes.

This suggestion was based on the government's assumption that "it is desirable to reduce exposure to cigarette smoke constituents as much as possible."³² The second alternative was given because filter cigarettes constitute about three-fourths of cigarettes sold in Canada. Thus, maximum levels of tar and nicotine for filter cigarettes would affect smokers of over 70 per cent of cigarettes sold in Canada.

- c. A requirement that all cigarette sales outlets adequately display a current list of tar and nicotine levels of cigarettes sold in Canada along with information about ways that smokers can reduce their exposure to tar, nicotine and other cigarette smoke constituents.

Munro commented:

This action would consistently provide consumers with information at the point of sale. The periodic issuance of reports by the Department of National Health and Welfare would be of limited value unless smokers were able to readily compare brands at the point of sale. The posting of this information could be expected to gradually reduce total exposure to cigarette smoke constituents by stimulating the choice of low tar, low nicotine cigarettes and the adoption of less hazardous ways to smoke.³³

II. Voluntary Industry Actions

A second set of alternatives proposed by Munro dealt with voluntary actions which the cigarette manufacturers could take themselves.

A. Research

- 1. Ways that cigarette smokers might avoid inhalation.
- 2. Ways that cigarette smoke might be made less toxic, irritating or cancer-producing.

- a. Moderate initial maximums and progressive decreases in tar and nicotine levels be established as criteria and manufacturers adapted to the criteria and thus result in substantial reductions in exposure over the long term.
- b. Maximum levels of tar and nicotine contents be established for all filter cigarettes.

This suggestion was based on the Government's assumption that it is desirable to reduce exposure to cigarette smoke constituents as much as possible." 32 The second alternative was given because filter cigarettes constitute about three-fourths of cigarettes sold in Canada. Thus, maximum levels of tar and nicotine for filter cigarettes would affect smokers of over 70 per cent of cigarettes sold in Canada.

- c. A requirement that all cigarette sales outlets adequately display a current list of tar and nicotine levels of cigarettes sold in Canada along with information about ways that smokers can reduce their exposure to tar, nicotine and other cigarette smoke constituents.

Munro commented:

This action would consistently provide consumers with information at the point of sale. The periodic issuance of reports by the Department of National Health and Welfare would be of limited value unless smokers were able to readily compare brands at the point of sale. The posting of this information could be expected to gradually reduce total exposure to cigarette smoke constituents by stimulating the choice of low tar, low nicotine cigarettes and the adoption of less hazardous ways to smoke. 33

11. Voluntary Industry Actions

A second set of alternatives proposed by Munro dealt with voluntary

actions which the cigarette manufacturers could take themselves.

A. Research

- 1. Ways that cigarette smokers might avoid inhalation.
- 2. Ways that cigarette smoke might be made less toxic, irritating or cancer-producing.

B. Information for Consumers

1. Manufacturers might consider placing a colored line on all cigarettes to indicate the point at which consumers had been exposed to 10 milligrams of tar.
2. The voluntary listing of tar and nicotine levels on cigarette packages and cartons.

III. Increased Social Action Apart From Legislation

Of this third and final category of possible alternative actions

Manro said:

. . . by its very nature cigarette smoking is a social problem as well as a personal health problem. Increased participation by all sectors of the community could help to reduce its spread among young persons, its hold on continuing smokers and its continuing appeal to former smokers. ³⁴

- A. The increased production of health education materials by the Department of National Health and Welfare and others and an increased use of the media especially television and radio.

The latter could be accomplished by the following:

1. Cooperation of the media stimulated by the Radio-Television Commission for the broadcasters and the provinces in the case of other media.
 2. A legal requirement of free time or space as in the case of the United States Federal Communications Commission ruling regarding the obligation of radio and television stations to provide free time for smoking and health messages.
- B. The increased participation of organizations and individuals in the nationwide smoking and health program.

Manro further explained this point by saying:

We are thinking, for example, that industrial and business concerns might conduct programs among their own employees for the sake of the latter as well as increased efficiency and reduced costs due to lost time from work; businesses who deal with the public such as banks, railroads and stores could also contribute to public education by displaying posters and publications; hospitals and other health service facilities could also participate in this way and insurance companies might reduce premiums for non-smokers. ³⁵

B. Information for Consumers

1. Manufacturers might consider placing a colored line on all cigarettes to indicate the point at which consumers had been exposed to 10 milligrams of tar.
2. The voluntary listing of tar and nicotine levels on cigarette packages and cartons.

III. Increased Social Action Apart from Legislation

Of this kind and final category of possible alternative actions

might be:

1. . . . by its very nature cigarette smoking is a social problem as well as a personal health problem. Increased participation by all sectors of the community could help to reduce its spread among young persons; its hold on continuing smokers and its continued appeal to former smokers.
- A. The increased production of health education materials by the Department of National Health and Welfare and others and an increased use of the media especially television and radio.

The latter could be accomplished by the following:

1. Cooperation of the media stimulated by the Radio-Television Commission for the producers and the provinces in the case of other media.
2. A legal requirement of free time or space as in the case of the United States Federal Communications Commission ruling requiring the obligation of radio and television stations to provide free time for smoking and health messages.
- B. The increased participation of organizations and individuals in the nationwide smoking and health program.

Further explained this point by saying:

We are thinking, for example, that industrial and business concerns might conduct programs among their own employees for the sake of the latter as well as increased efficiency and reduced costs due to lost time from work; businessmen who deal with the public such as banks, railroads and stores could also contribute to public education by displaying posters and publications; hospitals and other health service facilities could also participate in this way and insurance companies might reduce premiums for non-smokers.

C. The gradual elimination of smoking and the sale of cigarettes in a variety of places to reduce the impression that cigarette smoking is socially acceptable and that it is courteous to smoke anywhere.

D. Increased research into the behavioral and pharmacological aspects of cigarette dependence.

Manro was so "convinced of the hazard-- the frequently fatal hazard of smoking" that he announced in his testimony that he was fighting to give up his own smoking habit:

. . . I am trying to quit. Why? Because I want to live, and live a healthy life; because I have come to appreciate the damage I do to my physical system by smoking and because, as Minister of Health, it is my hope that all Canadians will come to this same realization.³⁶

Manro's personal commitment to reduce cigarette consumption has played an important part in helping to publicize the controversy and in pressuring for action.

The government supported the referral of the Private Member Bills to the Health, Welfare and Social Affairs Committee in the hope that new legislative action would "contribute materially to the reduction of smoking" and also that:

. . . it would also be a sign--a sign to the entire Canadian public, including the tobacco industry, that the parliamentary representatives of the Canadian people are disturbed about the health damage being caused by cigarettes, and want to visibly and concretely demonstrate this concern by recommending legislative action.³⁷

As in the United States, the symbolic importance of government actions was not overlooked. The committee itself pointed out that "perhaps the most compelling reason to introduce practicable legislation to control the promotion of cigarette smoking is to bring consistency and mutual reinforcement into society's actions to deal with the problem."³⁸ Symbolically the government must act to signify its concern and assert

C. The gradual elimination of smoking and the sale of cigarettes in a variety of places to reduce the impression that cigarette smoking is socially acceptable and that it is common to smoke anywhere.

D. Increased research into the behavioral and pharmacological aspects of cigarette dependence.

Munro was so "convinced of the hazard--the frequently fatal hazard

of smoking" that he announced in his testimony that he was fighting to

give up his own smoking habit:

... I am trying to quit. Why? Because I want to live, and live a healthy life; because I have come to appreciate the damage I do to my physical system by smoking and because, as Minister of Health, it is my hope that all Canadians will come to this same realization.

Munro's personal commitment to reduce cigarette consumption has played an important part in helping to publicize the controversy and in pressing for action.

The government supported the referral of the Private Member Bill to the Health, Welfare and Social Affairs Committee in the hope that new legislative action would "contribute materially to the reduction of

smoking" and also that:

... it would also be a sign--a sign to the entire Canadian public, including the tobacco industry, that the parliamentary representatives of the Canadian people are disturbed about the health damage being caused by cigarettes, and want to visibly and concretely demonstrate this concern by recommending legislative action.

As in the United States, the symbolic importance of government action was not overlooked. The committee itself pointed out that "perhaps the most compelling reason to introduce practicable legislation to control the promotion of cigarette smoking is to bring consistency and uniform reinforcement into society's actions to deal with the problem."

Officially the government must act to rightify its concern and assure

its responsibility in protecting the public interest. The inconsistency and confusion caused by the absence of restraints on cigarette advertising was noted by the committee and one of its important recommendations was to gradually eliminate the promotion of cigarette sales.

Munro, in his committee testimony, also took note of the economic importance of tobacco which will be more clearly documented:

It is often claimed that the tobacco industry is one of our most economically important Canadian enterprises. To a certain extent, this is true. The number of jobs generated in the growth and manufacture of tobacco products is large. The consumer spending it generates adds to our economy, and I do not need the Minister of Finance to remind me that an important segment of federal and provincial government tax revenue comes from cigarettes. ³⁹

While noting the economic importance of tobacco, the Minister also pointed out its costs:

Over and above these economic questions remains the human factor. We can never lose sight of the fact that the issue is the health and happiness, and indeed the lives, of countless Canadians. ⁴⁰

These costs were documented in a memo from the Department of National Health and Welfare entitled "The Estimated Cost of Certain Identifiable Consequences of Cigarette Smoking Upon Health, Longevity, and Property in Canada in 1966," ⁴¹ which was prepared to augment the Minister's testimony. The report, released while committee hearings continued, sought to balance testimony introduced by industry spokesmen about the economic importance of tobacco production and cigarette manufacture and sale. The Canadian government has gone to considerable lengths to measure and document the economic costs of cigarette smoking so that meaningful comparisons can be made. The government estimates that dollar costs (in Canadian currency) are approximately \$400,000,000 per year:

its responsibility in protecting the public interest. The inconsistency and confusion caused by the absence of restraint on cigarette advertising was noted by the committee and one of its important recommendations was to gradually eliminate the promotion of cigarette sales.

Moreover, in his committee testimony, also took note of the economic

importance of tobacco which will be more clearly documented:

It is often claimed that the tobacco industry is one of our most economically important Canadian enterprises. To a certain extent, this is true. The number of jobs generated in the growth and manufacture of tobacco products is large. The consumer spending it generates adds to our economy, and I do not need the Minister of Finance to remind me that an important segment of retail and provincial government tax revenue comes from cigarettes.

While noting the economic importance of tobacco, the Minister also pointed

out its costs:

Over and above these economic questions remains the human factor. We can never lose sight of the fact that the issue is the health and happiness, and indeed the lives, of countless Canadians.

These costs were documented in a memo from the Department of National Health and Welfare entitled "The Estimated Cost of Certain Identifiable Consequences of Cigarette Smoking: From Health, Productivity, and Property in Canada in 1966,"⁴¹ which was prepared to augment the Minister's testimony. The report, released while committee hearings continued, sought to balance testimony introduced by industry spokesmen about the economic importance of tobacco production and cigarette manufacture and sale. The Canadian government has gone to considerable lengths to measure and document the economic costs of cigarette smoking so that meaningful comparisons can be made. The government estimates that dollar costs (in Canadian currency) are approximately \$400,000,000 per year:

Lung cancer accounted for \$56,000,000 of this, coronary heart disease for \$201,000,000, chronic bronchitis for \$14,000,000, emphysema for \$7,000,000, other disabilities for \$96,000,000, and fires caused by smoking for \$13,500,000. The four diseases, to the extent they are attributed to smoking, caused 29,000 cases of illness treated by physicians, 755,000 patient-days in hospital and 5,900 deaths before age 65 for the year 1966. ⁴²

In an eloquent passage, the authors of the report directly faced the crucial difficulty of measuring cigarette smoking costs and benefits:

Some may regard those consequences of smoking as economic costs, and the productivity of the cigarette industries (growing, manufacturing, and distributing) as economic benefits, and set up some sort of accounting between the two, thereby showing either a gain or a loss on their balance. To do this would be to fly in the face of economic reality, for the provision of health services is as much a contribution to our National Product as is the manufacture of cigarettes. It is valid, however, to identify the consequences of an action. We can say that if people smoke, the consequences will be thus and so. We can say that if people smoke, society must accept all the consequences and not just some of them. Thus, if we are to say that we smoke to maintain the product, the employment, and the tax revenue generated by the cigarette industry, we must also accept its consequences of damaged health, reduced life-span, destroyed property, preempted hospital beds, preoccupied surgeons, and orphaned children, and must be willing to sustain the misery and agony of the suffering that the tobacco-borne diseases inevitably entail. The \$378,000,000 toll cannot, of course, cover the cost of that suffering. ⁴³

C. Isabelle Committee Report

The Report of the Standing Committee on Health, Welfare and Social Affairs on Tobacco and Cigarette Smoking was released in late 1969 after the committee had held 28 formal meetings in 1968-69 to hear testimony and consider published evidence on the cigarette smoking-health question. The committee, chaired by M. P. Dr. M. Gaston Isabelle who played an important part in the hearings and especially in writing the final report, thoroughly examined the health issue "particularly with respect to the importance of statistics, the nature of scientific evidence, and the

lung cancer accounted for \$50,000,000 of this, coronary heart disease for \$101,000,000, chronic bronchitis for \$14,000,000, emphysema for \$7,000,000, other diseases for \$20,000,000, and fires caused by smoking for \$13,500,000. The four diseases, to the extent they are attributed to smoking, caused 29,000 cases of illness treated by physicians, 755,000 patient-days in hospital and 5,900 deaths before age 65 for the year 1960.

In an eloquent passage, the authors of the report directly faced the crucial difficulty of measuring cigarette smoking costs and benefits:

Some may regard those consequences of smoking as economic costs, and the productivity of the cigarette industries (growing, manufacturing, and distributing) as economic benefits, and set up some sort of accounting between the two, thereby showing either a gain or a loss on their balance. To do this would be to fly in the face of economic reality, for the provision of health services is as much a contribution to our National Product as is the manufacture of cigarettes. It is valid, however, to identify the consequences of an action. We can say that if people smoke, the consequences will be thus and so. We can say that if people smoke, society must accept all the consequences and not just some of them. Thus, if we are to say that we smoke to maintain the product, the employment, and the tax revenue generated by the cigarette industry, we must also accept its consequences of damaged health, reduced life-span, destroyed property, preempts hospital beds, preoccupied surgeons, and orphaned children, and must be willing to sustain the misery and agony of the suffering that the tobacco-borne diseases inevitably entail. The \$378,000,000 toll cannot, of course, cover the cost of that suffering.

C. Isabelle Committee Report

The Report of the Standing Committee on Health, Welfare and Social Affairs on Tobacco and Cigarette Smoking was released in late 1969 after the committee had held 28 formal meetings in 1968-69 to hear testimony and consider published evidence on the cigarette smoking-health question. The committee, chaired by M. P. Dr. M. Gaston Isabelle who played an important part in the hearings and especially in writing the final report, thoroughly examined the health issue "particularly with respect to the importance of statistics, the nature of scientific evidence, and the

balance of expert testimony." The committee concluded: "There appears to be decreasing reason to conclude that possible alternative explanations could account for a substantial portion of the relationship between cigarette smoking and disease." ⁴⁴

The committee, in effect accepted the reasoning and concern shown in Health Minister Munro's opening presentation. In explaining the basis for action, the committee insightfully examined the tobacco growers' and manufacturers' position with exceptional candor. They noted:

It would seem unrealistic to expect tobacco growers and manufacturers to acknowledge the dangers of smoking. If they did, the inconsistencies between such an acknowledged belief and their behaviour would make it impossible for many of them to continue producing tobacco or cigarettes. But it is important, in recognizing the position that must be taken by tobacco growers and manufacturers, to assert that it is no longer in the public interest to prolong the debate about whether cigarette smoking is a health hazard. Too many potential or current smokers are liable to be misled or given false hope by such debate. ⁴⁵

Almost the exact same argument verbatim has been used in the United States by those who wish to act to reduce smoking without worrying about the question of causality.

The committee's report was a manifesto for strong action by the Canadian government similar in impact to the Surgeon General's report in the United States and The Royal College of Physicians and Surgeon's report in Great Britain. The Canadian report is a paragon of clear reasoning and broad consideration of a pressing problem. The report observed:

One can only conclude that on the basis of the evidence, governments and health authorities have a continuing responsibility to

- (a) Do whatever is possible to reduce or eliminate cigarette smoking by Canadians.
- (b) Encourage wherever feasible, less hazardous ways of smoking for those who cannot stop. ⁴⁶

balance of expert testimony." The committee concluded: "There appears to be a necessary reason to conclude that possible alternative explanations could account for a substantial portion of the relationship between cigarette smoking and disease." 44

The committee, in effect accepted the reasoning and concern shown in Health Minister Munro's opening presentation. In explaining the basis for action, the committee insistently examined the tobacco growers' and manufacturers' position with exceptional candor. They noted:

It would seem unrealistic to expect tobacco growers and manufacturers to acknowledge the dangers of smoking. If they did, the inconsistencies between such an acknowledged belief and their behaviour would make it impossible for many of them to continue producing tobacco or cigarettes. But it is important, in recommending the position that must be taken by tobacco growers and manufacturers, to assert that it is no longer in the public interest to prolong the debate about whether cigarette smoking is a major hazard. Too many potential or current smokers are liable to be misled or given false hope by such debate. 45

Almost the exact same argument verbatim has been used in the United States by those who wish to act to reduce smoking without worrying about the question of causality.

The committee's report was a manifesto for strong action by the Canadian government similar in impact to the Surgeon General's report in the United States and The Royal College of Physicians and Surgeons' report in Great Britain. The Canadian report is a product of clear reasoning and broad consideration of a pressing problem. The report observed:

One can only conclude that on the basis of the evidence, physicians and health officials have a moral obligation to recommend that:

- (a) to whatever extent possible to reduce or eliminate cigarette smoking by Canadians,
- (b) to encourage the use of low tar cigarettes, and
- (c) to encourage the use of low tar cigarettes.

Elsewhere in the report, the economic difficulties involved in the controversy are noted and the committee concluded that "if it were not for the economic complexities of the problem, the evidence would have been acted upon much sooner than it was." ⁴⁷ This is quite a candid statement for a government report and is typical of the insight and sensitivity with which the Canadian report was written. The committee more emphatically stated:

There can be no question that if cigarettes were a food or drug or being newly marketed, their sale would have to be prohibited or strongly regulated on the basis of evidence now available, the known constituents of the smoke and the express purpose for which they are sold. ⁴⁸

The committee noted, however, that cigarettes cannot be banned today without a less hazardous substitute because cigarette smoking is too widespread and is the basis of "an economically important industry from grower through to retailer." ⁴⁹ Furthermore, the committee cited its own fears of widespread illegal manufacture and distribution, as well as economic hardship for those displaced by any "precipitous dismantling" of the industry. In addition, they noted that "any hope of developing less hazardous products by means of government-industry cooperation would be lost." ⁵⁰

In acting to reduce the cigarette smoking-health problem, the government had to face two problems, protecting the public and protecting the interests of various segments of the tobacco industry. It was clear to the committee that "production, distribution and the sale of cigarettes should no longer be considered in the same light as the production, distribution and sale of other products." ⁵¹ Yet, the committee realized that its recommended actions to reduce cigarette sales would affect tobacco growers and others and that preparations should be made to assist those who have been harmed.

elsewhere in the report, the economic difficulties involved in the controversy are noted and the committee concluded that "if it were not for the economic complexities of the problem, the evidence would have been acted upon much sooner than it was." 47 This is quite a candid statement for a government report and is typical of the insight and sensitivity with which the Canadian report was written. The committee more

emphatically stated:

There can be no question that if cigarettes were a food or drug or being newly marketed, their sale would have to be prohibited or strictly regulated on the basis of evidence now available. The known constituents of the smoke and the exposure factors for which they are sold. 48

The committee noted, however, that cigarettes cannot be banned today without a less hazardous substitute because cigarette smoking is too widespread and is the basis of "an economically important industry from grower through to retailer." 49 Furthermore, the committee cited its own fears of widespread illegal manufacture and distribution, as well as economic hardship for those displaced by any "prescriptions" of the industry. In addition, they noted that "any hope of developing less hazardous products by means of government-industry cooperation would be lost." 50

In acting to reduce the cigarette smoking-health problem, the government had to face two problems, protecting the public and protecting the interests of various segments of the tobacco industry. It was clear to the committee that "production, distribution and the sale of cigarettes should no longer be considered in the same light as the production, distribution and sale of other products." 51 Yet, the committee realized that the recommended actions to reduce cigarette sales would affect tobacco growers and others and that preparations should be made to assist those who have been harmed.

The committee carefully tackled the question that cigarettes should be banned immediately, commenting:

It has been argued that if cigarette smoking is harmful, all sales of the product should be banned and failing this, that it would be constitutionally and legally improper to interfere with its promotion. However, common sense tells us that it would not be in the public interest to prohibit cigarette sales. The cigarette stands unique among health and social problems. Therefore, society is justified in seeking unique solutions and in rejecting arguments based on technicalities. ⁵²

The uniqueness argument (which is based upon economic considerations and the acceptance and prevalence of the habit) has also been used in the United States to legitimize government action which is controversial, but its use in Canada has been based primarily upon the awareness, not clearly acknowledged and publicly stated in the U. S., that government responsibility lies both in protecting the public and in protecting those who have been making their livings from tobacco growing, manufacture and sale. Perhaps the smaller size of the Canadian economy allows the federal government to more easily calculate and weigh the possible consequences of its actions. The government's awareness includes the recognition that there are no simple solutions to this multidimensional problem.

The committee openly espoused the view that voluntary actions to reduce the smoking-health problem are preferable to government regulation. Yet, even in suggesting voluntary cooperation and holding out the possibility of government mitigation of the economic hardships caused by its actions, the committee clearly mapped out various tactics to obtain a reduction in cigarette smoking.

The committee's recommendations take up 21 pages of the 53-page report and are too extensive to summarize accurately. The sensitivity

The committee carefully studied the question that alternatives should

be banned immediately, commencing:

It has been argued that if cigarette smoking is banned, all sales of the product should be banned and selling this, that it would be constitutionally and legally improper to interfere with its production. However, common sense tells us that it would not be in the public interest to prohibit cigarette sales. The cigarette industry is a major source of revenue for the government and is justified in seeking and its solution and in rejecting arguments based on technicalities.

The uniqueness argument (which is based upon economic considerations and

the acceptance and prevalence of the habit) has also been used in the

United States to legitimize government action which is controversial,

but its use in Canada has been based primarily upon the uniqueness, not

clearly acknowledged and publicly stated in the U.S., that government

responsibility lies both in protecting the public and in protecting

those who have been making their living from tobacco growing, manufact-

ure and sale. Perhaps the smaller size of the Canadian economy allows

the federal government to more easily calculate and weigh the possible

consequences of its actions. The government's awareness includes the

recognition that there are no simple solutions to this multidimensional

problem.

The committee openly espoused the view that voluntary actions to

reduce the smoking-related problem are preferable to government regula-

tions. Yet, even in suggesting voluntary cooperation and holding out the

possibility of government mitigation of the economic hardships caused by

its actions, the committee clearly mapped out various tactics to obtain

a reduction in cigarette smoking.

The committee's recommendations take up 21 pages of the 33-page

report and are too extensive to summarize succinctly. The succinctly

and breadth of the committee's considerations and the elegance and brevity of their written report has added considerable weight to their recommendations and enhanced greatly the sophistication of the government's understanding of the role and tactics they may use in dealing with the problem. The committee took advantage of the experiences of many other countries in examining and suggesting Canadian strategy. In fact, the committee heard Dr. Daniel Horn, Director of the National Clearinghouse for Smoking and Health, who testified on the U.S. program.⁵³ Certain recommendations have been highlighted by the committee and they are reproduced below as evidence of the pragmatism of the proposed program and the breadth of the committee's considerations.

Recommendations:

A. Eliminating the promotion of cigarette sales

Your Committee recommends that cigarette advertising and all other promotion of cigarette sales be progressively eliminated.

Your Committee recommends that [free] distribution [of cigarettes] be prohibited, whether by cigarette manufacturers, transportation companies, hospital auxiliaries and others.

Your Committee recommends that legislation be enacted to prohibit an increase above current levels of the amounts spent on cigarette advertising in any medium or all media combined.

Your Committee also recommends that legislation be enacted to permit the promotion of brand identification only in any remaining advertising.

Your Committee recommends that any advertising or promotional materials, remaining after one year be required to carry the same warning as that designed for use on cigarette packages and cartons and cigarette vending machines.

B. Increasing Educational Efforts to Discourage Cigarette Smoking

Your Committee recommends the continuation and expansion of existing programs in order that Canadians might be reminded of the dangers and assisted in their efforts to avoid or discontinue smoking or to smoke in less hazardous ways.

and breadth of the committee's considerations and the eloquence and brevity of their written report has added considerable weight to their recommendations and enhanced greatly the sophistication of the government's understanding of the role and tactics they may use in dealing with this problem. The committee took advantage of the experiences of many other countries in examining and adopting a sound strategy. In fact, the committee heard Dr. Daniel Horn, Director of the National Clearinghouse for Smoking and Health, who testified on the U.S. program. Certain recommendations have been highlighted by the committee and they are reproduced below as evidence of the pragmatism of the proposed program and the breadth of the committee's considerations.

Recommendations:

A. Eliminating the promotion of cigarette sales

Your Committee recommends that cigarette advertising and all other promotion of cigarette sales be prohibited.

Your Committee recommends that (free) distribution of cigarettes be prohibited, whether by cigarette manufacturers, transportation companies, hospital authorities and others.

Your Committee recommends that legislation be enacted to prohibit an increase above current levels of the amount spent on cigarette advertising in any medium or all media combined.

Your Committee also recommends that legislation be enacted to permit the promotion of brand identification only in any remaining advertising.

Your Committee recommends that any advertising or promotional materials, remaining after one year be required to carry the same warning as that designed for use on cigarette packages and cartons and cigarette vending machines.

B. Increasing Educational Efforts to Discourage Cigarette Smoking

Your Committee recommends the continuation and expansion of existing programs in order that Canadians might be required of the dangers and assisted in their efforts to avoid or discontinue smoking or to smoke in less hazardous ways.

Your Committee recommends that increased efforts be directed toward the production and showing of imaginative television promos and films in general.

Your Committee recommends that arrangements be made through the Canadian Radio-Television Commission for increased use of smoking and health commercials on television and radio as compulsory prime-time public service announcements.

Your Committee recommends that increased attention be given to surveys of public knowledge, opinion and other measures of the effectiveness of smoking and health programs.

Coordinating committees or councils are required at national, provincial and local levels and increased efforts should be made to correct deficiencies in these regards.

C. Less Hazardous Smoking

Your Committee recommends that, within two years, Canadian cigarette manufacturers discontinue the production of cigarettes exceeding specified maximums of tar and nicotine content.

Your Committee recommends that the Department of National Health and Welfare continue to publish current tables of the tar and nicotine levels of the smoke of cigarettes sold in Canada.

Your Committee recommends that all cigarette packages and cartons, cigarette advertising and promotional materials and cigarette vending machines be required to carry government authorized statements of tar and nicotine levels.

Your Committee recommends the wide promotion of measures to reduce the intake of cigarette smoke constituents, gases as well as tar and nicotine, by continuing cigarette smokers.

Your Committee recommends that research into less hazardous products and ways to smoke be increased and that the Department of National Health and Welfare and the Department of Agriculture stimulate such research within government as well as by cigarette manufacturers and universities.

D. Miscellaneous

Your Committee recommends increased experimentation in provision of such screening services and the early adoption into general medical and public health practice of those methods that are effective and efficient.

Your Committee recommends that increased efforts be directed toward the production and showing of informative television programs and films in general.

Your Committee recommends that arrangements be made through the Canadian Radio-Television Commission for increased use of smoking and health commercials on television and radio as compulsory prime-time public service announcements.

Your Committee recommends that increased attention be given to surveys of public knowledge, opinion and other measures of the effectiveness of smoking and health programs.

Coordinating committees or councils are required at national, provincial and local levels and increased efforts should be made to correct deficiencies in these regards.

10. Less Hazardous Smoking

Your Committee recommends that, within two years, Canadian cigarette manufacturers discontinue the production of cigarettes exceeding specified maximums of tar and nicotine content.

Your Committee recommends that the Department of National Health and Welfare continue to publish current tables of the tar and nicotine levels of the smoke of cigarettes sold in Canada.

Your Committee recommends that all cigarette packages and cartons, cigarette advertising and promotional materials and cigarette vending machines be required to carry government authorized statements of tar and nicotine levels.

Your Committee recommends the wide promotion of measures to reduce the intake of cigarette smoke constituents, gases as well as tar and nicotine, by continuing cigarette smokers.

Your Committee recommends that research into less hazardous products and ways to smoke be increased and that the Department of National Health and Welfare and the Department of Agriculture stimulate such research within government as well as by cigarette manufacturers and universities.

11. Miscellaneous

Your Committee recommends increased experimentation in provision of such screening services and the early adoption into general medical and public health practice of those methods that are effective and efficient.

Your Committee wishes to commend teachers, nurses, physicians, and others such as the Canadian Home and School and Parent Teacher Federation for their continuing endeavour to maintain and encourage the important exemplar role.

Your Committee recommends that, out of consideration for the majority of Canadians who do not smoke, a gradually increasing number of no smoking areas or sections be provided in places or facilities used by the general public.

Your Committee recommends that hospitals, health departments and other health services and facilities consider the feasibility of discontinuing cigarette sales because of their inconsistency with health objectives and because of approval of cigarette smoking which is implied by their continuation.

Your Committee recommends that cigarette vending machines be placed only where they can be under continuing observation by responsible persons, and that prominent display of cigarettes be discouraged.

E. Assistance to Tobacco Growers and Workers in the Tobacco Industry

Your Committee recommends that the departments of Regional Economic Expansion, Agriculture, Manpower and Immigration, Industry, Trade and Commerce, and National Health and Welfare co-ordinate their efforts to assist the tobacco growers and workers in the tobacco industry to adjust to the major changes which will eventually develop.

F. Fires Caused by Smoking

Your Committee recommends that the National Research Council undertake studies in cooperation with tobacco companies to develop standards for cigarettes with respect to their "fuse" effects (this characteristic causes cigarettes to ignite combustible materials with which they come in contact.) It further recommends that these standards be the basis for subsequent legislation.

G. Finally, the Committee recommends that all levels of governments be urged to implement the recommendations contained in this report on matters falling within their jurisdiction. ⁵⁴

Regardless of the breadth, clarity, eloquence and sophistication of the committee's report, no immediate actions by the Canadian government against cigarette smoking were forthcoming. The recommendations were taken under consideration and study to await a politically opportune moment. This pause lasted for over a year.

Your Committee wishes to commend teachers, nurses, physicians, and others who are doing their best to help and encourage the important health role.

Your Committee recommends that, out of consideration for the majority of Canadians who do not smoke, a program of increasing the number of no smoking areas or sections be provided in places or facilities used by the general public.

Your Committee recommends that hospitals, health departments and other health services and facilities consider the feasibility of discontinuing cigarette sales because of their inconsistency with health objectives and because of approval of cigarette smoking which is implied by their continuation.

Your Committee recommends that cigarette vending machines be placed only where they can be under continuing observation by responsible persons, and that prominent display of cigarettes be discouraged.

Assistance to Tobacco Growers and Workers in the Tobacco Industry

Your Committee recommends that the departments of regional economic expansion, Agriculture, Manpower and Immigration, Industry, Trade and Commerce, and National Health and Welfare co-ordinate their efforts to assist the tobacco growers and workers in the tobacco industry to adjust to the major changes which will eventually develop.

Fires Caused by Smoking

Your Committee recommends that the National Research Council undertake studies in cooperation with tobacco companies to develop standards for cigarettes with respect to their "tar" effects (the characteristic cancer-causing cigarettes to ignite combustible materials with which they come in contact). It further recommends that these standards be the basis for subsequent legislation.

Finally, the Committee recommends that all levels of government be urged to implement the recommendations contained in this report on matters falling within their jurisdiction.

Recommendations of the breadth, clarity, evidence and sophistication of

the Committee's report, no immediate action by the Canadian Government

against cigarette smoking were forthcoming. The recommendations were

under consideration and study to await a politically opportune

moment. This pause lasted for over a year.

In May, 1971, the government of British Columbia stepped into the apparent impasse and banned all tobacco and liquor advertisements starting September, 1971.⁵⁵ In addition, the provincial government considered other measures to reduce cigarette consumption. Publications coming from outside the province which might contain cigarette advertisements would be exempted. Health Minister of the province Ralph Loffmark expressed the hope that other provinces would follow British Columbia's example.

In June, 1971, the federal government introduced far reaching legislation which had been worked on after the release of the Commons' committee report. The bill called for a complete ban on all forms of cigarette advertising beginning January 1, 1972. The legislation, clearly based on the recommendations of the House of Commons committee, also empowered the government to set standards on tar and nicotine content and authorized an inspection system to ensure that the standards were met. The bill required that cigarette manufacturers list tar and nicotine contents on cigarette packages and include the statement: "Warning: Danger to health increases with amount smoked, avoid inhaling." Cigarettes also would have to be marked with a "circumferential ring" to warn that cigarettes smoked beyond this mark emit smoke containing high concentrations of tar and nicotine. With the passage of this proposed legislation, Canada will have enacted the most far reaching controls over cigarettes of any country. Violation of the provisions of this bill could bring a maximum penalty of a \$100,000 fine or five years in jail if the bill is passed. Yet, the possible effectiveness of these measures in reducing cigarette consumption remains uncertain.

D. Industry Reaction

The tobacco industry said it was "overwhelmed" by the bill's scope. They contended that the ban would result in hardships to many people in

In May, 1971, the Government of British Columbia stepped into the apparent vacuum and banned all tobacco and liquor advertisements starting September, 1971. In addition, the provincial government considered other measures to reduce cigarette consumption. Legislation coming from outside the province which might contain cigarette advertisements would be exempted. Health Minister of the province Ralph Callaghan expressed the hope that other provinces would follow British Columbia's example.

In June, 1971, the federal government introduced far reaching legislation which had been worked on after the release of the "Commonwealth Committee Report". The bill called for a complete ban on all forms of cigarette advertising beginning January 1, 1972. The legislation, clearly based on the recommendations of the House of Commons committee, also empowered the government to set standards on tar and nicotine content and authorized an inspection system to ensure that the standards were met. The bill required that cigarette manufacturers list tar and nicotine contents on cigarette packages and include the statement: "Warning: Danger to health increases with amount smoked, avoid inhaling." Cigarettes also would have to be marked with a "circumferential ring" to warn that cigarettes smoked beyond this mark emit smoke containing high concentrations of tar and nicotine. With the passage of this proposed legislation, Canada will have enacted the most far reaching controls over cigarettes of any country. Violation of the provisions of this bill could bring a maximum penalty of a \$100,000 fine or five years in jail if the bill is passed. Yet, the possible effectiveness of these measures in reducing cigarette consumption remains uncertain.

The Industry Reaction

The tobacco industry said it was "overwhelmed" by the bill's scope. It contended that the ban would result in harm to people in

the marketing field in Canada, would prevent the introduction of new brands and seriously restrict competition among manufacturers. Munro suggested that the ban on cigarette advertising would "end all inducement to smoke." 56

In September, 1971, the Canadian Tobacco Manufacturers Council representing the industry announced that they would end cigarette advertising voluntarily on radio and television January 1, 1972. 57 In view of the uncertainties created by the government's introduction of Bill C-248 to ban all cigarette promotion the tobacco industry adopted a series of measures to curtail cigarette advertising. The potential impact of this legislation threatened the tobacco industry and more importantly a number of related industries. Paré observed at a news conference at which he announced the industry actions:

Most distressing is that since June 10th [when the bill was introduced] this industry has been in a turmoil as a result of Bill C-248. Manufacturers are caught in the middle of the bind. Because the Minister has not clarified important proposals the manufacturers have been importuned by their own marketing people, by advertising agencies, by media and by cultural and sporting organizations to tell them what we would be planning to do for 1972. 58

He voiced specific concern about a) the future of the outdoor advertising industry; b) the future of Canadian consumer magazines; and c) the future of the tobacco industry's association with and sponsorship of many cultural and sporting events, all of which Paré noted the government's proposed legislation placed in jeopardy.

The four major Canadian tobacco manufacturers responded to this uncertainty by revising the industry's existing voluntary cigarette advertising code. Yet, neither the advertising industry nor the tobacco growers were consulted in the development of the revised code. Paré

the marketing field in Canada, would prevent the introduction of new brands and seriously restrict competition among manufacturers. There suggested that the ban on cigarette advertising would "end all inducement to smoke." 26

In September, 1971, the Canadian Tobacco Manufacturers Council representing the industry announced that they would end cigarette advertising voluntarily on radio and television January 1, 1972. 27 In view of the uncertainties created by the government's introduction of Bill C-568 to ban all cigarette promotion the tobacco industry adopted a series of measures to curtail cigarette advertising. The potential impact of this legislation threatened the tobacco industry and more importantly a number of related industries. Fair observed at a news conference at which he announced the industry actions:

Most distressing is that since June 1971 (when the bill was introduced) this industry has been in a turmoil as a result of Bill C-568. Manufacturers are caught in the middle of the bill. Because the Minister has not clarified important proposals the manufacturers have been hampered by their own marketing people, by advertising agencies, by media and by cultural and sporting organizations to tell them what we would be planning to do for 1972. 28

is voiced specific concern about a) the future of the outdoor advertising industry; b) the future of Canadian consumer magazines; and c) the future of the tobacco industry's association with and sponsorship of many cultural and sporting events, all of which Fair noted the government's proposed legislation placed in jeopardy.

The four major Canadian tobacco manufacturers responded to this uncertainty by revising the industry's existing voluntary cigarette advertising code. Yet, neither the advertising industry nor the tobacco producers were consulted in the development of the revised code. Fair

noted that the industry had considered and rejected orchestrating "a concerted effort" by all elements of the industry and related industries, to see if they could convince the government that the interests of the country, the government, and the industry would not be well served if the government conducted a very wide-spread, well-directed lobby against the bill. Against the opposition of some tobacco related groups the industry decided against a unified effort.

The industry's revisions of the advertising code were seen by Paré as a "logical step to provide 1972 guidelines for our marketing divisions, our agencies and the advertising media." He continued that "we have attempted to answer to the intent of Bill C-248 without placing certain segments of the business, communications and agricultural communities in jeopardy." He also clearly noted in the conclusion of his announcement that "the revised code brings the Canadian industry into line with the situation existing in the United Kingdom and the United States." Paré explained that cigarette advertising was not being banned from the printed media because only TV and radio cigarette advertising are "perceived as being most offensive." Yet, the industry's actions go beyond voluntary or legislative actions taken in the United States or Britain. The Canadian code establishes a precedent by placing a ceiling on cigarette advertising in other media based upon 1971 expenditures.

Another new element in the industry's voluntary agreement is probably indicative of the direction in which governmental regulation is headed in the U. S. and Great Britain as well as in Canada. The industry set limitations to become effective January 1, 1972 on the average tar and nicotine content of cigarette smoke not to exceed 22 milligrams of tar

industry decided against a unified effort.

The industry's revisions of the advertising code were seen by Fairé as a "logical step to provide 1972 guidelines for our marketing division, our agencies and the advertising media." He continued that "we have attempted to answer to the intent of Bill C-322 without pinning certain segments of the business, communications and agricultural communities in jeopardy." He also clearly noted in the conclusion of his announcement that "the revised code brings the Canadian industry into line with the situation existing in the United Kingdom and the United States." Fairé explained that cigarette advertising was not being banned from the printed media because only TV and radio cigarette advertising are "perceived as being most offensive." Yet, the industry's actions go beyond voluntary or legislative actions taken in the United States or Britain. The Canadian code establishes a precedent by placing a ceiling on cigarette advertising in other media based upon 1971 expenditures.

Another new element in the industry's voluntary agreement is probably indicative of the direction in which governmental regulation is headed in the U.S. and Great Britain as well as in Canada. The industry set limitations to become effective January 1, 1975 on the average tar and nicotine content of cigarette smoke not to exceed 12 milligrams of tar

and 1.6 milligrams of nicotine per cigarette.⁵⁹ Thus, Canada which had trailed behind the United States and Great Britain has at least momentarily, and even without legislative action, leap-frogged beyond them based almost entirely on the extensive hearings and report of the Commons committee.

The proposed government bill would have required a caution statement reading: "Warning: danger to health increases with amount smoked, avoid inhaling." The industry first agreed to voluntarily print that "excessive cigaret smoking may be hazardous to your health," but in consultation with and with the agreement of the Department of National Health and Welfare the wording was changed to: "Warning: The Department of National Health and Welfare advises that danger to health increases with amount smoked."

Paré explained that the Canadian industry's voluntary action went farther than other countries where information, incidentally, is a great deal more advanced in this area of the smoking and health controversy than it is in Canada." He suggested that "these considerations might recommend themselves to the government and, that hopefully, the deferment of the Bill, perhaps in indefinite terms, might ensue." But he added "that would be a hope rather than an expectation."

and the utilization of nicotine per cigarette. 29. That, Canada which
 had limited during the United States and Great Britain but at least
 voluntarily, and even without legislative action, long-recognized beyond
 that based almost entirely on the extensive findings and reports of the
 various committees.

The proposed government bill would have required a caution state-
 ment reading: "Warning: danger to health increases with amount smoked,
 avoid inhaling." The industry first agreed to voluntarily print that
 "cigarette smoking may be hazardous to your health," but in
 consultation with and with the agreement of the Department of National
 Health and Welfare the wording was changed to: "Warning: The Department
 of National Health and Welfare advises that danger to health increases
 with amount smoked."

That explained that the Canadian industry's voluntary action went
 further than other countries where information, incidentally, is a great
 deal more advanced in this area of the smoking and health controversy
 than it is in Canada. He suggested that "these considerations might
 recommend themselves to the government and, that hopefully, the deter-
 ment of the bill, perhaps in indefinite terms, might come." But he
 said "that would be a hope rather than an expectation."

Footnotes - Chapter VIII

1. Canada, Department of National Health and Welfare, The Canadian Smoking and Health Program: A Case History (Ottawa, 1967), p. 1.
2. Ibid., p. 3. Also see A.J. Phillips and Michael E. Palko, "The Canadian Smoking and Health Programme," Proceedings of the Ninth International Cancer Congress, Vol. X, ed. F.J.C. Harris (Berlin: Springer-Verlag, 1967), p. 158.
3. Canada, Department of National Health and Welfare, Report on Cigarette Smoking and Health, a report presented to the Health, Welfare and Social Affairs Committee of the House of Commons, December 19, 1968, p. 5. (Mimeographed.)
4. Ibid.
5. Ibid., p. 6.
6. Canada, Department of National Health and Welfare, News Release Number 1971-167: Munro Announces Budget Increase for Smoking and Health Program, September 22, 1971. Total smoking and health expenditures have increased from \$126 thousand in fiscal 1964-65 to \$350 thousand in 1972-3. In an interview with O.D. Lewis on November 3, 1970, it was stated that the Program in 1970 consisted of only two full time staff members plus secretaries who work for the Department of National Health and Welfare.
7. Canada, Department of National Health and Welfare, The Canadian Smoking and Health Program . . ., p. 4.
8. Ibid.
9. Canada, Department of National Health and Welfare, Smoking and Health Reference Book (Canada) (Ottawa: Queen's Printer and Controller of Stationery, 1964).
10. Canada, Department of National Health and Welfare, The Canadian Smoking and Health Program . . ., p. 7.
11. Ibid., p. 16.
12. The film received a 1967 Academy Award Nomination in the animated cartoon class.

Footnotes - Chapter VIII

1. Canada, Department of National Health and Welfare, The Canadian Smoking and Health Program: A Case History (Ottawa, 1967), p. 1.
2. Ibid., p. 3. Also see A.J. Phillips and Michael E. Falke, "The Canadian Smoking and Health Program," Proceedings of the Ninth International Cancer Congress, Vol. X, ed. F.J.C. Harris (Berlin: Springer-Verlag, 1967), p. 138.
3. Canada, Department of National Health and Welfare, Report on Cigarette Smoking and Health, a report presented to the Health, Welfare and Social Affairs Committee of the House of Commons, December 19, 1968, p. 2. (Mimeographed.)
4. Ibid.
5. Ibid., p. 6.
6. Canada, Department of National Health and Welfare, News Release Number 1971-167: Munro Announces Budget Increase for Smoking and Health Program, September 22, 1971. Total smoking and health expenditures have increased from \$126 thousand in fiscal 1964-65 to \$350 thousand in 1972-73. In an interview with O.D. Lewis on November 3, 1970, it was stated that the program in 1970 consisted of only two full time staff members plus secretaries who work for the Department of National Health and Welfare.
7. Canada, Department of National Health and Welfare, The Canadian Smoking and Health Program . . . , p. 4.
8. Ibid.
9. Canada, Department of National Health and Welfare, Smoking and Health Reference Book (Canada) (Ottawa: Queen's Printer and Controller of Stationery, 1964).
10. Canada, Department of National Health and Welfare, The Canadian Smoking and Health Program . . . , p. 7.
11. Ibid., p. 16.
12. The film received a 1967 Academy Award Nomination in the animated cartoon class.

13. Canada, Department of National Health and Welfare, Report on Cigarette Smoking and Health, p. 9.
14. Canada, Department of National Health and Welfare, The Canadian Smoking and Health Program , p. 13.
15. Canada, Department of National Health and Welfare, Report on Cigarette Smoking and Health, p. 7.
16. Canada, Department of National Health and Welfare, The Canadian Smoking and Health Program , pp. 14-15.
17. Ibid., p. 9.
18. Ibid.
19. Canada, Department of National Health and Welfare, News Release Number 1968-104, November 20, 1968, p. 1.
20. Canada, Department of National Health and Welfare, News Release Number 1969-80, May 27, 1968, p. 2. Changes have resulted in either testing or cigarette manufacturing procedures. These tests are presently conducted by Dr. W.F. Waterloo, Waterloo, Ontario and are supported by the Department of National Health and Welfare.
21. Canada, Department of National Health and Welfare, News Release Number 1970-73: Tar and Nicotine Levels of Canadian Cigarettes Drop, July 21, 1970.
22. Canada, Department of National Health and Welfare, News Release Number 1971-17, February 2, 1971.
23. Canada, Debates (Commons), V (1907-8), p. 9022. See Canada, An Act to Restrain the Use of Tobacco, Bill C-32, 2nd Session, 27th Parliament, 16 Elizabeth II (1967).
24. Bill C-154 An Act to Amend the Food and Drugs Act was given its first reading September 29, 1967.
25. J.R. Mallory commented that in Canada, legislative committees are useful in considering broad policy questions with a view to legislation and investigation of particular operations of public policy. The House of Commons committee hearings on cigarette smoking were of the first variety noted by Mallory. He wrote:

What is really important is to allow interested parties their opportunities to present their cases and to confront the public with the considered but often conflicting views of the experts. If the object of inquiry is legislation, then much can be gained by placing the inquiry in the hands of experienced legislators.

13. Canada, Department of National Health and Welfare, Report on the
Public Health and Safety, p. 9.
14. Canada, Department of National Health and Welfare, The Canadian
Public Health Service, p. 13.
15. Canada, Department of National Health and Welfare, Report on the
Public Health and Safety, p. 7.
16. Canada, Department of National Health and Welfare, The Canadian
Public Health Service, p. 14-15.
17. Public Health and Safety, p. 9.
18. Public Health and Safety, p. 9.
19. Canada, Department of National Health and Welfare, Public Health
Service, November 19, 1968, p. 1.
20. Canada, Department of National Health and Welfare, Public Health
Service, May 17, 1968, p. 2. Changes have resulted in either
the closing or changing manufacturing procedures. These tests are
currently conducted by Dr. W.F. Watkinson, Waterloo, Ontario and are
supported by the Department of National Health and Welfare.
21. Canada, Department of National Health and Welfare, Public Health
Service, November 19, 1968, p. 1.
22. Canada, Department of National Health and Welfare, Public Health
Service, February 2, 1971.
23. Canada, Public Health (Commons), V (1967-68), p. 9022. See Canada, Public
Health (Commons), V (1967-68), p. 9022. See Canada, Public
Health (Commons), V (1967-68), p. 9022. See Canada, Public
Health (Commons), V (1967-68), p. 9022.
24. Bill C-154 to Amend the Food and Drugs Act was given the first
reading September 29, 1967.
25. J. R. Malloy commented that in Canada, legislative committees are
not in consideration of broad policy questions with a view to legis-
lation and investigation of particular operations of public policy.
The House of Commons committee has been on committee making were of
the first variety noted by Malloy. He wrote:

What is really important is to allow interested parties their
opportunities to present their cases and to confront the public
with the considered but often conflicting views of the experts.
If the object of industry is legislation, then much can be gained
by placing the inquiry in the hands of experienced legislators.

J.R. Mallory, "The Uses of Legislative Committees," Journal of Canadian Public Administration, VI (March, 1963), pp. 1-15.

26. Note: These bills were very similar to bills previously introduced and already discussed. Three of these bills were introduced by M.P. Barry Mather. Bill C-45 "is to protect the consumer or purchaser of tobacco products from being deceived or misled as to their character, toxicity or safety and to restrain the use and consumption of tobacco in Canada. It will give the Governor in Council power to regulate the advertising of tobacco products and it is also intended as a basis for the compulsory publicizing of the ingredients in tobacco products." Bill C-39 enables the Canadian Radio and Television Commission to enact regulations controlling or prohibiting cigarette advertising. Bill C-53 would extend to tobacco products the protection of the Food and Drugs Act which protects the consumer against inter alia fraudulent advertising and the selling of food, drugs, cosmetics and devices. M.P. Yanakis introduced two bills. Bill C-134 would force cigarette manufacturers to indicate on their packaging that their products constitute a serious health hazard. Bill C-137 would amend the Broadcasting Act to prohibit cigarette advertising. M.P. Howe introduced Bill C-147 which seeks to give the Governor in Council power to set the maximum amount of tar or nicotine a particular cigarette may contain legally. Such action, he noted, would force the manufacturer to produce a "safe" cigarette. He also commented that his bill was in line with the thinking of the Department of Health and Welfare judging by remarks made to the Standing Committee on Health and Welfare on June 21, 1966 by Dr. J.N. Crewford, Deputy Minister of the Department. He said that "we are so concerned about the impact of cigarette smoking in the health of the population that we would be prepared to do almost anything to assist in the elimination of this problem." See Canada, Standing Committee on Health Welfare and Social Affairs, Minutes of Proceedings and Evidence (Commons), No. 10 (January 16, 1969), p. 1754.
27. Canada, Department of National Health and Welfare, Report on Cigarette Smoking and Health, p. 10.
28. Ibid.
29. Conversation with M.P. Barry Mather.
30. Canada, Department of National Health and Welfare, Report on Cigarette Smoking and Health, p. 10. Note: The minister commented that "illegal trafficking could be anticipated and all hope of making cigarettes less hazardous would be lost." He continued that "the use of the cigarette has become widely accepted in our culture and public opinion could not be expected to tolerate a ban. Also, law-respecting smokers who cannot stop smoking would be placed in a difficult position about the source of their cigarettes."

J.L. Millard, "The Case of Legislative Committees," Journal of Canadian Public Administration, 11 (June, 1967), pp. 1-13.

26. Note: These bills were very similar to bills previously introduced and already discussed. Three of these bills were introduced by M.P. Barry Mathier. Bill C-45 "is to protect the consumer or purchaser of tobacco products from being deceived or misled as to their character, toxicity or safety and to restrain the use and consumption of tobacco in Canada. It will give the Governor in Council power to regulate the advertising of tobacco products and it is also intended as a basis for the compulsory prohibition of the ingredients in tobacco products." Bill C-46 copies the Canadian Radio and Television Commission to exact regulations controlling or prohibiting cigarette advertising. Bill C-47 would extend to tobacco products the protection of the Food and Drug Act which protects the consumer against interference with the sale and the selling of food, drugs, cosmetics and devices. M.P. Mathier introduced two bills. Bill C-48 would force cigarette manufacturers to indicate on their packaging that their products contain a serious health hazard. Bill C-49 would amend the Cigarette Act to prohibit cigarette advertising. M.P. Mathier introduced Bill C-50 which seeks to give the Governor in Council power to set the maximum amount of tar or nicotine a particular cigarette may contain in mg. and mg. and also would force the manufacturer to provide a "tar" cigarette. He also commented that his bill was in line with the intention of the President of Health and Welfare being by request made to the Standing Committee on Health and Welfare on June 21, 1966 by J.K. Gaudet, Deputy Minister of the Department. He said that "we are so concerned about the impact of cigarette smoking on the health of the population that we would be prepared to do almost anything to assist in the elimination of this problem." See Canada, Committee on Health, Welfare and Social Affairs, Minutes of Proceedings and Evidence (Ottawa), No. 10 (January 19, 1967), p. 17.
27. Canada, Department of National Health and Welfare, Report on Cigarette Smoking and Health, p. 10.
28. Ibid.
29. Conversation with M.P. Barry Mathier.
30. Canada, Department of National Health and Welfare, Report on Cigarette Smoking and Health, p. 10. Note: The minister commented that "difficult trading could be anticipated and all forms of advertising cigarettes less hazardous would be lost." He commented that "the use of the cigarette has become widely accepted in our culture and public opinion could not be expected to tolerate a ban. Also, law respecting smokers who cannot stop smoking would be placed in a difficult position about the source of their cigarettes."

31. John D. Morris, "Cigarette Ads Up in Publications," The New York Times, January 19, 1972.
32. Canada, Department of National Health and Welfare, Report on Cigarette Smoking and Health, p. 16.
33. Ibid. The results of government testing is discussed at another point in this study.
34. Ibid., p. 18.
35. Ibid.
36. Canada, Standing Committee on Health, Welfare and Social Affairs, Minutes of Proceedings and Evidence (Commons), No. 9 (December 19, 1968), p. 128.
37. Ibid., p. 129.
38. Canada, Report of the Standing Committee on Health, Welfare and Social Affairs on Tobacco and Cigarette Smoking (Commons) (Ottawa: Queen's Printer for Canada, 1969), p. 31.
39. Canada, Standing Committee on Health, Welfare and Social Affairs, Minutes . . ., (December 19, 1968), p. 128.
40. Ibid., p. 129.
41. Canada, Department of National Health and Welfare, Research and Statistics Memo, June, 1969. Also see Canada, Department of National Health and Welfare, News Release Number 1969-87: Health Minister Releases Estimates of Smoking Costs, June 18, 1969.
42. Canada, Department of National Health and Welfare, News Release Number 1969-87: Health Minister Releases Estimates of Smoking Costs, June 18, 1969.
43. Canada, Department of National Health and Welfare, Research . . ., June, 1969, p. 1.
44. Canada, Report of the Standing Committee on Health, Welfare and Social Affairs . . ., p. 7.
45. Ibid., p. 9.
46. Ibid.
47. Ibid., p. 12.
48. Ibid., p. 9.

41. John D. Morris, "Cigarette Ads Up in Publications," New York Times, January 19, 1972.
42. Canada, Department of National Health and Welfare, Report on Cigarette Smoking and Health, p. 16.
43. Ibid. The results of government testing is discussed at another point in this study.
44. Ibid., p. 18.
45. Ibid.
46. Canada, Standing Committee on Health, Welfare and Social Affairs, Minutes of Proceedings and Evidence (Commons), No. 9 (December 19, 1969), p. 128.
47. Ibid., p. 129.
48. Canada, Report of the Standing Committee on Health, Welfare and Social Affairs on Smoking and Cigarette Smoking (Commons) (Ottawa: Queen's Printer for Canada, 1969), p. 31.
49. Canada, Standing Committee on Health, Welfare and Social Affairs, Minutes . . ., (December 19, 1968), p. 128.
50. Ibid., p. 129.
51. Canada, Department of National Health and Welfare, Research and Statistics Memo, June, 1969. Also see Canada, Department of National Health and Welfare, News Release Number 1969-87: Health Minister Releases Estimates of Smoking Costs, June 13, 1969.
52. Canada, Department of National Health and Welfare, News Release Number 1969-87: Health Minister Releases Estimates of Smoking Costs, June 13, 1969.
53. Canada, Department of National Health and Welfare, Research . . ., June, 1969, p. 1.
54. Canada, Report of the Standing Committee on Health, Welfare and Social Affairs . . . , p. 7.
55. Ibid., p. 9.
56. Ibid.
57. Ibid., p. 12.
58. Ibid., p. 9.

49. Ibid.
50. Ibid., p. 10. Earlier Munro had said: "The practice of smoking is so ingrained that, even leaving aside the massive affront to individual freedom, the outright ban of cigarettes would not be effective. Furthermore, in regard to young people, we cannot encourage a 'forbidden fruit' syndrome." See Canada, Standing Committee on Health, Welfare and Social Affairs, Minutes . . . (December 19, 1968), p. 129.
51. Ibid., p. 30.
52. Ibid. My emphasis added.
53. Canada, Standing Committee on Health, Welfare and Social Affairs, Minutes of Proceedings and Evidence (Commons), No. 1 (November 18 and 20, 1969).
54. Canada, Report on the Standing Committee on Health, Welfare and Social Affairs . . ., p. 7.
55. At least two cigarette manufacturers, Imasco and Rothmans ignored the ban and sued the British Columbia government claiming the ban was not within the powers of the provincial government. Television and radio advertisements for liquor have long been banned in Canada.
56. "Canada Proposes Total Cigaret-Ads Ban, Tar-Nicotine Limits, Inspection, Warnings," The Wall Street Journal, June 11, 1971.
57. See "Canadians to End Ads for Tobacco," The New York Times, September 22, 1971.
58. Canadian Tobacco Manufacturers' Council, Press Conference (Ottawa, September 21, 1971).
59. Industry testing procedures differ from the method used by the government.

29. Industry testing procedures differ from the method used by the government.
28. Canadian Tobacco Manufacturers' Council, Press Conference (Ottawa, September 21, 1971).
27. See "Canadians to End Ads for Tobacco," The New York Times, September 22, 1971.
26. "Canada Proposes Total Cigarette-Abs Ban, Tar-Nicotine Limits, Inspection, Warnings," The Wall Street Journal, June 11, 1971.
25. At least two cigarette manufacturers, Imasco and Rothmans ignored the ban and sued the British Columbia government claiming the ban was not within the powers of the provincial government. Television and radio advertisements for liquor have long been banned in Canada.
24. Canada, Report on the Standing Committee on Health, Welfare and Social Affairs . . . , p. 7.
23. Canada, Standing Committee on Health, Welfare and Social Affairs, Minutes of Proceedings and Evidence (Ottawa), No. 1 (November 18 and 20, 1969).
22. Ibid. My emphasis added.
21. Ibid. . . . p. 30.
20. Ibid. p. 10. Earlter Munro had said: "The practice of smoking is so ingrained that, even leaving aside the massive affront to individual freedom, the outright ban of cigarettes would not be effective. Furthermore, in regard to young people, we cannot encourage a 'forbidden fruit' syndrome." See Canada, Standing Committee on Health, Welfare and Social Affairs, Minutes . . . (December 19, 1968), p. 129.

Chapter IX: Canadian Tobacco Industry's Response

A. Formal Presentations

The Canadian tobacco industry's position in the cigarette smoking-health controversy has been explicated in two formal presentations. The first entitled Some Scientific Perspectives for Consideration of Smoking and Health was presented by an Ad Hoc Committee of the Canadian Tobacco Industry to the Conference on Smoking and Health sponsored by the Department of National Health and Welfare in November, 1963.

The industry gave three reasons for its presentation: (1) the Department of National Health and Welfare had issued a formal invitation; (2) the industry, its products and many of its actions allegedly had been subjected to widespread emotional criticism and (3) the industry was confident of its record of integrity and responsibility achieved over the years through the adoption of sound policies in respect to the problems of smoking and health. The industry commented:

In the face of the sensational charges against its products, the Canadian tobacco industry has tried to maintain dignity and a sense of proportion. The industry has merely pointed out to concerned groups, or in response to inquiry, that the charges are unwarranted by the scientific evidence available.

The industry's presentation attempted to define the scientific weaknesses of the case against smoking; to present certain basic facts and unresolved questions; and to make specific suggestions for needed research. Like the American tobacco industry, the Canadian industry has claimed that it has long recognized its responsibility and cites as evidence its

A. Formal Presentations

The Canadian tobacco industry's position in the cigarette smoking-health controversy has been explicated in two formal presentations. The first entitled Scientific Basis for Cigarette Smoking and Health was presented by an Ad Hoc Committee of the Canadian Tobacco Industry to the Conference on Smoking and Health sponsored by the Department of National Health and Welfare in November, 1967.

The industry gave three reasons for its presentation: (1) the Department of National Health and Welfare had issued a formal invitation; (2) the industry, its products and many of its actions allegedly had been subjected to widespread emotional criticism and (3) the industry was confident of its record of integrity and responsibility achieved over the years through the adoption of sound policies in respect to the problems of smoking and health. The industry commented:

In the face of the sensational charges against its products, the Canadian tobacco industry has tried to maintain dignity and a sense of proportion. The industry has merely pointed out to concerned groups, or in response to industry, that the charges are unwarranted by the scientific evidence available.

The industry's presentation attempted to define the scientific weaknesses of the case against smoking; to present certain basic facts and unresolved questions; and to make specific suggestions for needed research. Like the American tobacco industry, the Canadian industry has claimed that it has long recognized its responsibility and cites as evidence its

funding of research aimed at obtaining answers to vital unanswered questions. They noted that "this direct interest of members of the Canadian tobacco industry antedates the current anti-smoking publicity efforts by a number of years." ² In January, 1954, their representatives met with officials of the Canadian Medical Association and the National Cancer Institute of Canada to seek advice as to how the industry could cooperate in initiating or furthering medical research:

In thus seeking the guidance of recognized authorities, the tobacco industry demonstrated its continuing desire to act in the public interest. The subsequent course followed by the industry was that recommended by these authorities.

Between 1954 and 1963, a total of about \$300,000 was made available by the Canadian cigarette manufacturing companies to the Lung Cancer Research Fund administered by the National Cancer Institute. ⁴ Yet, while it accepted the advice of Canadian health interest groups that additional research was needed, the industry failed to accept the conclusions resulting in part from the knowledge that has been gained from this additional research.

The industry's statement criticized the continuing publicity given to discussion of the "mounting evidence" against tobacco. They claimed that "the fact is that the 'mounting evidence' consists of repetition of the same charges restated by different people. This 'evidence' was and remains, inconclusive no matter how often it is repeated and restated." ⁵ This same argument has been repeated often by industry spokesmen in the United States. The Canadian industry argued that anti-smoking enthusiasts are creating the impression that the problems of lung cancer and heart disease simply would disappear if everybody stopped smoking. Almost mouthing the words used by their American counterparts, Canadian tobacco

conducting of research aimed at obtaining answers to vital unanswered questions. They noted that "this direct interest of members of the Canadian tobacco industry anticipates the current anti-smoking publicity efforts by a number of years." ² In January, 1954, their representatives met with officials of the Canadian Medical Association and the National Cancer Institute of Canada to seek advice as to how the industry could

cooperate in initiating or furthering medical research:

In thus seeking the guidance of recognized authorities, the tobacco industry demonstrated its continuing desire to act in the public interest. The subsequent course followed by the industry was that recommended by these authorities.

Between 1954 and 1963, a total of about \$100,000 was made available by the Canadian cigarette manufacturing companies to the Lung Cancer Research Fund administered by the National Cancer Institute. ⁴ Yet,

while it accepted the advice of Canadian health interest groups that additional research was needed, the industry failed to accept the conclusions resulting in part from the knowledge that has been gained from this additional research.

The industry's statement criticized the continuing publicity given to discussion of the "mounting evidence" against tobacco. They claimed that "the fact is that the 'mounting evidence' consists of repetition of the same charges restated by different people. This 'evidence' was and remains, inconclusive no matter how often it is repeated and restated." ⁵ This same argument has been repeated often by industry spokesmen in the United States. The Canadian industry argued that anti-smoking enthusiasts

are creating the impression that the problems of lung cancer and heart disease already would disappear if everybody stopped smoking. Almost mounting the words used by their American counterparts, Canadian tobacco

manufacturers continued that "an evangelistic attitude toward smoking is antagonistic to an important need of our times- the fullest possible appreciation on the part of our citizens of the methods, powers and limitations of science." ⁶ Several of the suggested questions raised by the industry are indicative of tobacco industry efforts in all countries to seek alternative explanations of lung cancer and other diseases which sometimes afflict cigarette smokers:

To what extent are genetic, emotional, hormonal and other internal factors involved in the susceptibility of an individual to lung cancer, heart disease and other ailments? Is there a type of 'susceptible' individual that can be determined so that he may avoid excess risks? Is there a distinctive smokers' personality? Is there any correspondence between this type of personality and that of the typically high risk patient? Do body types appear to have an effect on susceptibility to lung cancer or to cardiovascular disease?⁷

Furthermore, they suggest that the difference in lung cancer rates between provinces should be studied and reasonable explanations sought in terms of air pollutants, industry, population density, ethnic composition, climate and smoking habits. Lung cancer mortality in cities of like size and varying size in Canada should be studied; air samples should be analyzed and compared with cities in the United States.

The tobacco industry's second formal presentation came some five and one-half years later in 1969 before the House of Commons Standing Committee on Health, Welfare and Social Affairs and was more than twice as long as their 1963 presentation. The report entitled A Canadian Tobacco Industry Presentation on Smoking and Health was divided into five sections: (1) a position statement on the health controversy and the legislative issues; (2) 1969 scientific perspectives on smoking and health questions; (3) proposed restrictions on manufacturing, advertising and marketing; (4) tobacco industry support of health research and (5) facts about the Canadian

manufacturers continued that "an evangelistic attitude toward smoking is antithetical to an important need of our times - the fullest possible association on the part of our citizens of the methods, powers and limitations of science." ⁶ Several of the suggested questions raised by the industry are indicative of tobacco industry efforts in all countries to seek alternative explanations of lung cancer and other diseases which sometimes afflict cigarette smokers:

To what extent are genetic, emotional, hormonal and other internal factors involved in the susceptibility of an individual to lung cancer, heart disease and other ailments? Is there a type of 'susceptible' individual that can be determined so that he may avoid excess risks? Is there a distinctive smokers' personality? Is there any correspondence between this type of personality and that of the typically high risk patient? Do body types appear to have an effect on susceptibility to lung cancer or to cardiovascular disease?

Furthermore, they suggest that the difference in lung cancer rates between provinces should be studied and reasonable explanations sought in terms of air pollutants, industry, population density, ethnic composition, climate and smoking habits. Lung cancer mortality in cities of like size and varying size in Canada should be studied; air samples should be analyzed and compared with cities in the United States.

The tobacco industry's second formal presentation came some five and one-half years later in 1969 before the House of Commons Standing Committee on Health, Welfare and Social Affairs and was more than twice as long as their 1963 presentation. The report entitled A Canadian Tobacco Industry Presentation on Smoking and Health was divided into five sections: (1) a position statement on the health controversy and the legislative issues; (2) 1969 scientific perspectives on smoking and health questions; (3) proposed restrictions on manufacturing, advertising and marketing; (4) tobacco industry support of health research and (5) facts about the Canadian

tobacco economy. The report was a unified response by the industry to the unexpectedly harsh testimony and proposals suggested by the Minister of National Health and Welfare, which we have already discussed.

Paul Paré, president of Inasco, Ltd., and chairman of the Ad Hoc Committee of the Canadian Tobacco Industry (precursor of the present Canadian Tobacco Manufacturers Council), represented the industry before the Commons committee. His arguments paralleled, in many respects, the 1963 presentation. He reiterated that "it is actually a disservice to those millions who enjoy smoking to be constantly assaulted with some of the extreme and unsubstantiated propaganda that is spread about the so-called evils of smoking."⁸ He obliquely threatened that public confidence in Parliament would be shaken "if a government was of such a kind that they accepted the responsibility for leading this country in ways that they establish precedents for which control would be almost impossible."⁹ While rarely explicit there is always the implicit threat of cigarette smuggling, and organized crime if the public is deprived of what it wants. The present marijuana situation is suggested as a model of what might be expected if cigarettes were made illegal, viciously taxed, or their present contents radically altered. In fact, smuggling between low tax regions and high tax regions is already a problem especially in the United States.

A second general argument used in Canada as well as in the United States has been the industry's voluntary adoption of a Cigarette Advertising Code in which "certain restraints are voluntarily observed," as evidence of the ethical restraint which the industry has imposed upon itself.¹⁰ Paré argued that the industry has maintained that "cigarette smoking is an adult custom and that the decision of whether or not to

the industry to the report was a unified response by the industry to the unexpectedly harsh testimony and proposals suggested by the Minister of National Health and Welfare, which we have already discussed.

Paul Paré, president of Imasco, Ltd., and chairman of the Ad Hoc

Committee of the Canadian Tobacco Industry (precursor of the present Canadian Tobacco Manufacturers Council), represented the industry before the common committee. His arguments paralleled, in many respects, the 1963 presentation. He reiterated that "it is actually a disservice to those millions who enjoy smoking to be constantly assaulted with some of the extreme and unsubstantiated propaganda that is spread about the so-called evils of smoking."⁸ He obliquely threatened that public confidence in Parliament would be shaken "if a government was of such a kind that they accepted the responsibility for leading this country in ways

that they establish precedents for which control would be almost impossible."⁹ While rarely explicit there is always the implied threat of cigarette smuggling, and organized crime if the public is deprived of what it wants. The present marijuana situation is suggested as a model of what might be expected if cigarettes were made illicit, vigorously

taxed, or their present contents radically altered. In fact, smuggling between low tax regions and high tax regions is already a problem

especially in the United States.

A second general argument used in Canada as well as in the United States has been the industry's voluntary adoption of a "Responsible Smoking Code in which certain restrictions are voluntarily observed," as evidence of the ethical restraint which the industry has imposed upon itself.¹⁰ Paré argued that the industry was restrained that "cigarettes smoking is an adult custom and that the restriction of children or non-

smoke should be made by each adult individual freely and without undue governmental or other interference." 11

Paré also cited the economic costs involved in possible government action in terms of the number of persons affected (which we have already dealt with in our discussion of the economic importance of tobacco):

In manufacturing and leaf there would be approximately 10,000 people. In the leaf growing there would be another 5,000 families. In the distribution of tobacco there would be approximately 2,000 wholesalers and about 80,000 to 100,000 retailers whose livelihood depends in whole or in part upon the sale of tobacco products. 12

Of course, implicit in this argument is the threat of political retaliation and harm against any political party or government which injures the livelihoods of so many. Paré also reiterated the repeatedly used argument that tobacco provides an "important source of tax revenue for the federal government and the provinces." 13

He carefully commented on the proposals made by the Department of National Health and Welfare and concluded:

The Department's assumptions about smoking do not justify regulatory proposals aimed at the eventual elimination of cigarette smoking. The substance of the proposals under study involves an unreasonable, unnecessary and undesirable intrusion of Government into the personal decisions of citizens whether as consumers, workers, or businessmen. 14

In addition, he said that "it is unreasonable that the tobacco industry and its customers should be singled out for unusual or unique restraints, regulations or harassment." 15

It should be apparent by now that tobacco industry representatives in both the United States and Canada often have used the same or very similar arguments and evidence. An example is the use made by Paré of the June, 1968 assessment by the American Medical Association Education

smoke should be made by each adult individual freely and without undue

Governmental or other interference." 11

Paré also cited the economic costs involved in possible revenue of

action in terms of the number of persons affected (which we have already

dealt with in our discussion of the economic importance of tobacco):

In manufacturing and leaf there would be approximately 10,000 people. In the leaf growing there would be another 2,000 families. In the distribution of tobacco there would be approximately 2,000 wholesalers and about 80,000 to 100,000 retailers whose livelihood depends in whole or in part upon the sale of tobacco products. 12

Of course, implicit in this argument is the threat of political reprisal

tion and harm against any political party or government which injures the

livelihoods of so many. Paré also reiterated the repeatedly used argument

that tobacco provides an "important source of tax revenue for the federal

Government and the provinces." 13

He carefully commented on the proposals made by the Department of

National Health and Welfare and concluded:

The Department's assumptions about smoking do not justify regulatory proposals aimed at the eventual elimination of cigarette smoking. The substance of the proposals under study involves an unreasonable, unnecessary and undesirable intrusion of Government into the personal decisions of citizens whether as consumers, workers, or businessmen. 14

In addition, he said that "it is unreasonable that the tobacco industry

and its customers should be singled out for unusual or undue restrictions,

regulations or harassment." 15

It should be apparent by now that tobacco industry representatives

in both the United States and Canada often have used the same or very

similar arguments and evidence. An example is the use made by Paré of

the June, 1968 assessment by the American Medical Association Education

and Research Foundation which has been well publicized and quoted by the tobacco industry in the United States:

. . . the problems related to establishing any kind of cause and effect relationship between tobacco use and health are far more complex than had been supposed. The products of tobacco consumption are many and varied. New techniques must be developed for their separation, for their administration and for their study. In addition, the effects of smoking must be distinguished from the effects of the ever increasing environmental pollution attributable to automotive engines and industrial wastes. It is evident that we have a long road to travel and that this will be done slowly. Many years may be required to gather sufficient experimental facts and data to clear what is at best a muddled picture.¹⁶

The comments that "the tobacco industry has diligently sought answers to the unresolved health questions" and that "the industry for years had believed that scientific research is the best way to resolve the problem," also have been used cross-nationally.

Paré, in his 1969 testimony, noted that the industry had granted over \$300,000 in funds to the National Cancer Institute of Canada and that "other grants to independent scientists have been made by individual companies."¹⁷ In addition, the Canadian industry agreed in 1969 to contribute \$300,000 to McGill University's Interdisciplinary Respiratory Research Laboratory. As the accompanying Figure 1 indicates, the amount of industry research grants has varied sharply and appears generally to parallel public interest and publicity given to the smoking-health controversy.

Tobacco industry representatives also have sought to emphasize the "excellent communication," scientific liaison and cooperation between industry-supported research centers in different countries.¹⁸ Given this cooperation and informational exchange within the scientific

Figure 1

National Cancer Institute of Canada
Canadian Tobacco Industry Grants to Support
Research Related to Lung Cancer

\$(000)

65

60

55

50

45

40

35

30

25

20

15

10

5

0

1954-55

1955-56

1956-57

1957-58

1958-59

1959-60

1960-61

1961-62

1962-63

1963-64

1964-65

1965-66

1966-67

1967-68

a. Smoking and Health: A Presentation of the Canadian Tobacco Industry 1969, p. 105.

[illegible]

community in different countries (especially in those countries in which the smoking and health controversy has been perceived as an important research problem) that has been augmented by industry funding and in many cases by cross-national corporate interrelationships, measurements of corporate, governmental and interest group efforts in smoking and health research are misleading and confusing. Dollar estimates of research expenditures are used crudely to indicate commitment and action. They are more precisely symbolic rationalizations. However, national efforts, or single group efforts are spurious. We are in fact dealing with international effort, research and commitment to solve a cross-national problem. Research efforts by Philip Morris Inc., in the United States are directly and inseparably related to their subsidiary Benson and Hedges Canada Limited. Efforts in one nation or by one company cannot be measured and are not meaningful in the context of multiple corporate interrelationships, and industry cooperation. The efforts of British American Tobacco Limited, Inesco Limited and Brown and Williamson Tobacco Corporation which are all part of the same international corporation cannot be measured or evaluated singly or divided up on the basis of national boundaries. To reiterate, present measures of industry effort are thus highly inaccurate and misleading and do little to actually solve the problem.

B. Industry Response to Cigarette Advertising

While we will not consider in depth the tobacco industry's response to criticism of its advertising policies voiced by the Canadian government and health interest groups, several points should be noted. (1) The Canadian tobacco industry has been moderate in its advertising expenditures which were almost 50 per cent less per capita than in the

community in different countries (especially in those countries in which the smoking and health controversy has been perceived as an important research problem) that has been suggested by industry funding and in many cases by cross-rational corporate interrelationships, measurements of corporate, governmental and interest group efforts in smoking and health research are misleading and confusing. Pollster estimates of research expenditures are used crudely to indicate commitment and action. They are more precisely symbolic rationalizations. However, national efforts, or single group efforts are spurious. We are in fact dealing with international effort, research and commitment to solve a cross-national problem. Research efforts by Philip Morris Inc., in the United States are directly and inseparably related to their subsidiary Canadian and Hedges Canada Limited. Efforts in one nation or by one company cannot be measured and are not meaningful in the context of multiple corporate interrelationships, and industry cooperation. The efforts of British American Tobacco Limited, Imasco Limited and Brown and Williamson Tobacco Corporation which are all part of the same international corporation cannot be measured or evaluated singly or divided up on the basis of national boundaries. To reiterate, present measures of industry effort are thus highly inaccurate and misleading and do little to actually solve the problem.

B. Industry Response to Legislative Advertising

While we will not consider in depth the tobacco industry's response to criticism of its advertising policies voiced by the Canadian government and health interest groups, several points should be noted. (1) The Canadian tobacco industry has been moderate in its advertising expenditures which were almost 50 per cent less per capita than in the

United States; (2) Total cigarette advertising has declined from \$14.875 million in 1962 to an estimated \$14.592 million in 1968, unlike cigarette advertising in the United States where there have been sharp increases during the same period of time. (If measured in stable dollars, this decrease would be even sharper.) (3) The tobacco industry, like in the United States, has argued that "cigarette advertising is designed and intended to promote brands of cigarettes for present smokers, not smoking per se or increased smoking." ¹⁹ They continue that "prohibiting cigarette brand advertising could not necessarily be expected to reduce cigarette consumption." ²⁰ The industry has used comparative data from six countries which already had put some type of restrictions on cigarette advertising. Data from the United Kingdom, Denmark, Iceland, the Netherlands, New Zealand and Italy showed that, in each, consumption either increased or remained almost level.

Prior to the United States ban on cigarette television and radio advertising, the Canadian industry argued that advertising restrictions in Canada would give an unfair advantage to American brands which would continue to be supported by American television and print media advertising which reach Canada. ²¹ This argument was a rationale for postponing Canadian action until after the United States had taken steps to restrict cigarette advertising.

The industry's final argument presents a particularly revealing insight into the possible unintended outcomes of a cigarette advertising ban. The industry noted:

An additional effect of advertising restrictions would be to hinder competition within the Canadian industry. It would be more difficult to switch people from an existing brand to a new brand for whatever reason. The industry would tend to become a closed and static market,

United States; (2) Total cigarette advertising has declined from \$14.5 million in 1962 to an estimated \$14.502 million in 1963, with cigarette

advertising in the United States where there have been sharp increases

during the same period of time. (1) It measured in state dollars, this

decrease would be even sharper. (3) The tobacco industry, like in the

United States, has argued that "cigarette advertising is designed and

intended to promote brands of cigarettes for present smokers, not smoking

per se or increased smoking." 19 They contend that "prohibiting cigar-

ette brand advertising could not necessarily be expected to reduce

cigarette consumption." 20 The industry has used comparative data from

six countries which already had put some type of restrictions on cigarette

advertising. Data from the United Kingdom, Denmark, Iceland, the Netherlands,

Sweden, New Zealand and Italy showed that, in each, consumption either

increased or remained almost level.

Prior to the United States ban on cigarette television and radio

advertising, the Canadian industry argued that advertising restrictions

in Canada would give an unfair advantage to American brands which would

continue to be supported by American television and print media advertis-

ing which reach Canada. 21 This argument was a rationale for postponing

Canadian action until after the United States had taken steps to restrict

cigarette advertising.

The industry's final argument presents a particularly revealing

insight into the possible unintended outcomes of a cigarette advertising

ban. The industry noted:

An additional effect of advertising restrictions would be to hinder competition within the Canadian industry. It would be more difficult to switch people from an existing brand to a new brand for whatever reason. The industry would tend to become a closed and static market,

with competition all but eliminated. New companies might be effectively excluded. The incentive for product innovation would be virtually destroyed.²²

Some industry opponents have supported this same argument. They suggest that limited advertising might speed industry's innovation (in developing safer cigarettes) and the public's acceptance of any such change.

The Canadian tobacco industry instituted a Cigarette Advertising Code in June, 1964, several months prior to the announcement of the American code. Under the Canadian code, cigarette advertising²³ must refrain from appeals to children and all cigarette advertising models must be at least 25 years old. Even more stringent than the American code, no health claims are allowed. Furthermore, since 1965, cigarette television advertising has been restricted to after 9:00 P.M. to minimize their appeal to children although they are carried on radio during the daytime.²⁴ An editorial in the Canadian Medical Association Journal commented on the code:

. . . as long as the tobacco industry is in a position where, from sheer economic necessity, it cannot and dare not tell the truth about its principal product, cigarettes, all 'codes' and similar concessions are mere window-dressing, able to deceive only those who wish to be deceived.²⁵

Yet, while taking these voluntary actions, the tobacco industry vehemently has opposed government intervention. Paré stated:

The imagination is truly staggered to think where such a precedent could lead in government domination over the rights of individuals and the freedoms of legitimate farming and businesses.²⁶

While the government has explained its concern and involvement in terms of the unique problem that it must face, the industry has attempted to broaden its support by appealing to all those who could possibly come under government regulation as tobacco companies have attempted to do in

with competition all but eliminated. New companies
might be effectively excluded. The incentive for
product innovation would be virtually destroyed.²²

Some industry opponents have supported this same argument. They suggest
that limited advertising might speed industry's innovation (in developing
new cigarettes) and the public's acceptance of any such change.

The Canadian tobacco industry instituted a cigarette advertising

Code in June, 1964, several months prior to the announcement of the
American code. Under the Canadian code, cigarette advertising²³ must

refrain from appeals to children and all cigarette advertising models
must be at least 25 years old. Even more stringent than the American code,

no health claims are allowed. Furthermore, since 1965, cigarette rela-

tion advertising has been restricted to after 9:00 P.M. to minimize
their appeal to children although they are carried on radio during the

daytime.²⁴ An editorial in the Canadian Medical Association Journal

commented on the code:

... as long as the tobacco industry is in a position
where, from sheer economic necessity, it cannot and
dare not tell the truth about its principal product,
cigarettes, all 'codes' and similar concessions are
more window-dressing, able to deceive only those who
wish to be deceived.²⁵

Yet, while taking these voluntary actions, the tobacco industry

vehemently has opposed government intervention. Paré stated:

The temptation is truly staggered to think where such
a precedent could lead in government domination over
the rights of individuals and the freedom of legit-
imate farming and business.²⁶

While the government has explained its concern and involvement in terms

of the unique problem that it must face, the industry has attempted to

transfer its support by appealing to all those who could possibly come

under government regulation as tobacco companies have attempted to do in

the United States. In commenting on the proposed anti-smoking legislation, Paré suggested:

All are intended by one means or another to restrict various elements of a legitimate enterprise and its millions of customers, or they are intended to legislate presumed solutions to problems that may not even exist, or if they exist at all, they are problems not now defined and not subject to being solved by laws. ²⁷

Finally, in commenting later on the committee's final recommendations, Paré stated in his own company's annual report:

If these recommendations are adopted, they will virtually eliminate competition from the tobacco industry. They attack the whole merchandising and advertising system and constitute an excessive intrusion of government into the personal decisions and actions of the Canadian people. ²⁸

While gift coupon schemes and contests have not aroused much controversy in the United States, they have in Great Britain and Canada. In both countries successful companies have increased their shares of the cigarette market and reaped huge bonuses from their gift coupon schemes and contests. Both Imasco Ltd., in Canada and Imperial Tobacco in Great Britain have been very successful in using these techniques to increase their relative market shares. N. B. Wright, vice president of sales at Benson and Hedges commented that "competition for a share of the market is forcing cigarette makers to overspend on a purely economic basis." ²⁹ Macdonald president D. M. Stewart said "it's a defensive measure with us," ³⁰ while the Tobacco Reporter quotes Rothmans' president Wilmot Tennyson as stating that "the excess of cash promotions by the industry represents a highly impolitic situation in view of the pending federal legislation encompassing cigarette advertising and marketing." ³¹

Under harsh criticism from Consumer and Corporate Affairs Minister Ron Basford, as well as from John Munro, the industry voluntarily agreed

the United States. In commenting on the proposed anti-trading legislation-

tion, and suggested:

All are intended by one means or another to restrict various elements of a business enterprise and the millions of customers, or they are intended to legislate presumed solutions to problems that may not even exist, or if they exist at all, they are probably not now defined and not subject to being solved by law.

Finally, in commenting later on the committee's final recommendations,

It is stated in his own company's annual report:

If these recommendations are adopted, they will virtually eliminate competition from the tobacco industry. They attack the whole marketing and advertising system and constitute an excessive intrusion of government into the personal decisions and actions of the American people.

While all common schemes and contests have not aroused much contro-

very in the United States, they have in Great Britain and Canada. In both countries successful companies have increased their shares of the cigarette market and reaped huge bonuses from their anti-coupon schemes and contests. Both Impco Ltd., in Canada and Imperial Tobacco in Great Britain have been very successful in using these techniques to increase their relative market shares. W. B. Wright, vice president of sales at Impco and Hedges commented that "competition for a share of the market is forcing cigarette makers to overstep on a purely economic basis."

And with President E. M. Stewart said "it's a defensive measure which we must take while the British cigarette industry is in a position to take a leading position in the industry." He also stated that "the excess of cash production by the industry is a highly imbalanced situation in view of the national interest." The situation encourages cigarette advertising and marketing. In the United States, criticism from Congress and the courts has been directed at the industry, as well as from the public, the industry voluntarily agreed

to end promotions, which Basford had called "deplorable developments," by July 1, 1970. ³² Imasco, which had benefited most from this type of intensified competition, was willing to end promotions, expecting to hold its gains. The smaller cigarette manufacturers wished to end gift coupon promotions to forestall further market losses and prevent further provoking possibly harsh government action.

The industry's voluntary agreement in September, 1971, was an effort to forestall the complete advertising ban proposed by the government. Under terms of the agreement five Canadian brands would have to be eliminated or reconstituted to limit their tar and nicotine contents below the limits established by the agreement. Three of these brands are produced by Imasco (two of which are manufactured under license from American tobacco manufacturers). Paré, Imasco president, suggested that his company would reduce the tar and nicotine contents of its three brands.

One dimension of the smoking-health controversy that should be examined further is the response of other related economic interest groups to government proposals for legislative action. Among the first witnesses at the 1969 Commons hearings were the representatives of the Canadian Broadcasting Company (CBC). They reported that their "policies governing cigarette advertising were intended to limit such advertising to brand advertising only, to prevent the use of 'tar and nicotine' statistics in comparisons and to ensure that such advertising is not designed to appeal to adolescents." ³³

In relation to industry self-regulation, Mr. Ouimet (CBC vice-chairman for programming) reported:

Under the Broadcasting Act . . . there are no specific restrictions relating to the advertising of cigarettes. To my knowledge the only standards applicable to

to end promotions, which Baskford had called "definitely detrimental," by July 1, 1970. ³² Imasco, which had benefited most from this type of intensified competition, was willing to end promotions, expecting to hold its gains. The smaller cigarette manufacturers wished to end gift coupons, promotions to forecast further market losses and prevent further promotion, possibly harsh government action.

The industry's voluntary agreement in September, 1961, was an effort to forecast the complete advertising ban proposed by the government. Under terms of the agreement five Canadian brands would have to be eliminated or reconstituted to limit their tar and nicotine contents below the limits established by the agreement. Three of these brands are produced by Imasco (two of which are manufactured under license from American tobacco manufacturers). Part, Imasco president, suggested that his company would reduce the tar and nicotine contents of its three brands.

One dimension of the smoking-health controversy that should be examined further is the response of other related economic interest groups to government proposals for legislative action. Among the first witnesses at the 1969 Commons hearings were the representatives of the Canadian Broadcasting Company (CBC). They reported that their "policies governing cigarette advertising were intended to limit such advertising to brand advertising only, to prevent the use of 'tar and nicotine' statistics in comparisons and to ensure that such advertising is not designed to appeal to adolescents." ³³

In relation to industry self-regulation, Mr. Galt (CBC vice-president

for programming) reported:

Under the Broadcasting Act . . . there are no specific restrictions relating to the advertising of cigarettes. To my knowledge the only standards applicable to

broadcast advertising in Canada are those of the Canadian Tobacco Industry's Advertising Code adopted in 1963 and the Corporation's Commercial Acceptance Standards. We have adopted all the points contained in the Industry's code as a good statement of how cigarette advertising should be directed to the persuasion of smokers to change brands and not for the proselytizing of non-smokers and young people.³⁴

Like their American counterparts, individual TV network representatives have argued that to ban cigarette advertising from a single medium would almost certainly drive cigarette advertisers to their competitors either on competing stations in the United States or in newspapers or billboards. A Canadian ban could not extend to American stations which reach a substantial Canadian audience or to American periodicals which continue to accept cigarette advertisements.

In May, 1969, the CBC announced that it would halt all cigarette advertising on its radio and television networks when current advertising contracts with the tobacco companies expired. The CBC president explained that "we took action on our own initiative rather than have government action push us as reluctant dragons into it."³⁵ The tobacco industry and related economic interest groups have watched carefully for signs of forthcoming government action. In general, industry's willingness to act voluntarily in both the United States and Canada often has been based on the perceived threat of government action.

In addition to the testimony of the Canadian tobacco manufacturers, the Commons' committee also heard from representatives of the National Association of Tobacco and Confectionery Distributors of Canada, Tobacco Workers' International Union and various tobacco grower groups that we have discussed already. The testimony of the Tobacco Workers' International Union was interesting in so far as it may well have opened a path for government action that would be acceptable to tobacco workers.

product advertising in Canada are those of the Canadian Tobacco Industry's Advertising Code adopted in 1963 and the Corporation's Commercial Advertising Standards. We have adopted all the points contained in the industry's code as a good statement of how cigarette advertising should be directed to the persuasion of smokers to change from and not for the proselytizing of non-smokers and young people.

Like their American counterparts, individual TV network representatives have argued that to ban cigarette advertising from a single medium would almost certainly drive cigarette advertisers to their competitors either on competing stations in the United States or in newspapers or magazines. A Canadian ban could not extend to American stations which reach a substantial Canadian audience or to American periodicals which continue to accept cigarette advertisements.

In May, 1969, the CBC announced that it would ban all cigarette advertising on its radio and television networks when current advertising contracts with the tobacco companies expired. The CBC president explained that "we took action on our own initiative rather than have government action push us as reluctant dragons into it." 35 The tobacco industry and related economic interest groups have watched carefully for signs of forthcoming government action. In general, industry's willingness to act voluntarily in both the United States and Canada often has been based on the perceived threat of government action.

In addition to the testimony of the Canadian tobacco manufacturers, the Commons' committee also heard from representatives of the National Association of Tobacco and Confectionery Distributors of Canada, tobacco workers' International Union and various tobacco grower groups that we have discussed already. The testimony of the tobacco workers' International Union was interesting in so far as it may well have opened a path for government action that would be acceptable to tobacco workers.

This testimony suggested a broad role for government in compensating those harmed by government action:

The financial burden incurred by any kind of government action must be borne evenly by all Canadians. If government authorities decide to intervene to restrict cigaret use, we feel they must assume full responsibility for such legislation by taking necessary steps to compensate, not merely partially, but in full the affected workers. ³⁶

The Commons' committee at least partially recognized this argument and suggested in its report that "it is important that plans be made to assist growers and workers affected by such changes." Recognition by the Canadian government of the serious economic repercussions which may result from the implementation of its proposals and a commitment to ameliorate the social costs may substantially lessen the opposition of organized tobacco groups. The testimony of the Tobacco Workers' International Union may well be the harbinger of open negotiations between labor and government seeking to resolve the difficult situation in which the tobacco workers may be placed.

Such awareness of the social costs of the problem as well as the social benefits of government actions seems better developed in Canada than in the United States. Further research is necessary to measure the actual intensity of concern. Certainly, government hearings and legislative debates in the United States and Canada are not sufficient to clearly measure or even indicate the level of government awareness and the possibility of government action to ameliorate unintended social costs affecting, for example, tobacco growers and workers. As we have seen the tobacco industry has been willing to voluntarily act to ameliorate the governmental and interest group pressures being placed upon it. The industry has sought to reduce its own uncertainty and create a more stable, predictable if less favorable business environment for itself.

This testimony suggested a broad role for government in compensating those

harmed by government action:

The financial burden imposed by any kind of government action must be borne evenly by all citizens. If government authorities decide to intervene to restrict cigarette use, we feel they must assume full responsibility for such legislation by taking necessary steps to compensate, not simply partially, but in full the affected workers.

The Commons' Committee at least partially recognized this argument and suggested in its report that "it is important that plans be made to assist growers and workers affected by such changes." Recognition by the Canadian government of the serious economic repercussions which may result from the implementation of its proposals and a commitment to ameliorate the social costs may substantially lessen the opposition of organized tobacco groups. The testimony of the Tobacco Workers' International Union may well be the harbinger of open negotiations between labor and government seeking to resolve the difficult situation in which the tobacco workers may be placed.

Such awareness of the social costs of the problem as well as the social benefits of government action seems better developed in Canada than in the United States. Further research is necessary to measure the actual intensity of concern. Certainly, government hearings and legislative debates in the United States and Canada are not sufficient to clearly measure or even indicate the level of government awareness and the possibility of government action to ameliorate unintended social costs arising, for example, tobacco growers and workers. As we have seen the tobacco industry has been willing to voluntarily act to ameliorate the governmental and interest group pressures being placed upon it. The industry has sought to reduce its own uncertainty and create a more stable, predictable if less favorable business environment for itself.

C. Canada's Approach to Smoking and Health

Canadian officials cited that the basic difference between the American and Canadian response to the smoking-health controversy is cultural. Nevertheless, the cultural explanation is too vague, as we have seen economic and political differences also account for variations in governmental approaches between countries. One Canadian official said, "We realize that there is no percentage in doing it all at once- we don't have an absolute as a reference, no overall principle is used. We use a pragmatic approach. We look at the consequences and seek a solution. We do not need absolute proof to act." ³⁷ The Canadian government has carefully sought to uncover the social costs as well as the social benefits of possible government actions. As a consequence, the smoking-health controversy in Canada has lacked a good deal of the abrasive, strident conflict and blatant economic self-interest which has characterized the controversy in the United States. In fact, the industry itself has characterized its relationship with the government as "reasonably cooperative." ³⁸

The touchstone of Canadian government action appears to be "sensible and gradual change." The absence of independent regulators such as the FTC and the FCC in the United States has in a sense been a boon to productive government and industry contact. It has eliminated one threat to the industry and facilitated a broad if somewhat belated consideration of the problem by Canada's central decision-making body, parliament, whose actions are not subject to judicial review and delay.

Canadian government is also highly sensitive to the disruptive consequences of government action, the social costs as well as the social benefits. What tobacco growers need, for example, is not necessarily

0. Canada's Approach to Society and Health

Canadian officials cited that the basic difference between the American and Canadian response to the smoking-health controversy is cultural. Nevertheless, the cultural explanation is too vague, as we have seen economic and political differences also account for variations in governmental approaches between countries. One Canadian official said, "We realize that there is no percentage in doing it all at once - we don't have an absolute as a reference, no overall principle is used. We use a pragmatic approach. We look at the consequences and seek a solution. We do not need absolute proof to act." 37 The Canadian government has carefully sought to uncover the social costs as well as the social benefits of possible government actions. As a consequence, the smoking-health controversy in Canada has lacked a good deal of the strident, strident conflict and blatant economic self-interest which has characterized the controversy in the United States. In fact, the industry itself has characterized its relationship with the government as "reasonably cooperative." 38

The touchstone of Canadian government action appears to be "flexibility and gradual change." The absence of independent regulators such as the FTC and the FCC in the United States has in a sense been a boon to protective government and industry contact. It has eliminated one threat to the industry and facilitated a broad if somewhat belated consideration of the problem by Canada's central decision-making body, parliament, whose actions are not subject to judicial review and delay.

Canadian government is also highly sensitive to the distributive consequences of government action, the social costs as well as the social benefits. That tobacco growers need, for example, is not necessarily

tobacco but income and an income substitute may not be an insuperable problem. A substitute for governmental tobacco tax revenues is probably a much more difficult political problem than politicians do not wish to face. The Canadian government acts on the assumption that there is no use in doing anything abruptly which will hurt people unnecessarily. Yet, while the Canadian program may be compromising on the speed of government actions to reduce cigarette consumption, it has not compromised on its ultimate goal: to reduce cigarette consumption and, ultimately, to eliminate the hazard to human health that exists in the use of cigarettes.

tobacco but income and an income substitute may not be an insuperable
 problem. A substitute for governmental tobacco tax revenues is probably
 a much more difficult political problem than politicians do not wish to
 face. The Canadian government acts on the assumption that there is no use
 in doing anything abruptly which will hurt people unnecessarily. Yet,
 while the Canadian program may be compromising on the speed of government
 actions to reduce cigarette consumption, it has not compromised on its
 ultimate goal: to reduce cigarette consumption and, ultimately, to elimi-
 nate the hazard to human health that exists in the use of cigarettes.

Footnotes - Chapter IX

1. Ad Hoc Committee of the Canadian Tobacco Industry, Some Scientific Perspectives for Consideration of Smoking and Health Questions: Presentation to the Conference on Smoking and Health of the Department of National Health and Welfare (Ottawa, November 25-26, 1963), p. 5.
2. Ibid., p. 6.
3. Ibid.
4. Ibid., p. 7.
5. Ibid.
6. Ibid., p. 53.
7. Ibid., pp. 54-56.
8. Canada, Standing Committee on Health, Welfare and Social Affairs, Minutes of Proceedings and Evidence (Ottawa), No. 38 (June 5, 1969), p. 1542.
9. Ibid., p. 1572. Para also commented: "Past attempts by some Canadian provinces and the United States to eliminate alcohol by prohibition measures demonstrated dramatically that such steps do not deter people from fulfilling their desires. The prohibition experience showed that such bans can have serious and anti-social consequences," p. 1648.
10. Ibid., p. 1648.
11. Ibid., p. 1589.
12. Ibid., p. 1574.
13. Ibid., p. 1589.
14. Ibid., p. 1581.
15. Ibid., p. 1589.
16. Ibid., p. 1586.

Footnotes - Chapter IX

1. Ad Hoc Committee of the Canadian Tobacco Industry, Some Scientific Perspectives for Consideration of Smoking and Health Problems: Presentation to the Conference on Smoking and Health of the Department of National Health and Welfare (Ottawa, November 25-26, 1963), p. 2.
2. Id., p. 6.
3. Id.
4. Id., p. 7.
5. Id.
6. Id., p. 23.
7. Id., pp. 24-26.
8. Canada, Standing Committee on Health, Welfare and Social Affairs, Minutes of Proceedings and Evidence (Commons), No. 38 (June 2, 1969), p. 1942.
9. Id., p. 1272. Pare also commented: "Past attempts by some Canadian provinces and the United States to eliminate alcohol by prohibition measures demonstrated dramatically that such steps do not deter people from fulfilling their desires. The prohibition experience showed that such bans can have serious and anti-social consequences," p. 1648.
10. Id., p. 1648.
11. Id., p. 1289.
12. Id., p. 1274.
13. Id., p. 1289.
14. Id., p. 1281.
15. Id., p. 1289.
16. Id., p. 1286.

17. Ibid., p. 1588.
18. Ibid., p. 1680.
19. Smoking and Health: A Presentation of the Canadian Tobacco Industry 1969, p. 81. This report is also in Canada, Standing Committee on Health, Welfare and Social Affairs, Minutes . . ., (June 5, 1969).
20. Ibid.
21. Canadian brewers who are barred from advertising on Canadian TV and radio advertise on American border stations.
22. Smoking and Health . . ., p. 81.
23. For a comparison of the Canadian and American cigarette advertising codes, see The Manitoba Education Research Council, A Study of Cigarette Advertising: A Report Submitted to the Department of National Health and Welfare (Winnipeg, 1966), pp. 132-34. This study is an excellent source of information on Canadian cigarette advertising. "It is the purpose of this study to examine the tobacco habit, with an eye to the psychological aspects of cigarette smoking, and to describe the appeals and techniques that have been employed by the cigarette advertiser in selling his product."
24. Canada, Standing Committee on Health, Welfare and Social Affairs, Minutes . . ., (June 5, 1969), pp. 1542-3.
25. "A Cigarette Advertising Code," The Canadian Medical Association Journal, XCII (January 16, 1965), pp. 134-5.
26. Canada, Standing Committee on Health, Welfare and Social Affairs, Minutes . . ., (June 5, 1969), p. 1544.
27. Ibid., p. 1540.
28. Imperial Tobacco of Canada, Limited, Annual Report 1969, p. 7.
29. "Mushrooming Give-Away Contests End July 1 in Canada," Tobacco Reporter, XCVII (July, 1970), pp. 57-58.
30. "Government-Industry Agreement Will Bring End to Radio-TV Cigarette Ads in Canada," Tobacco Reporter, XCVIII (October, 1971), pp. 49, 50, 52.
31. Ibid.
32. Tobacco Reporter, XCVII (July, 1970), pp. 57-58.

32. Tobacco Reporter, XCVII (July, 1970), pp. 27-28.
31. Ibid.
30. "Government-Industry Agreement Will Bring End to Radio-TV Cigarette Ads in Canada," Tobacco Reporter, XCVIII (October, 1971), pp. 49, 50, 52.
29. "Whistoming Give-Away Contests End July 1 in Canada," Tobacco Reporter, XCVII (July, 1970), pp. 27-28.
28. Imperial Tobacco of Canada, Limited, Annual Report 1969, p. 7.
27. Ibid., p. 1240.
26. Canada, Standing Committee on Health, Welfare and Social Affairs, Minutes . . . , (June 2, 1969), p. 1244.
25. "A Cigarette Advertising Code," The Canadian Medical Association Journal, XCII (January 16, 1965), pp. 134-5.
24. Canada, Standing Committee on Health, Welfare and Social Affairs, Minutes . . . , (June 2, 1969), pp. 1242-3.
23. For a comparison of the Canadian and American cigarette advertising codes, see The Manitoba Education Research Council, A Study of Cigarette Advertising: A Report Submitted to the Department of National Health and Welfare (Winnipeg, 1966), pp. 132-34. This study is an excellent source of information on Canadian cigarette advertising. "It is the purpose of this study to examine the tobacco habit, with an eye to the psychological aspects of cigarette smoking, and to describe the appeals and techniques that have been employed by the cigarette advertiser in selling his product."
22. Smoking and Health . . . , p. 81.
21. Canadian brewers who are barred from advertising on Canadian TV and radio advertise on American border stations.
20. Ibid.
19. Smoking and Health: A Presentation of the Canadian Tobacco Industry 1969, p. 81. This report is also in Canada, Standing Committee on Health, Welfare and Social Affairs, Minutes . . . , (June 2, 1969).
18. Ibid., p. 1630.
17. Ibid., p. 1538.

33. Canada, Standing Committee on Health, Welfare and Social Affairs, Minutes of Proceedings and Evidence (Commons), No. 15 (February 6, 1969), p. 425.
34. Ibid., p. 524.
35. Canada, Debates (Commons) (May 12, 1969), p. 8613.
36. Canada, Standing Committee on Health, Welfare and Social Affairs, Minutes of Proceedings and Evidence (Commons), No. 42 (June 16, 1969), p. 1863.
37. Interview with O.D. Lewis.
38. Letter from L.C. Laporte, July 22, 1971.

33. Canada, Standing Committee on Health, Welfare and Social Affairs, Minutes of Proceedings and Evidence (Commons), No. 15 (February 6, 1969), p. 437.
34. Ibid., p. 524.
35. Canada, Debates (Commons) (May 12, 1969), p. 8613.
36. Canada, Standing Committee on Health, Welfare and Social Affairs, Minutes of Proceedings and Evidence (Commons), No. 42 (June 16, 1969), p. 1663.
37. Interview with O.D. Lewis.
38. Letter from L.C. Laporte, July 22, 1971.

Chapter X: Canadian Health Interest Groups and Smoking

A. Introduction

Health interest groups in Canada gradually have become aware of the relationship between cigarette smoking and disease. This recognition has been followed by health interest group proposals for government and private action. Causality between interest group actions and proposals and government action is difficult to prove, nevertheless the support of health interest groups has been an important element in spurring government consideration of the problem and in rationalizing government action.

In the following chapter, we trace the process of awareness, recommendations and action through the written statements of four national Canadian health interest groups: The Canadian Medical Association, The Canadian Tuberculosis and Respiratory Disease Association, The Canadian Cancer Society (National Cancer Institute of Canada) and the Canadian Heart Association. While many other groups have also gone through the process of increasing awareness and action, these groups have either followed or paralleled health interest groups which have become acutely aware of the problem and which have generally set the stage for other group actions. ¹

Death rates for lung diseases most strongly associated with the inhalation of cigarette smoke have alarmingly increased in Canada. ² Death rates per 100,000 population have increased for lung cancer from 13.8 in 1950 to 36.3 in 1967 for males and from 3.0 to 5.8 ³ for females. The rates for emphysema with and without chronic bronchitis have increased

A. Introduction

Health interest groups in Canada gradually have become aware of the relationship between cigarette smoking and disease. This recognition has been followed by health interest group proposals for government and private action. (causality between interest group actions and proposals and government action is difficult to prove, nevertheless the support of health interest groups has been an important element in spurring government consideration of the problem and in rationalizing government action. In the following chapter, we trace the process of awareness, recommendation and action through the written statements of four national Canadian health interest groups: The Canadian Medical Association, The Canadian Tuberculosis and Respiratory Disease Association, The Canadian Cancer Society (National Cancer Institute of Canada) and the Canadian Heart Association. While many other groups have also gone through the process of increasing awareness and action, these groups have either followed or paralleled health interest groups which have become acutely aware of the problem and which have generally set the stage for other group actions. ¹

Death rates for lung diseases most strongly associated with the inhalation of cigarette smoke have alarmingly increased in Canada. ² Death rates per 100,000 population have increased for lung cancer from 13.8 in 1920 to 36.3 in 1967 for males and from 3.0 to 5.8 ³ for females. The rates for emphysema with and without chronic bronchitis have increased

for males from 2.0 per 100,000 in 1950 to 13.9 in 1966 and for females from .4 in 1950 to 2.0 in 1966. ⁴ These large increases have been accompanied by and stimulated growing concern and action by Canadian health interest groups.

B. Canadian Medical Association

The Canadian Medical Association (CMA) has been concerned with the hazards of cigarette smoking since 1959. ⁵ Their concern was related first to the increase in lung cancer, but, in 1960, concern also was voiced about a possible relationship between tobacco smoking and bronchitis, bronchiectasis, emphysema and coronary disease. In 1961, the CMA "expressed publicly for the first time its belief that a direct relationship exists between smoking and lung cancer." In 1962, the CMA noted that "the causal relationship between smoking, particularly cigarette smoking, and the alarming increase in cancer of the lung is now accepted in medical and scientific circles." They recommended that it is the duty of the individual doctor and of departments of health and health educators to educate the public to the hazards of cigarette smoking. They suggested, however, that legislative efforts in the direction of prohibition should not be considered. Instead, they argued that the public health problem should be recognized and that public education should attempt to prevent the acquisition of the habit by young people.

The CMA through its Committee on Cancer assumed a major responsibility "to stimulate, advise and assist in the institution of a broad program of public education on the problem of cigarette smoking and lung cancer." They noted that "the chief means of prevention of lung cancer and other tobacco-related disease is preventive education." They also requested that consideration be given to legislative measures to apply cautionary

for males from 2.0 per 100,000 in 1950 to 13.9 in 1960 and for females from 4 in 1950 to 2.0 in 1960.⁴ These large increases have been accompanied by and stimulated growing concern and action by Canadian health interest groups.

B. Canadian Medical Association

The Canadian Medical Association (CMA) has been concerned with the hazards of cigarette smoking since 1950.⁵ Their concern was related first to the increase in lung cancer, but, in 1950, concern also was voiced about a possible relationship between tobacco smoking and bronchitis, bronchiectasis, emphysema and coronary disease. In 1951, the CMA "expressed publicly for the first time its belief that a direct relationship exists between smoking and lung cancer." In 1952, the CMA noted that "the causal relationship between smoking, particularly cigarette smoking, and the alarming increase in cancer of the lung is now accepted in medical and scientific circles." They recommended that it is the duty of the individual doctor and of departments of health and health educators to educate the public to the hazards of cigarette smoking. They suggested, however, that legislative efforts in the direction of prohibition should not be considered. Instead, they argued that the public health problem should be recognized and that public education should attempt to prevent the acquisition of the habit by young people.

The CMA through its Committee on Cancer assumed a major responsibility "to stimulate, advise and assist in the institution of a broad program of public education on the problem of cigarette smoking and lung cancer." They noted that "the chief means of prevention of lung cancer and other tobacco-related disease is preventive education." They also recommended that consideration be given to legislative measures to deny completely

labels to the packaged product. In an unprecedented move in March, 1963, the President of the CMA, Dr. M. R. MacCharles called upon Canadian physicians in an open letter in The Canadian Medical Association Journal to set an appropriate public example by discontinuing cigarette smoking, or if unable to do so, at least abstaining when in the exercise of professional duties. In addition, he urged cooperation to support the educational activities of other groups, especially the Canadian Cancer Society. 6

In their statement to the National Conference on Smoking and Health in 1963, the CMA proposed the following measures to reduce this public health problem:

The Canadian Medical Association (a) will carry out a concerted program of professional education for its members; (b) requests the Federal Government to provide the stimulus for an all-important program of public education by publicly recognizing the relationship between lung cancer and the smoking of cigarettes; (c) requests the Department of National Health and Welfare to make educational material available on the dangers to health of cigarette smoking, and to encourage similar activity at provincial and municipal levels; (d) recommends that research on the nature of tobacco habituation to be initiated; (e) recommends that, as an interim step in the production of an entirely safe cigarette, cigarettes of lower tar and nicotine content be produced, and that the content of these substances be described on each cigarette package; (f) recommends that, in general, the content of advertising be altered to promote moderation and to discourage the use of the product by children and young adults; (g) recommends that certain provisions of the Tobacco Restraint Act be enforced; (h) recommends that ways and means of encouraging the use of less-dangerous forms of tobacco be explored.

The CMA has conducted a professional education program and has had a representative on the Department of National Health and Welfare's Technical Advisory Committee on Smoking and Health previously discussed.

labels to the packaged product. In an unprecedented move in 1987, 1988,

the President of the CMA, Dr. M. R. Macpherson called upon Canadian

physicians in an open letter in The Canadian Medical Association Journal

to set an appropriate public example by discontinuing cigarette smoking.

or if unable to do so, at least abstaining when in the exercise of pro-

fessional duties. In addition, he urged cooperation to support the

educational activities of other groups, especially the Canadian Cancer

Society. 6

In their statement to the National Conference on Smoking and Health

in 1983, the CMA proposed the following measures to reduce this public

health problem:

The Canadian Medical Association (a) will carry out a
concerted program of professional education for its
members; (b) requests the Federal Government to provide
the stimulus for an all-important program of public
education by publicly recognizing the relationship
between lung cancer and the smoking of cigarettes;
(c) requests the Department of National Health and
Welfare to make educational material available on
the dangers to health of cigarette smoking, and to
encourage similar activity at provincial and municipal
levels; (d) recommends that research on the nature
of tobacco addiction be initiated; (e) recommends
that, as an interim step in the production of an
entirely safe cigarette, cigarettes of lower tar and
nicotine content be produced, and that the content of
these substances be described on each cigarette package;
(f) recommends that, in general, the content of advertise-
ments be altered to promote moderation and to discourage
the use of the product by children and young adults;
(g) recommends that certain provisions of the Tobacco
Prohibition Act be enforced; (h) recommends that ways
and means of encouraging the use of less-dangerous
forms of tobacco be explored.

The CMA has conducted a professional education program and has had a

representative on the Department of National Health and Welfare's Technical

Advisory Committee on Smoking and Health previously discussed.

The CMA in its 1969 brief to the Standing Committee on Health, Welfare and Social Affairs said:

The traditional scientific discipline of medicine combined with the responsibility of serving as the public voice of the profession has resulted in our normally issuing guarded or conservative public statements. The Committee is reminded of this position of the Association to emphasize the importance and seriousness that it attaches to the subject at hand. The story of the health hazard created by cigarette smoking represents an unrivalled tale of illness, disability and death. The potential benefits to be derived from the cessation of smoking place it at a level of importance in preventive medicine with pasteurization of milk, the purification and chlorination of water, and immunization. . . .

Once again, the uniqueness of the present situation has been used to rationalize extraordinary actions. The CMA continued that "we believe it sufficient to point out that there is no longer any scientific controversy regarding the risk created by cigarette smoking."

The CMA's 1969 recommendations went further than their 1963 proposals.

They recommended:

1. THAT the Federal Government enact legislation to eliminate the advertising of cigarettes in all media and at the point of sale.
2. THAT the Federal Government enact legislation requiring that all cigarette packaging be effectively labelled so as to clearly indicate that cigarette smoking is a health hazard We recommend that . . . there be effective labeling of advertising of all types indicating that cigarette smoking is a health hazard. Such labeling should include the tar and nicotine content and other toxic agents as they are identified, as determined by appropriately designated governmental agencies.
3. THAT the Tobacco Restraint Act be supported, strengthened and enforced so as to effectively reduce the sale of this hazardous product to minors.
4. THAT governments at all levels be encouraged to discontinue financial support and activity in this field.
5. THAT governments at all levels and voluntary health agencies that have been engaged in public education regarding the hazards of smoking be commended for their efforts and encouraged to increase their support and activity in this field.

The CMA in its 1969 Brief to the Standing Committee on Health,

Science and Social Affairs said:

The traditional scientific discipline of toxicology concerned with the responsibility of society as the public voice of the profession has resulted in our country issuing far-reaching or conservative public statements. The Committee is reminded of this position of the Association to emphasize the importance and seriousness that it attaches to the subject of health. The study of the health hazard created by cigarette smoking is a complex and multifaceted one. The revealed rate of illness, disability and death. The potential benefits to be derived from the cessation of smoking place it at a level of importance in preventive medicine with pasteurization of milk, the partitioning and chlorination of water, and immunization. . . .

Once again, the uniqueness of the present situation has been used to rationalize extraordinary actions. The CMA contended that "we believe it sufficient to point out that there is no longer any scientific controversy regarding the risk created by cigarette smoking."

The CMA's 1969 recommendations were further than their 1967 proposals.

They recommended:

1. THAT the Federal Government cease legislation to eliminate the advertisement of cigarettes in all media and at the point of sale.
2. THAT the Federal Government enact legislation requiring that all cigarette packaging be effectively labeled as to clearly indicate that cigarette smoking is a health hazard. . . . We recommend that all types indicating that cigarette smoking is a health hazard. Such labeling should include the tar and nicotine content and other toxic agents as they are identified, as determined by appropriate standardized governmental procedures.
3. THAT the Federal Government not be supported, strengthened and enforced as to effectively reduce the sale of this hazardous product to minors.
4. THAT governments at all levels be encouraged to discontinue financial support and activity in this field.
5. THAT governments at all levels and voluntary health agencies that have been engaged in public education regarding the hazards of smoking be commended for their efforts and encouraged to increase their support and activity in this field.

More recently, in January, 1970, the CMA Council on Community Health Care suggested that a coordinating committee be set up by the federal government including the Canadian Cancer Society, the Canadian Heart Association and the Canadian Tuberculosis and Respiratory Disease Association.⁸ The proposed committee should prepare a statement and materials directed to physicians to help patients kick the smoking habit.

In contrast to the American Medical Association, the CMA has played an active and leading role in proposing governmental action. The CMA has not been burdened by acting as the AMA was as distributor of tobacco industry research funds. The objectivity of the funded research as well as the money itself might be jeopardized if the AMA were as outspoken as their Canadian counterpart. CMA's cooperation with other health interest groups in Canada is noteworthy in helping present a unified front in proposing government action.

C. Canadian Tuberculosis and Respiratory Disease Association

The awareness of the Canadian Tuberculosis and Respiratory Disease Association of the relationship between cigarette smoking and emphysema and bronchitis came later than the recognition of the relationship of lung cancer and cigarette smoking.⁹ The association endorsed the following resolution at its annual meeting June 7, 1963:

Since it is recognized that the inhalation of tobacco tar products has a wide range of harmful effects not only on the respiratory system but other essential body processes, the [association] places itself on record as condemning the inhalation of tobacco tar products as detrimental to the general health and welfare of the Canadian people and also incriminating this habit as one of the causative factors of carcinoma of the lung.

While the association entered the smoking-health controversy somewhat later than the CMA, their 1969 testimony to the Standing Committee on

More recently, in January, 1970, the CMA Council on Community Health Care suggested that a coordinating committee be set up by the Federal Government including the Canadian Cancer Society, the Canadian Heart Association and the Canadian Tuberculosis and Respiratory Disease Association.⁸ The proposed committee should promote a statement and materials directed to physicians to help patients break the smoking habit.

In contrast to the American Medical Association, the CMA has played an active and leading role in proposing governmental action. The CMA has not been burdened by action as the AMA was as distributor of tobacco industry research funds. The objectivity of the funded research as well as the money itself might be jeopardized if the AMA were as outspoken as their Canadian counterpart. CMA's cooperation with other health interest groups in Canada is noteworthy in helping present a unified front in proposing government action.

C. Canadian Tuberculosis and Respiratory Disease Association

The members of the Canadian Tuberculosis and Respiratory Disease Association of the relationship between cigarette smoking and physicians and bronchitis came later than the recognition of the relationship of lung cancer and cigarette smoking.⁹ The association entered the following

resolution at its annual meeting June 7, 1963:

Since it is well known that the inhalation of tobacco tar products has a wide range of harmful effects on the respiratory system and on the general health of the body, the Association, in its efforts to promote a comprehensive record of the inhalation of tobacco tar products as detrimental to the general health of the people of the Canadian people and also in recognizing this habit as one of the causative factors of cancer of the lung.

While the association entered the anti-smoking campaign somewhat

later than the CMA, their 1969 testimony to the Standing Committee on

Health, Welfare and Social Affairs indicates both their serious concern and their acceptance and support of strong government action. They recommended:

1. That all advertising of cigarettes on radio and television be banned.
2. CBC and CTV (Canadian Television) should urge their staff not to smoke on camera.
3. Promotional devices such as free gifts and cash prizes used by tobacco companies should be made illegal.
4. Consideration should be given to making it a requirement that tobacco companies print a warning on cigarette packages to the effect that to smoke the contents may be injurious to health.

CTRDA recommendations are not only similar to those of the CMA, but both parallel proposals made by health interest groups in the United States.

Furthermore, the association volunteered to cooperate with the government in a study to assess the cost of emphysema and bronchitis to the nation in order to counter the economic arguments of those who defend cigarette smoking and who often cite its economic importance. CTRDA suggested that "it should be possible to get figures to counter this (economic) argument by stating the millions of dollars which are taken from the economy in hospital costs and payment of disability allowances."

D. Canadian Cancer Society and the National Cancer Institute of Canada

Both the Canadian Cancer Society (CCS) and the National Cancer Institute of Canada (NCIC) have been very concerned with the hazards of cigarette smoking. ¹⁰ As early as 1951, the Executive Director of the NCIC drew attention to the possible existence of a link between lung cancer and cigarette smoking. The NCIC noted in 1958 that "statistical studies show that cigarette smokers have a greater risk of dying of lung cancer than have non-smokers and the risk increases with the amount smoked."

Health, Welfare and Social Affairs indicates both their serious concern

and their acceptance and support of strong government action. They

recommended:

1. That all advertising of cigarettes on radio and television be banned.
2. CFC and CTV (Canadian Television) should urge their staff not to smoke on camera.
3. Promotional devices such as free gifts and cash prizes used by tobacco companies should be made illegal.
4. Legislation should be given to making it a requirement that tobacco companies print a warning on cigarette packages to the effect that "smoking the contents may be injurious to health."

CTMA recommendations are not only similar to those of the CFC, but both

parallel proposals made by health interest groups in the United States.

Furthermore, the association volunteered to cooperate with the govern-

ment in a study to assess the cost of emphysema and bronchitis to the

nation in order to counter the economic arguments of those who defend

cigarette smoking and who often cite its economic importance. CTMA

suggested that "it should be possible to get figures to counter this

(economic) argument by stating the millions of dollars which are taken

from the economy in hospital costs and payment of disability allowances."

B. Canadian Cancer Society and the National Cancer Institute of Canada

Both the Canadian Cancer Society (CCS) and the National Cancer

Institute of Canada (NCIC) have been very concerned with the hazards of

cigarette smoking.¹⁰ As early as 1951, the Executive Director of the

NCIC drew attention to the possible existence of a link between lung

cancer and cigarette smoking. The NCIC noted in 1955 that "statistical

studies show that cigarette smokers have a greater risk of dying of lung

cancer than have non-smokers and the risk increases with the amount smoked."

In June, 1960, the CCS adopted an educational program to inform the public of the relationship between lung cancer and cigarette smoking, with emphasis on the education of secondary school children through programs initiated by provincial divisions of the society. In June, 1962, the society suggested to other health interest groups that a broad program of public education on the problem of lung cancer and smoking should be initiated through these groups. Furthermore, to facilitate this effort, the society suggested the possibility of approaching governments, including their departments of health and education at all levels.

In their testimony before the Standing Committee on Health, Welfare and Social Affairs in 1969 the CCS and the NCIC noted the cooperation between themselves and the Canadian Medical Association and commented that this "common concern" over the hazards of cigarette smoking had led to "close collaboration in the development of programmes" to deal with the problem.

While the proposals of the three groups are not fully congruent, the groups have pointed out the substantial overlapping of their recommendations for government action. For example, in examining their own proposals for action the CCS acknowledged their support for proposals made by other groups since 1963. These included:

1. That the Federal Government publicly recognize the relationship between lung cancer and the smoking of cigarettes.
2. That the Department of National Health and Welfare make educational material available concerning the effect of smoking on health and that these responsible for the public health in each province and in each municipality participate in this educational activity.
3. That a broad programme of public education on the problem of lung cancer and smoking be carried out by the Canadian Medical Association, L'Association des Médecins de Langue Française du Canada and by

such other organizations dealing in matters of public health.

4. That certain provisions of the Tobacco Restraint Act be enforced in recognition of the importance of protecting school children against the adoption of the smoking habit. In particular, it is recommended that the provisions with respect to the control of automatic vending machines be enforced in schools and in premises close to schools.
5. That all parties concerned with the preparation and distribution of advertising use it to promote moderation.
6. That members of the tobacco industry be encouraged to produce cigarettes with a lower tar and nicotine content and that the Federal Government introduce legislation to require the manufacturers to state the quantity of tar and nicotine on the cigarette packages.
7. That a suitable warning be included on cigarette packages, in advertising and in retail outlets such as 'Warning- the use of tobacco may be hazardous to health.'
8. That the Federal Government request the Canadian Broadcasting Corporation to review its policy to ensure greater utilization of the medium to combat this health hazard.

The CCS and the NCIC concluded their presentation by appealing to the Canadian Parliament for "strong leadership" in the campaign against this health hazard. The CCS has devoted a significant portion of its activities and of its annual expenditures in 1968 on public education to a campaign intended to prevent young Canadians from adopting the habit and to persuade smokers to stop.

The NCIC has gone somewhat further than the CCS in concurring with the CMA recommendations that the federal government enact legislation to eliminate cigarette advertising in all media and at the point of sale and that governments at all levels be encouraged to discontinue financial support and other subsidy of the tobacco industry. Finally, to facilitate the elimination of cigarette advertising, the NCIC also recommended that tobacco be placed under the provisions of the Food and Drug Act and its

such other organizations dealing in matters of public health.

4. That certain provisions of the Tobacco Control Act be enforced in recognition of the importance of protecting school children against the adoption of the smoking habit. In particular, it is recommended that the provisions with respect to the control of automatic vending machines be enforced in schools and in premises close to schools.

5. That all parties concerned with the production and distribution of advertising use it to promote moderation.

6. That members of the tobacco industry be encouraged to produce cigarettes with a lower tar and nicotine content and that the Federal Government introduce legislation to require the manufacturers to state the quantity of tar and nicotine on the cigarette packages.

7. That a suitable warning be included on cigarette packages, in advertising and in retail outlets such as 'Warning - the use of tobacco may be hazardous to health.'

8. That the Federal Government request the Canadian Broadcasting Corporation to review its policy to ensure greater utilization of the medium to combat this health hazard.

The CCS and the NCIC concluded their presentation by appealing to the Canadian Parliament for "strong leadership" in the campaign against this health hazard. The CCS has devoted a significant portion of its activities and of its annual expenditures in 1968 on public education to a campaign intended to prevent young Canadians from adopting the habit and to persuade smokers to stop.

The NCIC has gone somewhat further than the CCS in concurring with the CMA recommendations that the federal government enact legislation to eliminate cigarette advertising in all media and at the point of sale and that governments at all levels be encouraged to discontinue financial support and other subsidy of the tobacco industry. Finally, to facilitate the elimination of cigarette advertising, the NCIC also recommended that tobacco be placed under the provisions of the Food and Drug Act and the

regulatory agency the Food and Drug Directorate.

E. Canadian Heart Foundation

The Canadian Heart Foundation (CHF) stated publicly in the Canadian Medical Association Journal,¹¹ and later presented to the National Conference on Smoking and Health held November 25 and 26, 1963, that "it seems reasonable, in the light of present knowledge, to suggest that those men who are unusually prone to heart disease should severely limit their smoking of cigarettes." The statement continued that "it would seem most desirable to take whatever steps are necessary to discourage smoking among teenagers in Canada, in an effort to reduce the toll from heart and blood vessel disease." The CHF has participated in the coordination of educational and other programs with other organizations and through Department of National Health and Welfare Committees.

In their 1969 testimony before the Standing Committee on Health, Welfare and Social Affairs,¹² the CHF suggested that recent research had led them to reaffirm their previous position "that any appropriate action that will reduce the hazard of cigarette smoking to cardiovascular health is desirable for the people of Canada." They also repeated their earlier statement suggesting that men prone to heart disease should limit their smoking of cigarettes. While the organization did not take a position on the bills being considered before the committee, the representatives present at the meeting voiced support for efforts to reduce cigarette consumption and to put cigarettes under the Food and Drugs Act.

F. Canadian Health Interests and Smoking

Canadian health interests have responded vigorously after recognizing the hazards of cigarette smoking.¹³ In the past chapter, we have traced briefly this awareness in four major Canadian health groups and their

regulatory agency the Food and Drug Administration.

F. Canadian Heart Foundation

The Canadian Heart Foundation (CHF) stated publicly in the January

National Association Journal, II and later presented to the National

Conference on Smoking and Health held November 12 and 13, 1963, that "it

seems reasonable, in the light of present knowledge, to suggest that

those men who are unusually prone to heart disease should severely limit

their smoking of cigarettes." The statement continued that "it would

seem most desirable to take whatever steps are necessary to discourage

smoking among teenagers in Canada, in an effort to reduce the toll from

heart and blood vessel disease." The CHF has participated in the coordina-

tion of educational and other programs with other organizations and through

Department of National Health and Welfare Committees.

In their 1963 testimony before the Standing Committee on Health,

Welfare and Social Affairs,¹² the CHF suggested that recent research had

led them to reaffirm their previous position "that any appropriate action

that will reduce the hazard of cigarette smoking to cardiovascular health

is desirable for the people of Canada." They also repeated their earlier

statement suggesting that men prone to heart disease should limit their

smoking of cigarettes. While the organization did not take a position on

the bills being considered before the committee, the representatives

present at the meeting voiced support for efforts to reduce cigarette

consumption and to put cigarettes under the Food and Drug Act.

F. Canadian Health Interests and Smoking

Canadian health interests have responded vigorously after recommending

the hazards of cigarette smoking.¹³ In the past chapter, we have traced

briefly this awareness in four major Canadian health groups and their

response. The National Conference on Smoking and Health in 1963 and the hearings of the House of Commons Standing Committee on Health, Welfare and Social Affairs in 1968-69 have focused national publicity on the controversy and have given health interest groups (as well as the tobacco industry and other related groups) the opportunity and incentive to formulate and express their positions on the problem. Health interest groups have proposed a variety of government actions short of outright prohibition. While the specificity and extremeness of their proposals differs, their basic aim of reducing cigarette consumption is accepted by all.

Education of the public to the dangers of cigarette smoking is the focus of their efforts, although they generally support more drastic government actions which would eliminate all cigarette advertising and/or limit the tar and nicotine content of cigarettes. Yet, they primarily hope to dissuade youngsters from starting the habit and thus gradually eliminate the smoking health problem, which is an approach almost perfectly congruent with the general approach of the Canadian government.

In this situation causality between health interest group actions and proposals and government actions is almost impossible to prove. C. D. Noble, executive director of the Canadian Public Health Association, which has also been very concerned with the smoking-health problem, perceptively voiced the difficulty in measuring the impact of health interest group actions:

It is difficult to know precisely what has been accomplished through your campaign on matters of this nature. However, it is certain that some progress had been made, through the efforts of this organization and other health organizations. The Government of Canada has become very concerned with smoking and health, and is in the process of using television advertising to emphasize the dangers. ¹⁴

response. The National Conference on Smoking and Health in 1963 and the hearings of the House of Commons Standing Committee on Health, Welfare and Social Affairs in 1968-69 have focused national policy on the controversy and have given health interest groups (as well as the tobacco industry and other related groups) the opportunity and incentive to formulate and express their positions on the problem. Health interest groups have proposed a variety of government actions short of outright prohibition. While the specificity and extremeness of their proposals differs, their basic aim of reducing cigarette consumption is accepted by all.

Education of the public to the dangers of cigarette smoking is the focus of their efforts, although they generally support more drastic government actions which would eliminate all cigarette advertising and/or limit the tar and nicotine content of cigarettes. Yet, they primarily hope to dissuade youngsters from starting the habit and thus gradually eliminate the smoking health problem, which is an approach almost perfectly congruent with the general approach of the Canadian government. In this situation causality between health interest group actions and proposals and government actions is almost impossible to prove. C. D. Wolfe, executive director of the Canadian Public Health Association, which has also been very concerned with the smoking-health problem, perceptively voiced the difficulty in measuring the impact of health interest group

actions:

It is difficult to know precisely what has been accomplished through your campaign on matters of this nature. However, it is certain that some progress had been made, through the efforts of this organization and other health organizations. The Government of Canada has become very concerned with smoking and health, and is in the process of taking legislative action to emphasize the danger. It

Canadian health interest groups have attempted and succeeded in increasing government awareness of the smoking-health problem and in obtaining action. According to Noble, "the Government of Canada has now taken over from the voluntary associations . . . in pointing out the dangers to health in the use of tobacco." ¹⁵ In reality, the effort is now cooperative with the burden of education (especially the financial burden) being assumed by the government while the needed research remains a matter of primary concern to the private health interest groups, especially those which we have discussed.

Canadian health interest groups have attempted and succeeded in increasing government awareness of the smoking-health problem and in obtaining action. According to Noble, "the Government of Canada has now taken over from the voluntary associations . . . in pointing out the dangers to health in the use of tobacco." ¹² In reality, the effort is now cooperative with the burden of education (especially the financial burden) being assumed by the government while the medical research remains a matter of primary concern to the private health interest groups, especially those which we have discussed.

Footnotes - Chapter X

1. Many other Canadian groups have acted on the smoking-health issue. These have included, the Canadian Public Health Association, the Canadian Teachers' Federation, the Canadian Home and School and Parent-Teacher Federation, and the Canadian Dental Association.
2. Canada, Department of National Health and Welfare, News Release Number 1967-71, December 26, 1967.
3. Canada, Department of National Health and Welfare, News Release Number 1968-101: Lung Cancer Epidemic Worsening, November 4, 1968.
4. Canada, Department of National Health and Welfare, News Release Number 1967-71, December 26, 1967, pp. 3-4.
5. Unless otherwise noted, information on the CMA is taken from their presentation entitled "The Canadian Medical Association Brief Re: Smoking and Health," found in Canada, Standing Committee on Health, Welfare and Social Affairs, Minutes of Proceedings and Evidence (Commons), No. 20 (February 27, 1969).
6. The Canadian Medical Association Journal, LXXXVIII (March 16, 1963), p. 589.
7. The Canadian Medical Association Brief to the National Conference on Smoking and Health (Ottawa: November 25-26, 1963).
8. "Canadian Physicians Need Federal Support to Help Patients Kick the Smoking Habit," The Canadian Medical Association Journal, CII (January 31, 1970), pp. 131-132.
9. Information on the CTRDA is from their "Brief to the Standing Committee on Health, Welfare and Social Affairs Concerning the Dangers of Cigarette Smoking," Canada, Minutes of Proceedings and Evidence (Commons), No. 21 (April 21, 1969).
10. Information on the CCS and the NCIC is from their joint "Brief to the Standing Committee on Health, Welfare and Social Affairs of the House of Commons together with a supplementary statement by the NCIC," in Canada, Minutes of Proceedings and Evidence (Commons), No. 44 (June 19, 25, 1969).
11. The Canadian Medical Association Journal LXXXVIII (June 8, 1963), p. 1175.

Footnotes - Chapter X

1. Many other Canadian groups have acted on the smoking-related issues. These have included, the Canadian Public Health Association, the Canadian Teachers' Federation, the Canadian Home and School and Parent-Teacher Federation, and the Canadian Dental Association.
2. Canada, Department of National Health and Welfare, News Release Number 1967-11, December 29, 1967.
3. Canada, Department of National Health and Welfare, News Release Number 1968-11: Lung Cancer National Workshop, November 4, 1968.
4. Canada, Department of National Health and Welfare, News Release Number 1967-11, December 29, 1967, pp. 3-4.
5. Unless otherwise noted, information on the CMA is taken from their presentation entitled "The Canadian Medical Association Brief For Smoking and Health," found in Canada, Standing Committee on Health, Welfare and Social Affairs, Minutes of Proceedings and Evidence (Ottawa), No. 20 (February 27, 1969).
6. The Canadian Medical Association Journal, LXV:111 (March 15, 1969), p. 289.
7. The Canadian Medical Association Brief to the National Conference on Smoking and Health (Ottawa: November 23-26, 1967).
8. "Canadian Physicians Need Federal Support to Help Patients Kick the Smoking Habit," The Canadian Medical Association Journal, CII (January 31, 1970), pp. 191-192.
9. Information on the CIMA is from their "Brief to the Standing Committee on Health, Welfare and Social Affairs Concerning the Papers of Minister of Health, Canada, Minutes of Proceedings and Evidence (Ottawa), No. 21 (April 21, 1969).
10. Information on the CDS and the NDC is from their joint "Brief to the Standing Committee on Health, Welfare and Social Affairs of the House of Commons together with a supplementary statement by the NDC," in Canada, Minutes of Proceedings and Evidence (Ottawa), No. 44 (June 19, 22, 1969).
11. The Canadian Medical Association Journal LX:VII (June 8, 1968), p. 1175.

12. Canada, Minutes of Proceedings and Evidence (Commons), No. 31 (May 15, 1969), see Canadian Heart Foundation, "Smoking and Cardiovascular Health: A Submission Prepared for the Health, Welfare and Social Affairs Committee of the House of Commons."
13. Other groups also testified at the Commons hearings. See, for example, testimony of the Canadian Home and School and Parent-Teacher Federation in Canada, Minutes of Proceedings and Evidence (Commons), No. 30 (May 13, 1969), or testimony of the Canadian Dental Association in Canada, Minutes of Proceedings and Evidence (Commons), No. 26 (April 24, 1969).
14. Letter from C. D. Noble, Executive Director of the Canadian Public Health Association, August 5, 1970.
15. Ibid.

12. Canada, Minutes of Proceedings and Evidence (Toronto), No. 31 (May 12, 1957), see Canadian Heart Foundation, "Smoking and Cardiovascular Health: A Submission Prepared for the Health, Welfare and Social Affairs Committee of the House of Commons."
13. Other groups also testified at the Commons hearings. See, for example, Testimony of the Canadian Home and School and Parent-Teacher Federation in Canada, Minutes of Proceedings and Evidence (Toronto), No. 30 (May 12, 1957), or Testimony of the Canadian Dental Association in Canada, Minutes of Proceedings and Evidence (Toronto), No. 30 (April 24, 1957).
14. Letter from C. D. Noble, Executive Director of the Canadian Public Health Association, August 2, 1956.
15. Ibid.

PART THREE

GREAT BRITAIN AND THE SMOKING-HEALTH CONTROVERSY

GREAT BRITAIN AND THE SMOKING-HEALTH CONTROVERSY
PART THREE

Part Three: Great Britain and the Smoking-Health Controversy

The British government's smoking and health program has sought to ensure that the facts about cigarette smoking and health are publicized widely and to dissuade the young from smoking. The British tradition of industry-government negotiation and cooperation and the centralization of British government decision-making have created an atmosphere less threatening to the British tobacco industry than in the United States. Yet, the fight for increased market shares, sales and profits has prevented tobacco industry unity in Britain as it has in the United States.

In the following chapters we will consider the economic importance of tobacco to the British economy, the British smoking and health program, as well as the response of the British tobacco industry to the smoking-health controversy.

The British Government's smoking and health program has sought to ensure that the facts about cigarette smoking and health are publicized widely and to dissuade the young from smoking. The British tradition of industry-government negotiation and cooperation and the centralization of British government decision-making have created an atmosphere less threatening to the British tobacco industry than in the United States. Yet, the fight for increased market shares, sales and profits has prevented tobacco industry unity in Britain as it has in the United States. In the following chapters we will consider the economic importance of tobacco to the British economy, the British smoking and health program, as well as the response of the British tobacco industry to the smoking-health controversy.

Chapter XI: Tobacco and the British Economy

A. Introduction

The economic importance of tobacco in Great Britain has been based primarily on cigarette taxation although employment directly and indirectly related to tobacco manufacturing and distribution, is also important. While tobacco manufacturing and distribution are relatively unimportant in the total economy of Britain, they still play an important role in the lives and livelihoods of many people.

The absence of tobacco agriculture in Great Britain has eliminated tobacco farming as a factor in its economic importance and has weakened the potential pro-tobacco sentiment and political strength. In contrast, American and Canadian tobacco industries have benefited from the large number of tobacco farmers in each country and their geographical and political concentration. Britain has no indigenous tobacco cultivation and has relied on its former colonies (including Canada and the United States) to supply its tobacco. British colonial policy which so successfully fostered tobacco cultivation in the American colonies also led to the elimination of tobacco cultivation in the mother country by British kings eager to protect their fledglings.

As in the United States and Canada, the health of cigarette smokers in Britain has been balanced against the economic importance of the industry. The political consequences of a broad range of possible government actions to reduce cigarette consumption have been examined and weighed in Britain at the highest levels of public authority. The difficulty of obtaining

A. Introduction

The economic importance of tobacco in Great Britain has been based primarily on cigarette taxation although employment directly and indirectly related to tobacco manufacturing and distribution, is also important. While tobacco manufacturing and distribution are relatively unimportant in the total economy of Britain, they still play an important role in the lives and livelihoods of many people.

The absence of tobacco agriculture in Great Britain has eliminated tobacco farming as a factor in its economic importance and has weakened the potential pro-tobacco sentiment and political strength. In contrast, American and Canadian tobacco industries have benefited from the large number of tobacco farmers in each country and their geographical and political concentration. Britain has no indigenous tobacco cultivation and has relied on its former colonies (including Canada and the United States) to supply its tobacco. British colonial policy which so successfully fostered tobacco cultivation in the American colonies also led to the elimination of tobacco cultivation in the mother country by British kings eager to protect their fledglings.

As in the United States and Canada, the health of cigarette smokers in Britain has been balanced against the economic importance of the industry. The political consequences of a broad range of possible government actions to reduce cigarette consumption have been examined and weighed in Britain at the highest levels of public authority. The difficulty of obtaining

alternative tax revenues and the fear of alienating the votes of cigarette smokers who contribute heavily to the public purse have inhibited government action and have maintained the system of interdependence between the government and the tobacco industry.

In the following chapter we will discuss three factors which have contributed to the economic importance of tobacco and cigarettes in Great Britain: tobacco manufacturing and distribution, tobacco imports and exports, and tobacco taxation. We propose to examine these component parts of tobacco's economic importance to aid in explaining British government policy and predicting possible future actions. We will also consider the structure of the British tobacco industry which we will use in a later chapter in discussing tobacco industry tactics.

B. Tobacco Manufacturing

As in the United States and Canada the economic importance of employment created by tobacco manufacturing has been debated in Britain. Harvey Cole, in his article "The Economic Effects,"¹ discussed the economic importance of tobacco in Great Britain and speculated on the probable effects a reduction in cigarette consumption would have upon the British economy. His efforts have been cited by The Royal College of Physicians of London in their 1971 report Smoking and Health Now.

Efforts to measure tobacco industry employment have been complicated by the continuing industry diversification that has taken place and the lack of data on cigarette and non-cigarette employment within the tobacco industry. However, we do know that as in the United States and Canada cigarettes account for well over ninety per cent of all tobacco consumed in Great Britain and vastly outweigh the importance of other forms of tobacco consumption.² Cole claimed that at the end of 1964, 39,700 people worked in the tobacco manufacturing industry itself.³

alternative tax revenues and the fear of alienating the votes of cigarette smokers who contribute heavily to the public purse have inhibited government action and have maintained the system of interdependence between the government and the tobacco industry.

In the following chapter we will discuss three factors which have contributed to the economic importance of tobacco and cigarettes in Great Britain: tobacco manufacturing and distribution, tobacco imports and exports, and tobacco taxation. We propose to examine these component parts of tobacco's economic importance to aid in explaining British government policy and predicting possible future actions. We will also consider the structure of the British tobacco industry which we will use in a later chapter in discussing tobacco industry tactics.

8. Tobacco Manufacturing

As in the United States and Canada the economic importance of employment created by tobacco manufacturing has been debated in Britain. Harvey Cole, in his article "The Economic Effects,"¹ discussed the economic importance of tobacco in Great Britain and speculated on the probable effects a reduction in cigarette consumption would have upon the British economy. His efforts have been cited by The Royal College of Physicians of London in their 1971 report Smoking and Health Now.

Efforts to measure tobacco industry employment have been complicated by the continuing industry diversification that has taken place and the lack of data on cigarette and non-cigarette employment within the tobacco industry. However, we do know that as in the United States and Canada cigarettes account for well over ninety per cent of all tobacco consumed in Great Britain and vastly outweigh the importance of other forms of tobacco consumption.² Cole claimed that at the end of 1964, 30,700 people worked in the tobacco manufacturing industry itself.³

Factories in two cities, Nottingham and Bristol, accounted for almost 50 per cent of the total national figure. However, even in these cities Cole found that only about five per cent of local jobs were created by the tobacco industry.⁴ On the national level out of just under nine million people in manufacturing in 1964 less than one-half of one per cent were employed by the tobacco industry.⁵

Economists and newspapers in Great Britain have also been concerned with the possible effects of reduced cigarette consumption upon people employed in tobacco distribution. While the profit margins on cigarettes are well below those on other goods, the volume of tobacco sales is important to the livelihoods of an estimated 60 thousand tobacconists, confectioners and news agents.⁶ Retail price maintenance (R.P.M.) agreements by tobacco manufacturers which froze the retail price of cigarettes, helped small businesses to compete with the larger supermarkets and discount stores. Cole estimated that "without cigarette sales many thousands of small shops would clearly find it impossible to stay in business. . . ." ⁷

The elimination of R.P.M. by the tobacco industry in late 1968 was a blow to many small shopowners which are now being hurt by cigarette price reductions offered by the large chain stores,⁸ although the precise impact has not yet been measured. The continuing spread and increasing popularity of supermarkets and discount houses in Great Britain as in the United States and Canada have threatened to force out of business a substantial proportion of the small shops regardless of the present threat to their tobacco sales. Cole noted in 1965 that the number of tobacconists had already declined about a seventh between 1957 and 1964.⁹

factories in two cities, Nottingham and Bristol, accounted for almost 50 per cent of the total national figure. However, even in these cities Cole found that only about five per cent of local jobs were created by the tobacco industry. ⁴ On the national level out of just under nine million people in manufacturing in 1954 less than one-half of one per cent were employed by the tobacco industry. ⁵

Economists and newspapers in Great Britain have also been concerned with the possible effects of reduced cigarette consumption upon people employed in tobacco distribution. While the profit margins on cigarettes are well below those on other goods, the volume of tobacco sales is important to the livelihoods of an estimated 60 thousand tobacconists, confectioners and news agents. ⁶ Retail price maintenance (R.P.M.) agreements by tobacco manufacturers which freeze the retail price of cigarettes, helped small businesses to compete with the larger supermarkets and discount stores. Cole estimated that "without cigarette sales many thousands of small shops would clearly find it impossible to stay in business. . . ." ⁷

The elimination of R.P.M. by the tobacco industry in late 1955 was a blow to many small shopowners which are now being hurt by cigarette price reductions offered by the large chain stores, ⁸ although the precise impact has not yet been measured. The continuing spread and increasing popularity of supermarkets and discount houses in Great Britain as in the United States and Canada have threatened to force out of business a substantial proportion of the small shops regardless of the present threat to their tobacco sales. Cole noted in 1955 that the number of tobacconists had already declined about a seventh between 1952

Cole estimated that the prohibition of tobacco might displace 100,000 full-time workers in tobacco manufacturing and distribution while perhaps a third of this total might be expected to retire or not seek further employment.¹⁰ He concluded that the disappearance of tobacco manufacture would not create any major problems, even in areas where it was heavily concentrated "provided that this did not simply happen overnight."¹¹

The Royal College of Physicians of London and other opponents of cigarette smoking have acknowledged the possible economic consequences of their proposals, and have considered the benefits to be derived from gradual rather than precipitous change. No precipitous prohibition or nationalization of tobacco or the tobacco industry has been suggested. Yet, there has at the same time been no legislation introduced or apparently even suggested by cigarette opponents to maliorate the economic hardships which would be imposed on tobacco workers and/or distributors by a governmental prohibition or any lesser actions that would reduce cigarette consumption and sales and which might concurrently reduce tobacco workers' opposition to such actions.

However, it is also conceivable that present programs are sufficient to protect those workers whose livelihoods might be affected. Moreover, no estimates are available on the nature or extent of the hardships that might result from any of the many possible governmental actions. Cole's estimate of the possible displacement of workers by a prohibition on tobacco is extremely crude and unfortunately there are no other available estimates and no government studies have been undertaken with which we can evaluate his figures.

Cole estimated that the prohibition of tobacco might displace 100,000 full-time workers in tobacco manufacturing and distribution while perhaps a third of this total might be expected to retire or not seek further employment. ¹⁰ He concluded that the disappearance of tobacco manufacture would not create any major problem, even in areas where it was heavily concentrated "provided that this did not simply happen overnight." ¹¹

The Royal College of Physicians of London and other opponents of cigarette smoking have acknowledged the possible economic consequences of their proposals, and have considered the benefits to be derived from gradual rather than precipitous change. No precipitous prohibition or nationalization of tobacco or the tobacco industry has been suggested. Yet, there has at the same time been no legislation introduced or apparently even suggested by cigarette opponents to mitigate the economic hardship which would be imposed on tobacco workers and/or distributors by a governmental prohibition or any lesser action that would reduce cigarette consumption and sales and which might conceivably reduce tobacco workers' opposition to such actions.

However, it is also conceivable that present programs are sufficient to protect those workers whose livelihoods might be affected. Moreover, no estimates are available on the nature or extent of the hardships that might result from any of the many possible governmental actions. Cole's estimate of the possible displacement of workers by a prohibition on tobacco is extremely crude and unfortunately there are no other available estimates and no government studies have been undertaken with which we can evaluate his figures.

The displacement of tobacco manufacturing employees and distributors as a result of government action will depend on the nature of that action. Estimates that predict dire consequences of government involvement and unspecified action are misleading. Other questions must be answered before reliable estimates of government-caused unemployment among tobacco-related employees can be developed. For example, there is presently no estimate of how rapidly the displacement of tobacco employees can be expected to take place given different possible government actions against cigarette smoking. Furthermore, no consideration has been given to the possibility of the tobacco industry's own absorption of displaced workers into its expanding non-tobacco activities or possibly even into other segments of the industry (such as cigars, pipe-smoking or non-tobacco enterprises) which might expand dramatically if cigarettes were prohibited.

What is needed now is dispassionate and authoritative study in Britain as well as in the United States and Canada to estimate accurately what might be realistically expected to result from a variety of possible government actions. For example, the elimination of R.P.M. on cigarettes in Britain has already further weakened the marginal economic position of the small tobacco retailer and may accelerate the gradual reduction of this type of retailing which has been under way for a number of years. It is possible that government actions against cigarettes would have only a slight incremental affect on employment in tobacco retailing.

Reassessment of the benefits of cigarettes and tobacco measured in terms of jobs and income from manufacturing and distribution is needed if the economic costs of governmental action against cigarettes are to be accurately measured. Such a reassessment might produce evidence that

The displacement of tobacco manufacturing employees and distribution as a result of government action will depend on the nature of that action.

Estimates that predict dire consequences of government involvement and

unjustified action are misleading. Other questions must be answered

before reliable estimates of government-caused unemployment among tobacco-

related employees can be developed. For example, there is presently no

estimate of how rapidly the displacement of tobacco employees can be

expected to take place given different possible government actions

and cigarette smoking. Furthermore, no consideration has been given

to the possibility of the tobacco industry's own absorption of displaced

workers into its expanding non-tobacco activities or possibly even into

other segments of the industry (such as cigars, pipe-smoking or non-

tobacco enterprises) which might expand dramatically if cigarettes were

prohibited.

What is needed now is a dispassionate and authoritative study in

Britain as well as in the United States and Canada to estimate accurately

what might be realistically expected to result from a variety of possible

government actions. For example, the elimination of R.P.M. on cigarettes

in Britain has already further weakened the marginal economic position

of the small tobacco retailer and may accelerate the gradual reduction

of this type of retailing which has been under way for a number of years.

It is possible that government actions against cigarettes would have only

a slight incremental effect on employment in tobacco retailing.

Reassessment of the benefits of cigarettes and tobacco measured in

terms of jobs and income from manufacturing and distribution is needed

in the economic costs of governmental action against cigarettes and to

be accurately measured. Such a reassessment might produce evidence that

the adverse employment impact of proposed government policies is less than the opponents of anti-cigarette efforts assert.

Nevertheless, reference to the overall importance of tobacco employment is misleading. The smoking-health controversy is a political problem, not primarily or just an economic or a medical one. In political terms, 60,000 retail tobacconists, confectioners and news agents might be extremely important. Their obvious visibility and contact with customers might make their political influence and impact far outweigh their numbers, economic importance or the size of their financial loss. Another still larger potential political group consists of tobacco company shareholders. In 1970 Imperial reported it had over 228 thousand shareholders while BAT had over 137 thousand shareholders in 1968. While shareholders' livelihoods may not be involved in the tobacco industry, at least a portion of their incomes and investments are. The importance of reassessment might be mainly political to calm unfounded fears and reduce opposition to government actions.

A second factor under consideration, British tobacco imports, contributes negatively to its economic importance. Unlike the United States and Canada which produce their own tobacco for indigenous consumption, Great Britain must import tobacco. Thus, tobacco imports are a drain on the British economy and tobacco exports make up only a small part of the trade deficit. Table 1 shows the value annually of tobacco imports and exports, 1958-68. The balance of trade deficit of tobacco has averaged £69.75 million annually over the period 1965-68.

the adverse employment impact of proposed government policies is less

than the opponents of anti-cigarette efforts assert.

Nevertheless, reference to the overall importance of tobacco employ-

ment is misleading. The smoking-health controversy is a political problem,

not primarily or just an economic or a medical one. In political terms,

60,000 retail tobacconists, confectioners and news agents might be

extremely important. Their obvious visibility and contact with customers

might make their political influence and impact far outweigh their numbers,

economic importance or the size of their financial loss. Another still

larger potential political group consists of tobacco company shareholders.

In 1970 Imperial reported it had over 338 thousand shareholders while

BAT had over 137 thousand shareholders in 1968. While shareholders'

livelihoods may not be involved in the tobacco industry, at least a portion

of their incomes and investments are. The importance of reassessment

might be mainly political to calm unfounded fears and reduce opposition

to government actions.

A second factor under consideration, British tobacco imports,

contributes negatively to its economic importance. Unlike the United

States and Canada which produce their own tobacco for indigenous consump-

tion, Great Britain must import tobacco. Thus, tobacco imports are a drain

on the British economy and tobacco exports make up only a small part of

the trade deficit. Table I shows the value annually of tobacco imports

and exports, 1958-68. The balance of trade deficit of tobacco has

averaged \$69.75 million annually over the period 1965-68.

Table 1

Great Britain: Value of Tobacco Imports
and Exports 1958-1968

	Value of Imports (million £)	Value of Exports (million £)	Retained Imports of Tobacco and Tobacco Manufactures (million £)
1958	86.9	21.6	316.7
1959	84.7	18.7	301.2
1960	103.6	18.2	361
1961	100.6	18.7	344
1962	80.8	16.8	278
1963	99.5	17.9	323
1964	91.1	16.9	311
1965	84.0	20.0	282
1966	84.6	21.9	261
1967	89.3	23.7	280
1968	116.7	30.0	330

United Kingdom, Annual Report of Statistics,
1969 (London: Her Majesty's Stationery Office,
1970).

TABLE I

Great Britain: Value of Tobacco Imports
and Exports 1950-1967

Value of Tobacco Imports (Million £)	Value of Tobacco Exports (Million £)	Value of Tobacco Imports (Million £)	Value of Tobacco Exports (Million £)
1950	21.0	80.8	100.7
1951	18.7	84.7	100.0
1952	18.1	100.0	100.0
1953	18.7	100.0	100.0
1954	18.8	80.8	100.0
1955	17.9	80.2	100.0
1956	16.9	81.1	100.0
1957	20.0	84.0	100.0
1958	21.9	84.0	100.0
1959	23.7	80.3	100.0
1960	30.0	100.7	100.0

United Kingdom, Annual Report of Statistics,
1967 (London: Her Majesty's Stationery Office,
1967).

Britain's balance of trade problems might have forced the reduction of tobacco imports if it were not for the importance of tobacco taxation and the importance of British tobacco imports from several Commonwealth nations. Prior to World War II the United States was the major source of supply for British tobacco manufacturers but tobacco imported from Commonwealth nations (which have a preferential rate of duty which amounts to less than two and one-half per cent) has increased to about 50 per cent of recent consumption. United Nations-imposed sanctions against Rhodesia have recently removed a major source of British tobacco imports.

The United States and several Commonwealth countries, including Canada, rely on exports of raw tobacco to Great Britain to help support thousands of tobacco farmers. The dependence of the United States tobacco farmers on British imports is quite substantial. Britain has imported approximately 23 per cent of all U.S. unmanufactured tobacco exports during the period 1964-69. This has amounted to over \$100 million annually during this period.¹² Any British government actions that would succeed in reducing cigarette consumption would be rapidly felt in both the U. S. and Canada and would adversely affect tobacco agriculture as well as their balance of payments. The cross-national interrelatedness of tobacco growing and tobacco consumption complicates accurate estimates of its importance in any one country. This interrelatedness of trade weighs heavily on policy makers who recognize that intervention might adversely affect relations between nations and lead to retaliation.

C. British Cigarette and Tobacco Taxation

The enormity and necessity of tobacco revenues to the British government is the principal fact which inhibits governmental action to reduce cigarette consumption. This importance is the central economic and

Britain's balance of trade problems might have forced the reduction of tobacco imports if it were not for the importance of tobacco taxation and the importance of British tobacco imports from several Commonwealth nations. Prior to World War II the United States was the major source of supply for British tobacco manufacturers but tobacco imported from Commonwealth nations (which have a preferential rate of duty which amounts to less than two and one-half per cent) has increased to about 50 per cent of recent consumption. United Nations-imposed sanctions against Rhodesia have recently removed a major source of British tobacco imports. The United States and several Commonwealth countries, including Canada rely on exports of raw tobacco to Great Britain to help support thousands of tobacco farmers. The dependence of the United States tobacco farmers on British imports is quite substantial. Britain has imported approximately 23 per cent of all U.S. manufactured tobacco exports during the period 1964-69. This has amounted to over \$100 million annually during this period. 12 Any British government action that would succeed in reducing cigarette consumption would be rapidly felt in both the U. S. and Canada and would adversely affect tobacco agriculture as well as their balance of payments. The cross-national interdependence of tobacco growing and tobacco consumption complicates accurate estimates of its importance in any one country. This interdependence of trade weighs heavily on policy makers who recognize that intervention might adversely affect relations between nations and lead to retaliation.

(1) British Cigarette and Tobacco Taxation

The enormity and necessity of tobacco revenues to the British Government is the principal fact which inhibits governmental action to reduce cigarette consumption. This importance is the central economic and

political fact about tobacco in Great Britain. We will show in the following section why this is the case.

The import duty on a pound of tobacco was 71 shillings (over \$7.50) in 1965 having increased 364 per cent from 19s 6d in September, 1940. Tobacco tax revenues have increased 49.9 per cent from £737.1 million in fiscal 1958-59 to £1105.0 in 1968-69. Britain with a little over one-fourth the population of the United States collects more tax revenues from tobacco than the U. S. federal government. Tax revenues make up over 80 per cent of the retail price of cigarettes in Britain in contrast to federal, state and local taxes in the U. S. which make up about 50 per cent.

Nevertheless, the relative importance of tobacco tax revenues in Britain has declined from 13.87 per cent in 1958-59 to 8.57 per cent in 1968-69.¹³ However, the relative importance of tobacco taxation to the national government is over three times greater in Great Britain than in the United States or Canada. On a per capita basis tobacco taxation in Great Britain brought the government approximately £19.50 in 1967-68 compared with £17.90 in 1960-61. Table 2 provides data on tobacco revenues and total taxation annually from 1958-59 to 1968-69.

The general reliance of governments on cigarette and tobacco taxation has been noted previously in discussing tobacco taxation in the United States and Canada. This dependence has given the British government an even stronger interest in the continuation of cigarette smoking.

The 1962 Royal College of Physicians report Smoking and Health, which was extremely critical of cigarette smoking, nevertheless ignored the economic importance of tobacco taxation. However, the 1971 report Smoking and Health Now directly confronted it. The report concluded that "it

political fact about tobacco in Great Britain. We will show in the

following section why this is the case.

The import duty on a pound of tobacco was 71 shillings (over \$7.30)

in 1965 having increased 34 per cent from 1954 in September, 1960.

Tobacco tax revenues have increased 49.9 per cent from £77.1 million in

fiscal 1958-59 to £110.0 in 1968-69. Britain with a little over one-

fourth the population of the United States collects more tax revenues

from tobacco than the U. S. federal government. Tax revenues make up

over 8 per cent of the retail price of cigarettes in Britain in contrast

to federal, state and local taxes in the U. S. which make up about 20

per cent.

Nevertheless, the relative importance of tobacco tax revenues in

Britain has declined from 13.87 per cent in 1958-59 to 8.27 per cent in

1968-69.¹³ However, the relative importance of tobacco taxation to the

national government is over three times greater in Great Britain than in

the United States or Canada. On a per capita basis tobacco taxation in

Great Britain brought the government approximately £19.50 in 1967-68

compared with \$17.90 in 1960-61. Table 2 provides data on tobacco

revenues and total taxation annually from 1958-59 to 1968-69.

The general reliance of governments on cigarette and tobacco tax-

ation has been noted previously in discussing tobacco taxation in the

United States and Canada. This dependence has given the British govern-

ment an even stronger interest in the continuation of cigarette smoking.

The 1967 Royal College of Physicians report Smoking and Health, which

was extremely critical of cigarette smoking, nevertheless ignored the

economic importance of tobacco taxation. However, the 1971 report Smoking

and Health has directly confronted it. The report concluded that "it

Table 2
British Tobacco Taxation ^a

	Tobacco Revenues ^b (million £)	Total Taxation (million £)	Tobacco Revenues as a % of total Taxation
1958-59	737.1	5314.1	13.87
1959-60	789.6	5400.4	14.62
1960-61	826.3	5727.6	14.42
1961-62	870.7	6380.7	13.65
1962-63	879.2	6571.9	13.38
1963-64	893.2	6648.6	13.43
1964-65	984.9	7431.5	13.25
1965-66	1015.4	8323.9	12.20
1966-67	1025.8	9370.6	10.95
1967-68	1044.7	10819.2	9.66
1968-69	1105.0	12887.8	8.57

a. Great Britain, Annual Report of Statistics, 1969 (London: Her Majesty's Stationery Office, 1970). For earlier statistics on tax revenues from tobacco duties and rates see Arthur E. Tanner, Tobacco: From the Grower to the Smoker (5th ed. rev., London: Sir Isaac Putnam & Sons, Ltd., 1950).

b. Year ended March 31st.

Table 2

British Tobacco Taxation^a

	Tobacco Revenues ^b (million £)	Total Taxation (million £)	Tobacco Revenues as a % of total taxation
1958-59	737.1	5314.1	13.87
1959-60	789.6	5400.4	14.62
1960-61	826.3	5727.6	14.42
1961-62	870.7	6380.7	13.62
1962-63	879.2	6771.9	12.98
1963-64	893.2	6648.6	13.43
1964-65	984.9	7431.2	13.25
1965-66	1012.4	8323.9	12.20
1966-67	1022.8	9370.6	10.92
1967-68	1044.7	10519.2	9.88
1968-69	1102.0	12687.8	8.57

a. Great Britain, Annual Report of Statistics, 1969 (London: Her Majesty's Stationery Office, 1970). For earlier statistics on tax revenues from tobacco duties and rates see Arthur E. Janner, Tobacco: From the Grower to the Smoker (5th ed. rev., London: Sir Isaac Pitman & Sons, Ltd., 1959).

b. Year ended March 31st.

seems that Ministers, while accepting the evidence . . . are guided in their actions by the view that the risks are regrettable but inevitable consequences of a habit which they believe to be an essential source of revenue." ¹⁴ In addition they quote an unnamed former Minister of Health in a Conservative government, who wrote in 1966 that "smokers, mainly cigarette smokers, contribute some £1,000 million yearly to the Exchequer . . . and no one knows better than the Government that they simply can't afford to lose so much." ¹⁵ The report also quotes at length an unnamed Labour Minister who expounded the same viewpoint as his Conservative colleague:

The introduction of a meaningful differential tax on cigarettes would be bound to have a serious detrimental effect on the total revenue obtainable from tobacco. The object of such a tax would be to reduce cigarette smoking, and pipes and cigars would not be acceptable alternatives for many cigarette smokers. Furthermore, apart from those who gave up smoking altogether, cigarette smokers who switched to cigars would consume less tobacco in proportion to the time spent in smoking. Thus the capacity of the tobacco duty to produce revenue would be eroded. ¹⁶

The economic importance to tobacco taxation and most importantly cigarette smoking has been recognised by both major political parties, which are therefore reluctant to act to reduce cigarette consumption. Alternative sources of needed tax revenues are difficult to find and to eliminate such a lucrative source of funds without a politically feasible or economically realistic alternative is political suicide for any British government regardless of political persuasion.

Smoking and Health Now contains a section that recognizes the attachment of British politicians to tobacco taxation and chastises them for it:

... as that Ministers, while accepting the evidence ... are guided in their actions by the view that the risks are respectable but inevitable consequences of a habit which they believe to be an essential source of revenue." 14 In addition they quote an unnamed former Minister of Health in a Conservative Government, who wrote in 1956 that "smokers, mainly cigarette smokers, contribute some £1,000 million yearly to the Exchequer ... and no one knows better than the Government that they simply can't afford to lose so much." 15 The report also quotes at length an unnamed Labour Minister who expounded the same viewpoint as his Conservative

colleagues:

The introduction of a meaningful differential tax on cigarettes would be bound to have a serious detrimental effect on the total revenue obtainable from tobacco. The object of such a tax would be to reduce cigarette smoking, and pipes and cigars would not be acceptable alternatives for many cigarette smokers. Furthermore, apart from those who gave up smoking altogether, cigarette smokers who switched to cigars would consume less tobacco in proportion to the time spent in smoking. Thus the capacity of the tobacco duty to produce revenue would be eroded. 16

The economic importance to tobacco taxation and most importantly cigarette smoking has been recognized by both major political parties, which are therefore reluctant to act to reduce cigarette consumption. Alternative sources of needed tax revenues are difficult to find and to eliminate such a lucrative source of funds without a politically feasible or economically realistic alternative is political suicide for any British Government regardless of political persuasion.

Smoking and Health Now contains a section that recognizes the attachment of British politicians to tobacco taxation and characterizes them

for it:

Ministers from both the main political parties have indicated their unwillingness to reduce this source of revenue. Indeed the Treasury has already met the possibility of the incorporation in cigarettes of substances other than tobacco by legislation in the Finance Act of 1970 to ensure that such substances should be taxed at the same rate as tobacco without, so far as is known, any consideration of the health aspects of the matter.¹⁷

As in many other countries differential taxation of tobacco to increase the retail price of cigarettes while reducing the price of pipe and cigar tobaccos has been proposed as an inducement to cigarette smokers to switch to less harmful types of smoking. The alternative of differential taxation might be considered more seriously if total tax revenues from tobacco were not projected to drop precipitously from any large decline in cigarette consumption.

In 1970 the average expenditure on tobacco was about 4.8 per cent of the income of the average British household.¹⁸ Consumer tobacco expenditures (at current market prices) have increased 53.1 per cent between 1958-68 from £1031 million to £1578. Even with the adverse publicity about smoking and health there hasn't been a single yearly decline in consumer tobacco expenditures since the controversy began about 1950.

The predicament posed by the smoking-health controversy has been complicated by the symbiotic attachment of the government to tobacco consumption. The challenge to break these ties which foster inaction has been issued by opponents of cigarette smoking in many countries. As The Royal College of Physicians of London put it, to the British government had "to decide between an easy source of revenue and the preservation of the lives, health, and productive capacity of the people they serve."¹⁹

... are quoted in
 their actions by the view that the risks are regrettable but inevitable
 consequences of a habit which they believe to be an essential source of
 revenue." 14 In addition they quote an unnamed former Minister of Health
 in a Conservative Government, who wrote in 1966 that "smokers, mainly
 cigarette smokers, contribute some £1,000 million yearly to the Exchequer
 . . . and no one knows better than the Government that they simply can't
 afford to lose so much." 15 The report also quotes at length an unnamed
 Labour Minister who expounded the same viewpoint as his Conservative

colleague:

The introduction of a meaningful differential tax on
 cigarettes would be bound to have a serious detrimental
 effect on the total revenue obtainable from tobacco.
 The object of such a tax would be to reduce cigarette
 smoking, and pipes and cigars would not be acceptable
 alternatives for many cigarette smokers. Furthermore,
 apart from those who gave up smoking altogether,
 cigarette smokers who switched to cigars would consume
 less tobacco in proportion to the time spent in smoking.
 Thus the capacity of the tobacco duty to produce revenue
 would be eroded. 16

The economic importance to tobacco taxation and most importantly
 cigarette smoking has been recognized by both major political parties,
 which are therefore reluctant to act to reduce cigarette consumption.
 Alternative sources of needed tax revenues are difficult to find and
 to eliminate such a lucrative source of funds without a politically
 feasible or economically realistic alternative is political suicide for
 any British Government regardless of political persuasion.
 Smoking and Health Now contains a section that recognizes the
 attachment of British politicians to tobacco taxation and characterizes them

for it:

Ministers from both the main political parties have indicated their unwillingness to reduce this source of revenue. Indeed the Treasury has already met the possibility of the incorporation in cigarettes of substances other than tobacco by legislation in the Finance Act of 1970 to ensure that such substances should be taxed at the same rate as tobacco without, so far as is known, any consideration of the health aspects of the matter.¹⁷

As in many other countries differential taxation of tobacco to increase the retail price of cigarettes while reducing the price of pipe and cigar tobaccos has been proposed as an inducement to cigarette smokers to switch to less harmful types of smoking. The alternative of differential taxation might be considered more seriously if total tax revenues from tobacco were not projected to drop precipitously from any large decline in cigarette consumption.

In 1970 the average expenditure on tobacco was about 4.8 per cent of the income of the average British household.¹⁸ Consumer tobacco expenditures (at current market prices) have increased 53.1 per cent between 1958-68 from £1031 million to £1578. Even with the adverse publicity about smoking and health there hasn't been a single yearly decline in consumer tobacco expenditures since the controversy began about 1950.

The predicament posed by the smoking-health controversy has been complicated by the symbiotic attachment of the government to tobacco consumption. The challenge to break these ties which foster inaction has been issued by opponents of cigarette smoking in many countries. As The Royal College of Physicians of London put it, to the British government had "to decide between an easy source of revenue and the preservation of the lives, health, and productive capacity of the people they serve."¹⁹

Ministers from both the main political parties have indicated their unwillingness to reduce this source of revenue. Indeed the Treasury has already set the possibility of the incorporation in cigarette of substances other than tobacco by legislation in the Finance Act of 1970 to ensure that such substances should be taxed at the same rate as tobacco without, so far as is known, any consideration of the health aspects of the matter.¹⁷

As in many other countries differential taxation of tobacco to increase the retail price of cigarettes while reducing the price of pipe and cigar tobaccos has been proposed as an inducement to cigarette smokers to switch to less harmful types of smoking. The alternative of differential taxation might be considered more seriously if total tax revenues from tobacco were not projected to drop precipitously from any large decline in cigarette consumption.

In 1970 the average expenditure on tobacco was about 4.8 per cent of the income of the average British household.¹⁸ (Consumer tobacco expenditures (at current market prices) have increased 53.1 per cent between 1928-68 from £1031 million to £1578. Even with the adverse publicity about smoking and health there hasn't been a single yearly decline in consumer tobacco expenditures since the controversy began about 1950.

The predicament posed by the smoking-health controversy has been complicated by the symbiotic attachment of the government to tobacco consumption. The challenge to break these ties which foster addiction has been issued by opponents of cigarette smoking in many countries. As The Royal College of Physicians of London put it, to the British government had "to decide between an easy source of revenue and the preservation of the lives, health, and productive capacity of the people they

D. Tobacco Industry Concentration

The tobacco industry in Britain is even more highly concentrated than in the United States or Canada. Two British companies completely dominate the market while only three control over 99 per cent of cigarette production. Imperial Tobacco Limited²⁰ accounted for 64 per cent of the cigarette market in 1967 (down from 81 per cent in 1947) while Gallahers Limited (which is 67 per cent owned by the American tobacco corporation, American Brands, Inc.) accounted for 30 per cent. Together these two firms controlled well over 90 per cent of cigarette production and total tobacco sales in 1967. A third company, Carreras Limited controlled 6 per cent of cigarette sales in the same year.²¹

Furthermore Imperial has a large holding in British-American Tobacco Company Limited (a British-based corporation which does not produce any cigarettes for the domestic market) and owns one of the large American manufacturers, Brown & Williamson Tobacco Corporation, while Imperial owned 42.5 per cent of its nearest competitor in 1961 and while it sold most of its holding it has retained a 1.65 per cent interest in the firm.²² Imperial's control of the tobacco market is so pervasive that as Cole noted "any picture of the industry must inevitably be a portrait most of whose features bear an uncanny resemblance to those of Imperial itself."²³

The unequal and unbalanced division of market shares has played an important role in determining individual company tactics and especially policy differences between companies which have prevented (as in the United States) a united industry response to anti-cigarette pressures. The necessity of protecting these market shares or of improving them has resulted in intra-industry conflict and in increased advertising expenditures and gift coupon schemes in a cigarette market that has rapidly

changed from non-filtered to filtered cigarettes and (unlike the trend in either the United States or Canada) from non-coupon to coupon gift brands.

excepted from non-discriminated to discriminated countries and (c) the total
 in either the United States or Canada) from non-discrimination to discriminated

should.

]

Footnotes - Chapter XI

1. Harvey Cole, "The Economic Effects," Common Sense about Smoking, C. M. Fletcher et al., (2nd ed., Middlesex, England: Penguin Books Limited, 1965), pp. 40-71. The obvious normative bias of the book and the lack of footnotes is unfortunate and frustrating. Cole's figures are extremely crude and selective.
2. Ibid., p. 43.
3. Ibid. In 1968 Imperial had 49,000 employees (including non-tobacco workers) and Carreras 5,200 according to Jane's Major Companies of Europe 1970 (London: NPC Publishing Ltd., 1970). Gallaher, in its 1968 Director's Report, stated that it had 13,790 employees.
4. Ibid., p. 44.
5. Ibid., p. 45.
6. "End of RPM Is Now Hitting Tobacconists," The Times (London), February 4, 1969.
7. Cole, p. 49.
8. "End of RPM Is Now Hitting Tobacconists," The Times (London), February 4, 1969.
9. Cole, p. 50.
10. Ibid., p. 51.
11. Ibid., p. 52.
12. U.S., Department of Agriculture, Annual Report on Tobacco Statistics 1969, p. 40.
13. Also see G. Findlay Shirras and L. Rostas, The Burden of British Taxation (Cambridge at the University Press, 1943). Net receipts of the Exchequer from tobacco taxation as a percentage of total receipts has varied from 11.1 per cent in 1913-1914, 7.8 per cent in 1925-1926 to 9.8 per cent in 1937-1938. For a more recent discussion see "Tobacco Drops as Tax Income," Tobacco Reporter, XCVIII (December, 1971), p. 38. The article noted that the tobacco duty had dropped to fifth place as a source of government revenue behind the income tax, corporation tax, petrol tax and purchase tax.

Footnotes - Chapter XI

1. Harvey Cole, "The Economic Effects," (Common Sense about Smoking, C. M. Fletcher et al., (2nd ed., Middlesex, England: Penguin Books Limited, 1962), pp. 40-71. The obvious normative bias of the book and the lack of footnotes is unfortunate and frustrating. Cole's figures are extremely crude and selective.
2. Ibid., p. 43.
3. Ibid. In 1968 Imperial had 49,000 employees (including non-tobacco workers) and Carreras 2,200 according to Japan's Major Companies of Europe 1970 (London: EBC Publishing Ltd., 1970). Gallager, in its 1968 Director's Report, stated that it had 13,740 employees.
4. Ibid., p. 44.
5. Ibid., p. 45.
6. "End of RPM Is Now Hitting Tobaccoists," The Times (London), February 4, 1969.
7. Cole, p. 49.
8. "End of RPM Is Now Hitting Tobaccoists," The Times (London), February 4, 1969.
9. Cole, p. 50.
10. Ibid., p. 51.
11. Ibid., p. 52.
12. U.S., Department of Agriculture, Annual Report on Tobacco Statistics 1969, p. 40.
13. Also see C. Findlay Shiras and L. Roates, The Burden of British Taxation (Cambridge at the University Press, 1942). Net receipts of the Exchequer from tobacco taxation as a percentage of total receipts has varied from 11.1 per cent in 1913-1914, 7.8 per cent in 1923-1926 to 9.8 per cent in 1937-1938. For a more recent discussion see "Tobacco Drops as Tax Income," Tobacco Reporter, XXVII (October, 1971), p. 38. The article noted that the tobacco duty had dropped to fifth place as a source of government revenue behind the income tax, corporation tax, petrol tax and purchase tax.

14. Royal College of Physicians, Smoking and Health Now: A New Report and Summary on Smoking and Its Effects on Health from the Royal College of Physicians of London (London: Pitman Medical and Scientific Publishing Co., Ltd., 1971), p. 21.
15. Ibid.
16. Ibid., p. 22.
17. Ibid., p. 136.
18. British Record, No. 15, December 8, 1971.
19. Royal College of Physicians, Smoking and Health Now . . ., p. 136.
20. Imperial Tobacco Limited originated as a defensive combination of thirteen leading British manufacturers against the invasion of their domestic market by the American tobacco combine in 1901. See Richard Evelyn and I. M. D. Little, Concentration in British Industry: An Empirical Study of the Structure of Industrial Production 1935-51 (Cambridge at the University Press, 1960).
21. The Times (London), March 6, 1967.
22. "Imperial Selling Share in Gallaher," Tobacco Reporter XCV (June, 1968), p. 66.
23. Cole, p. 45.

14. Royal College of Physicians, Smoking and Health Now: A New Report and Summary on Smoking and Its Effects on Health from the Royal College of Physicians of London (London: Pitman Medical and Scientific Publishing Co., Ltd., 1971), p. 21.
15. Ibid.
16. Ibid., p. 22.
17. Ibid., p. 136.
18. British Record, No. 15, December 8, 1971.
19. Royal College of Physicians, Smoking and Health Now . . . , p. 136.
20. Imperial Tobacco Limited originated as a defensive combination of thirteen leading British manufacturers against the invasion of their domestic market by the American tobacco combine in 1901. See Richard Evelyn and I. M. D. Little, Concentration in British Industry: An Empirical Study of the Structure of Industrial Production 1885-51 (Cambridge at the University Press, 1963).
21. The Times (London), March 6, 1967.
22. "Imperial Selling Share in Gallaher," Tobacco Reporter XCV (June, 1968), p. 66.
23. Cole, p. 42.

Chapter XII: British Smoking and Health Program, Legislative and Interest Group Efforts

A. Introduction

The British government's smoking and health campaign has had two main foci of action. The first has been to ensure that the facts about smoking and health and the hazards involved, especially of cigarette smoking, are publicized widely. The second aim has been to dissuade the young from smoking. This chapter considers the government's program to reach these goals. More specifically we will consider the government's response to cigarette advertising and efforts to obtain legislation or voluntary agreement with the industry. We will also discuss two strong pressures against cigarette smoking which have acted upon both the British government and the tobacco industry: (1) pressures from within the governmental bureaucracy from the Chief Medical Officer of Health, Sir George Godber, who has long led a verbal publicity war against cigarette smoking and (2) pressures from the medical profession as evinced in two reports issued by the Royal College of Physicians of London which show the frustration and the determination of the medical community in effectuating action to reduce and eventually eliminate the medical consequences of cigarette smoking.

B. Governmental Efforts

The British smoking and health campaign began in a small way in 1959 and was intensified after the publication of the Report on Smoking and Health by the Royal College of Physicians of London in March, 1962.

Chapter VII: British Smoking and Health Program
1. Introduction and Objectives

A. Introduction

The British government's smoking and health campaign has had two main foci of action. The first has been to ensure that the facts about smoking and health and the hazards involved, especially of cigarette smoking, are publicized widely. The second aim has been to dissuade the young from smoking. This chapter considers the government's program to reach these goals. More specifically we will consider the government's response to cigarette advertising and efforts to obtain legislation or voluntary agreement with the industry. We will also discuss two strong pressures against cigarette smoking which have acted upon both the British government and the tobacco industry: (1) pressures from within the government and (2) pressures from the medical profession as evinced in two reports issued by the Royal College of Physicians of London which show the frustration and the determination of the medical community in effectuating action to reduce and eventually eliminate the medical consequences of cigarette smoking.

B. Governmental Efforts

The British smoking and health campaign began in a small way in 1959 and was intensified after the publication of the Report of the Royal College of Physicians of London in March, 1961.

Prior to that time government involvement had been confined to statements to Parliament by the Minister of Health. For example, in 1957 the Minister stated that:

. . . the Government's response to the advice of the Medical Research Council that smoking played a major part in the increase of deaths from lung cancer was that the facts should be made known to all those with responsibility for health education.

The 1962 report noted that the educational efforts by local health authorities were minimal. Sales of pamphlets on smoking and health by the Central Council for Health Education (which was a focal point of early efforts) had amounted to only £ 3,424 for the years 1958-59 compared with some £27 million spent by the tobacco industry on advertising over the same period. The report contained the following rather bleak overall evaluation of efforts to 1962:

Since 1957, tobacco consumption and particularly cigarette smoking have continued to increase, and recent evidence among schoolchildren does not suggest such education as is being carried out is having much effect.²

The anti-smoking campaign begun in 1962 has been geared to a long-term campaign of education that would be developed progressively. The central government has supplied posters, films and other publicity material for the use of local health and education authorities free of charge. In March, 1962 local health and education authorities were asked by the Minister of Health to use "all their channels of health education . . . to bring home to the public and to schoolchildren the dangers of smoking" ³ Since then local authorities have conducted smoking-health education.

The Ministry of Health has used a number of symbolic devices to increase public awareness of the hazards of cigarette smoking. A postmark

prior to that time government involvement had been confined to statements to Parliament by the Minister of Health. For example, in 1957 the Minister

stated that:

... the Government's response to the advice of the Medical Research Council that smoking played a major part in the increase of deaths from lung cancer was that the facts should be made known to all those with responsibility for health education.

The 1962 report noted that the educational efforts by local health authorities were minimal. Sales of pamphlets on smoking and health by the Central Council for Health Education (which was a focal point of early efforts) had amounted to only £3,424 for the years 1956-59 compared with some £17 million spent by the tobacco industry on advertising over the same period. The report contained the following rather bleak overall evaluation of efforts to 1962:

Since 1957, tobacco consumption and particularly cigarette smoking have continued to increase, and recent evidence among schoolchildren does not suggest such education as is being carried out is having much effect.

The anti-smoking campaign begun in 1962 has been geared to a long-term campaign of education that would be developed progressively. The central government has supplied posters, films and other publicity material for the use of local health and education authorities free of charge. In March, 1962 local health and education authorities were asked by the Minister of Health to use "all their channels of health education . . . to bring home to the public and to schoolchildren the dangers of smoking . . ." Since then local authorities have conducted smoking-health education. The Ministry of Health has used a number of symbolic devices to increase public awareness of the hazards of cigarette smoking. A poster

cancellation "Cigarettes Harm Your Health" has been used; mobile vans bring educational material on smoking to all parts of the country; spot anti-smoking commercials on television; a million bookmarks, and more than two million posters of 24 designs have all been used to publicize the matter.⁴

Table 1 presents data on expenditures by the Ministry of Health on advertising to warn the public of the dangers of smoking from 1962-63 to 1966-67. Expenditures during this five year period have increased from almost £ 15 thousand to an estimated £ 92 thousand although recent spending has leveled off sharply after the first two years of sharply increased expenditures. While it is difficult to calculate government program expenditures figures because these efforts often cut across departmental boundaries and budgets the Ministry of Health figures presented in Table 1 are indicative of the scale of the British effort.⁵ Using monetary expenditures as a measure of effort the British program lags behind both the U.S. and Canadian efforts. However, this is probably not a valid comparison because of higher costs in the U.S. and Canada and the much larger national territories and widely scattered populations in these countries.

Table 1

Ministry of Health Expenditures on
Anti-Smoking Advertising

1962-63	£ 14,891
1963-64	29,046
1964-65	90,485
1965-66	95,968
1966-67 est.	92,000

Now the British Health Education Council has the responsibility of carrying on the national smoking and health program. The Council has

organization "Cigarettes Harm Your Health" has been used; mobile vans displaying

educational material on smoking to all parts of the country; spot anti-

smoking campaigns on television; a million booklets, and more than two

million posters of the dangers have all been used to publicize the matter.⁴

Table I presents data on expenditures by the Ministry of Health on

advertising to warn the public of the dangers of smoking from 1962-63 to

1966-67. Expenditures during this five year period have increased from

about £12 thousand to an estimated £92 thousand although recent spend-

ing has leveled off sharply after the first two years of sharply increased

expenditures. While it is difficult to calculate government program ex-

penditure figures because these efforts often cut across departmental

boundaries and budgets the Ministry of Health figures presented in Table

I are indicative of the scale of the British effort.⁵ Using monetary

expenditures as a measure of effort the British program lags behind both

the U.S. and Canadian efforts. However, this is probably not a valid

comparison because of higher costs in the U.S. and Canada and the much

larger national territories and widely scattered populations in those

countries.

Table I

Ministry of Health Expenditures on
Anti-Smoking Advertising

£14,481	1962-63
22,046	1963-64
30,485	1964-65
32,938	1965-66
32,000	1966-67 est.

Now the British Health Education Council has the responsibility of

carrying on the national smoking and health program. The Council has

launched a number of publicity programs geared to specific age groups and has undertaken a study of the effectiveness of these programs in changing smoking behavior. For example, newspaper advertisements are being used to reach the 16 to 30 year olds with factual messages stressing the health hazards of smoking and six different types of posters are being made available by the Council to local communities to support their local health education activities. ⁶

As in the United States and Canada the lack of coordination between the efforts of private groups and government as well as between government departments has presented a serious problem. Finally in March 1970 a Senior Medical Officer was appointed in the Department of Health and Social Security to coordinate the work of various departments. ⁷ Eventually a unit like the U. S. National Clearinghouse for Smoking and Health may be established to further centralise and coordinate government efforts.

C. Response to Cigarette Advertising

As in the United States and Canada, British tobacco and cigarette advertising has been sharply criticised for allegedly directing its efforts to children, as well as for an excessive volume. The government's so-called antidote efforts have never amounted to even 1 per cent of industry advertising expenditures. In response to criticisms the industry defended itself in 1962 using arguments which have been repeatedly used in Britain and which were later used in the U.S. and Canada:

Advertising of tobacco products takes the form of advertising of individual brands. There is no direct appeal to non-smokers to smoke The purpose of brand advertising is simply to sell the brand advertised, which primarily means to sell that brand at the expense of competing brands.

Tobacco manufacturers . . . have never encouraged excessive smoking. There has never been any advertising in which smokers have been urged to smoke more.

launched a number of publicity programs geared to specific age groups and has undertaken a study of the effectiveness of these programs in changing existing behavior. For example, newspaper advertisements are being used to reach the 16 to 30 year olds with factual messages stressing the health hazards of smoking and six different types of posters are being made available by the Council to local communities to support their local health education activities.

As in the United States and Canada the lack of coordination between the efforts of private groups and government as well as between government departments has presented a serious problem. Finally in March 1970 a Senior Medical Officer was appointed in the Department of Health and Social Security to coordinate the work of various departments. Eventually a unit like the U. S. National Clearinghouse for Smoking and Health may be established to further centralize and coordinate government efforts.

C. Response to Cigarette Advertising

As in the United States and Canada, British tobacco and cigarette advertising has been sharply criticized for allegedly directing its efforts to children, as well as for an excessive volume. The government's so-called antidote efforts have never amounted to even 1 per cent of industry advertising expenditures. In response to criticism the industry defended itself in 1963 using arguments which have been repeatedly used in Britain and which were later used in the U.S. and Canada:

Advertising of tobacco products takes the form of advertising of individual brands. There is no direct appeal to non-smokers to smoke . . . The purpose of brand advertising is simply to sell the brand advertised, which primarily means to sell that brand at the expense of competing brands. . . . have never encountered excessive smoking. There has never been any advertising in which smokers have been urged to smoke more.

Although the law permits young persons over the age of 16 to purchase cigarettes it cannot be said that any manufacturer in this country has brought a disproportionate weight of advertising to bear on this class of consumer. The tobacco manufacturers have never encouraged smoking by schoolchildren and have never in the slightest degree aimed advertising at them.

Much, if not most governmental action in the United States, Great Britain and Canada has attempted to regulate the advertising of cigarettes and to limit the exposure of children to this advertising.

The tobacco industry has attempted to forestall both negative public opinion and government action by acting voluntarily. In 1962, only one month after the release of the report of the Royal College of Physicians, the tobacco industry voluntarily adopted an advertising code which was probably used later as a model by both the American and Canadian tobacco industries. The British industry code excluded any cigarette advertisements which over-emphasized the pleasures of smoking; featured conventional heroes of the young; appealed to sensuality, romance, or social success; or implied greater safety of any brand. The industry also agreed to reduce exposure of television advertising to children by eliminating cigarette advertising before 9 p.m.⁹ Consumers Union had reported that prior to this agreement the major British tobacco companies had placed about half of their cigarette commercials during the hours from 7 to 9 p.m.¹⁰

As in the United States, such industry self-discipline has been questioned by critics. The second Royal College of Physicians report, Smoking and Health Now, published in 1971 suggested that even with the code "some advertisements of the type excluded continued to appear for a few brands of cigarettes."¹¹

While the state-supported British Broadcasting Corporation (BBC) did not carry any commercial advertising the Independent Television Authority

Although the law permits young persons over the age of 16 to purchase cigarettes it cannot be said that any manufacturer in this country has brought a disproportionate weight of advertising to bear on this class of consumer. The tobacco manufacturers have never encouraged smoking by schoolchildren and have never in the slightest degree acted advertising at them.

Even, if not most governmental action in the United States, Great Britain and Canada has attempted to regulate the advertising of cigarettes and to limit the exposure of children to this advertising.

The tobacco industry has attempted to forestall both negative public opinion and government action by acting voluntarily. In 1961, only one month after the release of the report of the Royal College of Physicians, the tobacco industry voluntarily adopted an advertising code which was probably used later as a model by both the American and Canadian tobacco industries. The British industry code excluded any cigarette advertisement which over-emphasized the pleasures of smoking; featured conventional scenes of the young; appealed to manliness, romance, or social success; or implied greater safety of any brand. The industry also agreed to reduce exposure of television advertising to children by eliminating cigarette advertising before 9 p.m.⁹ Consumers Union had reported that prior to this agreement the major British tobacco companies had placed about half of their cigarette commercials during the hours from 7 to 9 p.m.¹⁰ As in the United States such industry self-discipline has been questioned by critics. The second Royal College of Physicians report, Smoking and Health Now, published in 1971 suggested that even with the code "some advertisements of the type excluded continued to appear for a few brands of cigarettes." ¹¹

While the state-supported British Broadcasting Corporation (BBC) did not carry any commercial advertising the Independent Television Authority

carried about \$15 million a year in cigarette advertising. After several years of deliberation on the matter the government imposed a ban on television cigarette advertising on August 1st, 1965. Smoking and Health Now noted in retrospect the following points:

Much of the increase in expenditure on advertising between 1955 and 1965 was due to television cigarette advertising [which went from nothing to £7 million in 1965 before the ban]. After the ban on television advertising . . . the expenditure on advertising cigarettes fell and there was a simultaneous rise in₁₂ expenditure on advertising of pipe tobaccos and cigars.

Table 2 presents data on tobacco industry expenditures on sales promotion of cigarettes, tobaccos, and cigars between 1955 and 1968. Gift coupon schemes were few and intermittent before 1963 but since then they have become the most popular form of sales promotion increasing from £8.8 million in 1963, the first year of their intensified use, to £35.2 million in 1968 in cost to the tobacco companies.

The government has sought to negotiate with the tobacco industry to obtain voluntary self-discipline. In June, 1966 the government announced industry agreement to voluntarily limit cigarette advertising through press and posters for six months beginning June 1st. The agreement also was to end advertising in cinemas and on radio on expiration of existing contracts.¹³ In addition an understanding was also reached to restrict the distribution of free samples. The agreement lapsed when the government and the industry could not agree on terms for continuation.

For months, voluntary agreement to eliminate coupon schemes had been sought as part of the negotiations to reduce cigarette advertising expenditures. But while Carreras, Ltd. and Gallaher, Ltd. were willing, Imperial, the largest cigarette manufacturer, refused.

carried about \$12 million a year in cigarette advertising. After several years of deliberation on the matter the Government imposed a ban on television cigarette advertising on August 1st, 1963. The ban was limited to the following points:

Most of the increase in expenditure on advertising between 1953 and 1963 was due to television cigarette advertising which went from nothing to \$7 million in 1963 before the ban. After the ban on television advertising . . . the expenditure on advertising cigarettes fell and there was a substantial rise in expenditure on advertising of pipe tobacco and cigars.

Table 2 presents data on tobacco industry expenditures on sales pro-

motion of cigarettes, tobaccos, and cigars between 1953 and 1963. Gift coupon schemes were few and infrequent before 1963 but since then they have become the most popular form of sales promotion increasing from \$3.8 million in 1963, the first year of their unrestricted use, to \$12.1 million in 1968 in cost to the tobacco companies.

The Government has sought to negotiate with the tobacco industry to obtain voluntary self-discipline. In June, 1960 the Government announced an industry agreement to voluntarily limit cigarette advertising through press and posters for six months beginning June 1st. The agreement also was to end advertising in cinemas and on radio on expiration of existing contracts. In addition an understanding was also reached to restrict the distribution of free samples. The agreement lapsed when the Government and the industry could not agree on terms for continuation.

For months, voluntary agreement to eliminate coupon schemes had been sought as part of the negotiations to reduce cigarette advertising expenditure. But while Cigarettes, Ltd. and Gallaher, Ltd. were willing, Imperial, the largest cigarette manufacturer, refused.

Table 2 ^a

British Expenditure on Sales Promotion of Cigarettes, Tobaccos, and Cigars, 1955-1968
(Figures in million)

Date	Press Posters		TV	Cinema	Actual Total		Adjusted Gift Coupons Total*		Grand Total	
							Actual	Adjusted	Actual	Adjusted*
1955	1.7	0.6	---	0.1	2.4	3.0	---	---	2.4	3.0
1956	2.1	0.6	0.4	0.1	3.2	3.8	---	---	3.2	3.8
1957	2.5	0.7	1.3	0.3	4.8	5.6	---	---	4.8	5.6
1958	2.6	0.7	1.9	0.2	5.4	6.2	---	---	5.4	6.2
1959	2.6	0.7	2.9	0.2	6.4	7.1	---	---	6.4	7.1
1960	3.6	0.9	4.2	0.4	9.1	9.1	---	---	9.1	9.1
1961	3.7	1.3	5.3	0.3	10.6	9.5	---	---	10.6	9.5
1962	5.3	1.7	5.8	0.3	13.1	11.3	---	---	13.1	11.3
1963	5.8	2.0	6.2	0.5	14.5	12.2	8.8	7.4	23.3	19.6
1964	7.7	2.2	8.1	0.5	18.5	14.4	10.3	8.0	28.8	22.4
1965	10.4	3.1	7.0	0.6	21.1	16.3	13.0	10.0	34.1	26.3
1966	10.3	3.2	2.5	0.6	16.6	13.1	24.4	19.3	41.0	32.4
1967	8.5	2.7	2.9	0.2	14.3	10.8	33.2	25.1	47.5	35.9
1968	11.0	3.0	2.8	0.2	17.0	12.2	35.2	25.3	52.2	37.5

* Adjusted for increased costs based on 1960

^a Smoking and Health Now: A Report of the Royal College of Physicians (London: Pitman Medical and Scientific Publishing Co., Ltd., 1971), p. 17.

0001 no hard costs associated w/ benefits
 0002
 0003
 0004
 0005
 0006
 0007
 0008
 0009
 0010
 0011
 0012
 0013
 0014
 0015
 0016
 0017
 0018
 0019
 0020
 0021
 0022
 0023
 0024
 0025
 0026
 0027
 0028
 0029
 0030
 0031
 0032
 0033
 0034
 0035
 0036
 0037
 0038
 0039
 0040
 0041
 0042
 0043
 0044
 0045
 0046
 0047
 0048
 0049
 0050
 0051
 0052
 0053
 0054
 0055
 0056
 0057
 0058
 0059
 0060
 0061
 0062
 0063
 0064
 0065
 0066
 0067
 0068
 0069
 0070
 0071
 0072
 0073
 0074
 0075
 0076
 0077
 0078
 0079
 0080
 0081
 0082
 0083
 0084
 0085
 0086
 0087
 0088
 0089
 0090
 0091
 0092
 0093
 0094
 0095
 0096
 0097
 0098
 0099
 0100
 0101
 0102
 0103
 0104
 0105
 0106
 0107
 0108
 0109
 0110
 0111
 0112
 0113
 0114
 0115
 0116
 0117
 0118
 0119
 0120
 0121
 0122
 0123
 0124
 0125
 0126
 0127
 0128
 0129
 0130
 0131
 0132
 0133
 0134
 0135
 0136
 0137
 0138
 0139
 0140
 0141
 0142
 0143
 0144
 0145
 0146
 0147
 0148
 0149
 0150
 0151
 0152
 0153
 0154
 0155
 0156
 0157
 0158
 0159
 0160
 0161
 0162
 0163
 0164
 0165
 0166
 0167
 0168
 0169
 0170
 0171
 0172
 0173
 0174
 0175
 0176
 0177
 0178
 0179
 0180
 0181
 0182
 0183
 0184
 0185
 0186
 0187
 0188
 0189
 0190
 0191
 0192
 0193
 0194
 0195
 0196
 0197
 0198
 0199
 0200
 0201
 0202
 0203
 0204
 0205
 0206
 0207
 0208
 0209
 0210
 0211
 0212
 0213
 0214
 0215
 0216
 0217
 0218
 0219
 0220
 0221
 0222
 0223
 0224
 0225
 0226
 0227
 0228
 0229
 0230
 0231
 0232
 0233
 0234
 0235
 0236
 0237
 0238
 0239
 0240
 0241
 0242
 0243
 0244
 0245
 0246
 0247
 0248
 0249
 0250
 0251
 0252
 0253
 0254
 0255
 0256
 0257
 0258
 0259
 0260
 0261
 0262
 0263
 0264
 0265
 0266
 0267
 0268
 0269
 0270
 0271
 0272
 0273
 0274
 0275
 0276
 0277
 0278
 0279
 0280
 0281
 0282
 0283
 0284
 0285
 0286
 0287
 0288
 0289
 0290
 0291
 0292
 0293
 0294
 0295
 0296
 0297
 0298
 0299
 0300
 0301
 0302
 0303
 0304
 0305
 0306
 0307
 0308
 0309
 0310
 0311
 0312
 0313
 0314
 0315
 0316
 0317
 0318
 0319
 0320
 0321
 0322
 0323
 0324
 0325
 0326
 0327
 0328
 0329
 0330
 0331
 0332
 0333
 0334
 0335
 0336
 0337
 0338
 0339
 0340
 0341
 0342
 0343
 0344
 0345
 0346
 0347
 0348
 0349
 0350
 0351
 0352
 0353
 0354
 0355
 0356
 0357
 0358
 0359
 0360
 0361
 0362
 0363
 0364
 0365
 0366
 0367
 0368
 0369
 0370
 0371
 0372
 0373
 0374
 0375
 0376
 0377
 0378
 0379
 0380
 0381
 0382
 0383
 0384
 0385
 0386
 0387
 0388
 0389
 0390
 0391
 0392
 0393
 0394
 0395
 0396
 0397
 0398
 0399
 0400
 0401
 0402
 0403
 0404
 0405
 0406
 0407
 0408
 0409
 0410
 0411
 0412
 0413
 0414
 0415
 0416
 0417
 0418
 0419
 0420
 0421
 0422
 0423
 0424
 0425
 0426
 0427
 0428
 0429
 0430
 0431
 0432
 0433
 0434
 0435
 0436
 0437
 0438
 0439
 0440
 0441
 0442
 0443
 0444
 0445
 0446
 0447
 0448
 0449
 0450
 0451
 0452
 0453
 0454

In announcing the deadlock Robinson, Minister of Health, suggested that:

[Although] there was a genuine desire on the part of the industry to reach agreement on the limitation of promotional expenditure . . . the conflict of commercial interests between the companies and the anxieties about their shares of the market frustrated all efforts to devise a formula for agreement.

Industry expenditures on gift coupons had increased an average of 41.8 per cent each year between 1963 and 1967. Between 1965 and 1966 when total tobacco advertising expenditures declined 27.1 per cent (with the elimination of TV cigarette commercials) gift coupon expenditures increased 87.7 per cent. By June 1967 coupon brands held 55 per cent of the cigarette market, ¹⁵ having skyrocketed from near oblivion before 1963.

Imperial Tobacco, which had benefited most from gift coupons in increasing its already dominant market share, defended its unwillingness to agree to limitations in gift coupon expenditures, while at the same time Imperial agreed to moderate its other advertising expenditures. The company commented that:

We do not believe that if coupon trading was withdrawn tomorrow you would see any significant difference in smoking habits in this country. Therefore we think the Minister's proposal irrational and not acceptable to us.

Imperial has called gift coupons "merely deferred savings, a kind of fringe service to the public," ¹⁷ and "a form of price competition in no way comparable with advertising." ¹⁸ Imperial's competitors in sharp contrast favored voluntary agreement to avoid the possibility of restrictive legislation, as well as to protect their threatened market shares from the possibly gloomy consequences of continuing coupon war.

The united industry front against restrictive measures was shattered by the failure of the industry and the government to work out a voluntary

(continued)

. 6. Estimated time for completion : 10 days
 . 7. Estimated cost : \$ 100,000
 . 8. Estimated number of personnel : 10

* Bureau of Census has no data on this

In announcing the deadlock Robinson, Minister of Health, suggested that:

[Although] there was a genuine desire on the part of the industry to reach agreement on the limitation of promotional expenditure . . . the conflict of commercial interests between the companies and the anxieties about their shares of the market frustrated all efforts to devise a formula for agreement.¹⁴

Industry expenditures on gift coupons had increased an average of 41.8 per cent each year between 1963 and 1967. Between 1965 and 1966 when total tobacco advertising expenditures declined 27.1 per cent (with the elimination of TV cigarette commercials) gift coupon expenditures increased 87.7 per cent. By June 1967 coupon brands held 55 per cent of the cigarette market,¹⁵ having skyrocketed from near oblivion before 1963.

Imperial Tobacco, which had benefited most from gift coupons in increasing its already dominant market share, defended its unwillingness to agree to limitations in gift coupon expenditures, while at the same time Imperial agreed to moderate its other advertising expenditures. The company commented that:

We do not believe that if coupon trading was withdrawn tomorrow you would see any significant difference in smoking habits in this country. Therefore we think the Minister's proposal irrational and not acceptable to us.¹⁶

Imperial has called gift coupons "merely deferred savings, a kind of fringe service to the public,"¹⁷ and "a form of price competition in no way comparable with advertising."¹⁸ Imperial's competitors in sharp contrast favored voluntary agreement to avoid the possibility of restrictive legislation, as well as to protect their threatened market shares from the possibly gloomy consequences of continuing coupon war.

The united industry front against restrictive measures was shattered by the failure of the industry and the government to work out a voluntary

in announcing the decision Robinson, Minister of Health, suggested

that:

[Although] there was a genuine desire on the part of the industry to reach agreement on the limitation of promotional expenditure . . . the conflict of commercial interests between the companies and the authorities about their share of the market frustrated all efforts to reach a formula for agreement.¹⁷

Industry expenditures on gift coupons had increased an average of 41.8 per cent each year between 1963 and 1967. Between 1963 and 1966 when total tobacco advertising expenditures declined 27.1 per cent (with the elimination of TV cigarette commercials) gift coupon expenditures increased 87.7 per cent. By June 1967 coupon brands held 52 per cent of the cigarette market,¹⁸ having skyrocketed from near oblivion before 1963.

Imperial Tobacco, which had benefited most from gift coupons in increasing its already dominant market share, defended its unwillingness to agree to limitations in gift coupon expenditures, while at the same time Imperial agreed to moderate its other advertising expenditures. The company commented that:

We do not believe that if coupon trading was withdrawn tomorrow you would see any significant difference in smoking habits in this country. Therefore we think the Minister's proposal irrational and not acceptable to us.¹⁹

Imperial has called gift coupons "merely deferred savings, a kind of fringe service to the public,"¹⁷ and "a form of price competition in no way comparable with advertising."¹⁸ Imperial's competitors in sharp contrast favored voluntary agreement to avoid the possibility of restrictive legislation, as well as to protect their threatened market shares from the possibly gloomy consequences of continuing coupon war.

The United Industry front against restrictive measures was shattered by the failure of the industry and the government to work out a voluntary

compromise, and the unbalanced situation within the industry caused by the rapid success of coupon brands. The Times observed in March, 1967 that "over the past year the tobacco men's facade of calm contentment has disappeared in a cloud of confusion, wrangling and back-biting." ¹⁹

Carreras, with only a tiny portion of the domestic cigarette market, reacted against this imbalance. This resulted from the ability of those manufacturers already engaged in coupon trading to rapidly improve their positions as a result of government "interference" that had eliminated television advertising. ²⁰ Carreras began a two-pronged attack; to increase advertising expenditures (including a request to resume TV cigarette advertising) ²¹ and a scathing attack on gift coupon schemes:

This form of advertising involves offering 'rewards for smoking' on a quantity consumed basis; the lavish catalogue could be said to glamorize smoking and certain articles offered have appeal to young people. There is also evidence to suggest that it may have a particular attraction to young couples setting up home and, certainly, that it encourages heavy smokers to remain heavy smokers. Cigarette manufacturers have said that their products are offered to be enjoyed in moderation, as are many other products, and the extreme increase in this form of advertising is hardly in accordance with such an attitude. ²²

Ronald Plumley, Carreras chairman, was quoted as calling cigarette gift coupons a "merry-go-round to hell." ²³

Thus, government efforts to orchestrate voluntary compromise and cooperation were frustrated by internal industry competition. This internal conflict probably reached its height in early 1967 when Imperial unilaterally dropped its case to retain retail price maintenance. Although the company quickly reversed itself its competitors charged perfidy and betrayal. ²⁴

After acknowledging the failure of efforts directed towards voluntary industry action, the Minister of Health sought in January, 1967 to impose

compromises, and the undisciplined attention within the industry caused by the rapid success of coupon brands. The first coupon brand, 1967, was the "over the past year the tobacco men's attitude of calm contentment has disappeared in a cloud of confusion, wrangling and back-biting." 19

Carter, with only a tiny portion of the domestic cigarette market, reacted against this imbalance. This resulted from the ability of those manufacturers already engaged in coupon trading to rapidly improve their positions as a result of government "interference" that had eliminated television advertising. 20 Carter began a two-pronged attack; to increase advertising expenditures (including a request to remove TV cigarette advertising) 21 and a scathing attack on gift coupon schemes:

"This form of advertising involves offering 'rewards' for smoking on a quantity consumed basis; the initial outlay could be said to give some smoking and certain attitudes offered have appeal to young people. There is also evidence to suggest that it may have a particular attraction to young couples setting up home and, certainly, that it encourages heavy smokers to remain heavy smokers. Cigarette manufacturers have said that their products are offered to be enjoyed in moderation, as are many other products, and the extreme increase in this form of advertising is hardly in accordance with such an attitude."

Ronald H. Wiley, Carter's chairman, was quoted as calling cigarette gift coupons a "kerry-go-round to hell." 22

Thus, government efforts to orchestrate voluntary compromise and

cooperation were frustrated by internal industry competition. This internal conflict probably reached its height in early 1967 when Imperial Industries dropped its case to retain retail price maintenance. Although the company quickly reversed itself its competitors charged persistently and persistently. 24

After acknowledging the failure of efforts directed towards voluntary industry action, the Minister of Health sought in January, 1967 to impose

were restrictions on smoking in public places by appealing for voluntary actions by trade associations, local authorities and hospitals. The government, however, rejected the idea of bans enforced by law.²⁵

In October, 1967 the government announced its intentions after eight weeks of private industry discussions failed to resolve their differences and after industry warnings that a coupon ban might threaten 10,000 jobs.²⁶ Labor Minister of Health, Robinson, suggested that the government would propose to ban cigarette coupon gift schemes, to control or limit other promotional schemes, to forbid or limit certain forms of cigarette advertising, and to limit cigarette advertising expenditures.²⁷

Opposition to the proposed legislation came from a number of different groups including, expectedly, the Tobacco Workers Union, the retail tobacconists and the Advertising Association.²⁸ Some support for coupons had been voiced by Focus, the magazine of the government-aided Consumer Council which preferred to see manufacturer expenditures on a "so-called personal gift for you, than on hoardings, press and television advertisements for the masses."²⁹ However, unexpectedly a Gallaher executive commented, while regretting the proposed legislation, that "the Minister of Health had no alternative after efforts towards industry agreement on limits had failed."³⁰

The government's announcement and the attending publicity and debate were premature. The proposed legislation was never introduced in Parliament. The Times suggested that the matter had been dropped as "politically inopportune at a time when the [Labor government] had run into a fair degree of unfavourable publicity over the breath test [for intoxicated automobile drivers.]" The government, according to The Times analysts, "dare not run the risk of bringing in another Bill that could be described

were restrictions on smoking in public places by appealing for voluntary action by trade associations, local authorities and hospitals. The

government, however, rejected the idea of laws enforced by law.²⁵

In October, 1967 the government announced its intentions after eight weeks of private industry discussions failed to resolve their differences and after industry warnings that a coupon ban might threaten 10,000 jobs.²⁶

Labour Minister of Health, Robinson, suggested that the government would propose to ban cigarette coupon gift schemes, to control or limit other promotional schemes, to forbid or limit certain forms of cigarette advertising, and to limit cigarette advertising expenditures.²⁷

Opposition to the proposed legislation came from a number of different

groups including, expectedly, the Tobacco Workers Union, the retail tobacconists and the advertising association.²⁸ Some support for coupons

had been voiced by Focus, the magazine of the government-aided Consumer Council which preferred to see manufacturer expenditures on a "so-called personal gift for you, from our neighbours, press and television advertiser-²⁹ However, undoubtedly a Labour executive

commented, while regretting the proposed legislation, that "the Minister of Health had no alternative after efforts towards industry agreement on limits had failed."³⁰

The government's announcement and the attending publicity and debate were premature. The proposed legislation was never introduced in Parliament. The Times suggested that the matter had been dropped as "politically

inopportune at a time when the [Labour government] had run into a fair degree of unfavourable publicity over the press test [for intoxicated automobile drivers]." The government, according to The Times analysis,

"... did not run the risk of bringing in another Bill that could be described

as restrictionist." ³¹ Apparently if Labor had been reelected the proposed legislation would have been introduced. The Conservative party victory in 1970 left the opportunity and the burdens of action upon a new government.

The slow pace of the government anti-smoking program has frustrated British health authorities. Yet, British government officials have felt that public awareness of the hazards of cigarette smoking are increasing, and that some progress is being made in changing smoking behavior. ³² Action in Britain has been extremely slow. While the first Royal College of Physicians' Report was released two years before the U.S. Surgeon General's Report and cigarette advertising was banned from commercial television in 1965 some six years earlier than in the United States there was very little action until 1971.

Anti-smoking legislation introduced in Parliament by private members has languished and died. Proposals discussed in 1967 to limit cigarette advertising and eliminate gift coupons that sparked hope among many opponents of smoking, have come to naught.

The opponents of cigarette smoking have attracted support from political representatives of very different political persuasions. The non-partisan character of the smoking-health issue has united rather unlikely courrades. For example, The Times described the unusual cooperative efforts of Peter Jackson, "the bearded left-wing Labour M.P.," and Sir Gerald Nabarro, "moustachioed man of the right," to block a Mince of Drugs Bill because it left out entirely "the most dangerous drug in Britain: namely, tobacco." ³³

Many Private Members' Bills have been proposed to regulate cigarette smoking and cigarette advertising but none have been passed. Bills of this

as "restrictionist." 31 Apparently it had been rejected the previous year. The Conservative party passed legislation would have been introduced. The Conservative party victory in 1970 left the opportunity and the burden of action upon a new government.

The slow pace of the government anti-smoking program has frustrated British health authorities. Yet, British government officials have felt that public awareness of the hazards of cigarette smoking are increasing, and that some progress is being made in changing smoking behavior. 32

Action in Britain has been extremely slow. While the first Royal College of Physicians' Report was released two years before the U.S. Surgeon General's Report and cigarette advertising was banned from commercial television in 1965 some six years earlier than in the United States there was very little action until 1971.

Anti-smoking legislation introduced in Parliament by private members was introduced and died. Proposals discussed in 1967 to limit cigarette advertising and eliminate gift coupons that sparked hope among many opponents of smoking, have come to naught.

The opponents of cigarette smoking have attracted support from political representatives of very different political persuasions. The non-partisan character of the smoking-health issue has united rather unlikely comrades. For example, The Times described the unusual cooperative efforts of Peter Jackson, "the bearded left-wing Labour M.P.," and Sir Gerald Nabarro, "moustachioed man of the right," to block a House of Commons Bill because it left out entirely "the most dangerous drug in

Britain: namely, tobacco." 33

Many Private Members' Bills have been proposed to regulate cigarette smoking and cigarette advertising but none have been passed. Bills of this

type are briefly debated under the Ten Minute Rule which permits brief explanatory statements for and against a proposed legislative change. Jennings commented in his classic study Parliament that "the introduction of a Bill even if there be no hope of its passing, is one of the methods of propaganda by which it is hoped, in due course to obtain Government support for legislation." ³⁴ He continued explaining that:

The Cabinet considers its attitude to all private members' Bills and a minister explains the Government's decision. The whips are in attendance and will be put on if the Government considers that the Bill ought not to pass. If this is done it is certain that the Bill will be defeated. Accordingly, the Government's 'blessing' or neutrality is essential. ³⁵

Sir Gerald Nabarro's legislative efforts, while unsuccessful, have had the backing of both Conservative and Labor M.P.'s. ³⁶ Some extremely encompassing and controversial legislation has been proposed. Laurie Favitt, a Labor M.P., suggested that all cigarette packages contain a card explaining to smokers how they can minimize the risk to their health from smoking. He also proposed a tax on expenditures by tobacco manufacturers designed to promote cigarette smoking and that instruction should be given in all teacher-training courses on the dangers of cigarette smoking in personal hygiene lessons. ³⁷ Legislative efforts have also sought to place warnings on cigarette packages as in the United States. ³⁸

Individual dissidents have also pressured both Labor and Conservative governments by questioning government actions or inactions during the Question Period in the House of Commons. ³⁹ The Minister of Health has had to face many embarrassing questions from M.P.s asking when government action could be expected on the cigarette smoking-health problem.

Action that is proposed in Britain (with the exception of the ban on TV cigarette advertising) has often imitated legislation passed or debated

type and briefly debated under the Ten Minute Rule which permits brief

explanatory statements for and against a proposed legislative change.

Mr. Nabarro commented in his classic study Legislation that "the introduction

of a Bill even if there be no hope of its passing, is one of the methods

of propaganda by which it is hoped, in due course to obtain Government

support for legislation." ³⁴ He continued explaining that:

The Cabinet considers its attitude to all private members' Bills and a Minister explains the Government's decision. The Whips are in attendance and will be put on if the Government considers that the Bill ought not to pass. If this is done it is certain that the Bill will be defeated. Accordingly, the Government's 'pleasing' or 'neutral' is essential. ³⁵

Sir Gerald Nabarro's legislative efforts, while unsuccessful, have

had the backing of both Conservative and Labor M.P.'s. ³⁶ Some extremely

encompassing and controversial legislation has been proposed. Laurie

Evitt, a Labor M.P., suggested that all cigarette packages contain a

card explaining to smokers how they can minimize the risk to their health

from smoking. He also proposed a tax on expenditures by tobacco manufacturers

designed to promote cigarette smoking and that instruction should

be given in all teacher-training courses on the dangers of cigarette

smoking in personal hygiene lessons. ³⁷ Legislative efforts have also

sought to place warnings on cigarette packages as in the United States. ³⁸

Individual dissenters have also presented both Labor and Conservative

Government by questioning Government actions or inactions during the

Question Period in the House of Commons. ³⁹ The Minister of Health has

had to face many embarrassing questions from M.P.'s asking when Government

action could be expected on the cigarette smoking-health problem.

Action that is proposed in Britain (with the exception of the ban on

TV cigarette advertising) has often initiated legislation passed or debated

in other countries. There has in fact been no legislation passed in Britain to deal with the problem. Cross-national communications between governments and between tobacco industries have been geared to sharing national experiences (legislative and otherwise) with colleagues and supporters in other countries. The World Conference on Smoking and Health, held in New York in 1967, is one example of an effort to intensify cross-national awareness of the problem. But most efforts of government, anti-smoking program administrators and/or tobacco businessmen or farmers to increase awareness by gaining comparative information are unpublicized and often lie hidden in personal correspondence files, private meetings and the unpublicized exchange of data and program materials. For example, in April, 1966 two representatives from the U.S. National Clearinghouse for Smoking and Health visited Britain to confer with health officials on the British experience in combating the health hazards of cigarette smoking.⁴⁰ Undoubtedly one topic of their conversation was the then recent British ban of cigarette advertising from commercial television. Thus similarities between programs in different countries are to be expected and symbolize the international nature of the smoking-health problem as well as the close ties between the tobacco industries, government officials and scientists in the three nations under consideration.

D. The Verbal War of Sir George Godber

Sir George Godber, Chief Medical Officer of Health has waged a verbal war against cigarette smoking and has articulated the concerns and frustrations of many health authorities. He has acted on this issue as the moral conscience of the nation and has publicized the dangers of cigarette smoking and continued to pressure for government action. In his yearly messages on the state of the public health in Britain he has progressively

in other countries. There has in fact been no legislative power in Britain to deal with the problem. Cross-national communications between governments and between tobacco industries have been limited to sharing national experiences (legislative and otherwise) with colleagues and supporters in other countries. The World Conference on Smoking and Health, held in New York in 1987, is one example of an effort to intensify cross-national awareness of the problem. But most efforts of government, anti-smoking program administrators and/or tobacco businessmen or farmers to increase awareness by gaining comparative information are unpublished and often lie hidden in personal correspondence files, private meetings and the unpublished exchange of data and program materials. For example, in April, 1986 two representatives from the U.S. National Clearinghouse for Smoking and Health visited Britain to confer with health officials on the British experience in combating the health hazards of cigarette smoking. An undoubtedly one topic of their conversation was the then recent British ban of cigarette advertising from commercial television. Thus statistics between programs in different countries are to be expected and symbolize the international nature of the smoking-health problem as well as the close ties between the tobacco industries, government officials and scientists in the three nations under consideration.

IV. The Moral War of Sir George Godber

Sir George Godber, Chief Medical Officer of Health has waged a verbal war against cigarette smoking and has articulated the concerns and frustrations of many health authorities. He has acted on this issue as the moral conscience of the nation and has publicized the dangers of cigarette smoking and continued to pressure for government action. In his yearly reports on the state of the public health in Britain he has progressively

increased his criticism of cigarette smoking. In 1962 he commented that "unless there is a great reduction in the smoking of cigarettes, the needless loss of life will continue and increase. The facts by now must be generally known, but they are not being faced." ⁴¹ In 1966 he said that "it must be the hope of anyone who faced the facts that cigarette smoking would come to an end in Britain." ⁴² While his objective is the elimination of cigarette smoking Godber does not advocate a general prohibition. In his 1967 report, he wrote, "In the ultimate analysis in a free society the control of cigarette smoking must rest with the individual but this does not mean that he should be positively encouraged to endanger his health." ⁴³

He summarized the British approach before a singularly partisan audience at the First World Conference on Smoking and Health:

What we are trying to do is to persuade the smoker that smoking is not only a long term threat to his future, but also an inducement to others to adopt the same folly. We are in fact asking for an almost infinite number of acts of self-abnegation so that a dirty and dangerous habit can be eliminated from society Bluntly our true objective is the end of cigarette smoking.

He continued:

We can be certain many more than 50,000 deaths a year in England and Wales are directly due to cigarette smoking and that of these deaths the number occurring before the age of 65 is sufficient to cause the loss of at the least 150,000 years of working life. ⁴⁴

Godber has also claimed that "the abolition of cigarette smoking could reduce Britain's death rate by a tenth and working time lost from sickness by much more. No other exercise in preventable medicine could do as much." ⁴⁵

Godber's criticisms of cigarette advertising are both colorful and biting. In his 1968 report he wrote:

increased his criticism of cigarette smoking. In 1963 he commented that "unless there is a great reduction in the smoking of cigarettes, the need-
less loss of life will continue and increase. The facts by now must be generally known, but they are not being faced." ⁴¹ In 1966 he said that "it must be the hope of anyone who faced the facts that cigarette smoking would come to an end in Britain." ⁴² While his objective is the elimination of cigarette smoking Godber does not advocate a general prohibition. In his 1967 report, he wrote, "In the ultimate analysis in a free society the control of cigarette smoking must rest with the individual but this does not mean that he should be positively encouraged to endanger his health." ⁴³

He summarized the British approach before a singularly partisan

audience at the First World Conference on Smoking and Health:

What we are trying to do is to persuade the smoker that smoking is not only a long term threat to his future, but also an inducement to others to adopt the same folly. We are in fact asking for an almost infinite number of acts of self-sabotage so that a dirty and dangerous habit can be eliminated from society. . . . Simply our true objective is the end of cigarette smoking.

We continued:

We can be certain many more than 50,000 deaths a year in England and Wales are directly due to cigarette smoking and that of these deaths the number occurring before the age of 65 is sufficient to cause the loss of at least 150,000 years of working life. ⁴⁴

Godber has also claimed that "the abolition of cigarette smoking could reduce Britain's death rate by a tenth and working time lost from sickness by much more. No other exercise in preventable medicine could do as much." ⁴⁵

Godber's criticisms of cigarette advertising are both colorful and

blatant. In his 1968 report he wrote:

Much advertising appears to be designed to present cigarette smoking as an adult, virile, sociable activity with considerable romantic opportunity. The sad reality is that its sequel is disabling, its aroma often offensive and its residue dirty. It would have been infinitely better for the world if the tobacco plant had never been grown.⁴⁶

His strong talk has not been matched by governmental action. He analyzed the limited success of the government's program in his 1967 conference speech:

We have tried in Britain to get the message about the dangers of smoking across and I think we have succeeded in making the public aware that these dangers exist though not their immediacy or extent. We have not succeeded in putting this across with sufficient force to deter the majority of adolescents from starting or to persuade the majority of non-medical adults who already smoke to stop.

He continued, proposing another possible government tack which has also been given serious consideration in Canada:

Perhaps we have made too little of the other side-effects of smoking and of the genuine aesthetic and nuisance objections of which we non-smokers are so much more conscious than the smokers.

Godber commented in a later report that "I want to see a public opinion forming that no longer regards smoking in company, except in company with other smokers, as being acceptable."⁴⁸

And finally in 1970 he acknowledged the unwillingness of British society and its government to frankly face the smoking health question:

Perhaps our society hasn't faced the brutal truth that we really want to get rid of the cigarette. With so much involved in commerce and agriculture and so much government income from taxation, it isn't surprising that the voice of reason is indeed a still small voice in a babble of advertising and social behaviour, all encouraging the use of the cigarette.⁴⁹

The absence of government initiative, as criticized by Godber, appears to be due more to its own symbiotic relationship to the tobacco industry,

which advertising appears to be designed to present cigarettes smoking as an active, virile, socialistic activity with considerable economic opportunities. The and reality is that the social is declining, the atom often offensive and the reality dirty. It would have been infinitely better for the world if the tobacco plant had never been grown.

His strong faith has not been maintained by governmental action. He maintained

the limited success of the government's program in his 1967 conference

speech:

We have tried in Britain to get the message about the dangers of smoking across and I think we have succeeded in making the public aware that these dangers exist though not their frequency or extent. We have not succeeded in putting this across with sufficient force to deter the majority of adolescents from starting or to persuade the majority of non-medical adults who already smoke to stop.

He continued, proposing another possible government task which has also

been given serious consideration in Canada:

Perhaps we have made too little of the other side-effects of smoking and of the genuine aesthetic and nuisance objections of which we non-smokers are so much more conscious than the smokers.

Godwin commented in a later report that "I want to see a public opinion

forming that no longer regards smoking in company, except in company with

other smokers, as being acceptable." 48

And finally in 1970 he acknowledged the unwillingness of British

society and the government to frankly face the smoking health question:

Perhaps our society hasn't faced the brutal truth that we really want to get rid of the cigarette. With so much involved in commerce and agriculture and so much government income from taxation, it isn't surprising that the voice of reason is indeed a still small voice in a battle of advertising and social behaviour, all encouraging the use of the cigarette.

The absence of government initiative, so criticized by Godwin, appears

to be due more to its own symbiotic relationship to the tobacco industry,

through taxation, than to the industry's contribution to employment, national product or corporate profit. The government reaps great benefits from cigarette smoking, and problems of smoking and health have been treated as secondary to problems of fiscal instability and expediency. As The Times somewhat colorfully noted: "A few spasmodic steps to political pressure without any willingness to damage so massive a revenue earner do not add up to a policy." 50

E. The Royal College of Physicians of London and Smoking

Pressure on the British government to act against cigarette smoking has also come from the British medical community. In the following section we will briefly consider this response to the smoking-health controversy as embodied in the two well publicized reports issued by the Royal College of Physicians of London in 1962 and 1971.

Scientific justification of political actions has become almost commonplace in our society. In England the precedent for the Royal College of Physicians pronouncing on a question of public health was established in 1725 when the College made a presentation to the House of Commons concerning the disastrous consequences of the rising consumption of cheap gin. 51

In 1619 King James I feared the rapid spread of tobacco growing in Britain. He asked the College of Physicians to express their opinion on the quality of English-grown tobacco. The resulting opinion was partly based on the King's well-known convictions opposed to tobacco which he had expressed earlier in 1604 in A Counterblaste to Tobacco. The investigating body concluded:

As it is now usually taken it cannot but be very hurtful and unwholesome, and falling far short of

through taxation, than to the industry's contribution to employment, national product or corporate profits. The government needs great benefits from cigarette smoking, and problems of smoking and health have been treated as secondary to problems of fiscal instability and expediency. As the Times somewhat colorfully noted: "A few sporadic hints to political pressure without any willingness to damage so massive a revenue earner do not add up to a policy." 20

E. The Royal College of Physicians of London and Smoking

Pressure on the British government to act against cigarette smoking has also come from the British medical community. In the following section we will briefly consider this response to the smoking-health controversy as embodied in the two well publicized reports issued by the Royal College of Physicians of London in 1962 and 1971.

Scientific justification of political action has become almost commonplace in our society. In England the precedent for the Royal College of Physicians pronouncing on a question of public health was established in 1753 when the college made a presentation to the House of Commons concerning the disastrous consequences of the rising consumption of cheap gin. 21

In 1819 King James I feared the rapid spread of tobacco growing in Britain. He asked the College of Physicians to express their opinion on the quality of English-grown tobacco. The resulting opinion was partly based on the King's well-known convictions opposed to tobacco which he had expressed earlier in 1804 in A Constitution to Tobacco. The investigating body concluded:

As it is now usually taken it cannot but be very harmful and unwholesome, and falling far short of

the perfection of other tobaccos that are brought in from more Southern parts, where it hath its natural maturity. . . .⁵²

The King used the report to justify elimination of tobacco planting in neighborhood gardens "so that the land may be preserved for its proper use, and tobacco shall be planted further afield."⁵³ Later the same year much stricter action was taken which forbade the planting of tobacco in England or Wales.

The Royal College of Physicians of London has twice since 1962 issued strongly worded reports on smoking and health. These have been the most important British studies of smoking and health since James I. The first report entitled Smoking and Health was the end result of a decision by the college in April 1959 to set up a Committee to "report on the question of smoking and atmospheric pollution in relation to carcinoma of the lung and other diseases." The report was addressed to interested laymen as well as to doctors and noted in the introduction:

Diseases associated with smoking now cause so many deaths that they present one of the most challenging opportunities for preventive medicine today. Physicians therefore need to know the facts, consider what they mean, then decide what action they should take themselves, what advice they should give their patients and what policy they should advocate in the field of public health in relation to tobacco smoking.⁵⁴

The report concluded that "the evidence that cigarette smoking often has harmful and dangerous consequences is now so convincing that preventive measures are undoubtedly needed."⁵⁵ The report suggested a number of preventive measures designed to reduce the hazards.

Filtered cigarettes were proposed as an improvement over non-filtered varieties and yet since the efficiency of various filters differs the College suggested that "it would be most desirable to have them tested by

the perception of other factors that are brought in from more Southern parts, where it has the natural history. . . .

The King used the report to justify elimination of tobacco planting in neighbouring gardens "so that the land may be preserved for its proper use, and tobacco shall be planted further afield." 33 Later the same year when stricter action was taken which forbade the planting of tobacco in England or Wales.

The Royal College of Physicians of London has twice since 1903 issued strongly worded reports on smoking and health. There have been the most important British studies of smoking and health since James I. The first report entitled Smoking and Health was the end result of a decision by the college in April 1959 to set up a Committee to "report on the question of smoking and atmospheric pollution in relation to carcinoma of the lung and other diseases." The report was addressed to interested laymen as well as to doctors and noted in the introduction:

Diseases associated with smoking now cause so many deaths that they present one of the most challenging opportunities for preventive medicine today. Physicians therefore need to know the facts, consider what they mean, then decide what action they should take themselves, what advice they should give their patients and what policy they should advocate in the field of public health in relation to tobacco smoking. 34

The report concluded that "the evidence that cigarette smoking often has harmful and dangerous consequences is now so convincing that preventive measures are undoubtedly needed." 35 The report suggested a number of preventive measures designed to reduce the hazards.

Filtered cigarettes were proposed as an improvement over non-filtered varieties and yet since the efficiency of various filters differs the college suggested that "it would be most desirable to have them tested by

some official agency and to have the result of the test indicated on the packet so that the purchaser could distinguish a more from a less efficient filter." ⁵⁶ Low tar and nicotine cigarettes were also proposed with some official procedure for testing the cigarette and marking the packages. ⁵⁷

As was already noted in the United States and Canada the opponents of cigarette smoking do not favor prohibition. The British Royal College of Physicians clearly defined the limits of its proposed actions:

There can, of course, be no question of prohibiting a habit which most smokers enjoy without injury to their health, but the amount of ill-health and shortening of life that is attributable to smoking is now so great that means must be sought to reduce the vast and increasing prevalence of the habit. At present both social custom and commercial pressure outbid the voice of caution and the balance must be redressed. ⁵⁸

While acknowledging the dependence of present cigarette smokers to the habit they also noted their responsibility "to protect the coming generation from developing the same dependence." ⁵⁹ Thus, the focus of preventive action should be "children, adolescents and young adults who have not yet formed fixed smoking habits." ⁶⁰ The College also criticized cigarette advertising for appealing to the younger members of the community and suggested that this trend should be halted.

The argument has been used in Britain as well as in the United States and Canada that the lack of official action against cigarette smoking indicated the "only theoretical" nature of the merely "statistical" evidence available. ⁶¹

If the Government do not consider it necessary to take action, it is argued, no action is as yet required of the individual. ⁶²

The report recommended that "any campaign to increase public information concerning the hazards of smoking must be reinforced by some evidence of

some official agency and to have the result of the test indicated on the packet so that the purchaser could distinguish a more from a less efficient filter." ⁵² Low tar and nicotine cigarettes were also proposed with some official procedure for testing the cigarette and marking the packages. ⁵³

As was already noted in the United States and Canada the opponents of cigarette smoking do not favor prohibition. The British Royal College of Physicians clearly defined the limits of its proposed actions:

There can, of course, be no question of prohibiting a habit which most smokers enjoy without injury to their health, but the amount of ill-health and shortening of life that is attributable to smoking is now so great that means must be sought to reduce the vast and increasing prevalence of the habit. At present both social custom and commercial pressure could play a voice of caution and the balance must be reviewed. ⁵⁴

While acknowledging the dependence of present cigarette smokers to the habit they also noted their responsibility "to protect the coming generation from developing the same dependence." ⁵⁵ Thus, the focus of preventive action should be "children, adolescents and young adults who have not yet formed fixed smoking habits." ⁵⁶ The College also criticized cigarette advertising for appealing to the younger members of the community and suggested that this trend should be halted.

The argument has been used in Britain as well as in the United States and Canada that the lack of official action against cigarette smoking indicated the "only theoretical" nature of the merely "statistical" evidence available. ⁵⁷

If the government do not consider it necessary to take action, it is argued, no action is as yet required of the individual. ⁵⁸

The report recommended that "any campaign to increase public information concerning the hazards of smoking must be reinforced by some evidence of

active concern by the Government." ⁶³ The report also suggested that "decisive steps" be taken by the government to curb the rising consumption of cigarettes:

Much more imagination, effort and money should be devoted to drawing the attention of the public to the hazards of smoking. Special attention should be paid to effective education of schoolchildren, but use should also be made of every modern method of advertising, including posters, ⁶⁴ press notices and short items on radio and television.

In addition the report proposed more effective restrictions on the sale of tobacco to children. The Juvenile Smoking Bill, originally passed by Parliament in 1906, which forbids smoking by children under 16, ⁶⁵ and regulations forbidding the sale of tobacco to children are widely flouted and cigarettes are freely accessible in vending machines.

The report also suggested legislation to "prevent or at least to restrict the advertisement of a habit which causes such widespread injury to health" and "would provide evidence of official acceptance of the reality of the hazard." The need for at least symbolic governmental actions indicating the seriousness of the problem has been recognized by many seeking both preventive measures and the modification of present smoking behavior.

While recognizing the limited impact of increased cigarette taxation on reducing consumption, the report suggested the possibility of a differential increase in tobacco taxation with a reduction of taxation on pipe and cigar tobacco which might "persuade many cigarette smokers . . . to change to safer forms of smoking." ⁶⁶ The report also suggested consideration of experimental anti-smoking clinics which could be held in hospitals and chest clinics to help those who find difficulty in giving up smoking.

active concern by the Government." ⁶³ The report also suggested that "desirable steps" be taken by the Government to curb the rising consumption of cigarettes:

much more imagination, effort and money should be devoted to drawing the attention of the public to the hazards of smoking. Special attention should be paid to effective education of schoolchildren, but use should also be made of every modern method of advertising, including posters, press notices and short items on radio and television.

In addition the report proposed more effective restrictions on the sale of tobacco to children. The Juvenile Smoking Bill, originally passed by Parliament in 1906, which forbids smoking by children under 16, ⁶⁴ and regulations forbidding the sale of tobacco to children are widely flouted and cigarettes are freely accessible in vending machines.

The report also suggested legislation to "prevent or at least to restrict the advertisement of a habit which causes such widespread injury to health" and "would provide evidence of official acceptance of the reality of the hazard." ⁶⁵ The need for at least symbolic governmental actions indicating the seriousness of the problem has been recognized by many seeking both preventive measures and the modification of present smoking behavior.

While recognizing the limited impact of increased cigarette taxation on reducing consumption, the report suggested the possibility of a differential increase in tobacco taxation with a reduction of taxation on pipe and cigar tobacco which might "persuade many cigarette smokers . . . to change to safer forms of smoking." ⁶⁶ The report also suggested consideration of experimental anti-smoking clinics which could be held in hospitals and chest clinics to help those who find difficulty in giving up smoking.

We have already discussed the government's limited response to the Smoking and Health report. Nevertheless, five years later, in assessing the report's impact, Sir George Godber, Chief Medical Officer of Health commented:

The College's report in itself had a great impact, not only because it was an admirable, dispassionate survey of the evidence, but also because it was clearly not promoted by Government, but by a disinterested group of experts.⁶⁷

The report is probably the most important single document in the cigarette smoking-health controversy. Coming almost two years before the release of the Surgeon General's report the notoriety of the British study gave the anti-cigarette movement, worldwide, a manifesto for action. The report stimulated serious concern and action in Britain and the United States and provided solace and inspiration to many who had worked to obtain government action since the mid-1950's without success.

In 1971 the Royal College of Physicians came out with a second report Smoking and Health Now. The College again took the lead in calling for governmental action to prevent premature deaths and disabling illnesses "which have reached epidemic proportions."⁶⁸ The report called the present situation "the most challenging of all opportunities for preventive medicine"⁶⁹ in Britain. It called for the government to respond and noted that "the Government has done little to curb cigarette smoking, which continues to increase."⁷⁰ This second report within a ten year period clearly indicates the agonized concern and frustration of medical men in effectuating government action. The College proposed a broad program "in the hope that the public conscience will be aroused and that effective preventive action will be taken."⁷¹

The government's rhetoric is criticized by the report for claiming

to have already discussed the government's limited response to the
 the report's impact, Sir George Godber, Chief Medical Officer of Health
 in 1971, five years later, in assessing

commented:

The College's report in itself had a great impact,
 not only because it was an authoritative, dispassionate
 survey of the evidence, but also because it was
 clearly not promoted by government, but by a distin-
 guished group of experts.

The report is probably the most important single document in the
 cigarette smoking-health controversy. Coming almost two years before the
 release of the Surgeon General's report the notoriety of the British study
 gave the anti-cigarette movement, worldwide, a manifesto for action. The
 report stimulated serious concern and action in Britain and the United
 States and provided solace and inspiration to many who had worked to
 obtain government action since the mid-1950's without success.

In 1971 the Royal College of Physicians came out with a second report
Smoking and Health Now. The College again took the lead in calling for
 governmental action to prevent premature deaths and disabling illnesses
 "which have reached epidemic proportions."⁶⁸ The report called the
 present situation "the most challenging of all opportunities for preven-
 tive medicine."⁶⁹ In Britain, it called for the government to respond
 and noted that "the Government has done little to curb cigarette smoking,
 which continues to increase."⁷⁰ This second report within a few years
 period clearly indicates the agonized concern and frustration of medical
 men in effecting government action. The College proposed a broad
 program "in the hope that the public conscience will be aroused and that
 effective preventive action will be taken."⁷¹

The government's rhetoric is criticized by the report for claiming

to accept the evidence on the dangers of cigarette smoking but undertaking no effective actions to curtail the habit.⁷² In contrast the report found that recent trends in the United States have been more favorable.⁷³

The British report, like the Canadian approach, suggests that "whatever steps might be taken to reduce cigarette smoking this reduction, and any economic consequences, would be gradual, and adjustments could be made when as necessary."⁷⁴ The report offers the hope of economic salvation to the tobacco industry by suggesting that smokers switch from cigarettes to cigars and/or pipe smoking. Thus, the report offers hope to the tobacco industry as well as to the government that a decline in cigarette smoking may not be accompanied by a parallel decline in total tobacco consumption, industry sales or earnings and government tax revenues.

The report also emphasized the possible economic benefits that would accrue from a decline in cigarette consumption. The report stated that "it is clear that if smoking of present day cigarettes were greatly reduced the ultimate economic and social benefits would be much greater than the temporary economic inconvenience."⁷⁵ However, there has been little effort in Britain to evaluate the actual economic costs. The College did suggest an official enquiry into the economic consequences of a decline in cigarette smoking.⁷⁶

Losses due to lung cancer, bronchitis, and coronary heart disease attributable to cigarette smoking have been estimated at £270 million a year while fire losses due to cigarette smoking have been estimated at some £10 million. The report concludes that savings from a reduction of the real costs of death, disease and fires to the country from a reduction

to accept the evidence on the dangers of cigarette smoking but without taking no effective action to curtail the habit. 72 In contrast the report found that recent trends in the United States have been more favorable.

The British report, like the Canadian approach, suggests that "what ever steps might be taken to reduce cigarette smoking this reduction, and any economic consequences, would be gradual, and adjustments could be made when as as necessary." 74 The report offers the hope of economic salvation to the tobacco industry by suggesting that smokers switch from cigarettes to cigars and/or pipe smoking. Thus, the report offers hope to the tobacco industry as well as to the government that a decline in cigarette smoking may not be accompanied by a parallel decline in total tobacco consumption, industry sales or earnings and government tax revenues.

The report also emphasized the possible economic benefits that would accrue from a decline in cigarette consumption. The report stated that "it is clear that if smoking of present day cigarettes were greatly reduced the ultimate economic and social benefits would be much greater than the temporary economic inconvenience." 75 However, there has been little effort in Britain to evaluate the actual economic costs. The College did suggest an official enquiry into the economic consequences of a decline in cigarette smoking. 76

Losses due to lung cancer, bronchitis, and coronary heart disease attributable to cigarette smoking have been estimated at \$270 million a year while fire losses due to cigarette smoking have been estimated at some \$10 million. The report concludes that savings from a reduction of the real costs of death, disease and fires to the country from a reduction

in cigarette smoking "would offset the inconvenience of seeking other sources of revenue than tobacco." ⁷⁷ The Royal College of Physicians also proposed the following recommendations for which legislative action would be appropriate:

More effective public information about the health consequences of smoking must be achieved by every means and the Government should consult the Broadcasting Authorities and newspaper proprietors to achieve more effective publicity.

Regulations forbidding the sale of cigarettes to children should be strengthened, and cigarette vending machines should be removed from public places.

Advertisements of cigarettes and gift-coupon schemes should be prohibited.

More restrictions on smoking in public transport and places of entertainment should be enforced.

Warning notices should be printed on packets of cigarettes and, if they are allowed to continue, on cigarette advertisements.

The tar and nicotine content of all marketed brands of cigarettes should be published and a public statement made on the possible effects on health of smoking them. The Government should consider imposing statutory upper limits on the tar and nicotine content of cigarettes.

The Government must look beyond an easy source of revenue to the reality of the injurious effects of modern cigarettes on the health and economy of the country; differential taxation of tobacco products should be imposed to discourage more hazardous forms of smoking. ⁷⁸

Finally the report suggested a standing Government Committee be established to coordinate smoking control measures. At present government actions originating in different administrative departments often work at cross purposes to one another. In March 1970 a Senior Medical Officer was appointed in the Department of Health and Social Security to coordinate the work of various departments on smoking and health. At present there is no full time unit for this purpose as there is in the United States and Canada.

to accept the evidence on the dangers of cigarette smoking but under-
taking no effective actions to curtail the habit. 72 In contrast the
report found that recent trends in the United States have been more favor-
able. 73

The British report, like the Canadian approach, suggests that "what-
ever steps might be taken to reduce cigarette smoking this reduction, and
any economic consequences, would be gradual, and adjustments could be
made when as as necessary." 74 The report offers the hope of economic
salvation to the tobacco industry by suggesting that smokers switch from
cigarettes to cigars and/or pipe smoking. Thus, the report offers hope
to the tobacco industry as well as to the government that a decline in
cigarette smoking may not be accompanied by a parallel decline in total
tobacco consumption, industry sales or earnings and government tax
revenues.

The report also emphasized the possible economic benefits that would
accrue from a decline in cigarette consumption. The report stated that
"it is clear that if smoking of present day cigarettes were greatly re-
duced the ultimate economic and social benefits would be much greater
than the temporary economic inconvenience." 75 However, there has been
little effort in Britain to evaluate the actual economic costs. The
College did suggest an official enquiry into the economic consequences
of a decline in cigarette smoking. 76

Losses due to lung cancer, bronchitis, and coronary heart disease
attributable to cigarette smoking have been estimated at £250 million a
year while fire losses due to cigarette smoking have been estimated at
some £10 million. The report concludes that savings from a reduction of
the total costs of death, disease and fires to the country from a reduction

in cigarette smoking "would offset the inconvenience of seeking other sources of revenue than tobacco." ⁷⁷ The Royal College of Physicians also proposed the following recommendations for which legislative action would be appropriate:

More effective public information about the health consequences of smoking must be achieved by every means and the Government should consult the Broadcasting Authorities and newspaper proprietors to achieve more effective publicity.

Regulations forbidding the sale of cigarettes to children should be strengthened, and cigarette vending machines should be removed from public places.

Advertisements of cigarettes and gift-coupon schemes should be prohibited.

More restrictions on smoking in public transport and places of entertainment should be enforced.

Warning notices should be printed on packets of cigarettes and, if they are allowed to continue, on cigarette advertisements.

The tar and nicotine content of all marketed brands of cigarettes should be published and a public statement made on the possible effects on health of smoking them. The Government should consider imposing statutory upper limits on the tar and nicotine content of cigarettes.

The Government must look beyond an easy source of revenue to the reality of the injurious effects of modern cigarettes on the health and economy of the country; differential taxation of tobacco products should be imposed to discourage more hazardous forms of smoking. ⁷⁸

Finally the report suggested a standing Government Committee be established to coordinate smoking control measures. At present government actions originating in different administrative departments often work at cross purposes to one another. In March 1970 a Senior Medical Officer was appointed in the Department of Health and Social Security to coordinate the work of various departments on smoking and health. At present there is no full time unit for this purpose as there is in the United States and Canada.

in cigarette smoking "would offset the inconvenience of smoking other
sources of revenue than tobacco." 77 The Royal College of Physicians
also proposed the following recommendations for which legislative action

would be appropriate:

More effective public information about the health consequences of smoking must be achieved by every means and the Government should consult the Advertising Standards and newspaper proprietors to achieve more effective publicity.

Regulations forbidding the sale of cigarettes to children should be strengthened, and cigarette vending machines should be removed from public places.

Advertisements of cigarettes and gift-coupon schemes should be prohibited.

More restrictions on smoking in public transport and places of entertainment should be enforced.

Warning notices should be printed on packets of cigarettes and, if they are allowed to continue, on cigarette advertisements.

The fat and nicotine content of all marketed brands of cigarettes should be published and a public statement made on the possible effects on health of smoking them. The Government should consider imposing statutory upper limits on the fat and nicotine content of cigarettes.

The Government must look beyond an easy source of revenue to the reality of the injurious effects of modern cigarettes on the health and economy of the country; different taxation of tobacco products should be imposed to discourage more hazardous forms of smoking.

Finally the report suggested a standing Government Committee be established to coordinate smoking control measures. At present government actions originating in different administrative departments often work at cross purposes to one another. In March 1970 a senior medical officer was appointed in the Department of Health and Social Security to coordinate the work of various departments on smoking and health. At present there is no full time unit for this purpose as there is in the

Thus, the prestigious Royal College of Physicians has appealed twice to the British government to act against cigarette smoking. The second report clearly placed the blame for government inaction on government expediency; their unwillingness to threaten lucrative tobacco tax revenues which we have already discussed. The tobacco industry's voluntary agreement with the government came after the second report. And while causality between the College's report and voluntary industry action cannot be proven, the report appears to have stimulated greater government concern and industry desire to weaken its criticism and publicity directed against cigarette advertising.

The College's reports have played a vital role in publicizing the cigarette smoking-health controversy and in pressuring for governmental and private action to combat the "epidemic" of disease and death caused by cigarette smoking. The moral weight of these documents has been a heavy burden on both the government and the industry.

As in the United States and Canada, British health interest groups and some other organizations have come out against cigarette smoking. The British Safety Council, for example, came out with a report in 1969 that recommended that smoking ads be banned in cinemas; that as much smoking as possible be cut out of television series, plays and discussions and that manufacturers be compelled by law to print a warning on cigarette packages. The Council said that illness attributable to smoking cost industry more than accidents in factories and work places, which total almost a million a year.⁷⁹ Another group, the British Anti-Smoking Education Society was formed in 1967 with the following major aims: (1) to promote research into more effective ways of (a) influencing youth not to start smoking, (b) helping confirmed cigarette smokers to stop, and

Thus, the prestigious Royal College of Physicians has announced twice to the British Government to act against cigarette smoking. The second report clearly placed the blame for government inaction on government expediency; their unwillingness to threaten lucrative tobacco tax revenues which we have already discussed. The tobacco industry's voluntary agreement with the government came after the second report. And while causality between the College's report and voluntary industry action cannot be proven, the report appears to have stimulated greater government concern and industry desire to weaken its criticism and publicity directed against cigarette advertising.

The College's reports have played a vital role in publicizing the cigarette smoking-health controversy and in pressuring for governmental and private action to combat the "epidemic" of disease and death caused by cigarette smoking. The moral weight of these documents has been a heavy burden on both the government and the industry.

As in the United States and Canada, British health interest groups and some other organizations have come out against cigarette smoking. The British Safety Council, for example, came out with a report in 1967 that recommended that smoking should be banned in cinemas; that as much smoking as possible be cut out of television series, plays and discussions and that manufacturers be compelled by law to print a warning on cigarette packages. The Council said that illness attributable to smoking cost industry more than accidents in factories and work places, which total almost a million a year.⁷⁹ Another group, the British Anti-Smoking Education Society was formed in 1967 with the following major aims: (1) to promote research into more effective ways of (a) influencing youth not to start smoking, (b) helping confirmed cigarette smokers to stop, and

(c) producing safer forms of cigarettes; (2) to support preferential taxation of pipe and cigar tobacco; (3) to bring together a group of informed people who will exert continuing pressure on the government and other public bodies with a view to eliminating smoking in public places; and (4) to stop all cigarette advertising. ⁸⁰

Britain also has a Junior League of Non-smokers started by the British Medical Association's health education magazine Family Doctor and an organization called the National Society for Non-Smokers. The National Society for Non-Smokers was briefly mentioned in Horn and Corvin's "Progress Report on Britain's Smoking and Health Program." They reported that the society "supported the drive to ban cigarette advertising from television, plays a leadership role in campaigns to abolish smoking in public places and now seeks to have enacted a law similar to our own requiring health warnings on cigarette packages." ⁸¹ In the case of each of these organizations they have obtained some public notice but there is no available data on their efforts or even on their existence over time.

F. Postscript

Finally, in March 1971 a limited agreement was reached between the government and the tobacco industry. This agreement appears to have been spurred by the second Royal College of Physicians report issued earlier in the year and sought to assuage the growing unfulfilled demands both within and outside of government for government action. Sir Keith Joseph, Britain's Minister of Health, had asked tobacco manufacturers to print health warnings on cigarette packages to avoid more drastic curbs on cigarette promotion and avoid the government's having to use force. ⁸²

(c) producing safer forms of cigarettes; (2) to support preferential taxation of pipe and cigar tobacco; (3) to bring together a group of informed people who will exert continuing pressure on the government and other public bodies with a view to eliminating smoking in public places; and (4) to stop all cigarette advertising. 80

Britain also has a Junior League of Non-smokers started by the British

Medical Association's health education magazine Family Doctor and an organization called the National Society for Non-Smokers. The National

Society for Non-Smokers was briefly mentioned in Horn and Corwin's "Progress Report on Britain's Smoking and Health Program." They reported that the society "supported the drive to ban cigarette advertising from television, plays a leadership role in campaigns to abolish smoking in public places and now seeks to have enacted a law similar to our own re- during health warnings on cigarette packages." 81 In the case of each of these organizations they have obtained some public notice but there is no available data on their efforts or even on their existence over

time.

F. Worshiping

Finally, in March 1971 a limited agreement was reached between the government and the tobacco industry. This agreement appears to have been spurred by the second Royal College of Physicians report issued earlier in the year and sought to assuage the growing unfulfilled demands both within and outside of government for government action. Sir Keith Joseph, Britain's Minister of Health, had asked tobacco manufacturers to print health warnings on cigarette packages to avoid more drastic curbs on cigarette production and avoid the government's having to use force. 82

Under terms of the agreement the tobacco industry will voluntarily place a warning on cigarette packages that "Smoking can damage your health" and cigarette advertising will call attention to the warning. ⁸³ The industry also agreed to establish a standing committee to review with the government all research on less dangerous forms of smoking. The composition of this committee and the nature of the government group to work with it were not immediately announced. The committee is also to devise ways of publishing the tar and nicotine contents in different cigarette brands. However, importantly no agreement was reached to reduce cigarette advertising expenditures or to eliminate gift coupons. Thus the agreement bypasses the conflict within the industry over gift coupon schemes that had prevented earlier agreement.

Since the release of the first Royal College of Physicians report in 1962 no legislative action has been taken by Parliament on smoking and health. Yet, while no government legislation has been specifically enacted it could be argued that none was needed and that while government-industry negotiations only recently resulted in agreement the industry has acted to reduce the hazards of cigarette smoking as well as its own economic dependence on cigarette consumption.

Under terms of the agreement the tobacco industry will voluntarily

place a warning on cigarette packages that "Smoking can damage your

health" and cigarette advertising will call attention to the warning.

The industry also agreed to establish a standing committee to review with

the government all research on less dangerous forms of smoking. The

composition of this committee and the nature of the government group to

work with it were not immediately announced. The committee is also to

devise ways of publishing the tar and nicotine contents in different

cigarette brands. However, importantly no agreement was reached to reduce

cigarette advertising expenditures or to eliminate gift coupons. Thus

the agreement bypasses the conflict within the industry over gift coupon

schemes that had prevented earlier agreement.

Since the release of the first Royal College of Physicians report

in 1962 no legislative action has been taken by Parliament on smoking

and health. Yet, while no government legislation has been specifically

enacted it could be argued that none was needed and that while government-

industry negotiations only recently resulted in agreement the industry

has acted to reduce the hazards of cigarette smoking as well as its own

economic dependence on cigarette consumption.

Footnotes - Chapter XII

1. Royal College of Physicians, Smoking and Health: Report of the Royal College of Physicians of London on Smoking in Relation to Cancer of the Lung and Other Diseases (London: Pitman Medical Publishing Co., Ltd., 1962), p. 52.,
2. Ibid., p. 53.
3. Letter from the Ministry of Health to County and County Borough Councils, October 19, 1966.
4. Daniel Horn and Emil Corwin, "Progress Report on Britain's Smoking and Health Program" (Rockville, Maryland: National Clearinghouse on Smoking and Health, July, 1966), p. 2 (In the files of the Clearinghouse).
5. Great Britain, Parliamentary Debates (Commons), DCCXXXVII (December 5, 1966), p. 193.
6. "Smoking and Health Programs Around the World" (Rockville, Maryland: National Clearinghouse for Smoking and Health, June, 1970). (Mimeographed.)
7. Royal College of Physicians, Smoking and Health Now: A New Report and Summary on Smoking and Its Effects on Health from the Royal College of Physicians of London (London: Pitman Medical and Scientific Publishing Co., Ltd., 1971), p. 21.
8. Royal College of Physicians, Smoking and Health: Report of the Royal College . . ., pp. 57-58.
9. "Tobacco Industry in Britain Seeks to Protect Youths," The New York Times, April 2, 1962.
10. Ruth Brecher et al., The Consumer's Union Report on Smoking and the Public Interest (Mount Vernon, New York: Consumer's Union, 1963), p. 189.
11. Royal College of Physicians, Smoking and Health Now: . . ., p. 18.
12. Ibid.
13. The Lancet, I (April - June, 1966), p. 1418.

Footnotes - Chapter XII

1. Royal College of Physicians, Smoking and Health: Report of the Royal College of Physicians of London on Smoking in Relation to Cancer of the Lung and Other Diseases (London: H.K. Lewis Publishing Co., Ltd., 1951), p. 21.
2. Id., p. 23.
3. Letter from the Ministry of Health to County and County Borough Councils, October 19, 1956.
4. Daniel Horn and Emil Corwin, "Progress Report on Britain's Smoking and Health Program" (Rockville, Maryland: National Clearinghouse on Smoking and Health, July, 1956), p. 2 (in the files of the Clearinghouse).
5. Great Britain, Parliamentary Papers (Commons), DOCXCVII (December 2, 1956), p. 193.
6. "Smoking and Health Programs Around the World" (Rockville, Maryland: National Clearinghouse for Smoking and Health, June, 1956). (Unreproduced.)
7. Royal College of Physicians, Smoking and Health: A New Report and Summary on Smoking and Its Effects on Health from the Royal College of Physicians of London (London: H.K. Lewis Medical and Scientific Publishing Co., Ltd., 1951), p. 21.
8. Royal College of Physicians, Smoking and Health: Report of the Royal College . . ., pp. 27-28.
9. "Tobacco Industry in Britain Seeks to Protect Youths," The New York Times, April 2, 1952.
10. Ruth Brecher et al., The Government's Union Report on Smoking and the Public Interest (Mount Vernon, New York: Communist Union, 1952), p. 159.
11. Royal College of Physicians, Smoking and Health: Report of the Royal College . . ., p. 18.
12. Id.
13. The Lancet, I (April - June, 1956), p. 1418.

14. "Deadlock on Cigarette Publicity," The Times (London), December 10, 1966.
15. Maurice Corina, "Cigarettes: Why the War Turned Milder," The Times (London), July 8, 1967.
16. "Deadlock in Move Against Cigarette Coupons: Imperial Tobacco Rejects Ministry Formula," The Times (London), December 10, 1966.
17. "A Double Blow for Cigarettes?," The Times (London), March 6, 1967.
18. "Cigarette Advertising Battle Looms," The Times (London), January 7, 1967.
19. "A Double Blow for Cigarettes?," The Times (London), March 6, 1967.
20. Michael Rothwell, "Cigarette Advertising Row Boils Up," The Times (London), February 10, 1967.
21. "Cigarette Curb to Be Broken: Firm Seeking TV Advertising," The Times (London), January 6, 1967.
22. Rothwell, The Times (London), February 10, 1967.
23. Maurice Corina, "Why the Boss of Carreras Bowed Out," The Times (London), July 19, 1967.
24. "A Double Blow for Cigarettes?," The Times (London), March 6, 1967.
25. Daily Telegraph, January 28, 1967.
26. Maurice Corina, "Tobacco Men Warn Coupon Ban May Threaten 10,000 Jobs," The Times (London), October 24, 1967.
27. Great Britain, Ministry of Health, On the State of the Public Health: The Annual Report of the Chief Medical Officer of the Ministry of Health, 1967, p. 243. Cited hereafter as Annual Report.
28. The Times (London), October 25, 1967.
29. "Cigarette Coupons Face New Threat," The Times (London), February 11, 1967.
30. Anthony Lewis, "British to Curb Cigarette Ads," The New York Times, October 25, 1967.
31. Michael Hatfield, "Going Up in Smoke," The Times (London), September 21, 1970.
32. Horn and Corwin.

14. "Headlock on Cigarette Habit," The Times (London), December 10, 1967.
15. Maurice Corina, "Cigarettes: Why the War Against Niggers," The Times (London), July 8, 1967.
16. "Headlock in Move Against Cigarette Coupons: Imperial Tobacco Rejects Ministry Formula," The Times (London), December 10, 1967.
17. "A Double Blow for Cigarettes," The Times (London), March 6, 1967.
18. "Cigarette Advertising Battle Loose," The Times (London), January 7, 1967.
19. "A Double Blow for Cigarettes," The Times (London), March 6, 1967.
20. Michael Rothwell, "Cigarette Advertising Now Rolls Up," The Times (London), February 10, 1967.
21. "Cigarette Curb to Be Broken: Firm Seeking TV Advertising," The Times (London), January 6, 1967.
22. Rothwell, The Times (London), February 10, 1967.
23. Maurice Corina, "Why the Boss of Cigarettes Bowed Out," The Times (London), July 19, 1967.
24. "A Double Blow for Cigarettes," The Times (London), March 6, 1967.
25. Daily Telegraph, January 28, 1967.
26. Maurice Corina, "Tobacco Men Warn London May Threaten 1967 Tax," The Times (London), October 24, 1967.
27. Great Britain, Ministry of Health, On the State of the Public Health: The Annual Report of the Chief Medical Officer of the Ministry of Health, 1967, p. 243. Cited hereafter as Annual Report.
28. The Times (London), October 22, 1967.
29. "Cigarette Coupons Face New Threat," The Times (London), February 11, 1967.
30. Anthony Lewis, "British to Curb Cigarette Ads," The New York Times, October 22, 1967.
31. Michael Hatfield, "Going Up in Smoke," The Times (London), September 21, 1970.
32. Horn and Corina.

33. The Times (London), March 25, 1970.
34. Sir Iver Jennings, Parliament (2nd ed., Cambridge at the University Press, 1961), p. 367.
35. Ibid., p. 369.
36. "Sir Gerald to Step Up War on Smoking," The Times (London), September 1, 1970.
37. "Levy Against Cigarette Firms Sought," The Times (London), November 17, 1970.
38. For example a bill was introduced June 10, 1969 by Dunworthy, Ellis, Nabarro, Pavill, Summerskill and Winstanley "To provide for the labelling of cigarette packets in such a way to inform the public of the health hazards resulting from cigarette smoking."
39. Jennings, pp. 101-110.
40. Horn and Corwin.
41. Great Britain, Ministry of Health, Annual Report, 1962, p. 98.
42. "Smoke Signals of Distress," The Financial Times, October 1, 1966.
43. Great Britain, Ministry of Health, Annual Report, 1967, p. 243.
44. George E. Godber, "The British Experience," Speech delivered to the World Conference on Smoking and Health, September, 1967.
45. Ibid. Also see The Times (London), October 24, 1968.
46. Great Britain, Ministry of Health, Annual Report, 1968, p. 231.
47. Godber.
48. John Roper, "Smoking is Greatest Avoidable Peril," The Times (London), October 22, 1970.
49. Michael Hatfield, "Going Up in Smoke," The Times (London), September 21, 1970.
50. "Cigarette Sales: The Tangled Issues," The Times (London), October 24, 1967.
51. C.M. MacInnes, The Early English Tobacco Trade (London: Kegan Paul, Trench, Trubner & Co., Ltd., 1926), p. 78.
52. Ibid.

22. Ibid.
21. C.M. MacInnes, The Early English Tobacco Trade (London: Kegan Paul, Trench, Trubner & Co., Ltd., 1936), p. 72.
20. "Cigarette Sales: The Tangled Issues," The Times (London), October 24, 1967.
19. Michael Hatfield, "Coke Up in Smoke," The Times (London), September 21, 1970.
18. John Roper, "Smoking is Greatest Avoidable Foe," The Times (London), October 22, 1970.
17. Godber.
16. Great Britain, Ministry of Health, Annual Report, 1968, p. 231.
15. Ibid. Also see The Times (London), October 24, 1968.
14. George E. Godber, "The British Experience," Speech delivered to the World Conference on Smoking and Health, September, 1967.
13. Great Britain, Ministry of Health, Annual Report, 1967, p. 243.
12. "Smoke Signals of Distress," The Financial Times, October 1, 1966.
11. Great Britain, Ministry of Health, Annual Report, 1965, p. 98.
10. Horn and Corwin.
9. Jennings, pp. 101-110.
8. For example a bill was introduced June 10, 1969 by Dunwoorthy, Elliot, Naparito, Pavili, Summerskill and Winstanley "To provide for the labelling of cigarette packets in such a way to inform the public of the health hazards resulting from cigarette smoking."
7. "Heavy Against Cigarette Firms Sought," The Times (London), November 17, 1970.
6. "Sir Gerald to Step Up War on Smoking," The Times (London), September 1, 1970.
5. Ibid., p. 369.
4. Sir Ivor Jennings, Parliament (2nd ed., Cambridge at the University Press, 1961), p. 367.
3. The Times (London), March 25, 1970.

53. Royal College of Physicians, Smoking and Health: Report of the Royal College . . . , p. 1.
54. Ibid.
55. Ibid., p. 46.
56. Ibid., p. 49.
57. Ibid.
58. Ibid., p. 50.
59. Ibid.
60. Ibid.
61. Ibid., p. 52.
62. Ibid.
63. Ibid.
64. Ibid., p. 53.
65. Great Britain, Report: Juvenile Smoking Bill (Lords), Ordered to printed July 9, 1906 (London: Printed for His Majesty's Stationary Office by Wyman and Sons, Ltd.).
66. Royal College of Physicians, Smoking and Health: Report of the Royal College . . . , p. 54.
67. Godber.
68. Royal College of Physicians, Smoking and Health Now: . . . , p. 1.
69. Ibid.
70. Ibid.
71. Ibid.
72. Ibid., p. 9.
73. Ibid., pp. 14-15.
74. Ibid., p. 142.
75. Ibid., p. 143.
76. Ibid.

23. Royal College of Physicians, Smoking and Health: Report of the
Royal College . . . , p. 1.

24. Tabl.

25. Tabl., p. 40.

26. Tabl., p. 40.

27. Tabl.

28. Tabl., p. 20.

29. Tabl.

30. Tabl.

31. Tabl., p. 22.

32. Tabl.

33. Tabl.

34. Tabl., p. 23.

35. Great Britain, Report: Lunatic Smoking Bill (Lords), Ordered to
printed July 9, 1900 (London: Printed for His Majesty's Stationary
Office by Wyman and Sons, Ltd.).

36. Royal College of Physicians, Smoking and Health: Report of the
Royal College . . . , p. 24.

37. Godber.

38. Royal College of Physicians, Smoking and Health Now: . . . , p. 1.

39. Tabl.

40. Tabl.

41. Tabl.

42. Tabl., p. 9.

43. Tabl., pp. 14-15.

44. Tabl., p. 142.

45. Tabl., p. 143.

46. Tabl.

77. Ibid., p. 142.
78. Ibid., pp. 137-139.
79. "Cut Smoking on Television, Says Safety Council," The Times (London), October 20, 1969.
80. The Medical Officer, December 1, 1967, p. 278.
81. Morn and Corvin.
82. Tobacco Reporter, XCVIII (February, 1971), p. 9.
83. "British Manufactures, Government Agree on Package and Advertising Label Code," Tobacco Reporter, XCVIII (September, 1971), pp. 53-54.

77. Index, p. 142.
78. Index, pp. 137-139.
79. "First Smoking on Television, Says Safety Council," The Times (London), October 20, 1969.
80. The Medical Officer, December 1, 1967, p. 228.
81. Form and Content.
82. Index, p. 9.
83. "British Manufacturers, Government Agree on Tariffs and Advertising Label Code," Index, p. 23-24.

Chapter XIII: The British Tobacco Industry's Response

A. Introduction

Tobacco companies in Britain, the United States and Canada are inter-related, not only by common interests, but often by overlapping ownerships or outright control of one company by another which we have already discussed. The common interest in maintaining and increasing company profits has had a parallel effect in each of the three tobacco industries we are considering.

In the following chapter we will consider a number of industry tactics in response to the smoking-health controversy similar to those we have already described in the United States and Canada. These include the diversification of the British tobacco industry into non-tobacco fields as well as industry research expenditures. We will also discuss the impact of the market structure of the tobacco industry and of the structure of the British government on the tobacco industry's response. We find that British tobacco industry tactics are strongly influenced by these two factors.

The battle for increased market shares has prevented tobacco industry unity in Britain as it has in the United States. On the other hand the British tradition of industry-government negotiation and cooperation and the centralization of British government decision-making (and the absence of state and provincial governments with independent decision-making powers) have created a less confused and perhaps less threatening business environment than in the U.S. or Canada. As a consequence, the response of

A. Introduction

Tobacco companies in Britain, the United States and Canada are inter-related, not only by common interests, but often by overlapping ownership or outright control of one company by another which we have already discussed. The common interest in maintaining and increasing company profits has had a parallel effect in each of the three tobacco industries we are considering.

In the following chapter we will consider a number of industry tactics

in response to the smoking-health controversy similar to those we have

already described in the United States and Canada. These include the

diversification of the British tobacco industry into non-tobacco fields as

well as industry research expenditures. We will also discuss the impact

of the market structure of the tobacco industry and of the structure of

the British Government on the tobacco industry's response. We find that

British tobacco industry tactics are strongly influenced by these two

factors.

The battle for increased market shares has prevented tobacco industry

unity in Britain as it has in the United States. On the other hand the

British tradition of industry-government negotiation and cooperation and

the centralization of British government decision-making (and the absence

of state and provincial governments with independent decision-making

power) have created a less confused and perhaps less threatening business

environment than in the U.S. or Canada. As a consequence, the response of

the British tobacco industry is more muted, and their actions appear perhaps more reasonable and cooperative than their counterparts in the United States or Canada.

B. Diversification

Parallel developments in both the United States and Canada, the British tobacco industry has expanded into non-tobacco enterprises. For example, the Imperial Tobacco Group, which had sales in 1970 over £1,266 million,¹ includes subsidiaries engaged in paper and board trades, nicotine by-products, bonded warehouses, potato crisps (chips), sauces and other food products as well as other interests. Included in the group are Albion Battle Co. Ltd., Allied Farm Feeds Ltd., Bowley Properties, and Bond's Delivery Service Ltd., among over 35 other subsidiary corporate entities. Recently Imperial acquired Plastic Coatings Ltd., which makes machinery and materials and performs services related to plastic coatings of metals.² In 1970 Imperial's profits from tobacco made up 81 per cent of the total, while 19 per cent came from non-tobacco activities; the comparable proportions for 1969 were 87 1/2 per cent and 12 1/2 per cent.³

The second largest British manufacturer Gallaher, which is itself a subsidiary, owns Dolland and Aitchison, a group of more than 300 optical retailers as well as Crest Cash and Carry Wholesale and More Pumps.⁴ Sales of non-tobacco lines increased 24 per cent from 1969 to 1970 to over \$46 million.

The British-American Tobacco Company Limited (BAT), based in Britain, is the third largest industrial group in the country with total sales of over £1,668 million in 1970. While it has also diversified more than three quarters of its operating capital it is still concerned with tobacco. The company has over 140 tobacco factories in 55 countries. BAT has

the British tobacco industry is more united, and their actions appear perhaps more reasonable and cooperative than their counterparts in the United States or Canada.

B. International

Far-reaching developments in both the United States and Canada, the British tobacco industry has expanded into non-tobacco enterprises. For example, the Imperial Tobacco Group, which had sales in 1970 over £1,300 million,¹ includes subsidiaries engaged in paper and board trades, nicotine by-products, bonded warehouses, potato crops (chips), bananas and other food products as well as other interests. Included in the group are Wilson Bottle Co. Ltd., Allied Farm Foods Ltd., Newlay Properties, and Bond's Delivery Service Ltd., among over 35 other subsidiary corporate entities. Recently Imperial acquired Plastic Containers Ltd., which makes machinery and materials and performs services related to plastic containers of metals.² In 1970 Imperial's profits from tobacco made up 81 per cent of the total while 19 per cent came from non-tobacco activities; the comparable proportions for 1969 were 87 1/2 per cent and 13 1/2 per cent.³ The second largest British manufacturer Gallaher, which is itself a subsidiary, owns Holland and Atchinson, a group of more than 300 optical retailers as well as Great Cash and Carry Wholesale and Mono Pumps.⁴ Sales of non-tobacco lines increased 24 per cent from 1969 to 1970 to over £200 million.

The British-American Tobacco Company Limited (BAT), based in Britain is the third largest industrial group in the country with total sales of over £1,000 million in 1970. While it has also diversified more than three quarters of its operating capital it is still concerned with tobacco. The company has over 140 tobacco factories in 25 countries. BAT has

diversified into a number of other fields including paper, printing and packaging, perfumery and cosmetics while subsidiary companies have acquired interests in food, soft drinks and farming.⁵ BAT has also acquired a 25.6 per cent interest in Herten AG of Düsseldorf, Germany, a major department store group for \$88.6 million.⁶ In June, 1973 BAT bid for control of Gabel Brothers, a major department store chain in the U.S. through its U.S. subsidiary.

British tobacco companies (like their American and Canadian counterparts) are hedging their bets and protecting their profits by expanding into non-tobacco fields. By late 1969 only the smallest of the big three tobacco manufacturers, Carveras, continued to resist the temptation to diversify. Nevertheless, John Partridge, chairman of Imperial has suggested a different view of diversification noting that "our interest . . . arises simply from the fact that we think it right to spread our interests more widely and because we judge that we have the resources both in management and other ways to do so."⁷ In addition the heavy tax load carried by tobacco has been cited as limiting the growth of the domestic market and is another important factor, besides the smoking-health controversy, behind the tobacco companies' diversification programs.

Diversification is, however, part of a general cross-national trend in business that has not been accurately assessed. No data is available on the relative diversification of the tobacco industry in comparison to other industry groups. While the general diversification trend may account for some of the tobacco industry's behavior, it is apparent that it has made a special, careful effort to find investments in non-tobacco fields.

C. Industry Tactics

Tobacco industry tactics in Great Britain have been less abrasive than in the United States but still follow the same general pattern of opposition to proposed governmental regulation or actions. As in both the United States and Canada the British tobacco industry seeks to maintain its profits by preventing or postponing regulatory action. The industry seeks, almost above all else, a stable, predictable business environment as does the tobacco industry in the U. S. and Canada.

Mr. R. P. Dobson, chairman of British-American Tobacco Company Limited (BAT) summed up the perceived threat of government action in 1971 stating that "it is becoming fashionable and even respectable for authorities to impose unprecedented and damaging restriction on a perfectly legitimate industry."⁸ Dobson also indirectly appealed to other industries for support by noting that "there are implications here which other industries would do well to heed."⁹ British tobacco manufacturers appear more pessimistic about the future of tobacco sales than their Canadian or American counterparts, or at least were open in admitting their present difficulties. Dobson, for example, commented perhaps prophetically:

In the longer term we must expect further encroachments on our freedom in the tobacco business until research, which continues to be vigorously pursued, enables us to produce a cigarette which the medical authorities of the world would regard as being more acceptable on health grounds.¹⁰

Tobacco industry tactics have been influenced by governmental action, inaction and tradition. In the case of Great Britain tradition has played a major role in preventing or at least postponing government action.

C. Industry tactics

Tobacco industry tactics in Great Britain have been less abrasive than in the United States but still follow the same general pattern of opposition to proposed governmental regulation or action. As in both the United States and Canada the British tobacco industry seems to maintain its profits by preventing or postponing regulatory action. The industry seeks, almost above all else, a stable, predictable business environment as does the tobacco industry in the U. S. and Canada.

Mr. R. F. Dobson, chairman of British-American Tobacco Company Limited (BAT) summed up the perceived threat of government action in 1971 stating that "it is becoming fashionable and even respectable for authorities to impose unprecedented and damaging restriction on a perfectly legitimate industry."⁸ Dobson also indirectly appealed to other industries for support by noting that "there are implications here which other industries would do well to heed."⁹ British tobacco manufacturers appear more pessimistic about the future of tobacco sales than their Canadian or American counterparts, or at least more open in admitting their present difficulties. Dobson, for example, commented perhaps prophetically:

In the longer term we must expect further encroachments on our freedom in the tobacco business until research, which continues to be vigorously pursued, enables us to produce a cigarette which the medical authorities of the world would regard as being more acceptable on health grounds.¹⁰

Tobacco industry tactics have been influenced by governmental action, reaction and tradition. In the case of Great Britain tradition has played a major role in preventing or at least postponing government action.

One might expect that a government in a mixed economy (where some measure of industry nationalization has been accepted) would act directly and rapidly in the present controversy.

Many British government analysts have pointed out the wide variety of relations between industry and the state as well as the haphazard and piecemeal fashion in which the state has acquired economic functions. Government involvement in industry has been directed towards a number of different goals. P. S. Florence in his 1957 study Industry and the State argued that state control over industry was clearly a procedure used for all the main aims of state activity which are in ascending order of industrial implication: health, safety and amenity; equality and democracy (including consumer sovereignty); stability of the economy and sovereignty of the individual; efficiency, progress and viability of the whole economy (including defense of the nation.)¹¹

Government intervention in the present smoking-health controversy could be legitimized from a number of different standpoints. For example, state action could be rationalized to protect tobacco employment and tobacco tax revenues, but this could only be accomplished by maintaining present cigarette consumption. Nationalization has not been seriously proposed. The British tobacco industry is very profitable. In the past Labor governments have found that nationalization attempts to remove profitable industries from private ownership have been vigorously opposed.¹² While many might call the present situation unique and government intervention or nationalization justifiable the tobacco industry can and does offer evidence of its own research efforts and voluntary actions to mollify any possible demands for nationalization and (to date) all demands for government legislative actions against the industry. These research efforts and voluntary actions will be discussed later.

(One might expect that a government in a mixed economy (where some measures of industry nationalization has been accepted) would act directly and rapidly in the present controversy.

Many British government analysts have pointed out the wide variety of relations between industry and the state as well as the numerous and piecemeal fashion in which the state has acquired economic functions. Government involvement in industry has been directed towards a number of different goals. P. S. Florence in his 1957 study *Industry and the State* argued that state control over industry was clearly a procedure used for

all the main aims of state activity which are in ascending order of industrial implication: health, safety and amenity; equality and democracy (including consumer sovereignty); stability of the economy and sovereignty of the individual; efficiency, progress and viability of the whole economy (including defense of the nation).¹¹

Government intervention in the present smoking-health controversy could be legitimized from a number of different standpoints. For example,

state action could be rationalized to protect tobacco employment and tobacco tax revenues, but this could only be accomplished by maintaining present cigarette consumption. Nationalization has not been seriously proposed. The British tobacco industry is very profitable. In the past

labor governments have found that nationalization attempts to remove profitable industries from private ownership have been vigorously opposed.¹²

While many might call the present situation unique and government intervention or nationalization justifiable the tobacco industry can and does

offer evidence of its own research efforts and voluntary actions to

mitigate any possible demands for nationalization and (to date) all

demands for government legislative actions against the industry. These

research efforts and voluntary actions will be discussed later.

British government intervention in the private economy (as in the United States) has often sought to protect the consumer from the negative consequences of monopoly. While the close concentration of the British tobacco manufacturing industry is of some concern to those interested in its effects this rationale for government involvement is unimportant in the present situation.

Clearly, however, government intervention or nationalization could be rationalized. The present smoking-health controversy is fraught with contradiction in which the aims of the state are in conflict and for which there is no comparable prior precedent. This quandary of government is only matched by the quandary of tobacco men and their advertising agents who find themselves accused of "selling death."

Robert E. Cushman in his classic 1941 study of independent regulatory commissions ¹³ observed British regulation of business and concluded:

If a business or industry in England is to remain in private hands, there seems to be a sort of *laissez faire* tradition that keeps governmental regulation at a minimum; and when more drastic public control seems necessary the government takes the enterprise over and runs it directly. ¹⁴

Since his study government involvement in the British economy has become almost ubiquitous, nevertheless much of this involvement has come through cooperation rather than legislation. Cushman, however, provides no definition or criterion for when public control would or should take place. He also noted as a fact "that there has been . . . much less unscrupulous exploitation of the public interest by 'big business' [in Great Britain] than in the United States." ¹⁵ Broad generalizations of this magnitude are useful in attempting to explain trends in different countries but are most difficult to apply to a specific case. Measures of "unscrupulous exploitation" by an industry are unavailable or extremely crude.

British government intervention in the private economy (as in the United States) has often sought to protect the consumer from the negative consequences of monopoly. While the close concentration of the British tobacco manufacturing industry is of some concern to those interested in its effects this rationale for government involvement is unimportant in the present situation.

Clearly, however, government intervention or nationalization could be rationalized. The present smoking-health controversy is fraught with contradiction in which the aims of the state are in conflict and for which there is no comparable prior precedent. This quandary of government is only matched by the quandary of tobacco men and their advertising agents who find themselves accused of "selling death."

Robert E. Cushman in his classic 1941 study of independent regulatory commissions ¹³ observed British regulation of business and concluded:

If a business or industry in England is to remain in private hands, there seems to be a sort of laissez faire tradition that keeps governmental regulation at a minimum; and when more drastic public control seems necessary the government takes the enterprise over and runs it directly. ¹⁴

Since his study government involvement in the British economy has become almost ubiquitous, nevertheless much of this involvement has come through cooperation rather than legislation. Cushman, however, provides no definition or criterion for when public control would or should take place. He also noted as a fact "that there has been . . . much less unscrupulous exploitation of the public interest by 'big business' [in Great Britain] than in the United States." ¹⁵ Broad generalizations of this magnitude are useful in attempting to explain trends in different countries but are not difficult to apply to a specific case. Measures of "unscrupulous exploitation" by an industry are unavailable or extremely crude.

Whether or not British industry is really less exploitative than the American variety, what is important is that the British have a long-standing tradition "which permits the farming out by government of governmental powers to private and voluntary associations or groups." ¹⁶ Eckstein, for example, has considered this tradition as it has affected the British Medical Association. ¹⁷ Cushman noted that self-regulation "had become part of the British pattern of thought." He continued:

When need arises . . . as subject to discipline or supervision interests which have previously been unrestricted, it is natural to explore first the possibility of setting up some system of self-regulation or self-discipline to be administered by representatives of the interests affected. ¹⁸

Official consultations and unofficial discussions between business and government are well accepted by both as a method of resolving differences. Samuel H. Beer has pointed out in his article "Pressure Groups and Parties in Britain" the informality of this contact between private interests and public officials. ¹⁹ He observed that because of the absence of a structured system of informal contacts American "pressure politics [are] so much noisier and less tidy than Britain's." Morris David in his article, "Some Neglected Aspects of British Pressure Groups," observed that "each segment of the economy has some ministry or government office especially concerned with its problems. . . ." ²⁰ While Beer suggested that "if you can bring over the [responsible] Minister and the Chancellor of the Exchequer you have not much else to worry about." ²¹ Certainly governmental reliance on tobacco taxation has made the Exchequer a supporter, if a reluctant one, of the tobacco industry.

Beer also noted that "in the Tory tradition . . . there is a strong strain of paternalism and a certain 'organic' view of society radically

Whether or not British industry is really less competitive than the American variety, what is important is that the British have a long-standing tradition "which permits the forming out by Government of powers to private and voluntary associations or groups." ¹⁹ For example, has considered this tradition as it has affected the British Medical Association. ¹⁷ Cushman noted that self-regulation "had become

part of the British pattern of thought." He continued:

When need arises . . . to subject to discipline or supervision interests which have previously been unrestricted, it is natural to explore first the possibility of setting up some system of self-regulation or self-discipline to be administered by representatives of the interests affected. ¹⁸

Official consultations and unofficial discussions between business and government are well accepted by both as a method of resolving differences. Samuel H. Beer has pointed out in his article "Pressure Groups and Parties in Britain" the informality of this contact between private interests and public officials. ¹⁹ He observed that because of the absence of a structured system of informal contacts American "pressure politics [are] so much noisier and less tidy than Britain's." Morris David in his article, "Some Neglected Aspects of British Pressure Groups," observed that "each segment of the economy has some ministry or government office especially concerned with its problems. . . ." ²⁰ While Beer suggested that "if you can bring over the [responsible] Minister and the Chancellor of the Exchequer you have not much else to worry about." ²¹ Certainly governmental reliance on tobacco taxation has made the Exchequer a reluctant one, of the tobacco industry. Beer also noted that "in the Tory tradition . . . there is a strong strain of paternalism and a certain 'organic' view of society radically

opposed to rugged individualism." ²² This 'organic' tradition accentuates cooperation between business and government in contrast to the adversary relationship which is more characteristic of laissez faire capitalism in the United States.

The British tradition to which Cushman and Beer both refer works in some ways to obfuscate controversy. David found that studies of pressure groups in Britain have systematically omitted business organisations. As in the United States and Canada, he found that "corporations are far more chary [than other pressure groups] about publicising their political impact, and will rarely assist the research in politics." ²³ Perhaps more importantly the discord that may exist between industry and government is often hidden behind the cover of private consultations and negotiations which generally minimise public controversy and publicity. In contrast in the United States (and to a lesser extent Canada) the numerous focal points of possible action (on both the nation and state or provincial level) have complicated and frustrated tobacco industry efforts to obtain a steady predictable environment in which to work. British tradition plays a large role in both covering controversy and in providing a method for its resolution.

The history of British governmental involvement in the present smoking-health controversy can best be understood by keeping in mind the underlying desire of the government for industry self-regulation and discipline. Cushman commented:

The careful observer will note one clear manifestation of the continued vitality of the doctrine of laissez faire in what appears to be a sharp repugnance to the idea of drastic governmental regulation of a business or economic interest which is still left in the hands of its owners. ²⁴

opposed to rugged individualism." ²⁴ This 'organic' tradition accentuates cooperation between business and Government in contrast to the adversary relationship which is more characteristic of laissez faire capitalism in the United States.

The British tradition to which Gushman and Beer both refer works in some ways to obviate controversy. David found that studies of pressure groups in Britain have systematically omitted business organizations. As in the United States and Canada, he found that "corporations are far more chary [than other pressure groups] about publicizing their political

impact, and will rarely assist the research in politics. ²⁵ Perhaps more importantly the discord that may exist between industry and Government is often hidden behind the cover of private consultations and negotiations which generally minimize public controversy and publicity. In contrast

in the United States (and a lesser extent Canada) the numerous local points of possible action (on both the nation and state or provincial level) have complicated and frustrated tobacco industry efforts to obtain a steady predictable environment in which to work. British tradition plays a large role in both covering controversy and in providing a method for its resolution.

The history of British Governmental involvement in the present smoking-health controversy can best be understood by keeping in mind the underlying desire of the Government for industry self-regulation and dis-

claimer. Gushman commented:

The careful observer will note one clear manifestation of the continued vitality of the doctrine of laissez faire in what appears to be a sharp repudiation to the idea of drastic governmental restriction of a business or economic interest which is still left in the hands of its owners.

Nevertheless, the reality of reluctance to regulate is in sharp contrast to the almost unlimited ability of the British government to act. The absence of constitutional restraints on government regulation could easily facilitate coordinated government actions. Both the British and Canadian systems facilitate government regulation as well as control consideration of the smoking-health problem. Therefore, one might have expected British and Canadian policies toward smoking to be more vigorous than those of the more fragmented government of the United States. There is a sharp contrast between the ability to act and actual action that may be due in part to an accepted tradition which mitigates the use of government power. If there were no strong economic or political interests affected this tradition might have found an exception.

Furthermore, the necessity of government intervention is questionable. Genuine industry concern and action might be actually more effective in reality than the (frequently ineffective) government regulation. Thus there are two possible roads to the same goal of better health; intervention or self-regulation. As we have already seen, the British have chosen the latter road and it remains for history to measure the consequences.

D. Industry Research Efforts

As in both the United States and Canada the primary sign of industry concern in Britain is the rather quiet and fastidious scientific research which cumulatively explores the relationship between smoking and health. The British tobacco industry has supported research into smoking and health since 1954 (the same year U.S. manufacturers began their research efforts). A permanent organization known as the Tobacco Manufacturers' Standing Committee was set up in 1956. In 1963 the name was changed to Tobacco Research Council which represents, directly or indirectly, every company

Nevertheless, the reality of reluctance to regulate is in sharp contrast to the almost unlimited ability of the British Government to act. The absence of constitutional restrictions on government regulation could easily facilitate coordinated government actions. Both the British and Canadian systems facilitate government regulation as well as control. consideration of the smoking-health problem. Therefore, one might have expected British and Canadian policies toward smoking to be more vigorous than those of the more fragmented government of the United States. There is a sharp contrast between the ability to act and actual action that may be due in part to an accepted tradition which mitigates the use of government power. If there were no strong economic or political interests affected this tradition might have found an exception.

Furthermore, the necessity of government intervention is questionable. Genuine industry concern and action might be actually more effective in reality than the (frequently ineffective) government regulation. Thus there are two possible roads to the same goal of better health; intervention or self-regulation. As we have already seen, the British have chosen the latter road and it remains for history to measure the consequences.

D. Industry Research Efforts

As in both the United States and Canada the primary aim of industry concern in Britain is the rather dull and fashionable scientific research which cumulatively explores the relationship between smoking and health. The British tobacco industry has supported research into smoking and health since 1954 (the same year U.S. manufacturers began their research efforts). A permanent organization known as the Tobacco Manufacturers' Standing Committee was set up in 1955. In 1963 the name was changed to Tobacco Research Council which represents, directly or indirectly, every company

manufacturing tobacco products in the United Kingdom, whether for the home trade or for export (this includes the giant BAT). Unlike manufacturers' groups in Canada and the United States the council has rather limited non-political objectives: "to conduct, promote and cooperate in and keep in touch with research into all questions concerning the relationship between tobacco smoking and health." ²⁵ It is most similar to the Council for Tobacco Research, U.S.A. with which it has had close working relations and which is also supported by tobacco industry funds. The Tobacco Research Council's own evaluation of itself indicates an internal transition that has taken place over time:

In its early days the Tobacco Manufacturers' Standing Committee's approach to these objectives was to finance, or assist in financing, relevant projects initiated by other research organizations or individual workers, to furnish them with materials, such as condensate from cigarette smoke, and to provide chemical and statistical information. Since then the Committee, and latterly the Council, has taken an increasing part in initiating new projects and has to a large extent assumed responsibility for carrying them out. ²⁶

In addition to studies of the chemical nature of tobacco smoke and its possible effects the Council has conducted a series of studies of personal, environmental and other factors in the diseases associated with smoking. A small group of projects is directed at the motives for smoking. This research might also be important for efforts to increase consumption. As the Council noted in their report "it is in the belief that a very large number of people will continue to smoke that the [TRC] is seeking to provide scientific information that will contribute to a practical solution of the problems involved." ²⁷ Up to the end of 1969 over £6 million had been spent by TRC since its founding in 1956. The council has its own laboratory with over 250 scientists and staff.

manufacturing tobacco products in the United Kingdom, whether for the home trade or for export (this includes the giant BAT). Unlike manufacturers' groups in Canada and the United States the Council has rather limited non-political objectives: "to conduct, promote and cooperate in and keep in touch with research into all questions concerning the relationship between tobacco smoking and health." 25 It is most similar to the Council for Tobacco Research, U.S.A. with which it has had close working relations and which is also supported by tobacco industry funds. The Tobacco Research Council's own evaluation of itself indicates an internal transition that has taken place over time:

In its early days the Tobacco Manufacturers' Standing Committee's approach to these objectives was to finance, or assist in financing, relevant projects initiated by other research organizations or individual workers, to furnish them with materials, such as cigarettes from cigarette smoke, and to provide chemical and statistical information. Since then the Committee, and later the Council, has taken an increasing part in initiating new projects and has to a large extent assumed responsibility for carrying them out. 26

In addition to studies of the chemical nature of tobacco smoke and its possible effects the Council has conducted a series of studies of personal, environmental and other factors in the diseases associated with smoking. A small group of projects is directed at the motives for smoking. This research might also be important for efforts to increase consumption. As the Council noted in their report "it is in the belief that a very large number of people will continue to smoke that the [C] is seeking to provide scientific information that will contribute to a practical solution of the problems involved." 27 Up to the end of 1967 over \$10 million had been spent by TCR since its founding in 1954. The Council has its own laboratory with over 200 scientists and staff.

Since individual manufacturers' research expenditures are unknown and no reliable aggregate cross-national statistics are available it is at this point impossible to gauge the costs of research or research findings comparatively while at the same time accounting for the impacts of national population and the economic viability and relative importance of the tobacco industry. Furthermore the cross-national ties between tobacco companies as well as the cumulative and international nature of scientific research make the validity of this measure open to question.

The cross-national ties of tobacco companies and their obvious economic self-interest make both the sharing of research information and cooperation in responding to the common threat likely. While we are unaware of any international association of tobacco manufacturers that plays a role similar to the Tobacco Institute, Inc., this is probably unnecessary because interlocking ownerships cross-nationally facilitate the sharing of information and the coordination of response.

The differing responses of particular companies such as Gallaher in Britain and American Tobacco in the United States provide some insight into the role of market shares in shaping corporate response to particular proposals for governmental action. While both companies are controlled by American Brands Inc. each has reacted differently to proposed government actions or proposals for voluntary action. American Tobacco which is more dependant on non-filter sales than its competitors in the United States has strongly opposed government supported voluntary disclosure of tar and nicotine contents of cigarettes on cigarette packages and advertising. Such action would place American Tobacco at a bad disadvantage in competing with companies which are likely to benefit from a switch from non-filter to filter brands. On the other hand in Britain the fight

Since individual manufacturers' research expenditures are unknown and no reliable aggregate cross-national statistics are available it is at this point impossible to gauge the costs of research or research findings comparatively while at the same time accounting for the impact of national population and the economic viability and relative importance of the tobacco industry. Furthermore the cross-national ties between tobacco companies as well as the cumulative and international nature of scientific research make the validity of this measure open to question.

The cross-national ties of tobacco companies and their obvious economic self-interest make both the sharing of research information and cooperation in responding to the common threat likely. While we are unaware of any international association of tobacco manufacturers that plays a role similar to the Tobacco Institute, Inc., this is probably unnecessary because interlocking ownership cross-nationally facilitates the sharing of information and the coordination of response.

The differing responses of particular companies such as Gallaher in Britain and American Tobacco in the United States provide some insight into the role of market shares in shaping corporate response to particular proposals for governmental action. While both companies are controlled by American Brands Inc. each has reacted differently to proposed government actions or proposals for voluntary action. American Tobacco which is more dependent on non-filter sales than its competitors in the United States has strongly opposed government supported voluntary disclosure of tar and nicotine contents of cigarettes on cigarette packages and advertising. Such action would place American Tobacco at a bad disadvantage in competing with companies which are likely to benefit from a switch from non-filter to filter brands. On the other hand in Britain the fight

for larger market shares has also played an important role in dictating individual company tactics. Gallaher, whose market position has been weakened by Imperial's domination of the rapidly expanding gift coupon brands apparently favored a self-imposed limitation on this form of advertising and when none was forthcoming recognized and implicitly supported government action in the absence of voluntary cooperation. In both cases the fight for markets and profits has dictated corporate response in one situation opposing cooperation with the government and in the other favoring it.

Information about individual tobacco corporation politics in the three nations under study are extremely sketchy and very difficult to obtain. Differences within industries in these countries are rarely publicized. However it is apparent that internal disagreements within tobacco industries, especially in Britain as already discussed, have played an important part in facilitating or fighting government action. Each company's perception of the impact of government action or its own voluntary efforts on its total tobacco sales, profits and market share plays an important part in the determination of its own response.

Nevertheless differences in industry research efforts cross-nationally do appear to exist. For example, Daniel Horn, director of the National Clearinghouse for Smoking and Health in the United States, has complimented the TRC, and implicitly compared it to the more recalcitrant tobacco industry in the United States:

The council . . . is something of an anomaly to Americans. Though supported by the tobacco industry, its statistics are relied on, and used by the Government. The efforts of the Council seem to be directed more to solving the problem than to denying it exists. 26

the larger market shares has also played an important role in creating individual company facilities. Cigarettes, whose market position has been weakened by Imperial's domination of the rapidly expanding gift company brands apparently favored a self-imposed limitation on this form of advertising and when none was forthcoming received and implicitly supported government action in the absence of voluntary cooperation. In both cases the fight for markets and profits has dictated corporate response in one situation opposing cooperation with the government and in the other favoring it.

Information about individual tobacco corporation policies in the three nations under study are extremely sketchy and very difficult to obtain. Differences within industries in these countries are rarely publicized. However it is apparent that internal disagreements within tobacco industries, especially in Britain as already discussed, have played an important part in facilitating or fighting government action. Each company's perception of the impact of government action on its own voluntary efforts on its total tobacco sales, profits and market share plays an important part in the determination of its own response. Nevertheless differences in industry research efforts cross-nationally do appear to exist. For example, Isidore Horn, director of the National Clearinghouse for Smoking and Health in the United States, has commented the TAC, and implicitly compared it to the more recent tobacco industry in the United States:

The Council . . . is something of an anomaly to Americans. Though supported by the tobacco industry, its activities are relied on, and used by the Government. The efforts of the Council seem to be directed more to solving the problem than to denying it exists. . . .

The government's concern with industry cooperation and self-regulation as opposed to government regulation seems at least partially matched by industry research efforts and some attempts to cooperate in reducing advertising expenditures which were previously discussed. Unfortunately, as we previously found, the realities of market competition prevented at least early industry agreement.

One difference between the British and American tobacco industry's response is almost impossible to measure. The muffled nature of the controversy in Britain contrasts sharply with the public conflict and estridence that have characterized the controversy in the United States. The British industry has quietly sought solutions instead of pretesting its innocence and condemning scientific research that implicates cigarettes. The British tobacco industry has no equivalent of the American Tobacco Institute, Inc., which defends and publicizes the industry's interests. The controversy has been much more publicized and overtly political in the United States. Industry-government consultation, the tradition of self-regulation, the absence of multiple political threats and public political debate have all limited the intensity of public controversy in Britain. American and Canadian tobacco cigarette manufacturers who rely on the political support of the tobacco growers refrain from suggesting that alternatives to tobacco can be found to prevent alienating the support of tobacco farmers and their political representatives. Clearly British manufacturers who must import tobacco can perceive the utility of developing a tobacco substitute that might reduce their costs of production, protect their profits and eliminate the present health controversy.²⁹ The British government has perhaps inhibited this

The government's concern with industry cooperation and self-regulation as opposed to government regulation seems at least partially motivated by industry research efforts and some attempts to cooperate in reducing advertising expenditures which were previously discussed. Unfortunately, as we previously found, the realities of market competition prevented at least early industry agreement.

One difference between the British and American tobacco industry's response is almost impossible to measure. The muffled nature of the controversy in Britain contrasts sharply with the public conflict and stridence that have characterized the controversy in the United States. The British industry has quietly sought solutions instead of protesting its innocence and condemning scientific research that implicates cigarette. The British tobacco industry has no equivalent of the American Tobacco Institute, Inc., which defends and publicizes the industry's interests. The controversy has been much more publicized and overtly political in the United States. Industry-government consultation, the tradition of self-regulation, the absence of multiple political threats and public political debate have all limited the intensity of public controversy in Britain. American and Canadian tobacco cigarette manufacturers who rely on the political support of the tobacco growers refrain from suggesting that alternatives to tobacco can be found to prevent eliminating the support of tobacco farmers and their political representatives. Clearly British manufacturers who must import tobacco can perceive the utility of developing a tobacco substitute that might reduce their costs of production, protect their profits and eliminate the present British controversy. 39 The British government has perhaps inhibited this

search by enacting the Finance Act of 1970 which insures that tobacco substitutes will be taxed at the same rate as tobacco.

British cigarette smokers have been part of the apparently world-wide trend from unfiltered to filtered cigarettes. Presently approximately 75 per cent of all British cigarettes are filtered. Although 25 per cent of smokers believe that filters reduce the risk of cancer and other diseases the majority give cheapness, convenience and enjoyment as reasons for preferring them.³⁰ Filtered cigarettes use less tobacco than non-filtered varieties and with the high tax on tobacco calculated by weight rather than by the pack the filtered variety is cheaper. But unfortunately this is an extremely weak measure. As was found during the U.S. tax derby in the late 1950's the question is not one of filter or no filter but of how good a filter. A more precise measure which may come closer to measuring the relative impact of different varieties of cigarettes is their tar and nicotine content.

While filters symbolize a good deal of change and safety their actual utility in protecting health is unknown. In the absence of precise measurement of tar and nicotine we must refrain from generalizations which may praise or condemn. The meaning of the differential use of filtered cigarettes in the three countries under study is unknown without this precise measurement.

Nevertheless, the largest British manufacturer, Imperial Tobacco, has acknowledged the desirability of reducing the tar and nicotine contents of cigarettes. The chairman reported in May, 1971 that over the past six years tar yields had been reduced 30 per cent and that further:

There is also the possible production of new smoking materials; and, although we must not leave shareholders

search by enacting the Finance Act of 1971 which imposed that tobacco

substitutes will be taxed at the same rate as tobacco.

British cigarette smokers have been part of the increasingly worldwide

trend from unfiltered to filtered cigarettes. Presently approximately

75 per cent of all British cigarettes are filtered. Although 15 per cent

of smokers believe that filters reduce the risk of cancer and other

diseases the majority give cheapness, convenience and enjoyment as reasons

for protecting them.³⁰ Filtered cigarettes use less tobacco than non-

filtered varieties and with the high tax on tobacco calculated by weight

rather than by the pack the filtered variety is cheaper. But unfortunately

this is an extremely weak measure. As was found during the U.S. tar derby

in the late 1950's the question is not one of filter or no filter but of

how good a filter. A more precise measure which may come closer to

measuring the relative impact of different varieties of cigarettes is

their tar and nicotine content.

While filters symbolize a good deal of change and safety their actual

utility in protecting health is unknown. In the absence of precise

measurement of tar and nicotine we must refrain from generalizations which

may praise or condemn. The meaning of the differential use of filtered

cigarettes in the three countries under study is unknown without this

precise measurement.

Nevertheless, the largest British manufacturer, Imperial Tobacco,

has acknowledged the desirability of reducing the tar and nicotine content

of cigarettes. The chairman reported in May, 1971 that over the past six

years tar yields had been reduced 31 per cent and that tar content

there is also the possible production of new smoking materials; and, although we must not leave ourselves

with the impression that the development of such materials to the point of commercial use will come about easily or quickly, it is certainly a field for further endeavor. ³¹

E. Conclusion

We find in Britain a tradition of government and industry cooperation and industry self-regulation which is longstanding. In theory this tradition is not very different from that found in the United States. However, the centralization of British governmental decision-making and the tradition of government-industry consultations and cooperation do appear to differ from that found in the United States. Government action and intervention in the economy are more easily accepted in Britain than in the United States although British government intervention and/or nationalization have become less common in recent years.

Furthermore the stridence of the smoking-health controversy in Britain has been below that of the United States. The absence of legislative hearings and lengthy discussion of proposed legislation has eliminated in Britain a prime source of news which has helped publicize the controversy in Canada and especially in the United States. Such hearings and legislative debate have focussed attention to the controversy and provided a focal point for arguments both for and against cigarette smoking.

While the British tobacco industry has not supported efforts to reduce cigarette consumption it has been more tacit in its response to government action than the open industry opposition and condemnation in the United States. Nevertheless as in the United States and Canada the economic and political importance of the industry has inhibited government action to reduce cigarette consumption.

The uncertain political response of millions of enthusiastic cigarette smokers who are already highly taxed and the thousands of

with the impression that the development of such materials to the point of commercial use will come about easily and quickly, it is certainly a field for further endeavor.

2. Organization

We find in Britain a tradition of government and industry cooperation and industry self-regulation which is longstanding. In theory this tradition is not very different from that found in the United States. However, the centralization of British governmental decision-making and the tradition of government-industry consultations and cooperation do appear to differ from that found in the United States. Government action and intervention in the economy are more easily accepted in Britain than in the United States although British government intervention and/or nationalization have become less common in recent years.

Furthermore the attitude of the smoking-related controversy in Britain has been below that of the United States. The absence of legislative hearings and lengthy discussion of proposed legislation has eliminated in Britain a prime source of news which has helped publicize the controversy in Canada and especially in the United States. Such hearings and legislative debate have focussed attention to the controversy and provided a focal point for arguments both for and against cigarette smoking.

While the British tobacco industry has not supported efforts to reduce cigarette consumption it has been more tactful in its response to government action than the open industry opposition and condemnation in the United States. Nevertheless as in the United States and Canada the economic and political importance of the industry has inhibited government action to reduce cigarette consumption.

The uncertain political response of millions of enthusiastic cigarette smokers who are already highly taxed and the thousands of

tobacco industry employees and tobacco distributors threatens equally both political parties. The potential political reaction against government restraints on cigarette smoking has been based in part on the ever present question as to whether government should legislate individual choice and the political reaction against new or increased taxes that would have to be found to substitute for tobacco tax revenues.

Tobacco industry efforts in dealing with a centralized government are certainly clearer and probably less frustrating than the chaos of multiple decision-makers and pressure points that have haunted the U.S. industry's search for a stable business environment. The British political system with its centralized governmental structure and the absence of a fragmented federal system of states or provinces provides a uniform and relatively stable (or at least more predictable) environment with fewer political threats than in the U.S. and Canada to the industry. Thus industry tactics have been in large measure a result of this situation, as well as the recognition by the industry of the importance of tobacco tax revenues to the government and the continual competition within the industry for increased market shares and the resulting increased sales and profits.

Finally to close on a speculative note. Industry efforts in Britain to reduce the hazards of cigarette smoking are relatively independent of tobacco, in contrast to the industry's orientation in the U.S. and Canada. A non-tobacco cigarette may well be first introduced in Britain, which is shielded by distance and political boundaries from the tobacco growers who would be economically harmed from the use of a non-tobacco substitute and who have played an important role in the controversy in both the U. S. and Canada. Perhaps because of the absence of tobacco growers from the

tobacco industry employees and tobacco distributors themselves equally
 both political parties. The potential political reaction against govern-
 ment restrictions on cigarette smoking has been based in part on the ever
 present question as to whether government should legislate individual
 choices and the political reaction against new or increased taxes that
 would have to be found to substitute for tobacco tax revenues.
 Tobacco industry efforts in dealing with a centralized government
 are certainly clearer and probably less frustrating than the chaos of
 multiple decision-makers and pressure points that have haunted the U.S.
 industry's search for a stable business environment. The British politi-
 cal system with its centralized governmental structure and the absence
 of a fragmented federal system of states or provinces provides a uniform
 and relatively stable (or at least more predictable) environment with
 fewer political threats than in the U.S. and Canada to the industry.
 Thus industry tactics have been in large measure a result of this situa-
 tion, as well as the recognition by the industry of the importance of
 tobacco tax revenues to the government and the continual competition
 within the industry for increased market shares and the resulting increased
 sales and profits.

Finally to close on a speculative note. Industry efforts in Britain
 to reduce the hazards of cigarette smoking are relatively independent of
 tobacco, in contrast to the industry's orientation in the U.S. and Canada.
 A non-tobacco cigarette may well be first introduced in Britain, which is
 shielded by distance and political boundaries from the tobacco growers who
 would be economically harmed from the use of a non-tobacco substitute and
 who have played an important role in the controversy in both the U. S.
 and Canada. Perhaps because of the absence of tobacco growers from the

political picture British manufacturers can appear more candid and sincere in attempting to produce a safer cigarette than their American or Canadian counterparts.

Political picture British naval officers can appear more candid and
 appears to attempting to produce a safer cigarette than their American
 or Canadian counterparts.

]

Footnotes - Chapter XIII

1. Imperial Tobacco Groups Limited, Annual Report and Accounts, 1970, p. 16.
2. The Wall Street Journal, May 17, 1971.
3. Address of the Chairman of Imperial Tobacco Groups Limited to the Shareholder's Annual General Meeting, May 12, 1971.
4. American Brands, Inc., Annual Report, 1970, p. 6. Gallaher had over \$1 billion in sales in 1970.
5. British-American Tobacco Company Limited and British-American Tobacco Investments Limited, Annual Report and Accounts, 1970.
6. Tobacco Reporter, XCLIX (January, 1972), p. 30.
7. Letter from John Partridge, Chairman, Imperial Tobacco Group Ltd., October 4, 1971.
8. Speech delivered by R.P. Dobson at the 68th Annual Meeting of the British-American Tobacco Company Limited, April 15, 1971.
9. Ibid.
10. Ibid.
11. P.S. Florence, Industry and the State (London: Hutchinson and Co., 1957), p. 47.
12. E. Eldon Barry, Nationalization in British Politics: The Historical Background (Stanford, California: Stanford University Press, 1965), p. 379.
13. Robert E. Cushman, The Independent Regulatory Commissions (New York: Oxford University Press, 1941).
14. Ibid., p. 501.
15. Ibid., p. 502.
16. Ibid., p. 508.

Footnotes - Chapter VIII

1. Imperial Tobacco Group Limited, Annual Report and Accounts, 1970, p. 16.
2. The Wall Street Journal, May 17, 1971.
3. Address of the Chairman of Imperial Tobacco Group Limited to the Shareholder's Annual General Meeting, May 12, 1971.
4. American Brands, Inc., Annual Report, 1970, p. 6. Callahan had over \$1 billion in sales in 1970.
5. British-American Tobacco Company Limited and British-American Tobacco Investments Limited, Annual Report and Accounts, 1970.
6. Tobacco Reporter, XCIX (January, 1972), p. 30.
7. Letter from John Partridge, Chairman, Imperial Tobacco Group Ltd., October 4, 1971.
8. Speech delivered by R.P. Dobson at the 60th Annual Meeting of the British-American Tobacco Company Limited, April 12, 1971.
9. 1974.
10. 1974.
11. P.S. Florence, Industry and the State (London: Hutchinson and Co., 1957), p. 47.
12. E. Eldon Barry, Nationalization in British Politics: The Historical Background (Stanford, California: Stanford University Press, 1967), p. 273.
13. Robert E. Cushman, The Independent Regulatory Commissions (New York: Oxford University Press, 1961).
14. 1974, p. 201.
15. 1974, p. 202.
16. 1974, p. 203.

17. Harry Eckstein, Pressure Group Politics: The Case of the British Medical Association (Stanford, California: Stanford University Press, 1960).
18. Cushman, p. 550.
19. Samuel H. Beer, "Pressure Groups and Parties in Britain," American Political Science Review, L (March, 1956), p. 9.
20. Morris David, "Some Neglected Aspects of British Pressure Groups," Midwest Journal of Political Science, VII (February, 1963), p. 45.
21. Beer, American Political Science Review, L (March, 1956), p. 7.
22. Ibid., p. 22.
23. David, Midwest Journal of Political Science, VII (February, 1963), p. 44.
24. Cushman, p. 501.
25. Tobacco Research Council, Review of Past and Current Activities (London: Tobacco Research Council, 1963), p. 15. Also see reviews for 1963-66 and 1967-69.
26. Ibid.
27. Ibid., p. 18.
28. Daniel Horn and Emil Corwin, "Progress Report on Britain's Smoking and Health Program" (Rockville, Maryland: National Clearinghouse for Smoking and Health, July, 1966), p. 3 (in the files of the Clearinghouse).
29. "British Are Seeking a Safer Cigarette," The New York Times, March 19, 1972.
30. Royal College of Physicians, Smoking and Health Now: A New Report and Summary on Smoking and Its Effects on Health from the Royal College of Physicians of London (London: Pitman Medical and Scientific Publishing Co., Ltd., 1971), p. 16.
31. Address of the Chairman of Imperial Tobacco Groups Limited to the Shareholder's Annual General Meeting, May 12, 1971.

17. Harry Eckstein, Pressure Group Politics: The Case of the British Political Association (London, 1960). (Unpublished manuscript.)
Press, 1960.
18. Cushman, p. 220.
19. Samuel H. Beer, "Pressure Groups and Parties in Britain," American Political Science Review, L (March, 1966), p. 9.
20. Morris David, "Some Neglected Aspects of British Pressure Groups," Midwest Journal of Political Science, VII (February, 1963), p. 43.
21. Beer, American Political Science Review, L (March, 1966), p. 7.
22. Ibid., p. 22.
23. David, Midwest Journal of Political Science, VII (February, 1963), p. 44.
24. Cushman, p. 201.
25. Tobacco Research Council, Report of Post and Current Activities (London: Tobacco Research Council, 1963), p. 12. Also see reviews for 1963-66 and 1967-69.
26. Ibid.
27. Ibid., p. 18.
28. Daniel Horn and Emil Forster, "Progress Report on Britain's Smoking and Health Program" (Rockville, Maryland: National Clearinghouse for Smoking and Health, July, 1966), p. 3 (in the files of the Clearinghouse).
29. "British Are Seeking a Safer Cigarette," The New York Times, March 19, 1972.
30. Royal College of Physicians, Smoking and Health Now: A New Report and Summary of Smoking and Health on which the Royal College of Physicians of London (London: British Medical and Scientific Publishing Co., Ltd., 1971), p. 16.
31. Address of the Chairman of Imperial Tobacco Group Limited to the Shareholder's Annual General Meeting, May 12, 1971.

PART FOUR
COMPARATIVE PERSPECTIVES

COMPARATIVE PERSPECTIVES
PART FOUR

Chapter XIV: Comparative Cigarette Consumption:
Utility, Disutility and Political Implications

A. Introduction

The ultimate impact of governmental action against cigarette smoking has been directed towards decreasing cigarette consumption and thus, hopefully, toward decreasing the number of deaths and disabilities associated with cigarette smoking. Some of the most easily quantifiable and available comparative data are on tobacco and cigarette consumption. Yet, upon closer examination these data appear to be very weak and difficult to use when making comparisons between nations rather than longitudinal comparisons within one nation.

Aggregate cigarette consumption figures are of questionable validity and uncertain reliability. They take no account of the tar and nicotine contents of cigarettes, their size and/or the amount of tobacco they contain which appear vital in measuring the actual exposure of smokers to the harmful ingredients in cigarette smoke. Furthermore, these consumption figures do not indicate how the cigarette is smoked, how far down to the butt, and how deeply the cigarette is inhaled. In addition, there is little indication of the distribution of consumption by amount. As Przeworski and Teune note "Validity tells us to what extent the instrument actually measures what was intended to be measured, that is, to what extent it portrays the observed phenomena as they occur in each social system." ¹

system." I

extent it portrays the observed phenomena as they occur in each social actually measures what was intended to be measured, that is, to what

Przeworski and Tenne note "Validity tells us to what extent the instrument is little indication of the distribution of consumption by amount. As

to the butt, and how deeply the cigarette is inhaled. In addition, there tion figures do not indicate how the cigarette is smoked, how far down

the harmful ingredients in cigarette smoke. Furthermore, these consumption which appear vital in measuring the actual exposure of smokers to

contents of cigarettes, their size and/or the amount of tobacco they contain and uncertain reliability. They take no account of the tar and nicotine

Aggregate cigarette consumption figures are of questionable validity

individual comparisons within one nation.

difficult to use when making comparisons between nations rather than longi-

Yet, upon closer examination these data appear to be very weak and dif-

and available comparative data are on tobacco and cigarette consumption.

associated with cigarette smoking. Some of the most easily quantifiable

hopefully, toward decreasing the number of deaths and disabilities

has been directed towards decreasing cigarette consumption and thus,

The ultimate impact of governmental action against cigarette smoking

A. Introduction

Consumption figures were developed as a measure prior to the smoking-health controversy to crudely indicate the economic health and development of the tobacco industry. The figures are probably still valid for their original purpose. A new measure is needed which incorporates not only the number of cigarettes consumed but their tar and nicotine content as well.

Aggregate per capita consumption figures are also often used in making cross-national and longitudinal comparisons. These figures minimize the actual number of cigarettes smoked by smokers by watering down the actual figures by including all possible smokers. Thus, per capita cigarette consumption figures for smokers in the U.S. would be over 8,000 per year rather than the estimated 4,000. However, the distribution of cigarette consumption among smokers would be even more indicative of reality than the measures presently popularly used.

Consumption figures in each of the three nations under study appear reliable but the measurement criterion in each country is different. Thus the British for example base their measure of consumption on tobacco weight and use a conversion formula to yield their aggregate consumption statistics. British and American per capita figures use different formulas in calculation. The British include all persons 15 years of age and over while the U.S. figures are calculated using all persons 18 years of age and over. Przeworski and Teune noted that "The reliability criterion tells us to what extent the categories applied to the expression of cross-systemic observations constitute 'universals' or are 'invariant.'" ² While the data are reliable for longitudinal comparisons within one country they are not reliable for cross-national comparisons.

Consumption figures were developed as a measure prior to the smoking-health controversy to crudely indicate the economic health and development of the tobacco industry. The figures are probably still valid for their original purpose. A new measure is needed which incorporates not only the number of cigarettes consumed but their tar and nicotine content as well.

Aggregate per capita consumption figures are also often used in making cross-national and longitudinal comparisons. These figures minimize the actual number of cigarettes smoked by smokers by watering down the actual figures by including all possible smokers. Thus, per capita cigarette consumption figures for smokers in the U.S. would be over 8,000 per year rather than the estimated 4,000. However, the distribution of cigarette consumption among smokers would be even more indicative of reality than the measures presently used.

Consumption figures in each of the three nations under study appear reliable but the measurement criterion in each country is different. Thus the British for example base their measure of consumption on tobacco weight and use a conversion formula to yield their aggregate consumption statistics. British and American per capita figures use different formulas in calculation. The British include all persons 15 years of age and over while the U.S. figures are calculated using all persons 18 years of age and over. Przeworski and Tenen noted that "The reliability criterion tells us to what extent the categories applied to the expression of cross-systemic observations constitute 'universals' or are 'local'." While the data are reliable for longitudinal comparisons within one country they are not reliable for cross-national comparisons.

In this study we have been very hesitant to use cigarette consumption as the measurable dependent variable to indicate the success or failure of government efforts and the efforts of health interest groups and the tobacco industry. In the following chapter we will consider some of these aggregate indicators as well as some of their political implications.

B. Aggregate Indicators

Table 1 presents data on total cigarette consumption and per capita consumption for the U.S., Canada and Great Britain for 1950 to 1971. The data is from the Tobacco Research Council's study Tobacco Consumption in Various Countries ³ which has calculated per capita figures using all persons 15 years of age and older.

The data show that differences in per capita consumption between the United States, Canada and Great Britain have decreased since 1950. During this period U.S. per capita consumption has increased 10 per cent, Great Britain 33 per cent, and Canada 85 per cent. ⁴ Absolute consumption has also increased substantially during this time period, but since the release of the first Royal College of Physicians report in Britain and the Surgeon General's report in the United States, the growth rate has declined to an average of less than .5 per cent a year in the U.S, 1.2 per cent in Britain, and 3 per cent in Canada.

We will not discuss the impact of specific governmental actions or private reports such as the two mentioned above. In general, immediately following the action or report consumption declines, but aggregate figures gradually return to their previous levels. ⁵ Of much greater importance

in this study we have been very hesitant to use cigarette consumption as the measurable dependent variable to indicate the success or failure of government efforts and the efforts of health interest groups and the tobacco industry. In the following chapter we will consider some of these aggregate indicators as well as some of their political implications.

2. Aggregate Indicators

Table I presents data on total cigarette consumption and per capita consumption for the U.S., Canada and Great Britain for 1950 to 1971. The data is from the Tobacco Research Council's study Tobacco Consumption in Various Countries³ which has calculated per capita figures using all persons 15 years of age and older.

The data show that differences in per capita consumption between the United States, Canada and Great Britain have decreased since 1950. During this period U.S. per capita consumption has increased 10 per cent, Great Britain 33 per cent, and Canada 85 per cent.⁴ Absolute consumption has also increased substantially during this time period, but since the release of the first Royal College of Physicians report in Britain and the Surgeon General's report in the United States, the growth rate has declined to an average of less than 5 per cent a year in the U.S., 1.2 per cent in Britain, and 3 per cent in Canada.

We will not discuss the impact of specific governmental actions or private reports such as the two mentioned above. In general, immediately following the action or report consumption declines, but aggregate figures gradually return to their previous levels.⁵ Of much greater importance

Table 1

Aggregate Cigarette Consumption and Per Capita Consumption (15+)
for the United States, Canada and Great Britain 1950-1971 ^a

	<u>Canada</u>		<u>United States</u>		<u>Great Britain</u>	
	<u>Cigarettes</u>	<u>Per</u>	<u>Cigarettes</u>	<u>Per</u>	<u>Cigarettes</u>	<u>Per</u>
	(millions)	Capita		Capita		Capita
1950	17,172	1,790	360,199	3,250	85,145	2,180
1951	15,672	1,600	379,725	3,390	89,335	2,300
1952	17,844	1,780	394,109	3,490	90,400	2,320
1953	21,000	2,060	386,826	3,390	92,695	2,370
1954	22,116	2,130	368,725	3,200	95,230	2,430
1955	24,576	2,320	382,061	3,280	98,670	2,510
1956	27,000	2,480	393,154	3,370	99,560	2,530
1957	30,144	2,720	409,436	3,460	102,250	2,590
1958	32,404	2,840	436,354	3,640	104,020	2,630
1959	33,822	2,920	453,681	3,730	106,600	2,670
1960	34,289	2,910	470,136	3,810	110,900	2,760
1961	36,699	3,060	488,119	3,890	113,400	2,810
1962	38,683	3,140	494,463	3,870	109,900	2,680
1963	39,877	3,190	509,588	3,930	115,200	2,790
1964	40,639	3,170	497,447	3,770	114,400	2,760
1965	43,013	3,310	511,464	3,820	112,000	2,680
1966	46,276	3,450	522,533	3,850	117,600	2,810
1967	46,864	3,420	527,809	3,860	119,100	2,830
1968	46,269	3,280	523,008	3,730	121,800	2,890
1969	46,582	3,230	510,531	3,580	124,900	2,960
1970	49,823	3,340	532,769	3,670	127,900	3,020
1971	50,864	3,320	528,858	3,590	122,400	2,910

^a. Compiled from D.H. Bease, editor, Tobacco Consumption in Various Countries, Research Paper 6, London: Tobacco Research Council, 1972. (Third edition).

Table I

Aggregate Cigarette Consumption and Per Capita Consumption (15+)
for the United States, Canada and Great Britain 1950-1971^a

	Canada		United States		Great Britain	
	Cigarettes	Per Capita	Cigarettes	Per Capita	Cigarettes	Per Capita
	(Millions)					
1950	17,172	1,790	360,199	3,220	82,142	2,180
1951	17,672	1,800	379,722	3,390	89,322	2,300
1952	17,844	1,780	394,109	3,490	90,400	2,320
1953	21,000	2,060	396,826	3,390	92,692	2,370
1954	22,116	2,130	398,722	3,200	92,230	2,430
1955	24,276	2,320	392,061	3,280	98,670	2,510
1956	27,000	2,480	393,124	3,370	99,260	2,530
1957	30,144	2,720	409,436	3,460	102,220	2,590
1958	32,404	2,840	426,324	3,640	104,020	2,630
1959	33,822	2,920	452,621	3,730	106,690	2,670
1960	34,239	2,910	470,136	3,810	110,200	2,760
1961	36,699	3,060	488,119	3,890	113,400	2,810
1962	38,683	3,140	494,463	3,870	109,900	2,690
1963	39,877	3,190	509,288	3,930	112,200	2,790
1964	40,639	3,170	497,447	3,770	114,400	2,760
1965	43,013	3,310	511,464	3,820	112,000	2,680
1966	46,276	3,420	522,233	3,850	117,600	2,810
1967	46,864	3,420	527,800	3,860	119,100	2,830
1968	46,269	3,280	523,008	3,730	121,800	2,890
1969	46,282	3,230	510,231	3,580	124,900	2,960
1970	49,823	3,340	522,769	3,670	127,900	3,020
1971	50,864	3,320	528,822	3,290	122,400	2,910

^a Compiled from D.H. Beebe, editor, Tobacco Consumption in Various Countries, Research Paper 6, London: Tobacco Research Council, 1971. (Third edition).

than aggregate consumption and/or per capita consumption figures are changes in the type of consumption from non-filtered to filtered cigarettes and from high tar and nicotine brands to lower tar and nicotine contents.

Table 2 shows the percentage filtered cigarettes for each of the three countries under study for the years 1959-1970. The data indicates the rapid change from non-filtered to filtered cigarettes that has taken place in the U.S., Britain and Canada since 1959. Commenting on the period prior to this time in the U.S., Hammond and Garfinkel noted:

Prior to 1950, filter-tip cigarettes were little more than a novelty, and as recently as 1952 only 1.3 per cent of cigarettes sold in the United States was equipped with filters. . . Filter-tip brands had captured 9.2 per cent of the market by 1954, 27.6 per cent by 1956, 45.2 per cent by 1958, and 54.6 per cent by 1962. ⁶

Hammond and Garfinkel completely attributed the switch to the "reaction of the public and the industry to reports linking cigarette smoking to lung cancer and other diseases." ⁷ This switch was of course facilitated and augmented by massive cigarette advertising pointing out to consumers the benefits of the new filtered brands.

While filter cigarette sales are indicative of a trend towards allegedly healthier cigarettes they are only a very crude indicator. The industry's own emphasis on company market shares and brand sales combined with government measurements of tar and nicotine contents (all of which could be standardized cross-nationally) could be used to develop a more accurate measure of smoker exposure to tar and nicotine. In the United States Philip Morris Inc. reported that tar in cigarettes had declined 46 per cent from 36 milligrams in 1956 to 19.4 milligrams in 1972. ⁸

than aggregate consumption and/or per capita consumption figures are changes in the type of consumption from non-filtered to filtered cigarettes and from high tar and nicotine brands to lower tar and nicotine contents.

Table 2 shows the percentage filtered cigarettes for each of the three countries under study for the years 1959-1970. The data indicates the rapid change from non-filtered to filtered cigarettes that has taken place in the U.S., Britain and Canada since 1959. Commenting on the period prior to this time in the U.S., Hammond and Garfinkel noted:

Prior to 1950, filter-tip cigarettes were little more than a novelty, and as recently as 1952 only 1.3 per cent of cigarettes sold in the United States was equipped with filters. . . . Filter-tip brands had captured 9.2 per cent of the market by 1954, 27.6 per cent by 1956, 45.2 per cent by 1958, and 54.6 per cent by 1962. 6

Hammond and Garfinkel completely attributed the switch to the "reaction of the public and the industry to reports linking cigarette smoking to lung cancer and other diseases." 7 This switch was of course facilitated and augmented by massive cigarette advertising pointing out to consumers the benefits of the new filtered brands.

While filter cigarette sales are indicative of a trend towards allegedly healthier cigarettes they are only a very crude indicator. The industry's own emphasis on company market shares and brand sales combined with government measurements of tar and nicotine contents (all of which could be standardized cross-nationally) could be used to develop a more accurate measure of smoker exposure to tar and nicotine. In the United States Philip Morris Inc. reported that tar in cigarettes had declined 40 per cent from 36 milligrams in 1956 to 19.4 milligrams in 1971. 8

Table 2

Filter Tip Cigarettes as a Percentage
of Total Output and/or Sales 1959-1970 ^a

	<u>United States</u>	<u>Canada</u>	<u>Great Britain</u>
1959	48.7	44.0	12.1
1960	50.9	50.5	15.8
1961	52.5	54.0	19.5
1962	54.6	59.0	26.0
1963	58.0	63.0	32.8
1964	60.9	66.0	41.8
1965	64.4	69.0	53.0
1966	68.2	73.0	60.6
1967	72.4	77.0	65.9
1968	74.9	80.0	70.7
1969	77.5		75.5 ^b
1970	80.1 ^d		78+ ^c
1971	82.4 ^d		

a. Compiled from a variety of sources including The Times (London), Tobacco Reporter, Tobacco Situation and World Tobacco.

b. The Times (London), "Drift to Filter Cigarette Brands Goes On," February 20, 1970.

c. Tobacco Reporter, XCVIII (November, 1971), p. 14.

d. Tobacco Situation, March, 1972, p. 6.

Table 2

Filter Tip Cigarettes as a Percentage
of Total Output and/or Sales 1929-1970 ^a

	United States	Canada	Great Britain
1971	82.4 ^b		
1970	80.1 ^b		78+ ^c
1969	77.5		75.5 ^b
1968	74.9	80.0	70.7
1967	72.4	77.0	65.9
1966	68.2	73.0	60.6
1965	64.4	69.0	53.0
1964	60.9	66.0	41.8
1963	58.0	63.0	32.8
1962	54.6	59.0	26.0
1961	52.5	54.0	19.5
1960	50.9	50.5	15.8
1959	48.7	44.0	12.1

^a Compiled from a variety of sources including The Times (London), Tobacco Reporter, Tobacco Situation and World Tobacco.

^b The Times (London), "Drift to Filter Cigarette Brands Goes On," February 20, 1970.

^c Tobacco Reporter, XCIV:11 (November, 1971), p. 14.

^d Tobacco Situation, March, 1972, p. 6.

Obviously the present emphasis of governmental agricultural and health policy on limiting or at least attempting to limit tar and nicotine in cigarettes assumes the importance of this measure as well as positive social consequences from government actions. More accurate aggregate statistics incorporating smoker exposure would be very useful in facilitating evaluation of the impact of both private and public efforts to reduce the hazards of cigarette smoking. However, more important than how much is smoked is what and perhaps even more importantly how. The last two questions have only been very crudely and superficially examined. The continued emphasis on crude consumption and per capita figures is unfortunate and obscures the smoking-health problem. Different indicators which more closely reflect the problem at hand will hopefully be developed. Present efforts to measure the tar and nicotine contents of cigarettes are a useful beginning, but unfortunately no uniform procedure has yet gained acceptance which makes comparisons between countries and sometimes even within countries almost impossible.

The long term picture for the industry does not appear pessimistic but is cautious. The Food and Agriculture Organization of the United Nations (FAO) in assessing the future of tobacco during the present decade commented on the impact of the smoking and health issue:

The direct influence on the level of tobacco consumption of the various medical reports emphasizing the health hazards of smoking and which have given rise to anti-smoking campaigns in various developed countries, has only been slight so far. One of the major effects has been a rapidly growing demand for low tar and nicotine content cigarette leaf in the United States, Canada, several European countries and Japan, and this trend is very likely to continue during the next decade. 9

Obviously the present emphasis of governmental agricultural and health policy on limiting or at least attempting to limit tar and nicotine in cigarettes assumes the importance of this measure as well as positive social consequences from government actions. More accurate aggregate statistics incorporating smoker exposure would be very useful in facilitating evaluation of the impact of both private and public efforts to reduce the hazards of cigarette smoking. However, more important than how much is smoked is what and perhaps even more importantly how. The last two questions have only been very crudely and superficially examined. The continued emphasis on crude consumption and per capita figures is unfortunate and obscures the smoking-health problem. Different indicators which more closely reflect the problem at hand will hopefully be developed. Present efforts to measure the tar and nicotine contents of cigarettes are a useful beginning, but unfortunately no uniform procedure has yet gained acceptance which makes comparisons between countries and sometimes even within countries almost impossible. The long term picture for the industry does not appear pessimistic but is cautious. The Food and Agriculture Organization of the United Nations (FAO) in assessing the future of tobacco during the present decade commented on the impact of the smoking and health issues:

The direct influence on the level of tobacco consumption of the various medical reports emphasizing the health hazards of smoking and which have given rise to anti-smoking campaigns in various developed countries, has only been slight so far. One of the major effects has been a rapidly growing demand for low tar and nicotine content cigarette leaf in the United States, Canada, several European countries and Japan, and this trend is very likely to continue during the next decade. 9

The report continued:

Further proof of the adverse relationship between cigarette smoking and health and the increasing attention which is paid to this problem may finally result in a trend toward stagnation or even decrease in tobacco consumption in this whole group of countries as has already been evident in the United States and Canada. However, this is, as yet uncertain and at the world level and decline could still be more than counterbalanced by rising consumption in developing countries. ¹⁰

From the industry's standpoint per capita figures are indicative of the difficulties that the industry has faced. Per capita consumption in Britain in 1961 was only matched again in 1966, while in the U.S. the 1963 rate before the Surgeon General's report has not been reached again since. ¹¹ The Canadian picture is much less clear with per capita consumption peaking in 1966 which has not been reached again since.

C. Consumption and Politics

Behind these aggregate consumption and per capita figures lies the industry's basic difficulty both in economic and political terms in all three of the nations under study: the decline in the proportion of the adult population that smokes cigarettes. Cigarette smoking may well have reached its peak. As we have pointed out in previous chapters, tobacco companies have hedged their bets by diversifying into other fields and by entering foreign markets that are growing at a much faster pace than their own.

The percentage of the population that smokes and the number of ex-smokers in the population are politically important. Cigarette smokers and ex-cigarette smokers and non-smokers all make up latent political groups. Behind American government actions has been the knowledge of growing public support. In fact, the political rationale and incentive for governmental action increases as the percentage of non-smokers and the

The report continued:

Further proof of the adverse relationship between cigarette smoking and health and the increasing attention which is paid to this problem may finally result in a trend toward stagnation or even decrease in tobacco consumption in this whole group of countries as has already been evident in the United States and Canada. However, this is, as yet uncertain and at the world level and decline could still be more than counterbalanced by rising consumption in developing countries. 10

From the industry's standpoint per capita figures are indicative of the difficulties that the industry has faced. Per capita consumption in Britain in 1961 was only matched again in 1966, while in the U.S. the 1963 rate before the Surgeon General's report has not been reached again since. 11 The Canadian picture is much less clear with per capita consumption peaking in 1966 which has not been reached again since.

C. Consumption and Politics

Behind these aggregate consumption and per capita figures lies the industry's basic difficulty both in economic and political terms in all cases of the nations under study: the decline in the proportion of the adult population that smokes cigarettes. Cigarette smoking may well have reached its peak. As we have pointed out in previous chapters, tobacco companies have hedged their bets by diversifying into other fields and by entering foreign markets that are growing at a much faster pace than their own.

The percentage of the population that smokes and the number of ex-smokers in the population are politically important. Cigarette smokers and ex-cigarette smokers and non-smokers all make up latent political groups. Behind American government actions has been the knowledge of growing public support. In fact, the political rationale and incentive for governmental action increases as the percentage of non-smokers and the

number of ex-smokers in the population increases. The smoking issue which is so salient to the personal lives of so many people might be used by political entrepreneurs to win votes, although this appears unlikely while a large proportion of the adult population smokes cigarettes. Nevertheless, drastic action is not very likely because it would also alienate many voters including both smokers and those tied economically to cigarettes.

D. United States Consumption

In the United States the percentage of adult males smoking cigarettes dropped from 52 per cent in 1966 to 42 per cent in 1970. [To repeat, the U.S. figures are based upon the adult population above 18 while the Canadian and British figures are based on the adult population over 15 years of age.] Among women the decline during the same period was from 34 to 31 per cent. The number of ex-smokers in the United States has increased from a total of 19 million in 1966 to 29 million in 1970; ¹² a large potential, if unlikely, voting bloc. Furthermore, the number of smokers has dropped from 49 million to 44 1/2 million during this period. Daniel Horn, director of the National Clearinghouse for Smoking and Health, reported the results of a national survey of the total adult population.

The government survey found that in 1970 86 1/2 per cent of the adult population agreed with the statement, "Cigarette smoking is enough of a health hazard for something to be done about it." ¹³ Furthermore, 60 per cent of the sample agreed that "Cigarette advertising should be stopped completely." ¹⁴ Horn continued:

number of ex-smokers in the population increases. The smoking issue which is so salient to the personal lives of so many people might be used by political entrepreneurs to win votes, although this appears unlikely while a large proportion of the adult population smokes cigarettes. Nevertheless, drastic action is not very likely because it would also alienate many voters including both smokers and those tied economically to cigarettes.

12. United States Consumption

In the United States the percentage of adult males smoking cigarettes dropped from 52 per cent in 1966 to 43 per cent in 1970. [To repeat, the U.S. figures are based upon the adult population above 18 while the Canadian and British figures are based on the adult population over 15 years of age.] Among women the decline during the same period was from 34 to 31 per cent. The number of ex-smokers in the United States has increased from a total of 19 million in 1966 to 29 million in 1970. ¹² In a large potential, if unlikely, voting bloc. Furthermore, the number of smokers has dropped from 49 million to 44 1/2 million during this period. Daniel Horn, director of the National Clearinghouse for Smoking and Health, reported the results of a national survey of the total adult population.

The government survey found that in 1970 86 1/2 per cent of the adult population agreed with the statement, "Cigarette smoking is enough of a health hazard for something to be done about it." ¹³ Furthermore, 66 per cent of the sample agreed that "Cigarette advertising should be banned completely." ¹⁴ Horn continued:

Even such a strong proposed remedial action such as, "The selling of cigarettes should be stopped completely," which found favor among only 23 per cent of the population in 1964 and again in 1966 has risen to acceptance by 38 per cent of the population. These are massive changes of a magnitude uncommon in public beliefs and public attitudes. ¹⁵

Horn interpreted the survey research done for HEW as indicating that "Negative reactions to being in the presence of smokers, support for much greater curbs on the selling of cigarettes, and placing even more restrictions on cigarette advertising are all now majority views rather than minority views." ¹⁶ One final response was presented which indicates the success of the government and health interest groups in presenting their message and in gaining broad public acceptance. The question and the responses to this question are shown in Table 3 for both males and females in samples taken in 1966 and 1970. ¹⁷ Obviously, from the response to this question, a politician in the United States might assume that relatively few of his constituents wish to smoke. Furthermore, even among current smokers over 66.5 per cent of the men and 73 per cent of the women agreed with the statement "I hope my children never smoke," while an additional 12.6 per cent of the women and 15.7 per cent of the men mildly agreed. Only 6 per cent of the men and 6.3 per cent of the women either mildly or strongly disagreed with this statement. This would appear to indicate public support for programs directed towards informing children of the hazards of smoking and/or preventing minors from smoking. ¹⁸

E. Canadian Consumption

In Canada the proportion of regular cigarette smokers in the population over fifteen was 42.0 per cent in 1964. ¹⁹ The proportion of regular

Even such a strong proposed remedial action such as, "the selling of cigarettes should be stopped completely," which found favor among only 23 per cent of the population in 1964 and again in 1966 has risen to acceptance by 33 per cent of the population. There are massive changes of a magnitude uncommon in public beliefs and public attitudes.¹⁵

Horn interpreted the survey research done for HEV as indicating that "negative reactions to being in the presence of smokers, support for much greater curbs on the selling of cigarettes, and placing even more restrictions on cigarette advertising are all now majority views rather than minority views."¹⁶ The final response was presented which indicates the success of the government and health interest groups in presenting their message and in gaining broad public acceptance. The question and the responses to this question are shown in Table 3 for both males and females in samples taken in 1966 and 1970.¹⁷ Obviously, from the response to this question, a politician in the United States might assume that relatively few of his constituents wish to smoke. Furthermore, even among current smokers over 66.5 per cent of the men and 73 per cent of the women agreed with the statement "I hope my children never smoke," while an additional 12.6 per cent of the women and 15.7 per cent of the men mildly agreed. Only 6 per cent of the men and 6.3 per cent of the women either mildly or strongly disagreed with this statement. This would appear to indicate public support for programs directed towards informing children of the hazards of smoking and/or preventing minors from

smoking.¹⁸

E. Canadian Comparison

In Canada the proportion of regular cigarette smokers in the population over fifteen was 42.0 per cent in 1964.¹⁹ The proportion of regular

Table 3^a

What would you say is the possibility that five years from now you will be a cigarette smoker?

	<u>1966</u>		<u>1970</u>	
	<u>M</u>	<u>F</u>	<u>M</u>	<u>F</u>
Definitely yes	11.8	5.5	4.7	3.1
Probably yes	28.3	18.9	16.9	13.1
Probably no	14.7	12.4	22.7	17.2
Definitely no	43.0	61.7	52.6	63.7
K/NA	2.2	1.4	3.1	2.9

a. Daniel Horn, "The Smoking Problem in 1971," address to the American Cancer Society's 13th Annual Science Writers' Seminar, Phoenix, Arizona, April 6, 1971.

Table 4

Canadian Cigarette Smoking

	Habits by Region ^a					
	Total					
	Canada	Atlantic	Quebec	Ontario	Prairie	B.C.
Males who usually smoke cigarettes every day	53.6	53.4	61.8	50.6	48.5	50.0
Males who do not smoke cigarettes	43.1	43.2	34.9	46.0	48.6	47.3
Females who usually smoke cigarettes every day	30.6	27.1	31.5	30.5	28.9	34.6
Females who do not smoke cigarettes	66.2	70.1	64.2	66.6	68.4	62.4

a. Males and females 15 years of age and over. Data was obtained from the Canadian Department of National Health and Welfare.

Table 3

What would you say is the possibility that five years from now you will be a cigarette smoker?

	1966		1977	
	M	F	M	F
Definitely yes	11.8	2.2	4.7	3.1
Probably yes	28.3	18.9	16.9	13.1
Probably no	14.7	12.4	22.7	17.2
Definitely no	43.0	61.7	52.6	63.7
N/A	2.2	1.4	3.1	2.9

a. Daniel Horn, "The Smoking Problem in 1977," address to the American Cancer Society's 13th Annual Science Writers' Seminar, Phoenix, Arizona, April 6, 1977.

Table 4

Canadian Cigarette Smoking

Habits by Region^a

	Total				
	Canada	Atlantic	Quebec	Ontario	Prarie P.C.
Men who usually smoke cigarettes every day	52.6	53.4	61.8	50.6	48.2
Men who do not smoke cigarettes	43.1	43.2	34.9	46.0	43.6
Women who usually smoke cigarettes every day	30.6	27.1	31.2	30.2	28.9
Women who do not smoke cigarettes	69.2	70.1	64.2	66.6	69.4

a. Males and females 15 years of age and over. Data was obtained from the Canadian Department of National Health and Welfare.

cigarette smokers among men 15 years of age and over decreased in Canada from 53.6 per cent in August, 1964 to 51.7 per cent in October, 1968. The proportion of regular smokers among women over 15 increased from 30.6 per cent to 32.5 per cent in the same period.²⁰ The overall percentage of smokers remained the same during this period.

In federated political systems the number of cigarette smokers in the states or provinces is also of interest. In Canada there are substantial differences in the incidence of smoking in the different regions. Table 4 shows Canadian cigarette smoking habits by region.

British Columbia which banned all forms of tobacco advertising in 1971 is below the Canadian average in the percentage of usual cigarette smokers but has the highest incidence of female smokers. Hence, while regional, provincial and/or state consumption patterns may be interesting, the relationship between variations in consumption rates and governmental action is unclear. In the United States per capita rates between states differ very substantially,²¹ partially due to differences in the proportion of the population that smokes, but also because of differences in cigarette taxes and retail prices that have led to both organized smuggling and consumer purchases across state lines.

F. Consumption in Great Britain

The proportion of cigarette smokers in Great Britain has also declined. While recent accurate figures are not available, Coomber, Chief Medical Officer for Health in Great Britain has reported that the proportion of cigarette smokers in Great Britain has declined from 57 per cent in 1961 to 54 per cent in 1965; an absolute decline of about 500 thousand during the period.²² Furthermore, he wrote in the February/March, 1970 issue

cigarette smokers among men 15 years of age and over decreased in Canada from 23.6 per cent in August, 1964 to 21.7 per cent in October, 1968. The proportion of regular smokers among women over 15 increased from 30.6 per cent to 32.3 per cent in the same period.²⁰ The overall percentage of smokers remained the same during this period.

In federated political systems the number of cigarette smokers in the states or provinces is also of interest. In Canada there are substantial differences in the incidence of smoking in the different regions. Table A shows Canadian cigarette smoking habits by region.

British Columbia which banned all forms of tobacco advertising in 1971 is below the Canadian average in the percentage of usual cigarette smokers but has the highest incidence of female smokers. Hence, while regional, provincial and/or state consumption patterns may be interesting, the relationship between variations in consumption rates and governmental action is unclear. In the United States per capita rates between states differ very substantially,²¹ partially due to differences in the proportion of the population that smokes, but also because of differences in cigarette taxes and retail prices that have led to both organized smuggling and consumer purchases across state lines.

F. Consumption in Great Britain

The proportion of cigarette smokers in Great Britain has also declined. The recent accurate figures are not available, Gough, Chief Medical Officer for Health in Great Britain has reported that the proportion of cigarette smokers in Great Britain has declined from 27 per cent in 1961 to 24 per cent in 1965; an absolute decline of about 200 thousand during the period.²² Furthermore, he wrote in the February/March, 1970 issue

of World Health that "at least a million fewer people are smoking in Britain." ²³

Figures on the proportion of smokers in the population should be taken as indicative rather than definitive. Differences in definitional criteria between countries (as well as in the nature of the sample used) again make cross-national comparisons misleading and inaccurate. ²⁴

With the added impetus of increasing cigarette taxation, cigarette prices have gradually increased during the last two decades in the three nations under study. Cigarette consumption is also a function of price as well as taste (although cigarette consumption does appear to be relatively inelastic to price) and substantial differences in price (especially those due to substantial differences in the level of cigarette taxation) exist between these three countries. Smuggling has often taken advantage of disparities in price between countries and while British citizens are checked for tobacco products when entering the country, we found no mention of smuggling as a problem, as it has already become in parts of the United States.

G. Conclusions

Three general trends in cigarette smoker behavior are apparent in all three countries and appear to have resulted from the smoking-health controversy: (1) an increase in the sales of filtered and lower tar and nicotine cigarettes; (2) the increase in per capita consumption has at least slowed and will perhaps drop; and (3) there has been a reduction in the percentage of the adult population smoking cigarettes. This last trend, while small, has been optimistically cited by foes of cigarette smoking as indicative of the success of their efforts. Much more

of World Health that "at least a million fewer people are smoking in Britain." 23

Figures on the proportion of smokers in the population should be taken as indicative rather than definitive. Differences in definitional criteria between countries (as well as in the nature of the sample used) again make cross-national comparisons misleading and inaccurate. 24

With the added impetus of increasing cigarette taxation, cigarette prices have gradually increased during the last two decades in the three nations under study. Cigarette consumption is also a function of price as well as taste (although cigarette consumption does appear to be relatively inelastic to price) and substantial differences in price (especially those due to substantial differences in the level of cigarette taxation) exist between these three countries. Smuggling has often taken advantage of disparities in price between countries and while British citizens are checked for tobacco products when entering the country, we found no mention of smuggling as a problem, as it has already become in parts of the United States.

6. Conclusions

Three general trends in cigarette smoker behavior are apparent in all three countries and appear to have resulted from the smoking-health controversy: (1) an increase in the sales of filtered and lower tar and nicotine cigarettes; (2) the increase in per capita consumption has at least slowed and will perhaps drop; and (3) there has been a reduction in the percentage of the adult population smoking cigarettes. This last trend, while small, has been optimistically cited by foes of cigarette smoking as indicative of the success of their efforts. Much more

detailed information is needed to fully evaluate this and recent surveys point out the continuing (if reduced) popularity of cigarette smoking.

Additional information is needed to fully evaluate this and recent surveys point out the continuing (if reduced) popularity of cigarette

smoking.

Footnotes - Chapter XIV

1. Adam Prezeworski and Henry Teune, The Logic of Comparative Social Inquiry (New York: Wiley-Interscience, 1970), p. 11.
2. Ibid.
3. D. H. Beese, (ed.), Tobacco Consumption in Various Countries, 3rd Edition, Research Paper 6 (London: Tobacco Research Council, 1972).
4. More detailed information on the consumption of tobacco goods in the United Kingdom may be found in G. F. Todd, Statistics of Smoking in the United Kingdom, 6th Edition, Research Paper 1 (London: Tobacco Research Council, 1973).
5. After the release of the second Royal College of Physicians report in 1971, the government reported that sales dropped 5.5 per cent for the year. See "Cigarette Smoking Shows Sharp Drop After British Study," The New York Times, February 6, 1972.
6. Cuyler E. Hammond and Lawrence Garfinkel, "Changes in Cigarette Smoking," Journal of the National Cancer Institute, XXXIII (July, 1964), p. 51. Also see their later article "Changes in Cigarette Smoking 1959-1965," American Journal of Public Health, LVIII, No. 1, pp. 30-45. The first survey of tobacco smoking patterns in the United States using a nationwide survey and probability sampling procedures was sponsored by the National Cancer Institute of the United States Public Health Service in 1955. See William Haenszel, Michael B. Shiskin and Herman P. Miller, Tobacco Smoking Patterns in the United States (Public Service Monograph No. 45, Washington: U.S. Government Printing Office, 1956). For more detailed data see U.S., Department of Health, Education, and Welfare, Cigarette Smoking and Health Characteristics: United States - July 1964 - June 1965, (Public Health Service Publication No. 1000 - Series 10, No. 34, Washington: U.S. Government Printing Office, 1967), and more recently from the same source, Changes in Cigarette Smoking Habits Between 1955 and 1966 (Public Health Service Publication No. 1000 - Series 10 no. 59, Washington: U.S. Government Printing Office, 1970).
7. Hammond and Garfinkel, Journal of the National Cancer Institute, XXXIII (July, 1964), p. 51.
8. John D. Morris, "Tar in Cigarettes Is Reported Down 46% Since '56," The New York Times, February 11, 1973.
9. Food and Agriculture Organization of the United Nations (FAO), Agricultural Commodity Projections 1970-1980 (Rome: FAO, 1971). The section on tobacco was reprinted in The Lighter, XLII (Winter, 1972), p. 26.

Footnotes - Chapter XIV

1. Adam Preszowski and Henry Tenne, The Logic of Comparative Social Inquiry (New York: Wiley-Interscience, 1970), p. 11.
2. Ibid.
3. D. H. Beese, (ed.), Tobacco Consumption in Various Countries, 3rd Edition, Research Paper 6 (London: Tobacco Research Council, 1972).
4. More detailed information on the consumption of tobacco goods in the United Kingdom may be found in G. F. Todd, Statistics of Smoking in the United Kingdom, 6th Edition, Research Paper 1 (London: Tobacco Research Council, 1973).
5. After the release of the second Royal College of Physicians report in 1971, the government reported that sales dropped 2.5 per cent for the year. See "Cigarette Smoking Shows Sharp Drop After British Study," The New York Times, February 6, 1972.
6. Cuyler E. Hammond and Lawrence Garfinkel, "Changes in Cigarette Smoking," Journal of the National Cancer Institute, XXXIII (July, 1964), p. 21. Also see their later article "Changes in Cigarette Smoking 1959-1965," American Journal of Public Health, LVIII, No. 1, pp. 30-45. The first survey of tobacco smoking patterns in the United States using a nationwide survey and probability sampling procedures was sponsored by the National Cancer Institute of the United States Public Health Service in 1955. See William Henszels, Michael B. Shiskin and Herman P. Miller, Tobacco Smoking Patterns in the United States (Public Service Monograph No. 43, Washington: U.S. Government Printing Office, 1956). For more detailed data see U.S. Department of Health, Education, and Welfare, Cigarette Smoking and Health Characteristics: United States - July 1964 - June 1965 (Public Health Service Publication No. 1000 - Series 10, No. 43, Washington: U.S. Government Printing Office, 1967), and more recently from the same source, Changes in Cigarette Smoking Habits between 1955 and 1965 (Public Health Service Publication No. 1000 - Series 10, No. 59, Washington: U.S. Government Printing Office, 1970).
7. Hammond and Garfinkel, Journal of the National Cancer Institute, XXXIII (July, 1964), p. 21.
8. John D. Morris, "Tar in Cigarettes Is Reported Down 40% Since '56," The New York Times, February 11, 1973.
9. Food and Agriculture Organization of the United Nations (FAO), Agricultural Commodity Projections 1970-1980 (Rome: FAO, 1971). The section on tobacco was reprinted in The Lighter, XLII (Winter, 1972), p. 26.

10. The British figures used in Table 1 are based on per capita figures calculated using the total population above the age of 15. The U.S. figures cited by the government use the total population above 18. See Tobacco Situation, March, 1972, p. 6.
11. Daniel Horn, "The Smoking Problem in 1971," a speech presented at the American Cancer Society's 13th Annual Science Writers' Seminar, Phoenix, Arizona, April 6, 1971, p. 1.
12. Ibid., p. 2.
13. Ibid., p. 3.
14. Ibid.
15. Ibid., p. 4.
16. Ibid., p. 8. For a summary of the procedures used in the 1964 and 1966 samples cited by Horn as well as the responses to the questionnaires see U.S. Public Health Service, National Clearinghouse for Smoking and Health, Use of Tobacco: Practices, Attitudes, Knowledge, and Beliefs United States - Fall 1964 and Spring 1966 (Rockville, Maryland, 1969) (in the files of the Clearinghouse).
17. Ibid.
18. Ibid.
19. Canada, Department of National Health and Welfare, News Release Number 1969-95: Canadian Cigarette Consumption Dropping, July 15, 1969. This release also contains data on the consumption of manufactured cigarettes in Canada from 1920-1968.
20. Ibid.
21. See The Tobacco Tax Council, The Tax Burden on Tobacco (Richmond, Virginia, 1969).
22. Great Britain, Ministry of Health, Annual Report, 1968, p. 85.
23. World Health, February/March, 1970.
24. Cross-national comparisons of current cigarette smokers by sex and age are almost impossible because the age categories used in the U.S., Great Britain and Canada differ.

10. The British figures used in Table I are based on per capita figures calculated using the total population above the age of 15. The U.S. figures cited by the government use the total population above 18. See Tobacco Situation, March, 1972, p. 6.

11. Daniel Horn, "The Smoking Problem in 1971," a speech presented at the American Cancer Society's 13th Annual Science Writers' Seminar, Phoenix, Arizona, April 6, 1971, p. 1.

12. Ibid., p. 2.

13. Ibid., p. 3.

14. Ibid.

15. Ibid., p. 4.

16. Ibid., p. 8. For a summary of the procedures used in the 1965 and 1969 samples cited by Horn as well as the responses to the questionnaires see U.S. Public Health Service, National Clearinghouse for Smoking and Health, Use of Tobacco: Practices, Attitudes, Knowledge, and Beliefs (United States - Fall 1965 and Spring 1969) (Rockville, Maryland, 1969) (in the files of the Clearinghouse).

17. Ibid.

18. Ibid.

19. Canada, Department of National Health and Welfare, News Release Number 19-082: Canadian Cigarette Consumption Decreases, July 15, 1969. This release also contains data on the consumption of manufactured cigarettes in Canada from 1950-1968.

20. Ibid.

21. See the Tobacco Tax Council, The Tax Burden on Tobacco (Richmond, Virginia, 1969).

22. Great Britain, Ministry of Health, Annual Report, 1968, p. 82.

23. World Health, February/March, 1970.

24. Cross-national comparisons of current cigarette smokers by sex and age are almost impossible because the age categories used in the U.S., Great Britain and Canada differ.

Chapter XV: Cigarette Smoking and Public Policy

A. Introduction

In the past chapters we have explained the development and nature of smoking-health policy in three countries: the United States, Great Britain and Canada. We basically have considered each country's policy with relatively few comparisons between countries. In this chapter we will gather our findings, stripped of historical detail, summarize the similarities and differences between countries, and attempt to explain them. In addition, we will examine several theoretical notions about the formulation of public policies, which will help us to explain our case studies. None of these models provides a satisfactory explanation, however, and the picture of interacting forces that can be extracted from the study of smoking and health policy is more complex than any of them. We will also evaluate the processes involved and explore their implications for present and future public policy. We seek to describe and analyze past and present policy as well as present policy alternatives.

B. Governmental Response

1. The Goals of Government Action

The ability of government to provide for certain kinds of public goods is uncertain. This is especially true when the goal of public actions conflicts with individual freedoms. How far can the government go to protect an individual's health? Can the government regulate an individual's food consumption or physical activity to protect him against disease or

A. Introduction

In the past chapters we have explained the development and nature of smoking-health policy in three countries: the United States, Great Britain and Canada. We basically have considered each country's policy with relatively few comparisons between countries. In this chapter we will rather our findings, stripped of historical detail, summarize the similarities and differences between countries, and attempt to explain them. In addition, we will examine several theoretical notions about the formation of public policies, which will help us to explain our case studies. None of these models provides a satisfactory explanation, however, and the picture of interacting forces that can be extracted from the study of smoking and health policy is more complex than any of them. We will also evaluate the processes involved and explore their implications for present and future public policy. We seek to describe and analyze past and present policy as well as present policy alternatives.

B. Conceptual Framework

1. The Goals of Government Action

The ability of government to provide for certain kinds of public goods is uncertain. This is especially true when the goal of public action conflicts with individual freedoms. How far can the government go to protect an individual's health? Can the government regulate an individual's food consumption or physical activity to protect him against disease or

injury? People often behave in ways inimical to their own health. Should and can government act to protect the individual from self-injury? If so, how should the government accomplish this? In the United States, Great Britain, and Canada, national governments have acted both to enlighten cigarette smokers and to protect both children and adults from the health hazards associated with cigarette smoking.

While the end results of these government efforts on the incidence of illness, disease and death associated with cigarette smoking are not clear, the fact is that these governments have acted and have justified their efforts. Efforts to define the nature of the smoking-health problem and the governments' response have centered around specifying the proper role and goals of public action. These efforts have been complicated by changes over time in the focus and purpose of governmental efforts and the goals of anti-smoking reformers. In the following section, we will consider the goals of the anti-smoking reformers and the types of governmental efforts designed to reduce the illness and death due to smoking.

Increasingly, private interest groups have appeared to turn to government to prosecute their interests. The rationale for government action in different issue areas has been repeatedly changed to legitimize actions in new areas as new problems have stimulated interest group demands on government. Cigarette smoking has become one such arena.

Public health is an ambiguous goal that is difficult to measure and even harder for governments to provide. Nevertheless, the increasing awareness by public officials and medical authorities of the relationship between cigarette smoking and health, has led governments to intervene in the smoking-health controversy by attempting to modify smoker behavior and by attempting to change the nature of the cigarettes that are smoked.

injury? People often behave in ways inimical to their own health. Should and can government act to protect the individual from self-injury? If so,

how should the government accomplish this? In the United States, Great

Britain, and Canada, national governments have acted both to enlighten

citizens and to protect both children and adults from the health hazards associated with cigarette smoking.

While the end results of these government efforts on the incidence

of illness, disease and death associated with cigarette smoking are not

clear, the fact is that these governments have acted and have justified

their efforts. Efforts to define the nature of the smoking-related problem

and the government's response have centered around specifying the proper

role and goals of public action. These efforts have been complicated by

changes over time in the focus and purpose of governmental efforts and the

goals of anti-smoking reformers. In the following section, we will con-

sider the goals of the anti-smoking reformers and the types of governmental

efforts designed to reduce the illness and death due to smoking.

Increasingly, private interest groups have appeared to turn to

government to prosecute their interests. The rationale for government

action in different issue areas has been repeatedly changed to legitimize

action in new areas as new problems have stimulated interest group demands

on government. Cigarette smoking has become one such arena.

Public health is an ambiguous goal that is difficult to measure and

even harder for governments to provide. Nevertheless, the increasing

pressure by public officials and medical authorities of the relationship

between cigarette smoking and health, has led governments to intervene in

the smoking-related controversy by attempting to modify smoker behavior and

attempting to change the nature of the cigarette that are smoked.

In the United States, government concern about cigarettes first focused on cigarette advertising in the 1930's where it aroused little public notice. Government action in this area has been administered by the Federal Trade Commission which has endeavored to eliminate false, deceptive and misleading cigarette advertising but nothing more. In the early 1950's, as the body of scientific research evidence linking cigarette smoking with disease grew, increasing attention and concern became focused on cigarettes. Apparently, medical groups expected smokers to respond to this growing volume of evidence. Smokers responded, however, not by giving up cigarettes, but by switching to filtered varieties which were heavily promoted by cigarette manufacturers whose advertising implied the promise that filters removed the health problem.

While Great Britain and Canada have had no equivalent to the FTC, the historical sequence of new scientific evidence, the growing health interest group perception of the problem, and the demands for public education and governmental action have been parallel in all three countries. The governments of Great Britain and Canada have never focused on truth in advertising as the goal of public policy.

More recent efforts in the U.S. to regulate cigarette advertising were expanded as the goal of proponents of policy change shifted from truth in advertising to that of protecting the health of smokers. This change came only after the first goal (truth in advertising) was acknowledged as inadequate to bring about a fair balanced picture to the consumer. The history of governmental response to the anti-smoking proponents of policy change is largely a history of trying out a series of means to reach the goal of the reduction of illness and death due to smoking. The Federal Communications Commission and the Department of Health, Education and

In the United States, Government concern about cigarettes first focused on cigarette advertising in the 1930's when it assumed its public policy. Government action in this area has been administered by the Federal Trade Commission which has endeavored to eliminate false, deceptive and misleading cigarette advertising but nothing more. In the early 1950's, as the body of scientific research evidence linking cigarette smoking with disease grew, increasing attention and concern became focused on cigarettes. Apparently, medical groups expected smokers to respond to this growing volume of evidence. Smokers responded, however, not by giving up cigarettes, but by switching to filter and varieties which were heavily promoted by cigarette manufacturers whose advertising implied the promise that filters removed the health problem.

While Great Britain and Canada have had no equivalent to the FTC, the historical evidence of new scientific evidence, the growing health interest, group perception of the problem, and the demands for public education and governmental action have been parallel in all three countries. The governments of Great Britain and Canada have never focused on truth in advertising as the goal of public policy.

There recent efforts in the U.S. to regulate cigarette advertising were explained as the goal of proponents of policy change shifted from truth in advertising to that of protecting the health of smokers. This change came only after the first goal (truth in advertising) was acknowledged as inadequate to bring about a fair balanced picture to the consumer. The history of governmental response to the anti-smoking problem is policy change is largely a history of trying out a series of means to reach the goal of the reduction of illness and death due to smoking. The Federal Communications Commission and the Department of Health, Education and

Welfare have tried to enact policies which would inform the public of the possible health hazards involved in cigarette smoking, including health warnings and anti-smoking advertising.

The British and Canadian governments have pursued similar efforts to inform the public. Serious government involvement with cigarettes in these countries, however, does not antedate concern over the health hazards of smoking. From their first public response to the controversy in the early 1960's, the British and Canadian governments have sought to protect the health of smokers and inform non-smokers and children of the possible hazards. All three governments have tried to temper the appeals of cigarette advertising to minors through educational programs.

In all three countries, anti-cigarette commercials, warnings on cigarette packages or in cigarette advertisements, and tar and nicotine ratings are part of the effort to educate the cigarette consumer to enable him to weigh the personal benefits and costs of smoking. The sovereignty of individual consumer choice remains, but the government has taken an active role to help consumers make their decisions on the basis of more knowledge. The goal of this type of government policy was to inform the public, and thus, change the consumption of cigarettes, rather than to change the manufacture of the product or limit its use.

The goal of the proponents of stronger government action and a larger government role in protecting the public has been to reduce the incidence of illness and death due to cigarette smoking. This goal has motivated new government actions and threats of further steps.

Not all segments of these three governments are enthusiastic about particular policies. Furthermore, in their efforts to protect public health, governments have met substantial opposition from tobacco

Wellness have tried to enact policies which would inform the public of the possible health hazards involved in cigarette smoking, including health warnings and anti-smoking advertising.

The British and Canadian governments have pursued similar efforts to inform the public. Serious government involvement with cigarettes in these countries, however, does not antedate concern over the health hazards of smoking. From their first public response to the controversy in the early 1960's, the British and Canadian governments have sought to protect the health of smokers and inform non-smokers and children of the possible hazards. All three governments have tried to temper the appeal of cigarette advertising to minors through educational programs.

In all three countries, anti-cigarette commercials, warnings on cigarette packages or in cigarette advertisements, and tar and nicotine ratings are part of the effort to educate the cigarette consumer to enable him to weigh the personal benefits and costs of smoking. The sovereignty of individual consumer choice remains, but the government has taken an active role to help consumers make their decisions on the basis of more knowledge. The goal of this type of government policy was to inform the public, and thus, change the consumption of cigarettes, rather than to change the manufacture of the product or limit its use.

The goal of the proponents of stronger government action and a larger government role in protecting the public has been to reduce the incidence of illness and death due to cigarette smoking. This goal has motivated new government actions and trends of further steps.

Not all segments of these three governments are enthusiastic about particular policies. Furthermore, in their efforts to protect public health, governments have met substantial opposition from tobacco

manufacturers and from business and advertising groups who have objected to the stands these governments have taken and especially to the precedent-setting methods that have been used.

Apparently, government efforts in all three countries to inform the public had been expected to have a much larger impact on cigarette consumption than they have had. The attractiveness and pleasure of cigarette smoking had been underestimated and misunderstood by those who felt that warnings were sufficient. If public responsibility ends with warning the public of the hazards, the government has done more than enough to protect present and future smokers. However, the failure of this first effort to reduce consumption has led to stronger government actions which have gone beyond the original goals of government involvement.

Both state (or provincial) and national governments in the U.S., Great Britain and Canada have pursued a third kind of effort that has gone farther than educating the public. Laws prohibiting cigarette purchases and smoking by minors have been in effect (even if unenforced) on the state level in the United States, Great Britain, and Canada since the first two decades of this century. Thus, the rights of minors to smoke were limited at a time when the smoking controversy revolved around moral questions, very similar to those raised about alcohol consumption, and well before the smoking-health linkage was publicized in the early 1950's. Anti-smoking proponents have legitimized their attacks on television and radio cigarette advertising by citing its appeal to minors. As a result, industry cigarette advertising codes in all three countries have attempted to limit or bar cigarette smoking in public places such as in buses, theatres, airplanes, trains, and hospitals. The protection of non-smokers from smokers has become an important and growing focus of anti-smoking

manufacturers and from business and advertising groups who have objected to the stands these governments have taken and especially to the present anti-smoking methods that have been used.

Apparently, government efforts in all three countries to inform the public had been expected to have a much larger impact on cigarette consumption than they have had. The attractiveness and pleasure of cigarette smoking had been underestimated and misunderstood by those who felt that warnings were sufficient. If public responsibility ends with warning the public of the hazards, the government has done more than enough to protect present and future smokers. However, the failure of this first effort to reduce consumption has led to stronger government actions which have gone beyond the original goals of government involvement.

Both state (or provincial) and national governments in the U.S., Great Britain and Canada have pursued a third kind of effort that has gone farther than educating the public. Laws prohibiting cigarette purchases and smoking by minors have been in effect (even if unenforced) on the state level in the United States, Great Britain, and Canada since the first two decades of this century. Thus, the rights of minors to smoke were limited at a time when the smoking controversy revolved around moral questions, very similar to those raised about alcohol consumption, and well before the smoking-health linkage was publicized in the early 1960s. Anti-smoking proponents have legitimized their attacks on television and radio cigarette advertising by citing its appeal to minors. As a result, industry cigarette advertising codes in all three countries have attempted to limit or bar cigarette smoking in public places such as in bars, restaurants, airplanes, trains, and hospitals. The protection of non-smokers from smokers has become an important and growing focus of anti-smoking

activists who hope eventually to make cigarette smoking an unacceptable social custom like spitting.

More importantly, governments also have begun to change the manufacture and consumption of cigarettes. The U.S. and Canadian governments have pressured cigarette manufacturers to change their products by publicizing cigarette tar and nicotine contents. Such publicity has directed public awareness and concern to these indicators of the "healthfulness" of particular brands. While manufacturers have not responded to this pressure uniformly, many new low tar and nicotine brands have been introduced, and the tar and nicotine contents of many popular brands have been reduced. The British government plans to begin releasing such data early in 1973 along with the advice that "those who must smoke should choose brands with the lowest tar and nicotine content." ¹

Recently government actions have sought to change cigarette consumption by emphasizing that if you must smoke, there are styles of smoking that are less harmful than others. These less harmful styles include limiting or eliminating inhalation, not smoking cigarettes down to the butt, smoking filtered low tar and nicotine brands, and finally, reducing consumption. As with other consumer products such as automobiles and drugs, governments appear to have become more active in protecting consumers in recent years.

2. The Dimensions of Public Policy Alternatives and Actions

From our consideration of the smoking-health controversy in the United States, Great Britain and Canada, several factors appear particularly important in explaining how, why and where the controversy has been examined and what actions have been taken. Certain basic patterns and trends have emerged which remain to be tested in a wider universe of political systems.

activists who hope eventually to make cigarette smoking an undesirable

social custom like spitting.

More importantly, governments also have begun to change the manufacture and consumption of cigarettes. The U.S. and Canadian governments have pressured cigarette manufacturers to change their products by publicizing cigarette tar and nicotine contents. Such publicity has directed public awareness and concern to these indicators of the "healthfulness" of particular brands. While manufacturers have not responded to this

pressure uniformly, many new low tar and nicotine brands have been introduced, and the tar and nicotine contents of many popular brands have been reduced. The British government plans to begin releasing such data early in 1973 along with the advice that "those who must smoke should choose

brands with the lowest tar and nicotine content." 1

Recently government actions have sought to change cigarette consumption by emphasizing that if you must smoke, there are styles of smoking that are less harmful than others. These less harmful styles include limiting or eliminating inhalation, not smoking cigarettes down to the butt, smoking filtered low tar and nicotine brands, and finally, reducing consumption. As with other consumer products such as automobiles and drugs, governments appear to have become more active in protecting consumers in recent years.

2. The Dimensions of Public Policy Alternatives and Actions

From our consideration of the smoking-health controversy in the United States, Great Britain and Canada, several factors appear particularly relevant in explaining how, why and where the controversy has been expanded and what actions have been taken. Certain basic patterns and trends have emerged which remain to be tested in a wider universe of political systems.

The balance between government actions and industry actions differs in the United States, Great Britain and Canada. Government-imposed acts in one country are sometimes accomplished with industry cooperation in another, or by industry seeking to protect its self-interest. Another important difference lies not in what actions have been taken, but when.

Given the present goal of protecting the public health, policy alternatives range from doing nothing to prohibiting cigarette smoking and severely penalizing smokers. Anti-smoking spokesmen generally have been dissatisfied with the results of past government efforts. These spokesmen successfully have sought to shift government goals (and hence, its responsibilities) away from simply promoting truth in advertising and educating the public to the hazards of cigarette smoking. They have asked for greater efforts restricting the use of cigarettes and further controlling their contents, thus reducing the incidence of illness and death that cigarette smoking causes.

Among other things, anti-smoking advocates have proposed the following:

1. limiting by law the maximum amounts of tar and nicotine a cigarette can contain;
2. eliminating all forms of cigarette advertising including billboards, magazines, newspapers, etc.;
3. eliminating all gift coupon schemes used by manufacturers to increase cigarette consumption;
4. increasing cigarette taxation;
5. taxing cigarettes at a graduated rate based on their tar and nicotine contents; and
6. banning cigarette smoking in public places. ²

Still other proposals have been made to eliminate the inconsistency of government policy towards tobacco which has been especially apparent in the United States, and to a lesser extent, in Canada. Government programs

The balance between government action and industry action differs in the United States, Great Britain and Canada. Government-imposed acts in one country are sometimes accomplished with industry cooperation in another, or by industry seeking to protect its self-interest. Another important difference lies not in what actions have been taken, but when.

Given the present goal of protecting the public health, policy alternatives range from doing nothing to prohibiting cigarette smoking and severely penalizing smokers. Anti-smoking spokesmen generally have been dissatisfied with the results of past government efforts. These spokesmen successfully have sought to shift government goals (and hence, its responsibilities) away from simply promoting truth in advertising and educating the public to the hazards of cigarette smoking. They have asked for greater efforts restricting the use of cigarettes and further controlling their contents, thus reducing the incidence of illness and death that cigarette smoking causes.

- Among other things, anti-smoking advocates have proposed the following:
1. Limiting by law the maximum amounts of tar and nicotine a cigarette can contain;
 2. eliminating all forms of cigarette advertising including billboards, magazines, newspapers, etc.;
 3. eliminating all gift coupon schemes used by manufacturers to increase cigarette consumption;
 4. increasing cigarette taxation;
 5. taxing cigarettes at a graduated rate based on their tar and nicotine contents; and
 6. banning cigarette smoking in public places. 7

Still other proposals have been made to eliminate the inconsistency of government policy towards tobacco which has been especially apparent in the United States, and to a lesser extent, in Canada. Government proposals

for tobacco growers, protective tariffs, and export subsidies have been contradictory to the goal of reducing cigarette consumption. As Robert W. Rudd noted in relation to the United States:

It appears that government has positive concern for the tobacco producer and his economic welfare, while it views the product made from tobacco -- specifically cigarettes -- as harmful

The elimination of all U.S. tobacco programs has been proposed to remove this inconsistency. Another proposal that may have been considered but has not been talked or written about has been the prohibition of cigarettes and/or cigarette type tobaccos.

Without such prohibition it has been difficult for the U.S. or Canadian governments to legitimize actions that would harm tobacco growers, and as a consequence, jeopardize tobacco supplies for domestic consumption and foreign exchange. Any sharp decline in tobacco production might have to be made up of foreign imports, with their adverse impact on a nation's balance of payments. The elimination of the present tariff on imported tobacco would make foreign imports more attractive to U.S. manufacturers and place American producers at a competitive disadvantage. Thus, unless somehow all cigarette tobacco consumption could be stopped, tobacco production must be continued in the U.S. and Canada to avoid imports. The experience in the U.S. with marijuana and with alcohol during the prohibition, also points to the possibilities of illegal trade that would flourish if a prohibition were again tried. The resources needed to control the expected bootleg market in tobacco would be enormous. Where such adverse prescience does not exist, and where regulation poses little or no problems with consumers, governments have acted to ban economically profitable consumables such as the drug thalidomide and the sugar substitute cyclamate, both of which have adversely affected human health. The

for tobacco growers, protective tariffs, and export subsidies have been
contradictory to the goal of reducing cigarette consumption. As Robert W.

Wells noted in relation to the United States:

It appears that government has positive concern for
the tobacco producer and his economic welfare, while
it views the product made from tobacco -- specifically
cigarettes -- as harmful. . . .

The elimination of all U.S. tobacco programs has been proposed to remove
this inconsistency. Another proposal that may have been considered but
has not been talked or written about has been the prohibition of cigarettes
and/or cigarette type tobaccos.

Without such prohibition it has been difficult for the U.S. or
Canadian governments to legitimize actions that would harm tobacco growers,
and as a consequence, jeopardize tobacco supplies for domestic consumption
and foreign exchange. Any sharp decline in tobacco production might have
to be made up of foreign imports, with their adverse impact on a nation's
balance of payments. The elimination of the present tariff on imported
tobacco would make foreign imports more attractive to U.S. manufacturers
and place American producers at a competitive disadvantage. Thus, unless
somehow all cigarette tobacco consumption could be stopped, tobacco pro-
duction must be continued in the U.S. and Canada to avoid imports. The
experience in the U.S. with marijuana and with alcohol during the prohibi-
tion, also points to the possibilities of illegal trade that would

flourish if a prohibition were again tried. The resources needed to control
the expected bootleg market in tobacco would be enormous. Where such
adverse practice does not exist, and where regulation poses little or
no problems with consumers, governments have acted to ban economically
profitable commodities such as the drug ethanol and the sugar alcohol-
the cyclamate, both of which have adversely affected human health.

factor of substitutability appears to be very important here. There are acceptable substitutes for cyclamates and thalidomide, but presently no acceptable substitutes for tobacco. Unlike cyclamates and thalidomide, cigarette smoking is associated with personal pleasure and enjoyment. Furthermore, both cyclamates and thalidomide have been used and have been important to a much smaller proportion of the total population than cigarettes.

With respect to cigarette smoking the U.S., British and Canadian governments and societies have been generally alike in their acceptance and protection of the economic values involved. Sometimes it has been politically useful not to take scientific knowledge seriously, ignore a problem or postpone action when economic questions are involved. This may be generally true in cases like smoking and health;

1. when strong economic interests conflict with or are harmed by application of the scientific knowledge;
2. where the problem has developed as an unintended consequence of an economically profitable activity, long accepted as honorable; and
3. where substitution is possible or acceptable.

In particular, representative political bodies in the U.S., Canada and Great Britain have hesitated to handle this type of issue because these cases suggest they are vulnerable to pressure from affected economic interests, which are decentralized and economically important in many constituencies.

Government programs have been set up to support tobacco production and taxation. As we have pointed out, the government's own economic stake and police commitment in tobacco, through taxation and the benefits of export in all three countries, and from tobacco price and export supports

factor of substitutability appears to be very important here. There are acceptable substitutes for cigarettes and this holds, but probably no acceptable substitutes for tobacco. Unlike cigarettes and this holds, cigarette smoking is associated with personal pleasure and enjoyment. Furthermore, both cigarettes and this holds have been used and have been important to a much smaller proportion of the total population than other

goods.

With respect to cigarette smoking the U.S., British and Canadian governments and societies have been generally alike in their acceptance and protection of the economic values involved. Sometimes it has been politically useful not to take scientific knowledge seriously, ignore a problem or postpone action when economic questions are involved. This may

be generally true in cases like smoking and health:

1. When strong economic interests conflict with or are harmed by application of the scientific knowledge;

2. Where the problem has developed as an unintended consequence of an economically profitable activity, long accepted as honorable; and

3. Where substitution is possible or acceptable.

In particular, representative political bodies in the U.S., Canada and Great Britain have hesitated to handle this type of issue because these cases attract them are vulnerable to pressure from affected economic interests, which are decentralized and economically important in many

circumstances.

Government programs have been set up to support tobacco production and taxation. As we have pointed out, the government's own economic risks and policy commitment in tobacco, through taxation and the benefits of export to all three countries, and from tobacco prices and export subsidies

in the United States and Canada have hindered government action to reduce smoking.

The variety of government policies in the U.S., Great Britain and Canada has ranged between the extremes of no government action on cigarette smoking and health and a rigorously forced prohibition. Serious public policy alternatives have been limited by a government's goals, by its choice of roles to adopt (vis-a-vis the economy and free choice), by its political realities and by its perceptions of difficulties in reaching its goals through specific policy alternatives. Public policy has depended also on the range and degree of voluntary industry cooperation and actions, which have sometimes made legislation unnecessary. The industry's own steps at times have been congruent with the goals of government smoking and health programs. Our three countries have come a long way in responding to the smoking-health problem and their response has been a combination of both governmental and industry actions, not government policy alone.

3. Health-Related Responses of Government and Industry

Tables 1 and 2 show the broad diversity of government and industry actions and the distribution of these responses by country. When government and industry actions are combined, we find that the responses to the smoking-health controversy in their three countries have not been very different. In fact, aside from the timing of governmental and industry actions, which have differed between countries, all three countries have had:

1. publicity, educational programs and anti-smoking advertisements;
2. health research or grants into the smoking-health linkage;

in the United States and Canada have hindered government action to reduce

smoking.

The variety of government policies in the U.S., Great Britain and Canada has ranged between the extremes of no government action on cigarette smoking and health and a rigorously forced prohibition. Serious public policy alternatives have been limited by a government's goals, by its choice of roles to adopt (vis-a-vis the economy and free choice), by its political realities and by its perceptions of difficulties in reaching its goals through specific policy alternatives. Public policy has depended also on the range and degree of voluntary industry cooperation and actions, which have sometimes made legislation unnecessary. The industry's own steps at times have been congruent with the goals of government smoking and health programs. Our three countries have come a long way in responding to the smoking-health problem and their response has been a combination of both governmental and industry actions, not government policy alone.

3. Health-Related Responses of Government and Industry

Tables 1 and 2 show the broad diversity of government and industry actions and the distribution of these responses by country. When government and industry actions are combined, we find that the responses to the smoking-health controversy in their three countries have not been very different. In fact, aside from the timing of governmental and industry actions, which have differed between countries, all three countries have

had:

1. publicity, educational programs and anti-smoking advertisements;
2. health research or grants into the smoking-health linkage;

Table 1

**Dimensions of Governmental Response to the
Smoking-Health Controversy**

1. publicity, educational programs and anti-smoking advertisements
2. health research or grants into the smoking-health linkage
3. legislative hearings
4. tar and nicotine testing
5. health warnings on cigarette packages
6. eliminations of cigarette advertising in the broadcast media
7. health warnings in cigarette advertising

	Type of Governmental Action						
	1	2	3	4	5	6	7
United States	yes	yes	yes	yes	yes	yes	yes
Canada	yes	yes	yes	yes	yes	no	no
Great Britain	yes	yes	no	no ^a	no ^b	no ^c	no ^d

^athe British government will begin publishing tar and nicotine test results in 1973.

^bBritish cigarette packages carry a warning voluntarily acceded to by the tobacco industry in January, 1971.

^cvoluntarily agreed to by the tobacco industry.

^dsince 1971 tobacco companies have followed a voluntary advertising code worked out with the government, including health warnings in cigarette advertisements.

Table 1

Measures of Governmental Response to the
Tobacco-Health Controversy

1. publicity, educational programs and anti-smoking advertisements
2. health research or grants into the smoking-health linkage
3. legislative hearings
4. tar and nicotine testing
5. health warnings on cigarette packages
6. elimination of cigarette advertising in the broadcast media
7. health warnings in cigarette advertising

Type of Governmental Action							
1	2	3	4	5	6	7	
yes	yes	yes	yes	yes	yes	yes	United States
yes	yes	yes	yes	yes	no	no	Canada
yes	yes	no	no	no	no	no	Great Britain

^a The British Government will begin publishing tar and nicotine test results in 1975.

^b British cigarette packages carry a warning voluntarily accepted to the tobacco industry in January, 1971.

^c Voluntarily agreed to by the tobacco industry.

^d Since 1971 tobacco companies have followed a voluntary advertising code worked out with the government, including health warnings in cigarette advertisements.

Table 2

**Tobacco Industry Responses Potentially Favorable
to Health in the Smoking-Health Controversy**

1. research into the smoking-health linkage
2. filtered cigarettes with reduced tar and nicotine contents
3. self-imposed advertising code
4. voluntary health warnings on cigarette packages and/or advertising
5. voluntary elimination of cigarette advertising in the broadcast media
6. limits on advertising expenditures
7. elimination of coupon schemes
8. limitation on tar and nicotine contents

	Type of Industry Action							
	1	2	3	4	5	6	7	8
United States	yes	yes	yes	yes	no	no	no	no
Canada	yes	yes	yes	yes	yes	yes	yes	yes
Great Britain	yes	yes	yes	yes	yes	*	no	no

* British firms temporarily restricted expenditures.

Table 2

Tobacco Industry Responses Potentially Favorable
to Health in the Smoking-Health Controversy

1. Research into the smoking-health linkage
2. Filtered cigarettes with reduced tar and nicotine contents
3. Self-imposed advertising code
4. Voluntary health warnings on cigarette packages and/or advertising
5. Voluntary elimination of cigarette advertising in the broadcast media
6. Plans on advertising expenditures
7. Elimination of common slogans
8. Limitation on tar and nicotine contents

Type of Industry Action							
1	2	3	4	5	6	7	8
United States	yes	yes	yes	no	no	no	no
Canada	yes	yes	yes	yes	yes	yes	yes
Great Britain	yes	yes	yes	yes	*	no	no

* British firm reportedly restricted expenditures.

3. tar and nicotine testing;⁴
4. health warnings on cigarette packages;
5. the elimination of cigarette advertising in the broadcast media;
6. health warnings in cigarette advertising;
7. increasing consumption of filtered cigarettes with reduced tar and nicotine contents; and
8. self-imposed cigarette industry advertising codes.

In addition, tobacco companies in all three countries have taken three self-protective steps: (1) diversification; (2) attacks on smoking-health links and government actions; and (3) changes in corporate names to eliminate the word "tobacco."

Actually, these countries have differed on only three points, and these have been related to voluntary industry action in Canada. While Canadian industry actions have been technically voluntary, they have been made under the threat of stronger government regulation. The Canadian tobacco industry has agreed to limit advertising expenditures, eliminate coupon schemes and limit the tar and nicotine contents of their brands. Efforts in Canada have appeared more substantial than in the U.S. or Great Britain. However, while these specific steps have not been taken by industry voluntarily or by government in either the U.S. or Great Britain, a number of efforts have been made in this direction which has made it difficult to judge clearly which country is ahead. The elimination of broadcast media advertising has reduced industry advertising expenditures, although no formal limit has been accepted or imposed. Tobacco companies have tightened controls over promotional offers and gift-coupon schemes and have tried to limit their appeal to adults. Furthermore, tobacco companies in all three countries have reduced the tar and nicotine

3. tar and nicotine testing;
4. health warnings on cigarette packages;
5. the elimination of cigarette advertising in the broadcast media;
6. health warnings in cigarette advertising;
7. increasing consumption of filtered cigarettes with reduced tar and nicotine content; and
8. self-imposed cigarette industry advertising codes.

In addition, tobacco companies in all three countries have taken three self-protective steps: (1) diversification; (2) attacks on smoking health links and government actions; and (3) changes in corporate names to eliminate the word "tobacco."

Actually, these countries have differed on only three points, and these have been related to voluntary industry action in Canada. While Canadian industry actions have been technically voluntary, they have been made under the threat of stronger government regulation. The Canadian tobacco industry has agreed to limit advertising expenditures, eliminate product schemes and limit the tar and nicotine contents of their brands. Cigarettes in Canada have appeared more substantial than in the U.S. or Great Britain. However, while these specific steps have not been taken by the industry voluntarily or by government in either the U.S. or Great Britain, a number of efforts have been made in this direction which has been difficult to judge clearly which country is ahead. The elimination of broadcast media advertising has reduced industry advertising expenditures, although no formal limit has been accepted or imposed. Tobacco companies have tightened controls over promotional efforts and gift-coupon programs and have tried to limit their appeal to adults. Furthermore, tobacco companies in all three countries have reduced the tar and nicotine

contents of their cigarette brands. While, as previously noted, tar and nicotine measures are presently not accurate or comparable over time, tobacco companies have been producing and heavily advertising low tar and nicotine brands.

The steps taken by both government and industry in the U.S., Great Britain and Canada have differed markedly from the relative inaction of all other countries, which have been much slower in their responses (with the exception of Denmark).

4. Factors Affecting Government Policy

The combination of governmental and industry responses within the U.S., Great Britain and Canada has tended to obscure differences in government and industry responses between countries. In the following section, factors are brought forth to explain the differences in governmental response apparent in Table 1, as well as some more subtle variations.

The location, intensity and timing of governmental involvement have varied substantially between countries. These differences are in part determined by two factors:

1. which government bodies can respond to the problem; and
2. what actions they can take.

In the smoking-health case, it appears that the federated or unitary nature of the political system and the fragmentation or concentration of governmental authority and administrative responsibility are important in determining the timing and type of governmental response.

Two structural features of smoking and health policy-making in all three cases have led to a fragmented public response. Part of this fragmentation of policy is the result of the division of responsibility and

contents of their cigarette brands. While, as previously noted, tar and nicotine measures are presently not accurate or comparable over time, tobacco companies have been producing and heavily advertising low tar and nicotine brands.

The steps taken by both government and industry in the U.S., Great Britain and Canada have differed markedly from the relative inaction of all other countries, which have been much slower in their responses (with the exception of Denmark).

4. Factors Affecting Government Policy

The combination of governmental and industry responses within the U.S., Great Britain and Canada has tended to obscure differences in government and industry responses between countries. In the following section, factors are brought forth to explain the differences in governmental response apparent in Table I, as well as some more subtle variations. The location, intensity and timing of governmental involvement have varied substantially between countries. These differences are in part determined by two factors:

1. Which government bodies can respond to the problem; and
2. What actions they can take.

In the smoking-health case, it appears that the federated or unitary nature of the political system and the fragmentation or concentration of governmental authority and administrative responsibility are important in determining the timing and type of governmental response.

The structural features of smoking and health policy-making in all three cases have led to a fragmented public response. Part of this fragmentation of policy is the result of the division of responsibility and

authority between agencies within the national governments of all three countries, each department having different goals and outlooks. Second, there is the policy which has resulted from different independent units of government having limited authority and responsibility to deal with the issue. This latter cause of policy fragmentation appears to have been more important in the U.S. and Canada where the federated nature of the political system seems to have created more possible independent actors, each with the ability (even if it is limited) to deal with the question.

For example, independent regulatory bodies in the U.S. have been established to accomplish government regulation in "technical" areas. The Federal Trade Commission and the Federal Communications Commission have facilitated the exploration of the smoking-health problem and government regulation within the limits of their authorized activities and established procedures. Yet, these limits and procedures have slowed their actions and have made broad consideration of the smoking-health problem difficult. Furthermore, the limitations on their authorized activities have appeared burdensome only when compared to our aspirations for these regulatory agencies; compared to public agencies in Great Britain and Canada, they have been relatively free to respond to the problem.

FTC and FCC actions in this area have been unexpected and precedent-setting, and mainly have stemmed from the efforts of individual personalities. While both agencies have appeared to be moving towards a more aggressive, dynamic role, they have not had the power or the ability to act on issues of this type outside of their limited perspectives of expertise and legislative mandate. They have not been authorized or equipped to consider the broader ramifications of the smoking-health problem or similar problems. Their authorizations have allowed them to act in

activity between agencies within the national government of all three countries, each department having different goals and outlooks. Second, there is the policy which has resulted from different independent units of government having limited authority and responsibility to deal with the issue. This latter cause of policy fragmentation appears to have been more important in the U.S. and Canada where the federated nature of the political system seems to have created more possible independent actors, each with the ability (even if it is limited) to deal with the question. For example, independent regulatory bodies in the U.S. have been established to accomplish government regulation in "technical" areas. The Federal Trade Commission and the Federal Communications Commission have facilitated the exploration of the smoking-health problem and government regulation within the limits of their authorized activities and established procedures. Yet, these limits and procedures have slowed their actions and have made broad consideration of the smoking-health problem difficult. Furthermore, the limitations on their authorized activities have appeared burdensome only when compared to our aspirations for these regulatory agencies; compared to public agencies in Great Britain and Canada, they have been relatively free to respond to the problem. FTC and FCC actions in this area have been unexpected and precedent-setting, and mainly have stemmed from the efforts of individual personalities. While both agencies have appeared to be moving towards a more assertive, dynamic role, they have not had the power or the ability to act on issues of this type outside of their limited perspectives of economic and legislative mandate. They have not been authorized or encouraged to consider the broader ramifications of the smoking-health problem or similar problems. Their authorizations have allowed them to act in

discrete areas to which they have been bound closely by law and by the Congress. Congressional action has not extended their power to deal with the smoking-health problem, and in fact, has prevented proposed agency actions from taking effect. The intent of FTC and FCC actions has been modified by Congressional actions. Agency actions can be sensitive to policy impacts and effectiveness, but only if they have been given legislative authorization to modify or change what have been, in fact, experimental policies designed to accomplish certain ends. This authorization has not been forthcoming in the United States, although these agencies have been freer to act than public agencies in Great Britain and Canada.

The absence of independent regulatory agencies in Great Britain and Canada has been an incentive to the cooperative, voluntary approach which generally has been taken, although the threat of proposed government actions appears to have been an even greater incentive to voluntary industry cooperation.

While the FTC and the FCC in the United States have had the power to consider the question independently, they also have added to the number of governmental units dealing with various dimensions of the question, and further have fractionalized the public policy result. Thus, the FTC, FCC, as well as the departments of Agriculture, Treasury, and Health, Education, and Welfare have dealt with portions of the total picture. The disjointed nature of governmental response to this problem has been augmented in all three countries by the multiplicity of possible focal points of action. The legislative branch, which has been neither amply staffed nor well structured to deal with the smoking-health problem in a unified or coordinated manner, has allowed administrative units to deal with it in a

to areas to which they have been bound closely by law and by the Congress. Congressional action has not extended their power to deal with the smoking-health problem, and in fact, has prevented proposed agency actions from taking effect. The intent of FTC and FCC actions has been modified by Congressional actions. Agency actions can be sensitive to policy impacts and effectiveness, but only if they have been given legislative authorization to modify or change what have been, in fact, experimental policies designed to accomplish certain ends. This authorization has not been forthcoming in the United States, although these agencies have been free to act as public agencies in Great Britain and Canada.

The absence of independent regulatory agencies in Great Britain and Canada has been an incentive to the cooperative, voluntary approach which generally has been taken, although the threat of proposed government actions appears to have been an even greater incentive to voluntary industry cooperation.

While the FTC and the FCC in the United States have had the power to consider the question independently, they also have added to the number of governmental units dealing with various dimensions of the question, and further have fractionalized the public policy result. Thus, the FTC, FCC, as well as the departments of Agriculture, Treasury, and Health, Education and Welfare have dealt with portions of the total picture. The disjointed nature of governmental response to this problem has been augmented in all three countries by the multiplicity of possible focal points of action. The legislative branch, which has been neither amply stated nor well articulated to deal with the smoking-health problem in a unified or coordinated manner, has allowed administrative units to deal with it in a

piecemeal fashion. The structure of American government has broken consideration of the problem into discrete parts and fractionalized the eclectic and incomplete response.

The situation has been quite similar in Canada and Great Britain where governmental administrative departments such as the Treasury and Commerce, as well as Health departments, have tried to maximize their own limited goals and interests rather than examine these in light of broader implications. Lack of clear lines of responsibility and consideration of limited aspects of the problem as well as the limited goals of different administrative departments have inhibited a uniform governmental response but have not prevented government action. Yet governmental inconsistency, the incongruity and conflict of actions by separate branches of government, has confused the public and may have reduced the impact of governmental actions that have been taken to affect the behavior of cigarette smokers.

The complex and confusing regulatory picture in the U.S. has involved many independent actors - both levels of government and quasi-legislative agencies - and probably has resulted in greater publicity being given to the question than in Great Britain and Canada, where the number of independent actors has been fewer. In addition, the ability to obtain publicity by making controversial proposals certainly has reinforced efforts of the anti-smoking segments of the American government to inform the public about the hazards of cigarette smoking. The smoking and health controversy has pointed out the incongruence and conflict that may exist within government when large questions are dealt with in small pieces. But even in cases where centralized consideration of the broader problem is facilitated by the structure of government, there is no guarantee that the problem will

placement. The structure of American Government has been a factor in the decentralization of the program into discrete parts and has contributed to the piecemeal and incomplete response.

The situation has been quite similar in Canada and Great Britain where governmental administrative departments such as the Treasury and Commerce, as well as health departments, have tried to minimize their own limited goals and interests rather than examine them in light of broader implications. Lack of clear lines of responsibility and consideration of limited aspects of the problem as well as the limited goals of different administrative departments have inhibited a uniform governmental response but have not prevented government action. Yet governmental inconsistency, the incongruity and conflict of actions by separate branches of government, has confused the public and may have reduced the impact of government action that have been taken to affect the behavior of cigarette smokers.

The complex and confusing regulatory picture in the U.S. has involved many independent actors - both levels of government and quasi-legislative agencies - and probably has resulted in greater publicity being given to the question than in Great Britain and Canada, where the number of independent actors has been fewer. In addition, the ability to obtain publicity by making controversial proposals certainly has reinforced efforts of the anti-smoking segments of the American government to inform the public about the hazards of cigarette smoking. The smoking and health controversy has pointed out the incongruence and conflict that may exist within government when large questions are dealt with in small pieces. But even in cases where centralized consideration of the broader problem is indicated by the structure of government, there is no guarantee that the problem will

be considered, or if it is, that actions will be taken. The smaller number of potential regulators and actors probably reduces the chances that the question will be raised and that the government will act. Certain kinds of government regulation of business may be facilitated by, and occur earlier in federated and decentralized political systems in which there are numerous centers of interest which have at least limited authority and ability to act.

First, in the U.S., action beyond words was possible because the authoritative actors were partly independent of the elected public officials. While the scope of agency consideration in the U.S. has been limited, agency initiative stimulated earlier governmental consideration of the problem than in Great Britain or Canada, where administrative officials lacked both specific legislative authorization and quasi-legislative powers. In Great Britain and Canada, no agency of government had legislative authorization to take action in the smoking-health controversy. Yet individuals within government, ministers and government health officials, publicized the problem and the need for action. In addition, private interests in all three countries pushed for regulation of smoking.

The threat of state or provincial action in federated political systems has stimulated interest group efforts to obtain national government action. Uniform federal regulation has been favored by economic interest groups which have sought a stable legal and economic environment, as well as by those groups which have desired more active involvement by the government in anti-smoking efforts.

The level and intensity of governmental consideration of the controversy were also important. While legislatures in all three countries have not wanted to be confronted with the smoking problem, they have approached

be considered, or if it is, that action will be taken. The smaller number of potential regulators and actors probably reduces the chances that the question will be raised and that the government will act. Certain kinds of government regulation of business may be facilitated by, and occur earlier in federated and decentralized political systems in which there are numerous centers of interest which have at least limited authority and ability to act.

First, in the U.S., action beyond words was possible because the authoritative actors were partly independent of the elected public officials. While the scope of agency consideration in the U.S. has been limited, agency initiative stimulated earlier governmental consideration of the problem than in Great Britain or Canada, where administrative officials lacked both specific legislative authorization and dual-legislative powers. In Great Britain and Canada, no agency of government had legislative authorization to take action in the smoking-related controversy. Yet individuals within government, ministers and government health officials, publicized the problem and the need for action. In addition, private interests in all three countries pushed for regulation of smoking.

The threat of state or provincial action in federated political systems has stimulated interest group efforts to obtain national government action. California federal regulation has been favored by economic interest groups which have sought a stable legal and economic environment, as well as by those groups which have desired more active involvement by the government in anti-smoking efforts.

The level and intensity of governmental consideration of the controversy were also important. While legislatures in all three countries have been confronted with the smoking problem, they have approached

action differently. The Canadian parliamentary system (like the British system) focused governmental decision-making in the highest levels of government. Yet, the Canadian political system had fewer independent actors and interest groups than the American. While the Canadian system appeared to facilitate higher level consideration of the problem, and even possibly broader investigation, government response in Canada has not been markedly quick or effective. Thorough Canadian legislative hearings did not take place until late 1968 and 1969, several years after U.S. legislative hearings began, and the Canadian hearings have not yet led to any legislative enactment. However, the Canadian tobacco industry has responded voluntarily, in part to prevent or postpone government action.

The British parliament has been even less responsive than its U.S. and Canadian counterparts. No hearings have been held and no legislation has been passed. In Britain, the Ministry of Health has responded to the smoking-health problem through administrative efforts in the absence of distinct legislative mandates. Such efforts have been stimulated by private interest group actions and continuing pleas and publicity from Sir George Godber. Ministry actions have taken place with tacit government approval, but without an overall decision that might tread on the toes of treasury officials and interfere with the government's need for tobacco tax revenues. The British government probably has tried longest and hardest to obtain voluntary industry cooperation. The absence of independent focal points of action may have slowed governmental response, and certainly, has created a less threatening economic environment for the industry than in Canada and particularly, in the United States.

action differently. The Canadian parliamentary system (like the British system) focused governmental decision-making in the highest levels of government. Yet, the Canadian political system had lower independent actors and interest groups than the American. While the Canadian system appeared to facilitate higher level consideration of the problem, and even possibly broader investigation, government response in Canada has not been markedly quick or effective. Thorough Canadian legislative hearings did not take place until late 1968 and 1969, several years after U.S. legislative hearings began, and the Canadian hearings have not yet led to any legislative enactment. However, the Canadian tobacco industry has responded voluntarily, in part to prevent or postpone government action.

The British parliament has been even less responsive than the U.S. and Canadian counterparts. No hearings have been held and no legislation has been passed. In Britain, the Ministry of Health has responded to the smoking-health problem through administrative efforts in the absence of distinct legislative mandate. Such efforts have been stimulated by private interest group actions and continuing pleas and publicity from Sir George Cooper. Ministry actions have taken place with tacit government approval, but without an overall decision that might tread on the toes of treasury officials and interfere with the government's need for tobacco tax revenues. The British government probably has tried hardest and hardest to obtain voluntary industry cooperation. The absence of independent focal points of action may have allowed governmental response, and certainly, has created a less threatening economic environment for the industry than in Canada and particularly, in the United States.

In the U.S., the broad implications of government actions often have not been considered by the numerous and separate actors, and stronger (if more naive) action was more likely to be taken, or at least threatened, by one or another governmental authority. In Great Britain and Canada, where consideration of the problem and its broader ramifications was centralized, governments have seemed less willing to act. That is, the habits of the political system determine that the consideration of the problem must take place at a high level of government and be broad in scope. In this situation, government will be cautious (there will be no autonomous agencies flying off on their own) and slow, and every aspect of government response will reflect the conflict of interests--whereas in the fragmented system, some responses will not reflect the balance of the contending forces but will be partisan acts designed to unbalance the system in one direction or another.

The threatening and uncertain economic environment is still another dependent variable created by the disjointed, eclectic regulation and taxation of tobacco and cigarettes in the United States. In Canada and Great Britain, where there has been broad high level consideration, this industry uncertainty perhaps has been reduced. There could have been broad, high level consideration in the U.S. if the President had been concerned enough about the problem, but no President has been particularly or at least publicly concerned. Thus, the level and breadth of problem consideration is important in explaining industry perceptions and the timing and intensity of governmental interest, investigation and response.

In the absence of clear legislative or executive command, the differences between government departments as to what action should be taken make cooperation unlikely. Measures of joint efforts by governmental

in the U.S., the broad implications of government actions often have not been considered by the numerous and separate sectors, and especially (if more native) action was more likely to be taken, or at least threatened, by one or another governmental authority. In Great Britain and Canada, where consideration of the problem and its broader ramifications was centralized, governments have seemed less willing to act. That is, the habits of the political system determine that the consideration of the problem must take place at a high level of government and be broad in scope. In this situation, government will be cautious (there will be no autonomous agencies flying off on their own) and slow, and every aspect of government response will reflect the conflict of interests--whereas in the fragmented system, some responses will not reflect the balance of the contending forces but will be partisan acts designed to unbalance the system in one direction or another.

The threatening and uncertain economic environment is still another dependent variable created by the distorted, eclectic regulation and taxation of tobacco and cigarettes in the United States. In Canada and Great Britain, where there has been broad high level consideration, this industry uncertainty perhaps has been reduced. There could have been broad, high level consideration in the U.S. if the President had been concerned enough about the problem, but no President has been particularly or at least publicly concerned. Thus, the level and breadth of problem consideration is important in explaining industry perceptions and the timing and intensity of governmental interest, investigation and response.

In the absence of clear legislative or executive command, the difference between government departments as to what action should be taken is more cooperation unlikely. Measures of joint efforts by governmental

agencies, the tobacco industry and private health interest groups are almost impossible to obtain. Such efforts appear to be most fruitful in directing additional research into the problem rather than in directing and organizing efforts to reduce or change cigarette smoking. Each government unit is affected by interest group pressures which oppose compromise and cooperation with its opponents. This difficulty is recognized in all three countries, but institutional structures which appear to cause it are very resistant to change. For example, U.S. tobacco price supports and export subsidies have been two programs (the latter begun after the Surgeon General's report) which have been criticized as being in direct conflict with the government's smoking and health program; neither has been changed. The British Exchequer has been notably reluctant to give up tobacco taxes from cigarette smokers. U. S. congressional program assessment and oversight have not been structured to mediate differences between departments, and the conflicting division of authority and responsibility has appeared very vulnerable to the narrow interests of pressure groups. Each group has struggled to define the issue in its own terms so that the goals and actions of government would be congruent with its desires. Each has sought to maximize its own benefits using its own measures. Thus, the treasury has sought to collect revenues, agriculture has sought to maintain and increase employment, income and productivity, while health interests have sought to reduce disease and suffering.

However, the fact that opposing interests in the smoking-health controversy have access to various government agencies and that these agencies have vested interests, too, by no means implies that less will be done than in a system where central, hierarchical decision-making

agencies, the tobacco industry and private health interest groups are almost impossible to obtain. Such efforts appear to be most limited in detecting additional research into the problem rather than in directing and organizing efforts to reduce or change cigarette smoking. Each government unit is affected by interest group pressures which oppose compromise and cooperation with its opponents. This difficulty is recognized in all three countries, but institutional structures which appear to cause it are very resistant to change. For example, U.S. tobacco price supports and export assistance have been two programs (the latter begun after the Surgeon General's report) which have been criticized as being in direct conflict with the government's smoking and health program; neither has been changed. The British Excise has been notably reluctant to give up tobacco taxes from cigarette smokers. U. S. congressional program assessment and oversight have not been structured to mediate differences between departments, and the conflicting division of authority and responsibility has appeared very vulnerable to the narrow interests of pressure groups. Each group has struggled to define the issue in its own terms so that the goals and actions of government would be congruent with its desires. Each has sought to maximize its own benefits using its own resources. Thus, the treasury has sought to collect revenues, agriculture has sought to maintain and increase employment, income and productivity, while health interests have sought to reduce disease and suffering.

However, the fact that opposing interests in the smoking-health controversy have access to various government agencies and that these agencies have vested interests, too, by no means implies that less will be done than in a system where central, hierarchical decision-making

evaluates the conflicting goals. The more centralized Canadian and British political systems have not produced more substantial results than the more federated and decentralized U.S. system. In the United States, it was crucial that all of the interests involved had access to one or another agency. If the anti-smoking forces had not been able to gain a foothold in the FTC and in the Department of Health, Education, and Welfare, surely nothing would have been done. The smoking-health controversy is one case in which C. E. Lindblom's assumption that all affected interests can have at least some influence in the policy making process is borne out by the reality.⁵

Smoking and health as a political issue has been unpopular with all but a few politicians regardless of political party persuasion or country. Not only have strong economic interest groups opposed government action, but a substantial portion of adult population in these three countries has indulged in the habit, and smokers' response to governmental action has been uncertain. While it is reasonable to assume that the public at large has an interest in clean air, it is not so reasonable to assume that the public at large, and especially the cigarette smoking public, has an interest in any anti-smoking measure that entails giving up the pleasures of smoking.

In each country, governmental efforts have been made to obtain voluntary cooperation from the industry, an approach which has avoided the basic question of the role of government. Furthermore, in the United States judicial challenge and lengthy litigation have been avoided by such efforts. However, even where industry has acted, it has always been under the threat of government action.

various the conflicting goals. The more centralized Canadian and British political systems have not produced more substantial results than the more decentralized and decentralized U.S. system. In the United States, it was crucial that all of the interests involved had access to one or another agency. If the anti-smoking forces had not been able to gain a foothold in the F.C. and in the Department of Health, Education, and Welfare, surely nothing would have been done. The smoking-tobacco controversy is one case in which C. E. Lindholm's assumption that all interested interests can have at least some influence in the policy-making process is borne out by the reality.

Smoking and health as a political issue has been unpopular with all but a few politicians regardless of political party persuasion or country. Not only have strong economic interest groups opposed government action, but a substantial portion of adult population in these three countries has indulged in the habit, and smokers' response to governmental action has been uncertain. While it is reasonable to assume that the public at large has an interest in clean air, it is not so reasonable to assume that the public at large, and especially the cigarette smoking public, has an interest in any anti-smoking measure that entails giving up the pleasures of smoking.

In each country, governmental efforts have been made to obtain voluntary cooperation from the industry, an approach which has avoided the basic question of the role of government. Furthermore, in the United States, judicial challenge and lengthy litigation have been avoided by such efforts. However, even where industry has acted, it has always been under the threat of government action.

More research is needed into the nature of this bargaining process between industry and government. In political systems where legislative decisions are not open to judicial review, there might be more incentive for cooperative agreements because judicial delays in appeals and procedures are not possible, and government action cannot be legally challenged. In fact, industry cooperation with government appears to have been greater in both Britain and Canada than in the United States, although this might be more readily explained by industry market structures in each country, which shall be discussed later. While there is a great deal of discussion about government regulation of business, most relationships appear to be cooperative and voluntary, in part because the financial resources needed to regulate properly are not available or not provided.

Governments in these three countries are hesitant to attempt to regulate industry. To date, the goals of government action have not necessitated such regulation, and government costs are minimal if voluntary industry cooperation can be obtained. Tar and nicotine ratings are sporadic, and while legislative awareness is facilitated by annual governmental reports in the U.S. and Britain, the limited goals of these reports inhibit continuing consideration of many important dimensions of the problem. The multifaceted nature of the controversy is thus examined intermittently, and in a piecemeal manner, and it is not surprising that proponents of anti-smoking policies sometimes have used spectacular publicity and journalistic rhetoric to attract public attention, as a partial substitute for stronger government action and as a tactic to force such action.

Consideration of the problem in all three countries has focused on cigarette advertising to achieve the goal of protecting the public, and

More research is needed into the nature of this bargaining process between industry and government. In political systems where legislative decisions are not open to judicial review, there might be more incentives for cooperative agreements because judicial delays in appeals and process are not possible, and government action cannot be legally challenged. In fact, industry cooperation with government appears to have been greater in both Britain and Canada than in the United States, although this might be more readily explained by industry market structures in each country, which shall be discussed later. While there is a great deal of discussion about government regulation of business, most relationships appear to be cooperative and voluntary, in part because the financial resources needed to regulate properly are not available or not provided.

Governments in these three countries are hesitant to attempt to regulate industry. To date, the goals of government action have not necessitated such regulation, and government costs are minimal if voluntarily industry cooperation can be obtained. Tax and nicotine ratings are examples, and while legislative awareness is facilitated by annual governmental reports in the U.S. and Britain, the limited goals of these reports inhibit continuing consideration of many important dimensions of the problem. The unbalanced nature of the controversy is thus examined infrequently, and in a piecemeal manner, and it is not surprising that proponents of anti-smoking policies sometimes have used apocalyptic rhetoric to attract public attention, as a partial substitute for stronger government action and as a tactic to force such action. Consideration of the problem in all three countries has focused on economic incentives to achieve the goal of protecting the public, and

especially minors, from misleading advertisements and warning them of smoking hazards. Government efforts have symbolized their concern and restricted or eliminated the most objectionable industry advertising, but these efforts have had an uncertain and as yet unmeasured impact on total consumption. If anything, the reduction in cigarette advertising has made the industry stronger economically. With reduced advertising expenditures, profits have increased. Advertising bans or restrictions in one advertising medium alone have not been a panacea in reducing consumption, as recent U.S. figures have indicated. The concomitant reduction in the number of anti-smoking commercials in the United States and possibly in Canada actually may have reduced public concern and awareness of the problem.

Recent government efforts in all three countries also have sought to reduce the tar and nicotine levels of cigarettes. Unfortunately, our present consumption measures have continued to ignore meaningful health related indicators. Instead, a simplistic percentage of total cigarettes that are filtered has been the most popularly discussed indicator of change and progress. Measures of aggregate tar and nicotine consumption and of tar and nicotine consumption per smoker, would indicate progress more meaningfully than presently used per capita cigarette consumption or the percentage of cigarettes that are filtered and would provide a further stimulus for tobacco industry action. The publication of tar and nicotine ratings on cigarette packages in the United States has been an effort in this direction. The Canadian tobacco industry's limitation on the tar and nicotine contents of its brands has been an even stronger action. With these caveats in mind, indicators of cigarette consumption have suggested two clear trends in all three countries: a trend from non-filtered to filtered cigarettes, and a general decrease in the tar and nicotine contents of cigarettes.

especially where, from marketing advertisements and warning labels, smoking hazards. Government efforts have emphasized their concern and restricted or eliminated the most objectionable industry advertising, but these efforts have had an uncertain and as yet unmeasured impact on total consumption. If anything, the reduction in cigarette advertising has made the industry stronger economically. With reduced advertising expenditures, profits have increased. Advertising bans or restrictions in one advertising medium alone have not been a panacea in reducing consumption, as recent U.S. figures have indicated. The concomitant reduction in the number of anti-smoking commercials in the United States and possibly in Canada actually may have reduced public concern and awareness of the problem. Recent government efforts in all three countries also have sought to reduce the tar and nicotine levels of cigarettes. Unfortunately, our present consumption measures have continued to ignore meaningful health related indicators. Instead, a simplistic percentage of total cigarettes that are filtered has been the most popularly discussed indicator of change and progress. Measures of aggregate tar and nicotine consumption and of tar and nicotine consumption per smoker, would indicate progress more meaningfully than presently used per capita cigarette consumption or the percentage of cigarettes that are filtered and would provide a further stimulus for tobacco industry action. The publication of tar and nicotine ratings on cigarette packages in the United States has been an effort in this direction. The Canadian tobacco industry's limitation on the tar and nicotine contents of its brands has been an even stronger action. With these caveats in mind, indicators of cigarette consumption have suggested a clear trend in all three countries: a trend from non-filtered to filtered cigarettes, and a general decrease in the tar and nicotine contents of cigarettes.

C. Economic Importance

We are attacking a strong and, until now, an impregnable citadel. The vested interests are vast and they are not by any means evil interests. There is, first of all, the state and by the state I do not mean any particular government. The most benevolent and humane of administrators would find himself hard put to do without the revenue that smoking brings in. And there are the shareholders. My Lords, whatever our politics, let us not despise the shareholders. They are mostly small people and they rightly put their money where they think it will bring in the most. A heavy drop in the value of tobacco shares would hit them hard.

Last of all but very far from least, there are the employees -- the people who work in the industry. What would happen to them if cigarette smoking were suddenly to become forbidden or to become taboo? Would they overnight find new jobs? Are they to be victimized by something which is not their fault? No, my Lords, it's not so easy.

Earl of Arran to the House of Lords ⁶

1. Tobacco and Politics

The economic importance of cigarettes appears crucial in inhibiting governmental action to reduce cigarette consumption. This importance varies among countries and is based on the role of cigarettes in agriculture, employment, trade, and taxation.

Several points appear to warrant further investigation. A number of tentative hypotheses have been generated by our study, but given that the sample of three countries is neither random nor representative, further testing is necessary. For example, consider the proposition that the larger the proportion of people affected economically by cigarette consumption, the less likely the government is to act to reduce cigarette consumption. Some geographic concentration of such an economic interest, involving a small percentage of the total population, is important enough to give some substantial number of legislators incentive to defend the interest vigorously. However, if the interest is too concentrated, not

1. Tobacco and Politics

The economic importance of cigarettes appears crucial in inhibiting governmental action to reduce cigarette consumption. This importance varies among countries and is based on the role of cigarettes in agriculture, employment, trade, and taxation.

Several points appear to warrant further investigation. A number of tentative hypotheses have been generated by our study, but given that the sample of three countries is neither random nor representative, further testing is necessary. For example, consider the proposition that the larger the proportion of people affected economically by cigarette consumption, the less likely the government is to act to reduce cigarette consumption. Some geographic concentration of such an economic interest, involving a small percentage of the total population, is important enough to give some substantial number of legislators incentive to defend the interest vigorously. However, if the interest is too concentrated, not

least of all but very far from least, there are the employees -- the people who work in the industry. What would happen to them if cigarette smoking were suddenly to become forbidden or to become taboo? Would they overnight find new jobs? Are they to be victimized by something which is not their fault? No, my friends, it's not so easy.

Barl of Arden to the House of Lords

1. Tobacco and Politics

The economic importance of cigarettes appears crucial in inhibiting governmental action to reduce cigarette consumption. This importance varies among countries and is based on the role of cigarettes in agriculture, employment, trade, and taxation.

Several points appear to warrant further investigation. A number of tentative hypotheses have been generated by our study, but given that the sample of three countries is neither random nor representative, further testing is necessary. For example, consider the proposition that the larger the proportion of people affected economically by cigarette consumption, the less likely the government is to act to reduce cigarette consumption. Some geographic concentration of such an economic interest, involving a small percentage of the total population, is important enough to give some substantial number of legislators incentive to defend the interest vigorously. However, if the interest is too concentrated, not

enough legislators will have this incentive. In the U.S. and Canada, election from single member districts appears to have accentuated economic interests that are regionally important. But then this pattern has characterized Great Britain as well. There, concern about tobaccoists and smokers is likewise distributed in single-member constituencies. Although the British government is more centralized and there are no tobacco growers, the government has been no more eager to act. The data do not help us refine or disconfirm the hypothesis.

The multi-dimensional nature of tobacco's economic importance has been recognized by politicians and administrators. For example, trade in tobacco has been important in a number of respects in affecting a government's response. Tobacco and tobacco product exports help a nation's balance of payments. In contrast, large tobacco imports would be an incentive to spur governmental action to reduce cigarette consumption, although tobacco trade is often tied to tobacco taxation which benefits government. Large British imports of tobacco have not resulted in governmental action to reduce consumption, because among other considerations, such a reduction would have an adverse impact on tobacco tax revenues.

Governmental tax revenues from tobacco and cigarettes have been very sizeable in the U.S., Great Britain and Canada. The importance of tobacco taxation to national tax revenues has been substantial (though declining), and has made the government a partner in tobacco consumption. In fact, governmental income from taxation has been larger than industry profits. Finally, the political difficulties of finding taxes to replace tobacco revenues are enormous.

The total political impact of these varying dimensions of tobacco's economic importance is very substantial. Tobacco's situation is similar

economic legislators will have this incentive. In the U.S. and Canada, election from single member districts appears to have accentuated economic

interests that are regionally important. But then this pattern has characterized Great Britain as well. There, concern about constituencies and members is likewise dissipated in single-member constituencies. Although the British government is more centralized and there are no tobacco growers, the government has been no more eager to act. The data do not

help us refine or disconfirm the hypotheses.

The multi-dimensional nature of tobacco's economic importance has been recognized by politicians and administrators. For example, trade in tobacco has been important in a number of respects in affecting a government's response. Tobacco and tobacco product exports help a nation's balance of payments. In contrast, large tobacco imports would be an incentive to spur governmental action to reduce cigarette consumption, although tobacco trade is often tied to tobacco taxation which benefits government. Large British imports of tobacco have not resulted in governmental action to reduce consumption, because among other considerations, such a reduction would have an adverse impact on tobacco tax revenues.

Governmental tax revenues from tobacco and cigarettes have been very important in the U.S., Great Britain and Canada. The importance of tobacco taxation to national tax revenues has been substantial (though declining), and has made the government a partner in tobacco consumption. In fact, governmental income from taxation has been larger than industry profits. Finally, the political difficulties of finding taxes to replace tobacco revenues are enormous.

The total political impact of these varying dimensions of tobacco's economic importance is very substantial. Tobacco's situation is similar

in many respects to that of the automobile which also has come in for criticism because of its unintended negative consequences. The economic importance of some consumer products is so great to both the industry and the government, and so dear to the user, that it is difficult to modify any of their negative consequences.

Vested interests opposing change exist within both industry and government. The production and distribution of tobacco creates jobs and especially income which are politically difficult to tamper with. The problem of providing health, a public good, is substantial when it is confronted by a very well-defined economic and political interest. Yet much has been done in spite of the economic forces involved.

Governmental regulation of industry has limited the discretion of industry to do as it chooses. Government now sets standards, and has done so, in fact, in these countries for a very long time. These standards have determined how safe products should be. Like the meat industry, and recently the automobile industry, the tobacco industry's products are now coming under close scrutiny and governments are attempting to establish controls over their products to protect the public.

The intractability of the problem stems also from the persistence of the smoking habit and the pleasure upon which it is based. This would be a very tough problem to deal with even if there were no tobacco industry at all.

The tobacco industry has been unsuccessful in stopping regulation altogether. They have continued to make changes in their product that might be related positively to health. Furthermore, institutions and procedures have been established within government that can be expected to keep track of the smoking-health link and push for gradual improvement.

in many respects to that of the automobile which also has come in for criticism because of its unintended negative consequences. The economic importance of some consumer products is so great to both the industry and the government, and so dear to the user, that it is difficult to modify any of their negative consequences.

Forced interests opposing change exist within both industry and government. The production and distribution of tobacco creates jobs and especially income which are politically difficult to tamper with. The problem of providing health, a public good, is substantial when it is confronted by a very well-defined economic and political interest. Yet much has been done in spite of the economic forces involved.

Governmental regulation of industry has limited the discretion of industry to do as it chooses. Government now sets standards, and has done so, in fact, in these countries for a very long time. These standards have determined how safe products should be. Like the meat industry, and recently the automobile industry, the tobacco industry's products are now coming under close scrutiny and governments are attempting to establish controls over their products to protect the public.

The intractability of the problem stems also from the persistence of the smoking habit and the pleasure upon which it is based. This would be a very tough problem to deal with even if there were no tobacco industry at all.

The tobacco industry has been unsuccessful in stopping regulation altogether. They have continued to make changes in their product that might be related positively to health. Furthermore, institutions and procedures have been established within government that can be expected to keep track of the smoking-health link and push for gradual improvement.

A simple Marxian hypothesis -- the greater the economic importance of tobacco, the greater its political importance -- is clearly unproven in this study. As a possible theory of how public policy is made, the Marxian approach oversimplifies the relationship between business and government. Furthermore, the U.S., British and Canadian governments have acted much more strongly in their efforts to protect the public health than countries such as the Peoples Republic of China, the USSR, France, Italy, Japan and Thailand among others, where tobacco is a government monopoly. In fact, in countries where tobacco is closely tied to government (through trade or manufacturing monopolies), regardless of the type of political system and political ideology, government actions against cigarette smoking appear unlikely.

The historian Gabriel Kolko, in his book The Triumph of Conservation: A Reinterpretation of American History, 1900-1916, offered a more sophisticated Marxian approach which focuses on the relationship between business and government. Kolko noted that "Marxian theorists, with a few unimportant exceptions, have never seriously confronted the relationship of the modern state to the economy."⁷ In America, Kolko suggested, "The solution of economic problems has continued to take place in the political sphere, and the strength of the status quo is based ultimately on the synthesis of politics and economics."⁸ He concluded that it was the failure of Marxist theorists "to discuss the potential role of the state and politics in preserving capitalism that is the really fundamental reason why Marxism is not too useful in comprehending recent American history."⁹ He found that business control over politics rather than political regulation of the economy was the significant phenomenon of the Progressive Era. Such control sought to use "political outlets to attain conditions of

A slightly Marxist hypothesis -- the greater the economic importance of tobacco, the greater its political importance -- is clearly approved in this study. As a possible theory of how public policy is made, the Marxist approach oversimplifies the relationship between business and government. Furthermore, the U.S., British and Canadian governments have acted much more strongly in their efforts to protect the public health than countries such as the Peoples Republic of China, the USSR, France, Italy, Japan and Thailand among others, where tobacco is a government monopoly. In fact, in countries where tobacco is closely tied to government (through trade or manufacturing monopolies), regardless of the type of political system and political ideology, government actions against cigarette smoking appear uniformly.

The historian Eric Foner, in his book The History of Conservation: A Reinterpretation of American History, 1890-1916, offered a more sophisticated Marxist approach which focuses on the relationship between business and government. Foner noted that "Marxist theorists, with a few unimportant exceptions, have never seriously confronted the relationship of the modern state to the economy." In America, Foner suggested, "The solution of economic problems has continued to take place in the political arena, and the strength of the state due is based ultimately on the exercise of political and economic." He concluded that it was the failure of Marxist theorists "to discuss the potential role of the state and politics in preserving capitalism that is the really fundamental reason why Marxism is not too useful in comprehending recent American history." 9

It is noted that business control over politics rather than political control of the economy was the significant phenomenon of the Progressive Era. Foner sought to use "political control to attain conditions of

stability, predictability, and security-- to attain rationalization -- in the economy." ¹⁰ He suggested this to be the significant reason that many business men welcomed and worked to increase federal intervention into their affairs and that this noted phenomenon had been virtually ignored by historians and economists.

The government's role in creating a stable economic environment for industry is substantial. As Kolko noted in regard to the overall economy, "It was never a question of regulation or no regulation, of state control or *laissez faire*; there were, rather, the questions of what kind of regulation and by whom." ¹¹ The tobacco industry would of course prefer no regulation at all. But if regulation is inevitable, the industry would rather have it at the federal level than be forced to fight off many regulatory efforts at state or provincial levels. If the federal government is involved, the industry would prefer stability of policy (as, in the United States, the pause in regulation achieved by legislation in the face of impending new regulation by the agencies). Finally, even expanded regulatory efforts may be shaped and used by the industry to enhance stability in its markets or, by individual manufacturers, to bolster market positions, for example by capitalizing on official tar and nicotine ratings in cigarette advertising. Thus federal regulation of cigarettes must be seen as something of a "mixed curse" for the tobacco industry: if it can not be avoided, perhaps it can still be shaped and manipulated and used to industry advantage.

It is difficult in the present situation to impute a clear interest to the public. This controversy can be seen as a struggle between two sets of values one emphasizing pleasure and the other emphasizing health. The struggle takes place on two levels, both between competing institutions

stability, predictability, and security-- to obtain rationalization -- in the economy." ¹⁰ He suggested that to be the significant reason that many

business men welcomed and worked to increase federal intervention into their affairs and that this noted phenomenon had been virtually ignored by

historians and economists.

The Government's role in creating a stable economic environment for industry is essential. As Kelso noted in regard to the overall economy, "it was never a question of regulation or no regulation, of state control or laissez faire; there were, rather, the questions of what kind of regula-

tion and by whom." ¹¹ The tobacco industry would of course prefer no

regulation at all. But if regulation is inevitable, the industry would

rather have it at the federal level than be forced to fight off many

regulatory efforts at state or provincial levels. If the federal govern-

ment is involved, the industry would prefer stability of policy (as, in

the United States, the phase in regulation achieved by legislation in the

face of impending new regulation by the agencies). Finally, even expanded

regulatory efforts may be shaped and used by the industry to enhance

stability in the market or, by individual manufacturers, to bolster market

positions, for example by capitalizing on official tar and nicotine ratings

in cigarette advertising. Thus federal regulation of cigarettes must be

seen as something of a "mixed case" for the tobacco industry: if it can

not be avoided, perhaps it can still be shaped and manipulated and used to

industry advantage.

It is difficult in the present situation to make a clear interest

to the public. This controversy can be seen as a struggle between two sets

of values one emphasizing pleasure and the other emphasizing health. The

struggle takes place on two levels, both between competing institutions

(with tobacco manufacturers and growers deriving profits from providing pleasure and health interest groups deriving rectitude, status, and other benefits from opposing smoking), and between conflicting values within individual smokers. While some elements in Kolko's approach are similar to our own, the absence of a clear public interest (or class interest) and the absence of larger issues such as redistribution of wealth in our study creates difficulties in using his model.

2. Market Structure and Industry Response

The tobacco industry's response also has been an important focus in this study. Table 2 showed the elements of this response which sometimes have substituted for governmental action and which have varied in our three countries. Several independent variables appear important in determining this response to the smoking-health controversy and governmental involvement. These suggest hypotheses that deserve further study and that thus far have not been examined in the political science literature. For example, it would appear that the more threatening the political environment in which the industry must function, and the less the industry's ability to challenge government actions, the more cooperative the industry will be in voluntarily acting to regulate itself to reduce this threat. Uncertainty caused by multiple governmental focal points of action, zealous regulation and rhetoric have threatened industry stability and future performance, a fact well noted by Kolko in his analysis. The disjointed nature of governmental involvement in the smoking and health question in the U.S. and to a lesser extent in Canada, has presented the industry with a threatening economic environment. The caustic rhetoric of health interest groups and individuals in all three countries, at times, has caused temporary drops in tobacco sales and certainly has provided change within the industry.

(with tobacco manufacturers and growers deriving profits from providing pleasure and health interest groups deriving recreation, status, and other benefits from opposing smoking), and between conflicting values within individual smokers. While some elements in Kolko's approach are similar to our own, the absence of a clear public interest (or class interest) and the absence of larger issues such as redistribution of wealth in our study creates difficulties in using his model.

2. Market Structure and Industry Response

The tobacco industry's response also has been an important focus in this study. Table 2 showed the elements of this response which sometimes have substituted for governmental action and which have varied in our three countries. Several independent variables appear important in determining this response to the smoking-health controversy and governmental involvement. These suggest hypotheses that deserve further study and that thus far have not been examined in the political science literature. For example, it would appear that the more threatening the political environment in which the industry must function, and the less the industry's ability to challenge government actions, the more cooperative the industry will be in voluntarily acting to regulate itself to reduce this threat. Uncertainty caused by multiple governmental focal points of action, zealous regulation and rhetoric have threatened industry stability and future performance, a fact well noted by Kolko in his analysis. The disjointed nature of governmental involvement in the smoking and health question in the U.S. and to a lesser extent in Canada, has presented the industry with a threatening economic environment. The caustic rhetoric of health interest groups and individuals in all three countries, at times, has caused temporary drops in tobacco sales and certainly has provided change within the industry.

It also appears that the less hopeful the economic outlook of the industry, the more likely the industry will diversify into other fields and attempt to change its public image. Certainly there is a relationship between the tobacco industry's diversification and the smoking health controversy. However, while such diversification is found in the U.S., Great Britain and Canada and is clearly linked to the controversy along with the uncertainty of the future of cigarette profits, it is unclear how much greater it is than the diversification taking place in many other industries. Furthermore, while a tobacco industry's outlook in one country may be uncertain, substantial expansion continues in other countries where consumption is still rising rapidly.

In addition, tobacco industry response to the controversy has appeared to be substantially based on attempts to maintain and/or increase its profits. Manufacturers' marketing strategy has been to overcome and even to make marketing use of the smoking-health connection. Individual tobacco firms have benefited from government actions. Thus, the "tar derby" in the U.S. had been created by industry efforts to reassure the public as well as by individual company attempts to attract consumers to their new filtered brands.

In general, of course, the industry vigorously opposes governmental action that would reduce consumption substantially and hence similarly reduce industry profits. Reality, however, is somewhat more complex. A decrease in consumption would not be unacceptable, if for example, profit margins per unit of production were increased or if industry capital were invested in alternatives to cigarettes that would yield even larger profits. Furthermore, a decline in aggregate consumption would differentially affect individual companies. In a situation of this type individual companies

It also appears that the less hopeful the economic outlook of the industry, the more likely the industry will diversify into other fields and attempt to change its public image. Certainly there is a relationship between the tobacco industry's diversification and the smoking health controversy. However, while such diversification is found in the U.S., Great Britain and Canada and is clearly linked to the controversy along with the uncertainty of the future of cigarette profits, it is unclear how much greater it is than the diversification taking place in many other industries. Furthermore, while a tobacco industry's outlook in one country may be uncertain, substantial expansion continues in other countries where consumption is still rising rapidly.

In addition, tobacco industry response to the controversy has appeared to be substantially based on attempts to maintain and/or increase its profits. Manufacturers' marketing strategy has been to overcome and even to make marketing use of the smoking-health connection. Individual tobacco firms have benefited from government actions. Thus, the "tar derby" in the U.S. had been created by industry efforts to reassure the public as well as by individual company attempts to attract consumers to their new filtered brands.

In general, of course, the industry vigorously opposes governmental action that would reduce consumption substantially and hence substantially reduce industry profits. Reality, however, is somewhat more complex. A decrease in consumption would not be unacceptable, if for example, profit margins per unit of production were increased or if industry capital were invested in alternatives to cigarettes that would yield even larger profits. Furthermore, a decline in aggregate consumption would differentially affect individual companies. In a situation of this type individual companies

might well benefit from the resulting market turmoil and increase their sales and profits.

Market shares are also important in determining company response. In a rapidly changing cigarette market (e.g. from non-filter to filter and/or from regular to king-sized brands) it is difficult to obtain industry cooperation where such cooperation will differentially benefit or harm individual firms. We have pointed out the difficulties such market competition has created in frustrating voluntary industry cooperation and acceptable governmental regulation in Great Britain. In the United States, market competition destroyed industry unity against government involvement in the controversy, and in frustrating voluntary industry compliance with proposed FTC recommendations to place health warnings and tar and nicotine ratings in cigarette advertising.

The industry's political response also appears to follow what economists call price leadership. Smaller companies appear to follow the larger ones, although efforts to increase or protect market shares sometimes place smaller firms in direct conflict with the market leaders, as has been the case in Great Britain.

All of these hypotheses refer to relationships between market structure and position, on the one hand, and the political and economic response of industries and firms to regulatory proposals and policies, on the other. The difficulty of doing political research on private economic interests and their interactions with governments is substantial. Yet efforts to investigate the relationship between market structures and political response would appear to be worthwhile.

Clearly, the inability of industry to cooperate voluntarily with government is due in part to the inability of government to devise policies

might well benefit from the resulting market growth and increased supply

sales and profits.

Market forces are also important in determining company response. In

a rapidly changing cigarette market (e.g. from non-filter to filter and

from regular to king-sized brands) it is difficult to obtain industry

cooperation where such cooperation will differentially benefit or harm

individual firms. We have pointed out the difficulties such market condi-

tions have created in frustrating voluntary industry cooperation and

acceptable governmental regulation in Great Britain. In the United States,

market competition destroyed industry unity against government involvement

in the controversy, and in frustrating voluntary industry compliance with

proposed FTC recommendations to place health warnings and tar and nicotine

ratings in cigarette advertising.

The industry's political response also appears to follow what econo-

mists call price leadership. Smaller companies appear to follow the

larger ones, although efforts to increase or protect market share may

cause price smaller firms in direct conflict with the market leaders, as

has been the case in Great Britain.

All of these hypotheses refer to relationships between market struc-

ture and position, on the one hand, and the political and economic response

of industries and firms to regulatory proposals and policies, on the other.

The difficulty of doing political research on private economic interests

and their interactions with government is substantial. Yet efforts to

investigate the relationship between market structures and political response

seem to be worthwhile.

Clearly, the inability of industry to cooperate voluntarily with

government is due in part to the inability of government to devise policies

which seek the desired social benefits yet also recognize market shares and the differential impacts of public policies and proposed policies on individual firms. Perhaps the government could maliorate some of the negative consequences of its actions that unevenly affect competing firms. Such a remedy has been suggested to reduce the negative impact of governmental action on tobacco agriculture and concurrently, to reduce the opposition of grower groups to public policies against cigarettes. The United States has set a possible precedent for future action by paying farmers to reduce production of many crops and to control land use. It would appear to be a possible, if dangerous precedent, for government to compensate tobacco companies and growers for a gradual reduction in the manufacture of cigarettes. However, this would be fruitless unless the demand for cigarettes dropped.

D. Smoking and Health as an Issue Area

1. Introduction: Models of the Interest Group Process and the Role of Government.

In this study of the response of governments to the smoking and health controversy, interest groups rather than individuals have been the focus of analysis. To a considerable extent we have ignored the role of individuals. We have considered health interest groups, business groups, and groups within government.

Many political scientists have focused their studies on interest groups on the question of power and its distribution, or on who governs? ¹² We have found in our three cases that power is an ambiguous concept to use in considering an issue area that consists of multiple decision points and multiple decisions. Power as a concept has not proved useful in our study.

which seek the desired social benefits yet also recognize market forces and the differential impacts of public policies and programs on individual firms. Perhaps the government could mitigate some of the negative consequences of its actions that unevenly affect competing firms. Such a remedy has been suggested to reduce the negative impact of government action on tobacco agriculture and concurrently, to reduce the

operation of grower groups to public policies against cigarettes. The United States has set a possible precedent for future action by paying farmers to reduce production of many crops and to control land use. It would appear to be a possible, if dangerous precedent, for government to compensate tobacco companies and growers for a gradual reduction in the manufacture of cigarettes. However, this would be fruitless unless the demand for cigarettes dropped.

2. Smoking and Health as an Issue Area

1. Introduction: Models of the Interest Group Process and the Role

of Government

In this study of the response of governments to the smoking and health controversy, interest groups rather than individuals have been the focus of analysis. To a considerable extent we have ignored the role of individuals. We have considered health interest groups, business groups, and groups within government.

Many political scientists have focused their studies on interest groups on the question of power and its distribution, or on who governs. It is true that in our case there is an ambiguity concept to use in considering an issue area that consists of multiple decision points and multiple decisions. Power as a concept has not proved useful in our study.

Two political scientists, Robert Paul Wolff and Theodore Lowi, provide us with three interesting models of the interest group process and the role of government which we will use to discuss the smoking-health controversy. These models focus on two dimensions of the political system: (1) the role of government; and (2) the policy-making participants. We will consider these three models, add a fourth of our own, and discuss the utility of these models in explaining governments' response to the smoking-health controversy.

<u>Model</u>	<u>Role of Government</u>	<u>Policy-Making Participants</u>
A. "referee"	lay down rules for competition of groups, associations	central government private associations
B. "vector-sum"	reflects forces of interest groups, merely combining or resolving them	Congress, interest groups
C. "interest-group liberalism"	ensuring access, especially to the best organized and ratifying their agreements	law-making institutions (Congress, President) and administrative agencies and interest groups
D. competitive government	units of legislature and administrative branches seek to maximize their own control over policy and their response to their client groups in searching to solve public problems	interest groups and law-making institutions and administrative agencies

The two theories of government that Wolff has identified deal with the role of government and the participants in policy-making.¹³ While Wolff has treated these theories as normative theories we use them as alternative descriptive models in examining the smoking-health controversy:

2. Referee Model

...[This theory] asserts that the role of the central government is to lay down ground rules for conflict and competition among private associations and to employ its power to make sure that no major interest in the nation abuses its influence...¹⁴

Two political scientists, Robert Dahl and Joseph A. Schlesinger, propose with three interaction models of the interest group process and the role of government which we will use to discuss the smoking-heath controversy. These models focus on two dimensions of the political system: (1) the role of government; and (2) the policy-making participants. We will consider three models, add a fourth of our own, and discuss the utility of these models in explaining governments' responses to the smoking-heath controversy.

Model	Role of Government	Policy-Making Participants
A. "Interest-Group Pluralism"	lay down rules for competition of groups, associations	central government, private associations
B. "Sectoral-Interest Group Pluralism"	reflects forces of interest groups, merely consulting or resolving them	Congress, interest groups
C. "Interest-Group Pluralism"	granting access, especially to the best organized and rallying their agreements	law-making institutions (Congress, President) and administrative agencies and interest groups
D. "Competitive Government"	units of legislature and administrative branches seek to maximize their own control over policy and their responses to their client groups in searching to solve public problems	interest groups and law-making institutions and administrative agencies

The two theories of government that Wolff has identified deal with the role of government and the participants in policy-making. 13 While Wolff has treated these theories as normative theories we use them as alternative descriptive models in examining the smoking-heath controversy.

1. The Interest-Group Pluralism Model

...[this theory] asserts that the role of the central government is to lay down broad rules for conflict and competition among private associations and to employ the power to make sure that no one is interested in the nation abuses its influence... 14

While we will ignore the normative question of what the government's role should be, the "referee" theory raises some important concerns. As Aucoin, and Salisbury and Heinz noted, the political system can define its own parameters, the goals it accepts and the role it plays. The control over these goals and roles has been referred to as positional or structural policies. Structural policies have been defined as "policies which establish authority structures or rules to guide future allocations." ¹⁵ Similarly, positional policies have referred to those outputs which affect the structuring of influence in the conversion system." ¹⁶

In all three countries the scope of the smoking-health controversy has been defined by structural policies which have helped determine the question raised and the alternatives for public action. Regulatory efforts by the FTC and FCC in the U.S. have been fought over structural policy alternatives which have been strongly opposed by the tobacco industry and other business groups because of the precedents that would be set and the sales and profits that might be lost. Yet, the industry was willing to accept health warnings in legislation which concurrently restricted the ability of local governments to respond. The government not only sets the stage of interest group conflict from without, but establishes the basic structuring of conflict within government and the basic nature of the response. Thus, we find that the "referee theory" restricts our understanding of the real world by ignoring the politics surrounding the ground rules established within government.

3. Vector-Sum Model

Wolff's second theory is the "vector-sum" or "give and take" theory of government:

While we will ignore the normative question of what the government's role should be, the "reference" theory raises some important concerns. As Alesina and Wacziarg note, the political system can define its own parameters, the goals it accepts and the role it plays. The central question raised and the alternatives for public action. Regulatory efforts by the FTC and FCC in the U.S. have been fought over structural policy alternatives which have been strongly opposed by the tobacco industry and other business groups because of the precedents that would be set and the sales and profits that might be lost. Yet, the industry was willing to accept health warnings in legislation which concurrently restricted the ability of local governments to respond. The government not only sets the stage of interest group conflict from without, but establishes the basic structuring of conflict within government and the basic nature of the response. Thus, we find that the "reference theory" restricts our understanding of the real world by ignoring the politics surrounding the ground rules established within government.

3. Vector-Sum Model

Wolff's second theory is the "vector-sum" or "give and take" theory of

government:

Congress is seen as the focal point for the pressures which are exerted by interest groups throughout the nation... Ideally Congress, merely reflects these forces, combining them -- or 'resolving' them as the physicists say -- into a single social decision. ¹⁷

This theory is sharply at variance with the patterns we have discovered in exploring the government's response to the smoking and health controversy. Congress and the parliaments in Great Britain and Canada have not been the central focus of attention on this issue. In Great Britain and Canada no parliamentary action has been taken on the issue. Furthermore, no single social decision has ever been made by any unit of government. Instead we find a plethora of sometimes conflicting decisions, made by different government actors each responding to the problem within the range and intensity of his authority and responsibility. Government has in no way orchestrated the response to the smoking-health problem and Congress and the British and Canadian parliaments have played a limited role in governmental response to the controversy.

4. Interest Group Liberalism Model

The third model is Theodore Levi's "interest group liberalism," which he discusses and criticizes in his book The End of Liberalism. Interest group views the role of government as "one of ensuring access particularly to the most effectively organized, and of ratifying their agreements and adjustments worked out among competing leaders and their claims." ¹⁸ In contrast to Wolff, Levi's model is much more explicit in specifying the role of government and in delineating the range of groups and governmental units which are involved in the policy-making process.

Interest group liberalism sees as "both necessary and good that the policy agenda and the public interest be defined in terms of the organized interests of society." ¹⁹ The public agenda in the smoking and health

Consciousness is seen as the focal point for the processes which are exerted by interest groups throughout the nation...
 identity Congress, merely reflects these forces, containing them -- or 'providing' them as the physicians say -- into a single social decision. IV

This theory is sharply at variance with the patterns we have discovered in exploring the government's response to the smoking and health controversy. Congress and the parliaments in Great Britain and Canada have not been the central focus of attention on this issue. In Great Britain and Canada no parliamentary action has been taken on the issue. Furthermore, no single social decision has ever been made by any unit of government. Instead we find a plethora of sometimes conflicting decisions, made by different government actors each responding to the problem within the range and intensity of his authority and responsibility. Government has in no way orchestrated the response to the smoking-health problem and Congress and the British and Canadian parliaments have played a limited role in governmental response to the controversy.

4. Interest Group Liberalist Model

The third model is Theodore Lowi's "Interest Group Liberalism," which he discusses and criticizes in his book *The End of Liberalism*. Interest group views the role of government as "one of ensuring access particularly to the most effectively organized, and of ratifying their arguments and statements worked out among competing leaders and their claims." 18 In contrast to Wolff, Lowi's model is much more explicit in specifying the role of government and in delineating the range of groups and governmental units which are involved in the policy-making process.

Interest group liberalism sees as "both necessary and good that the public agenda and the public interest be defined in terms of the organized interests of society." 19 The public agenda in the smoking and health

controversy has clearly been defined by the organized interests involved. Levi has highlighted several basic points which we will consider in light of our study:

1. Organized groups are homogeneous and easy to define, sometimes monolithic. Any duly elected spokesman for any interest is taken as speaking in close approximation for each and every member;
2. Organized interests pretty much fill up and adequately represent most of the sectors of our lives, so that one organized group can be found effectively answering and checking some other organized group as it seeks to prosecute its claims against society; ²⁰
3. Interest group liberalism assumes that "'countervailing power' usually crops up somehow. Where it does not, government ought to help create it." ²¹
4. A grant of broad powers to administration is not a grant of power at all. It is an imposition of impotence. ²²
5. The role of government is one of ensuring access particularly to the most effectively organized, and of ratifying their agreements and adjustments worked out among the competing leaders and their claims. ²³

These assumptions are actually a set of (a) four empirical assumptions (numbers 1 to 4) about the organization of political interests and governmental response; and (b) a premise (number 5) about the purposes of government and its proper ends. First we will consider the empirical assumptions:

In the smoking-health controversy, it is very difficult to define or to assess the interests of the smoking public or non-smokers. The smoking public may well value its smoking pleasure more than its future health, and non-smokers appear uninterested in the issue. Furthermore, the interests of individual tobacco companies in government action sometimes conflict, and health interest groups have been wary of the issue, fearing that their efforts might provoke the ire of their contributors and volunteers who

controversy has clearly been defined by the organized interests involved. Last has highlighted several basic points which we will consider in light

of our study:

1. Organized groups are homogeneous and easy to define, sometimes monopolistic. Any duly elected spokesman for any interest is taken as speaking in close approximation for each and every member.
2. Organized interests pretty much fill up and adequately represent most of the sectors of our lives, so that one organized group can be found effectively answering and blocking some other organized group as it seems to prosecute its claims against society.¹⁰
3. Interest group liberalism assumes that "conservatism" usually crops up somehow. Where it does not, government ought to help create it.¹¹
4. A grant of broad powers to administration is not a grant of power at all. It is an imposition of ignorance.¹²
5. The role of government is one of ensuring access particularly to the most effectively organized, and of ratifying their agreements and adjustments worked out among the competing leaders and their claims.¹³

These assumptions are actually a set of (a) four empirical assumptions

(number 1 to 4) about the organization of political interests and govern-

mental response; and (b) a premise (number 5) about the purposes of

government and its proper ends. First we will consider the empirical

assumptions:

In the smoking-health controversy, it is very difficult to define or measure the interests of the smoking public or non-smokers. The smoking industry will value its smoking pleasure more than its future health, and smokers appear uninterested in the issue. Furthermore, the interests of individual tobacco companies in government action sometimes conflict, and interest groups have been wary of the issue, fearing that their efforts might provoke the ire of their contributors and volunteers who

smoke or their tax exempt status. Thus, the organized interests involved in the smoking-health controversy are neither homogeneous nor as easy to define as the assumptions of interest group liberalism would have it.

Anti-smoking as well as pro-smoking economic interests are well represented in each of our three countries. The smoking-health controversy grew out of the awareness of members of already well-established groups who were able to mobilize resources within these groups and, to some extent, form new groups of their own to push their ends.

However, the smoking health problem is not the sole or even the most important concern of the health interest groups. Interest in cigarette smoking is an offshoot of interest in a number of specific diseases including lung cancer, emphysema and heart disease. And while pro-smoking economic interests can clearly see the logic of collective action and cooperation, competition for markets and profits have somewhat divided their response to the controversy and especially to particular government actions or suggestions. This situation is clear in each of the three countries we have examined although the degree of internal conflict differs.

Lowi suggested that interest-group liberalism assumes that "'countervailing power' usually crops up somehow. Where it does not, government ought to help create it." ²⁴ In our present cases, government policies have benefited and helped organize both tobacco growers and anti-smoking health interest groups, although the government's rationale has never been to help establish new interest groups or countervailing power. This pattern clearly holds in all three countries where governments can be seen as contributing directly or indirectly to the development of countervailing power on the smoking-health issue. The presence of organized interest groups or

smoke or their tax-exempt status. Thus, the organized interests involved in the smoking-health controversy are neither homogeneous nor as easy to define as the assumptions of interest group liberalism would have it. Anti-smoking as well as pro-smoking economic interests are well represented in each of our three countries. The smoking-health controversy grew out of the awareness of members of already well-established groups who were able to mobilize resources within their groups and, to some extent, form new groups of their own to push their ends. However, the smoking health problem is not the sole or even the most important concern of the health interest groups. Interest in cigarette smoking is an offshoot of interest in a number of specific diseases including lung cancer, emphysema and heart disease. And while pro-smoking economic interests can clearly see the logic of collective action and cooperation, competition for markets and profits have somewhat divided their response to the controversy and especially to particular government actions or regulations. This situation is clear in each of the three countries we have examined although the degree of internal conflict differs. I have suggested that interest-group liberalism assumes that "countervailing power" usually crops up somehow. Where it does not, government ought to help create it." 24 In our present cases, government policies have benefited and helped organize both tobacco growers and anti-smoking health interest groups, although the government's rationale has never been to help establish new interest groups or countervailing power. This pattern clearly holds in all three countries where governments can be seen as countervailing directly or indirectly to the development of countervailing power in the smoking-health issue. The presence of organized interest groups or

government support of them is no assurance that they will have success in obtaining desired public policies. As we have noted, governments are divided internally on the smoking-health issue in all three countries we have considered,

Lowi has criticized the vague delegation of powers by Congress to administrators. He has suggested that such delegation is an imposition of impotence unless it has been clearly guided by statutes.²⁵ FTC and FCC actions in response to the smoking-health controversy are a clear exception to Lowi's expectation of administrative impotence. While industry groups have challenged regulatory agency actions as going beyond congressional mandate, in reality no mandates, only policy directions exist. FTC and FCC actions may have been in part a challenge to Congress to act. The smoking-health case is an exception to interest-group liberalism in so far as there has been a vigorous agency response in an area in which there is no clear statutory mandate.

Lowi's premise of interest-group liberalism, that the role of government is one of ensuring access, would at least superficially appear to work better in stable policy areas, and with old issues rather than with new issues that cut across previously established policy areas. Yet, Lowi's evaluation of interest-group liberalism appears too pessimistic in light of this study. His argument that interest groups are often closely identified with one governmental agency which acts in some way to protect them, and that interest groups in one field rarely intrude in areas outside their authorized boundary, implies that in the end the public is harmed.

The ability of interest groups to capture government agencies may sometimes work to change policy in the interest of a broader public, as seems to have happened in policy toward smoking in the United States. The

Government support of them is no assurance that they will have success in obtaining desired public policies. As we have noted, governments are divided internally on the smoking-health issue in all three countries we have considered.

Lowi has criticized the vague delegation of powers by Congress to administrators. He has suggested that such delegation is an imposition of ignorance unless it has been clearly guided by statutes. If the actions in response to the smoking-health controversy are a clear exception to Lowi's expectation of administrative ignorance. While interest groups have challenged regulatory agency actions as going beyond congressional mandate, in reality no mandates, only policy directions exist. If and if actions may have been in part a challenge to Congress to act. The smoking-health case is an exception to interest-group liberalism in so far as there has been a vigorous agency response in an area in which there is no clear statutory mandate.

Lowi's premise of interest-group liberalism, that the role of government is one of ensuring access, would at least superficially appear to work better in stable policy areas, and with old issues rather than with new issues that cut across previously established policy areas. Yet, Lowi's evaluation of interest-group liberalism appears too pessimistic in light of this study. His argument that interest groups are often closely identified with one governmental agency which acts in some way to protect them, and that interest groups in one field rarely intrude in areas outside their authorized boundary, implies that in the end the public is harmed. The ability of interest groups to capture government agencies may sometimes work to change policy in the interest of a broader public, as it has to have happened in policy toward smoking in the United States. The

health interests did manage to get their preferences enacted into policy in some agencies and this pushed other agencies to respond as well.

As we have shown by these specific examples, the concept of interest group liberalism has not materially enhanced our analysis of government's response to the smoking-health controversy.

Lowi has suggested elsewhere that political relationships are determined by the type of policy at stake.²⁶ Thus, distinctive types of policy relationships are likely to be found within "issue areas." He has suggested three functional categories of public policies; distribution, regulation, and redistribution, each of which he argued "tends to develop its own characteristic political structure, political process, elites and group relations."²⁷ We have found it impossible to apply these categories to the smoking-health controversy.

Aucoin examined the difficulty in categorizing issue areas and noted that Lowi's approach

... usually does not distinguish between what government policy-makers intended, what the output of the public process actually is, what the outcomes or consequences of the policy output are, nor how outputs and outcomes are perceived by the policy-makers themselves, groups opposing them, public opinion, or even analysts. A government policy, therefore, can be given several interpretations by the component sections of the political system.²⁸

The interpretation of public policy is closely related to who is making the evaluation. These different interpretations depend on how much actor defines the problem and his goals. What appears to be regulation to one party may appear as redistribution for another. Government policy makers seem to accept the belief that legislation has equal impact on all tobacco companies. The smoking-health controversy in all three countries clearly indicates that health warnings, pressure on coupon and gift schemes, emphasis

health interests did manage to get their preferences carried into policy in some agencies and this pushed other agencies to respond as well. As we have shown by these specific examples, the concept of interest group literature has not materially enhanced our analysis of government's response to the smoking-health controversy.

Loel has suggested elsewhere that political relationships are determined by the type of policy at stake.²⁶ Thus, distinctive types of policy relationships are likely to be found within "issue areas." He has suggested three functional categories of public policy: distribution, regulation, and redistribution, each of which he argued "tends to develop its own characteristic political structure, political process, elites and group relations."²⁷ We have found it impossible to apply these categories to the smoking-health controversy.

Amosin examined the difficulty in categorizing issue areas and noted that Loel's approach

... usually does not distinguish between what government policymakers intended, what the output of the public process actually is, what the outcomes or consequences of the policy output are, nor how outputs and outcomes are perceived by the policy-makers themselves, groups opposing them, public opinion, or even analysts. A government policy, therefore, can be given several interpretations by the component sections of the political system.²⁸

The interpretation of public policy is closely related to who is making the evaluation. These different interpretations depend on how much actor defines the problem and his goals. What appears to be regulation to one party may appear as redistribution for another. Government policy makers seem to accept the belief that legislation has equal impact on all tobacco companies. The smoking-health controversy in all three countries clearly indicates that health warnings, pressure on coupon and gift schemes, companies

on filters, tar and nicotine measures, and advertising bans all differentially affect cigarette manufacturers. What seems to be simple regulation to one tobacco company may appear to be forced redistribution of markets to another. Public policy in the area of smoking and health contains many government actions (some of which may directly conflict with each other) that may be categorized as regulatory, distributive or redistributive, and hence Lowi's categories are not utilized best in describing the smoking-health controversy at any particular point in time.

Thus, Lowi's concepts are difficult to apply to a whole policy area where there are many different decisions, in quite separate subareas of policy. The smoking-health controversy is affected by policies in several, commonly separate areas: agriculture, taxation, exports, health, and cigarette use by minors, etc. Efforts to simply categorize policy in such disparate areas is impossible.

Distinctive systems may regulate policy in certain areas, but this is debatable. Lowi's model may work best in explaining policy areas that are stable over time, unlike our present cases. While a pattern of policy outcomes may exist at one point in time it may well shift over time. Lowi's categories do not sensitize as to perceptual shifts or to changes in functional categories over time. Thus, in the smoking-health controversy government efforts have shifted from regulation to redistribution with only the outcomes indicating a shift in public policy. Manufacturers who have benefited from such redistributive policy appear to be economically more stable (perhaps less interested in diversification) than their competitors who view government policy as inimical to their market shares and potential profits.

of filters, tar and nicotine measures, and advertising bans all directly and indirectly affect cigarette manufacturers. What seems to be a simple regulation to one tobacco company may appear to be forced redistribution of wealth to another. Public policy in the area of smoking and health contains many government actions (some of which may directly conflict with each other) that may be categorized as regulatory, distributive or redistributive, and hence Lowi's categories are not utilized best in describing the smoking-health controversy at any particular point in time. Thus, Lowi's concepts are difficult to apply to a whole policy area where there are many different decisions, in quite separate subareas of policy. The smoking-health controversy is affected by policies in several, commonly separate areas: agriculture, taxation, exports, health, and cigarette use by minors, etc. Efforts to study cigarette policy in such disparate areas is impossible.

Distributive systems may regulate policy in certain areas, but this is debatable. Lowi's model may work best in explaining policy areas that are stable over time, unlike our present cases. While a pattern of policy outcomes may exist at one point in time it may well shift over time. Lowi's categories do not sensitize us to perceptual shifts or to changes in functional categories over time. Thus, in the smoking-health controversy government efforts have shifted from regulation to redistribution with only the outcomes indicating a shift in public policy. Manufacturers who have benefited from such redistributive policy appear to be economically more stable (perhaps less interested in diversification) than their competitors who view government policy as inimical to their market shares and potential profits.

5. Competitive Government

A fourth model of political reality appears to explain more of government's response to the smoking-health controversy than the preceding three. Governments might be examined as a series of interest groups competing among themselves to control public policies while maximizing their own interests and those of their client groups. In this situation the goal of government might be to maximize such competition to facilitate the solution of public problems. This model would emphasize the variety, level, and geographical distribution of possible participants in the policy-making process. Thus we can focus on either the competitive process or on the participants. Two political observers have tried to explain and praise the sort of confusion of governmental efforts so apparent in smoking and health, confusion that results from the competition between seemingly unconnected actors facing a problem that affects them all.

Morton Grodzins has extolled the U.S. federal system of government and the positive benefits of the apparent confusion of governmental powers and efforts.²⁹ He has emphasized the competition between governments to solve public problems. In explaining Grodzins' views Daniel Elazar wrote:

Stated broadly, his hypothesis views the American system of government as functionally analogous to a marble cake of shared activities and services even though it is formally structured (like a layer cake) in three planes. Despite the great increase in the velocity of government in the twentieth century, the American system remains decentralized, democratic, and responsive to the public because there is a little chaos built into it. At one level, this chaos promotes sharing because it prevents any single government or governmental plane from gaining exclusive jurisdiction and power in any area of governmental concern. At a second level, the chaos allows citizens to utilize multiple cracks (in the double sense of wallops from outside the system, and fissures in the system itself) to gain their ends.³⁰

A fourth model of political reality appears to explain some of government's response to the smoking-alcohol controversy from the preceding three. Government might be examined as a series of interest groups competing among themselves to control public policies while maximizing their own interests and those of their client groups. In this situation the goal of government might be to maximize such competition to facilitate the solution of public problems. This model would emphasize the variety, level, and geographical distribution of possible participants in the policymaking process. Thus we can focus on either the competitive process or on the participants. Two political observers have tried to explain and praise the sort of confusion of governmental efforts so apparent in solving and health, confusion that results from the competition between seemingly unconnected actors facing a problem that affects them all.

Porter Grodzins has extolled the U.S. federal system of government and the positive benefits of the apparent confusion of governmental powers and efforts.²⁹ He has emphasized the competition between governments to solve public problems. In explaining Grodzins' view Daniel Elazar wrote:

Stated broadly, his hypothesis views the American system of government as functionally analogous to a marble game of shared activities and services even though it is formally structured (like a layer cake) in three planes. Despite the great increase in the velocity of government in the twentieth century, the American system remains decentralized, democratic, and responsive to the public because there is a little going on in it. At one level, this causes confusion because it prevents any single government or governmental plane from gaining exclusive jurisdiction and power in any area of governmental concern. At a second level, the chaos allows citizens to utilize multiple channels (in the double sense of walking from outside the system, and finance in the system itself) to rain their ends.³⁰

Thus, Grodzins might have argued that without a little chaos, governmental response to the smoking-health controversy might have been even slower and less effective than it has been. Access may have been better assured in unstable policy areas, where no governmental unit or level has had exclusive jurisdiction and power, than in less chaotic well-established policy areas. Thus, the division of powers and responsibilities between governmental units at different levels of government, as well as within individual levels, may have positively affected smoking and health policy.

William A. Niskanen, Jr., in his book Bureaucracy and Representative Government, examined the apparent conflict and confusion between governmental units within a single government and took this argument still further.³¹ He suggested that it is the high cost of government actions, without any guarantee of benefits, that inhibits government efforts, and that "the standard way of reducing the costs of such experiments is to make small, piecemeal changes; this is entirely appropriate, and, in the absence of a revolution, all that can be expected." The U.S., Great Britain and Canada have experimented with a progression of policies designed to reduce the illness and death associated with cigarette smoking. But, the problem has been intractable, with no assurance of success with any of the policies put forward to deal with the health consequences of smoking.

Niskanen also suggested that "the most important change in the present structure of bureaucracy would be to increase the competition among bureaus in the supply of the same or similar services."³² The results of such competition are visible in the broad range and variety of governmental responses to the smoking-health controversy. In the smoking-health case agencies did compete with each other when structures and customs permitted.

Thus, Friedman might have argued that without a little chaos, governmental

response to the smoking-health controversy might have been even slower and less effective than it has been. Access may have been better secured in unstable policy areas, where no governmental unit or level has had exclusive jurisdiction and power, than in less chaotic well-established

policy areas. Thus, the division of powers and responsibilities between governmental units at different levels of government, as well as within individual levels, may have positively affected smoking and health policy.

William A. Mishner, Jr., in his book *Bureaucracy and Incentive* (Government), examined the apparent conflict and confusion between governmental units within a single government and took this argument still further. He suggested that it is the high cost of government actions, without any guarantee of benefits, that inhibits government efforts, and that "the standard way of reducing the costs of such experiments is to make small, piecemeal changes; this is entirely appropriate, and, in the

absence of a revolution, all that can be expected." The U.S., Great Britain and Canada have experimented with a progression of policies designed to reduce the illness and death associated with cigarette smoking. But, the problem has been intractable, with no assurance of success with any of the policies put forward to deal with the health consequences of smoking.

Mishner also suggested that "the most important change in the present structure of bureaucracy would be to increase the competition among bureaus in the supply of the same or similar services." The results of such competition are visible in the broad range and variety of governmental responses to the smoking-health controversy. In the smoking-health controversy, agencies did compete with each other when structures and cultures permitted.

Competition between government administrative agencies occurs if it is not artificially constrained by government policy. Within the private sector, market competition within tobacco industries had led to changes in the cigarettes produced that appear to have reduced the hazards of smoking. Niskanen commented: "The coordination of related programs has an intuitive appeal, but the benefits of such coordination have always been a little vague." ³³ The absence of close coordination among authorities in the smoking-health controversy may have produced a much more substantial overall effort than would have been produced by a coordinated program that was intuitively more appealing.

Summary

Based upon our experience in examining the smoking-health controversy in three countries, several of our findings appear important in explaining public policy. First, the ground rules established by government define agency responsibility, who can act and how they can act in responding to a public problem. Much research has either held as constant or taken for granted the variable role of government in the policy process. More attention should be paid to the role of government in this process. Wolff's "referee theory" and the concepts of structural and positional policies focus our attention to this point.

Second, two kinds of competition help us understand both industry and government response to the smoking-health controversy. In this section we have emphasized competitive governments (competition between agencies and between levels of government), and in an earlier section we found that market structures and competition are important in determining the response of business to the smoking-health controversy. While the image of government as orchestrator of competition between private interests is a familiar

Coordination between government administrative agencies occurs if it is not artificially constrained by government policy. Within the private sector, market competition within tobacco industries had led to changes in the cigarettes produced that appear to have reduced the hazards of smoking. Niskanen commented: "The coordination of related programs has been a little vague." [3] The absence of close coordination among authorities in the smoking-health controversy may have produced a much more substantial overall effort than would have been produced by a coordinated program that was intuitively more appealing.

CONCLUSIONS

Based upon our experience in examining the smoking-health controversy in three countries, several of our findings appear important in explaining public policy. First, the ground rules established by government define agency responsibility, who can act and how they can act in responding to a public problem. Much research has either held as constant or taken for granted the variable role of government in the policy process. More attention should be paid to the role of government in this process. Wolff's "reflex theory" and the concepts of structural and positional policies focus our attention to this point.

Second, two kinds of competition help us understand both industry and government response to the smoking-health controversy. In this section we have emphasized competitive governments (competition between agencies and between levels of government), and in an earlier section we found that market structures and competition are important in determining the response of business to the smoking-health controversy. While the issue of government as orchestrator of competition between private interests is a familiar

one, much less attention has been paid to the possible benefits of competition both between and within levels of government. In the smoking and health case, it is apparent that more vigorous governmental efforts were undertaken where agencies and levels of government were relatively autonomous and competitive. It is also true, to be sure, that the problem raised by the anti-smoking interests remains everywhere far from solution.

one, much less attention has been paid to the possible benefits of competition both between and within levels of government. In the smoking and health case, it is apparent that more vigorous governmental efforts were undertaken where agencies and levels of government were relatively autonomous and competitive. It is also true, to be sure, that the problem raised by the anti-smoking interests remains everywhere far from solution.

[

Footnotes - Chapter XV

1. Michael Stern, "Britain Tightening Curbs on Cigarettes," The New York Times, September 16, 1972.
2. Canada and especially Great Britain have higher tobacco and cigarette tax rather than in the U.S. The Canadian tobacco industry has voluntarily limited tar and nicotine contents of its cigarettes and eliminated all gift coupon schemes.
3. Robert W. Rudd, "A Policy Prescription for Tobacco in the Seventies," Social and Economic Issues Confronting the Tobacco Industry in the Seventies, ed., A. Frank Bordeaux, Jr. and Russell H. Brannon (Lexington, Kentucky: College of Agriculture and Center for Developmental Change, University of Kentucky, February, 1972), p. 299.
4. The British government will begin publishing tar and nicotine test results in 1973.
5. Charles E. Lindblom, The Intelligence of Democracy: Decision Making Through Mutual Adjustment (New York: The Free Press, 1965), p. 229.
6. Maurine B. Neuberger, Smoke Screen: Tobacco and the Public Welfare (Englewood Cliffs, New Jersey: Prentice-Hall, Inc., 1963), p. 69.
7. Gabriel Kolko, The Triumph of Conservatism: A Reinterpretation of American History, 1900-1916 (New York: Free Press of Glencoe, 1963), p. 294.
8. Ibid., p. 304.
9. Ibid., p. 290.
10. Ibid., p. 3.
11. Ibid., p. 4.
12. See for example, David B. Truman, The Governmental Process: Political Interests and Public Opinion (New York: Alfred A. Knopf, 1962); Robert Dahl, Who Governs (New Haven: Yale University Press, 1961); and Theodore J. Lowi, The End of Liberalism: Ideology, Policy, and the Crisis of Public Authority (New York: W.W. Norton & Company, Inc., 1969).

Footnotes - Chapter XV

1. Michael Stern, "Britain Tightening Curbs on Cigarettes," The New York Times, September 16, 1973.
2. Canada and especially Great Britain have higher tobacco and cigarette tax rates than in the U.S. The Canadian tobacco industry has voluntarily limited tar and nicotine contents of its cigarettes and eliminated all gift coupon schemes.
3. Robert W. Rudd, "A Policy Prescription for Tobacco in the Seventies," Social and Economic Issues Confronting the Tobacco Industry in the Seventies, ed. A. Frank Bordenaux, Jr. and Russell H. Branson (Lexington, Kentucky: College of Agriculture and Center for Developmental Change, University of Kentucky, February, 1973), p. 299.
4. The British government will begin publishing tar and nicotine test results in 1973.
5. Charles E. Lindholm, The Intelligence of Democracy: Political Mobilization Through Mutual Adjustment (New York: The Free Press, 1969), p. 230.
6. Maurice B. Kauter, Smoke Screens: Tobacco and the Public Welfare (Englewood Cliffs, New Jersey: Prentice-Hall, Inc., 1969), p. 67.
7. Gabriel Kolko, The Triumph of Conservatism: A Reinterpretation of American History, 1900-1912 (New York: Free Press of Glencoe, 1963), p. 294.
8. Ibid., p. 304.
9. Ibid., p. 290.
10. Ibid., p. 3.
11. Ibid., p. 4.
12. See for example, David B. Truman, The Governmental Process: Political Development and Public Opinion (New York: Alfred A. Knopf, 1955); Robert Dahl, Who Governs? (New Haven: Yale University Press, 1957); and Theodore J. Lowi, The End of Liberalism: Ideology, Policy, and the Crisis of Public Action (New York: W.W. Norton & Company, Inc., 1969).

13. Robert Paul Wolff, "Beyond Tolerance," A Critique of Pure Tolerance, ed., Robert Paul Wolff, Barrington Moore, Jr., and Herbert Marcuse (Boston: Beacon Press, 1965), p. 11.
14. Ibid.
15. Robert Salisbury and John Heinz, "A Theory of Policy Analysis and Some Preliminary Applications," Policy Analysis in Political Science, ed., Ira Sharkansky (Chicago: Markham Publishing Company, 1970), p. 43.
16. Peter Aucoin, "Theory and Research in the Study of Policy-Making," The Structure of Policy-Making in Canada, ed., G. Bruce Doern and Peter Aucoin (Toronto: The MacMillan Company of Canada, 1971), p. 25. E.E. Schattschneider had earlier made almost this same point in suggesting that "Some issues are organized into politics while others are organized out." E.E. Schattschneider, The Semi-Sovereign People: A Realist's View of Democracy in America (New York: Holt, Rinehart and Winston, 1961), p. 71. Also see David Adamany, "The Political Science of E.E. Schattschneider, A Review Essay," The American Political Science Review, LXVI (December, 1972), p. 1333.
17. Wolff, p. 11.
18. Lowi, p. 71.
19. Ibid.
20. Ibid.
21. Ibid.
22. Ibid., p. 156.
23. Ibid., p. 71.
24. Ibid.
25. Ibid., p. 154.
26. Theodore Lowi, "American Business, Public Policy, Case Studies and Political Theory," World Politics, XVI (July, 1964), pp. 677-715.
27. Ibid., p. 689.
28. Aucoin, p. 22.
29. Morton Grodzins, The American System: A New View of Government in the United States (Chicago: Rand McNally and Company, 1966), pp. 3-17.

13. Robert Paul Wolff, "Beyond Tolarence," A Critique of Pure Tolarence, ed., Robert Paul Wolff, Harrington Moore, Jr., and Robert L. May (Boston: Beacon Press, 1965), p. 11.

14. Ibid.

15. Robert Salisbury and John Heinz, "A Theory of Policy Analysis and Some Preliminary Applications," Political Analysis in Political Science, ed., Iva Sharkansky (Chicago: Markham Publishing Company, 1970), p. 43.

16. Peter Auloin, "Theory and Research in the Study of Policy-Making," The Structure of Policy-Making in Canada, ed., G. Bruce Doorn and Peter Auloin (Toronto: The Canadian Company of Canada, 1971), p. 22. E.E. Schattschneider had earlier made almost this same point in suggesting that "some issues are organized into politics while others are organized out." E.E. Schattschneider, The Party Government People: A Realist's View of Democracy in America (New York: Holt, Rinehart and Winston, 1949), p. VI. Also see David Adamany, "The Political Science of E.E. Schattschneider, A Review Essay," The American Political Science Review, LXVI (December, 1972), p. 1333.

17. Wolff, p. 11.

18. Lowi, p. 71.

19. Ibid.

20. Ibid.

21. Ibid.

22. Ibid., p. 126.

23. Ibid., p. 71.

24. Ibid.

25. Ibid., p. 124.

26. Theodore Lowi, "American Business, Public Policy, Case Studies and Political Theory," World Politics, XVI (July, 1964), pp. 677-712.

27. Ibid., p. 689.

28. Auloin, p. 22.

29. Morton Grodzins, The American System: A New View of Government in the United States (Chicago: Rand McNally and Company, 1960), pp. 3-17.

30. Ibid., pp. v-vi. For another discussion of the rationality of the apparent confusion of governmental units, see Robert L. Bish, The Public Economy of Metropolitan Areas (Chicago: Markham Publishing Company, 1971).
31. William A. Nishanen, Jr., Bureaucracy and Representative Government (New York: Aldine Atherton, 1971).
32. Ibid., p. 195.
33. Ibid., p. 196.

30. Id., pp. v-vi. For another discussion of the rationality of the apparent conclusion of governmental units, see Robert L. Egan, The Use of the Theory of Rationality in Governmental Decision-Making (Chicago: Markham Publishing Company, 1971).
31. William A. Niskanen, Jr., Bureaucracy and Representative Government (New York: Aldine De Gruyter, 1971).
32. Id., p. 195.
33. Id., p. 196.

BIBLIOGRAPHY

BIBLIOGRAPHY

[

BIBLIOGRAPHY

Articles

- Adams, David. "The Political Science of E.E. Schattschneider, A Review Essay," The American Political Science Review, LXVI (December, 1972), pp. 1321-1335.
- "As Tobacco Goes, So Goes the Retailer," Tobacco News, VI (Fall, 1964).
- Aucoin, Peter. "Theory and Research in the Study of Policy-Making," in Doern, G. Bruce, and Aucoin, Peter (eds.), The Structure of Policy-Making in Canada (Toronto: The MacMillan Company of Canada, 1971), pp. 10-39.
- Beer, Samuel H. "Pressure Groups and Parties in Britain," American Political Science Review, L (March, 1956), pp. 1-23.
- "Behind the Smoke Screen," The Wall Street Journal, Marcy 16, 1964.
- Bender, Marilyn. "Loews and Its 'Mutual Fund,'" The New York Times, February 18, 1973.
- Braden, Johnny. "Tobacco Acreage and Yields -- Trends and Prospects," Tobacco Situation, March, 1971, pp. 32-38.
- Braden, Johnny, and Miller, Robert H. "Trends and Prospects for Tobacco Labor," Tobacco Situation, June, 1970, pp. 37-44.
- "British Are Seeking a Safer Cigarette," The New York Times, March 19, 1972.
- "British Manufacturers, Government Agree on Package and Advertising Label Code," Tobacco Reporter, XCVIII (September, 1971), pp. 53-56.
- "Burley's Brief Freedom," The Wall Street Journal, November 22, 1966.
- "Canada Proposes Total Cigarette-Ads Ban, Tar-Nicotine Limits, Inspection, Warnings," The Wall Street Journal, June 11, 1971.
- "Canadian Physicians Need Federal Support to Help Patients Kick the Smoking Habit," The Canadian Medical Association Journal, CII (January 31, 1970), pp. 131-132.

"The Tobacco Goes, So Goes the Retailer," Tobacco News, VI (Fall, 1964).

104. Samuel H. "Pressure Groups and Parties in Britain," American Political Science Review, I (March, 1936), pp. 1-23.

5044 the smoke screen," The Wall Street Journal, March 16, 1964.

Robert Kennedy, "Jews and the Mutual Fund," The New York Times, February 18, 1973.

Tobacco Situation, March, 1971, pp. 31-38.
 Tobacco, Johnny. "Tobacco Acreage and Yields -- Trends and Prospects,"

Wagner, Johnny and Miller, Robert H. "Trends and Prospects for Tobacco Labor," Tobacco Situation, June, 1970, pp. 37-44.

1937.
"Which Are Smoking a Safer Cigarette," The New York Times, March 19.

British Manufacturers, Government Agree on Package and Advertising Label
Model Tobacco Packet, X/711 (September, 1971), pp. 53-56.

"Today's Brief Traction," The Wall Street Journal, November 22, 1966.

"The FBI first learned of the proposed assassination of President Kennedy from a confidential source who provided information on June 11, 1971." The FBI received information from a confidential source on June 11, 1971.

14-00000, pp. 111-112.

"Canadians to End Ads for Tobacco," The New York Times, September 22, 1971.

"Cigarette Advertising Battle Looms," The Times (London), January 7, 1967.

"A Cigarette Advertising Code," The Canadian Medical Association Journal, XCII (January 16, 1965), pp. 134-135.

"Cigarette Advertising: Deceptive and Against the Public Interest?," Kansas Law Review, XVII (June, 1969), pp. 684-697.

"Cigarette Coupons Face New Threat," The Times (London), February 11, 1967.

"Cigarette Curb to be Broken: Firm Seeking TV Advertising," The Times (London), January 6, 1967.

"Cigarette Sales: The Tangled Issues," The Times (London), October 24, 1967.

"Cigarette Smoking and Cardiovascular Disease," The Canadian Medical Association Journal, XVIII (June 8, 1963), p. 1175.

"Cigarette Smoking Shows Sharp Drop After British Study," The New York Times, February 6, 1972.

Clements, Earle C. "Where the Tobacco Industry Stands," Illinois Association of Tobacco Distributors, 1967 Yearbook, pp. 30-32.

Corina, Maurice. "Cigarettes: Why the War Turned Milder," The Times (London), July 8, 1967.

Corina, Maurice. "Tobacco Men Warn Coupon Ban May Threaten 10,000 Jobs," The Times (London), October 24, 1967.

Corina, Maurice. "Why the Boss of Carreras Bowed Out," The Times (London), July 19, 1967.

"Cut Smoking on Television, Says Safety Council," The Times (London), October 20, 1969.

Daily Telegraph, January 28, 1967.

"Dangerous Lengths: The Federal Crusade Against Smoking Has Gone too Far," Barron's, October 2, 1967.

David, Morris. "Some Neglected Aspects of British Pressure Groups," Midwest Journal of Political Science, VII (February, 1963), pp. 42-53.

- "Cigarettes to End Ads for Tobacco," The New York Times, Section 22, 1967.
- "Cigarette Advertising Battle Loses," The Times (London), January 7, 1967.
- "Cigarette Advertising Code," The Canadian Medical Association Journal, XLI (January 10, 1965), pp. 154-155.
- "Cigarette Advertising: Deceptive and Against the Public Interest," Foreign Law Review, XVII (June, 1967), pp. 684-697.
- "Cigarette Coupons Face New Threat," The Times (London), February 11, 1967.
- "Cigarette Curb to be Broken: Film Seeking TV Advertising," The Times (London), January 6, 1967.
- "Cigarette Sales: The Tangled Issue," The Times (London), October 24, 1967.
- "Cigarette Smoking and Cardiovascular Disease," The Canadian Medical Association Journal, XLI (June 8, 1965), p. 1155.
- "Cigarette Smoking Shows Sharp Drop After British Study," The New York Times, February 6, 1972.
- Clements, Earle C. "Where the Tobacco Industry Stands," Illinois Annualism of Tobacco Education, 1967 Yearbook, pp. 30-32.
- Corina, Maurice. "Cigarettes: Why the War Turned Milder," The Times (London), July 8, 1967.
- Corina, Maurice. "Tobacco Men Warn Common Ban May 'Treaten 10,000 Jobs,'" The Times (London), October 24, 1967.
- Corina, Maurice. "Why the Boss of Cigarettes Bowed Out," The Times (London), July 19, 1967.
- "Cut Smoking on Television, Says Safety Council," The Times (London), October 20, 1969.
- Daily Telegraph, January 28, 1967.
- "Dangerous Deceits: The Federal Crusade Against Smoking Has Gone Too Far," Parade, October 2, 1967.
- David, Morris. "Some Neglected Aspects of British Pressure Groups," British Journal of Political Science, VII (February, 1967), pp. 41-57.

- "Deadlock in Move Against Cigarette Coupons: Imperial Tobacco Rejects Ministry Formula," The Times (London), December 10, 1966.
- "Deadlock on Cigarette Publicity," The Times (London), December 10, 1966.
- "Diversification, 1969," Tobacco Reporter, XCVI (November, 1969), pp. 21, 40.
- "Diversification Moves in 1971," Tobacco Reporter, XCVIII (December, 1971), pp. 12-13, 17-22, 62.
- "A Double Blow for Cigarettes?," The Times (London), March 6, 1967.
- Dougherty, Philip H. "Advertising: Anti-Smoking Spots," The New York Times, July 21, 1969.
- Dougherty, Philip H. "Advertising: Anti-Smoking Spots Multiply," The New York Times, October 6, 1967.
- Drew, Elizabeth B. "The Cigarette Companies Would Rather Fight Than Switch," The New York Times Magazine, May 4, 1969, pp. 36-37, 129-133.
- Drew, Elizabeth B. "The Quiet Victory of the Cigarette Lobby: How It Found the Best Filter Yet -- Congress," Atlantic Monthly, September, 1965, pp. 76-80.
- "Editorial: Breaking Bad Habits," The Wall Street Journal, December 28, 1964.
- "Editorial: The Cigarette Message," The New York Times, August 22, 1967.
- "Embattled Tobacco's New Strategy," Fortune, January, 1963, pp. 100-102, 120, 125-126, 131.
- "End of RPM is Now Hitting Tobacconists," The Times (London), February 4, 1969.
- "Fairness, Freedom and Cigarette Advertising: A Defense of the Federal Communications Commission," Columbia Law Review, LXVII, pp. 1470-1489.
- Fisher, Ben C. "Rule Making Activities in Federal Administrative Agencies," The Administrative Law Review, XVIII (Summer, 1965), pp. 252-262.
- Goodwin, Guy. "Canadian Industry Speaks Out," Tobacco Reporter, XCVI (February, 1969), pp. 33-36.
- "Government-Industry Agreements Will Bring End to Radio TV Cigarette Ads in Canada," Tobacco Reporter, XCVIII (October, 1971), pp. 49-54.

"Leadlock in Move Against Cigarette Coupons: Imperial Tobacco Rejects Ministry Formula," The Times (London), December 10, 1960.

"Readback on Cigarette Publicity," The Times (London), December 10, 1966.

40.
"Diversification, 1969," Tobacco Reporter, XCVI (November, 1969), pp. 21.

1971), pp. 12-13, 14-22, 65.
"Diversification Moves in 1971," Tobacco Reporter, XCVIII (December,

"A Double Blow for Cigarettes," The Times (London), March 6, 1967.

Times, July 21, 1969.
Dougherty, Philip H. "Advertising: Anti-Smoking Spots," The New York

New York Times, October 6, 1967. Dougherty, Philip H. "Advertising: Anti-Smoking Spots Multiply," The

129-133.
Switch," The New York Times Magazine, May 4, 1969, pp. 36-37.
Drew, Elizabeth B. "The Cigarette Companies Would Rather Fight Than

Draw, Elizabeth B. "The Quiet Victory of the Cigarette Lobby: How It Found the Best Filter Yet -- Congress," Atlantic Monthly, September, 1965, pp. 76-80.

"Editorial: Breaking Bad Habits," The Wall Street Journal, December 28, 1984.

"Editorial: The Cigarette Message," The New York Times, August 22, 1967.

120, 125-126, 131.
"Emballated Tobacco's New Strategy," Fortune, January, 1963, pp. 100-102.

"End of RPM is Now Hitting Tobaccoists," The Times (London), February 4, 1989.

1489.
"Fairness, Freedom and Cigarette Advertising: A Defense of the Federal Communications Commission," Columbia Law Review, LXVII, pp. 1470-1489.

The Administrative Law Review, XVII (Summer, 1967), pp. 222-262.
Fisher, Ben C. "Rule Making Activities in Federal Administrative Agencies."

(February, 1960), pp. 33-36.
Goodwin, Guy. "Canadian Industry Speaks Out," Tobacco Reporter, XVII

"Government-Industry Agreements Will Bring End to Radio TV Censorship," Tobacco Reporter, XCVIII (October, 1971), pp. 49-54. Also in Canada,

Grover, Stephen. "Cigarette Ad Spending to Decline Drastically When TV Ban Starts," The Wall Street Journal, September 15, 1970.

Hammer, Alexander R. "Cigarette Men Looking Abroad; Overseas Business Climbs Despite Some Problems," The New York Times, August 6, 1967.

Hammer, Alexander R. "Lag Burns Tobacco Men," The New York Times, January 11, 1970.

Hammond, Cuyler E., and Garfinkel, Lawrence. "Changes in Cigarette Smoking," Journal of the National Cancer Institute (July, 1964), pp. 49-64.

Hammond, Cuyler E., and Garfinkel, Lawrence. "Changes in Cigarette Smoking 1959-1965," American Journal of Public Health, LVIII (January, 1968), pp. 30-45.

Hatfield, Michael. "Going Up in Smoke," The Times (London), September 21, 1970.

Hatfield, S.S. "Research Objectives Emphasize Smoking and Health," The Lighter, XL (Fall, 1970), pp. 5-6.

Hertzberg, Joseph G. "Tobacco Farming: A Problem, High Costs Cast Gloom over Future of Farmers," The New York Times, October 6, 1969.

"How Close is an Improved Cigarette," Tobacco Reporter, XCVI (April, 1969), pp. 17-21.

"Imperial Selling Share in Gallaher," Tobacco Reporter, XCV (June, 1968), p. 66.

"Job Retraining Plan Is Extended by House: Senate Unit Votes Curb on Tobacco Yields," The Wall Street Journal, April 2, 1965.

Kornegay, Horace. "Tobacco's Goal: Closing the Knowledge Gap," The Wilson Daily Times, Wilson, North Carolina, August 6, 1970.

Langer, Susan. "Tobacco Activity Masks Unrest in Industry as Government Smoking Study is Prepared for Release," Science, CXLII (November 15, 1963), pp. 941-942.

"Levy Against Cigarette Firms Sought," The Times (London), November 17, 1970.

Lewis, Anthony. "British to Curb Cigarette Ads," The New York Times, October 25, 1967.

The Lighter, 1965-1972.

Gruber, Stephen. "Cigarette Ad Spending to Double Dramatically Next Year," Wall Street Journal, September 12, 1967.

Hansen, Alexander R. "Cigarette and Food Ad Spending: Cigarette Business Climbs Despite Some Problems," The New York Times, August 6, 1967.

Hansen, Alexander R. "Lag Burns Tobacco Ad," The New York Times, January 11, 1970.

Hannay, Guyler E. and Garfinkel, Lawrence. "Changes in Cigarette Smoking," Journal of the National Cancer Institute (July, 1966), pp. 43-64.

Hannay, Guyler E. and Garfinkel, Lawrence. "Changes in Cigarette Smoking 1950-1965," American Journal of Public Health, LVIII (January, 1968), pp. 3-63.

Hartfield, Michael. "Going Up in Smoke," The Times (London), September 21, 1970.

Hartfield, M.S. "Research Objectives Relative Smoking and Health," The Lancet, XL (July, 1970), pp. 2-6.

Katzberg, Joseph G. "Tobacco Industry: A Problem with Great Cost Over Future of Farmers," The New York Times, October 6, 1969.

"New Close Is an Improved Cigarette," Tobacco Reporter, XVI (April, 1969), pp. 17-21.

"Reported Selling Share in Cigarette," Tobacco Reporter, XCV (June, 1969), p. 63.

"The Retention Plan Is Extended by House: Senate Into Votes Curb on Tobacco Yields," The Wall Street Journal, April 2, 1969.

Katzberg, Joseph. "Tobacco's Goal: Closing the Knowledge Gap," The Wall Street Journal, August 6, 1970.

Katzberg, Joseph. "Tobacco Activity Masks Harsh in Industry as Government Study Is Prepared for Release," Salisbury, CXIII (November 12, 1969), pp. 941-942.

"New Analyst Cigarette Firms Seem," The Times (London), November 17, 1970.

Lewis, Anthony. "British to Curb Cigarette Ads," The New York Times, October 25, 1967.

The Lancet, 1965-1970.

Loew, Theodore. "American Business, Public Policy, Case Studies and Political Theory," World Politics, July, 1964, pp. 676-715.

Lyden, Christopher. "Ban on TV Cigarette Ads Could Halt Free Spots Against Smoking," The New York Times, August 16, 1970.

Mallory, J.R. "The Uses of Legislative Committees," Journal of Canadian Public Administration, VI (March, 1963), pp. 1-15.

McClaren, David. "Time Now for Positive Militant Action," Delhi News Record, January 20, 1971.

The Medical Officer, December 1, 1967.

Miller, Robert H. "U.S.D.A. Tobacco Price Support and Loan Programs," Tobacco Situation, June, 1969, pp. 30-33.

Morris, John D. "Cigarette Ads Up in Publications," The New York Times, January 19, 1972.

Morris, John D. "Cigarette Code on Ads Dropped," The New York Times, October 13, 1970.

Morris, John D. "8 Cigarette Makers to List Tars in Ads," The New York Times, December 24, 1970.

Morris, John D. "The Tobacco Industry Held Losing in Struggle Over Cigarette Ads: Congressional Fight Centers on Freedom to Advertise Without Regard to Health Risks," The New York Times, April 27, 1969.

Morris, John D. "Tobacco Men Bar Evasion of TV Ad Ban," The New York Times, January 9, 1971.

Murphy, Joseph H. "Significance of a Decline in Cigarette Use on Tax Revenues," American Journal of Public Health, LVI (December, 1966), pp. 38-43.

"Mushrooming Give-Away Contests End July 1 in Canada," Tobacco Reporter, XCVII (July, 1970), pp. 57-58.

The New York Times, 1950 to 1972.

"No Smoking Signs on Buses Advised by ICC Examiner," The Wall Street Journal, February 9, 1971.

"Open Letter to all Members of the C.M.A.," The Canadian Medical Association Journal, LXXXVIII (March 16, 1963), p. 589.

Phillips, A.J., and Palko, Michael E. "The Canadian Smoking and Health Programme," Proceedings of the Ninth International Cancer Congress, ed. F.J.C. Harris, Volume X, (Berlin: Springer-Verlag, 1967), pp. 156-159.

158-159.
ed. F.J.C. Harris, Volume X (Berlin: Springer-Verlag, 1967), pp.
Programme, "Proceedings of the Ninth International Cancer Congress,
Phillips, A.J., and Balke, Michael E. "The Canadian Smoking and Health

tion Journal, LXXXVIII (March 16, 1963), p. 389.
"Open Letter to all Members of the C.M.A.A.", The Canadian Medical Association

Journal, February 9, 1971.
"No Smoking Signs on Buses Advised by ICC Examiner," The Wall Street

The New York Times, 1960 to 1972.

XCVII (July, 1970), pp. 27-28.
"Washington Give-Away Contests End July 1 in Canada," Tobacco Reporter,

pp. 38-43.
Revenues," American Journal of Public Health, LVI (December, 1966),
Murphy, Joseph H. "Significance of a Decline in Cigarette Use on Tax

Times, January 9, 1971.
Morris, John D. "Tobacco Men Bar Evasion of TV Ad Ban," The New York

Without Regard to Health Risks," The New York Times, April 27, 1969.
Cigarette Ads: Congressional Fight Centers on Freedom to Advertise
Morris, John D. "The Tobacco Industry Held Losing in Struggle Over

Times, December 24, 1970.
Morris, John D. "8 Cigarette Makers to List Tars in Ads," The New York

October 13, 1970.
Morris, John D. "Cigarette Code on Ads Dropped," The New York Times,

January 19, 1972.
Morris, John D. "Cigarette Ads Up in Publications," The New York Times,

Tobacco Situation, June, 1969, pp. 30-33.
Editor, Robert H. "U.S.D.A. Tobacco Price Support and Loan Programs,"

The Medical Officer, December 1, 1967.

Record, January 20, 1971.

McGowan, David. "Time Now for Positive Militant Action," Daily News

Public Abolition, VI (March, 1963), pp. 1-15.
Mallory, J.R. "The Uses of Legislative Committees," Journal of Canadian

Against Smoking," The New York Times, August 16, 1970.
Lyon, Christopher. "Ban on TV Cigarette Ads Could Halt Free Spots

Political Theory," World Politics, July, 1964, pp. 675-712.
Low, Theodore. "American Business, Public Policy, Case Studies and

"Plans for New Ad Cuts in U.K.," Tobacco Reporter, XCVIII (December, 1971), pp. 52-54.

Polsby, Nelson M.; Gallaher, Miriam; and Rendquist, Barry Spencer. "The Growth of the Seniority System in the U.S. House of Representatives," American Political Science Review, LXIII (September, 1969), pp. 787-807.

R.J. Reynolds. "Presenting the New R.J.R. -- R.J. Reynolds Industries, Inc.," The New York Times, June 30, 1970. (Advertisement.)

Retail Tobacco Builders of America, Inc. et al. "Another Cigarette Tax Increase Means Another Bonanza for Organized Crime," The New York Times, March 29, 1971.

Robertson, Nan. "Witness Against Smoke Warning Got \$3,200 Fee: NYU Educator Was Paid by Tobacco Industry After His Testimony to Senate," The New York Times, August 23, 1967.

Reper, John. "Smoking is Greatest Avoidable Peril," The Times (London), October 22, 1970.

Rothwell, Michael. "Cigarette Advertising Row Boils Up," The Times (London), February 10, 1967.

Salisbury, Robert H. "An Exchange Theory of Interest Groups," Midwest Journal of Political Science, XIII (February, 1969), pp. 1-32.

Salisbury, Robert, and Heinz, John. "A Theory of Policy Analysis and Some Preliminary Applications," in Shanks, Ira (ed.), Policy Analysis in Political Science (Chicago: Markham Publishing Company, 1970), pp. 39-61.

Shapiro, David L. "The Choice of Rule Making or Adjudication in the Development of Administrative Policy," Harvard Law Review, LXXVIII (1965), pp. 921-973.

"Sir Gerald to Step Up War on Smoking," The Times (London), September 1, 1970.

"Smoke Signals of Distress," The Financial Times, October 1, 1966.

"Smoking and Health," Journal of the American Medical Association, CCV (September 2, 1968), p. 695.

"The Smoking Threat," The Wall Street Journal, January 14, 1964.

"State Tobacco Taxes Doubled in Seven Years: Cigarettes Have Become the Subject of Tax Exploitation," Tobacco News, V (April, 1963).

Stern, Michael. "Britain Tightening Curbs on Cigarettes," The New York Times, September 16, 1972.

- "Trends for New Ad Cuts in U.K.," Tobacco Reporter, LXVIII (December, 1971), pp. 52-54.
- Polivy, Nelson M.; Galanter, William; and Kendig, Barry Spencer. "The Growth of the Sententiary System in the U.S. House of Representatives," American Political Science Review, LXVII (September, 1969), pp. 737-837.
- R.J. Reynolds. "Presenting the New R.J.R. -- R.J. Reynolds Industries, Inc.," The New York Times, June 30, 1970. (Advertisement.)
- Retail Tobacco Builders of America, Inc. et al. "Another Cigarette Tax Increase Means Another Bonanza for Organized Crime," The New York Times, March 29, 1971.
- Robertson, Nan. "Witness Against Smoke Warning Got \$3,200 Fee: NYU Educator Was Paid by Tobacco Industry After His Testimony to Senate," The New York Times, August 23, 1967.
- Roper, John. "Smoking is Greatest Avoidable Peril," The Times (London), October 22, 1970.
- Rothwell, Michael. "Cigarette Advertising Row Boils Up," The Times (London), February 10, 1967.
- Salisbury, Robert H. "An Exchange Theory of Interest Groups," Midwest Journal of Political Science, XIII (February, 1969), pp. 1-32.
- Salisbury, Robert, and Heinz, John. "A Theory of Policy Analysis and Some Preliminary Applications," in Shaskansky, Ira (ed.), Policy Analysis in Political Science (Chicago: Markham Publishing Company, 1970), pp. 39-61.
- Shapiro, David L. "The Choice of Rule Making or Adjudication in the Development of Administrative Policy," Harvard Law Review, LXXVIII (1963), pp. 921-973.
- "Sir Gerald to Step Up War on Smoking," The Times (London), September 1, 1970.
- "Smoke Signals of Distress," The Financial Times, October 1, 1966.
- "Smoking and Health," Journal of the American Medical Association, CCV (September 2, 1963), p. 693.
- "The Smoking Threat," The Wall Street Journal, January 14, 1964.
- "State Tobacco Taxes Doubled in Seven Years: Cigarettes Have Become the Subject of Tax Exploitation," Tobacco News, V (April, 1967).
- Stern, Michael. "Britain Tightening Curbs on Cigarettes," The New York Times, September 16, 1972.

Stevens, William K. "Tobacco Farms Changing: Tobacco Farmers in Carolina Yield to the Age of Technology," The New York Times, April 12, 1969.

Tax Administrators News, I (September, 1938), p. 1.

The Times (London), 1960-1972.

"Tobacco and Politics," Tobacco Reporter, XCV (October, 1968), pp. 15-16, 18.

"Tobacco Diversification During 1972," Tobacco Reporter, XCIX (December, 1972), pp. 16, 18.

"Tobacco Drops as Tax Income," Tobacco Reporter, XCVIII (December, 1971), p. 38.

"Tobacco Growers Feel Insecurity as Business Pessimism Mounts," The New York Times, March 30, 1969.

"Tobacco in the ECC," Tobacco Intelligence, XXIII (London: Commonwealth Secretariat, May, 1971), pp. 106-111.

"Tobacco in the National Economy," Congressional Record, January 11, 1973, pp. S471-472.

"Tobacco Industry in Britain Seeks to Protect Youths," The New York Times, April 2, 1962.

"Tobacco Institute Seeks to Diversify," The New York Times, April 16, 1969.

The Tobacco Institute. "After Millions of Dollars and Over 20 Years of Research: The Question About Smoking and Health is Still a Question," The New York Times, December 1, 1970. (Advertisement.)

The Tobacco Institute. "How Much Is Known About Smoking and Health?," The New York Times, February 28, 1969. (Advertisement.)

"Tobacco Used for Cigarettes," Tobacco Situation, September, 1969, pp. 36-38.

"Topics: Government in the Marketplace," The New York Times, February 28, 1970.

Vartan, Vartanig G. "Tobacco Stocks Gain: Diversity Aiding Cigarette Makers," The New York Times, November 1, 1970.

Vecsey, George. "Tobacco Chants Music to Growers' Ear," The New York Times, November 29, 1970.

The Wall Street Journal, 1960-1972.

Stevens, William K. "Tobacco Farms Challenged: Tobacco Farmers in Carolina Yield to the Age of Technology," The New York Times, April 12, 1969.

The Washington News, I (September, 1972), p. 1.

The Times (London), 1969-1972.

"Tobacco and Politics," Tobacco Reporter, XCV (October, 1969), pp. 15-16, 18.

"Tobacco Diversification During 1972," Tobacco Reporter, XCIX (December, 1972), pp. 16, 18.

"Tobacco Prods as Tax Income," Tobacco Reporter, XCVIII (December, 1971), p. 38.

"Tobacco Growers Feel Insecurity as Business Pessimism Mounts," The New York Times, March 30, 1969.

"Tobacco in the ECC," Tobacco Intelligence, XNIII (London: Commonwealth Secretariat, May, 1971), pp. 100-111.

"Tobacco in the National Economy," Congressional Record, January 11, 1973, pp. 2471-472.

"Tobacco Industry in Britain Seeks to Protect Youths," The New York Times, April 2, 1962.

"Tobacco Institute Seeks to Diversify," The New York Times, April 16, 1969.

The Tobacco Institute. "After Millions of Dollars and Over 20 Years of Research: The Question About Smoking and Health is Still a Question," The New York Times, December 1, 1970. (Advertisement.)

The Tobacco Institute. "How Much Is Known About Smoking and Health?" The New York Times, February 28, 1969. (Advertisement.)

"Tobacco Used for Cigarettes," Tobacco Situation, September, 1969, pp. 36-38.

"Tobacco: Government in the Marketplace," The New York Times, February 28, 1970.

Vartan, Vartan G. "Tobacco Stocks Gain: Diversifying Aiding Cigarette Makers," The New York Times, November 1, 1970.

Wadey, George. "Tobacco Grants Music to Growers' Ear," The New York Times, November 29, 1970.

The Wall Street Journal, 1969-1972.

"We Haven't Really Changed the Name, But We Have Changed the Company. We are Now 54 Percent Non-Tobacco," The New York Times, October 13, 1970. (Advertisement.)

Wegman, Richard A. "Cigarettes and Health: A Legal Analysis," Cornell Law Quarterly, LI (Summer, 1966), pp. 678-759.

Weiner, J.B. "The High-Stakes Strategy of American Tobacco," Dun's Review of Modern Industry, LXXXVIII (November, 1966), pp. 43-47, 100, 103-106.

Western, Joe. "U.S. Tobacco Program Once Praised as Model, Runs Into Troubles," The Wall Street Journal, February 14, 1963.

Whiteside, Thomas. "Annals of Advertising: Cutting Down," The New Yorker, December 17, 1970, pp. 42-97.

Whiteside, Thomas. "A Reporter at Large: A Cloud of Smoke," The New Yorker, November 30, 1963, pp. 67-108.

"Why Did the Canadian Games Suddenly Stop?," Tobacco Reporter, XCVII (August, 1970), pp. 34, 36.

Zilkey, Bryan F. "Cigarette Production, Selection, and Smoking Procedures for a Multi-Disciplinary Tobacco and Health Research Program," The Lighter, XLI (Winter, 1971), pp. 9-13.

Books

Barry, E. Eldon. Nationalization in British Politics: The Historical Background. Stanford, California: Stanford University Press, 1965.

Beese, D.H. (ed.). Tobacco Consumption in Various Countries. 3rd ed. Research Paper 6. London: Tobacco Research Council, 1972.

Billings, E.R. Tobacco: Its History, Varieties, Culture, Manufacture and Commerce, with an Account of Its Various Modes of Use, from Its First Discovery Until Now. Hartford, Connecticut: American

Bish, Robert L. The Public Economy of Metropolitan Areas. Chicago: Markham Publishing Company, 1971.

Bordeaux, A. Frank Jr., and Brannon, Russell H. (eds.). Social and Economic Issues Confronting the Tobacco Industry in the Seventies. Lexington, Kentucky: College of Agriculture and Center for Developmental Change, University of Kentucky, February, 1972.

Brecher, Ruth et al. The Consumer's Union Report on Smoking and the Public Interest. Mount Vernon, New York: Consumer's Union, 1963.

"The Brown's Family Chained the Horse, But We Have Grown the Tobacco."
 The New York Times, December 13, 1957. (Advertisement.)

Johnson, Richard A. "Cigarettes and Health: A Social Analysis," *Journal of the American Medical Association*, 1957, pp. 678-700.

Johnson, J.R. "The High-Stakes Strategy of American Tobacco," *Journal of Modern History*, 1957, pp. 47-67.
 1957, 1957-1958.

Johnson, Joe. "U.S. Tobacco Program Once Praised as Model, Now Also Criticized," *The Wall Street Journal*, February 14, 1957.

Kleinberg, Thomas. "Analysis of Advertising: Cutting Power," *The New York Times*, December 14, 1957, pp. 48-49.

Kleinberg, Thomas. "A Reporter at Large: A Cloud of Smoke," *The New York Times*, November 30, 1957, pp. 67-69.

"Did the Canadian Censor Suddenly Stop?" *Tobacco Reporter*, 1957 (August, 1957), pp. 34, 35.

Slavin, Bryan F. "Cigarette Production, Selection, and Smoking Prevalence for a Multi-Disciplinary Tobacco and Health Research Program," *The Tobacco Reporter*, 1957, pp. 9-13.

Bibliography

Berry, E. Elton. "Nationalization in British Politics: The Historical Background," *Cambridge University Press*, 1957.

Isaac, D.H. (ed.). *Tobacco Consumption in Various Countries*. 3rd ed. Research Paper 6. London: Tobacco Research Council, 1957.

Williams, R.R. *Tobacco: Its History, Varieties, Culture, Manufacture and Commerce*. With an account of its various uses of food, drink, and medicine. New York: Macmillan, 1957.

Wright, Robert L. *The Public Economy of Metropolitan Areas*. Chicago: University of Chicago Press, 1957.

Wright, A. Frank Jr., and Brannan, Russell H. (eds.). *Social and Economic Factors Contributing to the Tobacco Industry in the United States*. Lexington, Kentucky: College of Agriculture and Center for Developmental Studies, University of Kentucky, February, 1957.

Wright, Frank Jr. et al. *The Government's Policy Report on Smoking and the Public Health*. New York: Council on Tobacco, 1957.

- Corti, Count (Egan Caesar). A History of Smoking. Translated by Paul England. London: George G. Harrap & Co., Ltd., 1931.
- Cox, Edward F., Fellmuth, Robert C., and Schultz, John E. "The Nader Report" on the Federal Trade Commission. New York: Richard W. Barron, 1969.
- Cushman, Robert E. The Independent Regulatory Commissions. New York: Oxford University Press, 1941.
- Dahl, Robert. Who Governs? New Haven: Yale University Press, 1961.
- Diehl, Harold S. Tobacco and Your Health: The Smoking Controversy. New York: McGraw-Hill Book Company, 1969.
- Eckstein, Harry. Pressure Group Politics: The Case of the British Medical Association. Stanford, California: Stanford University Press, 1960.
- Evely, Richard, and Little, I.M.D. Concentration in British Industry: An Empirical Study of the Structure of Industrial Production 1935-51. Cambridge at the University Press, 1960.
- Fletcher, C.M. et al. Common Sense About Smoking. 2nd ed. Middlesex, England: Penguin Books Limited, 1965.
- Florence, P.S. Industry and the State. London: Hutchinson and Co., 1957.
- Fritchler, A. Lee. Smoking and Politics: Policymaking and the Federal Bureaucracy. New York: Appleton-Century-Crofts, 1969.
- Galbraith, John Kenneth. The New Industrial State. Boston: Houghton-Mifflin Company, 1967.
- Grodzins, Morton. The American System: A New View of Government in the United States. Chicago: Rand McNally and Company, 1966.
- Hall, Donald R. Cooperative Lobbying -- The Power of Pressure. Tucson, Arizona: The University of Arizona Press, 1969.
- Hedrick, James L. Smoking, Tobacco and Health. rev. ed. Washington: U.S. Department of Health, Education, and Welfare, Public Health Service, Health Services and Mental Health Administration, 1969.
- Jacobstein, Mayer. The Tobacco Industry in the United States. New York: The Columbia University Press, 1907.
- Jane's Major Companies of Europe 1970. London: BPC Publishing Ltd., 1970.
- Jennings, Sir Ivor. Parliament, 2nd ed. Cambridge at the University Press, 1961.

- Jane's Major Companies of Europe 1977. London: JNC Publishing Ltd., 1970.
- Jacobstein, Meyer. The Tobacco Industry in the United States. New York: The Columbia University Press, 1977.
- Hedrick, James L. Smoking, Tobacco and Health. rev. ed. Washington: U.S. Department of Health, Education, and Welfare, Public Health Service, Health Services and Mental Health Administration, 1969.
- Hall, Donald R. Cooperative Lobbying -- The Power of Pressure. Tucson, Arizona: The University of Arizona Press, 1969.
- Grodzins, Morton. The American System: A New View of Government in the United States. Chicago: Rand McNally and Company, 1966.
- Galbraith, John Kenneth. The New Industrial State. Boston: Houghton-Mifflin Company, 1967.
- Fritchler, A. Lee. Smoking and Politics: Policymaking and the Federal Bureaucracy. New York: Appleton-Century-Crofts, 1969.
- Florence, P. S. Industry and the State. London: Hutchinson and Co., 1957.
- Fletcher, C.M. et al. Common Sense About Smoking. 2nd ed. Middlesex, England: Penguin Books Limited, 1965.
- 1932-31. Cambridge at the University Press, 1960.
An Empirical Study of the Structure of Industrial Production
 Evelyn, Richard, and Little, I.M.D. Concentration in British Industry:
 Medical Association. Stanford, California: Stanford University Press, 1960.
- Ekstein, Harry. Pressure Group Politics: The Case of the British
 York: McGraw-Hill Book Company, 1969.
- Dahl, Harold S. Tobacco and Your Health: The Smoking Controversy. New York: McGraw-Hill Book Company, 1969.
- Dahl, Robert. Who Governs? New Haven: Yale University Press, 1957.
- Gushman, Robert E. The Independent Regulatory Commissions. New York: Oxford University Press, 1941.
- Cox, Edward F., Fellmuth, Robert C., and Schultz, John E. "The Nader Report" on the Federal Trade Commission. New York: Richard W. Barron, 1969.
- Cott, Count (Egan Caesar). A History of Smoking. Translated by Paul England. London: George G. Harrap & Co., Ltd., 1931.

- Jones, Robert Leslie. History of Agriculture in Ontario 1613-1886. Toronto: The University of Toronto Press, 1946.
- Kolko, Gabriel. The Triumph of Conservatism: A Reinterpretation of American History, 1900-1916. New York: Free Press of Glencoe, 1963.
- Kotz, Nick. Let Them Eat Promises: The Politics of Hunger in America. Garden City, New York: Doubleday and Company, Inc., 1971.
- Lindblom, Charles E. The Intelligence of Democracy: Decision Making Through Mutual Adjustment. New York: The Free Press, 1965.
- Lowi, Theodore J. The End of Liberalism: Ideology, Policy, and the Crisis of Public Authority. New York: W.W. Norton & Co., 1969.
- MacInnes, C.M. The Early English Tobacco Trade. London: Kegan-Paul, Trench, Trubner, and Co., Ltd., 1926.
- Neuberger, Maurine B. Smoke Screen: Tobacco and the Public Welfare. Englewood Cliffs, New Jersey: Prentice-Hall, Inc., 1963.
- Nicholls, William H. Price Policies in the Cigarette Industry: A Study of 'Concerted Action' and Its Social Control 1911-50. Nashville: The Vanderbilt University Press, 1951.
- Niskanen, William A. Jr. Bureaucracy and Representative Government. New York: Aldine Atherton, 1971.
- Olson, Mancur. The Logic of Collective Action. Cambridge: Harvard University Press, 1966.
- Pearson, Drew, and Anderson, Jack. The Case Against Congress: A Compelling Indictment of Corruption on Capitol Hill. New York: Simon & Schuster, 1968.
- Przeworski, Adam, and Teune, Henry. The Logic of Comparative Social Inquiry. New York: Wiley-Interscience, 1970.
- Reich, Charles A. The Greening of America. New York: Random House, 1970.
- Ridgeway, James. The Closed Corporation: American Universities in Crisis. New York: Random House, 1968.
- Rays, H.B. Tobacco Under the A.A.A. Washington: Breckings Institution, 1935.
- Royal College of Physicians. Smoking and Health Now: A New Report and Summary on Smoking and Its Effects on Health from the Royal College of Physicians of London. London: Pitman Medical and Scientific Publishing Co., Ltd., 1971.

Jones, Robert Leslie. History of Agriculture in Canada 1613-1937.
Toronto: The University of Toronto Press, 1937.

Kolbe, Gabriel. The Theory of Government: A History of the
Western World, 1600-1937. New York: Free Press of Glencoe,
1937.

Koss, Mick. Let Them Eat Freedom: The History of Hunger in America.
Garden City, New York: Doubleday and Company, Inc., 1937.

Lindholm, Charles E. The Intelligibility of Government: Politics in the
Through Mutual Adjustment. New York: The Free Press, 1937.

Low, Theodore J. The End of Laissez-Faire: Ideology, Policy, and the
Crises of Public Authority. New York: W. W. Norton & Co., 1937.

MacInnes, C.M. The Early English Tobacco Trade. London: Kegan-Paul,
Trench, Truener, and Co., Ltd., 1936.

Mendelsohn, Maurice B. Smoke Screens: Tobacco and the Public Welfare.
Englewood Cliffs, New Jersey: Prentice Hall, Inc., 1937.

Nichols, William H. Price Policies in the Cigarette Industry: A Study
of Government Action and the Social Control 1917-37. Nashville:
The Vanderbilt University Press, 1937.

Nickerson, William A. Jr. Government and Representative Government.
New York: Aldine De Gruyter, 1937.

Olsen, Mancur. The Logic of Collective Action. Cambridge: Harvard
University Press, 1936.

Reagan, Brew, and Anderson, Jack. The Case Against Cigarettes: A
Comprehensive Statement of Government Action 1917-37. New York:
Simon & Schuster, 1937.

Rosenfeld, Adam, and Turner, Henry. The Logic of Governmental Social
Policy. New York: Wiley-Interscience, 1937.

Reich, Charles A. The Creation of America. New York: Random House, 1937.

Ridgway, James. The Great Corporation: American Universities in Crisis.
New York: Random House, 1937.

Robt, H.B. Tobacco Under the A.A.A. Washington: Brookings Institution,
1935.

Royal College of Physicians. Smoking and the Lung: A New Report and
Summary on Smoking and its Relation to the Lung. London:
The Royal College of Physicians, 1937.

Royal College of Physicians. Smoking and Health: Report of the Royal College of Physicians of London on Smoking in Relation to Cancer of the Lung and Other Diseases. London: Pitman Publishing Co., Ltd., 1962.

Schattschneider, E.E. The Semi-Sovereign People: A Realist's View of Democracy in America. New York: Holt, Rinehart and Winston, 1961.

Shirras, G. Findlay, and Rostas, L. The Burden of British Taxation. Cambridge at the University Press, 1943.

Tanner, Arthur E. Tobacco: From the Grower to the Smoker. 5th ed. rev. London: Sir Isaac Putnam & Sons, Ltd., 1950.

Tennant, Richard B. The American Cigarette Industry: A Study in Economic Analysis and Public Policy. New Haven: Yale University Press, 1950.

Tobacco Research Council. Review of Past and Current Activities. London: Tobacco Research Council, 1963.

The Tobacco Tax Council. The Tax Burden on Tobacco. Richmond, Virginia, 1969.

Todd, G.F. Statistics of Smoking in the United Kingdom. 6th ed. Research Paper 1. London: Tobacco Research Council, 1973.

Truman, David B. The Governmental Process: Political Interests and Public Opinion. New York: Alfred A. Knopf, 1962.

Wolff, Robert Paul, Moore, Barrington, Jr., and Marcuse, Herbert. A Critique of Pure Tolerance. Boston: Beacon Press, 1965.

Woofter, T.J. Jr. The Plight of Cigarette Tobacco. Chapel Hill, North Carolina: The University of North Carolina Press, 1931.

Public Documents

Banzhaf v. Federal Communications Commission, Case No. 21285, U.S. Court of Appeals for the D.C. Circuit, November 21, 1968.

Blackstock, G.E. "U.K. Access to the ECC -- Evaluation of Commercial Aspects," Agriculture Abroad. Canada, Department of Agriculture, XXVI (August, 1971).

Canada, An Act to Restrain the Use of Tobacco. Bill C-32, 2nd Session, 27th Parliament, 16 Elizabeth II (1967).

Canada. Canada Yearbook. Ottawa: Queen's Printer, 1968.

Royal College of Physicians. Smoking and Health: Report of the Royal College of Physicians of London on Smoking in Relation to Cancer of the Lung and Other Diseases. London: Pitman Publishing Co., Ltd., 1962.

Schattschneider, E.E. The Semi-Sovereign People: A Realist's View of Democracy in America. New York: Holt, Rinehart and Winston, 1961.

Shlitz, C. Findlay and Rostas, L. The Burden of British Taxation. Cambridge at the University Press, 1943.

Tanner, Arthur E. Tobacco: From the Grower to the Smoker. 2nd ed. rev. London: Sir Isaac Pitman & Sons, Ltd., 1956.

Tennant, Richard B. The American Cigarette Industry: A Study in Economic Analysis and Public Policy. New Haven: Yale University Press, 1950.

Tobacco Research Council. Review of Past and Current Activities. London: Tobacco Research Council, 1963.

The Tobacco Tax Council. The Tax Burden on Tobacco. Richmond, Virginia, 1969.

Todd, G.F. Statistics of Smoking in the United Kingdom. 6th ed. Research Paper I. London: Tobacco Research Council, 1973.

Truman, David B. The Governmental Process: Political Interests and Public Opinion. New York: Alfred A. Knopf, 1952.

Wolff, Robert Paul, Moore, Barrington, Jr., and Marcuse, Herbert. A Critique of Pure Tolerance. Boston: Beacon Press, 1965.

Wootter, T.J. Jr. The Fight of Cigarette Tobacco. Chapel Hill, North Carolina: The University of North Carolina Press, 1931.

Public Documents

Reynolds v. Federal Communications Commission, Case No. 21282, U.S. Court of Appeals for the D.C. Circuit, November 21, 1968.

Blackstock, G.E. "U.K. Access to the EEC -- Evaluation of Commercial Aspects," Agriculture Abroad. Canada, Department of Agriculture, XXVI (August, 1971).

Canada. An Act to Restrict the Use of Tobacco. Bill C-32, 2nd Session, 25th Parliament, 10 Elizabeth II (1967).

Canada. Canada Yearbook. Ottawa: Queen's Printer, 1968.

Canada. Debates. (Commons.) V (1907-8).

Canada. Debates. (Commons.) 1960-1971.

Canada. Report of the Federal Task Force on Agriculture. Ottawa: Queen's Printer, 1970.

Canada. Report of the Standing Committee on Health, Welfare and Social Affairs on Tobacco and Cigarette Smoking. (Commons.) Ottawa: Queen's Printer for Canada, 1969.

Canada. Restrictive Trade Practices Commission Report Concerning the Production, Purchase and Sale of Flue-Cured Tobacco in Ontario. Ottawa, 1956.

Canada. Department of National Health and Welfare. The Canadian Smoking and Health Program: A Case History. Ottawa: Queen's Printer, 1967.

Canada. Department of National Health and Welfare. Smoking and Health Reference Book (Canada). Ottawa: Queen's Printer and Controller of Stationery, 1964.

Canada. Standing Committee on Health, Welfare and Social Affairs. Minutes of Proceedings and Evidence. (Commons.) 1968-1969.

Davis, Albert A. Tobacco in Ontario, Canada. Foreign Agricultural Service, U.S. Department of Agriculture, Washington, November, 1968.

Drummond, W.M., Anderson, W.J., and Kerr, T.C. A Review of Agricultural Policy in Canada. Agricultural Economics Research Council of Canada, June, 1966.

Great Britain. Parliamentary Debates. (Commons.) 1960-1970.

Great Britain. Report: Juvenile Smoking Bill. (Lords.) Ordered to be printed July 9, 1906, London: Printed for His Majesty's Stationery Office by Wyman and Sons, Ltd.

Great Britain. Ministry of Health. Annual Report. 1962, 1967, 1968, 1969.

U.S. Advisory Commission on Intergovernmental Relations. State-Federal Overlapping in Cigarette Taxes. Report A-24. Washington: U.S. Government Printing Office, September, 1964.

U.S. Bureau of the Census. Annual Survey of Manufacturers. Washington: U.S. Government Printing Office, 1964, 1965, 1966.

U.S. Bureau of the Census. Congressional District Data Book. Washington: U.S. Government Printing Office, 1964.

.(3-7661) V (,apostro?) .,apostro? .,apostro?

100-100000 (100000) 100000 100000

London: Report of the National Task Force on Alcoholism, 1990.
London's Printer, 1990.

Queen's Printer for Canada, 1962.
 A copy of the book and a letter to the
 Editor of the Canadian Journal of
 Zoology, 1962.

007896, 1980.
Production, Inc., Ltd. of Elmwood Avenue in Ontario,
Canada. Distributing French Production Company in Montreal, Canada.

Canada, Department of National Health and Welfare. The National Health and Welfare. Ottawa: Queen's Printer, 1987.

61-10100-1004.
Bureau Book (copy). Ottawa: Queen's Printer and Controller
Gen'l. Department of National Health and Welfare. Smoking and Health

Minutes of Proceedings and Expenditure (Continued) 1968-1969.
Canada. Standing Committee on Health, Welfare and Social Affairs.

David, Albert A. Tobacco in Ontario, Canada. Foreign Agricultural Service, U.S. Department of Agriculture, Washington, November, 1968.

Drummond, W.M., Anderson, W.J., and Kurt, T.C. A Review of Agricultural Policy in Canada. Agricultural Economics Research Council of Canada, June, 1966.

Great Britain. Parliamentary Debates. (Commons). 1960-1970.

Office of Wyman and Sons, Ltd.
Printed July 9, 1966, London; Printed for His Majesty's Stationery
Great Britain. Report: Landed in Shipping Bill. (Jords). Ordered to be

Great Britain. Ministry of Health. Annual Report. 1961, 1962, 1963, 1964, 1965.

U.S. Advisory Commission on Intergovernmental Relations. Staff Report
 Organized in Great Cities. Report A-74. Washington: U.S.
 Government Printing Office, September, 1964.

U.S. Government Printing Office, 1944, 1945, 1946.
U.S. Bureau of the Census. Annual Survey of Manufacturers. Washington: Washington:

U.S. Government Printing Office, 1964.
U.S. Bureau of the Census. Constitutional History of the United States. Washington: U.S. Government Printing Office, 1964.

- U.S. Congress, House, Committee on Government Operations. False and Misleading Advertising (Filter-Tip Cigarettes). Washington: U.S. Government Printing Office, 1958.
- U.S. Congress, House, Committee on Interstate and Foreign Commerce. Hearings, Cigarette Labeling and Advertising. 88th Cong., 2nd Sess., 1964.
- U.S. Congress, House, Committee on Interstate and Foreign Commerce. Hearings, Cigarette Labeling and Advertising -- 1965. 89th Cong., 1st Sess., 1965.
- U.S. Congress, House, Committee on Interstate and Foreign Commerce. Hearings, Cigarette Labeling and Advertising -- 1969. 91st Cong., 1st Sess., 1969.
- U.S. Congress, House, Committee on Interstate and Foreign Commerce. Public Health Smoking Act of 1969. 91st Cong., 1st Sess., Report No. 91-289, June 5, 1969.
- U.S. Congress, House, Committee on Interstate and Foreign Commerce. Regulation of Radio and Television Cigarette Advertisements. 91st Cong., 1st Sess., 1969.
- U.S. Congress, House, Subcommittee on Tobacco of the Committee on Agriculture. Hearings, 1965 Acreage-Poundage Marketing Quotas for Tobacco. 89th Cong., 1st Sess., 1965.
- U.S. Congress, House, Subcommittee on Tobacco of the Committee on Agriculture. Hearings, Tobacco Price-Support Program. 87th Cong., 1st Sess., 1961.
- U.S. Congress, House, Subcommittee on Tobacco of the Committee on Agriculture. Tobacco Research Laboratory Hearings. 88th Cong., 1st Sess., 1964.
- U.S. Congress, Senate. A Bill to Amend the Internal Revenue Code of 1954 to Tax Cigarettes on the Basis of Their Tar and Nicotine Content. 90th Cong., 1st Sess., 1967.
- U.S. Congress, Senate, Responses to Questionnaire on Citizen Involvement and Responsive Agency Decision-Making: A Report Submitted by the Subcommittee on Administrative Practice and Procedure to the Committee on the Judiciary. 91st Cong., 1st Sess., 1969.
- U.S. Congress, Senate, Appropriations Committee. Hearings, Department of Agriculture and Related Agencies Appropriations. 91st Cong., 1st Sess., 1969.
- U.S. Congress, Senate, Committee on Commerce. Hearings, Cigarette Labeling and Advertising. 89th Cong., 1st Sess., 1965.

- U.S. Congress, House, Committee on Government Operations. False and Misleading Advertising (Filter-Tip Cigarettes). Washington: U.S. Government Printing Office, 1958.
- U.S. Congress, House, Committee on Interstate and Foreign Commerce. Hearings, Cigarette Labeling and Advertising. 88th Cong., 2nd Sess., 1964.
- U.S. Congress, House, Committee on Interstate and Foreign Commerce. Hearings, Cigarette Labeling and Advertising -- 1965. 89th Cong., 1st Sess., 1965.
- U.S. Congress, House, Committee on Interstate and Foreign Commerce. Hearings, Cigarette Labeling and Advertising -- 1966. 91st Cong., 1st Sess., 1969.
- U.S. Congress, House, Committee on Interstate and Foreign Commerce. Public Health Smoking Act of 1969. 91st Cong., 1st Sess., Report No. 91-289, June 2, 1969.
- U.S. Congress, House, Committee on Interstate and Foreign Commerce. Regulation of Radio and Television Cigarette Advertisements. 91st Cong., 1st Sess., 1969.
- U.S. Congress, House, Subcommittee on Tobacco of the Committee on Agriculture. Hearings, 1965 Research-Boundage Marketing Quotas for Tobacco. 89th Cong., 1st Sess., 1965.
- U.S. Congress, House, Subcommittee on Tobacco of the Committee on Agriculture. Hearings, Tobacco Price-Support Program. 87th Cong., 1st Sess., 1961.
- U.S. Congress, House, Subcommittee on Tobacco of the Committee on Agriculture. Tobacco Research Laboratory Hearings. 88th Cong., 1st Sess., 1964.
- U.S. Congress, Senate. A Bill to Amend the Internal Revenue Code of 1954 to Tax Cigarettes on the Basis of Their Tar and Nicotine Content. 90th Cong., 1st Sess., 1967.
- U.S. Congress, Senate. Responses to Questionnaire on Citizen Involvement and Responsive Agency Decision-Making: A Report Submitted by the Subcommittee on Administrative Practice and Procedure to the Committee on the Judiciary. 91st Cong., 1st Sess., 1969.
- U.S. Congress, Senate, Appropriations Committee. Hearings, Department of Agriculture and Related Agencies Appropriations. 91st Cong., 1st Sess., 1969.
- U.S. Congress, Senate, Committee on Commerce. Hearings, Cigarette Labeling and Advertising. 87th Cong., 1st Sess., 1963.

- U.S. Congress, Senate, Committee on Commerce. Public Health Cigarette Smoking Act of 1969. 91st Cong., 1st Sess., Report No. 91-566, December 5, 1969.
- U.S. Congress, Senate, Consumer Subcommittee of the Committee on Commerce. Hearings, Cigarette Labeling and Advertising. 91st Cong., 1st Sess., 1969.
- U.S. Department of Agriculture. Annual Report of Tobacco Statistics. 1959-1969.
- U.S. Department of Agriculture. Annual Report on Public Law 480, Food for Freedom: New Emphasis on Self-Help. Washington: U.S. Government Printing Office, 1967.
- U.S. Department of Agriculture. Foreign Agriculture Circular, 1960-1970.
- U.S. Department of Agriculture. Tobacco Situation. 1960-1973.
- U.S. Department of Agriculture, Consumer and Marketing Service. Tobacco in the United States. Washington: U.S. Government Printing Office, 1966.
- U.S. Department of Agriculture, Tobacco Division. Tobacco: Inspection-Market News and Demonstration Services. Washington, December, 1961.
- U.S. Department of Health, Education and Welfare. Annual Report to the President. Washington: U.S. Government Printing Office, 1967-1970.
- U.S. Department of Health, Education and Welfare. Smoking and Health: Report of the Advisory Committee to the Surgeon General of the Public Health Service. Washington: U.S. Government Printing Office, 1964.
- U.S. Department of Health, Education, and Welfare, Task Force for Smoking and Health: Report to the Surgeon General. Washington, 1968.
- U.S. Department of Health, Education and Welfare, Public Health Service. Health Consequences of Smoking: 1968 Supplement to the 1967 Public Health Service. Washington: U.S. Government Printing Office, 1969.
- U.S. Federal Communications Commission. Memorandum Opinion and Order in the Matter of Television Station WCBS-TV, New York, N.Y.: Applicability of the Fairness Doctrine to Cigarette Advertising. Washington, September, 1967.
- U.S. Federal Trade Commission. Report of the Federal Trade Commission on the Tobacco Industry. Washington: Government Printing Office, 1921.
- U.S. Federal Trade Commission. Report to Congress. Washington, 1967-1972.

U.S. Federal Trade Commission. Report to Congress. Washington, 1967-1972.

U.S. Federal Trade Commission. Report of the Federal Trade Commission on the Tobacco Industry. Washington: Government Printing Office, 1961.

U.S. Federal Communications Commission, "Memorandum Opinion and Order in the Matter of Television Station WGBH-TV, New York, N.Y.: Application of the Public Law 86-608 to Licensee's Advertising," Washington, September, 1960.

U.S. Department of Health, Education and Welfare, Public Health Service.
Health Consequences of Smoking: 1968 Supplement to the 1967 Public
Health Service. Washington: U.S. Government Printing Office, 1969.

U.S. Department of Health, Education, and Welfare, Task Force for Smoking and Health: Report to the Surgeon General, Washington, 1968.

1944.
Public Health Service. Washington: U.S. Government Printing Office,
Report of the Advisory Committee to the Surgeon General of the
U.S. Department of Health, Education and Welfare. Smoking and Health:

U.S. Department of Health, Education and Welfare. Annual Report to the President. Washington: U.S. Government Printing Office, 1967-1970.

U.S. Department of Agriculture, Tobacco Division, Tobacco: Inspection-
Market News and Demonstration Services, Washington, December, 1961.

U.S. Department of Agriculture, Consumer and Marketing Service, Tobacco
in the United States. Washington: U.S. Government Printing Office,
1968.

U.S. Department of Agriculture. Tobacco Station. 1960-1973.

U.S. Department of Agriculture. Foreign Agriculture Circular, 1960-1970.

U.S. Department of Agriculture. Annual Report on Public Law 480, Food
for Freedom: New Emphasis on Self-Help. Washington: U.S. Govern-
ment Printing Office, 1957.

U.S. Department of Agriculture. Annual Report of Tobacco Statistics.
1939-1969.

1969.
P. 102, Cigarette Labeling and Advertising, 91st Cong., 1st Sess.,
U.S. Congress, Senate, Consumer Subcommittee of the Committee on Commerce.

December 5, 1909.
Smoking Act of 1909. 1st Cong., 1st Sess., Report No. 21-200,
U.S. Congress, Senate, Committee on Commerce. Public Health Characteristic

U.S. Joint Task Force of the U.S.D.A. and the State Universities and Land Grant Colleges. A National Program of Research for Tobacco. Washington, 1968.

Unpublished Materials

Ad Hoc Committee of the Canadian Tobacco Industry. "Some Scientific Perspectives for Consideration of Smoking and Health Questions: Presentation to the Conference on Smoking and Health of the Department of National Health and Welfare. Ottawa: November 25-26, 1963.

Address of the Chairman of Imperial Tobacco Groups Limited to the Shareholder's Annual General Meeting. May 12, 1971.

Canada. Department of National Health and Welfare. "News Releases." 1966-1972.

Canada. Department of National Health and Welfare. "Report on Cigarette Smoking and Health." A report presented to the Health, Welfare and Social Affairs Committee of the House of Commons, December 19, 1968. (Mimeographed.)

Canada. Department of National Health and Welfare. "Research and Statistics Memo." Ottawa, June, 1969. (Mimeographed.)

Canadian Manufacturers Association. "1971 Canadian Trade Index."

Canadian Tobacco Manufacturers' Council. "Facts About the Canadian Tobacco Economy for the Year 1970" (Estimated). Ottawa, April, 1971. (Mimeographed.)

Canadian Tobacco Manufacturers' Council. "Press Conference." Ottawa, September 21, 1971.

Hockett, Robert C. "Where Do We Go from Here in Tobacco and Health Research." Address to the Burley and Dark Leaf Tobacco Export Association. October 2, 1967.

Horn, Daniel. "The Smoking Problem in 1971." A speech presented at the American Cancer Society's 13th Annual Science Writers' Seminar. Phoenix, Arizona, April 6, 1971.

Horn, Daniel and Corvin, Emil. "Progress Report on Britain's Smoking and Health Program." Rockville, Maryland: National Clearinghouse on Smoking and Health, July, 1966 (in the files of the Clearinghouse).

Interview with Canadian, M. P. Barry Mather.

U.S. Joint Task Force of the U.S.D.A. and the State Department and
and the National Institute of Health, Washington, 1968.

Publications

In the Committee of the Canadian Tobacco Industry, "The Tobacco
Perspectives for Consideration of Smoking and Health in Canada:
Presentation to the Conference on Smoking and Health of the
Department of National Health and Welfare, Ottawa, November 19-20,
1968.

Address of the Chairman of Imperial Tobacco Group Limited to the Share-
holders' Annual General Meeting, May 11, 1971.

Canada, Department of National Health and Welfare, "News Release,"
1968-1972.

Canada, Department of National Health and Welfare, "Report on Chemicals
Smoking and Health." A report presented to the Health, Welfare and
Social Affairs Committee of the House of Commons, December 19, 1968.
(Micrographed.)

Canada, Department of National Health and Welfare, "Research and
Statistics Memo," Ottawa, June, 1969. (Micrographed.)

Canadian Manufacturers' Association, "1971 Canadian Trade Index."

Canadian Tobacco Manufacturers' Council, "Facts About the Canadian
Tobacco Industry for the Year 1970" (Ottawa, April, 1971).
(Micrographed.)

Canadian Tobacco Manufacturers' Council, "Press Conference," Ottawa,
September 21, 1971.

Hochst, Robert C. "Where Do We Go from Here in Tobacco and Health
Research." Address to the Industry and Public Tobacco Export
Association, October 2, 1969.

Horn, Daniel. "The Smoking Problem in 1971." A speech presented at the
American Cancer Society's 1971 Annual Science Writers' Seminar,
Phoenix, Arizona, April 6, 1971.

Horn, Daniel and Corwin, Earl. "Progress Report on Britain's Smoking
and Health Program." Rockville, Maryland: National Clearinghouse
on Smoking and Health, July, 1969. (In the files of the Clearing-
house.)

Interview with Canadian, M. P. Harry Warner.

Interview with O.D. Lewis, Canadian Department of National Health and Welfare.

Kernagay, Horace. "Remarks Before the National Association of Farm Broadcasters." Chicago, November 28, 1969.

Kernagay, Horace. "Remarks to the Sales and Marketing Executives Club." Richmond, April 20, 1970.

Letter from Henry Geller, Federal Communications Commission. October 15, 1970.

Letter from L.C. Laporte, Tobacco Manufacturers' Council. July 22, 1971.

Letter from the Ministry of Health to County and County Borough Councils. October 19, 1966.

Letter from C.D. Noble, Executive Director of the Canadian Public Health Association. August 5, 1970.

Letter from John Partridge, Chairman, Imperial Tobacco Group Limited. October 4, 1971.

Letter from the Tobacco Institute to the FTC. October 23, 1970.

National Interagency Council on Smoking and Health. "National Conference on Smoking and Health, September, 1967: A Summary of Proceedings." New York, no date.

National Tobacco Tax Association, "Proceedings of Annual Meetings." Chicago: Federation of Tax Administrators, 1959.

News Release from the Office of Robert F. Kennedy. New York, September 11, 1967.

Paré, Paul. Address delivered to the National Association of Tobacco and Confectionary Distributors Convention. October 8, 1969.

Smith, Paul D. Address to the Eighteenth Annual Convention of the Burley and Dark Leaf Tobacco Export Association. October 3, 1967.

"Smoking and Health: A Presentation of the Canadian Tobacco Industry 1969."

"Smoking and Health Programs Around the World." Rockville, Maryland: National Clearinghouse for Smoking and Health, June, 1970. (Mineographed.)

"Some Facts About Tobacco -- for Background Information." Washington: The Tobacco Institute, Inc., no date but apparently 1969. (Mineographed.)

Interview with O.P. Lewis, Canadian Department of National Health and
Welfare.

Memorandum, Horace. "Remarks Before the National Association of Farm Broadcasters," Chicago, November 18, 1968.

Memorandum, Horace. "Remarks to the Sales and Marketing Executives Group," Richmond, April 26, 1970.

Letter from Henry Gelber, Federal Communications Commission, Washington, D.C., 1970.

Letter from L.C. Laporte, Tobacco Manufacturers' Council, July 21, 1971.

Letter from the Ministry of Health to County and County Borough Councils, October 11, 1968.

Letter from G.D. Noble, Executive Director of the Canadian Public Health Association, August 2, 1970.

Letter from John Partidge, Chairman, Imperial Tobacco Group Limited, October 4, 1971.

Letter from the Tobacco Institute to the FTC, October 20, 1970.

National Interagency Council on Smoking and Health. "National Conference on Smoking and Health, September, 1967: A Summary of Proceedings," New York, no date.

National Tobacco Tax Association. "Proceedings of annual meetings," Chicago: Federation of Tax Administrators, 1968.

Press Release from the Office of Robert F. Kennedy, New York, 2 p.p., 11, 1967.

Text, Paul. Address delivered to the National Association of Tobacco and Cigarette Manufacturers Convention, October 8, 1970.

Text, Paul O. Address to the Twentieth Annual Convention of the Turkey and Dark Leaf Tobacco Export Association, October 3, 1967.

"Smoking and Health: A Presentation of the Canadian Tobacco Industry," 1967.

"Smoking and Health Programs Around the World," Rockville, Maryland: National Clearinghouse for Smoking and Health, June, 1970.
(Unpublished.)

"The Facts About Tobacco -- for Background Information," Washington: The Tobacco Institute, Inc., no date but approximately 1968.
(Unpublished.)

Speech delivered by R.P. Dobson at the 68th Annual Meeting of the British-American Tobacco Company Limited. April 15, 1971.

The Tobacco Institute. "News Releases." 1967-1970.

U.S. Department of Agriculture, Tobacco Division. "Tobacco in the National Economy," June, 1970. (Mimeographed.)

U.S. Federal Communications Commission. "Notice of Proposed Rule Making." February 5, 1969 (in the files of the Commission).

U.S. Federal Trade Commission. "News Releases." 1966-1972.

U.S. Federal Trade Commission. "Official Transcript of Proceedings Before the Federal Trade Commission in the Matter of Proposed Trade Regulation Rules for the Advertising and Labeling of Cigarettes." Washington, March 16, 1964 (in the files of the Commission).

U.S. Federal Trade Commission. "Trade Regulation Rule for the Prevention of Unfair or Deceptive Advertising and Labeling of Cigarettes in Relation to the Health Hazards of Smoking and Accompanying Statement of Basis and Purpose of Rule." Washington, 1964 (in the files of the Commission).

U.S. Federal Trade Commission, Division of Scientific Opinions, Bureau of Deceptive Practices. "Statements on Cigarette Smoking and Health by United States and Foreign Health Associations and Organizations, Medical Societies, Government Public Health Bodies and Officials, and International Health Organizations." Undated, but apparently 1964.

U.S. Federal Trade Commission, "A Report on Cigarette Advertising and Output." Washington, 1963 (in the files of the Commission).

U.S. Public Health Service, National Clearinghouse for Smoking and Health. "Use of Tobacco: Practices, Attitudes, Knowledge and Beliefs -- United States -- Fall 1964 and Spring 1966." Rockville, Maryland, 1969 (in the files of the Clearinghouse).

Reports

American Tobacco [American Brands, Inc.]. Annual Reports. 1950-1972.

British-American Tobacco Company Limited and British-American Tobacco Investments Limited. Annual Report and Accounts. 1968-1972.

Gallaher, 1968 Director's Report.

Imperial Tobacco Groups Limited. Annual Report and Accounts. 1970.

Speech delivered by R.P. Dobson at the 68th Annual Meeting of the British-American Tobacco Company Limited. April 15, 1971.

The Tobacco Institute. "News Releases." 1967-1970.

U.S. Department of Agriculture, Tobacco Division. "Tobacco in the National Economy." June, 1970. (Mimeographed.)

U.S. Federal Communications Commission. "Notice of Proposed Rule Making." February 5, 1969 (in the files of the Commission).

U.S. Federal Trade Commission. "News Releases." 1966-1972.

U.S. Federal Trade Commission. "Official Transcript of Proceedings Before the Federal Trade Commission in the Matter of Proposed Trade Regulation Rules for the Advertising and Labeling of Cigarettes." Washington, March 16, 1964 (in the files of the Commission).

U.S. Federal Trade Commission. "Trade Regulation Rule for the Prevention of Unfair or Deceptive Advertising and Labeling of Cigarettes in Relation to the Health Hazards of Smoking and Accompanying Statement of Basis and Purpose of Rule." Washington, 1964 (in the files of the Commission).

U.S. Federal Trade Commission, Division of Scientific Operations, Bureau of Deceptive Practices. "Statements on Cigarette Smoking and Health by United States and Foreign Health Associations and Organizations, Medical Societies, Government Public Health Bodies and Officials, and International Health Organizations." Undated, but apparently 1964.

U.S. Federal Trade Commission. "A Report on Cigarette Advertising and Output." Washington, 1963 (in the files of the Commission).

U.S. Public Health Service, National Clearinghouse for Smoking and Health. "Use of Tobacco: Practices, Attitudes, Knowledge and Beliefs -- United States -- Fall 1964 and Spring 1966." Rockville, Maryland, 1969 (in the files of the Clearinghouse).

Reports

American Tobacco [American Brands, Inc.]. Annual Reports. 1950-1972.

British-American Tobacco Company Limited and British-American Tobacco Investments Limited. Annual Report and Accounts. 1968-1972.

Coltson, 1968 Director's Report.

Imperial Tobacco Group Limited. Annual Report and Accounts. 1970.

Imperial Tobacco of Canada, Limited. Annual Report 1969.

Liggett and Myers Tobacco Company [Liggett and Myers, Inc.]. Annual Reports. 1955-1972.

P. Lorillard [Loews Incorporated]. Annual Reports. 1955-1972.

The Manitoba Educational Research Council. A Study of Cigarette Advertising: A Report Submitted to the Department of National Health and Welfare. Winnipeg, 1966.

Maxwell, John C. The Maxwell Report: A Quarterly Statistical Survey of the Cigarette Industry. New York: Oppenheimer & Co., 1970.

Philip Morris Tobacco Company [Philip Morris Inc.]. Annual Reports. 1955-1972.

R.J. Reynolds Tobacco Company [R.J. Reynolds Industries, Inc.]. Annual Reports. 1950-1972.

- Imperial Tobacco of Canada, Limited. Annual Report 1932.
- Liggett and Myers Tobacco Company [Liggett and Myers, Inc.]. Annual Reports. 1922-1932.
- P. Lorillard [Loews Incorporated]. Annual Reports. 1922-1932.
- The Macdonald Educational Research Council. A Study of Cigarette Advertising: A Report Submitted to the Department of National Health and Welfare. Winnipeg, 1930.
- Maxwell, John C. The Maxwell Report: A Quarterly Statistical Survey of the Cigarette Industry. New York: Copeland & Co., 1930.
- Philip Morris Tobacco Company [Philip Morris Inc.]. Annual Reports. 1922-1932.
- R.J. Reynolds Tobacco Company [R.J. Reynolds Industries, Inc.]. Annual Reports. 1920-1932.

13



MICHIGAN STATE UNIV. LIBRARIES



31293106054962