

"SMOKING and HEALTH" (a potpourri of industry thought)

Tobacco Reporter asked manufacturers, growing representatives and distributors to suggest ways the industry might combat anti-tobacco propaganda on "smoking and health."

Flue-cured tobacco growers had only just recoiled from having tobacco prices plummet — coinciding pointedly with publicity generated by Senator Robert Kennedy's cigarette restriction bills — and having their market turned upside down by increased demand for low nicotine tobacco, presumably generated by government activities, when Surgeon General William Stewart visited tobacco country.

In North Carolina to dedicate a 500-acre tract in the Research Triangle, the Surgeon General stated flatly he felt the tobacco economy of North Carolina of little consequence compared with lives "lost" because of cigarette smoking. It is "no longer debatable," he said to the North Carolina audience, whether a connection exists between smoking and health. Tobacco growers are furious.

Manufacturers of cigarettes are now faced with more than 13 bills in Congress that would restrict cigarette sales and advertising, and a great likelihood of Congressional hearings in the spring. Legislative climate appears to be changing and, although restrictive legislation may be avoided in the coming year, prospects for 1969, when the moratorium on Federal Trade Commission requirement of the warning label in advertising expires, look far less optimistic. Manufacturers are deeply concerned.

Distributors and retailers are beginning to complain that cigarette sales appear to be falling off in some areas of the U. S. "People are believing the wild statistical claims the Public Health Service and the American Cancer Society are making," one distributor points out. Some jobbers, particularly those heavily represented in cigarettes, are starting to worry.

Continued on following page

SMOKING AND HEALTH

Continued from preceding page

There is a feeling within the industry that active steps must be taken to re-establish the fact that there still is a "cigarette controversy" and that the issue of smoking and health is "still debatable."

Bowman Gray, board chairman of R. J. Reynolds, has commented, "Our industry is indeed faced with serious problems. Before any satisfactory resolution of these problems can be achieved it will be necessary for our industry to do more to increase government and public understanding."

Addison Yeaman, vice president and general counsel of Brown & Williamson, last month explained the feeling to Tobacco Growers' Information Committee: "Let me assure you that we intend to speak out more in our defense, to give the public the true facts, not crusading propaganda. We refuse to sit by and be the scapegoat for any group." He describes this as a "new spirit of aggressiveness" in the industry.

A shift within the industry to a more aggressive stand on the health issues may involve a shift away from the attorneys as the final censor on industry efforts, to executive management of the companies. Apparently one reason the tobacco industry has previously held back many of the ideas proposed by its public relations advisors and others has been the heavy hand of the legal departments; another reason has probably been indecision as to what direction such an effort should take.

Although there seems to be a general feeling that additional efforts must be made to tell the industry's story to the public, at the same time there appears to be disagreement among individuals on exactly how this should be done and whether it would also be accompanied with some changes in the industry's position on various issues.

Tobacco Reporter this month talked with a number of industry executives, as well as representatives of farming and distributing interests. Because a number of these people were giving their own views, and not necessarily the views of their companies, we are respecting their requests not to be quoted. The following is offered as a potpourri of industry thought on what should be done about the smoking and health problem.

What has been proposed?

Among the proposals currently being discussed on unofficial and some official levels is a major saturation public relations and advertising campaign to re-establish the smoking and health controversy. This campaign may be backed up with the most extensive research campaign ever undertaken by the industry. Among initial efforts in this campaign are the Hooper poll mentioned on page 25 of this issue, and the advertisement run by Tobacco Institute, reprinting a lead article recently published by *Barron's* magazine. (Some sponsorship of the ad also came from outside the Institute.)

This was the second paid "institutional" advertisement ever run by the industry. The first was run when the Council for Tobacco Research was set up. From time to time paid advertising campaigns have apparently been considered by the Institute, for example a number of experimental ads were prepared when the Surgeon General's Report came out in 1964, but these were never run.

Industry executives apparently are giving some thought to a variety of kinds of paid advertising. One suggestion is that some of the advertisements considered by the Institute in 1964 — for example one ad would have listed 25 major questions that have still not been answered by the people who would say the controversy is ended. Although the ad was written in 1964, apparently the questions are still valid.

Another area of thought involves reprint of a number of articles in the press that treat the tobacco industry's side of the issue fairly.

Still another area of thought would involve "institutional" advertising to the general public putting the industry strongly on record that it feels smoking is an adult habit and opposes smoking by young people. This would not involve a change in industry position, since it basically, and on the record, has said it does not favor smoking by young people. Some suggest that a campaign along these lines might help show the industry's sincerity in wanting to treat the problem responsibly. Others, however, feel such an effort might backfire.

Some also suggest similar campaigns urging moderation in smoking or pointing out that perhaps people with certain heart problems should not smoke.

How strong should the position be?

As for content of the campaign, some feel the tobacco industry should go all the way, including attacking personally anti-tobacco spokesmen who make comments that the industry believes to be erroneous. Others feel this might jeopardize industry efforts to work out joint discussions with Health, Education and Welfare and other government agencies concerned with smoking.

All the way?

One of the people involved with the problem sees it this way: "Right now the tobacco industry is like a man who's been tarred and feathered and is sitting on a horse with a noose around his neck. Someone is about to slap that horse, and it's up to the tobacco industry to do anything it can to stop that slap."

Another says, "We've been cautious too long, we're in trouble and it's about time we took some chances."

But others point out the necessity of remaining a "responsible" industry. "If we do some of the wild things now being suggested by some in the industry we'll find out what real trouble is," says one company vice president, "the day we stop behaving responsibly is the day that no one will believe one thing we have to say."

General Counsel for another cigarette firm has said, "The moment we stop being bone clean, we're in real trouble."

Tobacco Institute has been corresponding with Secretary of Health, Education and Welfare Gardner for more than a year about the prospect of setting up a joint task force to work out a continuous dialogue. Comments the general counsel for one firm, "There seems to be more hope now than ever before that some meaningful exchange may be set up with HEW, or the Surgeon General's Office." A spokesman for the Surgeon General's office indicated to *Tobacco Reporter* that the Surgeon General favored such discussions.

Although one of the company executives interviewed by *Tobacco Reporter* feels such a task force would be a waste of time — he points out that the individual tobacco companies can't even agree on what should be done — most of those interviewed felt such dialogues were "essential." Some indicated that "we couldn't agree to anything like standards for cigarette content — even voluntary ones," but felt that the talks could establish a mutual atmosphere of co-operation and might result, for example, in gradual voluntary changes across-the-board in cigarettes. For example, in recent years cigarettes have included lower levels of nicotine and "tar" and still met with consumer acceptability. If industry and government could agree ahead of time what should be done, growers could be informed what buyers wanted well in advance — avoiding the situation in flue-cured this season.

Views on Industry-Government dialogue

Comments a spokesman for one firm, "The industry, through any means possible, as a matter of greatest urgency and highest priority must establish a sound working relationship with the Department of Health, Education and Welfare, and the Public Health Service more specifically. Right now we have very little dialogue, if any, and not enough is being done on either side."

One company vice president who feels strongly that dialogues with the government are essential says, "Any industry today that does not see the necessity of dialogue with government is living in a fool's paradise. Someday this whole thing will be solved by history and science — then the whole controversy will be over. Until then the responsibility of the industry must be shown in dealing with government in realistic terms. What many don't seem to recognize is the changing role of government in business. Today's government is deeply involved with health of the people." Most of the others interviewed felt such dialogue would be a good idea.

However one of the people questioned did not feel dialogues with government were important to the industry. "I believe dialogue between Surgeon General and industry is a waste of time," he said, "the only way to get our story across is to go directly to the people through radio and television spots — both paid and unpaid."

He added that he felt public response to this would be relief of mental strain caused by propaganda efforts of the "anti's." "We should give the facts — make it a facts versus opinion campaign in the selling media," he said.

Dialogues and Surgeon General

A vice president of one firm questions whether attacking the Surgeon General — regardless of the validity of his views — is a good idea. He notes, "The Surgeon General is the responsible custodian of the Nation's health."

Some also suggest that attacks on Surgeon General and others at HEW could jeopardize efforts to arrange industry-government dialogues.

One company executive last month told *Tobacco Reporter* he felt that, "we've tried everything we can to get the Surgeon General and PHS to sit down and talk with us. Maybe if we fight back and stand up for our rights they'll come to respect us a little more."

Interestingly, when contacted again for comment in this article this same executive had apparently had second thoughts. He said, "I feel that largely because of Institute talks with Secretary Gardner and talks with Dr. Endicott during the recent meeting with Senator Kennedy, we are closer than ever to starting a dialogue with HEW. I don't feel personal attacks on the Surgeon General or PHS would help these efforts."

A spokesman at another company commented, "I think the industry has been aware that the Surgeon General has precluded in his public statements the possibility of meaningful solutions to the problem as long as he has said that the case is closed. Higher authorities within our government must be made to recognize that the case is far from being closed but in fact will not be solved without an open mind."

Dialogues at some levels are underway

Meanwhile, some industry-government dialogues are in progress. As a result of the recent meeting of industry officials with Senator Robert Kennedy, joint meetings were set up involving staff of the Commerce Committees. One possible result of these meetings could be avoidance of the Congressional Hearings, which many expect in the spring. A spokesman for Senate Commerce Committee indicates that "significant voluntary concessions" by the tobacco industry could possibly eliminate need for the hearings. Suggestions might include, for example, an industry voluntary agreement to reduce advertising on television. Apparently going through the Committee the industry might be able to skirt Justice Department complications. Whether the industry would agree to take this route is another question.

General Counsel of one tobacco firm questioned by *Tobacco Reporter* commented, "Personally I feel we should give serious consideration to any means of reducing over-all level of advertising."

A spokesman for another company indicated far less interest in a reduction in advertising. "First of all," he said,

"I can't see how a fair formula for such reductions could be established. And secondly any effort to make a major reduction in the over-all advertising level would favor the *status quo*. For example, it would virtually cripple any company planning to introduce a new brand."

Effects of anti-tobacco propaganda

The problem seems to be two-fold: the rate of per capita increase in cigarette sales already appears to be adversely affected by the health propaganda, and apparently climate in Washington is being affected by the weight of mail from anti-tobacco people, much of it the result of organized letter writing campaigns of the "anti's."

Are cigarette sales really being affected by the anti-tobacco propaganda? Earlier this year Art Conover, former ERS statistician for the U. S. Department of Agriculture, compared 1968 projections of industry cigarette sales he had made in 1963 with projections based on current rates of sales increase, along with a rate based on gradual modification of smoking patterns in the direction of decreasing proportions of people becoming smokers in their teens and early twenties.

A projection of sales made in 1963 forecast 1968 cigarette consumption at 595 billion. The recent projection of 1968 sales, however, based on current trends, would indicate sales to be 30 units lower or down 5 per cent from the initial 1968 projection. If fewer people in their teens and early twenties take up the habit, sales in 1968 could be down 40 million units from the 1963 projection, or 7 per cent.

Meanwhile, per capita consumption of cigarettes last year was 4,290 units — still not up to the 1963 level of 4,345 units. Some point out that per capita sales since the 1964 dip have increased at a much slower rate than between 1955 and 1963. Although this is true there may be some modifying factors.

According to the 1966 annual USDA report on "Tobacco Statistics" per capita consumption between 1945 and 1949 increased 31 units — or about 6 units a year; between 1950 and 1954 it increased 24 units — or about 5 units annually. Then in 1955-1963 it jumped 748 units — or some 83 units annually; and these were the years when filters were introduced recruiting a number of new smokers, particularly women. Following the 1964 dip per capita consumption increased 95 units — or 32 units a year. Although most attribute this decline to propaganda over the health issues, a comparison with pre-1955 figures might indicate that saturation of the filter market could also be a factor.

What can be done?

Many seem to feel an intensive campaign by cigarette companies to give the public the facts on smoking and health is the only way to curb the flood of anti-tobacco mail to Congressmen and government agencies, and revive per capita consumption.

At the same time, some point out that it is important to decide what side effects a major campaign to make the public aware of the tobacco industry's story might have. One observer points out that the public does not seem very aware of the Surgeon General or other anti-tobacco spokesmen, and questions whether the increased public awareness of the whole problem might not make some smokers come to grips with the problem for the first time — possibly having the unexpected effect of curbing sales. The suggestion: a saturation test in several markets making use of every medium to tell tobacco's story, along with a close check on cigarettes sales during that period.

Some ideas from individuals

Bill Anderson, executive secretary for Tobacco Growers' Information Committee, feels strongly that the industry must

Continued on following page

SMOKING AND HEALTH

Continued from preceding page

aggressively tell its story. He suggests that spokesmen start at the grass roots, county court houses and then in the state houses. He feels that too much of this battle is being fought in Washington. "What they forget is that thought in Washington is deeply involved with feelings of the people back home — at the grass roots," he says.

Among his specific suggestions about what might be done are the following.

- *Set up speakers' bureau.* Have speakers available not only for trade associations but for such groups as the American Bankers Association. Industry research scientists could speak to scientific groups outside the industry. Supply speakers on history of tobacco to historical groups, etc.

- *Set up a larger clearinghouse of information on medicine* that could speak to scientists on a scientific level. It could issue a regular attractive publication in lay language that could possibly be made available for waiting rooms in doctors' offices.

- *Set up large media information center* that could supply, for example, regular service of tapes to farm broadcasters including such information as excerpts from recent speeches by John Palmer, Tobacco Associates, on possible effects of protectionist movements in the U. S. to long range effectiveness of GATT tariff reductions; or comments by Bill O'Flaherty on the cigarette tax problem, as well as excerpts from speeches on the health issues.

Leaf processing director of one of the firms suggests a special railroad car or bus that could be moved from city to city. The car would include attractive exhibits on the history of tobacco and tobacco's story on smoking and health. Key

people in each community — for example managers of the large supermarkets — would be invited to the car for refreshments and special programs. "This would carry our message into such areas as Des Moines, Iowa, or Salt Lake City, Utah," he says.

One company public relations director feels there is a need for an industry book. A book that companies can send in response to questions from smokers involving the health issues. It could be made up, for example, from testimony given during the 1965 Congressional hearings on smoking and health.

Many distributors of tobacco products have been reluctant to speak out actively on the health issues — possibly because of their involvement with products other than cigarettes.

However, R. E. Jeffers, S. Bloom, Inc., in Chicago, Ill., has strongly advocated that the Tobacco Institute organize a committee to conduct a hard hitting retaliatory campaign through letters, newspapers and T.V. He suggests a fund for the campaign be obtained from growers, warehousemen, leaf dealers, manufacturers, distributors and various state tobacco associations. His letter to *Tobacco Reporter* appeared on page 13 of the November, 1967, issue.

Vice president-sales of one of the cigarette firms suggests that the industry should parallel government studies with studies of its own — done scientifically by respected independent pollsters. "When the Public Health Service does a 'morbidity' study, the industry should do one too," he suggests. He points out that many government studies have been conducted unscientifically. We should have some in-depth studies, for example, on the effect advertising really has on starting youngsters and others to smoke," he observes. "We've telling people that it's the peer groups that cause this and not advertising and I think this is true, but we need some concrete information to back this up," he notes.

Another company spokesman suggests that research departments of the various tobacco companies could probably be co-ordinated, following approval of this move by the Justice Department. He suggests that if researchers could have freer exchange without fear of any harassment, greater progress could be made toward identifying what, if anything, in cigarettes may be harmful to health.

He also suggests that much of the industry's research budget might better be directed into several major projects.

Media education is important

A number of executives questioned felt an extensive media education program was important. Some references were made at a recent project at Philip Morris involving special organized trips to Richmond, Va., for key members of the press in a company plane. In Richmond the media people visit the Philip Morris research lab and hear top executives in the research program explain the work the company is doing.

An official at one company that is apparently giving some consideration to an institutional campaign of its own over its company signature, said that in his own personal opinion most joint efforts of the companies to speak out on the health issues are ineffective because they are watered down to be acceptable to everyone. He suggests that it is in the industry's own best interest to speak directly to the public. "It's our responsibility to give people who do smoke something to lean on," he explains.

He adds, "Most of the time we are talking to ourselves. We should be out talking to membership of the National Chamber of Commerce and groups outside the tobacco industry."

One company executive took a totally unique point of view. He commented: "It's our company's policy to go along with whatever the rest of the cigarette industry wants to do." (Editor's note: Which "rest of the industry"?)

Tobacco Reporter



Yadkin Basket Co., Inc.
W. EVAN CECIL
Baskets
For Every Need
HIGH POINT, N. C. 27261
P.O. BOX 1427

"YBCo" "YBCo"

"Baskets of Proven Quality Since 1909"

Flavor Specialists
since 1854...



FRIES & BRO.

60 EAST 42ND ST., NEW YORK, N. Y. 10017
Cable address ALFREBRO