Point of View

By Alan Blum

Colleges Must Eliminate Tobacco Stocks From Their Portfolios

FEW PEOPLE IN THIS COUNTRY, apart from those involved in the tobacco industry, the uneducated, or the willfully ignorant, still dispute the findings of the Surgeon General and every major medical group that tobacco use is the most preventable cause of death, disease, and disability in the United States. Each year more Americans die from diseases caused by smoking than from AIDS, pneumonia, tuberculosis, homicide, suicide, alcohol, and illegal drugs combined. Worldwide, preventable deaths attributed to tobacco are estimated at 2.5 million a year; the number is expected to rise to 4 million by the turn of the century.

The Surgeon General's report on smoking was released early in 1964, and cigarette ads on radio and TV were banned six years later. In 1981, a group of young physicians that I coordinated finally succeeded in persuading the American Medical Association to eliminate several million dollars' worth of tobacco stocks from its retirement fund. In 1984, we focused on university-based medical schools in Illinois. The resulting publicity led a few institutions, such as the University of Illinois, to sell their tobacco stock, but others, such as Loyola, refused to do so.

Until this past June, when Harvard University and the City University of New York separately announced that they would divest millions of dollars in tobacco-stock holdings, little more was said or done in the academic community about the ethics of profiting from the sale of tobacco. Harvard acted after a local newspaper pointed out the hypocrisy of the university's investing in tobacco companies while collecting $54-million in research grants from the National Cancer Institute in 1988, and after a group of physicians at its School of Public Health purchased time on the campus radio station to urge President Derek Bok to press for the divestiture. At CUNY, a member of the Board of Trustees, Edith Everett, raised the issue at a board meeting, saying: "Owning a stock makes one a partner in that company. Ownership in a company whose purpose it is to addict as many young people as possible to a lethal drug calls educational leadership into question." At its next meeting, the board concurred, in a 9-to-2 vote.

Although most institutional investment advisers quoted in financial publications scoffed at the two universities' actions, a heightened focus on the ethics of profiting from the sale of tobacco has led people on and off the campuses to realize that the issue is not a battle between those who smoke and those who do not, but rather one that pits the tobacco industry against those who promote good health. It remains to be seen whether the pro-health forces will succeed in coordinating further divestiture movements on other campuses.

The issue of tobacco companies' support of university-based research may be an even hotter potato—but ultimately more meaningful—than divestment, because a refusal to accept such support would emphasize not only the immorality of profiting from tobacco sales, but also the intellectual dishonesty of the tobacco industry in its purposeful misuse and distortion of research. Little has been written about the possible ethical compromise for universities in accepting research money from the tobacco industry, which may then misuse the results.

The industry uses selected findings from research it pays for in advertisements, legal and legislative testimony, and publicity campaigns by the Tobacco Institute, its public-relations arm. The institute promotes the views of industry-supported researchers, thus fostering the notion that there exists a serious scientific dispute about the risks of smoking. It plays down research that has found smoking to cause illness while publicizing findings on the role of other factors, such as stress, eating habits, or air pollution.

While the makers of alcoholic beverages, pesticides, and a host of other harmful substances now acknowledge the risks of exposure to their products, tobacco

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companies refuse to do so. In fact, the industry has hired a handful of university scientists to travel from state to state testifying against anti-smoking legislation. They argue that before such laws are enacted, considerably more research is needed to prove that tobacco smoke harms the non-smoker. As a rule, these witnesses avoid responding when asked directly whether tobacco has been found to harm those who do smoke. In public-health circles, a new definition of "infinity" has been coined: the number of studies it would take for a tobacco company to acknowledge that smoking can cause even a cough or that cigarette advertising helps lead children to smoke.

Ironically, the warning labels that Congress has required on cigarette packages since the late 1960's have proved to be a blessing in disguise for tobacco companies. In defending lawsuits over tobacco-related illness or death, they have cited the labels as evidence that the sick or deceased person well knew the risks of smoking—even while the industry itself continues to deny that such risks exist.

Although more than 1.5 million Americans stop smoking every year (through quitting or dying), more than 1.25 million take it up, virtually all of them adolescents. Ethnic minority groups, especially young blacks and Hispanics, show far higher smoking rates than the general population. Cigarettes are the most-advertised product in youth-oriented magazines. It is buck passing of the highest order to place the onus of prevention on parents and health professionals, when tobacco advertisers are pulling out all the stops to make their products attractive to young people.

A major obstacle to tackling the tobacco pandemic is complacency—a belief that the "war" on smoking has been won—on the part of the public, health professionals, and the academic community. Indeed, many people in academe feel that criticism should be tempered, because tobacco companies are diversifying into other products and services. Smoking will die out over the next few years, their reasoning goes, and diversification will allow the companies to replace lost revenue.

Such thinking is misguided. Although cigarette sales in the United States have leveled off over the past decade, the average decline in per-capita cigarette consumption has been less than 1 per cent a year, and the companies' profits have risen to record levels. The proportion of total profit accounted for by tobacco sales is still by far the highest of all sources of revenue for the diversified companies. At Philip Morris, for example, tobacco accounts for only half the sales but over 70 per cent of the profits. (Even if domestic cigarette profits were to slip, they would be more than made up for by growth in sales in other countries.)

My efforts to raise the alarm about the tobacco industry have often been treated with greater seriousness by company spokesmen than by my medical colleagues. Most doctors and researchers do not pretend to be activists—they are looking for cures, not crusades. Of course, the cure for lung cancer lies not in the test tube but in not lighting up. Yet countless hours and millions of dollars are being spent to find out whether vitamin A supplements might help stave off cancer in people who smoke. This is the same logic as that used by the National Cancer Institute in the 1970's, when it spent $40-million in a search for a safer cigarette. Yet much less public money has been used to finance anti-smoking campaigns. The budget of the Department of Health and Human Services' Office on Smoking and Health is barely $3-million a year (compared with the $3-billion a year tobacco companies spend to advertise cigarettes in the United States).

Even the much-touted California referendum, intended to use cigarette tax money to fight smoking, will provide just $28-million for paid advertising in the mass media, or less than 5 per cent of the amount cigarette companies will spend at the same time in that state.

FOR A UNIVERSITY in 1990 to continue to hold a stake in a tobacco company shows contempt for the very knowledge that has been gained by university researchers about tobacco during the past 50 years. Yet the difficulty in communicating this to the academic community can be illustrated by my experience at a seminar on socially responsible investing I attended a few years ago, along with students and faculty members from a number of institutions in the Northeast. Discussion was largely devoted to the ethics of holding shares in companies involved in building nuclear power plants or with ties to South Africa. Toward the end of the day, I inquired whether participants might not also urge their institutions to divest stock held in tobacco companies. The reaction was unanimous and could best be described as one of restrained outrage.

"No one forces anyone to smoke," a professor who was on his university's investment advisory panel icily admonished me.

"Everyone knows about the dangers and has the right to choose," added a student.

The gist of the responses from that liberal-minded crowd was that people can kill themselves if they want to. Marie Antoinette would have felt right at home: "Let them eat smoke."

It was only after I pointed out that Philip Morris had significant holdings in a South African cigarette conglomerate that the mood changed. "What? South Africa? By all means, sell Philip Morris!"

The fact that smoking takes 390,000 American lives a year hadn't been reason enough, but the mere mention of a socially acceptable moral buzzword was sufficient to convince the entire group in an instant. Exploitation of the majority black population by the white minority in South Africa ought to spark moral indignation in everyone, but so should exploitation of black, Hispanic, and white youths by the tobacco industry in the United States.

The only defensible purpose in holding tobacco stock is to use it to vote to end the companies' cynical promotion of tobacco to new markets. A better course would be to divest and join in ringing down the curtain on the industry before it can hook another generation.

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