

Copy No. ..22....

STRICTLY CONFIDENTIAL

TO ALL NO. 1s OF ASSOCIATED COMPANIES

SMOKING AND HEALTH

no breakthrough
foreseen.

The association of smoking with various diseases continues to be a major threat to the tobacco industry. It would be unrealistic to expect a sudden scientific breakthrough in the foreseeable future and our policy is based on this assumption. Therefore, tobacco companies must consider how best they can continue to live with the problem and what steps they can take to ameliorate it.

Group
Conference

The companies in the B.A.T. Group most affected at the present time are those in the U.S.A., Canada, Germany, and Australia. Senior representatives of these four companies, together with representatives from Millbank recently held a Conference in Canada, to review Group policy and objectives in this matter. As a result of their deliberations the current policy document, dated June 12th 1970, is now superseded by this paper.

Industry
Leadership

A distinction must be drawn at the outset between those companies in whose countries the issue is not yet a live one, and companies who are already having to deal with the problem in some degree. It is not suggested that those in the first category should do anything to initiate action in the matter, but they should, nevertheless, prepare themselves to act as suggested later in this paper should the matter become live. Wherever possible, the B.A.T. Group company should seek to exercise leadership within the industry in its country on the question of smoking and health. It follows that it is the duty of the management of our tobacco companies to be well-informed on Government attitudes to smoking and health, forewarned and alert to likely Government action, knowledgeable about ministerial intentions and the influence and significance of anti-smoking groups.

./.

301097270

Main aim

The growing threat to the industry on the health front in a number of countries is that its operations will be seriously restricted by anti-smoking legislation including punitive taxation. B.A.T. should not subscribe to industry attitudes which we consider are, through their intransigence, likely to provoke undesirable legislation. Our aim is to persuade all those concerned - other members of the industry, members of the medical profession and governments - towards courses of action acceptable to consumers and the public which are designed to preserve the industry's long-term commercial interests, and at the same time to be as reasonable and realistic as possible in the light of scientific developments. Wherever possible, we should seek to arrange for all smoking and health matters to be dealt with through an association of all members of the industry.

The medical and health authorities (including those in government service) exert the strongest influence on Government action in this field. They are also the arbiters of the health effect of any product changes we may make. In the last analysis, therefore, the views of such authorities could dictate the future of the industry.

Our objectives, therefore, are:

Objectives

1. To persuade medical and government opinion that tobacco products (modified as may from time to time be required by Government health authorities as knowledge increases) perform a useful and beneficial social function.
2. To enter into dialogue with medical authorities and Government departments on the possibility of developing modified products acceptable to the consumer and recommended by medical authorities as being likely to be less harmful.
3. In furtherance of the two previous objectives, to develop suitable strategies for influencing medical and Government opinion and get each group to accept some responsibility for helping to solve what is seen to be a major public health problem, rather than putting all the onus on the industry.
4. To see that research on the benefits of smoking is undertaken wherever possible and that information on this matter is circulated to all Group companies.

In the first instance, it will be our companies in the U.S.A., Canada, Germany, and Australia who, together with Millbank, will proceed with Item 4, and Millbank will keep other companies informed of progress.

In the early days of the controversy it seemed good sense for the industry to contest the validity of all the evidence against smoking (and this may still

301097271

./.

be necessary to avoid damage in law suits but there is little doubt that the inflexibility of this attitude created in some quarters hostility and even contempt for the industry among intelligent and fair-minded doctors. As these are among the people whom the industry most seeks to influence, it is thought that we should have a reasonable answer on the question of causation. It is suggested our answer should be expressed in figure on the following lines:-

View on Causation

"We recognize that a substantial number of medical authorities have expressed the opinion that a causal relationship has been established between cigarette smoking and lung cancer and certain other diseases, while some doctors and other scientific experts have expressed doubts about the evidence. It seems to us, that in the absence of clinical proof of the mechanism involved, the issue of causation at the present time remains controversial. This controversy can only be finally resolved through further research and the industry is prepared to cooperate with government and medical authorities in any such work."

The opportunity can also be taken to recall the statement in the 1962 Report of the U.K. Royal College of Physicians that smoking is "a habit which most smokers enjoy without injury to their health", and this was not contradicted in the further R.C.P. Report of January 1971. We can also point out that we, as manufacturers, have always taken the attitude that it is sensible for consumers to exercise moderation in smoking, as in other things. We can also refer to the benefits which smokers derive from smoking. In this context the question raised in the 1962 Report of the U.S. Surgeon General, set out below, is particularly pertinent:

Moderation

refine

"What would satisfy the psychological needs of the 70,000,000 Americans who smoked in 1965 if they were suddenly deprived of tobacco? If the thesis is accepted that the fundamental nature of man will not change significantly in the foreseeable future, it is then safe to predict that man will continue to utilize pharmacologic aids in his search for contentment."

Seeking the goodwill and cooperation of the medical authorities should not inhibit us from questioning vigorously any factually incorrect or dishonest statements made by the opponents of smoking.

./.

301097272

Industry
Research

In those countries where the industry is carrying out or sponsoring health research, it should keep the medical authorities fully informed and welcome their collaboration and views. It should also make known to them the extent of the research effort in other countries. In countries where the local industry has sponsored no such research to date, it should provide the Ministry of Health or appropriate medical authorities, with information about industry research in other countries. In giving any information about research it is important to place the emphasis on the quality of the research rather than its cost, since the latter often compares unfavourably with advertising or promotional expenditure.

Advertising
Restrictions

B.A.T. is opposed in principle to the imposition of restraints or restrictions on advertising, coupon trading, or other types of promotion, as these are accepted commercial practices in a free enterprise system. B.A.T. considers that smoking is an adult choice and does not direct its advertising at the young. There is little or no evidence that advertising increases total consumption. Where, however, Government insists on some restrictions, the question arises as to whether it is better for the industry for this to be effected through voluntary agreement or by legislation. Voluntary restrictions present the industry in a more favourable light than the imposition of legal controls or prohibitions. In most cases voluntary agreement would seem to be preferable, but there are some arguments favouring legislation.

- e.g.
 - i) In Federal systems legislation by the centre preempts state or provincial legislatures enacting a number of differing laws.
 - ii) Voluntary agreements tend to be dishonoured by a competitor whose market position is being seriously threatened; legislation requires all competitors to comply.
 - iii) Legislation is less easily changed for the worse than a voluntary agreement.

There is attached to this paper a Report dated February 1973 on the growth of restrictions world-wide on the advertising and marketing of tobacco products (Appendix A).

Tar and
Nicotine League
Tables

The publication of tar and nicotine league tables seems to be relatively harmless to the industry, but the initiative for such action should always be seen to be taken by the Government and not by the industry. The

301097273

No Health
Claims

industry should always aim to get tar and nicotine firmly separated in the minds of the authorities and the public. It should insist that the tests are made by a laboratory independent of any member of the industry. Publication of brands in alphabetical order is preferable to ranking by levels. Every Group company should have available a brand which would be favourably placed in the table, and a filter version of a particular brand should always show a lower level than the plain version. Group policy of never making health claims remains unchanged.

We should resist as far as possible the imposition by Government of maximum levels for tar and nicotine. If a Government is determined to take such action, we should strive to have the levels fixed sufficiently high to cover the majority of brands on the market. If necessary, we should point out that a reduction of nicotine below a level satisfactory to the consumer might lead to increased per capita consumption.

Tar and
Nicotine
Figures on
Packs

The printing of tar and nicotine figures on packs or in advertising should be resisted as far as possible on the main ground that figures can imply that small differences indicate degrees of safety and the further ground that variations in blend, etc., since a brand was last tested can also result in the consumer being misled. If compliance is insisted on, figures are preferable to groupings under headings such as, "high", "medium", and "low" (although the U.K. industry has accepted grouping for tar content on packets).

Warning
Notices

Cautionary warning notices on packs would appear from experience to have had no significant effect on total consumption. If insisted on, the wording must make clear that the warning emanates from a Government source. Warning notices in advertising should be resisted as long as possible.

There is attached, for general information, a summary (Appendix B) of other matters dealt with at the recent Smoking and Health Conference referred to on page 1 of this paper.

ADM/CAH

301097274