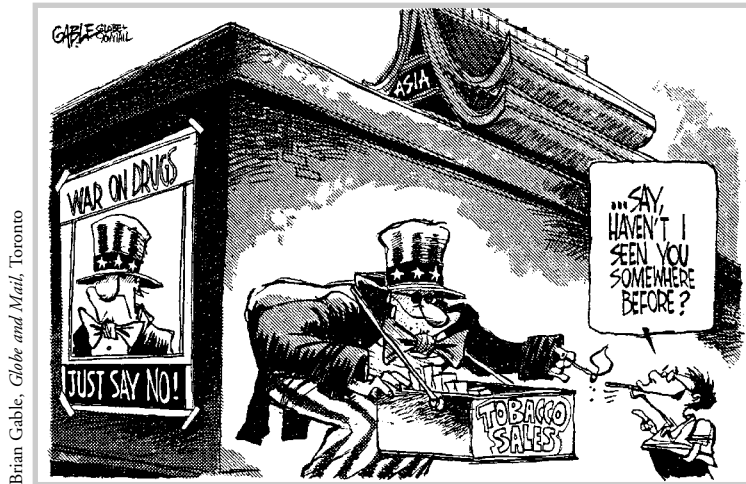


PART V

The War Goes Global

Exporting the Epidemic



Tobacco is a major threat to sustainable and equitable development. ... In the developing world tobacco poses a major challenge, not just to health, but also to social and economic development and to environmental sustainability.

— Bellagio Statement on Tobacco and Sustainable Development, June 1995⁵

An international health disaster

Canada has only 0.5% of the world's population. The harm caused by tobacco products in Canada, as horrific as it is, is but a drop in the bucket compared with the worldwide epidemic. Indeed, the magnitude of the human disaster is so enormous that it is almost impossible to fully appreciate. And the problem is getting worse every year — far worse.

During the 1980s, per capita consumption declined an average of 1.4% per year in developed countries (DCs) but rose an average of 1.7% annually in less-developed countries (LDCs).⁶[642] In 1970–72, per capita consumption was 3.25 times as high in DCs as in

⁵This statement was prepared by 22 individuals and international organizations meeting at the Rockefeller Foundation's Bellagio Study and Conference Center in Italy.

⁶In this chapter, *developed country* will be used instead of *Western* or *industrialized country*. *Less-developed country* will be used instead of *developing* or *Third World country*.

Table 4. Global and regional estimates of cigarette consumption, 1970–72, 1980–82, and 1990–92.

| | Cigarettes per adult per year | | |
|--------------------------|-------------------------------|---------|---------|
| | 1970–72 | 1980–82 | 1990–92 |
| World | 1 450 | 1 650 | 1 640 |
| Developed countries | 2 670 | 2 770 | 2 400 |
| Less-developed countries | 820 | 1 160 | 1 370 |
| WHO regions | | | |
| Africa | 460 | 560 | 540 |
| The Americas | 2 600 | 2 490 | 1 870 |
| Eastern Mediterranean | 730 | 930 | 910 |
| Europe | 2 280 | 2 470 | 2 290 |
| Southeast Asia | 640 | 960 | 1 150 |
| Western Pacific | 1 140 | 1 600 | 2 000 |

Source: World Health Organization.^[642]

Note: India is included in the Southeast Asia region. China is included in the Western Pacific region.

LDCs. By 1990–92, the ratio had fallen to 1.75. By 2005 or 2010, it is expected that per capita consumption in LDCs will equal that in DCs.^[642] As Table 4 indicates, global per capita cigarette consumption has remained fairly stable at 1 450–1 650 cigarettes since the early 1970s, despite all the efforts to reduce smoking and despite declining rates in DCs.

Annual cigarette consumption varies considerably among countries of the world. However, wealthier countries generally have higher consumption rates.^[117,323,644]

Figure 17 shows the dramatically increasing global trend in cigarette production since 1950. Production in 1994 was 5.3 trillion cigarettes. Total weight of all tobacco grown for all tobacco products (in 1993) was 7.7 trillion grams.^[553] Six countries account for more than 55% of world cigarette consumption: China (31.4%), United States (9.2%), Japan (6.3%), Russia (4.2%), Germany (2.5%), and Brazil (2.0%).^[33]

TTCs are using the vast profits they have made and are continuing to make in DCs to finance international expansion. Worldwide, the tobacco-control movement is winning the occasional battle, usually in a DC, but TTCs are easily winning the global war. To the victors go the spoils — massive profits — while the vanquished are left to deal with colossal casualties. Tobacco-industry optimism was well expressed in the Philip Morris *1992 Annual Report*:

Our worldwide tobacco business has greater opportunities now than ever before. Our strong bases in the United States and Western Europe, our expansion in Eastern Europe and the former Soviet Union, and our growing businesses in Latin America and the Asia/Pacific region position us well to meet the challenges of increasingly linked and prosperous world markets.^[469, p. 18]

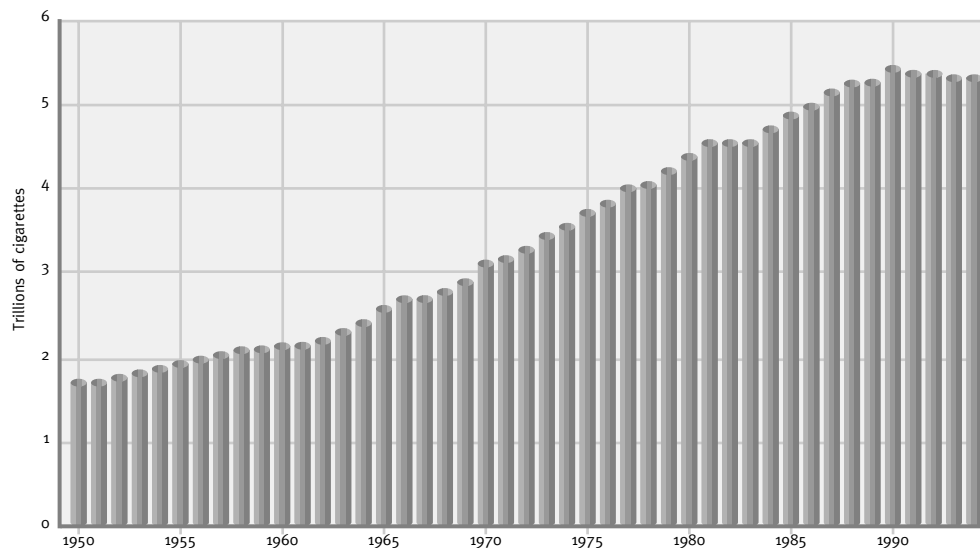


Figure 17. World cigarette production, 1950–94.^[449]

In 1995, Geoffrey C. Bible, Chairman and CEO of Philip Morris, enthused that “worldwide, tobacco is going like gangbusters.”^[471, p. 4]

WHO estimates that worldwide, tobacco kills 3 million people a year: 2 million in DCs, 1 million in LDCs.^[466] The 3 million annual deaths translates to one death every 10 seconds, or six deaths every minute. WHO estimates that if current smoking patterns continue, 10 million people will die from tobacco in 2025, 7 million of them in LDCs. That’s one death every 3 seconds. Without successful interventions to reduce smoking, the annual death toll after 2025 will exceed 10 million.^[466] Of the children and teenagers alive in 1994, it is projected that 250 million will die from tobacco use.^[467]

Smoking is already the leading cause of death in DCs. Over the next few decades, it may become the leading cause of death in the world. In some LDCs, like Brazil, tobacco use is already the leading cause of death. According to the World Bank, the deaths from tobacco in 2025 will exceed the deaths from AIDS, tuberculosis, and complications of childbirth combined.^[638] What’s the explanation for this prediction? Partly it’s that the world’s population is growing. Partly it’s that people are living longer and are more likely to suffer tobacco’s effects. But mostly it’s that there has been a massive increase in smoking in LDCs over the last several decades. This increase will translate into deaths when the new smokers move into middle age.

Why are smoking rates in LDCs rising? Aggressive marketing by TTCs, the absence of regulations and educational programs, and rising incomes — thus making cigarettes affordable — have all contributed. According to the World Bank, TTC penetration of LDC

markets “has been accompanied by very large increases in smoking prevalence, usually among people in their teens and twenties.”^[637, p. 7]

The future looks great for the conquerors because there are major opportunities for growth. In many LDCs, the average smoker smokes fewer than half the number of cigarettes that the average smoker in DCs does.^[644] Many people in LDCs have little knowledge of the health consequences of smoking. Any opposition or antismoking activity is normally unorganized. Some individuals may ignore health advice, believing that longevity is determined by fate or by God. Others may feel somehow that they are physically stronger than smokers in DCs and thus resistant to the dangers of smoking. In some LDCs, smoking rates among youth are now higher than among adults, a telling sign for future trends. In many LDCs, population growth rates are extremely high, meaning that even if per capita consumption were to remain flat, total sales for some regions could still double in 20–30 years. Together, these factors create a tobacco marketer’s dream.

As of the early 1990s, the world had an estimated 900 million male smokers (200 million in DCs; 700 million in LDCs) and 200 million female smokers (100 million in DCs; 100 million in LDCs).^[642] Although there are significant differences among countries, it has been estimated that about 30% of the world’s adults are regular smokers:

- ♦ 48% of the men and 12% of the women in the world;
- ♦ 41% of the men and 21% of the women in DCs; and
- ♦ 50% of the men and 8% of the women in LDCs.^[642]

Surveys have found smoking among men to be exceptionally high in some places: it is more than 60% in South Korea, Latvia, Russia, Dominican Republic, Tonga, Turkey, China, and Bangladesh. Prevalence among women is rarely higher than 30% and is lower than 10% in places such as China, Singapore, Albania, Paraguay, and the Philippines. In Muslim countries, smoking prevalence among women is normally less than 10%, even when male prevalence is more than 40%.^[644] This means that in certain parts of the world there is a massive female market ripe for exploitation, particularly as social and religious barriers to women’s smoking diminish. This evolution in favour of smoking is aided by advertising. As more women obtain employment and income, more women are able to pay for cigarettes. Trends of increasing smoking among women are of particular concern, given that, besides being income earners, women are often role models, primary caregivers, and educators in the home.

In LDCs, tobacco use may result in hardships not found in developed countries. Poor medical systems mean that those who contract cancer or other diseases may not receive suitable, or any, health care. Because high costs may make health care, pain killers, and other drugs unaffordable, suffering may be especially intense. Countries may be too poor to have social-welfare programs to support a family after the premature death of a wage earner. Small, poorly ventilated homes may mean that the health effects of ETS from smoking by a parent or spouse are more severe.

The transnational tobacco industry

The global tobacco industry is dominated by a few giants. In 1993, Philip Morris led the way, with 12% of global market share, followed by BAT at 9.9%, R.J. Reynolds at 5.8%, Japan Tobacco at 5.2%, and Rothmans at 2.9%. The world's biggest company is actually the China National Tobacco Corporation, with roughly 30% of the world market, but because it is a government monopoly it is excluded from this list. The top brands in the world are Marlboro (Philip Morris), Mild Seven (Japan Tobacco), Winston (R.J. Reynolds), and Camel (R.J. Reynolds).^[592]

Philip Morris cigarettes, including Marlboro, are sold in about 170 countries. Each Marlboro pack contains the company's coat of arms, featuring the slogan *Veni Vidi Vici* — "I came, I saw, I conquered."

BAT is the world's largest cigarette company outside the United States. It has factories in 50 countries, and its cigarettes are sold in some 180 countries and duty-free markets. In more than 30 of the world's markets, BAT owns the top brand.^[31]

Most of Japan Tobacco's sales comes from within its home market. Since 1988, after gaining competitive experience when its domestic market was opened to foreign competitors, Japan Tobacco has expanded internationally. Exports skyrocketed from 1.5 billion units in 1987 to 16.4 billion in 1993. The company concentrates on Korea, China, and Hong Kong, but it has interests in Eastern Europe and is planning further international growth.

The TTCs have become increasingly dependent on overseas sales. In 1983, 40% of the combined cigarette sales of R.J. Reynolds and Philip Morris were to international destinations. By 1993, 65% of their sales were outside the United States.^[121] For Philip Morris, international sales in 1993 accounted for 51% of total tobacco profits, up from 17% in 1986.^[121]

Penetrating new markets

TTCs have been hugely successful at increasing their global market share and at breaking down trade barriers. In the 1960s, TTCs pushed into many Latin American markets. In the 1980s, TTCs forced their way into Asian countries. In the 1990s, TTCs are moving into the formerly communist countries of Central and Eastern Europe and into communist China and Vietnam. In most cases before the TTCs moved in, the markets were dominated by government-owned monopolies. In the early 1980s, 60% of the world's market was closed to TTCs. Now the opening of more markets (including China) will reduce that to 5%.^[18]

How do international tobacco firms penetrate? Dr Judith Mackay, Director of the Asian Consultancy on Tobacco Control, describes a typical four-stage process in which TTCs enter a previously closed market:

1. **The honeymoon.** The initial honeymoon period when the foreign companies enter a country is one of offers of help with technology in farming and manufacturing,

free trips overseas and the co-production of glossy magazines. This is the stage of wooing the country and gaining access.

2. **The marriage.** Next come the joint ventures, a foot in the door. At this stage advertising and promotion often begin to creep in, usually of a sophistication and funding level not used by the national monopoly.
3. **The marriage turns sour.** The relationship then becomes less harmonious, with accusations from the transnational that a monopoly prevents free market access, even with the trade threats Because of the political strength foreign companies can muster, the national monopoly usually must accede to their demands.
4. **The divorce.** Finally the national monopolies weaken or may be disbanded. The foreign tobacco companies come away with what is for them the optimum marriage settlement — domination.^[102, p. 46]

To this can be added a few more tactics. Foreign-made contraband may start to appear within a closed market in increasing quantities. This accustoms consumers to a brand's taste and imagery and helps develop a market for the brand. Lost tax revenues from contraband put pressure on the government to allow foreign brands in legally.

At an early stage, a TTC may give the local company a licence to produce a foreign brand, perhaps through a joint venture in the marriage phase of penetration. This seems innocuous enough because domestic jobs are not threatened, but again, it is a way to build market share among the local population. Foreign companies may also visibly engage in charitable activities to create an impression of good corporate citizenship.

The industry has hired big guns to help it expand internationally. Philip Morris hired former British Prime Minister Margaret Thatcher as a consultant on “geopolitical affairs,” reportedly paying her US \$1 million over 3 years. A 1992 company memo listing issues on which she “may be able to offer guidance and assistance” included “China Entry Strategy,” “Vietnam Entry Strategy,” and “Singapore Anti-Tobacco Programs.”^[358] Clayton Yeutter, US Trade Representative from 1985 to 1989, has since joined BAT's Board of Directors. To help break into South Korea, R.J. Reynolds hired Richard Allen, one-time national security adviser to US President Ronald Reagan; Philip Morris hired Michael Deaver, a former White House aide to Reagan. A Philip Morris memo would later boast that Deaver “was given a welcome ordinarily reserved for the highest foreign dignitaries” when he visited South Korea on behalf of the company.^[358]

Does it matter whether the supplier of cigarettes in a country is the national government-owned monopoly or a TTC? Absolutely. A government-owned monopoly may acknowledge the health consequences of smoking and may cooperate with government health initiatives. For example, in China all tobacco stores close on World No-Tobacco Day, to the agony of some desperate smokers. A monopoly might not advertise at all, but if it does, its ads will likely be amateurish. Product quality is typically poor, with a harsh, unflavoured taste. Lack of competition means that prices are higher and retail outlets are fewer than would otherwise be the case. Packages may be unalluring. Wholesale distribution may be inefficient.

In contrast, TTCs deny the health consequences of smoking, ruthlessly market cigarettes, vigorously fight against regulatory efforts, and if there is regulation, capitalize on loopholes in the laws. TTCs use attractive packaging, push for an expanded number of retail outlets, and sell flavoured cigarettes that are easier to smoke.

Here's what the industry trade publication *Tobacco Journal International* had to say about the ineffectiveness of monopolies:

Some monopolies regard their duty as being to do no more than make their tobacco products passively available to smokers who want them; newcomers, domestic or foreign, usually feel the need for more dynamic marketing, aided by thrusting advertisements of a kind that may be new to the target market.^[25, p. 132]

From a health perspective, making cigarettes “passively available to smokers” is far more desirable than the approach taken by TTCs.

How have government-owned monopolies fared since the market was opened to competition? Often, not very well. By 1976, TTCs had bought out at least 12 companies in Latin America, the majority of which were former monopolies.^[120] By 1988, TTCs controlled 75% of the Latin American market.^[119]

There are many examples of TTC tactics to expand profits without regard to the impact on public health. One classic example comes from Sri Lanka. In 1993, BAT's subsidiary, the Ceylon Tobacco Company, organized a news conference to dispute the alleged health effects of smoking. A report of the session in *The Island* newspaper was headlined “Anti-smoking campaign comes under heavy fire” and “Consultants rule out lung cancer, heart.” Here are excerpts from the article:

An international team of consultants hosted by Ceylon Tobacco Company last week insisted that smoking could not be linked to lung cancer and heart disease. They accused the mass media of being biased against smoking. ...

Dr. Sharon Boyse, head of the Smoking Issues Department of the British American Tobacco Corporation in the United Kingdom, said there is ‘absolutely’ no laboratory proof that smoking is directly related to lung cancer or heart disease. ... Lung cancer, she pointed out, could be caused by various other factors also — keeping pet birds and ethnic factors for instance. ...

The issue of passive smoking was dealt with by Philip Witorsch of the George Washington University Medical Center. ... According to him, passive smoking or inhaling what he calls ‘Environmental Tobacco Smoke’ is not hazardous to one's health as led to believe.^[146]

Coverage of the meeting did prompt a backlash from some media, heart specialists, and other concerned citizens.^[20]

A similar initiative occurred in South Africa. BAT's local affiliate paid for reporters from South Africa, Malawi, and Mauritius to attend a seminar at a luxury resort. Many of the speakers from the Sri Lanka news conference delivered the same message in South Africa. Other speakers included Jean Boddewyn of Baruch College, New York, who denied that tobacco advertising can affect consumption. The result of the luxury seminar was

substantial press coverage favourable to the industry's views.^[546] Boddewyn and Philip Witorsch actively work for the industry and have been speakers in many countries. In Canada, both testified in support of the industry before the House of Commons committee considering bills C-51 and C-204.

Another illustration comes from Uganda. In 1988, the Ministry of Health met with BAT to discuss a proposed health warning for cigarette packages. After the meeting, R.M.H. Duncan, the Managing Director of BAT Uganda, wrote to the government seeking to tone down the proposed warning:

I am afraid that any Health warning clause must be attributable to the Government in some way, e.g. Government Health Warning. ... This is because any unattributable warning might be attributed to B.A.T. and we do not wish this to happen because:

B.A.T. Uganda 1984 Ltd. does not believe that cigarette smoking is harmful to health.

B.A.T. Uganda 1984 Ltd. might be held legally liable for any warning which could be attributable to us.^[153, p. 1]

The letter also stated that BAT thought "it would be only fair to have a form of words which is not excessively strong" and that the company did not want to put warnings on packages for duty-free or export sales.^[153, p. 1]

The industry's pursuit of sales with a apparent lack of concern for the plight of humanity is well illustrated from this excerpt from the 1984 annual report of the BAT subsidiary in Kenya:

After a promising start, the drought and uncertainty over food supplies created a reluctance among customers, particularly in rural areas, to spend their limited cash resources on items such as cigarettes. Under these conditions volume sales did well to achieve a modest growth of 0.4% and turnover of 7.9% over 1983.^[102, p. 18]

The company was noting the fact that some people in a drought-stricken area wanted to spend their money on food instead of cigarettes.

In 1976, both R.J. Reynolds and Philip Morris admitted at hearings before the US federal Securities and Exchange Commission that their international subsidiaries made "questionable" payments totalling \$7.4 million to government officials or companies the officials controlled. Philip Morris said that the questionable payment of one of its subsidiaries (US \$278 500, mostly cash) was for "what may have been legal political and lobbying expenses," noting that "such payments are customary in the countries involved and apparently condoned by local authorities."^[582, p. 264]

In Kenya, 20% of the BAT subsidiary is owned by the national pension fund. This cleverly creates a constituency of those, including retirees, who do not want the government to take action against tobacco because that might hurt their pensions.

The modern opium war

In the early 1800s, British merchants smuggled opium into China and made a fortune; Americans and other Europeans were involved too, but to a lesser extent. Although opium was completely illegal, addictive, and terrible for health, caused all kinds of other social problems, and drained China of vast quantities of silver, the merchants aggressively pushed their product. Apologists for the merchants denied that opium was bad for health. The British argued that if they didn't sell opium, trade would be lost to merchants from other countries. In 1839, after a decade of escalating problems with opium, the Chinese tried to stop the trade by confiscating opium stored by British merchants. This led to the Opium War (1839–42). The British won, and the opium trade continued to flow.

In the 1980s, the American tobacco companies spearheaded a modern-day opium war in the Far East. At the time, Taiwan, Thailand, South Korea, and Japan each had a closed market dominated by a government-owned monopoly. American tobacco companies had no access to these markets. American tobacco companies do not like to be told “No,” so they pressured Yeutter, the US Trade Representative, to take action to open the markets. By 1985, the USTR agreed. He warned the four governments that if they didn't open up their markets, the United States would impose severe trade sanctions. Here was the US government, with its health warnings and advertising restrictions to discourage smoking at home, turning around and using threats in order to increase sales abroad. The US government pushed much harder to open the foreign markets for cigarettes than for other American products, no doubt a reflection of the powerful tobacco lobby.

The threat of trade sanctions was a big stick. Taiwan and Japan yielded to the pressure in 1986 and permitted American cigarettes in their markets. South Korea yielded in 1988. During the negotiations with these countries, the US government and the tobacco industry worked closely together. In negotiations with the Taiwanese government officials, when an agreement seemed close at hand, the US government officials would leave the room, speak with American industry representatives, and then return to the negotiating room to say that proposals were not yet acceptable. In Japan, the industry representatives were sometimes waiting just outside the door.^[542]

Once the Taiwan market opened up, the American companies flooded the island with tobacco promotions. R.J. Reynolds advertised a concert popular with teens for which the price of admission was five **empty** packs of Winston cigarettes.^[120] Attractive young women gave out free cigarettes in bars. Cigarette ads portrayed a desirable Western lifestyle, something to which many local teenagers aspired. The blitz of ads prompted outrage in the country, which in turn prompted the government to consider a law banning tobacco advertising. However, the US government opposed such a ban on the grounds that it would be a protectionist measure to prevent American companies from gaining market share. The Americans even opposed a proposal to ban tobacco ads in magazines read primarily by teenagers on the grounds that “kids these days read everything.”^[542, p. 86] The Americans also initially opposed a proposal to move health warnings from the side of

package to the front. In the end, the warning appeared on the front, but it was smaller than the Taiwan government had originally wanted.^[542]

Two years before the American tobacco invasion, a survey of high school students in Taiwan's capital city, Taipei, found that 26% of the boys and 1% of the girls had tried smoking a cigarette. Four years after the invasion, the figures had soared to 48% for boys and 20% for girls.^[542]

After the Japanese market opened up in 1986, there was a massive increase in cigarette advertising on television. Some ads even appeared during children's programs. Japan Tobacco, the former monopoly, became one of the big TV advertisers. It had to, to protect its market share from the Americans. Smoking among Tokyo women aged 20–29 increased from 10% in 1986 to 23% in 1991.^[116]

In South Korea, tobacco advertisements had previously been banned, but by 1988 cigarettes had become one of the most heavily advertised products in the country.^[188]

Of the four countries pressured to open domestic markets, Thailand alone was able to withstand the coercion. The fight is a struggle worth retelling.

In the mid-1980s, large quantities of foreign-made cigarettes were being smuggled into Thailand, in part because of the country's long coastline. Even though Marlboro cigarettes could not be legally sold in the country except in a few duty-free stores, the brand was advertised on billboards and posters and in newspapers and magazines. Foreign cigarette logos also appeared on bumper stickers, kites, children's school notebooks, children's saving banks, chewing gum, women's earrings, T-shirts and other clothing, and shopping bags.^[556, p. 565] Tobacco-sponsored boxing, car racing, and soccer were also promoted.

Together, the Marlboro advertising and promotion stimulated demand for contraband and set the groundwork for the anticipated opening of the market. In view of the fact that selling foreign brands was illegal in Thailand, the advertising agency responsible for the Marlboro ads defended the heavy marketing on the grounds that Philip Morris was not **selling** Marlboro cigarettes in Thailand — it was only **advertising** them there.

The Thai Tobacco Monopoly responded with its own advertising on billboards and in print. This continued until 1988, when the government, under pressure from prominent physicians, ordered the Monopoly to stop advertising. The Monopoly did stop, but the TTCs did not, arguing that the Thai Cabinet decision was not a law. It took a new government decree in 1989 to ban all tobacco advertising.

Throughout this period, Thailand refused to open its market, even though it was losing revenue because of smuggling (3%–8% of the market)^[430] and it was receiving threats of trade sanctions from the US government. In 1989, the American tobacco manufacturers petitioned the USTR, who began an investigation of Thailand under the US *Trade Act*. This step was necessary before sanctions could be imposed.

Negotiations between the two countries went unresolved because the Thais refused to accept an American demand to repeal the ban on tobacco advertising. The Thai government received support for its position from health groups in Thailand and many other Asian countries. These groups collectively sponsored an ad in the *Washington Times* to

express their view. Most important, strong support also came from many quarters in the United States, including the media, members of Congress, and health and antismoking advocates. This US support in turn made headlines in Thailand, boosting the efforts of the Thais to keep the Americans out. Antitobacco activists in the United States and Thailand created an international network and coordinated their campaigns.

Dr Everett Koop, a former US Surgeon General, backed Thailand at hearings in Washington:

... the inconsistency between U.S. tobacco trade policy and U.S. health policy increasingly is obvious and denounced in the international health community

At a time when we are pleading with foreign governments to stop the export of cocaine, it is the height of hypocrisy for the U.S. to export tobacco.^[430, p. 21]

All of this support helped the Thai government stand firm. The Thai government was under pressure at home from the textiles, furniture, jewelry, and food-processing industries, which would likely suffer if the United States imposed retaliatory trade sanctions. In contrast, the Thai Tobacco Monopoly, conscious that sales were at stake if the market was opened, supported the government. The Monopoly was joined by its unionized workers and by Thai tobacco growers. As luck would have it, a coalition of several parties was in power at the time. If the Thai government backed down, it informed the USTR, there was a risk that one of the parties would back out of the coalition and the government would fall.

In the United States, the US government felt the public heat and referred the issue to GATT, perhaps feeling that if the Thai market were forced open by a neutral body there would be fewer political consequences. American tobacco manufacturers strongly opposed referring the matter to GATT, correctly anticipating that they would have less influence on the outcome than if the issue remained in the American political arena.

The GATT decision, released in 1990, set an important precedent.^[192] On the one hand, a GATT panel ruled that Thailand could not have an outright prohibition on foreign cigarettes or a higher tax rate on foreign cigarettes than on domestic cigarettes. On the other hand, the panel ruled that Thailand could implement a whole series of antitobacco measures without violating GATT, provided that domestic and foreign manufacturers were treated equally. Thailand's advertising ban was ruled to be consistent with GATT.

The pending GATT decision and the delay in the Thai-US negotiations gave the Thai government the opportunity to have several tobacco-control measures in place before any foreign companies were in the market.

The invasion efforts of American tobacco manufacturers so galvanized the anti-tobacco movement in Thailand that this momentum continued long after the opening of the market. As it turned out, the country now has one of the better antitobacco programs in the world. Implemented measures include tax increases, the ban on advertising, a ban on free samples, 10 rotated large health warnings on the front and back of packages, educational efforts, a Quit telephone line for smokers, smoking restrictions in public places, a ban on vending machines, a ban on sales to minors under 18, a ban on tobacco sales from

health premises, and a ban on candy cigarettes. The results of this comprehensive program are good: in 1976, 72% of the men had been smokers, but by 1993, the rate was down to 58%;^[586] among women, smoking was holding steady at about 5%.^[556]

As can be expected, the foreign tobacco industry is trying to find and exploit loopholes in Thailand's law banning advertising. *The Bangkok Post* ran an ad for "Kent Leisure Holidays" showing the cigarette company's logo and promoting "a pleasure trip," but when a doctor called to book a trip, he was refused because the cruise ship was in the Caribbean and would not be coming to Bangkok for 2 years.^[158] Advertisements at point of sale have been attempted: a two-storey advertisement was painted on the outside of a store, for example. Clothes bearing cigarette logos are still on sale. International car races feature promotional logos. News of charitable donations appears in the media frequently. Representatives of seven newspapers were given an expense-paid trip to see a tobacco-manufacturing plant in the United States. Enforcement has been a problem for a number of reasons, including, in the words of the Deputy Minister of Health, "an inadequate surveillance system to keep up with the endless tactics and tricks of the tobacco industry."^[556, p. 6] In 1995, TTCs were strongly resisting the Thai government's effort to copy a Canadian law requiring the reporting of cigarette additives by brand.^[14]

In 1986, Hong Kong was considering a complete ban on smokeless tobacco, regardless of origin. Four US Senators, including Robert Dole, wrote to the Hong Kong Chief Secretary to oppose such a ban, arguing that it would constitute "an unfair and discriminatory restriction on foreign trade — at least that is the way it is likely to be viewed in the United States" and that it could cause "a potential barrier to our people's historic trade relationship."^[371, p. 140] Despite these representations and veiled threats of trade sanctions, Hong Kong went ahead with the ban, joining other jurisdictions taking a similar step. Sanctions were not imposed.

In 1993, the pinnacle of hypocrisy was reached when the US Congress passed a law requiring that 75% of the tobacco used in American-made cigarettes be American grown. Foreign growers would be limited to supplying 25% of the needed raw leaf. Whereas a few years earlier the US government had been ruthlessly forcing open free trade in Asian markets, now it was erecting barriers to other countries in its own market. The law would protect American farmers by closing the door on cheaper imports from LDCs. This law was challenged under GATT by numerous parties, including Canada, the European Community, Thailand, and Zimbabwe. In 1994, a GATT panel ruled that the American-content restrictions infringed GATT policies.

China: the ultimate market

China is the largest cigarette market in the world, and TTCs want a piece of the action. Until 1995, this market was pretty well closed and was dominated by the government monopoly. Fewer than 1% of the cigarettes sold were imports. However, that may change as the government prepares to seek admission to the World Trade Organization (WTO),

successor to GATT. If China joins WTO, the government will not be able to prevent the entry of foreign-made cigarettes.

China has 300 million smokers, more than the total number of smokers and non-smokers in North America. The total number of cigarettes smoked in 1994 in China was 1.67 trillion,^[33] up from 943 billion in 1982.^[104] The average number of cigarettes a smoker smokes a day has more than doubled since 1972.^[557] China's economy is growing rapidly, fueling the prospects for further increases in smoking. Although 61% of Chinese men over the age of 15 smoke, only 7% of women do, leaving a huge untapped market.^[644]

The health consequences of smoking are enormous, as one could expect in a country with such a large population. The number of tobacco-caused deaths is projected to increase to 2 million annually by 2025.^[466] Surveys apparently show that only 30% of China's people know that smoking is harmful and that 10%–20% even believe that smoking will improve one's health.^[50]

Philip Morris, BAT, R.J. Reynolds, and Rothmans, among others, have all firmly entered China with marketing initiatives or joint manufacturing ventures. Some international brand names are being manufactured in the country. At the same time as the TTCs are gaining a foothold, the China National Tobacco Corporation, the government monopoly, is radically improving to prepare for full-scale competition. The monopoly has imported modern manufacturing equipment, has enhanced product quality, and is taking steps to improve distribution.

Smuggling of foreign brands has increased in certain regions of China, thus increasing the pressure on the government to facilitate the marketing of foreign brands. China has a partial ban on tobacco advertising, but this has not stopped Philip Morris from erecting Marlboro billboards that do not show or mention cigarettes. In the company's view, omitting the depiction of cigarettes means that the ad does not fall under the restrictions. The same can be said of television commercials featuring Marlboro cowboys in the rugged outdoors.^[102] Although no cigarette is portrayed, consumers know that Marlboro means cigarettes. Tactics like this have made Philip Morris the country's biggest spender on advertising.^[328]

Foreign cigarettes are trendy and a major status symbol, despite costing much more than domestically produced brands. Smoking foreign cigarettes "means you're affluent," says Dr Mackay. "It's become almost a mark of business success."^[50, p. 1512]

Sponsored events, like the BAT State Express 555 Hong Kong–Beijing motor rally and the Dunhill China Open Badminton tournament prompted the Chinese Minister of Health to make the following comments in 1989:

It should now be clearly stated that the cigarette companies are very cunning. Since they know they can't have direct advertising, they use deceit to get their commercials placed before the viewing audience. Sport should really be a means of healthy enjoyment and recreation for the public. But propaganda for smoking does precisely the opposite. It's damaging to health, so basically the two things conflict.^[102, p. 135]

Free tickets to a rally promoting the Hong Kong–Beijing rally were distributed in the school yards of Beijing elementary schools. Each ticket featured the 555 cigarette logo.^[585] As well, product placements for State Express 555 cigarettes were included in the hit television series *A Beijinger in New York*. Ashtrays and other props with “555” on them were shipped to use in filming, even though State Express 555 is not known as a brand in the United States.^[585] Other sponsorships include the Marlboro Soccer League and the Marlboro American Music Hour.^[158,358]

In 1997, Beijing will host the 10th World Conference on Tobacco or Health, a recognition of the critical role China plays in global tobacco issues.

The TTCs’ Canadian subsidiaries have almost always made cigarettes just for the Canadian market. Apart from the contraband situation, very little has been exported other than to supply a small duty-free market in the United States. But that is changing. Imasco’s *Annual Report 1993* says that as the Canadian market continues to shrink, “maintaining [Imperial Tobacco] volumes will become increasingly difficult. Consequently, profit growth will become more dependant on productivity improvements and sales to markets outside Canada.”^[279, p. 8] In 1994 Imperial Tobacco said that it was exploring entry into Asia, especially the China market. An international marketing section was created within the company to pursue this new initiative.^[615] Just as the TTCs see the potential for profit in this huge market, so does Imperial Tobacco.

Tobacco economics in LDCs

Around the world, TTCs assert how important tobacco is as a creator of jobs, as a provider of tax revenue, and as a benefit to a nation’s economy. Tobacco fetches a higher price than other agricultural crops, it has a growing global demand, it can be preserved for long periods of time without refrigeration, and it can be shipped to markets around the world. Tobacco can be a very lucrative crop.

But that tells only part of the story. Farmers may get a higher price for tobacco than other crops, but the expenses are also higher because of the cost of pesticides, herbicides, fertilizer, seeds, insurance, labour, and capital.

Tobacco companies sometimes point to exports of leaf tobacco from LDCs to show how tobacco benefits the developing world, but this can be misleading because agricultural and manufacturing inputs are sometimes imported from abroad, thus offsetting the trade balance. A cigarette factory may import equipment, filters, cigarette paper, additives, and other supplies. TTCs can take money out of an LDC subsidiary for any of the following: repatriation of profits to the parent company; royalties for using technology, a brand name, or advertisements; directors fees; and salaries to expatriate executives who eventually leave the country. BAT alone made GB £299 million in profits from African operations between 1986 and 1992.^[100]

Of 44 African countries, only half exported any tobacco in 1984–85. Some 94% of all tobacco-export earnings on the continent come from just two countries, Malawi and

Zimbabwe, where tobacco makes a huge economic contribution.^[100] In Malawi, 73% of the country's entire export earnings come from tobacco; in Zimbabwe the figure is 41%.^[600] When one excludes these two countries, though, the remaining countries have a collective negative trade balance in tobacco of US \$417 million.^[100] Thus, tobacco makes some of the world's poorest countries even poorer.

One of the main beneficiaries of tobacco sales in LDCs and other parts of the world is the United States. R.J. Reynolds boasted to its shareholders that in 1993 exports of American tobacco products helped reduce the US trade deficit by more than US \$4 billion.^[490]

The World Bank argues that on economic grounds alone, tobacco should be controlled. The Bank's view is all the more significant because the organization is known for its conservative views and its opposition to government regulation in the economy. The Bank recognizes that preventing tobacco use is one of the most cost-effective health interventions available in LDCs. A background paper prepared for the Bank estimates the cost per year of life gained is US \$15–\$20 for measles immunization, US \$20–\$40 for anti-smoking prevention, US \$100–\$500 for cervical cancer screening, US \$1 000 for oral cancer treatment, and US \$18 000 for lung cancer treatment.^[27] A study by one of the Bank's senior economists, Howard Barnum, estimated that when all costs of tobacco around the world are subtracted from all the benefits, the net result is a global economic loss of US \$200 billion each year. He estimated that for every additional thousand tonnes of consumption, 650 additional premature deaths will occur and the world economy will suffer a further US \$27.2 million economic loss.^[28]

In LDCs, tobacco competes with food in two ways. First, the money being spent on cigarettes by consumers is money that is not being spent on food or other necessities for the family. The impact of this should not be underestimated. Many children start out facing so many disadvantages that the last thing they need is to have decreases in nutritional intake. A 1981 Bangladesh study found that the cost of consuming five cigarettes a day by someone in a poor household could lead to a monthly dietary deficit of approximately 8 000 calories for that household.^[110]

Second, the growing of tobacco competes with the growing of food. It is true that on some land, few if any other crops could be grown, but most land used for tobacco is suitable for other crops. In Zimbabwe, for example, tobacco is often grown in rotation with maize and other food crops. A 1986 report estimated that tobacco uses land that could otherwise grow food to feed 10–20 million people.^[98] A different estimate reported in the *China Daily* in 1994 was that tobacco-growing land in China alone could feed 50 million people.^[50]

In LDCs, tobacco may be grown on small plots. When a family with a fixed amount of land decides to increase the amount of tobacco grown, obviously there is less land to grow food. And because farmers tend to invest so much money in their tobacco crops because the production costs are high, food crops may be neglected, thus resulting in an even lower food yield. Furthermore, tobacco consumes soil nutrients faster than other crops. This means that more chemical fertilizers are needed. But if fertilizer is unaffordable, the land's fertility

may simply become depleted. Tobacco companies respond in part by saying that water runoff carrying fertilizers used for tobacco results in higher yields for nontobacco crops.

When it comes to paying farmers for tobacco leaf, tobacco companies are as tight-fisted in LDCs as they are in many other countries. In Kenya, BAT opposed the creation of farmers cooperatives to negotiate prices with BAT, on the paternalistic grounds that this was not in the best interests of farmers and would cost the farmers money. One account reports how Kenyan farmers “sometimes had their produce rejected as low quality, but when they dumped it in frustration, BAT employed casuals to pick and grade it, and then bought it at virtually no cost.”^[345, p. 250] In Uganda, according to one report, “there is a general feeling among farmers that BAT cheats them by paying miserable prices for their crops.”^[418, p. 255] A farmer’s share of the value of the crop sold might amount to just 30%, out of which labour and other costs must be paid.^[12] Tobacco companies continue to encourage more farmers to grow more tobacco, knowing that the more tobacco there is on the market, the lower the purchase price will be.

Some steps have been taken toward diversification. In Zimbabwe, about 20% of the country’s 68 000 tobacco-growing hectares has been converted to alternative crops such as vegetables, citrus fruits, and roses. The government’s goal is 30–35%.^[624] Zimbabwean tobacco farmers already produce 20% of the country’s maize, produced on land rotated with tobacco growing, as well as 20% of its wheat, and 30% of its prime beef exports.^[487] The potential for more diversification remains. One research paper listed 54 agricultural items that could be produced as alternatives to tobacco in Zimbabwe.^[625] In Malawi, the government supports diversification, but no progress has yet been reported.

Another point must be mentioned. In many LDCs, child labour is used in the agricultural sector. Tobacco cultivation is no exception, as this excerpt from a Kenya report indicates:

In the Butonge village of Malakisi, Wycliffe Murunga, a model farmer and teacher, says that it is in seedbed care and picking and the bundling of leaves ready for curing that child labour is primarily used. ‘Children between 10 and 15 years appear to be more willing to do such trivial jobs with concentration’, says Murunga. Unfortunately, tasks such as harvesting and curing come during the crucial second term of the school year, around June–July, when ‘mock examinations’ are sat. Children miss school, but teachers, many of whom come from tobacco-growing families, are unable to discipline them or to take parents to task.^[345, p. 250]

In Bangladesh, children all across the country roll tobacco into *bidis*, a popular tobacco product consumed by smoking. The children are capable of making 4 000 *bidis* in 8 hours, all the while suffering in poorly ventilated, dust-filled factories for only US \$1 a day. Laws prohibiting children under 14 from working in factories are simply ignored,^[534] as is the case in many other manufacturing sectors in the Indian subcontinent.

In tobacco growing, as in other agricultural sectors in LDCs, women may be given the most burdensome tasks. This can result in a double-job situation — working on

tobacco and working at home — which in turn not only is detrimental to women but also can negatively affect the upbringing of children.^[418]

Reducing global smoking rates does not mean that tobacco farmers in LDCs will go out of business. In fact, the large increases in global population will tend to increase the world demand for leaf tobacco, more than offsetting any decrease in smoking rates.

Marketing misbehaviour

In many respects, tobacco companies promote cigarettes in LDCs as they do in DCs — by vigorous marketing. Whether in DCs or LDCs, companies create and propagate brand characteristics associated with various types of imagery. But in LDCs, advertising takes on deeper dimensions. Even though smoking is declining in Western countries and becoming socially unacceptable, advertisements in LDCs portray smoking as an integral part of a desirable, wealthy Western lifestyle. The ads suggest that successful people smoke, that Westerners are successful, and that Westerners smoke. Knowing that most people could never actually afford the lifestyle the images portray, the cigarette companies are marketing smoking as an alternative way for people to fulfill their dreams. Thus, a poverty-stricken African neighbourhood might be overshadowed by a billboard advertising cigarettes and featuring black people in tuxedos and evening gowns in a Paris nightclub. In many LDCs, the industry's advertising budget is greater than the country's entire national health budget.^[313]

Tobacco companies know that in time, the number of countries with advertising restrictions will increase. That is why companies are moving early to nurture images for their brands and to recruit loyal smokers. That is also why TTCs are moving to secure indirect forms of promotion such as sponsorships. If advertising is banned but sponsorships are not, then companies still have a way to promote cigarettes.

When it comes to marketing cigarettes, TTCs have a double standard. The TTCs do things in LDCs that they can no longer get away with at home. For example, though Marlboro commercials with the Marlboro man riding on his horse through Marlboro country have not been seen on American television for more than two decades, they are regular fare today in many LDCs. Cigarette packages and advertisements often bear no health warning, or when they do, it is typically weaker than the message required at home. Often the warning is a single, weakly worded message in small print on the side of the package. In the Philippines, cigarettes have had higher tar content than the same brands in the United States.^[59]

In Hong Kong in the 1980s, Philip Morris introduced Virginia Slims cigarettes with advertising associating the brand with the usual themes of slimness and women's liberation. At the time, fewer than 1% of Hong Kong women under 40 smoked.^[371] The purpose of this campaign was surely to increase smoking among women and not simply to compete for a share of the minuscule market.

TTCs are not the only tobacco firms marketing unethically in LDCs. In some countries, local companies also engage in unethical marketing, but their behaviour is likely to deteriorate even further when a TTC enters the country. After all, TTCs have decades of experience at being unethical, and they can teach the local companies new techniques.

In Africa, tobacco companies have sponsored birthday and wedding parties.^[537] In Nepal, the daily summaries of the 1992 Barcelona Olympics on TV were sponsored by Surya Luxury King Size cigarettes, a brand promoted with the slogan “My Nepal, my pride.”^[113, p. 7] In Guatemala, cigarette billboards often appear on roads as official city-limit signs welcoming travelers.^[568] In India, cigarette advertising appears on movie video cassettes. In various countries, cigarette ads are shown in cinemas. In Kenya, shops are painted with cigarette ads. In Ghana, the Miss Ghana beauty contest was sponsored by Embassy cigarettes, and the Minister of Education presented the awards. Also in Ghana it is possible to see a “danger-ahead” street sign and a tobacco ad on the same pole. In Abidjan, Côte d’Ivoire, a Marlboro advertisement occupies the highest point in the city’s skyline.^[116] In Malaysia, Taiwan, South Korea, and Hong Kong, the Marlboro Adventure Team program is a competition offering lucky entrants a 9-day adventure in the American “Wild West.”^[21] In the Philippines, where the population is predominantly Roman Catholic, promotional calendars feature cigarette brands under a picture of the Virgin Mary.^[358] An article in *Reader’s Digest* describes how in Buenos Aires, Argentina, a blonde woman wearing khaki clothing arrives in a Jeep emblazoned with the Camel logo, stops in front of a high school, and gives out free cigarettes to 15 and 16 year old students during recess.^[158]

Many ads are culturally imperialistic: they feature caucasian models, use English advertising copy, or suggest that foreign ideals are superior.^[99] In francophone Africa, one ad featured a white boy playing tennis and a black boy offering him a cigarette as a sign of friendship.^[212]

Tobacco marketing is exemplified by the types of brand names that have been available in LDCs: Long Life (Taiwan), Life (Malawi, Chile), Hollywood (Brazil), Sport (Mexico), Ambassade (Zaire), Diplomat (Ghana), Casino (Latin America), Parisiennes (Argentina), Charms (India), High Society (Nigeria), Full Speed (Ecuador), Sportsman (Kenya), Olympic (Côte d’Ivoire), and Double Happiness (China).^[114, 120, 464, 553, 585, 646] Nelson cigarettes were sold in Senegal and were removed from the market only after the direct personal intervention of South African hero Nelson Mandela.

The behaviour of TTCs in Malaysia is a good example of using loopholes to get around a tobacco-advertising law. Although tobacco ads are prohibited on television, ads for “Salem High Country Holidays” appear on TV. These commercials feature romantic young couples in the pristine, green outdoors, with lively background music. The *Reader’s Digest* article reports that when a man tried to book a Salem vacation, he was refused by an office manager who later admitted that the US \$2.5 million operation existed only to advertise Salem.^[158] These ads sell the lifestyle associated with Salem, which is really known as being a cigarette brand. Indirect ads ostensibly promoting travel have also appeared for

Marlboro and Kent.^[102] In Sudan, after a law banning tobacco advertising was adopted, an ad for Marlboro lighters appeared that was almost identical to the previous cigarette ad.^[99]

Advertising in LDCs may increase smoking more than advertising in the West does. Because there is often little advertising in LDCs generally, the tobacco advertising stands out. Media have few revenue sources, so tobacco advertisers are more likely to obtain media complicity. As well, sponsorship recipients can become supportive friends.

In opposing restrictions on advertising in LDCs, tobacco companies use the same arguments they use in DCs: advertising is only intended to influence market share and not overall consumption; advertising bans are a restriction on freedom of expression; if tobacco advertising is banned, then restrictions on the advertising of alcohol, sugar, and red meat will be sure to follow; bans will cause jobs to be lost in advertising and media industries; and so on. But there is one difference. In DCs, companies assert that in mature markets, such as for soap or tobacco, it is impossible for advertising to affect anything other than market share. In LDCs, the mature-market argument does not apply because consumption is growing rapidly. Because LDCs are immature markets, the industry's own argument suggests that in LDCs advertising increases overall demand.

Environmental damage

Many people recognize that tobacco is an important health issue in LDCs, but few recognize that tobacco is also an important global environmental issue. The environmental harm in Canada attributable to tobacco use is magnified internationally many, many times. For cigarette paper alone, it is estimated that 350 000 tonnes of paper is used worldwide each year.^[101] However, LDCs have a specific concern, sometimes an ecological catastrophe, to deal with. Tobacco leaf needs to be cured (dried) from its natural green to the brownish colour seen in cigarettes. Some types of tobacco, such as burley tobacco, are air cured or sun cured. But other types are fire cured or flue cured, which requires high temperatures for extended periods (say, 1 week). Flue-curing is so called because of the metal pipes, or flues, that permit heated air (instead of direct flame) to circulate through the barn in the curing process. Natural gas or oil is often used in Canada as the energy source for heating, but in LDCs the source is more likely to be wood. Flue-curing using wood fuel is prevalent in Brazil, much of Africa, India, Thailand, and the Philippines.^[102]

Estimates of how much wood is needed to cure tobacco vary. One 1986 industry-commissioned report estimated that in the curing barns studied, 7.8 kg of wood, on average, was used to cure 1 kg of tobacco (7.8 kg/kg for short), but this could be as high as 40 kg/kg for individual farms.^[182] Other estimates are substantially higher. One report on Uganda states that barns with old, inefficient furnaces use up to 100 kg/kg.^[12] In that country, BAT is supporting efforts to introduce more efficient furnaces that use 25 kg/kg.

The result is that tobacco is worsening an already extremely serious world problem of deforestation. In turn, deforestation may contribute to desertification and the greenhouse effect. With trees as a protector gone, fertile land may turn to waste, topsoil

may be washed away, and water tables may fall, possibly drying up water sources or tributaries.

Deforestation also means that farmers — or more likely family members — seek wood for curing at increasing distances. Distances by foot of 12 and 17 kilometres from farms have been cited in Kenya and Tanzania.^[418,621] If the wood is for cooking fuel, the same distances have to be walked.

Tobacco companies make some efforts at reforestation. They are not shy to publicize this fact, in part to respond to criticism from international environment and development groups. These critics respond that industry efforts are exaggerated and sometimes produce more PR benefits than actual results. BAT gives out millions of seedlings to farmers free of charge, but that does not mean the seedlings are planted, or if planted, survive. There are a number of reasons for this:

- ♦ The planting season may be short, and a farmer may be too busy planting his own tobacco and other crops to worry about planting trees.
- ♦ Even if planted, seedlings may die because cattle trample them or because a farmer is still too busy tending his other crops to take care of them.
- ♦ Farmers may prefer crops with a quicker economic return than possible with the 10 years it takes for a seedling to mature.
- ♦ A tenant farmer will not be nearly as concerned with the long-term benefits of tree planting as the property owner might be.
- ♦ A lowered water table may inhibit seedling growth.

In Malawi, the *Special Crops Act 1973* requires tobacco farmers to plant 10% of their land with trees. However, some farmers plant only a handful of trees on their worst 10% of soil, knowing that the seedlings will likely die.^[412]

Various pesticides, herbicides, and fertilizers applied in the growing of tobacco are also of concern. Besides the impact the substances may eventually have on a smoker of this tobacco, the substances may contaminate the groundwater and harm the general population in the area. Farm workers who come into direct contact with tobacco leaves also come into contact with harmful chemicals. A 1982 report in *New Scientist* said that BAT Kenya provided farmers with Aldrin, a pesticide banned or severely restricted in many DCs.^[375] Warnings on pesticide containers may be of questionable value, as one World Bank report poignantly commented:

Even if the user can read and understand the warnings, it is not easy to ‘avoid contaminating rivers’ nor even to ‘wash with soap and water after use’. Most users have never seen a physician and certainly are not able to consult one ‘immediately’ as advised on the label.^[636, p. 11]

Apart from the health risks of pesticides and other inputs, those who work with tobacco, including women and children, are susceptible to nicotine poisoning.^[600]

Tobacco-control challenges in LDCs

In general, tobacco-control strategies that are appropriate in Canada are also appropriate in countries throughout the world. However, local circumstances present special challenges. For example, high rates of illiteracy in LDCs mean that large segments of the population are unable to read the health warnings on packages or in advertisements, making them ineffective. For this reason, the use of pictures in warnings becomes all the more important.

In countries where few people own televisions, an antismoking advertising campaign using this medium is obviously a poor strategy. Radio may be a better choice; billboards, even better. In a country with many ethnic subgroups, each with its own language, carrying out an effective antismoking publicity campaign can be far more difficult. In parts of Africa and Asia, enforcing laws against selling tobacco to minors is made more difficult because the vendor may be a child selling cigarettes on a street corner. Enforcement of tobacco laws may be arduous if the penalties are inadequate, there is uncertainty over who is responsible for enforcement, there is a lack of public understanding of why a law is necessary, or the tobacco industry simply refuses to obey the law.

In some LDCs, there are high rates of smoking among doctors, in part because doctors can afford to smoke. In China, a survey of medical professionals in five hospitals found a smoking rate of 55% for males.^[19] In the Philippines, a study found that 63% of male doctors and 37% of female doctors were smokers. An alarming finding was that 38% smoked regularly in front of their patients. If a large number of doctors smoke (as was once the case in Canada) the credibility of antismoking messages is undermined and it becomes more difficult to convince politicians and the general public of the need for tobacco control. Similarly, high rates of smoking among politicians in many LDCs reduce support for antitobacco legislation.

In many LDCs, the most basic data, such as the prevalence of smoking in the population, are unavailable. LDCs may not have a national registry of diseases or may not record cause of death. Where records are kept, only part of the country may be covered.

Many governments do not have a single official responsible for tobacco control, let alone sufficient expertise to take on the global industry. Given the prevalence of contagious diseases, governments may not see tobacco as a priority. The playing field is tilted in favour of the TTCs.

Most health groups in LDCs are poorly equipped to join the battle against smoking. When representatives in some of the more active African countries were asked what their priorities were, they said “fax machines” and “good-quality typewriters.” In 1994, there was only one person in all of Africa working full time on tobacco control.

Cash-strapped governments may not have money to undertake wide-scale programs to educate the public about the dangers of smoking. In such cases, the most effective approach may be to focus the educational component of their antismoking strategy on

schools. Schools can deliver the educational messages to children and youth and encourage them to bring the information home to their parents.

Often Ministers of Finance block efforts to control tobacco because they fear a decrease in tax revenue. The percentage of government revenues from tobacco taxes is typically much higher in LDCs than in DCs, exceeding 10% in many countries and reportedly as high as 18% in Sri Lanka and 26% in Zaire.^[9] In China, the state tobacco monopoly generates US \$6.6 billion a year in taxes, about 12% of all central government revenue.^[414] If tobacco-caused health consequences have not yet materialized on a large scale and will not for several decades, convincing Finance Ministers that immediate tobacco control is needed may be a tough sell. That is highly regrettable because the cost of preventing a tobacco epidemic is far less in the early stages than after the epidemic has become entrenched.

Tobacco-tax increases alleviate Finance Ministers' concerns because revenue is increased. A tax on tobacco is normally easy to collect because it is imposed on a handful of manufacturers or importers, instead of millions of citizens. In LDCs, consumers, especially young ones, have very little money. The resulting sensitivity to price increases might reduce overall smoking more than in DCs. This is supported by research from Papua New Guinea.^[103] In some countries where borders are poorly patrolled and where neighbours have low tax rates, though, potential smuggling may inhibit a high-tax strategy.

A government could fund a tobacco-control program by dedicating part of the tobacco-tax revenue to it. A surtax on manufacturer profits could also be dedicated. Governments could also impose limits on the proportion of TTC profit leaving the country.

In India, tobacco is available in more than a dozen forms: cigarette, cigar, pipe, cheroot, *bidi*, *chutta*, *dhumti*, *chilum*, and hookah (all consumed by smoking); chewing tobacco, sometimes in the form of betel quid (tobacco mixed with lime and areca nut, rolled in a betel leaf); snuff; *mishri*; and tobacco toothpaste.^[102] Some consumers indulge in "reverse-*chutta*" smoking: with this technique it is the lit end of the tobacco that is put in the mouth. Reverse-*chutta* smoking has been associated with higher rates of neck and head cancer. Use of chewing tobacco is high, including among women. In some states, oral cancer is higher for females than for males.^[322]

Because there are so many types of tobacco products in India, tobacco control and taxation are complicated — consumers can just substitute one type of tobacco for another. In the case of *bidi*, produced by thousands of small-volume cottage industries around the country, tax laws become extremely costly to enforce.

In the global tobacco-control effort, countries in the same region or countries of comparable economic development would benefit from working together to develop joint strategies. One group might consist of emerging economies, including Brazil, Thailand, Mexico, South Africa, Malaysia, and Singapore. These emerging economies may have higher tobacco-consumption rates than their less-wealthy neighbours, but they also have a more advanced capacity to implement an effective tobacco-control strategy.

Progress toward global tobacco control is painfully slow. One of WHO's goals for 1994 was that 50% of the countries in the world have a national program to reduce tobacco use, let alone an effective or comprehensive program. So far, only 10 countries have comprehensive tobacco-control programs: Australia, New Zealand, France, Portugal, Iceland, Norway, Finland, Sweden, Thailand, and Singapore. Canada was on this list until the TPCA advertising ban was struck down.

Is there any cause for optimism? There are some encouraging signs. In Botswana, 100 people from across the country attended a conference on tobacco, a sign of an organized movement. Botswana's antitobacco program, with its strong advertising restrictions, may be the best in Africa. In Kenya, antismoking activists pressured a car rally to drop its Marlboro sponsorship. Thailand and Singapore have shown that tough laws controlling the industry are possible.

LDCs present a real opportunity. If a strong tobacco-control program is implemented early, before smoking rates take off, there will be incredible long-term health dividends. If at all possible, the time to act is before domestic tobacco companies gain experience at fighting government regulatory efforts and especially before TTCs get a major foothold in the country. Furthermore, when smoking rates have yet to rise to high levels, public opposition to restrictive smoking measures is likely to be less intense than later on when there are more smokers to contend with.

The role of international agencies

A significant contribution to tobacco control is made by some international organizations. One such body is WHO, a United Nations agency based in Geneva. WHO's tobacco initiatives are only modestly visible in Canada, but in LDCs they are much more evident. WHO's parent body, the World Health Assembly, adopted its first resolution on tobacco and health in 1970. Since then more than a dozen resolutions have urged governments to adopt a series of tobacco-control measures, including educational programs, a ban on all advertising, tax increases, health warnings on packages, and protection from ETS. WHO assists governments in implementing a tobacco-control strategy, sponsors World No-Tobacco Day each year, maintains a data centre, awards medals, publishes resource books and a quarterly newsletter, and with other United Nations bodies helps ensure that different agencies are working toward the same objective. WHO's Program on Tobacco or Health does this with only a handful of full-time professional staff. The program's budget of US \$2.7 million represents just 0.2% of WHO's total 2-year 1994/95 budget.^[335] This amount is unacceptably low, given the magnitude of the tobacco epidemic.

WHO's most valuable contribution is promoting legislation. Given WHO's direct access to Health Ministers in LDCs, this is one area in which WHO can make a huge impact. WHO's testimony before GATT in the Thailand decision clearly had a bearing on the final decision. In what is a sure sign of effectiveness, WHO's antitobacco efforts have been criticized by tobacco interests.

At one time, the World Bank, another agency of the United Nations, gave loans to support tobacco growing and processing. Loans for these purposes totaled more than US \$1.5 billion between 1974 and 1988.^[102] Such loans are no longer possible. A 1992 policy stipulates that the World Bank will not lend directly for, invest in, or guarantee loans for tobacco production, processing, or marketing, whether for domestic consumption or for export. The Bank will avoid indirect lending to tobacco projects to the extent practicable. Trade-liberalization agreements between countries and the Bank will not cover tobacco, tobacco products, or related items. The Bank will help countries diversify away from tobacco. In its health-sector work, the Bank will include antitobacco activities, such as designing loans with components to reduce tobacco use, examining ways to increase tobacco taxes, and recommending restrictions on tobacco advertising.^[637] With a policy like this, the World Bank is an important, highly credible antitobacco advocate.

The Food and Agricultural Organization of the United Nations (FAO) provides governments with assistance for agricultural development and technical advice. Although as a general rule FAO does not encourage the cultivation of tobacco, it may recommend “development of the crop, in such cases where overriding economic considerations so warrant.”^[179, p. 4] In the past, FAO actively promoted tobacco growing.

The Union internationale contre le cancer (UICC, International Union Against Cancer) established its Programme on Tobacco and Cancer in 1976. Among its initiatives, UICC has organized consultative visits and more than 100 training workshops to help stimulate local tobacco-control initiatives. It also works with its member organizations in more than 80 countries. It sponsors GLOBALink, an international computer network providing instant information on international developments.

Ottawa-based IDRC (the publisher of this book) is coordinating the International Tobacco Initiative. With funds from Health Canada and other partners, the Initiative funds research in LDCs. The LDCs themselves will determine where their research needs lie, and particularly in the fields of health, economics, environment, agriculture, and social science. IDRC has established an international reputation in development, and its decision to become more involved in tobacco is welcome. In 1993, IDRC cosponsored an All-Africa Conference on Tobacco or Health in Harare, Zimbabwe, that attracted 110 delegates from 16 countries.

Other active organizations include the relatively new London-based International Agency on Tobacco and Health, the International Union Against Tuberculosis and Lung Disease, and the International Organization of Consumers Unions. In 1994, 14 NGOs formed a coalition, based in Paris, to work on tobacco control.

Some regions have dedicated organizations, like the Asia Pacific Association for the Control of Tobacco, the Tobacco Control Commission for Africa, and the Latin American Coordinating Committee on Smoking Control. In some countries, religious organizations may be leading advocates of tobacco control.

Every 2–4 years a World Conference on Tobacco and Health is organized by the international tobacco-control community. These forums have proved to be outstanding

venues in which to present the latest information on tobacco, to share techniques for fighting the tobacco industry, and to make contacts in other countries. Delegates typically report that attending a world conference is an incredibly motivating experience. The tobacco industry also recognizes the significance of these conferences and quietly sends people to observe the proceedings. Jacques LaRivière, former Vice-President of CTMC, said he was one of about 12 industry representatives attending the 1983 Winnipeg Conference. LaRivière thought that a turning point was reached when tobacco-control activists at this conference made political action, instead of health research, the top priority.^[47]

The pro-tobacco side has international organizations at work, too. The International Tobacco Growers' Association was founded in 1984. Its original members — from Argentina, Brazil, Canada, Malawi, the United States, and Zimbabwe — have been joined by other growers since then. The Association emphasizes the economic benefits of tobacco and generally echoes TTC views on smoking issues. The Centre de coopération pour les recherches scientifiques relatives au tabac (Cooperation Centre for Scientific Research Relative to Tobacco), inaugurated in 1956,^[111] promotes research cooperation in the tobacco industry. The Tobacco Documentation Centre, formerly known as Infotab, is based in England and helps the industry coordinate its fight against antitobacco measures. Just as health advocates do, tobacco lobbyists learn from their colleagues in other countries how to fight adversaries.

Export promotion of leaf tobacco

Some governments have promoted the international sale of raw leaf tobacco. Following World War II, Canadian tobacco was exported to Europe under the Marshall Plan (1948–52), a plan designed to help reconstruct Europe.^[145] In the United States, beginning in 1955, hundreds of millions of dollars worth of American tobacco was given away as part of the Food for Peace donations, although of course no one was going to eat the tobacco. Recipients included South Vietnam, the Philippines, Cambodia, Thailand, Egypt, and Syria.^[416] The practice continued for decades, until criticism made it untenable.

Today, both the United States and the European Union subsidize tobacco farmers. This leads to increased production of tobacco leaf for export.

How Canadians can help stop the global epidemic

Despite its small population, Canada makes a tremendous contribution to tobacco control internationally. By taking the lead in implementing tobacco-control measures and setting important precedents, Canada opens the way up for other countries to do likewise. Advocates and politicians elsewhere can (and do) say, “If Canada can do it, why can't we?” Canada is seen around the world as a highly respected, mature, wealthy, and democratic nation. Canada's lowered smoking rates after implementation of its antitobacco measures

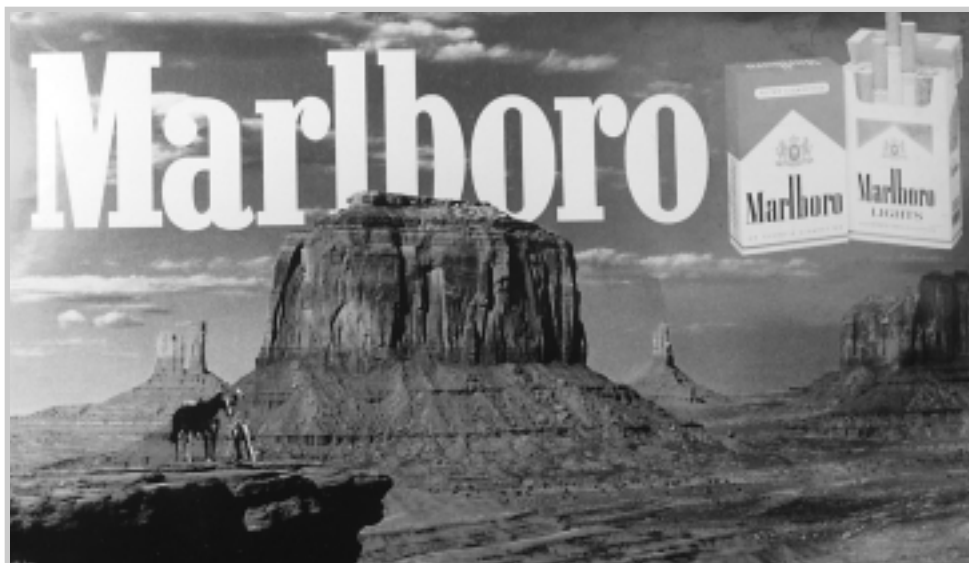
makes the case for following Canada's strategy all the more persuasive. Canadian laws have been emulated in New Zealand, France, and Thailand, among other places.

Canada is not the world's only role model. Measures implemented in the 1990s by Australia, New Zealand, France, and elsewhere have had their impact. Although the United States is not considered a world leader in tobacco-control regulation, any measures it does implement carry weight simply because of the nation's prominence. US initiatives receive substantial global publicity.

The best thing Canada can do to help the world is to build on its own tobacco-control success. Further, it is important to let the world know about Canada's achievements (and failures).

In 1994, Canada took a further step by making a commitment to provide other countries with direct aid for tobacco control. Health Canada includes an international component in its Tobacco Demand Reduction Strategy and gives financial support to the International Tobacco Initiative coordinated by IDRC. Health Canada has worked with WHO on a project that sees Canadian experts sharing their know-how with foreign countries.

International tobacco ads



The Marlboro Man is seen around the world



Photo: James Lukoski

Gold Coast cigarettes marketed by R.J. Reynolds in San'aa, Yemen.



Ad for L&M cigarettes from Czech Republic. The advertising slogan translates as "This is what America tastes like! New arrival!"

Penetrating Eastern Europe



Brian Gable, *Globe and Mail*, Toronto

Epidemic in progress

In the 1990s, the tobacco situation in the former communist countries of Eastern Europe dramatically changed.⁷ Anyone who thinks the war against the tobacco industry is being won should think again. A brief glance at what is going on in these countries will show why.

The tobacco epidemic in Eastern Europe is worse than anywhere else in the world. Consumption in some countries is about twice the world average and still increasing.^[115] High smoking rates have been around for decades. WHO estimates that in Eastern Europe there are now 763 000 tobacco-related deaths a year, about one quarter of the world's total.^[115] In Eastern Europe, as many as 80% of these tobacco-related deaths occur before the age of 70; the comparable rate in Western countries is estimated at 50% or less.^[467] In some parts of Eastern Europe, lung cancer rates in men are the highest ever recorded anywhere in the world.

⁷ For convenience here, *Eastern Europe* includes the countries of both Central Europe and Eastern Europe.

Poland is the second largest cigarette market in the region (after Russia), and the effects of years of heavy smoking are taking a severe toll on health. Dr Witold Zatonski, head of the Cancer Control Department of Warsaw's Institute of Oncology, says that "middle age male health is worse in Poland today than in many developing countries. One of every two middle aged men will die from tobacco-caused diseases."

There was no commercial advertising under communism, so the fact that smoking rates were high then illustrates that advertising is not the only factor that can contribute to higher smoking rates. However, tobacco advertising now appears on a massive scale and will contribute to yet higher smoking rates, or it will at least delay declines.

Transnationals invade new markets

During the communist era, there was not a lot of contact with foreign cigarette makers, but there was some. In 1974, Philip Morris provided advice to Soviet officials to enable them to improve cigarette quality. In 1975, Philip Morris helped produce a cigarette commemorating the *Apollo-Soyuz* space flight. Between 1978 and 1986, the company exported more than 3 billion cigarettes to the Soviet Union. In Hungary and some other countries, Western brands were manufactured under licence. Before 1989, the legal market share of Western companies was less than 3%.^[166] In addition, famous Western cigarette brands could sometimes be found on the black market. In Moscow, a package of Marlboros was as valuable as currency and was a great way to flag a taxi. Beginning in 1989, democratization in the region opened up the countries to the outside world.

In 1990, the Soviet Union faced a drastic shortage of cigarettes. Industry problems in Bulgaria, a traditional supplier to the Soviets, meant that the quantity of imports was less than expected. The shortage caused protests, strikes, riots, and long lines at tobacco kiosks. In August 1990, a Soviet trade representative in Washington contacted the US Department of Commerce to seek export proposals from US manufacturers. Just 3 weeks later, Philip Morris and R.J. Reynolds agreed to sell 34 billion cigarettes to the Russian Republic before the end of 1991. Unexpectedly, the companies had suddenly received a huge boost to their presence in the region.

Since then, TTCs have moved aggressively into the entire East European region, buying up existing government-owned companies and factories. A trickle of investment in 1991 and 1992 turned to a flood in 1993. The potential was so great in 1992 that BAT Chairman Sir Patrick Sheehy exuded, "These are the most exciting times that I have seen in the tobacco industry for the last 40 years."^[399] Rothmans International, in a *Globe and Mail* advertisement recruiting sales managers for the region, explained that "Rothmans has clearly identified the markets of Central and Eastern Europe and the [former Soviet Union] as a major growth area for the future."^[522]

The takeover of Eastern Europe's tobacco industry by foreign companies moved quickly. By mid-1994, they had bought into more than 30 of the 100 factories, either by 100% takeover or joint venture (foreign companies tend to have a majority stake in joint

ventures). Many other factories remained takeover targets and may have been producing foreign cigarettes under licence. The government tobacco monopolies were being quickly dismantled.

Why are companies moving in so fast? The answer is simple: if they don't, competitors will have an advantage. With total sales of 700 billion cigarettes a year, the Eastern European market is roughly 14 times the size of the Canadian market. *Tobacco International's* October 1994 cover story, "The Good War," described the scramble to get market share on what used to be the other side of the Iron Curtain. The fall of barriers to free enterprise was said in the story to provide "some of this century's greatest marketing opportunities."^[320, p. 29] Because some governments are desperately seeking hard currency and foreign investment, TTCs have sometimes been able to acquire factories at fire-sale prices.

In 1992, Thomas Marsh, an R.J. Reynolds Vice-President for Eastern Europe, described the intensity with which the industry was going after new markets:

It's trench warfare, hand-to-hand combat. We talk with each other on certain issues of mutual interest, such as smoking and health issues, advertising restrictions, things like that. We have industry associations where we sit down and act like perfect gentlemen — and then we leave the meeting and go out and battle in the streets again. I don't think there are many other industries that are in as fierce a competition as we are.^[219]

Foreign companies are moving in for the long term. In some cases, it will take years for local operations to become profitable. In other cases, the profit is there for the taking now.

In the long run, few domestic East European companies will survive in competition without a foreign partner or owner. Before the influx of foreign firms, existing factories were usually small and inefficient, with outdated equipment. Supply lines were disorganized, and product quality was poor. With insufficient domestic capital, the factories were unable to modernize facilities to compete with the tobacco giants.

Foreign companies bring money, technology, cigarette know-how, and marketing genius with them, so it is not surprising that East Europeans are receptive when foreign suitors come courting. The local companies that still remain appear to be too weak to try to get governments to block the foreign onslaught.

Following the entry of Western firms, many governments weakened or revoked their tobacco-advertising laws. Consequently, cigarette marketing is aggressive and widespread. Once again, ads often portray a successful Western lifestyle. Indeed, West brand is among the top foreign brands in many countries. The fact that the tobacco is "American blend" is often featured prominently on cigarette packages. Much of the advertising has themes of freedom, thus capturing the spirit of new-found democracy in society. English advertising copy can often be seen alongside text in the local language.

Perhaps influenced by advertising, East Europeans perceive smoking as a highly desired, commonplace activity in Western countries. In 1992, a Canadian traveler visiting Moscow and the central Asian republic of Uzbekistan found that men in their twenties were frequently amazed that he, being from the West, did not smoke. "Is it because of

sports?” they pressed, only to hear the response that smoking was just bad for health, an answer that seemed to surprise them.

Russian television receives more revenue from cigarette advertising than any other source. During primetime viewing hours, cigarette ads are common. In Moscow, the Camel or Marlboro names and colours are painted on many kiosks. In Romania, Camel advertising has actually been found on the amber light of a set of traffic lights. In Prague, Czech Republic, Camel and Marlboro colours and advertising are painted over the entire exteriors of streetcars. In some Prague tobacco stores, a life-size cardboard Marlboro man greets customers. Some couples in Prague have been married in “Camel” weddings, courtesy of R.J. Reynolds.^[358] In Warsaw, one can see Camel-painted taxis.^[399] In Latvia’s capital city, Riga, the entire side of a six-storey building carries an advertisement for West and the slogan “Test the West.”^[453] In Hungary, young women dressed in brand colours and stripes distribute free cigarettes in bars and cafés.^[358]

In Eastern Europe, smokers are accustomed to cigarettes with a stronger taste than are normally found in the West. Western manufacturers cater to this preference by supplying cigarettes with higher tar yields than in the same brands sold at home. Table 5 shows the results of a 1993 test comparing tar levels in Russian and American versions of the same brands.

In an effort to help prevent adoption of ETS restrictions, the tobacco industry has sent public-health officials from Eastern Europe to conferences in Copenhagen that are sponsored by tobacco-industry related groups, such as Clean Air International. At these conferences, the hazards of ETS are ignored.^[121] Tobacco control in Eastern Europe may be a long time coming, for several reasons:

- ♦ Rates of smoking are very high.
- ♦ Alcohol may be seen as a more severe problem.
- ♦ Government personnel have had virtually no experience at regulating companies in a free market.
- ♦ Governments are faced with many other pressing issues.

Table 5. Comparison of tar levels in Russian and American versions of the same brands, 1993.

| Brand | Tar level (mg) | |
|----------|----------------|----------|
| | Russian | American |
| Kent | 20.2 | 13.0 |
| Winston | 19.0 | 15.0 |
| Camel | 19.2 | 16.0 |
| Marlboro | 21.5 | 16.0 |
| L & M | 16.7 | 14.0 |

Source: Kholmogorova and Prokhorov.^[334, p. 147]

- ♦ Governments may be hesitant to restrict freedom so soon after the fall of oppressive governments.

After the market opened up in Russia, alcohol and tobacco advertising in the mass media was prohibited, but this went unenforced. An official in the Russian Press Ministry stated, “We will not take any draconian measures because alcohol and cigarette advertising is a major source of income for many newspapers.”^[325]

Very often there is little understanding of the magnitude of the problem. When one East European delegate to the Ninth World Conference on Tobacco and Health was telling colleagues at home that 1 500 people would be gathering in Paris, the colleagues found it hard to believe that so many would be concerned about tobacco.

TTCs have the resources and experience to lobby against proposed tobacco-control measures, but the health lobby is usually extremely weak. In Russia, for example, the few people who are working to ensure that the advertising ban is maintained and enforced may not be able to give it much time because they have other full-time jobs.

Interests supporting tobacco advertising are much better organized. The Association of Russian Advertising Agencies was formed in 1993 after the Russian Parliament passed the advertising ban. The same year, the Association gave its support to

two marketing studies on the effects of the ban, aiming to show that it will have no effect on frequency of use of cigarettes or alcohol but will cause the loss of hundreds of millions of dollars to federal and local budgets.^[395, p. 1-21]

This is a classic example of results-oriented research by the tobacco industry and its allies.

The beginning of antismoking efforts

Health groups are starting to organize and make modest inroads. A national nonsmoking day is held in November to draw attention to smoking and health issues. This must be having some impact — in Poland, R.J. Reynolds chose that date for a widely publicized draw for Camel smokers and offered a trip to Egypt, a car, and a Harley–Davidson motorcycle as prizes.

In Poland, Dr Zatonski is leading a fight to control smoking. He says that Canada’s tobacco experience helps Polish campaigners. “The best example is the taxation and pricing policy,” he explains. “The Canadian government was able to achieve two goals: to reduce tobacco consumption and to increase tax revenue. We are using this every day in our advocacy. The second example is the new Canadian health warnings which is helping us a lot.”

A 1993 report by Euromonitor, a firm that follows the tobacco industry, dryly predicted that “increasing limits on cigarette advertising are expected to come into force in Poland due to the high death rates caused by the habit.”^[165, p. 19] Zatonski decries the proliferation of cigarette ads in his country now. “People are probably more sensitive to them because there was no advertising of any kind beforehand,” he says, deploring the fact that

a package of cigarettes is cheaper than bread. In 1996, final approval was given to a new Polish law banning tobacco advertising on radio and television.

In Lithuania, tobacco advertising was banned following a WHO mission to the country, but since then compliance has been a problem because there are no government officials to enforce the law.

In Czechoslovakia, communism ended in November 1989. By 1991, tobacco ads were starting to appear; by 1992, they were everywhere. Environmentalists led a campaign for a ban, arguing that the ads constituted visual pollution. On 31 December 1992, the last day before Czechoslovakia split into the Czech Republic and Slovakia, the Federal Assembly passed a law to ban tobacco advertising. In 1993, the Czech Republic repealed its ban under pressure from the company Tabak, which by this point had majority ownership from Philip Morris. Tabak, which exported cigarettes to neighbouring Slovakia, repeatedly sent representatives to meet with the Consumer Protection Section of the Slovakian government in an effort to have the ban repealed in Slovakia as well. In 1994, 2 days before World No-Tobacco Day, five foreign tobacco companies held a news conference in Slovakia to give their usual views about why they should have the right to advertise. The more than 40 journalists who attended were offered free cocktails and cigarettes. Nonetheless, the ban remained in place with support from a health coalition. However, there are problems with enforcement and with the definition of advertising.

Slovenia: one country's story

In Slovenia, the northernmost republic of the former Yugoslavia, an estimated 3 500 lives are lost prematurely every year because of tobacco. The tobacco industry has been privatized, and it is one of very few industries in the country doing well after economic liberalization. Germany's Reemstma now has majority control of the country's industry.

Dr Mateja Kožuh-Novak, a physician and for 5 years head of the National Public Health Institute, is now a member of the National Assembly. In 1994, she helped lead a campaign to ban tobacco advertising. A tobacco-control bill before the National Assembly would have required health warnings on packages, restricted smoking in workplaces, prohibited the sale of tobacco to minors, and restricted tobacco advertising. However, the advertising part of the bill was worded in such a way as to make it virtually impossible to get a conviction. Naturally, the tobacco industry liked it this way. Kožuh-Novak introduced an amendment to have a real ban on all direct and indirect tobacco advertising. The amendment passed by almost a two-thirds margin. The next day, newspapers — the recipients of tobacco advertising — came out strongly against the change, saying that it was an attack on smokers and a violation of freedom of expression. "This was despite the fact that an earlier poll found 80% of the population supporting a tobacco ad ban," says Kožuh-Novak. The total ban had the support of the Ministry of Health, but it was opposed by the Ministry of Finance, which was concerned about losing tax revenue. The Ministry of

Economics opposed the ban on the grounds that it was crazy to go after one of the few successful industries in the country.

The tobacco industry claimed that jobs would be lost. That argument made an impact in a country where unemployment had now reached 10% after historically being zero. The industry failed to mention that far more raw leaf tobacco and cigarettes were imported than exported, thus upsetting the balance of payments, and that a ban on tobacco advertising would protect Slovenia brands from further attack by foreign imports. The market share of foreign imports was 20% and rising.

Kožuh-Novak's amendment was repealed, and the weaker provision restricting tobacco advertising was restored. Kožuh-Novak went to the President of the Senate, a lawyer, to urge him to get the Senate to veto the bill. To her surprise, that is exactly what happened. The National Assembly attempted to override the veto but failed to get the needed two-thirds vote. Just 1 week later, a new bill on tobacco advertising was introduced in the Assembly that again had loopholes. "The two people who introduced the bill were not at all interested in health. They were just afraid I would introduce a bill before they did," says Kožuh-Novak. However, health forces mobilized, and eventually many amendments strengthening the bill were adopted. Thousands of letters poured in to parliamentarians, and a demonstration was held outside Parliament on the day of second reading. By early 1996, the bill had yet to receive third and final reading, and its fate was still uncertain.

The attempts to control advertising in Lithuania, Slovenia, and Slovakia may spark some optimism in a region where prospects for tobacco control are bleak. As foreign companies become more dominant, prospects will become even bleaker. As was the case when TTCs entered markets in the developing world, it will be people who will pay the price.

