American cigarette manufacturers’ ability to pay damages

EDITOR,—Although we undoubtedly will disagree with Jeffrey Harris’ calculation that $4.08 per pack represents the profit-maximising price for cigarettes in the United States, particularly those from countries with lower disposable incomes and cigarette prices, basing his figure on his main point of departure is more fundamental.

When Dr Harris says, “The industry’s ability to pay damages is bounded by the maximum amount of money it could extract from smokers,” he echoes the belief of many. But that conclusion cannot be true.

Leaving aside the issue of existing company and shareholder assets as a potential pot of money, Harris’ conclusion is based on the false notion that the only form of compensation a successful plaintiff would accept. Given that state governments are plaintiffs in many of the American actions, and that governments have no monetary concern tobacco companies could assuage, Harris’ assumption is unlikely.

Some states might trade off actions leading to further reductions in smoking, beyond those achieved by raising prices to profit-maximising levels, for money in the bank.

Obviously a state, particularly one feeling hemmed in by American pre-emption restrictions, might accept changed tobacco company behaviour in exchange for some cash. Fuller disclosure, product modification, generic packaging, withdrawal from promotion—all within the control of the tobacco companies—could be put on the table.

But there also is an important financial approach Dr Harris did not consider.

As a portion of its damage award, a successful plaintiff state might accept cigarettes being priced above the profit-maximising level. Such pricing necessarily reduces the company’s ability to pay monetary damages, but the value to the government of the additional reduction in smoking such pricing would bring about may make this a desirable option.

The assessment of the tradeoffs of this approach will be complicated for both sides. These tradeoffs will depend largely on the structure of how damage payments are to be derived from company profits. However, provided the benefit of an additional price-induced reduction in smoking is worth more to the state than the cost to the tobacco company of pushing prices beyond the

BAC “experts” grilled—reply

EDITOR,—The News Analysis section of the Winter 1996 edition of Tobacco Control contained two articles commenting on a seminar hosted by British American Tobacco and a further article discussing statements made in relation to that tobacco smoking (ETS) and young children. These articles raised several issues in relation to which your readers may be interested in some additional facts.

One article claimed that, during presentations to journalists, we omitted to discuss a federal grand jury investigation into allegations that “tobacco industry associates” had falsified data. This was discussed, since no such investigation had been concluded. If the article was referring to the indoor air quality consultancy, Healthy Buildings International, then I can see why the misunderstanding in your News Analysis occurred, as the fact that such an investigation has been dropped without charges did not capture as much media attention as the original allegations.

This misunderstanding does illustrate the importance of seminars such as the one British American Tobacco sponsored in Mauritius, the aim of which was to give intelligent and well-prepared journalists the opportunity to investigate tobacco issues and discuss them with people who have a view and knowledge of the issues.

The notion that British American Tobacco would not wish to speak with journalists or anyone else, who wanted to ask probing questions is entirely wrong, and I am surprised at the suggestion that invited journalists would not take the opportunity to consider all the information that they receive on any issue, and make their own judgements.

British American Tobacco believes that is [sic] right that journalists should, for example, be aware that the overwhelming majority of epidemiological studies considering ETS exposure and lung cancer in non-smokers report overall relative risks that are either below 1.0, which do not increase in risk, or report small increases in risk that are not statistically significant. It is, of course, up to journalists to seek the views of those who believe that a causal relationship between ETS exposure and lung cancer can be determined on the basis of such data, and to investigate whether there is scientific substance to the mortality figures presented by the United States Environmental Protection Agency and others.

As to the somewhat humorous analysis of my own publications, the journal is absolutely correct that I have not published on intercellular copper transport in cows. When I searched the scientific citation databases I found some nine papers under my authorship (including the one identified by the author’s Medline search) reporting original research into ETS. One of these studies was cited in the US Environmental Protection Agency’s risk assessment on ETS. Much of the research has been spent on developing techniques to measure personal exposures to ETS. The “ground-breaking” claim may be stretching the importance of our research a little too far—however, our publication of personal exposure measurements in a UK population is one of the earlier papers describing such field work, and did report a technique now widely used.

As to the article discussing Ms Suzanne Povinelli’s concerns on ETS and children, I would have thought that your journal would have applauded, not criticised, the notion that it is common sense not to smoke for prolonged periods around very young children. I am a parent, and like most people who choose to smoke, I certainly did not smoke around my children when they were young and when I was in a poorly ventilated area.

Millions of adults around the world continue to choose to smoke. As a leading manufacturer of tobacco products, British American Tobacco will continue to make cigarettes that we hope that adult smokers will prefer. And we will continue to voice our support for the popular and scientific discussion about smoking, speaking openly with honesty and integrity and in a manner whereby people can consider our views alongside those of others.

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1 BAC “experts” grilled; The only-ness of the life—Cooper, JD. Tobacco Control 1996;5:262–4.

In reply—Christopher Proctor admits that describing his work as “ground-breaking” is stretching its importance too far, but unfortunately that is not all that is stretched about Proctor, who appears to be more an active tobacco public relations man than an active scientist. While solemnly differentiating between allegations and findings in one instance of industry-related dirty tricks on passive smoking, he makes no mention of the plethora of outrageously misleading and unscientific statements made at his company’s propaganda workshops for journalists from developing countries, by the people it flies in who have a view and knowledge of the issues, and who speak “openly with honesty and integrity”. Their fatuous and disingenuous claims about smoking not having been proved to cause disease, or being only a public health issue, are well documented in previous issues of Tobacco Control. And it is both bad science and bad public relations to try to get away with this particular journal with a description of smokers as people who “have chosen the vast majority in his own country started as children, and about two-thirds, once they become the “adult smokers” the industry likes to talk about, want to quit.”
Wills' Australian employee, Suzanne Povey, was not intended to be critical of her candid concern for children's health. Instead we were amused by her antics when cornered with the implications of this concern. Like Povey, Dr Proctor admits it is "common-sense" not to smoke around children, but both are conspicuously reluctant to explain just why this is the case. What, exactly, is the problem with smoking around small children, Ms Povey and Dr Proctor?

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Clearing the air at the Red Cross

Editor,—A news article in the Spring 1995 issue of Tobacco Control (1995;4:18–19) began as follows: "Of the following locations in Winston-Salem, in the state of North Carolina, which, would you guess, is the one with the smoke-free environment—the YMCA, the American Red Cross Blood Donation Center, or the Krispy Kreme Donut Shop? Surprisingly, the only one of the three to ban smoking is also the one without a public health mission: the doughnut shop." I am happy to report that now all three have established no-smoking policies!

Reporting tobacco control news such as the original story in Tobacco Control about the Winston-Salem Red Cross Center serves not only as a useful news exchange, but also as an intervention. The Winston-Salem Red Cross Center changed its policy as a result of correspondence with health professionals in the Winston-Salem area, and as a result of exposure in Tobacco Control. Copies of the article in Tobacco Control were disseminated widely after it was published.

If progress can be made in Winston-Salem, it can happen anywhere.

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Alongside this photo, the Washington Post (17 November 1996) noted that "Clothing and other paraphernalia that advertise U.S. cigarette brands are symbols of sophistication and affluence throughout the newly opened markets in Asia."