

Tobacco Money, Tobacco People, Tobacco Policies

**How Millions of Tobacco Dollars
and Tobacco People in High Places
Drive White House Pro-Tobacco
Industry Policies**

**A Public Citizen's Health Research Group
Advocacy Institute Report
Bruce Samuels, Clifford Douglas, Sidney Wolfe
and Phillip Wilbur
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**Money Talks: \$3.11 Million in Tobacco Soft Money
to Republicans and Democrats from the 1988 Election Cycle to Now:
The Influence of Tobacco Money and People on Tobacco Policies**

Tobacco is the number one cause of death and disease in the United States and worldwide, accounting for 434,000 annual deaths in this country in smokers, an additional 53,000 year from passive smoke in non-smokers and a total of 3 million deaths a year throughout the world plus millions more severely disabled. In addition to this incalculable amount of human tragedy, tobacco costs the U.S. approximately \$52 million a year in medical expenses, lost wages and other losses.

Given the basic failure to successfully treat lung cancer, tobacco-induced lung diseases and other serious health problems caused by tobacco, prevention is the only way to go in terms of public health policy.

There has never been any significant presidential leadership to aggressively attack the war on American teenagers, women, poor people and others targeted by tobacco companies and attracted and addicted to cigarettes and other tobacco products. Quite the opposite. It is no secret that in the last two decades, the two most active and effective people in the executive branch on this issue were former Secretary of Health Education and Welfare Joseph Califano and recent Surgeon General Dr. C. Everett Koop. Mr. Califano clearly lost his job, in part because of his tough position against tobacco. While still in office, the efforts of Mr. Califano and Dr. Koop were frequently squelched, due to the tobacco industry's strong influence on the White House and the federal policy-making process. Even though the focus in this report is the executive branch, the U.S. Congress is also to blame for its inaction, which has caused a deadly executive/legislative pro-tobacco gridlock, much to the delight of the tobacco industry.

This report has four parts which are listed here and summarized immediately after:

Part I: The Money, examines soft money gifts from the tobacco industry to the Democrats and Republicans, focussing on the massive increases from the 1988 election cycle to the 1992 cycle. Soft money encompasses any contributions not regulated by federal election laws. While technically restricted in other ways, in practice, soft money funds have seeped into federal races in a big way, and have become an important means of supporting the parties' candidates for president and Congress -- particularly in key battleground states. Even though it must now be reported, soft money can still be given with virtually no strings attached.

Part II: All the Presidents' and Governor's Tobacco Men and Women lists and describes 13 Bush, 3 Clinton and 19 other recent close allies or staff of American presidents with strong connections to or in the tobacco industry.

Part III: The Policies; Lack of Tobacco Control Initiatives at the Executive Level -- The Tobacco Industry Gets its Money's Worth

Part IV: Recommendations

The Money

As can be seen in **figure 1**, in the 1992 election cycle, through June 30, 1992, the tobacco industry gave \$1.339 million in soft money to the Republican Party and \$731,000 to the Democratic party, for a total of \$2.07 million. This was a major increase from contributions during the last presidential election cycle, which totalled \$448,000 for the Republicans and \$38,000 for the Democrats, for a total of \$486,300. Thus, overall, the 1992 tobacco soft money gifts have thus far (through June 30, 1992) been 426 percent (4.26 times higher) of what they were in 1988. (During the 1990 non-presidential cycle, tobacco soft money gifts totalled \$538,316.)

Big Increases for Both Parties in 1992

Whereas the Democrats were largely left out in the cold in 1988, their increase in tobacco soft money contributions (\$692,702 more than in 1988) has been almost as great (78 percent) as the \$890,764 increase the Republicans have had in 1992.

Some Companies are More Generous than Others

As can be seen in **Figure 2**, the biggest 1992 election cycle donor of tobacco money was **RJR Nabisco**, giving the Democrats \$299,000 and the Republicans \$426,100 for a total of \$725,100 in this election cycle. Next was **U.S. Tobacco**, with \$95,346 to the Democrats and \$408,174 to the Republicans for a total of \$503,520. Close behind was **Philip Morris** with \$145,00 for the Democrats and \$292,330 for the Republicans. The Washington-based **Tobacco Institute**, the "think tank" and trade association of the tobacco industry, may know something we don't, because it was the only major tobacco interest to give more to the Democrats than to the Republicans, with \$118,275 for the Democrats and \$107,977 for the Republicans.

The money tells only part of the story, however.

The People: The Presidents' and Hopeful President's Tobacco Men and Women

In this part of the report, we list and describe 45 people (13 in the Bush Administration or campaign, 3 Clinton, 19 Reagan, and 10 in previous administrations or campaigns with strong ties to or presences in the tobacco industry. **(The full list and details are in section II of this report.)**

President Bush:

Craig Fuller went from being Vice-President Bush's Chief of Staff to President of Hill and Knowlton, a firm with many tobacco accounts to, currently, a **Vice President of Philip Morris** and, most recently, the Chairman of the Republican National Convention.

Henry Kravis, of Kohlberg, Kravis and Roberts (KKR), is Co-chair of Bush's finance committee, having contributed, along with his partners, \$505,000 to this and previous Bush campaigns. It is of interest that **KKR has a controlling interest in RJR Nabisco.**

Louis Bantle, CEO of U.S. Tobacco Co. (UST), a company which has given the Republicans \$408,174 so far this election cycle and whose smokeless tobacco products have been helped by the Bush Administration (**see section III, Policies, for more details on this**)

Governor Clinton:

Michael Kantor, Clinton's campaign manager, is a prominent California lawyer who has represented the Beverly Hills Restaurant Association in opposing ordinances for smoke-free restaurants, projects which have received legal fees from the Tobacco Institute. His firm Manatt, Phelps, is one of the firms which represents **Philip Morris** in Washington, D.C.

Thomas Hoog, a general policy advisor to Clinton, is vice-Chairman of **Hill and Knowlton**, one of the tobacco industry's main mouthpieces.

The Policies

As will be seen in more detail in Section III, the recent presidential policies have been to oppose legislation to place more controls over tobacco use and to simultaneously force American tobacco into foreign markets via the heavy hand of the U.S. Trade Representative.

Beyond the 1964 Surgeon General's Report on smoking, warning labels on cigarettes in the mid-1960's, the electronic advertising ban in the early 1970's and the more recent ban on smoking on most domestic airline flights, the U.S. lags far behind most other developed countries in national tobacco control policies as shown in figures 3, 4, and 5.

In **figure 3**, the current total taxes per pack of cigarettes for 19 countries including the U.S. is shown. They range from a high of \$4.07 a pack in Denmark to a low of \$0.46 in Spain and the U.S.

In **figure 4**, the comparisons over time between the U.S. and Canada are shown. At present, the Canadian total tax of \$3.26 U.S. dollars is more than seven times higher than our total tax per pack of cigarettes.

In **figure 5**, international comparisons in tobacco advertising restrictions are examined. It is clear that whereas countries such as Canada and France have recently banned print advertising, billboard and sponsorship of events as well as banning electronic tobacco advertising, the U.S. lags far behind, along with Japan, in having few advertising controls.

In Canada, for example, coincident with high cigarette taxes and total advertising bans, there was a greater decline in per capita cigarette consumption in the past decade than in the U.S.

Among the de facto or actual pro-tobacco positions the Bush Administration has taken are the following, detailed in section III of the full report, show that the Reagan and Bush Administrations have:

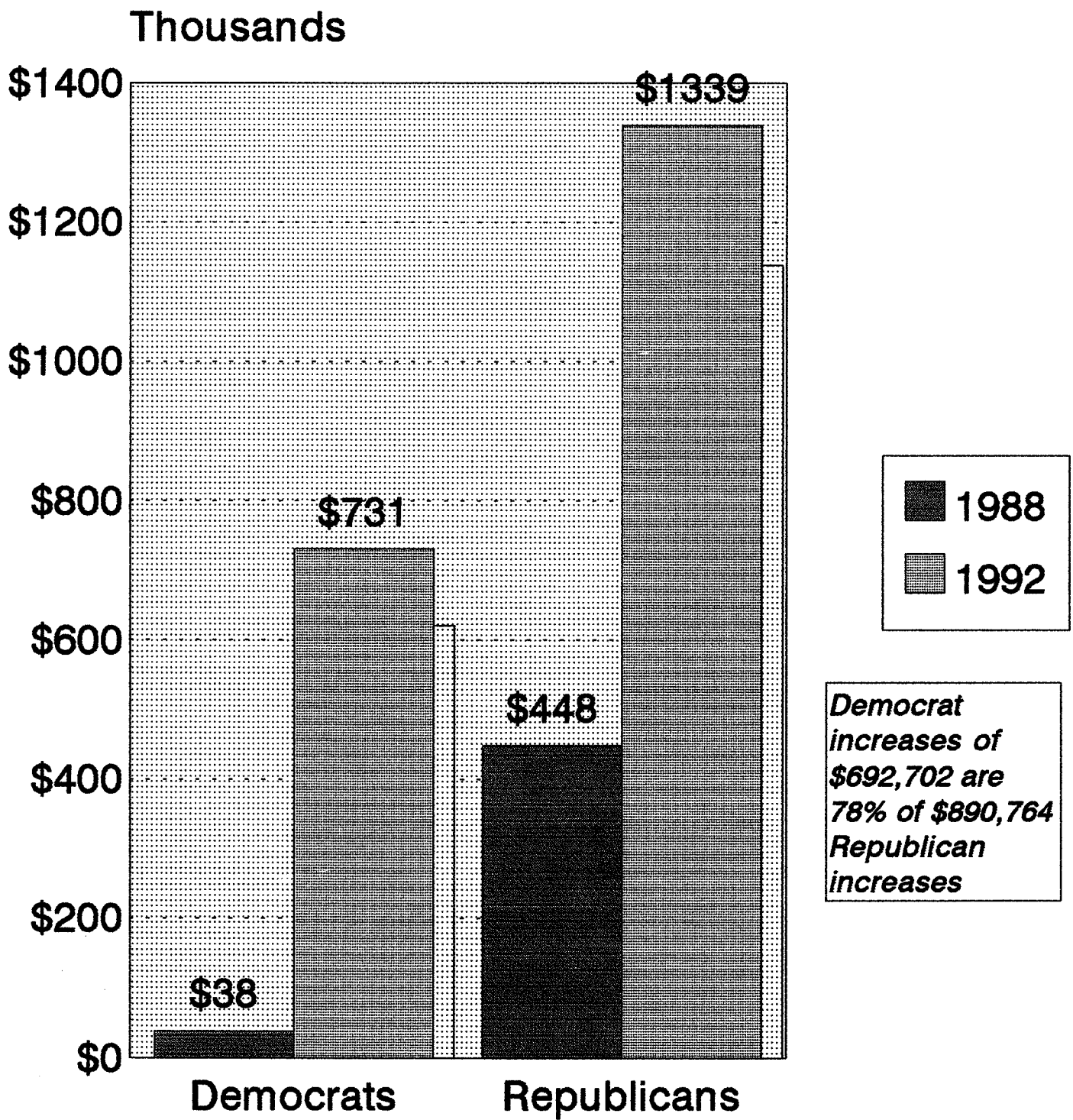
1. used the power of the U.S. Trade Representative to support aggressive tobacco exports
2. refused to sign an executive order making federal buildings smoke-free
3. opposed federal legislation providing for improved tobacco and health education and regulation of tobacco products for health and safety.
4. refused to support a significant increase in the Federal excise tax on cigarettes
5. opposed federal legislation designed to reduce youth access to tobacco products and to curtail tobacco industry marketing activities aimed at youth
6. ignored repeated calls for enactment of federal legislation banning or restricting tobacco advertising targeted at children
7. given rhetorical support to strengthened health warning labels on tobacco products but have not endorsed actual legislation

Recommendations

The three classes of recommendations we make are:

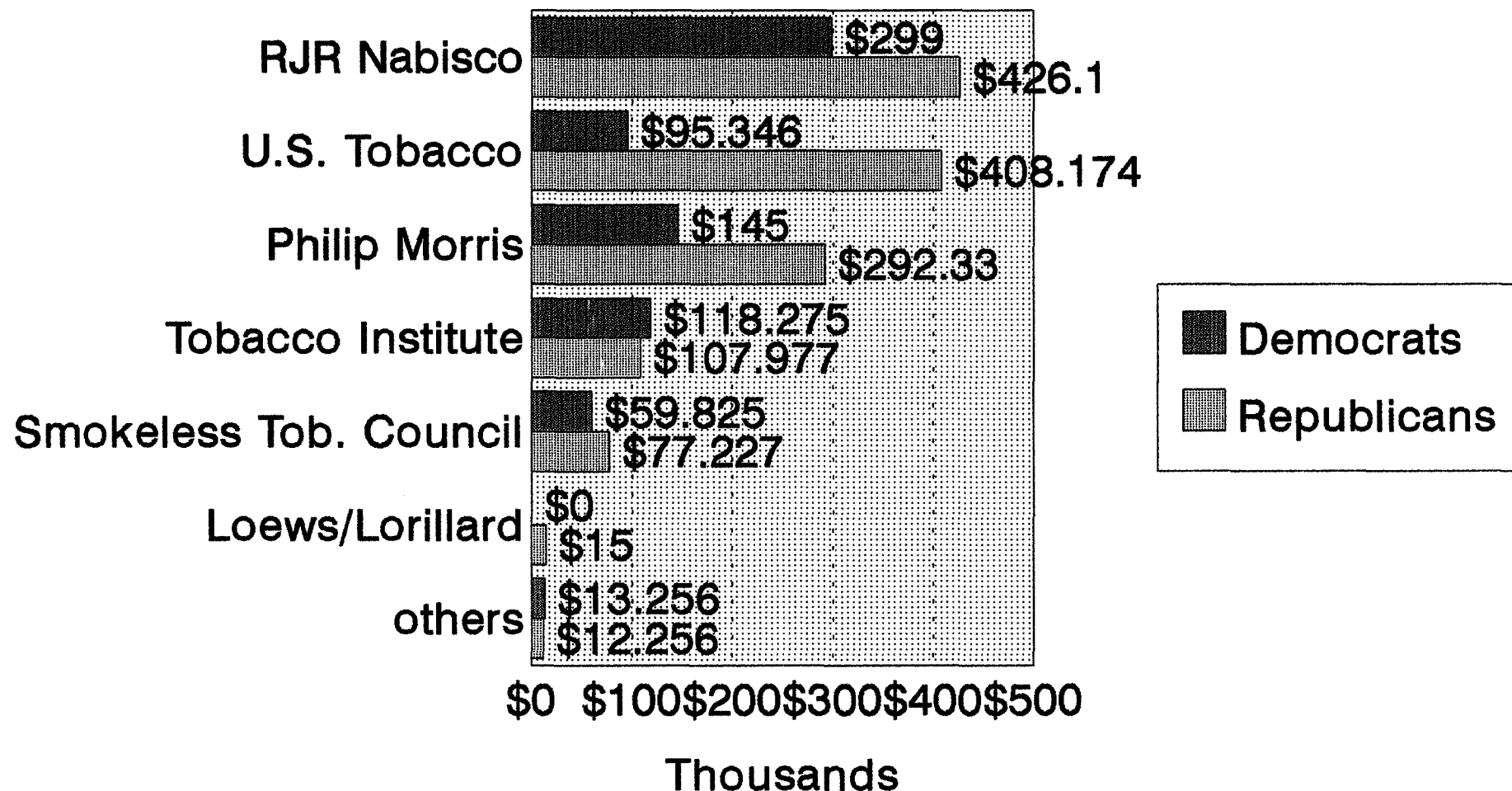
- Presidential candidates should refuse to accept any contribution from the tobacco industry.
- No tobacco industry officials should be in key administration or campaign posts.
- The new president should push for legislation to ban all tobacco advertising and to substantially increase Federal excise tax cigarettes as Canada has done.

Figure 1. Tobacco Soft Money Contributions to Political Parties: 1988 & 1992 (1992 data through June 30)



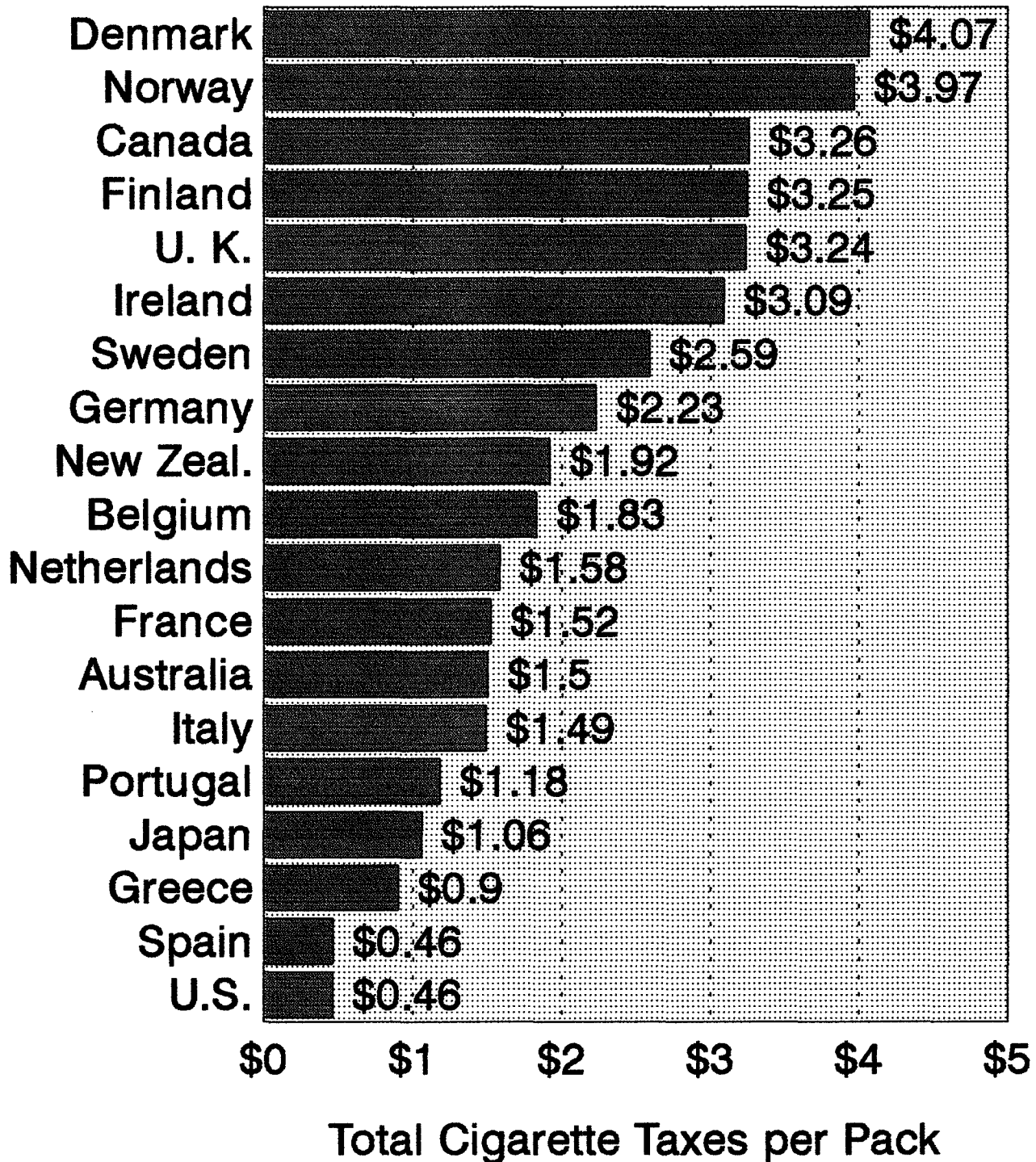
Includes contributions to national parties and non-federal accounts of state parties
Data prepared by the National Library on Money and Politics
Analyzed by Public Citizen and the Advocacy Institute

Figure 2. Tobacco Soft Money Contributions to Political Parties: 1992 data Jan., 1991 through June 30, 1992



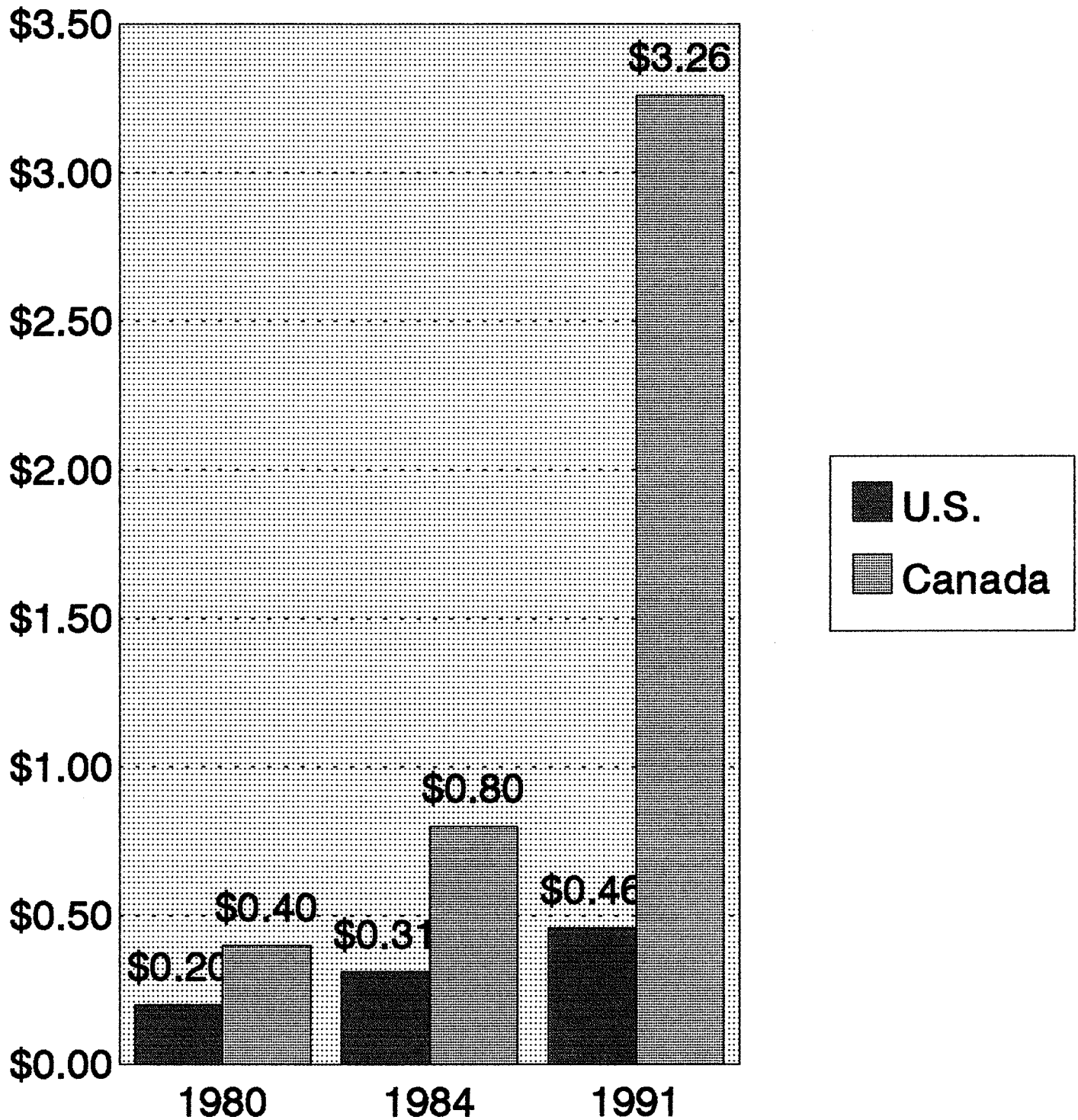
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Figure 3. Cigarette Taxes in Developed Countries
Data from 1991 & 1992 for total taxes per pack
in U.S. Dollars



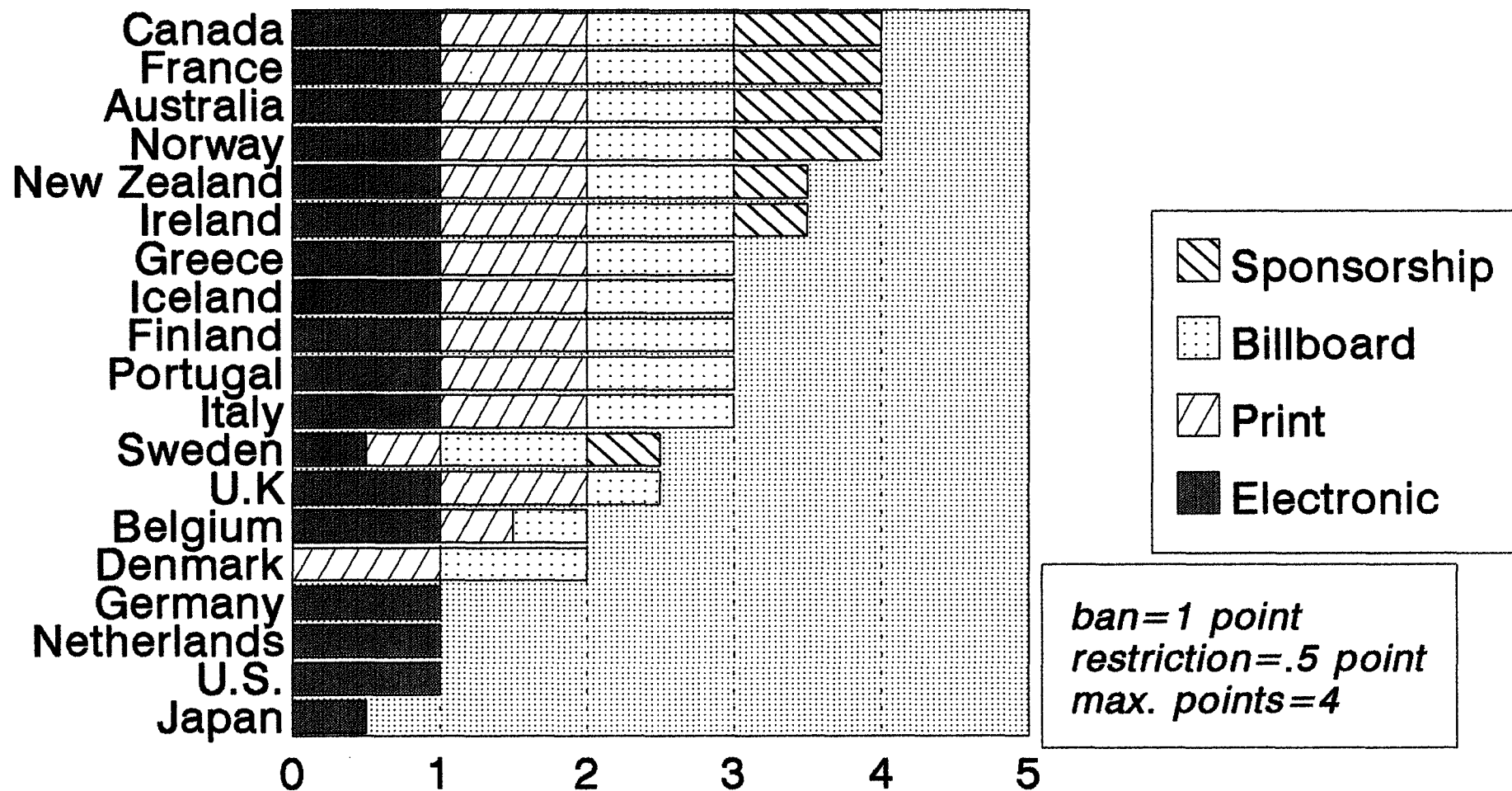
Data obtained from Nonsmokers' Rights Association (Canada)
Analyzed by Public Citizen's Health Research Group and the Advocacy Institute

Figure 4. Total U.S. and Canadian Cigarette Taxes per Pack in U.S. dollars



data from Non-Smokers' Rights Association (Canada)
analyzed by Public Citizen's Health Research Group and the Advocacy Institute

Figure 5. Tobacco Advertising Bans or Restrictions in Developed Countries



1. W.H.O. Legislative Responses to Tobacco Use. Martinis Nukoff Publishers. London 1991
2. The World Cigarette Market ERC Statistics, Suffolk, U.K.
3. Smoking or Health. Australian Council on Smoking or Health. April, 1992
4. Anonymous: Tob. Reporter August 1992: 112:8

Section I

The Money

Using data obtained from the Federal Election Commission by the National Library on Money and Politics, we looked primarily at soft money contributions to both the Democrat and Republican parties for the 1988 and the 1992 election cycles. It should be noted however, that **the total tobacco industry contributions from the last three election cycles, including not only soft money but PAC's, congressional and Presidential candidate campaign contributions, and tobacco lobbyists' and lawyers' contributions total \$9,383,376.**

As can be seen in **figure 1**, in the 1992 election cycle, through June 30, 1992, the tobacco industry gave \$1.339 million in soft money to the Republican Party and \$731,000 to the Democratic party, for a total of \$2.07 million. This was a major increase from contributions during the last presidential election cycle which were \$448,000 for the Republicans and \$38,000 for the Democrats, for a total of \$486,300. Thus, overall, the 1992 tobacco soft money gifts have thus far been 426 per cent (4.26 times higher) of what they were in 1988. (During the 1990 non-presidential cycle, tobacco soft money gifts totalled \$538,316)

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SECTION II

ALL THE PRESIDENTS' (AND GOVERNOR'S) TOBACCO MEN (AND WOMEN)

Since the 1960s the Surgeon General's office has been citing tobacco as "the greatest cause of illness, disability and premature death in this country."¹ Tobacco kills almost half a million Americans every year, 434,000 from active smoking² and 53,000 from passive smoking.³ Tobacco use costs Americans \$52 billion in health care and lost productivity every year, or \$221 per person.⁴

These statistics beg the question: "What is the federal government doing about the burden tobacco places on our society?" Although the United States used to be considered a world leader in tobacco control, it has fallen behind almost all other developed nations in terms of federal tobacco control actions.

Besides requiring warning labels on tobacco packages and advertisements (1966 and subsequent years), banning cigarette (1971) and smokeless tobacco (1986) advertisements on electronic media, making most domestic commercial passenger airline flights smoke-free (1990), and issuing continuing reports confirming the health consequences of tobacco, the federal government has done little else to decrease the burden of tobacco on our society since the first Surgeon General's report in 1964. Unlike the many countries shown in Figures [X], on page [Y], which have enacted laws significantly raising cigarette taxes, banning most, if not all, tobacco advertising, or both, the United States lags far behind.

Although the power of the tobacco lobby in Congress has become known to the American public, the degree of influence in the presidential arena has not received as much attention. The tobacco industry has not only used its immense financial resources to become one of the leading contributors to the presidential candidates of both parties, but it also seeks to

¹ H.S. Diehl, Tobacco and & Your Health: The Smoking Controversy, 1969, p. 1.

² Centers for Disease Control, "Smoking-Attributable Mortality and Years of Life Lost - United States, 1988," Morbidity and Mortality Weekly Report, February 1, 1991.

³ S. Glantz and W. Parmley, "Passive Smoking and Heart Disease," Circulation, January 1991.

⁴ Centers for Disease Control, Smoking and Health: A National Status Report: A Report to Congress, February 1990.

exert influence within the executive branch by paying former administration officials hefty sums to lobby on its behalf. More than ever before, the industry has recruited former Reagan and Bush administration officials and has been candid about its intent: to obtain extraordinary access to decision-makers within the executive branch.

The campaigns of both President Bush and Governor Clinton also have among their leadership personnel who have been or continue to be associated with tobacco interests. In fact, some of the most powerful men in the Bush campaign have worked or continue to work for the tobacco industry.

Some might suggest that this phenomenon is not very different from other powerful industries that use their resources to influence policy at the expense of the American people. However, tobacco is unlike any other business. It is the only mass consumer product that causes death and disease when used as intended. It is a highly addictive product that is targeted towards children and teenagers to replace the more than 1200 smokers who die daily. It is a product that accounts for one of every five deaths in America.

Tobacco use and its consequences can be greatly reduced if a government commits itself to improving the health of its citizens, as shown in Canada, where a comprehensive national tobacco control program has reduced the consumption of cigarettes by 50 percent over 18 years. Even while more than 50,000 studies have put the health consequences of tobacco use entirely beyond dispute during the past three decades, no President has taken a meaningful stance against tobacco. The tobacco industry is winning the battles at the federal level while literally millions of Americans die as a result, at least partially, of inaction in the White House.

TOBACCO INDUSTRY AND OFFICIALS OF THE PRESIDENT

The tobacco industry has hired an impressive array of former administration officials to gain access to the right people in the right places. This is not unique to the recent Republican administrations, as former Johnson, Nixon, Ford and Carter officials have also been hired, often to influence policy in an agency in which they were formerly employed. However, during the Reagan and Bush years, the tobacco industry has been particularly successful in recruiting "power hitters" who have been involved in the presidential campaigns or the administration.

What do all these connections do for the tobacco industry? For the most part, they seek to thwart any attempt to regulate tobacco. But the influence has been most obvious with regard to efforts by U.S. tobacco companies to increase their exports as smoking among Americans decreases. In the latter years of the

Reagan administration and throughout the Bush administration's term, the U.S. Trade Representative has been pressuring governments in Asia to open their markets to U.S. tobacco products by threatening trade sanctions. Japan, South Korea and Taiwan capitulated under the pressure. But Thailand resisted, stating that it was an issue of public health, not trade. The U.S. took the case to Geneva, where the General Agreement on Tariffs and Trade (GATT) ruled that while Thailand would have to allow U.S. companies to export cigarettes to that country, it had the unqualified right to ban tobacco advertising and implement other tobacco control measures if such measures were applied equally to domestic and foreign cigarettes. The administration, again through the U.S. Trade Representative, is now fighting to prevent the government of Taiwan from implementing stronger warnings on cigarette packets and bans on cigarette advertising, threatening to impose severe trade sanctions on Taiwan if that country dares enact such public health measures. In 1991 the Commerce Department assisted R.J. Reynolds and Philip Morris in making a deal to export 34 billion cigarettes to the former Soviet Union, a deal worth \$40-\$50 million for each of the companies.⁵

When Britain proposed to ban oral snuff (such as Copenhagen and Skoal) in 1989, products which had not taken hold outside the United States but were being aggressively marketed by U.S. Tobacco Company (UST), the response came from the upper echelon of the Bush administration. Secretary of State James Baker, Assistant Secretary of State Richard McCormack, Deputy U.S. Trade Representative Linn Williams, and U.S. Ambassador to Great Britain Henry Catto spoke to British government officials. The Commerce and Agriculture Departments also got involved. When the European Community ultimately banned the products, Britain was spared further pressure tactics by the U.S. government on behalf of UST.⁶

The close relationship between the tobacco industry and the administration may be best symbolized by the industry's donation of \$1.2 million to the State Department in 1986 to refurbish the department's Treaty Room. The seven restored rooms feature tobacco leaf carvings and tobacco memorabilia.⁷

⁵ "Bush's Ruling Class," Common Cause Magazine, April-June 1992, p. 20.

⁶ "Bush's Ruling Class," Common Cause Magazine, April-June 1992, pp. 20-21.

⁷ Walter V. Robinson, "Tobacco Lobby Pervades Congress," Boston Sunday Globe, September 24, 1989, p. 1.

The following is a partial list of persons who have ties with presidential administrations and the tobacco industry.

FORMER BUSH ADMINISTRATION OFFICIALS AND "TEAM 100" MEMBERS

Craig Fuller served as White House Counsel Edwin Meese's aide. He is considered one of the "Big Five" that ran the Reagan White House.⁸ He then served as Vice President Bush's chief of staff, "one of the 'Group of Six' that coordinated Bush's official duties and political agenda."⁹ "He has [since] parlayed his connections to Bush and his insider's knowledge of Washington into three highly paid positions in 'public affairs.' . . Fuller frequently visits the White House and the Old Executive Office Building to discuss political strategy."¹⁰ After leaving the White House, he became President of Hill & Knowlton, a firm that represents the tobacco industry. He is now a senior vice president with Philip Morris and the company's director of corporate affairs. He is also a senior campaign advisor to Bush/Quayle 92¹¹ and served as the Chairman of the 1992 Republican National Convention.¹² He is considered "[o]ne of only 25 men with a high degree of contact with Bush."¹³

Charles Black is a partner in Black, Manafort, a major Washington, D.C. lobbying firm which represents the Tobacco Institute and is a registered foreign agent for Philip Morris. Black is a senior advisor and fundraiser for the Bush campaign.¹⁴ Black also advised current Secretary of Housing and Urban Development Jack Kemp, when he was a representative. Black, Manafort is a subsidiary of Burson-Marsteller, which is

⁸ Ronald Brownstein and Nina Easton, Presidential Accountability Group, Reagan's Ruling Class, 1982, p. 647.

⁹ Steven Mufson, "The Privatization of Craig Fuller," Washington Post Magazine, August 2, 1992, p. 19.

¹⁰ Steven Mufson, "The Privatization of Craig Fuller," Washington Post Magazine, August 2, 1992, p. 16.

¹¹ "Bush's Ruling Class," Common Cause Magazine, April-June, 1992, p. 5.

¹² Steven Mufson, "The Privatization of Craig Fuller," Washington Post Magazine, August 2, 1992, p. 16.

¹³ Fara Warner, "Philip Morris Shares a Beltway Insider," Adweek, January 27, 1992, p. 5.

¹⁴ "Bush's Ruling Class," Common Cause Magazine, April-June, 1992, p. 5.

frequently hired by Philip Morris, both domestically and internationally. For example, Burson-Marsteller coordinated the multi-million dollar "Accommodation Program" for smokers' rights in Pittsburgh for Philip Morris.¹⁵ The late **Lee Atwater**, Vice President Bush's campaign manager, was also a partner in Black, Manafort.¹⁶

James Lake, a partner in Robinson, Lake, Lerer and Montgomery, served as an aide to Ronald Reagan's presidential campaign.¹⁷ He served in the 1988 Bush campaign and now serves as a senior "volunteer" to the current Bush campaign.¹⁸ He has been retained by Japan Tobacco, Inc. When Lake was employed by the law firm of Heron, Burchette, Ruckert and Rothwell, the firm received \$120,000 a year to represent Japan Tobacco. A good friend of former U.S. Trade Representative (USTR) under Reagan, Clayton Yeutter, he acknowledged that his relationship representing Japanese interests occurred after Yeutter became USTR.¹⁹ Lake served on Yeutter's transition team when Yeutter became USTR.²⁰ He was offered a position as communications director in the Bush White House, but turned it down.²¹

Henry Kravis, of Kohlberg Kravis and Roberts (KKR), which has controlling interest in RJR Nabisco, is a two time member of Bush's "Team 100," for those who have given more than \$100,000 to the RNC, and he acts as the co-chair of the Bush campaign's finance committee. Including his own contributions totalling \$150,000, Kravis and his KKR partners **Robert MacDonnel**

¹⁵ Samuels B, M Begay, AR Hazan, SA Glantz, "Philip Morris' Failed Experiment in Pittsburgh," Journal of Health Politics Policy and Law, 7,2, Summer 1992, p. 329-51.

¹⁶ John M. Barry, "The New Breed of Lobbyist," Business Month, April 1988, p. 44-54.

¹⁷ Charles Lewis, America's Frontline Trade Officials. Washington, DC: The Center for Public Integrity, 1990, p. 40.

¹⁸ Under the Influence: Presidential Candidates and Their Campaign Advisers. Washington, DC: The Center for Public Integrity, 1992.

¹⁹ Charles Lewis, America's Frontline Trade Officials. Washington, DC: The Center for Public Integrity, 1990, p. 40.

²⁰ Charles Lewis, America's Frontline Trade Officials. Washington, DC: The Center for Public Integrity, 1990, p.43.

²¹ Under the Influence: Presidential Candidates and Their Campaign Advisers. Washington, DC: Center for Public Integrity, 1992, p. 65.

(\$125,000), **Paul Raither** (\$130,000) and **George Roberts** (\$100,000)²² have given \$505,000 in soft money contributions during Bush's previous and current campaigns for the presidency, making the firm one of the top five contributors to the Republican party.²³ Kravis attended, at the President's invitation, the 1991 "trade crusade" to Japan,²⁴ and he and his wife have been White House dinner guests.²⁵

Then-RJR Nabisco CEO **F. Ross Johnson** and company attorney **W.G. Champion Mitchell** became members of the Team 100 by contributing \$100,000 in 1988.²⁶ Mitchell also was RJR Nabisco's chief lobbyist.²⁷

Louis Bantle, CEO of U.S. Tobacco Co. (UST), became a Bush Team 100 member in 1988 by contributing \$100,000.²⁸ UST is the biggest single supporter of the current Bush campaign, giving \$92,950 through May 1992. UST has also been a leading contributor of soft money contributions to the Republican party. Through June 1992, UST had contributed \$408,174 to the Republicans, as well as another \$95,346 to the Democrats.²⁹ In 1991 U.S. Tobacco gave the President's Dinner wine glasses engraved with the company logo at a cost of \$83,174.³⁰

²² "Bush's Ruling Class," Common Cause Magazine, April-June 1992, p. 20.

²³ "Bush's Ruling Class," Common Cause Magazine, April-June 1992, p.11.

²⁴ "Bush's Ruling Class," Common Cause Magazine, April, May, June 1992, p. 18.

²⁵ Donnie Radcliffe and Barbara Feinman, "Serious Politics & and Italian Ham," Washington Post, October 12, 1989.

²⁶ "Bush's Ruling Class," Common Cause Magazine, April-June 1992, p. 20.

²⁷ "RJR Names M.B. Oglesby To Be Its Chief Lobbyist," Wall Street Journal, April 5, 1989.

²⁸ "Bush's Ruling Class," Common Cause Magazine, April-June 1992, pp. 20-21.

²⁹ CNN/National Library on Money and Politics study, August 19, 1992.

³⁰ "Bush's Ruling Class," Common Cause Magazine, April-June 1992.

Clayton Yeutter was appointed Secretary of Agriculture by Bush and then served as domestic policy counselor before leaving to join the Bush campaign.³¹ Under Reagan he served as U.S. Trade Representative and led the effort to force open Asian markets to U.S. tobacco products. This successful effort added millions of dollars in sales to Philip Morris and R.J.Reynolds. While serving as Trade Representative and pressuring foreign governments for the expansion of U.S. tobacco markets, he acquired family stock options in Philip Morris and R.J. Reynolds worth \$30,000-\$100,000. This was not reported until the day before he left the position. After he was nominated for Secretary of Agriculture by Bush, he sold his stock options in an agreement with ethics officials.³² Philip Morris spent thousands of dollars to sponsor an inaugural week party in 1989 after Yeutter left as USTR, as a "thank you" and "celebration" of his nomination for Secretary of Agriculture.³³

James F. Rill, was Assistant Attorney General in charge of the Antitrust Division of the U.S. Department of Justice from 1989 until 1992.³⁴ While he was a partner in the law firm of Collier, Shannon, Rill and Scott, the firm was a registered lobbyist for the Smokeless Tobacco Council.³⁵

As White House Legal Counsel, **C. Boyden Gray** oversees conflict of interest issues within the Administration. He is an heir to the R.J. Reynolds tobacco fortune.

* * *

FORMER REAGAN ADMINISTRATION OFFICIALS

Michael Deaver, former Reagan Deputy Chief of Staff, was "in some ways the most indispensable member of [Reagan's] White House Staff,"³⁶ -- his right hand man. In 1985, Philip Morris paid him \$250,000 to lobby for forcing open South Korea's tobacco

³¹ Devroy A, "President Names Baker Chief of Staff," Washington Post, August 14, 1992, p. A1.

³² Charles Lewis, America's Frontline Trade Officials. Washington, DC: The Center for Public Integrity, 1990, p. 38.

³³ "Yeutter Fete Sponsored by Philip Morris," Washington Post, February 2, 1989, p. A16.

³⁴ Federal Yellow Book, Spring 1992.

³⁵ U.S. House of Representatives, Records and Registration, 1992.

³⁶ Ronald Brownstein and Nina Easton, Reagan's Ruling Class, Washington, DC: Presidential Accountability Group, 1982, p. 650.

market. He was "treated like a visiting dignitary" and given the opportunity to meet with the President of South Korea.³⁷

Richard Allen, former Reagan National Security Adviser, was hired as a lobbyist by RJR in the effort to open South Korea's tobacco market.³⁸

Donald Nelson, former Assistant U.S. Trade Representative from 1979 to 1986, joined Philip Morris in 1986 as Director of International Trade Relations and was active in opening up Asia to the company's tobacco products.³⁹

Claud Gingrich, former USTR General Counsel under Reagan, has been retained by Japan Tobacco as a "special adviser" on trade issues.⁴⁰

Thomas J. Collamore, former chief of staff and assistant secretary at the U.S. Department of Commerce, now serves as vice president of corporate affairs and administration for Philip Morris.⁴¹

Tom Korologos, Republican lobbyist during the Reagan and Bush administrations, and currently president of Timmons & Company, Inc., has been a lobbyist for the tobacco industry.⁴² He was Deputy Assistant for Legislative Affairs to the President in the Nixon and Ford administrations from 1970 to 1974. He is currently Chairman of the United States Advisory Commission on Public Diplomacy at the United States Information Agency.⁴³ The Director of the U.S. Information Agency, **Henry Catto**, pressured the British government in 1989 on behalf of U.S. Tobacco, which wanted the British government to reverse a policy prohibiting the sale of moist snuff, while serving as U.S. Ambassador to

³⁷ Charles Lewis, America's Frontline Trade Officials. Washington, DC: The Center for Public Integrity, 1990, p. 40.

³⁸ Charles Lewis, America's Frontline Trade Officials. Washington, DC: The Center for Public Integrity, 1992, p. 40.

³⁹ Charles Lewis, America's Frontline Trade Officials. Washington, DC: The Center for Public Integrity, 1990, pp. 40 and 170.

⁴⁰ Charles Lewis, America's Frontline Trade Officials. Washington, DC: The Center for Public Integrity, 1990, p. 40.

⁴¹ Wall Street Journal, July 17, 1992, B2.

⁴² Personal communication with Matt Myers, ESQ.

⁴³ Federal Yellow Book, Spring 1992.

Britain.⁴⁴ Korologos also served as Deputy Assistant to the President for Legislative Affairs under Nixon and Ford.⁴⁵

Tom Griscom is currently executive vice president for external relations of R.J. Reynolds. He served as assistant to President Reagan for communication and planning. Prior to joining the administration, he was president and CEO of Ogilvy & Mather.⁴⁶ Ogilvy & Mather has worked for tobacco interests, including in opposition to a smoking control ordinance in Los Angeles.⁴⁷

Brennan Dawson, vice president and a chief spokesperson for the Tobacco Institute, was Confidential Assistant for Public Affairs in the Office of the Secretary of Health and Human Services (HHS), serving three Reagan administration secretaries - Richard Schweiker, Margaret Heckler and Otis Bowen - during the years 1981-1987.⁴⁸

W. Timothy Locke, a registered lobbyist for Brown and Williamson and vice president of Hecht, Spencer and Associates, served as an assistant in the Reagan White House.⁴⁹

David A. Bockorny, with Bergner, Boyette and Bockorny, registered lobbyists for Philip Morris, was special assistant to the president for legislative affairs under Reagan.⁵⁰

Taylor M. Quinn, worked for the Food and Drug Administration (FDA) from 1951-1985, and was Director of the FDA's Office of Compliance, Center for Food Safety and Applied Nutrition from 1976-1985. In February 1990, he testified on behalf of the

⁴⁴ "Bush's Ruling Class," Common Cause Magazine, April-June 1992, p. 20.

⁴⁵ Washington Representatives, Columbia Books, Inc., 1992.

⁴⁶ Fourth Tobacco International Exhibition and Conference, Raleigh, North Carolina, June 2-4, 1992.

⁴⁷ Bruce Samuels and Stanton A Glantz, "The Politics of Local Tobacco Control," Journal of American Medical Association, October 16, 1991, pp. 2110-2117.

⁴⁸ Personal communication by Clifford Douglas with Brennan Dawson, August 19, 1992.

⁴⁹ U.S. House of Representatives, Records and Registration, 1992.

⁵⁰ U.S. House of Representatives, Records and Registration, 1992.

Tobacco Institute before the Senate Committee on Labor and Human Resources in opposition to legislation requiring disclosure of chemical additives placed in tobacco products by tobacco manufacturers.⁵¹

Robert J. Kabel, whose law firm, Manatt, Phelps, Phillips and Kantor, are registered lobbyists for Phillip Morris, was a special assistant for legislative affairs to President Reagan.⁵²

Burleigh C.W. Leonard, a registered lobbyist for RJR Nabisco, was a special assistant to the President for policy development and executive secretary of the Cabinet Council on Food and Agriculture (1981-84).⁵³

M.B. Oglesby, Jr. Deputy Chief of Staff to President Reagan, was hired by RJR Nabisco as its senior vice president for government affairs and chief lobbyist.⁵⁴

William Brock, former Republican National Committee Chairman was appointed U.S. Trade Representative under Reagan. He led the effort in pressuring Asian countries to open their markets to U.S. tobacco products, while his wife held between \$50,000 and \$100,000 in Philip Morris stock options.⁵⁵

Charles Powers, deputy assistant secretary of the Treasury for Public Affairs under President Reagan, was hired by the Tobacco Institute as its senior vice president for public affairs. He previously held a senior position at the public affairs firm Ogilvy and Mather, which works for tobacco interests.

Rozanne Ridgeway, former U.S. Assistant Secretary of State for European and Canadian Affairs in the Reagan administration,

⁵¹ Testimony of Taylor M. Quinn, Hearing before Senate Committee on Labor and Human Resources on S. 1883, February 20, 1990 (accompanying Charles O. Whitley, counsel, The Tobacco Institute).

⁵² U.S. House of Representatives, Records and Registration, 1992.

⁵³ 1992 Washington Representatives, Columbia Books, Inc., 1992.

⁵⁴ 1992 Washington Representatives, Columbia Books, Inc., 1992.

⁵⁵ Charles Lewis, America's Frontline Trade Officials. Washington, DC: The Center for Public Integrity, 1990, p. 37.

was elected to the board of directors of R.J. Reynolds.⁵⁶

Eugene Croisant, an RJR Nabisco executive, was brought to the White House by President Bush's Chief of Staff Samuel Skinner to conduct a "management study" to improve intra-staff communication.⁵⁷

THE CLINTON CAMPAIGN'S TIES TO THE TOBACCO INDUSTRY

Although the connections are not as numerous, the Clinton campaign also employs individuals who have worked with tobacco interests.

Michael Kantor, Clinton's campaign manager, is an attorney with Manatt, Phelps, Rothenberg, and Phillips in Los Angeles and one of the most prominent attorneys in California. In 1987 he represented the Beverly Hills Restaurant Association (BHRA), a group organized by the Tobacco Institute to oppose an ordinance making all restaurants smoke-free. After the city council unanimously passed this ordinance, the first of its kind in California, Kantor filed a suit to repeal the ordinance.⁵⁸ The challenge was tossed out of Superior Court.⁵⁹ Legal fees were paid for by the Tobacco Institute.⁶⁰ In 1990 Kantor was again active on behalf of an off-shoot of the BHRA in opposing an ordinance before the Los Angeles City Council that would make all restaurants smoke-free.⁶¹ This new group also received money and support from the tobacco industry, including Philip Morris and the Tobacco Institute.⁶² Manatt, Phelps represents Philip Morris in Washington, DC.

⁵⁶ 1992 Washington Representatives, Columbia Books, Inc., 1992.

⁵⁷ Rowland Evans and Robert Novak, "Skinner's 'Clusters,'" Washington Post, January 6, 1992, p. A19.

⁵⁸ Roxanne Arnold, "Beverly Hills Ban on Smoking Challenged," Los Angeles Times, March 17, 1987.

⁵⁹ Roxanne Arnold, "Judge Rejects Challenge to Beverly Hills Smoking Ban," Los Angeles Times, April 3, 1987.

⁶⁰ Jan Ferris, "Smoke Screen Clouds Tobacco Industry Action," Contra Costa Times (CA), June 23, 1991.

⁶¹ Chip Jacobs, "Ban on Smoking in Los Angeles Restaurants is Snuffed Out, For Now," Los Angeles Business Journal, October 22-28,

⁶² Chip Jacobs, "Ban on Smoking in L.A. Restaurants is Snuffed Out, For Now," Los Angeles Business Journal, October 22-28, 1991, p. 14.

Scott Pastrick a lobbyist with Black, Manafort, Stone & Kelly, which lobbies for the Tobacco Institute, was heavily involved in soliciting congressional support for Clinton.⁶³

Thomas Hoog, general policy adviser to Clinton, is vice chairman of Hill and Knowlton, one of the tobacco industry's main mouthpieces.

* * *

OTHER ADMINISTRATIONS

As mentioned earlier, officials of the recent Republican administrations are not the only ones to have worked for tobacco interests. Some former Johnson, Nixon, Ford and Carter administration officials are also working on behalf of tobacco interests.

Griffin Bell, U.S. Attorney General under Carter, is a partner in King and Spalding, which has represented Brown and Williamson for many years in products liability litigation and general matters. Bell testified before Congress on behalf of Brown and Williamson in opposition to legislation which would have repealed the preemption against smoker death product liability suits.⁶⁴

Peter Barton Hutt, former general counsel of the Food and Drug Administration (FDA)⁶⁵ under Nixon, now a partner in Covington & Burling, represents R.J. Reynolds. He lobbied the FDA and officials from other federal agencies, including the Surgeon General, in opposition to health groups' petitions asking the FDA to regulate RJR's Premier cigarettes for health and safety. At one briefing concerning Premier, held on behalf of RJR for the Surgeon General and other officials, Hutt was joined by **Arthur Hayes**, a former FDA Commissioner.⁶⁶

⁶³ Jeffrey H. Birnbaum, "Clinton Rails Against 'High-Priced Lobbyists,' Who are Busy Helping Formulate his Strategy," Wall Street Journal, July 6, 1992, p.28.

⁶⁴ Testimony of Griffin B. Bell before the Subcommittee on Transportation, Tourism and Hazardous Materials, House Committee on Energy and Commerce, June 8, 1988.

⁶⁵ Gary Lee, "House Favors Patent Extension for 3 Firms," Washington Post, August 5, 1992, p. A5.

⁶⁶ Internal Department of Health and Human Services Memorandum from Ronald M. Davis to Dennis Tolsma, September 22, 1987.

Carol T. Foreman, consultant on philanthropic activities for Philip Morris Management Corporation, was Assistant Secretary of Agriculture from 1977-1981.⁶⁷

Nikki Heidepriem, consultant on philanthropic activities for Philip Morris Management Corporation, was previously Special Assistant to Health Education and Welfare Secretary Joseph Califano.⁶⁸

Richard Cooper, former general counsel to the FDA under Carter, now a partner with Williams & Connolly, represents RJR. He appeared on RJR's behalf at hearings before Congress, the FDA and state health agencies regarding Premier cigarettes.⁶⁹

James Starkey, former Assistant U.S. Trade Representative under Ford and Carter, is now employed by Universal Tobacco Leaf Company as Senior Vice President.⁷⁰

Thomas Quinn, a registered lobbyist for U.S. Tobacco Company, was with the Office of the Controller of Currency, U.S. Treasury, from 1963 to 1967.⁷¹

Charles T. Manatt, former Chairman of the Democratic National Committee, is a partner in Los Angeles-based Manatt, Phelps, Phillips and Kantor which is a registered lobbyist for Philip Morris⁷² and has done work for tobacco interests.⁷³ He is a partner of Mickey Kantor.

⁶⁷ 1992 Washington Representatives, Columbia Books, Inc., 1992

⁶⁸ 1992 Washington Representatives, Columbia Books, Inc., 1992.

⁶⁹ Testimony before House Committee on Health and Environment, July 1989.

⁷⁰ Charles Lewis, America's Frontline Trade Officials. Washington, DC: The Center for Public Integrity, 1990, p. 40 and 180.

⁷¹ U.S. House of Representatives, Records and Registration, 1992.

⁷² U.S. House of Representatives, Records and Registration, 1992.

⁷³ Samuels B and Glantz SA, "Tobacco Control Activities and the Tobacco Industry's Response in California Communities," University of California San Francisco Institute for Health Policy Studies, Monograph Series, August 1991.

Kenneth S. Levine, with Wunder, Diefunderfer, Ryan, Cannon and Thelen, registered lobbyists for Philip Morris Management Corporation, formerly served as a director of the Office of Congressional, Consumer and Public Affairs in the Federal Energy Regulatory Commission and as Deputy Assistant Secretary for Legislation of HEW under Carter.⁷⁴

Robert F. McDermott, a consultant for RJR Nabisco, was staff assistant to the President under Nixon and staff assistant to the Deputy Attorney General under Ford. Under Carter he was Assistant U.S. Attorney for the Eastern District of Virginia.⁷⁵

⁷⁴ U.S. House of Representatives, Records and Registration, 1992.

⁷⁵ 1992 Washington Representatives, Columbia Books, Inc., 1992.

SECTION III

THE POLICIES: LACK OF TOBACCO CONTROL INITIATIVE AT THE EXECUTIVE LEVEL - THE TOBACCO INDUSTRY GETS ITS MONEY'S WORTH

INTRODUCTION

In July 1992, Public Citizen and the Advocacy Institute sent detailed questionnaires to President George Bush and Governor Bill Clinton regarding their positions on a number of tobacco policy issues. Delivery of the questionnaires was followed by numerous telephone conversations with officials in both campaigns in a persistent effort to obtain responses from the presidential candidates. Neither candidate responded to the questionnaire itself. The Clinton campaign submitted a brief statement which addressed some of the questions. No response of any kind was received from the Bush campaign.

Public Citizen and the Advocacy Institute examined the records of both candidates relating to tobacco policy issues. The track record for the Bush and Reagan administrations covers more than 11 years, thus providing extensive information which is summarized below. Governor Clinton's record on tobacco policy issues is less extensive; it also is summarized below.

THE BUSH/REAGAN RECORD

Although the United States government used to be considered a leader in tobacco control, it now lags behind other developed countries in implementing effective policies designed to protect children and other vulnerable population groups from tobacco addiction. In fact, no American president has ever challenged the power of the tobacco industry by advocating even the most basic of tobacco control policies. At the same time, the Bush and Reagan administrations have directly assisted the U.S. tobacco industry by threatening to impose severe trade sanctions on countries which refuse to allow the importation, sale and advertisement of American tobacco products. While these actions have been carried out, for the most part, away from the public spotlight, Vice President Dan Quayle has spoken publicly in support of aggressively exporting cigarettes to the Third World.

Since 1964, when the United States Surgeon General first cited smoking as a health hazard, the executive branch has done little to curb tobacco consumption here or abroad. Tobacco use, according to the Surgeon General, is the leading preventable cause of death and disease in the United States, killing almost

half a million Americans each year: 434,000 from active smoking¹ and 53,000 from passive smoking.² Tobacco use costs the American economy \$52 billion each year in health care and lost productivity, or \$221 per person.³ Yet the Bush and Reagan administrations have opposed, or have simply ignored, proposed policies such as:

- Bans on smoking in federal workplaces
- Stronger health warning labels and improved health education programs
- Various measures designed to reduce youth access to tobacco products, including significant increases in cigarette excise taxes
- Restrictions on tobacco product advertising and promotion, including that which blatantly targets children
- Elimination of the tobacco price support program

At the same time, the Bush and Reagan administrations have aggressively supported tobacco industry efforts to force open foreign markets, where American cigarette makers now effectively aim Western advertising imagery at new markets of children and young women.

The following summarizes the Bush and Reagan administrations' positions on 10 tobacco control policy issues.

1. The Bush and Reagan Administrations Have Used Their Muscle to Support Aggressive Tobacco Exports

At the request of the U.S. Cigarette Export Association (consisting of Philip Morris, R.J. Reynolds, and Brown and Williamson), the U.S. Trade Representative (USTR), acting on behalf of the President, has carried out a campaign since 1986 to open foreign markets to U.S. tobacco products in countries such as Taiwan, South Korea, Japan and Thailand, in spite of

¹ Centers for Disease Control, "Smoking-Attributable Mortality and Years of Potential Life Lost - United States, 1988," Morbidity and Mortality Weekly Report, February 1, 1991.

² Stanton Glantz and William Parmley, "Passive Smoking and Heart Disease," Circulation, January 1991.

³ U.S. Department of Health and Human Services, Smoking and Health, A National Status Report: A Report to Congress, February 1990.

objections by the American and world health communities and in the face of documented evidence that the introduction of U.S. tobacco products and Madison Avenue-style cigarette advertising aimed at children and young women has increased smoking rates in targeted countries.⁴

The Bush administration has remained silent on federal legislation now pending which would: 1) prohibit the U.S. government from seeking to change another country's laws pertaining to the sale, distribution, taxation or advertisement of cigarettes if that country imposes the same restrictions on its own cigarettes; and 2) require that all exported cigarette packets bear U.S. health warnings in the language of the importing country.⁵

Vice President Dan Quayle, at a news conference in 1990 in North Carolina, stated: "I don't think it's news to North Carolina tobacco farmers that the American public as a whole is smoking less. We ought to think about the exports. We ought to think about opening up markets, breaking down the barriers rather than erecting new tariffs, new quotas and things of that sort."⁶

Since Assistant Secretary for Health James Mason spoke out publicly against tobacco exports at a conference in Perth, Australia in 1990, he has been silenced by the Bush administration on this issue. At the conference, Dr. Mason said:

"[I]t is unconscionable for the mighty transnational tobacco companies ... to be peddling their poison abroad, particularly because their main targets are less-developed countries ..., [T]hey have used their vast economic and political power to force some nations to change their laws to [allow tobacco advertising on television] ... They play our free trade laws and export policies like a Stradivarius violin, pressuring our trade promotion agencies to keep open - and force open in some cases - other nations' markets for their products."⁷

⁴ U.S. General Accounting Office, Trade and Health Issues: Dichotomy Between U.S. Tobacco Export Policy and Antismoking Initiatives, May 1990.

⁵ H.R. 2779 and H.R. 2781 (Rep. Chet Atkins, chief sponsor).

⁶ "Quayle: Open Up New World Markets for Tobacco," Asheville Citizen Times (NC), July 19, 1990, p. 1CL.

⁷ James O. Mason, Keynote Address, Proceedings of the Seventh World Conference on Tobacco and Health, Perth, Australia, 1990, p. 225.

Soon after returning from the conference in 1990, Dr. Mason was prohibited from testifying before the Subcommittee on Health and the Environment of the House Energy and Commerce Committee at a hearing addressing tobacco trade and health issues.⁸ Secretary of Health and Human Services Louis Sullivan has not been permitted to participate in the setting of U.S. trade policy on tobacco exports,⁹ even though tobacco is now responsible for more than 2.5 million deaths each year outside the United States.¹⁰

Bypassing the leading U.S. government health agency, the U.S. Trade Representative has used health-related information provided by the tobacco industry in its effort to block Taiwan's enactment of a new tobacco control law. A confidential USTR position paper presented to Taiwanese negotiators earlier this year, referring to Taiwan's proposed ban on cigarette advertising and promotion, stated: "There is little reason to believe that passage of the draft law would have any appreciable effect on overall consumption of cigarettes." The document further asserted that prohibiting cigarette vending machine sales would have a "marginal effect, at best, on reducing smoking." Addressing a provision in the proposed law requiring placement of tar and nicotine information on cigarette packets, the document stated that "we are unaware of any evidence that tar and nicotine information is used by smokers."¹¹

⁸ See Henry Waxman, "Tobacco Exports: Why the Silence?," Washington Post, April 6, 1990, p. A26.

⁹ See Greg Rushford, "Tobacco Row: USTR Battles Anti-Smoking Rules in Taiwan, Sparking Showdown with Health Advocates," Legal Times, February 3, 1992, p. 1.

¹⁰ Richard Peto and Alan Lopez, World Health Organization Consultative Group on Statistical Aspects of Tobacco-Related Mortality, "Worldwide Mortality from Current Smoking Patterns," Proceedings of the Seventh World Conference on Tobacco and Health, Perth, Australia, 1990, p. 66.

¹¹ "Taiwan's Draft Smoking Hazard's Law" (internal position statement presented by U.S. Trade Representative negotiators to the Taiwanese Coordination Council for North American Affairs), January 16, 1992; see also Greg Rushford, "Tobacco Row: USTR Battles Anti-Smoking Rules in Taiwan, Sparking Showdown with Health Advocates," Legal Times, February 3, 1992, p. 1.

2. President Bush Has Refused to Sign Into Law an Executive Order Making Federal Buildings Smoke-Free, as Proposed by Health and Human Services Secretary Louis Sullivan

Since May 1990, Secretary of Health and Human Services Louis Sullivan has formally asked President Bush on three separate occasions¹² to sign an executive order eliminating smoking in all federal buildings, citing evidence in his most recent request "that as many as 50,000 Americans die each year due to exposure to secondary smoke."¹³ The most recent request further noted that if the executive order was signed and implemented, "[t]he federal government would be saving money due to reduced sick days, health care costs, office cleaning, furniture and carpet replacement, as well as the elimination of substantial potential litigation costs." The order would affect approximately 3 million federal government workers. Following full review by the Office of Management and Budget and all Cabinet-level agencies in the summer of 1991, the proposed order was modified to satisfy all legal and employment concerns raised during the review process.¹⁴ Dr. Sullivan delivered the final revised proposal to the President on November 8, 1991, and personally asked the President's chief of staff, Samuel Skinner, to encourage the President to sign the order, but to no avail.¹⁵

3. The Bush Administration Has Opposed Federal Legislation Providing for Improved Tobacco and Health Education and Regulation of Tobacco Products for Health and Safety

The current administration joined the tobacco industry in successfully opposing legislation to enact the "Tobacco Product

¹² Three separate letters, with attached proposed executive orders, from Louis W. Sullivan, M.D. to President George Bush, May 30, 1990, January 25, 1991, and November 8, 1991.

¹³ Letter, with attached proposed executive order, from Louis W. Sullivan, M.D. to President George Bush, November 8, 1991. (emphasis in original).

¹⁴ Various personal communications by Clifford E. Douglas with Office of the Secretary, U.S. Department of Health and Human Services.

¹⁵ Various personal communications by Clifford E. Douglas with Office of the Secretary, U.S. Department of Health and Human Services; see also Judy Sarasohn, Peter H. Stone and Greg Rushford, "Up in Smoke," Legal Times, February 3, 1992, p. 5.

Education and Health Protection Act"¹⁶ in both the current and previous Congresses. Among other things, the legislation would:

- Create the new Center for Tobacco and Health in the Centers for Disease Control to expand federal education and information efforts, provide information to other countries where tobacco use is on the rise, and exercise limited regulatory authority over tobacco products
- Establish a national information program on tobacco and health, including grants to develop public service announcements and paid advertisements to discourage tobacco use and promote cessation, especially among high-risk populations
- Require a new health warning label stating that "Smoking is Addictive," disclosure of tar and nicotine levels on packages, and disclosure to the public of the hundreds of chemicals placed in tobacco products
- Move the health warning labels from the side of the package to the front and back, increasing the labels' size to 20 percent of the surface area
- Partially repeal the federal preemption against state regulation of tobacco product billboard and local transit advertising, and the federal preemption against most smoker death liability suits
- Provide assistance for comprehensive school-based health education and added tobacco to the Drug-Free Schools and Communities Act of 1986
- Authorize \$110 million for fiscal year 1992 to fund the new Center, information programs and state grant programs

Testifying before Congress on behalf of the Bush administration, Secretary of Health and Human Services Louis Sullivan opposed the bill's provision for paid anti-smoking advertisements, saying that public service announcements should be sufficient. He stated: "I think that there is no question that ads to inform the public about the dangers of smoking should indeed be done, and we would strongly encourage that. The one area we would differ would really be whether they should be paid to use the limited resources that we have in our department for

¹⁶ S. 1883, later re-numbered S. 2795, in the 101st Congress; S. 1088 in the 102nd Congress (Sen. Edward Kennedy, chief sponsor).

other pressing needs as well."¹⁷

The administration also opposed creation of the proposed Center for Tobacco and Health, with its grant of limited regulatory authority over tobacco products, suggesting that the current Office on Smoking and Health (OSH) - the only federal entity focused exclusively on tobacco control - should be sufficient. Dr. Sullivan stated that "we do have some concerns about parts of the bill, and that concern really is to establish a new agency."¹⁸ Even with its recent increase up to \$7.3 million in annual funding, OSH still receives less each year than the \$10 million the tobacco industry spends each day on advertising and promotion. In addition, no federal agency currently has any authority to regulate tobacco products for health and safety. While objecting to creation of the new office, Dr. Sullivan did not recommend an alternative.

On behalf of the administration, Dr. Sullivan also opposed federal oversight over tobacco manufacturers' unencumbered use of hundreds of chemical additives in tobacco products, stating that "[o]ur concern ... frankly is this: For us to regulate the use of tobacco as well as to oversee additives, we are concerned that this would suggest that we believe that under certain conditions or with certain monitoring, that the use of tobacco is safe."¹⁹

The administration did not state an explicit position regarding the legislation's remaining proposals.

4. The Bush Administration Has Refused to Support a Significant Increase in the Federal Excise Tax on Cigarettes

Not supporting a doubling of the federal excise tax on cigarettes, proposed by, among others, Republican Senator John H. Chafee (RI), President Bush ultimately agreed to a budget accord reached during the last Congress, which included a nominal increase of 4 cents per packet effective January 1992, with another increase of 4 cents per packet due to take effect in January 1994. The last federal cigarette excise tax increase

¹⁷ Testimony of Louis Sullivan, M.D., Hearing before the Senate Committee on Labor and Human Resources on S. 1883, February 20, 1990.

¹⁸ Testimony of Louis Sullivan, M.D., Hearing before the Senate Committee on Labor and Human Resources on S. 1883, February 20, 1990.

¹⁹ Testimony of Louis Sullivan, M.D., Hearing before the Senate Committee on Labor and Human Resources on S. 1883, February 20, 1990.

before this took place in 1983, early in the Reagan administration's first term, when Congress temporarily increased the tax from 8 cents to 16 cents per packet, an increase that was later made permanent.

Research and the experience of other countries have shown that substantially increasing tobacco prices is the single most effective tool in reducing tobacco use, particularly among youth. The U.S. General Accounting Office estimates that if the excise tax on cigarettes was increased by 21 cents per packet, the number of teenage smokers in the United States would likely decline by over 500,000, resulting in 125,000 fewer preventable deaths.²⁰ Given that virtually all smokers start as teenagers, or earlier,²¹ the influence of excise tax increases in preventing youth from starting is quite significant. As the federal excise tax remained at 16 cents per packet between 1983 and 1991, the teenage smoking rate remained stable.²² In Canada, where cigarette taxes quadrupled between 1984 and 1991 so that they are now about seven times the cumulative (combined federal and state) level in the U.S., teenage smoking has been cut by half.²³

In 1955, cigarette taxes constituted 47.4 percent of the price of a packet of cigarettes in the U.S.; by 1991, cigarette taxes had fallen to 24.4 percent of the price of a packet of cigarettes. Cigarette taxes peaked in 1965, the year after release of the landmark Surgeon General's report. They were then the equivalent of 69.1 cents a packet in 1991 dollars. A tax increase of 24.6 cents per packet would be necessary to restore cigarette taxes to that level. Since the federal government first officially established the link between smoking and disease in 1964,

²⁰ U.S. General Accounting Office, Teenage Smoking: Higher Excise Tax Should Significantly Reduce the Number of Smokers, June 1989, pp. 30-31.

²¹ U.S. Department of Health and Human Services, Report of the Surgeon General, Reducing the Health Consequences of Smoking: 25 Years of Progress, 1989.

²² Centers for Disease Control, "Cigarette Smoking Among Youth - United States, 1989," Morbidity and Mortality Weekly Report, October 18, 1991.

²³ David T. Sweanor, The Canadian Tobacco Tax Project, 1985-1991: A Review of a Major Public Health Success Story, Non-smokers' Rights Association (Canada), July 1, 1991.

cigarette taxes have fallen more than 35 percent in constant 1991 dollars.²⁴

5. The Bush Administration Opposed Federal Legislation Designed to Reduce Youth Access to Tobacco Products and to Curtail Tobacco Industry Marketing Activities Aimed at Youth

The Bush administration opposed federal legislation in the last Congress which would have required enforcement of state laws prohibiting the sale of tobacco products to those under age 18, failure to comply with which would have resulted in the loss to noncomplying states of federal block grant funds. In testimony before Congress, Assistant Secretary for Health James O. Mason stated, "we do not agree that we should at this time require States to enact these reforms or lose all funds under the Alcohol, Drug Abuse and Mental Health Block Grants."²⁵ (A similar provision was enacted without Bush administration support in June 1992, as an amendment to the ADAMHA Reorganization Act, P.L. 102-321.)

On behalf of the administration, Dr. Mason also opposed enactment of a prohibition on tobacco sponsorship of sporting events, such as women's professional tennis, as well as a federal prohibition on the sale of candy cigarettes. Discussing organizations involved with tobacco company-sponsored sporting events, he said that Secretary of Health and Human Services Secretary Louis Sullivan "has met with some of these groups and personally urges that they not become sponsors for athletic events that are associated with tobacco ... We want to continue this approach and give organizations and individuals a chance to start acting more responsibly before using more drastic measures." Dr. Mason recommended a similar voluntary approach with candy cigarette manufacturers, stating that "I would hope that by talking to manufacturers of candy, and to other groups that sell and dispense candies that we could bring this about without going the legislative route."²⁶

²⁴ David T. Sweanor, The Tax Burden on Tobacco? An Analysis of Tobacco Taxation Policy in the United States (Second Draft), Non-Smokers' Rights Association (Canada), April 1992.

²⁵ Testimony of Dr. James Mason before Subcommittee on Health and the Environment, House Energy and Commerce Committee, on H.R. 5041, July 12, 1990.

²⁶ Testimony of Dr. James Mason before Subcommittee on Health and the Environment, House Energy and Commerce Committee, on H.R. 5041, July 12, 1990.

6. The Bush and Reagan Administrations Have Ignored Repeated Calls for Enactment of Federal Legislation Banning or Restricting Tobacco Advertising Targeted at Children

The Bush and Reagan administrations have ignored repeated calls for enactment of federal legislation which would ban or restrict tobacco advertising, including advertising blatantly targeting children, such as that for Camel cigarettes - boasting the cartoon dromedary "Joe Camel." The administration has tacitly accepted the recommendation of tobacco industry supporters that the industry simply comply with its so-called voluntary advertising code. In reality, the tobacco industry not only has failed to show any inclination to act responsibly in this area, but has been found to have affirmatively misled consumers through its advertising about the deadly nature of tobacco use.²⁷

In 1986, when Surgeon General C. Everett Koop was scheduled to testify before the Subcommittee on Health and the Environment of the House Energy and Commerce Committee on legislation to ban cigarette advertising, President Reagan's chief of staff, Donald Regan, at the request of Office of Management and Budget Jim Miller, forbade Dr. Koop to testify. Dr. Koop ultimately did testify following an outcry when the action to squelch his testimony was made public.²⁸

Shortly before he retired in 1989, at his last appearance at a congressional hearing while still Surgeon General, Dr. Koop endorsed federal legislation to restrict tobacco advertising. In so doing, he made clear that "[t]he views presented in the testimony are my own ... and do not represent those of this [the Bush] administration."²⁹

7. The Bush and Reagan Administrations Have Given Rhetorical Support to the Need for Strengthened Health Warning Labels, But Have Not Endorsed Actual Legislation

²⁷ See opinion of Judge Lee Sarokin in Haines v. Liggett Group, Inc., et al., C.A. 84-678 (D.N.J. February 1992), stating that "the tobacco industry may be the king of concealment and disinformation."

²⁸ C. Everett Koop, Koop: The Memoir's of America's Family Doctor, 1991, pp. 183-184.

²⁹ Testimony of Dr. C. Everett Koop before Subcommittee on Transportation and Hazardous Materials, House Energy and Commerce Committee, on H.R. 1250, September 13, 1989.

The Bush administration has given lukewarm support for strengthened health warning labels on tobacco products. Assistant Secretary for Health James Mason said in testimony before Congress that "[i]t is clear that the current warning labels for [tobacco product] packages, printed advertisements, and billboards are too small and are even illegible in some cases," adding that "I would recommend strongly that we do something about the warning labels to make them larger, more legible, more direct, more clear." Dr. Mason noted that "[t]his is a problem that Secretary [of Health and Human Services Louis] Sullivan has been concerned about."³⁰ However, regarding a specific legislative proposal to increase the size of the warning labels to cover 20 percent of the front and back of the packet, as is done in Canada, Secretary Sullivan was silent.³¹

In hearings before Congress during the Reagan administration, Assistant Secretary for Health Edward Brandt was forced by the Office of Management and Budget to retract the administration's endorsement of legislation proposing stronger health warning labels. At the Senate hearing on the bill, Dr. Brandt submitted a written statement that was virtually identical to the one which he had submitted to the Subcommittee on Health and the Environment of the House Committee on Energy and Commerce five days before. The only difference was that the last page of the statement provided to the Senate committee - which contained the administration's explicit endorsement of the proposed warning label legislation - had been torn off.³²

8. The Bush Administration Declined to Support the Domestic Airline Smoking Ban

During consideration by Congress of legislation prohibiting smoking on domestic airline flights, which eventually passed, Health and Human Services Secretary Louis Sullivan was unable to

³⁰ Testimony of Dr. James Mason before Subcommittee on Health and the Environment, House Energy and Commerce Committee, on H.R. 5041, July 12, 1990.

³¹ Testimony of Dr. James Mason before Subcommittee on Health and the Environment, House Energy and Commerce Committee, on H.R. 5041, July 12, 1990.

³² Testimony of Dr. Edward Brandt before Senate Committee on Labor and Human Resources on S. 1929, March 16, 1982; see also C. Everett Koop, Koop: The Memoir's of America's Family Doctor, 1991, pp. 171-172.

enlist White House support for the legislation,³³ though Bush signed it into law as part of broad legislation on appropriations for the Department of Transportation.

9. The Bush Administration is Believed to be Supportive of the Federal Tobacco Price Support Program, and has Supported Tobacco Growth Internationally

The Bush administration is believed to be "generally supportive" of the tobacco price support program.³⁴ Federal legislation to eliminate the federal tobacco price support program has been proposed several times, each time unsuccessfully, during the Bush and Reagan administrations.

In addition, according to internal U.S. Department of Agriculture memoranda, the United States funded tobacco plants in Turkey as compensation for that country's participation in the Gulf war. Early in 1992, White House Domestic Policy Advisor and former Agriculture Secretary Clayton Yeutter approved \$850,000 for tobacco production equipment in Turkey, despite a memorandum suggesting the expenditure was against department rules. The General Accounting Office is expected to issue a report shortly on whether there was a misuse of funds.³⁵

The Department of Agriculture also was reported to be giving \$3.5 million this year to Tobacco Associates, a group of U.S. tobacco growers, to promote their product overseas. Tobacco Associates was given \$3.36 million in federal money between 1987 and 1991 so that the association could help government-owned cigarette monopolies abroad make a blended cigarette using American tobacco.³⁶

³³ J. Lee, "Health Chief Fired Up Over Smoking Issue," USA Today, February 22, 1990, p. A4.

³⁴ Al Cross, "Clinton Won't Comment on Tobacco Program," The Courier-Journal (Louisville, KY), July 15, 1992, quoting Larry Forgy, co-chairman of the Bush campaign in Kentucky and former counsel to the Burley Tobacco Growers Cooperative.

³⁵ Justin Blum, "Memos Hint U.S. Funded Tobacco Plant to Pay Turkey for War Role," Louisville Courier-Journal, July 6, 1992, p. A2.

³⁶ "Tobacco Promos," USA Today, February 10, 1992, p. 5A.

10. The Bush and Reagan Administrations Have Not Supported Federal Legislation to Eliminate the Federal Tax Deduction Accorded Tobacco Advertising and Promotional Expenditures

Federal legislation has been proposed several times which would eliminate the tax deduction for tobacco advertising and promotional expenditures, which currently constitute a taxpayer subsidy of over \$1 billion a year to tobacco manufacturers to market cigarettes and smokeless tobacco products. The Bush administration has been publicly silent on these measures.

THE CLINTON RECORD

The tobacco policy statement received by Public Citizen and the Advocacy Institute from the Clinton campaign sheds some light on Governor Clinton's positions in this area. The organizations also have independently examined the governor's record. Based on the available information, Governor Clinton:

- Might support elimination of smoking in federal workplaces
- Might support various measures designed to reduce youth access to tobacco products, including increases in cigarette excise taxes
- Would investigate the possibility of banning smoking on international commercial passenger airline flights
- Would oppose measures which elevate smoking to a "civil right," making smokers a protected class like those who have been wrongly discriminated against because of race, sex, age or physical handicaps
- Would support unspecified health education programs addressing the risks of tobacco use

The following summarizes Governor Clinton's positions, and in some instances, those of his running mate, Senator Al Gore, on 8 tobacco control policy issues.

1. Clinton Asserts Support for Tobacco and Health "Education and Awareness Programs"

Governor Clinton states that "we must continue education and awareness programs addressing the serious health risks of using tobacco products."³⁷

³⁷ "Statement of Governor Bill Clinton to Public Citizen on Smoking and Health" (undated), received from Clinton campaign staff member Jose Cerda on August 12, 1992.

2. Clinton Signed Into Law State Legislation to Reduce Youth Access to Tobacco Products

Governor Clinton states that "I am particularly concerned about tobacco usage among young people. I have signed legislation making it illegal to place tobacco vending machines in public places that are accessible to people under 18 years of age and prohibiting the free distribution of tobacco products in public areas around schools and playgrounds or to any person under 18 years of age."³⁸ What Clinton says is true, as far as it goes. In fact, the amended law³⁹ totally lacks an enforcement mechanism and no one has ever been held responsible for failure to comply with this law.

3. Clinton Signed Into Law State Legislation Requiring Implementation of Workplace Smoking Policies in State Agencies

Governor Clinton states that "I have signed a law requiring all state agencies to implement a smoking policy for their general office space."⁴⁰ The law to which Clinton refers⁴¹ "take(s) into consideration the rights of both nonsmokers and smokers," and the policy implemented by each individual state agency are designed totally at the discretion of the chief administrative officer of the agency.

4. Clinton Signed Into Law State Cigarette Excise Tax Increases

Governor Clinton states that, "In Arkansas, we have raised the tax on tobacco on more than one occasion and used the revenue to help finance education and to help support a trust fund for a state transportation program for the elderly."⁴² In fact, the state excise tax on cigarettes has been increased only once while

³⁸ "Statement of Governor Bill Clinton to Public Citizen on Smoking and Health" (undated), received from Clinton campaign staff member Jose Cerda on August 12, 1992.

³⁹ Act 543 of 1991, "To Strengthen the Law Prohibiting the Sale or Distribution of Tobacco Products to Minors."

⁴⁰ "Statement of Governor Bill Clinton to Public Citizen on Smoking and Health" (undated), received from Clinton campaign staff member Jose Cerda on August 12, 1992.

⁴¹ Act 462 of 1987, as amended ("State agency smoking policies" Section 25-1-102).

⁴² "Statement of Governor Bill Clinton to Public Citizen on Smoking and Health" (undated), received from Clinton campaign staff member Jose Cerda on August 12, 1992.

Clinton has been governor: in 1991, the tax was increased 1 cent from 21 cents to 22 cents. The last increase prior to 1991 was enacted approximately 20 years before. Currently, a citizen's initiative is pending, which proposes a 25-cent increase in the cigarette excise tax. The initiative would earmark 50 percent of new tax revenues for the State Medicaid budget. After the initiative was officially placed on the ballot on August 14, 1992, the tobacco industry immediately sued to have it knocked off the ballot. The suit is still pending. Clinton has not stated his position on either the citizen's initiative or the tobacco industry lawsuit to kill it.

5. As President, Clinton Would Explore Possibility of Banning Smoking on International Commercial Passenger Airline Flights

Governor Clinton states: "As President, I would certainly be willing to open a dialogue with other nations about the possibility of banning smoking on international commercial passenger airline flights."⁴³

6. Clinton Vetoed So-Called "Smokers' Rights" Legislation, Asserting that Smoking Should Not be Elevated to the Status of a "Civil Right"

Governor Clinton states: "I vetoed a bill (in 1991) that would have prohibited employers from hiring only non-smokers and potentially given smokers rights in the workplace itself, which I believe is inappropriate. While Americans plainly may smoke in many circumstances, smoking is an acquired behavior and given the overwhelming evidence of the toll it takes every year in disease and death, it should not be accorded legal protection like freedom of speech, nor should smokers be a protected class like those who have been wrongly discriminated against because of race, sex, age or physical handicaps."⁴⁴

7. Clinton Has Been Silent on the Health Warning Label Issue, But His Running Mate, Senator Al Gore, Ushered Legislation Through Congress Strengthening Cigarette Warning Labels

Governor Clinton is not on record regarding his views on the form and content of health warning labels. However, Clinton's running mate, Senator Al Gore, is credited with playing a key

⁴³ "Statement of Governor Bill Clinton to Public Citizen on Smoking and Health" (undated), received from Clinton campaign staff member Jose Cerda on August 12, 1992.

⁴⁴ "Statement of Governor Bill Clinton to Public Citizen on Smoking and Health" (undated), received from Clinton campaign staff member Jose Cerda on August 12, 1992.

role in 1984, while a member of the U.S. House of Representatives, in breaking a logjam over legislation to strengthen cigarette health warning labels. Gore is reported to have ushered through legislation which resulted in implementation of the current system of four rotating health warning labels appearing on cigarette packets and advertisements.⁴⁵

8. Clinton Has Not Taken a Public Position on the Tobacco Price Support Program, Which is Supported by Running Mate Gore

Governor Clinton reportedly has not taken a public position on the federal tobacco price support program, and it is believed that Clinton campaign representatives kept out of the Democratic party platform a traditional reference to price supports. Clinton is quoted as saying, "We didn't include a specific reference to [the program] because I don't think there's a consensus in our party about that."⁴⁶

Clinton's running mate, Senator Al Gore, whose family stopped growing tobacco when his sister died of lung cancer, reportedly favors continuation of the federal tobacco price support program, though he has not discussed the issue with Clinton. Gore has said that supporters of the program should not be concerned that the Democratic platform does not mention price supports, because "there's a lot of things that are not mentioned in that platform."⁴⁷

⁴⁵ Michael Pertschuk, Giant Killers, 1986, pp. 69-79.

⁴⁶ Al Cross, "Jones, Ford Raise Topic of Tobacco as Clinton, Gore Arrive," The Courier-Journal (Louisville, KY), July 21, 1992, p. A1; Al Cross, "Clinton Won't Comment on Tobacco Program," The Courier-Journal (Louisville, KY), July 15, 1992, p. A1.

⁴⁷ Al Cross, "Jones, Ford Raise Topic of Tobacco as Clinton, Gore Arrive," The Courier-Journal (Louisville, KY), July 21, 1992, p. A1.

SECTION IV: RECOMMENDATIONS

Given the extraordinary extent of the tobacco industry's influence over the presidency and the setting of tobacco control policy by the United States government, often at the expense of the health of the American people, the following recommendations are offered as a first step toward eliminating tobacco manufacturers' stranglehold over the democratic process:

The candidates for president, and all other candidates for public office, SHOULD -

- DECLINE TO ACCEPT CONTRIBUTIONS FROM TOBACCO INTERESTS, INCLUDING "SOFT MONEY" CONTRIBUTIONS TO POLITICAL PARTY ORGANIZATIONS. CONTRIBUTIONS PREVIOUSLY ACCEPTED SHOULD BE RETURNED IMMEDIATELY.
- PUBLICLY DISSOCIATE THEMSELVES AND THEIR CAMPAIGNS FROM THE TOBACCO INDUSTRY, ITS REPRESENTATIVES AND ITS CONSULTANTS.
- ACTIVELY TAKE THE LEAD IN SUPPORT OF AGGRESSIVE MEASURES TO REDUCE TOBACCO USE - ESPECIALLY BY CHILDREN - AND THE DEADLY, PAINFUL AND COSTLY CONSEQUENCES OF THAT USE, THUS DEMONSTRATING THEIR COMMITMENT TO PROTECTING THE PHYSICAL HEALTH OF THE AMERICAN PEOPLE, RATHER THAN THE FINANCIAL HEALTH OF TOBACCO COMPANIES. SUCH TOBACCO CONTROL MEASURES INCLUDE, AMONG OTHERS:
 - SUBSTANTIAL TOBACCO EXCISE TAX INCREASES, SIMILAR TO CANADA'S
 - A BAN ON ALL TOBACCO ADVERTISING, AND A BAN ON ALL SPONSORSHIP USING TOBACCO PRODUCT BRAND NAMES AND LOGOS
 - HALTING ALL U.S. GOVERNMENT EFFORTS TO SUPPORT THE EXPORT OF TOBACCO AND TOBACCO PRODUCTS ABROAD, INCLUDING THE USE OF TRADE THREATS TO PRESSURE FOREIGN GOVERNMENTS INTO NOT ENACTING TOBACCO-RELATED HEALTH LAWS DESIGNED TO PROTECT THEIR CITIZENS

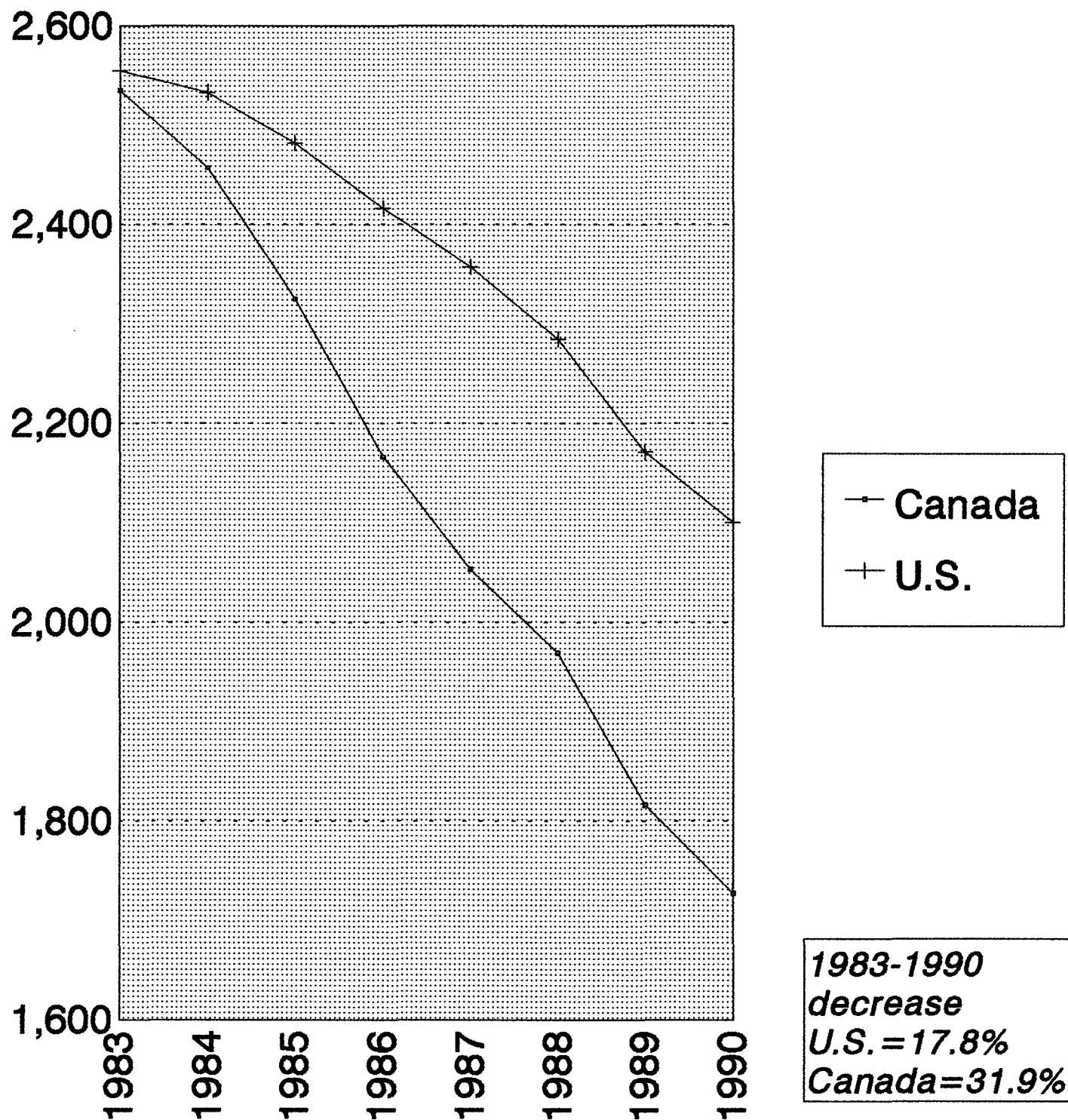
August 26, 1992

Note to Sidney Wolfe:

The support of politicians and political parties by those associated with tobacco interests is unconscionable. How can Americans believe political promises for health care reform when both parties seem to be associated with an industry that disseminates disease, disability and death.

C. Everett Koop, M.D.

Per Capita Manufactured Cigarette Consumption in Canada and the U.S.



NOTES ON BANS

Canada: ban was ruled unconstitutional by a lower court in Montreal. Ruling is on appeal to the Supreme Court and current bans will stay in effect until a decision is made.

Australia: Bans on sponsorship are being phased in. Complete ban will be in place by '95.

New Zealand: Sponsorship was completely banned in 1990 but a 1991 amendment allows limited sport sponsorship.

Sweden: Print advertising is limited to tombstone advertising and in size. Sports sponsorship not allowed.

Ireland: Expenditures in print advertising and sponsorship strictly controlled.

United Kingdom: Expenditures for advertising limited to 1980 levels.

Japan: Television ads allowed only after 9:00 p.m. by voluntary code.