

Developing

1970-80s	
Consumption is low	<p>1976:</p> <p>March: Imperial Tobacco: “In most developing countries consumption of cigarettes is very low, in some cases, in some cases very low indeed - In India, to take an extreme case, the per capita consumption is less than one-third of one cigarette per day, and there is, as far as I know, no statistical association between smoking and ill-health in these countries.”¹</p>
Great opportunity to capitalise on emerging nations	<p>15 March: An RJR Document outlining “Planning Assumptions and Forecast for the Period 1976-1986” outlines that: “RJR-T has a great opportunity to capitalise on the growing foreign market, particularly the market in ‘emerging nations’”².</p>
Questionable payments	<p>September: RJ Reynolds admits that its international subsidiaries have made “questionable payments” to overseas government officials³.</p>
More questionable payments	<p>December: Philip Morris admits making “questionable” payments of nearly \$2.4 million in the early 70’s to “further what were perceived to be the best interests of Philip Morris”⁴.</p>
Consumer choice	<p>1979:</p> <p>14 March: BAT: “Consumer preference is the dominant factor in influencing the type of cigarette sold in any market ... in many countries consumer choice is leading to a general reduction of tar and nicotine and our brands conform this trend”⁵.</p>
<p>Stop 3rd World commitment against tobacco</p> <p>Need a pro-tobacco stand</p>	<p>An internal Memo concerning a tobacco conference, after the fourth World Conference on Smoking and Health, states: “We must try to stop the development towards a Third World commitment against tobacco. We must try and get all, or at least a substantial part of, Third World countries committed to our cause. We must try to influence official FAO and UNCTAD policy to take a pro-tobacco stand. We must try to mitigate the impact of the World Health Organisation, by pushing them into a more objective and neutral position”⁶.</p>
Key growth areas in developing countries	<p>1980:</p> <p>May: Secret BAT documents show that “there are several key growth markets in developing countries, such as Brazil and Indonesia, where anti-smoking pressures are at the moment minimal ... our lack of credibility on smoking further undermines the arguments we can make on our position as a multi-national operating in the Third World ... short term competition in the developing</p>

<p>We can be criticised for excessive promotions in 3rd world</p>	<p>countries leads to excesses in promotion methods (direct appeals to the young in Costa Rica, glamour in Brazil) which positively excite frenzy on the part of the part of the anti-smokers ...we can be criticised for our advertising in the Third World because it is not in line with standards in Europe and the US ...we should carefully consider as Brazil has done, the reduction of the more obviously objectionable styles of advertising, particularly those portraying glamour and wealth”⁷.</p>
<p>Tar and nicotine comparable around the world</p>	<p>1981: June: BAT: “As a matter of record our international brands with a world-wide reputation have similar product specifications whether manufactured in the country of origin, or locally manufactured which is often the case. This ensures, for example, that the tar and nicotine deliveries of our international brands have comparable levels throughout the world”.⁸</p>
<p>Promotions should not be incompatible and so should tar</p>	<p>June: BAT: “Where promotion is concerned, our managers in developing countries are aware that local practice should not be incompatible with promotional standards in the industrialised nations ...it is our policy that cigarette brands sold internationally should be of similar ‘tar’ delivery, whether they are bought to Britain, Kenya or elsewhere.”⁹”</p>
<p>Brazil: Daylight at the end of the tunnel</p>	<p>RJ Reynolds: “Brazil is the fifth largest cigarette market in the world with unit sales this year of 141 billion. It is also one of the fastest growing markets anywhere, and we have a deep commitment to building our position in the country over the long-term. For RJR we see daylight at the end of a very long and dark tunnel”¹⁰.</p>
<p>Target Asia</p>	<p>Philip Morris, RJ Reynolds and B&W form the trade group, called US Cigarette Export Association to target the Asian market¹¹.</p>
<p>We will be criticised for lack of warnings For lack of information For higher tar For double standards</p>	<p>1982: April: Secret BAT Board Guidelines include the assumption that: “Opponents of smoking in developed countries will increasingly criticise the industry’s operations in Third World countries on the following grounds, in particular: A) Lack of and ineffectual warning clauses. B) Failing to disclose information on tar and, increasingly nicotine and carbon monoxide levels C) Selling brands of considerably higher tar and nicotine content than those in the developed countries. D) Applying double standards by selling the same brand as is sold in developed countries but with a higher tar and nicotine content than the domestic version in the brand’s country of origin.</p>

<p>For affecting food production For de-forestation For ads aimed at the young</p>	<p>E) Adversely affecting food production by encouraging the local growing of tobacco and the expansion of this growth. F) De-forestation for flue-curing purposes. G) Using advertising and promotional methods not permitting in developed countries and which encourages non-smokers, particularly the young, to take up smoking and smokers to smoke more”¹².</p>
<p>Need to curb international tobacco industry to avoid epidemic</p>	<p>1983: The RCP commentates: “There can be no doubt that smoking in developing countries is an adversarial problem, and that only the most determined action by those concerned to promote health will succeed in curbing the activities of the international tobacco industry ...[which] can be expected to oppose and hinder efforts to reduce smoking. In doing so it will be directly responsible for fostering the deaths of thousands of the twentieth century’s most avoidable epidemic”¹³.</p>
<p>Open up or else its sanctions</p>	<p>1984: The US Congress amends Section 301 of the 1974 Trade Act to allow the president to conduct investigations of alleged unfair trade practices against US products by foreign countries. “Under pressure from the US Cigarette Export Association, which represents Philip Morris, RJ Reynolds, and Brown and Williamson, the US government conducted three investigations on unfair tobacco trading practices of Japan, Taiwan and Korea ...between 1985-1988, the United States’ trade Representative (USTR) threatened these nations with sanctions on goods they exported to the US unless US cigarette companies were given free access to their markets. No other US agricultural product received the same attention and all three nations capitulated to the US’s demands”¹⁴.</p>
<p>China potential</p>	<p>1985: 17 July: Minutes from a meeting of BAT’s Tobacco Strategy Review Team show that “it was asked that BATCo should prepare a paper for the next meeting reviewing potential opportunities in China.”¹⁵.</p>
<p>Heavyweight for hire</p>	<p>Michael Deaver, Former Chief of Staff to President Reagan, is paid \$250,000 by Philip Morris to secure trade concessions from Korea on cigarette imports¹⁶.</p>
<p>Beach ball promotion targets young in Asia</p>	<p>1986: Goddard Kwong, promotions manager at Philip Morris Asia, recalls: “In 1976 we had a Marlboro beach-ball promotion, because our target group is young. Three [empty Marlboro] packs and one dollar and you can have the ball”¹⁷.</p>

China confounds the imagination	Rene Scull, Vice President, Philip Morris Asia, “No discussion of the tobacco industry in the year 2000 would be complete without addressing what may be the most important feature on the landscape, the China market. In every respect, China confounds the imagination” ¹⁸ .
Taiwan and Japan yield to US pressure Teen smoking rates increase	Both Taiwan and Japan yield to American pressure and open up their domestic markets to international brands, mainly American. A survey finds that in 1984, two years before the markets was opened up, in Taiwan’s capital city, Taipei, 26 % of boys and 15 of girls had tried smoking. By 1990, the figures were 48 % for boys and 20% for girls. Smoking amongst Tokyo women increases from 10 per cent in 1986 to 23 per cent in 1991 ¹⁹ .
A charitable cause?	1987: July: A member of the Alcohol and Drug Abuse Sub-Committee in Zimbabwe says : “they [Rothmans and BAT] are associated with charitable causes. It is going to be very difficult to persuade anyone that they are up to no good” ²⁰ .
Bright future for Asia Pacific	September: <i>World Tobacco</i> magazine proclaims “Bright future predicted for Asia Pacific” One subheading reads “More smokers” ²¹ .
Marlboro means belonging to the human race	Antonio Buencamino, from the Centre for Research Communications, Manila, on why so many Philippine smokers chose high class brands: “Some people might feel that smoking a Philip Morris or a Marlboro, gives them a feeling of belonging to the human race” ²² .
China adverts	Philip Morris becomes the fourth largest advertiser in China ²³ .
Taiwan increases	Taiwanese cigarette consumption, which was declining before the introduction of Western cigarettes, increases 4 per cent this year ²⁴ .
Status	1988 January: Steve Beasley, Tobacco analyst with the US Agriculture Department “Its a status thing to smoke American-type cigarettes in the Third World” ²⁵ .
Smoking is not harmful Warnings are bad for your exports	21 June: BAT Uganda writes to the Ugandan Government saying that: “BAT Uganda 1984 Ltd, does not believe that cigarette smoking is harmful to health ... There is documented evidence that strong warnings can actually increase the wish to smoke or youth’s desire the experiment with cigarettes. We should not wish to endanger our potential to export to those countries which do not have a health warning requirement by placing a warning on our packs” ²⁶ .
we want Asia	October: “You know what we want” says a tobacco executive in an off-the-record conversation with <i>Tobacco Reporter</i> , “we want Asia” ²⁷ .

Free choice?	October: Matthew Winokur, Director of Philip Morris-Asia, talking about overseas markets, “if people are going to smoke, why shouldn’t they be able to choose American cigarettes” ²⁸ .
Advertising for what?	October: BAT is Kenya’s fourth largest advertiser, although it has no competitors ²⁹ .
Health just won’t figure	November: Rothmans representative in Burkina Faso, Chris Burrell: “The average life expectancy here is about forty years, infant mortality is high: the health problems which some say are caused by cigarettes just won’t figure as a problem here” ³⁰ .
We can’t answer morals – we just please shareholders	Rothmans Public Affairs Manager, Rothmans Exports: “It would be stupid to ignore a growing market. I can’t answer the moral dilemma. We are in the business of pleasing our shareholders. We have a very strong feeling that if no one had heard of cigarettes in Timbuktu, then a Rothmans billboard would not mean anything. All we are doing is responding to a demand” ³¹ .
Lights are 50% higher	An Analysis of Marlboro and Winston Light cigarettes in the Philippines finds tar and nicotine to be fifty per cent higher than the same brands back home ³² .
11 billion sold in China	BAT claims to have sold 11 billion cigarettes in China this year, despite the import restrictions ³³ .
A bright future in the 3 rd world	1989: February: <i>Tobacco Reporter Magazine</i> : “Tobacco use in the developed nations will trend down slightly through the end of the century, while in the developing countries use could rise by about three percent annually .. A bright picture indeed! Not a smoke-free society, but continued growth for the tobacco industry, ³⁴ ”
Height of hypocrisy	October: Former Surgeon-General, C. Everett Koop, says “at a time when we are pleading with foreign governments to stop the export of cocaine, it is the height of hypocrisy for the US to export tobacco” ³⁵ .
Eastern Europe potential	10 November: Minutes from a meeting of BAT’s Tobacco Strategy Review Team, show that “significant progress was being made in China and no new initiatives were proposed. However, it was considered that the Group might usefully increase the effort to gain a greater share of the potential markets in Eastern Europe” ³⁶ .

1990s	
YSL cigarettes	1990: February: RJR Vice President in Malaysia on the introduction of the YSL cigarette: “As a company, we would like to be innovative for being forward think is the only way we can grow (sic). It is satisfying to see consumers get value for the highest quality and luxurious smoothness that is YSL. [Yves St Laurent] We would

	like to think of ourselves as pioneering a new step in marketing with YSL ³⁷ .”
Target Czechoslovakia and Hungary	9 February: Minutes from a meeting of BAT’s Tobacco Strategy Review Team, show that “it was suggested that the priority markets for further consideration should be Czechoslovakia and Hungary and the that the first stage in becoming established in these markets should be to identify embryo private organisations run by people of substance, who were likely to be in the forefront of the market’s development” ³⁸ .
Double standards Dirty dealings?	13 May: <i>The Sunday Times</i> runs an investigation into the “double standards” of BAT’s operations in Africa. Analysis by the paper shows that cigarettes with much higher tar levels are sold in Africa than Europe. <i>The Sunday Times</i> reports that BAT’s strategy entails: “Marketing brands of cheap, highly addictive cigarettes; Making misleading claims to governments in developing countries that smoking is not harmful and that health warnings are counter productive; Using political and economic leverage to support its market dominance; Designing advertising to play on the desire in developing countries to mirror Western sophistication”.
A smoke with oomph regardless of the ethics	A senior BAT executive in Zimbabwe says of a new cigarette: “it’s a powerful smoke, but our research shows that most Africans like a smoke with oomph”. Dr Paul Wangai leading Kenyan physicians, says of BAT : “they advertise with no regard for ethics or our welfare. We must not curb parent companies in Europe and North America from doing in Africa what they cannot do in their own countries. In response, BAT says that : “BAT companies have a long-standing policy of co-operating with governments and respecting national laws. Advertising practices vary widely from country to country. We comply with the appropriate laws and regulations of every country in which we operate” ³⁹ .
We abide by the law	
Tar discrepancy	Tests carried out for <i>the Sunday Times</i> reveal that only one of five Kenyan brands had comparable tar yield to British brands, all the others were much higher ⁴⁰ .
An explosive epidemic	14 May: In response to further claims in <i>The Times</i> that BAT was contributing to a “explosive epidemic” of smoking diseases in Africa, by marketing cheap high-nicotine cigarettes BAT replied: “we reject any suggestions that we operate dual standards for Africa or elsewhere. Our policies are uniform world-wide.” ⁴¹
Its just uniform policies	
Defend higher tar	18 May: Minutes from BAT’s Tobacco Strategy Review Team show that the Chairman “stressed the importance of being able to defend the sale of cigarettes with higher tar levels than were usual in Europe and North America” ⁴² .
East Germany is priority	18 May: BAT’s Tobacco Strategy Review Team discuss “developing sales to Eastern Europe. These had doubled in the first four months of 1990, totalling 1,171 million ...East Germany was

	the priority market for development” ⁴³ .
New areas for growth This industry is consistently profitable	August: A talk by a Senior BAT Executive at Chelwood outlines that: “We should not be depressed simply because the total free world markets appears to be declining. Within the total market, there are areas of strong growth, particularly in Asia and Africa; there are new markets opening up for our exports, such as Indo-China and the Comecom countries; and there are great opportunities to increase our market share in areas like Europe ... This industry is consistently profitable. And there are opportunities to increase that profitability still further .. The total market volume in those countries [where Government monopolies are gradually relinquishing their hold on the market] in which the BAT Group has no tobacco operating company amounts to 1197 billion in the Free World, and to 2280 billion in the Communist bloc. That is the size of our opportunities. So we have something to go for. It is an exciting prospect” ⁴⁴ .
Peddling poison	Dr James Mason, Assistant Secretary of the US Department of Health and Human Services, says it is “unconscionable for the mighty transnational tobacco companies to be peddling their poisons abroad, particularly because their main targets are less developed countries” ⁴⁵ .
Expand exports	US Vice President Dan Quayle, “Tobacco exports should be expanded aggressively, because Americans are smoking less”. ⁴⁶
A window of opportunity Boost sales in Asia and Europe	1991: January: “President of RJ Reynolds: “Now is the window period [in the world-wide cigarette market]. We want to get out foot in the door and be present with our brands right now ...When conditions improve, we want to be in a position to expand ..Soviet consumers are looking for good America-blend cigarettes like Winston. The situation bodes well for the future ..we will be stepping up sales and marketing efforts to take best advantage of the opportunity there [Asia and Europe]”. In Asia, RJ Reynolds has boosted exports by 82 per cent over the last three years ⁴⁷ .
How to feed the monster	28 June: An ex-tobacco employee is interviewed by Marketing Week, saying: “They have to find a way to feed the monsters they’ve built. Just about the only way will be to increase sales to the developing world” ⁴⁸ .”
Asia can’t get enough	The US <i>Marketing News</i> states: “Western Models and lifestyles create glamorous standards to emulate, and Asian smokers can’t get enough” ⁴⁹ .
Global reach	Sir Patrick Sheehy says that BAT is “striving for greater global reach ... These are the most exciting times that I have seen in the tobacco industry in the last forty years” ⁵⁰ .
	1992:

Limits of space	October: Robert Fletcher, Rothmans Regional Public Affairs Manager: “thinking about Chinese smoking statistics is like trying to think about the limits of space” ⁵¹ .
Trench warfare	November: “ Thomas Marsh, RJ Reynolds Regional President, says of Eastern Europe, “Its 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” ⁵² .
Itching to get at 40% of world’s smokers	November: Mike Pavitt, Public Affairs Manager of Rothmans “Until recently, perhaps forty per cent of the world’s smokers were locked behind ideological walls. We’ve been itching to get at them ... That’s where our growth will come from” ⁵³ .
A factory in every country	November: Stuart Watterton: BAT Director of new business development: “Obviously there is enormous potential in all these countries [eastern Europe and Asia]. I would say that the demand for Western cigarettes is insatiable. Its a fantastic opportunity for everybody, and we’re talking in any number of countries. I suppose in a perfect world we would seek to have a factory with a BAT flag flying over it in every country. That’s been my simple brief ” [emphasis added] ⁵⁴ .
Phenomenal demand	November: Michael Parsons from Philip Morris “The demand for Marlboro is phenomenal. Its like saying: ‘What is the potential market for Levi jeans? Probably every second adult in Russia’”. ⁵⁵
Largest investor	November: Dr. Gregory Connolly, from the American Public Health Association: “I would say that the tobacco industry is probably the largest investor in Eastern Europe today. I think it’s cynical. And it’s probably the worst product we could ever wish to send them. If we want to help rebuild these economies with the limited consumer capital that’s out there, we should be putting it into jobs that are going to improve health, not take it away” ⁵⁶ .
International growth – never been better	Dale Sisel, CEO of RJ Reynolds, “growth prospects internationally have never been better. We all produce and sell as legal product that more than one billion consumers around the world use every single day ...this vastly larger marketplace means a whole new world of opportunities” ⁵⁷ .
Best selling international cigarette	In its Annual Report, Philip Morris announces that Marlboro “strengthened its position at the best-selling international cigarette brand ...Our combined unit sales in Hong Kong, Korea, Singapore, the Philippines, Malaysia and Thailand increased by nearly 20 per cent” ⁵⁸ .
Thatcher opens	Philip Morris hires Margaret Thatcher to help open up the Asia, China and central and Eastern Europe markets. Internal documents

Asia	list her possible duties as working on the “China Entry Strategy”, “Vietnam Entry Strategy” and “Singapore Anti-Tobacco Programmes” ⁵⁹ .
Candy cigarettes	Polish customs stop lorries carrying “Marlboro candy cigarettes”, intended for East European children ⁶⁰ .
Restore the balance	1993: October: BAT organises Press Conference in South Africa and Sri Lanka to try and “restore the balance” of the public health risks of smoking. The same month United Tobacco Company Limited, BAT’s South African Subsidiary paid journalists from South Africa, Malawi and Mauritius to a seminar in Mauritius to hear a number of speakers refute allegations over smoking and health ⁶¹ .
Greater opportunities than before	The Philip Morris Annual report for 1992, states: “Our world-wide tobacco business has greater opportunities now than ever before. Our strong bases in the US and Western Europe, our expansion in Eastern Europe an 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 ⁶² .”
Go to heaven and America: smoke US cigarettes	Nairobi Doctor: “Many African children have two hopes. One is to go to heaven, the other to America. US tobacco companies capitalise on this by associating their cigarettes with affluence ⁶³ .”
It answers their dreams	Adverts for the Marlboro Tour in the Philippines, a twenty-three day cycle race on several islands, declares: “The Marlboro Tour is the biggest national summer sports spectacle held yearly in the Philippines for thirty-two years now ...the tour inspires poor young men. It gives them hope of making it big. It answers their dreams” ⁶⁴ .
They smoke like chimneys anyway	Lord Swaythling, Chairman of Rothmans “We are not encouraging the Chinese to smoke. They all smoke like chimneys anyway. We just want them to smoke our brands” ⁶⁵ .
Tremendous market	Brenda Follmer, spokesperson for RJ Reynolds Tobacco International, speaks about Eastern Europe: “It’s a tremendous market. It’s a market of smokers and naturally we want to be there” ⁶⁶ .
Opportunities never been better	1994: James Johnston, Chairman of RJ Reynolds: “Today Reynolds has access to 90 per cent of the world’s markets; a decade ago, only 40 per cent. Opportunities have never been better ⁶⁷ ”.
Remove cancer concerns from health departments	Executives from the advertising firm Leo Burnett, assisting Philip Morris in the Philippines advice the company to remove “cancer awareness and prevention” as a “key concern” of health departments. According to internal documents the agency succeeds

	in “Propogat[ing] studies that point to other possible causes of lung cancer ⁶⁸ .”
We have to make cigarettes – even though they are bad for you	1995: July: Zhu Ruizeng, spokesperson for the Chinese tobacco conglomerate: “We think smoking is harmful to people’s health. But smoking is one of those habits that is difficult for people to give up, and many people like to smoke. Because there’s such a demand, we have to make cigarettes” ⁶⁹ .
Export growth	November: BAT’s profits for the first nine months increase by 22 per cent, due to a rapid increase in international sales. “The growth in international brand sales has come mainly from exports to Asia and eastern Europe” ⁷⁰ .
Double Tanzanian cigarette profits	RJ Reynolds buys a stake in the Tanzanian Cigarette Company for \$55 million. RJR says it plans to double Tanzanian Cigarette’s profits and sales in five years ⁷¹ .
A force for good	James Johnston, Chairman of RJ Reynolds gives a speech in Moscow: “We have enormous opportunities to use the tobacco industry as a powerful force for improving the economic and social well-being of this part of the world” ⁷² .
100 billion more cigarettes	BAT state that “during the year, four new branch operations were established in South America, in Colombia, Ecuador, Peru and Paraguay. Elsewhere in the world, the Group signed an agreement for a joint venture in Cambodia ..in the meantime, China continues as an important export market” ⁷³ . During the year BAT sells some 670 billion cigarettes, 100 billion more than 1994 ⁷⁴ .
China smuggling?	A former BAT executive with knowledge of the company’s Chinese operations, says that in 1995, BAT sold 400 million cigarettes to the State company CNTC, three billion to duty free shops, four billion to special economic zones and 38 billion to distributors who smuggle the goods into China” ⁷⁵ .
Project Battalion: Capture Asia	1996: January: Senior Executives from BAT arrive in Hong Kong to plot Project Battalion, the code-name for a new corporate strategy to target Asia. At the centre of the strategy is the company’s new production facility geared almost exclusively to the premium end of the Chinese market ⁷⁶ .
We are on fire	February: Philip Morris Executive in Tokyo on gaining a 13 per cent share of the Japanese import market (excluding Marlboro which is made under licence). “We have been relentless in the last few years. Our marketing is really good: I think we’re feeling the pulse of the consumer as well as possible ... For many years, Marlboro was a slow burner here, but now its on fire. It’s growing more than 25 percent year-to-year” ⁷⁷ .

Success in Eastern Europe	March: James Johnston, RJR Chairman: “From 1990-1995, RJR’s international tobacco volume grew 10 per cent a year while earnings accelerated at a rate of 12 per cent ...In Eastern Europe, I think that while we’ve been aggressive, we have also been prudent with the acquisitions we’ve made ...Once on, we’ve been able to move quickly. In the former Soviet Union, we’ve come from zero five years ago to more than 50 billion units in 1995 .. I think our success in Eastern Europe is based on our willingness to invest and willingness to move quickly.” ⁷⁸
Smuggling is just one of those things	April: BAT’s Head of Corporate Affairs, “We sell a lot of cigarettes in the Far East, but quite how many end up in China is difficult to say. Smuggling is just what happens in that part of the world; its not confined to tobacco” ⁷⁹ .
When the wall came down our customers went up	May: Andreas Gembler, President of Philip Morris Europe: “When the wall came down in 1989, there were tens of millions of consumers opening up to Philip Morris. If we hadn’t reacted the way we did, by now the train would have gone. We would have seen its end lights” ⁸⁰ .
A growth engine	May: RJ Reynolds: “We expect this [Central and Eastern Europe] to be one of the growth engines of our company over the next few years” ⁸¹ .
China: A five year moratorium	July: China’s state tobacco monopoly announces a five year moratorium of new foreign investment. John Webb, Chief Executive of Rothmans Asia says “Philip Morris and BAT are making huge noises trying to persuade the government to change its mind”. Brenda Chow, PR manager at BAT in Hong Kong says: “Should the moratorium be lifted, BAT would like to be the top choice for a joint venture” ⁸²
100 billion more cigarettes in Eastern Europe	July: East European Markets announces that BAT has ploughed over \$750 million into acquisitions in the region in the last four years, buying newly-privatised cigarette manufacturers in Hungary, Ukraine, Russia, Uzbekistan, the Czech republic, and Poland. It is currently in negotiations with Moldova and Romania. Ulrich Herter , BAT’s Managing Director, says: “We will have additional 100 billion cigarettes a year once the investments are complete”. According to Dick Howe, from BAT Russia, the company will be the market leader in Russia in ten years, in a country whose annual consumption is 220 billion cigarettes. ⁸³
Health warnings out of respect	August: RJ Reynolds voluntarily prints health warnings on its cigarette packets in Romania, which state: “Medical Warning: Giving up Smoking now considerably reduces the risk to your health”. Says RJR Romania’s General Manager: “We have been the first to put them on, as a token of respect for Romanian consumers” ⁸⁴ .
	7 August: The <i>Wall Street Journal Europe</i> reports how tobacco

Brand stretching to beat marketing restrictions	companies are getting around the advertising bans in Asia by marketing brands through clothing, records, music and holidays. Internal documents from RJ Reynolds International reveal how that “Salem Attitude [a clothing store] is established to extend the trademark beyond tobacco category restrictions .. The Salem Attitude image will circumvent marketing restrictions ⁸⁵ ”.
Lucrative influence over aid budget?	25 August: <i>The Observer</i> reveals how BAT “ is acquiring influence over the dispersal of British overseas aid as part of a campaign to protect its lucrative markets in the Third World ...an <i>Observer</i> investigation has uncovered network of links between the company and official international aid bodies, well-known MPs, aimed at furthering its agenda in the developing world ...At the centre of BAT’s overseas aid network is its new chairman, Lord Cairns. Last year, he also became chairman of the Commonwealth Development Corporation, a quango that distributes £1.5 billion of investment to poor countries” ⁸⁶ .
Hidden agenda	September: BAT holds another Seminar in Mauritius with invited journalists from Ghana, Kenya, Mauritius, Nigeria, South Africa, Uganda, Zaire, and Zimbabwe to give “the perspective hidden from the public” about smoking and health ⁸⁷ . “Their strategy all the time is to raise questions about anti-tobacco research”, says Kathryn Strachan, a reporter who attended ⁸⁸ .
Smuggling to China	December: Three former BAT executives allege that BAT Hong Kong held weekly meetings at which smuggling activities to China were discussed. “We were all notified to be careful how things were phrased and which documents were kept” says one former employee, to allow senior executives “deniability” over the activities. BAT denies smuggling involvement or condones the practice ⁸⁹
0-50 billion in five years	This year, RJ Reynolds sells 50 billion cigarettes a year in the former Soviet Union. Five years ago it sold none ⁹⁰ .
Substantial exports to East Europe	BAT Industries Facts and Figures booklet notes: “The 1990s have seen new opportunities for the Group, especially in Central and Eastern Europe and in the Far East, with the opening up of markets previously closed to western tobacco manufacturers. Our first acquisition in these markets was in Hungary in 1992 followed by a joint venture in Ukraine in 1993, Further acquisitions were made following year in Russia and Uzbekistan, while during 1995, the Group acquired interests in the Augustow factory in Poland and in one in the Czech Republic. Exports to East European markets have also increased substantially” ⁹¹ .
40 billion smuggled cigarettes	It is estimated that 40 billion foreign cigarettes will be smuggled into China this year ⁹² .
	1997:

Cannot be left out of Russia	17 April: Philip Morris announces that it will invest \$300 million to build the largest cigarette factory in Russia. “We cannot be left out of this market”, says Philip Morris’ Managing Director in Russia, Kursat Kocdag ⁹³
Targeting China and Korea	15 May: Imperial Tobacco announces that it is targeting the Far East market in China and Korea to offset declining UK sales ⁹⁴
Major supplier to sub-Saharan Africa	June: P. Gotecha, Vice President Eastern Africa with RJ Reynolds talks about his company’s first year in Tanzania, where the company is now the largest single foreign investor: “this country has the potential to become a major supplier of cigarettes to the sub-Saharan continent” ⁹⁵ .
80% increase in sales	25 June: Since 1990, Philip Morris has increased sales abroad by 80 per cent to 662.2 billion in 1996. From 1990 to 1995, cigarette sales fell in US, Canada, Latin America and Western Europe, and were static in Africa, but increased in Eastern Europe, Middle East and Asia / Pacific.
Magic in the name	Louis Hughes of BAT Poland says of the company’s new cigarette: “Research showed if we could bring a better quality cigarette - more consistent in quality and at the same price and with distribution muscle - it would work. Part of the success was the product. Part of the magic was the name”. [BAT called its new cigarette Sobieski, a 17 th Century Polish Warrior-King] ⁹⁶
Smuggling	3 July: Zi Guorui, President of Yuxi Hongta Tobacco in China: “US companies have started to target developing countries. China still does not approve the import of foreign cigarettes, but 1 million are smuggled in anyway” ⁹⁷ . CHECK BILLION
Former monopolies are fastest growing	July: JG Vos, Executive Director of Public Affairs with Rothmans International: “Our fastest growing markets are in former monopoly countries that are opening up to foreign competition” ⁹⁸ .
China: A fantastic foreign foothold	25 August: China’s 320 million smokers consume 1.7 trillion cigarette or a third of the global total - and all the foreign multinational are trying to gain a foothold in the market. In China some 700,000 smokers currently die annually, a figure due to increase to some 3 million, next century. The Director General of the WHO addresses the 10th World Conference of Smoking and Health in Peking: “We must demand that the large multinational tobacco companies that experience controls in their home countries are not free to expand in other countries” ⁹⁹ .
At a deadly price	
Can’t leave it alone	17 September: “Alex Van Breeman, director of BAT’s Romanian operations: “It’s more and more clear that Romania is a market that we cannot leave by itself” ¹⁰⁰
We are not introducing	20 September: BAT letter to <i>the Lancet</i> : “Contrary to the naïve but popular myth propagated by many like you who ought to know

tobacco to any country	better we are not introducing tobacco to any country. Smoking has been a common pastime in most countries around the world for a least a century ¹⁰¹ ”.
Brazilian pay out	25 September: A Brazilian judge orders Souza Cruz, a subsidiary of BAT to pay R\$90,000 (£50,000) to the family of a man who died of an allegedly smoking disease. ¹⁰²
Enormous opportunities	November: BAT’s Group Chief Executive, Martin Broughton visits Cambodia: “I am delighted to see what an enormous impact [the company] is having on the local community and economy. Despite the recent economic problems being encountered in the region, we are still entirely committed to Asia-Pacific and I am convinced that these countries still present enormous opportunities to us” ¹⁰³ .
Major investments in Eastern and Central Europe	<p><i>Tobacco Reporter</i> devotes a special issue on Central and Eastern Europe. International firms such as Philip Morris, RJ Reynolds, BAT, Rothmans, and Gallaher along with regional Bulgartabak, Reemtsma, SEITA and Burrus now have 70 per cent of the Russian market. Consumption in Russia is growing at up to 3 per cent¹⁰⁴. <i>Tobacco Reporter</i> gives an analysis of known and projected investment to date:</p> <ul style="list-style-type: none"> • BAT has 7 joint ventures worth \$800 million with a capacity of 100 billion units in Hungary, Ukraine, Russia, Romania, Uzbekistan and Poland • Philip Morris has 7 joint ventures in Czech Republic, Eastern Germany, Hungary, Kazakhstan, Lithuania, Ukraine and Russia • RJ Reynolds has 11 joint ventures with a capacity of 70 billion units in 1995 in the Czech Republic, Kazakhstan, Poland, Romania, Russia, Ukraine, and Azerbaijan • Rothmans has two joint ventures worth \$86 million in Russia and Bulgaria¹⁰⁵
Circumventing ad ban by brand stretching	1998: 18 January: It is revealed that BAT is thinking of circumventing the EU ban of cigarette advertising and sponsorship by legally promoting their cigarette brand names in new ranges of coffee products. The scheme is already being tested in Kuala Lumpur. Says the shops manager in the Malaysian capital: “Of course this is all about keeping the Benson and Hedges brand name to the front. We advertise the Benson and Hedges Bistro on television and in the newspapers. The idea is to be smoker-friendly. Smokers associate a coffee with a cigarette. The are both drugs of a type.” BAT confirms it is also looking at selling Lucky Strike clothing, John Player Special Whisky and Kent travel. ¹⁰⁶
The driver of future growth	February: Steven Goldstone, RJR Nabisco Chairman: “The international tobacco business has become an increasingly important source of earnings for RJR Nabisco and can be the most significant driver of our future tobacco earnings growth”. ¹⁰⁷
	February: The Royal College of Physicians asks the British Government to impose the same sort of restrictions on tobacco

Ban this lethal export	exports that it does for weapons exports, noting that exports had risen in the last ten years from \$645 million to \$1.88 billion. Says College President, George Alberti: “Tobacco kills roughly half of all those who smoke and is thus as lethal in the long term as many of the weapons the government is keen to prevent from being sold overseas. We suggest the same approach should be taken to tobacco exports”. ¹⁰⁸
------------------------	---

¹ ASH Questions and Answers to Imperial AGM, 1976, March [L&D Imp 24]

² RJ Reynolds Research Department, Planning Assumptions and Forecast for the Period 1976-1986, 1976, 15 March [L&D RJR/BAT 9]

³ RJ Reynolds Industries Inc, Securities and Exchange Commission, Washington, Form 8K, 1976, September

⁴ Philip Morris, , Securities and Exchange Commission, Washington, Form 8K, 1976, December: *Wall Street Journal*, 1976, 28 December

⁵ P. Macadam, Response to Questions Asked by Ash, 1979, 14 March [c.7.1]

⁶ J. Wilkinson, *Tobacco - The Facts Behind the Smokescreen*, 1986, Penguin, p128

⁷ BAT, Appreciation, 1980, 16 May [L&D RJR/BAT 8]

⁸ BAT Industries, *Statement on BAT Industries' Tobacco Interests in Developing Countries*, 1982, 9 June [c.7.6]

⁹ BAT UK, Letter to Baroness White, House of Lords, 1981, 12 June

¹⁰ P. Taylor, *Smoke Ring - The Politics of Tobacco*, 1984, Bodley Head, p247

¹¹ G. Frankel, How Tobacco Firms and US Broke Down Barriers to East, 1996, *International Herald Tribune*, 18 November, p10

¹² BAT, Board Guidelines, Public Affairs, 1982, April {Minn. Trial Exhibit 13,866}

¹³ Quoted in J. Wilkinson, *Tobacco - The Facts Behind the Smokescreen*, 1986, Penguin, p128

¹⁴ G. Connolly, Smoking or Health: The International Marketing of Tobacco, Tobacco use in America Conference, 1989, 27-29 January, [C.7]

¹⁵ BAT, Tobacco: Strategy Review Team, 1985, 17 July

¹⁶ G. N. Connolly, World-wide Expansion of Transnational Tobacco Industry, *Journal of the National Cancer Institute Monographs*, 1992 [C.7]

¹⁷ Quoted in S. Sesser, Opium at War, *The New Yorker*, 1993, 13 September [C.7]

¹⁸ R. Scull, Bright Future Predicted for Asia Pacific, *World Tobacco*, 1986, No94, p35

¹⁹ S. Sesser, Opium War Redux, *The New Yorker*, 1993, 13 September, p78-89; N E Collishaw, Is the Tobacco Epidemic Being Brought Under Control, Or Just Moved Around? An International Perspective, *Paper Presented at the 5th International Conference on the Reduction of Drug-Related Harm*, Toronto, 1994, 6-10 March

²⁰ Quoted in C. Lowe Morna, Zimbabwe's Tobacco Addiction, *Multinational Monitor*, 1987, July/August, p14

²¹ L. Heise, Unhealthy Alliance, *World Watch*, 1988, October, p20

²² M. Aung-Thwin, Insecurity Hindering Philippine Tobacco Industry, *Tobacco Journal International*, 1987, June, p399

²³ S. Sesser, Opium at War, *The New Yorker*, 1993, 13 September [C.7]

-
- ²⁴ G. Connolly, Smoking or Health: The International Marketing of Tobacco, Tobacco use in America Conference, 1989, 27-29 January, [C.7]
- ²⁵ M. McNeil, Cigarette Firms Look Overseas as the Market Dries up in US, *South China Morning Post*, 1988, 26 January
- ²⁶ BAT Uganda Ltd, 1984, Letter to the Director do Medical Services, Ministry of Health, Entebbe, 1988, 21 June [L&D BAT 34]
- ²⁷ Quoted in L. Heise, Unhealthy Alliance, *World Watch*, 1988, October, p20 [C.7]
- ²⁸ Quoted in L. Heise, Unhealthy Alliance, *World Watch*, 1988, October, p20 [C.7]
- ²⁹ L. Heise, Unhealthy Alliance, *World Watch*, 1988, October, p20 [C.7]
- ³⁰ J. Sweeney, Selling Cigarettes to the Africans, *The Independent Magazine*, 1988, 29 October
- ³¹ J. Sweeney, Selling Cigarettes to the Africans, *The Independent Magazine*, 1988, 29 October
- ³² G. Connolly, Smoking or Health: The International Marketing of Tobacco, Tobacco use in America Conference, 1989, 27-29 January, [C.7]
- ³³ C. Smith, Western Tobacco Sales are Booming in China, Thanks to Smuggling, *Wall Street Journal Europe*, 1996, 18 December, p1
- ³⁴ *Tobacco Reporter*, Growth Through 2000, 1989, February
- ³⁵ A. Cockburn, Getting Opium to the Masses; the Political Economy of Addiction, *The Nation*, 1989, 30 October, p482-3
- ³⁶ BAT, Tobacco: Strategy Review Team, 1989, 10 November
- ³⁷ C. Lee Shuang, Projecting Quality, Style in YSL Cigarette, *New Sunday Times*, 1990, 4 February
- ³⁸ BAT, Tobacco: Strategy Review Team, 1990, 9 February {Minn. Trial Exhibit 11,509}
- ³⁹ *Sunday Times*, Africa- Ashtray of the World, 1990, 13 May, [c.7]
- ⁴⁰ *Sunday Times*, Africa- Ashtray of the World, 1990, 13 May, [c.7]
- ⁴¹ *The Times*, Tobacco Company "Exploiting Africa", 1990, 14 May
- ⁴² BAT, Tobacco Strategy Review Team, 1990, 18 May {Minn. Trial Exhibit 11,543}
- ⁴³ BAT, Tobacco Strategy Review Team, 1990, 18 May {Minn. Trial Exhibit 11,543}
- ⁴⁴ Talk to TMDP, Chelwood, 1990, August [L&D RJR/BAT 16]
- ⁴⁵ Speech at 1990 World Conference of Tobacco and Health, quoted in R. McKerrow, Going up in Smoke, *New Statesman and Society*, 1992, 29 May [C.7]
- ⁴⁶ Quoted in *The Economist*, The Search for El Dorado, 1992, 16 May, p21 [C.7]
- ⁴⁷ D. Doolittle, Joe Camel Takes Reynolds Over the Hump, *Tobacco Reporter*, 1991, February,
- ⁴⁸ R. Morelli, Packing it in, *Marketing Week*, 1991, 28 June, Vol. 14, No 16, p30-34
- ⁴⁹ S. Sesser, Opium at War, *The New Yorker*, 1993, 13 September [C.7]
- ⁵⁰ D. Doolittle, BAT Lengthens its Global Reach, *Tobacco Reporter*, 1991, July [C.7]
- ⁵¹ D. Ibison, Rothman's Joint Deal Opens Heavenly Gates, *Window Magazine*, 1992, No 4, 16 October
- ⁵² M. Macalister, Making a Packet - the New Tobacco Gold-rush, *the Observer Magazine*, 1992, 8 November [C.7]
- ⁵³ M. Macalister, Making a Packet - the New Tobacco Gold-rush, *the Observer Magazine*, 1992, 8 November [C.7]
- ⁵⁴ M. Macalister, Making a Packet - the New Tobacco Gold-rush, *the Observer Magazine*, 1992, 8 November [C.7]
- ⁵⁵ M. Macalister, Making a Packet - the New Tobacco Gold-rush, *the Observer Magazine*, 1992, 8 November [C.7]
- ⁵⁶ M. Macalister, Making a Packet - the New Tobacco Gold-rush, *the Observer Magazine*, 1992, 8 November [C.7]
- ⁵⁷ W. Ecenbarger, America's New Merchants of Death, *Readers Digest*, 1993 [C.7]
- ⁵⁸ S. Sesser, Opium at War, *The New Yorker*, 1993, 13 September [C.7]
- ⁵⁹ Philip Morris, Memo Re: Mrs Thatcher, 1992, 31 March [c.7.5]
- ⁶⁰ *Positive Health*, Lady Killer, 1992, Summer [c.7.5]
- ⁶¹ D. Simpson, Propaganda Hit Squad At Large, *Tobacco Control*, 1994, 3; 76-77; T. Dissanaik, Anti-Smoking Campaign Comes Under Heavy Fire, *The Island* (Sri Lanka), 1993, 29 October
- ⁶² Philip Morris, *1992 Annual Report*, 1993,
- ⁶³ W. Ecenbarger, America's New Merchants of Death, *Readers Digest*, 1993 [C.7]
- ⁶⁴ S. Sesser, Opium at War, *The New Yorker*, 1993, 13 September [C.7]
- ⁶⁵ W. Ecenbarger, America's New Merchants of Death, *Readers Digest*, 1993 [C.7]
- ⁶⁶ C. de Lion, Raising the Smoke-Screen, *Central European*, 1995, October, p14
- ⁶⁷ B. Moynahan, The Nicotine War, *Hotair*, 1994, October - December, p12
- ⁶⁸ B. Meier, Tobacco Industry, Conciliatory in US, Goes on the Attack in The Third World, *New York Times*, 1998, 18 January, pA14
- ⁶⁹ S. Mufson, Power Puff: World's Biggest Cigarette Market Lights Up, *International Herald Tribune* 1995 3 July p4

-
- ⁷⁰ I. King, BAT Prospers From Heavy Tobacco Sales in the Third World, *The Guardian*, 1995, 9 November, p2
- ⁷¹ *Financial Times*, Tanzanian Move by RJR Reynolds, 1995, 23 December, p9
- ⁷² J. Rupert & G. Frankel, American Tobacco's Seizure of Ukraine, *International Herald Tribune*, 1996, 20 November
- ⁷³ BAT Industries, *Annual Review and Summary Financial Statement*, 1995
- ⁷⁴ T. Stevenson, BAT Draws on Massive Third World Craving, *The Independent*, 1996, 7 March, p5
- ⁷⁵ C. Smith, Western Tobacco Sales are Booming in China, Thanks to Smuggling, *Wall Street Journal Europe*, 1996, 18 December, p1
- ⁷⁶ A. Higgins & L. Doyle, BAT Plots China Offensive, *The Guardian*, 1996, 3 January, p8
- ⁷⁷ *Tobacco Reporter*, Philip Morris Tops Import Sales, 1996, February, p20
- ⁷⁸ C. Zimmerman Blackard, Fast on its Feet, *Tobacco Reporter*, 1996, March
- ⁷⁹ T. Parker-Pope, Legal Pressures in the US Doesn't Cloud Outlook for BAT Overseas, *Wall Street Journal Europe*, 1996, 2 April, p1
- ⁸⁰ H. Davidson, The Tobacco Giants' Shopping Spree, *Institutional Investor*, 1996, May, p37
- ⁸¹ H. Davidson, The Tobacco Giants' Shopping Spree, *Institutional Investor*, 1996, May, p37
- ⁸² S. Hendry, "Smoke home-made Brands or kick Habit", *Bloomberg Trading Week*, 1996, 28 July
- ⁸³ *East European Markets*, Case Study - Tobacco Giant BAT, 1996, 5 July
- ⁸⁴ *Tobacco Reporter*, RJR Prints Health Warnings on Cigarettes, 1996, August, p10
- ⁸⁵ F. Warner, Tobacco brands Outmanoeuvre Asian Advertising Bans, *Wall Street Journal Europe*, 1996, 7 August
- ⁸⁶ D. Leigh, J. Calvert, Cigarette Giant in Aid Ploy, *The Observer*, 1996, 25 August, p2
- ⁸⁷ D. Simpson, BAT "Experts" Grilled, *Tobacco Control*, 1996, 5; 262-264
- ⁸⁸ B. Meier, Tobacco Industry, Conciliatory in US, Goes on the Attack in The Third World, *New York Times*, 1998, 18 January, pA14
- ⁸⁹ C. Smith, Western Tobacco Sales are Booming in China, Thanks to Smuggling, *Wall Street Journal Europe*, 1996, 18 December, p1
- ⁹⁰ J. Rupert & G. Frankel, American Tobacco's Seizure of Ukraine, *International Herald Tribune*, 1996, 20 November
- ⁹¹ BAT Industries, *Facts and Figures 1996*
- ⁹² *Tobacco Reporter*, Cigarette Production Down: Contraband and Counterfeits Flourish, 1997, April, p32
- ⁹³ M. Brzezinski, Philip Morris to Build Plant in Russia, *Wall Street Journal Europe*, 1997, 17 April
- ⁹⁴ J. Oliver, Imperial Lights Up Far East, *The Express*, 1997, 15 May
- ⁹⁵ T. Tuinstra, Potential, *Tobacco Reporter*, 1997, June, p44
- ⁹⁶ J. Perlez, Cigarette Makers' Smoky Heaven: Eastern Europe, *International Herald Tribune*, 1997, 25 June
- ⁹⁷ J. Harding, Whiff of Competition for Tobacco Industry, *Financial Times*, 1997, 3 July, p36
- ⁹⁸ T. Tuinstra, Diversity, *Tobacco Reporter*, 1997, July, p18
- ⁹⁹ T. Poole, "Cigarettes Set to Kill 10M by 2025", *The Independent*, 1997, 25 August; S. Faison, China: The New Tobacco Battleground, *International Herald Tribune*, 1997, 28 August, p4
- ¹⁰⁰ A. Warpinski, BAT Readies Cigarette Plant Near Bucharest, *Wall Street Journal Europe*, 1997, 17 September, p4
- ¹⁰¹ M. Broughton, Attacks on Tobacco Industry, *The Lancet*, 1997, 20 September, Vol. 350, p890
- ¹⁰² J. Wheatly, Brazil Ruling Over Death of Smoker, *Financial Times*, 1997, 25 September, p6
- ¹⁰³ *Tobacco Reporter*, Broughton Visits Cambodian Subsidiary During Asian Swing, 1998, February, p8
- ¹⁰⁴ *Tobacco Reporter*, International Manufacturers Control Russian Market, 1988, Winter Issue, p6
- ¹⁰⁵ *Tobacco Reporter*, Multinational Investment, 1988, Winter Issue, p36-37
- ¹⁰⁶ P. Nuki, Tobacco Firms Brew up Coffee to Beat the Ban, *The Sunday Times*, 1998, 18 January
- ¹⁰⁷ *Tobacco Reporter*, RJR Restructures World-wide Tobacco Business, 1998, February, p10
- ¹⁰⁸ *Tobacco Reporter*, British Surgeons Argue Tobacco Should be Treated as Weapon, 1998, February, p12