

CHEW ON THIS STOGEY by Ann Gerhardt, MD (Request a free subscription via algerhardt@sbcglobal.net, or send \$15 to P.O.Box 19274, Sacramento, CA 95819. Reprints permissible only if the entire pages are kept intact.)

(10/2005)

I'm fuming mad about the decimation of the U.S. Department of Justice (DOJ) case against Big Tobacco (see related article for details of the case against the 6 major tobacco companies). By reducing the penalty sought from \$130 billion to \$10 billion, the government decided that we need only exact payment from tobacco companies to save the lives and lungs of those who will become habitual smokers in the first year after the final court decision. It would appear that, to Assistant Attorney General McCallum, who announced the decision, the **45 million current nicotine addicts are goners**.

The economic costs of smoking are more than \$167 billion per year, including worker productivity losses, the cost of cessation programs and \$75.5 billion in direct smoking-related medical expenditures. Tax on tobacco products pays for only a small fraction. The rest comes from taxes and insurance premiums paid by you and me, and, since 1998, the states' Master Settlement Agreement (MSA) funds. I hope that this article will stimulate you to think about tobacco's true cost to society and who should pay for it.

Society's financial burden of tobacco includes the costs of medical care, education and prevention programs, pharmacological treatment of nicotine addiction, regulation of advertising, clean air regulations, disability and early retirement payments and enforcement of the restriction of tobacco sales to minors. Taxing and penalizing the entities that produce and sell tobacco products sounds good. After all, they profit from addicting and killing people. However, it is naive to think that they will take a cut in profit: They pass on their cost to consumers. Why not? Why shouldn't people pay for their own addiction?

Expecting addicts to pay the cost of their habit makes sense. But. Most adult smokers and chewers got hooked as teens. Teens don't always make rational decisions. It also turns out they become addicted much quicker than adults. **Adolescents experience symptoms of nicotine addiction within only four weeks of starting smoking**. With only a few cigarettes per week, they have the same degree of addictive symptoms as adults who have smoked heavily for years.

It would seem that Big Tobacco knows this. Why else, when selling tobacco products to minors is illegal, would they advertise to children and teens? They certainly do it, as evidenced by paying to place cigarettes in teen movies and making Joe Camel a cute cartoon character, with proven product recognition by children. Tobacco companies couldn't have missed the fact that 86.5% of adolescents who smoke daily are unable to quit and continue to smoke into adulthood. Or that the majority of adult smokers got hooked as minors. Sounds like a lifetime, albeit shortened, of profits for those who supply nicotine.

The DOJ seeks a ruling that would prohibit tobacco companies from targeting children and teens in advertising. Let's hope that the DOJ doesn't gut that penalty, because tobacco ads to children succeed. **Between 1991 and 1997 cigarette use by high school students rose by 32%.** In 2003, 3.6 million U.S. adolescents smoked and adults between 18 and 25 years old constituted the group with the highest smoking rate, 44.8%. Of all individuals who start using tobacco in adolescence and continue smoking throughout their lives, half will be killed by tobacco, and half of those will succumb to a fatal tobacco-caused disease before age 70.

There are those who say that a quick death from cancer before age 70 saves society the cost of illness and nursing homes for old people. Maybe, but I'd prefer to be part of a culture which prevents teenage addiction and values life and sputum-free breathing more than scrimping money for grandma.

The DOJ suit must prove that tobacco companies knew that tobacco addicts people. Of course tobacco companies knew that tobacco addicts! Why else would they fortify cigarettes with added nicotine??? Plenty of research proves that nicotine addicts. Even if they doubted the data, I'd bet that each chain-smoking executive had experienced first hand the physical and mental craving associated with nicotine deprivation.

Did tobacco companies know that tobacco causes disease and kills? Hel-looo!!! Of course tobacco executives knew! No one who runs a multi-billion dollar company is stupid. They couldn't have missed something that hasn't been a debatable subject for years. Research has documented cigarette-related illness, now the leading preventable cause of death in the U.S., for over 30 years. In 1990, smoking-related illness accounted for nearly one in five deaths and more than one quarter of all deaths among those 35-64 years of age. Between 1997 and 2001, cigarette smoking caused an estimated 438,000 premature deaths annually. Most succumbed to lung cancer (28%), chronic emphysema and obstructive lung disease (21%) and heart disease (20%). During the same period, smoking during pregnancy stubbed out an estimated 910 infant lives annually. Beginning to smoke, in essence, constitutes a decision to live approximately 14 fewer years.

The poisons in tobacco clog and constrict blood vessels enough to shut off the blood flow to the tissue they normally supply. If this occurs in the heart, the person has a heart attack; if in the brain the person has a stroke; if to the kidneys the person goes on dialysis; or if to the leg - guess what? – an amputation. Tobacco smoke destroys lung: Lung tissue either dies, leaving scar tissue and holes or is replaced by lung cancer. Tobacco causes leukemia (cancer of blood cells) and mouth, throat, esophagus, cervix and breast cancers. Tobacco contributes to macular degeneration, cataracts, osteoporosis, heart failure and ulcers.

In November 1998, the Master Settlement Agreement (MSA) awarded \$246 billion to be paid by tobacco companies to 36 states over 25 years for medical expenses and prevention programs. Big tobacco passed on the cost of the MSA to consumers, but this really didn't curtail consumption. In 2003, five years after the MSA, the average cigarette consumption by Americans peaked at 1837 cigarettes per person (every U.S. human, not just smokers) per year - almost a billion pounds of tobacco. Not until 2004 did consumption decline, by a measly 67 cigarettes per person per year.

With states ramping up anti-tobacco advertising, it costs Big Tobacco more to dupe people into lighting up. In 2001 the companies spent \$11.2 **billion** on advertising, compared to the states' \$883.2 **million** for tobacco prevention and control programs. The companies compensated for the MSA by nearly doubling advertising and promotional expenditures between 1997 and 2001, to more than \$30 million per day.

The MSA and tobacco tax revenue combined (\$20 billion in 2004) don't come close to the cost of tobacco (\$167 billion per year) to society. Society, as in you and I, pay the difference, but we shouldn't have to. I don't mind being part of a society that pays to prevent or fix problems that are no fault of those who benefit from those programs. Education, ensuring food and drug safety, and vaccination programs come to mind. Smoking and chewing tobacco don't qualify in my book.

By reducing the penalty sought in the DOJ's case against Big Tobacco, this administration essentially places the cost of tobacco addiction squarely on the American public, rather than smokers and tobacco company shareholders – An odd action for an administration that reputedly encourages personal responsibility. Numerous anti-smoking activists and even the Justice Department lawyers have accused McCallum of undermining the government's case in favor of political consideration and support of big business(1).

This is not a question of preserving big business' right to make a profit. If people are stupid enough to light up or chew on an addictive, but legal product, tobacco companies have a right to capitalize on that idiocy. They may be unscrupulous and rather uncaring about profiting from killing people, but tobacco is still legal. Just don't ask the public to pay for the fall-out of that business.

The companies, farmers and store-keepers involved in the tobacco industry should incur the true expense of their industry, which might affect their profit. (Oh, darn). Along the way, they pass any penalties, fees and taxes on to their customers. In the end, the consumer will pay for the cost of his/her habit. ONLY IF we refuse to pay it for them.

Paying a penalty now for past years' profits certainly won't hurt Big Tobacco's shareholders from those years- they've collected their dividends. Current shareholders might realize less profit ... Now that's an idea - Rather than cutting the penalty sought in the current suit, the government might consider **increasing** the penalty. This would increase tobacco prices, possibly reducing the number of smokers. It would penalize future shareholders, rather than future taxpayers, and truly be "forward-looking."

Source: CDC, National Center for Chronic Disease Prevention and Health Promotion, Tobacco Information and Prevention Source, and USDA.

¹ Asst Attorney General McCallum was a partner in the Alston and Bird law firm, which did legal work for R J Reynolds Tobacco.