

200
3-26-54

PUBLIC RELATIONS AND CIGARETTE MARKETING

By

George Weissman

Vice President, Philip Morris & Co. Ltd., Incorporated

A talk scheduled for delivery Tuesday afternoon, March 30, before the 1954 NATD Convention, Chicago, Illinois.

In 1950, speaking to the NATD convention O. Parker McComas, President of Philip Morris said:

"We belong to one of the oldest industries in the country, yet one of those that is the least understood. We have over fifty million customers, who should be the basis and background for good public relations for all of us. I do not believe that we have that basis and background, and the reason is that our full story has not been told to the public. If that story is properly told, I believe it would be an effective antidote to the attacks of government upon our industry, to the sensation-seeking articles in magazines - which, upon careful reading, are found to be based on rumor, surmise and lack of knowledge rather than on fact - and above all, I believe it would be helpful in stemming the tide of taxation which, if it continues at its present rate, may well overwhelm us."

That, gentlemen, was four years ago - and those words have grown more meaningful with age.

For never in the history of American industry - a history that not so incidentally had its origin in tobacco - has one industry been under such attack as we are today, never has an industry's very existence been so dependent on its relations with the public.

0002366398

Let us face up realistically to this deficiency. Technologically, we make the best tobacco products in the world. Distribution-wise, we are the most efficient industry in the world. Advertising-wise, we have the power and mastery to sell as no other nation can. But in this one element of public relations - today the most important consideration of our business - we have been delinquent.

It is not my role to lay the blame anywhere. I don't know that it can be. But

PM3039590021

if there is blame to be placed, not an inconsiderable part must be laid at the door-steps of governmental bodies and agencies who by prohibition, regulation and strangulation in the past prevented this industry from uniting and working together in its own best interests, and I might add, ironically enough, in the best interests of those same governmental groups who derive much more income from our industry than do the combined owners of all the manufacturing, leaf, wholesaling and retailing trades.

Unless we admit this past deficiency in public relations, we will not be able to move towards the future. And, how else can we explain the recent actions in Washington around the excise tax program when the \$.50 per thousand cigarette emergency tax imposed in 1952 was scheduled to expire tomorrow night? Yet, spokesman after spokesman of the businessman's administration - including the President himself - called for a reduction in excise taxes, except for "tobacco and liquor." The spokesmen for the National Association of Manufacturers called for tax reductions except for "tobacco and liquor." In fact, the voice of the tobacco industry was so silent that the committee even voted to freeze the \$4.00 per thousand cigarettes into the permanent tax structure. But fortunately, due to representations made by our good friends like Eric Calania and Joe Kolodny, along with others from leaf and manufacturing, it was changed to a one-year action.

But the point I want to make is - where were our industry public relations? Where were the delegations, letters, petitions to the congressmen from the 60,000,000 consumers who will pay more than \$3.00 extra in cigarette taxes this year; where were the outcries from the 3,000,000 people who draw their prime source of income from tobacco farms; what about the 3,000 wholesalers and their more than 100,000 employees to whom this tax is a bread-and-butter proposition, and the several hundred thousand retailers and their employees?

0002366399

Where was the basic public relations program that brought the public to our side on a matter that so vitally affected its pocketbook. Have we, as one of the largest consumer industries in America, become so complacent in our thinking, so rich, fat and lazy that we allow a 14% tax rise without practically a good scream? Or is it that we are so used to being the "fall guy" for every tax scheme, that we are so buffeted about on so many matters, that we can no longer raise our bloody heads and scream bloody murder? Gentlemen, if we have reached that state, we might as well shut the doors of our businesses and turn the keys over to the politicians and article writers.

PM3039590022

Which brings me to another, and even more important current problem! -- the current medical propaganda being directed against the cigarette industry by a small number of doctors and a large number of magazines, and newspapers. As many, if not more, distinguished scientists have disputed the arbitrary statements of the few doctors. As many, if not more, distinguished researchers, have pointed out other factors such as air pollution rather than cigarette smoking. There are many scientists who question the statistics and even doubt the fact that there is a health question involved in cigarette smoking. Yet, who rated the headlines when the charges were made? Unfortunately, the cigarette industry. Where were the denials and counterclaims? You sometimes had to use a microscope to find them.

I need not go further into an examination of this problem. You know the effects it has had and is having on our industry. I would only like to say this on behalf of our officials at Philip Morris, and I believe this represents the view of the other manufacturers, the jobbers, retailers and everyone in this room:

If we had any thought or knowledge that in any way we were selling a product harmful to consumers, we would stop business tomorrow. But, for more than 300 years, people have been smoking tobacco products for pleasure, relaxation, solace and satisfaction. During that time, the longevity of the population has increased and the world today is enjoying a higher and better living and health standard than ever before. Let the magazine and newspaper writers correlate their tobacco consumption figures with these facts:

I point out the above because it is part of our overall public relations problem, that of telling the story we have and creating an atmosphere where our industry is recognized and rewarded for the contributions it is making to our society. It is a good positive story.

0002366400

1. First and foremost is the fact that at the lowest prices in the world the tobacco industry of United States supplies the highest quality cigarettes in the world for the enjoyment of 60,000,000 consumers. And gentlemen, this pack of cigarettes is the greatest part of our story - for twenty billion times a year it is our link to the American smoker.

2. Our direct excise tax payments alone last year of more than one and a half billion dollars practically equals the entire Federal budget for health and welfare of the nation. Our more than half a billion dollars in taxes to the state and local

PM3039590023

governments constitutes in many sections of the nation a principal source of funds for education, medical care, and police and fire protection.

3. That this industry is the prime source of income for more than three and a half million American citizens.

4. That by our purchases of overseas leaf, particularly in the Near East, we have been of substantial aid to our government in bulwarking the economies of many countries against Communist aggression.

That is part of our story. You in your localities can amplify it even further. Now, what are we going to do about our problem.

1. On the medical question, the industry has formed the Tobacco Industry Research Council which deserves the wholehearted support of each and everyone of us.

2. On the tax and other problems, the NATD, The Retail Tobacco Dealers Association and the other national organizations have been doing yeomanlike work, work that must be expanded, coordinated and supported.

3. And now, I would like to get personal for a moment. Each of us in this room is a public relations ambassador of the tobacco industry. Each of our employees and co-workers - whether in manufacturing, retail, leaf or wholesaling - is a public relations ambassador for the industry. Our neighbors, our legislators, the shopkeepers with whom we deal, the suppliers who sell us, the customers we have - regard us as representative of this industry. Let us represent this industry as we want it regarded by the outside public. Let us maintain ethical business practices. Let us keep our squabbles internal - in fact let us eliminate those squabbles and present a dignified united front to those outside our industry.

Let us become acquainted with the facts of our industry, as to taxation, as to the medical problem - material is available to you through the trade press, through the various groups I mentioned - and let us tell that story in every possible forum.

On your local level, get to know your legislators before that tax bill or ordinance is introduced.

Train your employees to represent you with courtesy and dignity, (even to the point of how they drive their cars and trucks), for you and the industry will be judged by their actions.

And, if I have one final plea, be active in those trade organizations to which you belong. Don't think of public relations as the fire station you call in an emergency when your house is burning down. Think of it as the Chinese do in terms of preventative medicine. Don't expect your organizations such as your local tobacco

0002366401

PM3039590024

tables, your state and national organizations to function as you desire in emergencies unless you have kept them in running order on a continuous basis.

And particularly, let us remember that there is no mystery to public relations. It isn't any high science, has nothing to do with nuclear physics or space ships. It is down to earth, good common business sense in the day-to-day relationship of you and your business to the public. You can't buy it. You must create it. You must plan it. You must work on it as you work on any other aspect of your business. It is there at no cost, if you just use the tools on hand.

And on a closing note, let me remind you and those who cry "disaster" and "slump" for the tobacco industry - for three hundred years this industry has been under attack of one kind or another - and has come out of each crisis with even greater strength for the basic element of our relations with the public - our product - cannot be denied. It won't be if we follow a sound public relations policy.

0002366402

PM3039590025