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# BUSINESS & PUBLIC AFFAIRS

FORTNIGHTLY

## LOBBYISTS/LOBBYING

No lobby is in the spotlight like the tobacco lobby...

In many ways, that's been true for years. But media coverage has been more intense over the last six months or so as tobacco companies and the Tobacco Institute have escalated their attack on industry foes -- like airlines that bar smoking and advertising agencies that handle anti-smoking campaigns. The emerging picture...an industry with public affairs/external relations strategies so polished they could serve a number of other industries as a model.

The latest evidence...two new analyses covering disparate portions of the industry's all-out effort to build socio-economic alliances and mute the anti-smoking drive. A particularly lengthy study in the Los Angeles Times (5/22) detailed the industry's links with (and subsidies to) minority groups and state legislative organizations. The Wall Street Journal (6/8), in turn, just profiled the influence that tobacco and its money enjoy in art circles. It's an impressive picture.

Tobacco's Minority/Legislative Organizational Alliances: No other industry is nearly so well organized. Given tobacco's principal legislative goals -- trying to fend off excise tax hikes and to portray smoking as a civil right under fire -- lots of money and attention is focused on minorities, on groups leery of excise taxation, and on organizations of state officials and legislatures (more and more battles are being fought at the state level). To begin with the minority side of the equation, where marketing strategies are predominant but civil rights overtones are also present, the Times reports that total industry gifts to minority and feminist causes exceeded \$4.5 million in 1987 (Philip Morris gave \$2.4 million and RJR Nabisco \$1.9 million). The marketing motivation...that women and blacks continue smoking in larger numbers, and constitute a disproportionate share of smokers. The civil rights angle...that minorities share civil rights concerns and make good legislative allies on a number of issues. In 1987, tobacco companies gave at least \$350,000 to the Congressional Black Caucus Foundation, the Congressional Hispanic Caucus Institute and the Women's Research and Education Institution, an affiliate of the Congressional Caucus for Women's Issues. The National Women's Caucus got \$130,000 last year from Philip Morris and RJR Nabisco, with the result that tobacco gifts account for 10-15% of the group's budget. Substantial funding also goes to Latino and black causes in general. However, tobacco contributions to the latter go back some three decades; they're not just recent and opportunistic. In addition, tobacco is one of the biggest and oldest advertisers in Latino and black media. Per the Times study, this overall tobacco effort has been paying off...minority politicians and opinion-molders have rallied to the industry's side in a number of contexts. Second, it may come as a surprise, but organized labor is also a tobacco industry beneficiary and occasional ally. Minority and low-income dominated unions have fought against rules to limit smoking in the workplace. Some transportation unions have collaborated with tobacco to oppose smoking prohibitions on trains, and the industry has also hooked up with unions (sheet metal workers) in the ventilation industry to support a broad program against indoor pollutants that does not single out stale tobacco smoke. The Tobacco Institute finances the organization that serves as the glue of the alliance -- the Tobacco Industry Labor-Management Committee, made up of representatives from industry and from five unions (not just the Bakery, Confectionary and Tobacco Workers but also the machinists, sheet metal workers, carpenters and firemen and oilers). The TILMC provides a broader access to labor. Third, on the tax front, the industry gives some \$3,000 a month to Citizens for Tax Justice, an anti-corporate group that also opposes excise taxes because of their regressivity. Tobacco apparently furnishes about 15% of the CTJ budget. Minority groups, of course, also tend to oppose excise taxes. Finally, in the state legislative arena, where more tobacco-related fights are taking place, the industry is also extremely active -- and successful. The Times study details tobacco's funding of and influence on the National Black Caucus of State Legislators, the American Legislative Exchange Council, the National Conference of State Legislatures and the Council of State Governments.

Tobacco's Arts Alliances: Philip Morris, in particular, practices "strategic philanthropy" to the tune of some \$13 million a year in support for cultural institutions from museums to music halls. Per the 6/8 Wall Street Journal, two decades of this munificence has made Philip Morris a corporate Medici and given the company access to presidents and prime ministers, kings and queens -- and the imagery and status that goes with it. There's less hard-sell involved on this side of the ledger. The Journal notes that several years back, when Philip Morris tried to recruit New York museum officials to protest local anti-smoking ordinances, the latter wouldn't cooperate.

The obvious implication...that the tobacco industry isn't going to go down easily. However, there's a second message for other companies/industries facing potential public-affairs type challenges -- tobacco's approach shows just how far a high-powered blueprint can reach. The Times analysis, in particular, ought to be required reading in the external relations departments of politically-pressured industries.

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