



PHILIP MORRIS MONEY

BY ROBERT DREYFUSS

In Virginia, fresh-faced, environmentally minded schoolchildren gather biological samples and test water quality in rivers and waterways, part of the Izaak Walton League's Save Our Streams initiative. In Chicago, amid Tai Chi classes and body massages, families with young children enjoy performance art and teenagers flock to an all-night "rave," all part of the Museum of Contemporary Art's Summer Solstice weekend. In Minnesota hundreds of children with HIV or AIDS come together each year at Camp Heartland, where they can "escape the isolation and misunderstanding they so often face because of this illness." And all of these kids can thank the caring people at Philip Morris.

It might raise eyebrows that children and youth engage in otherwise worthwhile activities while carrying brochures and leaflets bearing the Philip Morris logo, but these and scores of other programs—ranging from battered women's shelters to disaster relief programs to scholarships for African-American students at black colleges—are important parts of an aggressive public relations campaign by the world's largest maker of cigarettes. During 1999 Philip Morris spent more than \$60 million on things like hunger relief, domestic violence programs, and support of the fine arts, including some of the nation's leading museums and dance companies. Though the company has used its tobacco profits to support charitable and educational works for decades, what's new now is that its \$60-million corporate giving program is suddenly being dwarfed by a \$100-million-a-year image-rebuilding campaign launched last fall, which spotlights the company's goodwill efforts. Leading the way are Philip Morris-sponsored television commercials touting the firm's good deeds, under the slogan: "Working to make a difference. The people of Philip Morris." In the ads, actors play ordinary Americans engaged in volunteer teaching and assisting victims of floods.

"It may be a longer-term effort, but we feel this is the right way to go," says Karen Brosius, director of corporate contributions for Philip Morris. "We have to redefine Philip Morris for the twenty-first century."

Critics, including anti-tobacco activists and public health executives, ridicule the company's effort to rehabilitate itself in the public eye. "They're taking blood money and using it to assuage people's hostility to their company," says Cliff Douglas, an attorney who's battled tobacco companies for years. "That money comes off the backs of millions of addicted smokers. It's almost too sickening to comment on."

At the same time, however, Philip Morris's critics don't dismiss the impact that the effort could have. "It has the potential to work, to pay off," says Bill Novelli, a former public relations executive and president of the Campaign for Tobacco-Free Kids. "It won't work overnight," he says. "But they're persistent, they're smart, and they're rich."

For a decade, of course, Philip Morris and the rest of the tobacco industry have been engaged in a literal fight for survival. They've battled individual lawsuits from injured smokers, class action cases, and government-backed suits by dozens of states and the Department of Justice seeking to win back taxpayer money spent caring for sick and dying smokers. They've beaten back much state and federal legislation aimed at curbing youth smoking and raising taxes on cigarettes, and so far they've used the courts to block a regulatory push by the Food and Drug Administration. And they've fought a wave of actions to ban smoking in public places.

In fighting on so many fronts, the industry has spread its cash far beyond its traditional campaign contributions and large infusions of soft money to the Republican Party. In Washington, in state capitals, and even down to the city and county levels, the

tobacco companies have expended vast resources on lobbying. They've supported whole armies of attorneys, consultants, and expert witnesses. They've lavishly funded political allies, ranging from conservative think tanks like the Cato Institute, the Heritage Foundation, the Washington Legal Foundation, and the Progress & Freedom Foundation to liberal groups like the American Civil Liberties Union. They've sponsored sports events, from airy Virginia Slims tennis tournaments to gritty NASCAR races. And recently, worried about increasing restrictions on tobacco advertising, they've funded the start-up of entirely new, corporate-sponsored magazines, in which, of course, they impose no advertising restrictions on themselves.

The money Philip Morris spends on charitable, educational, and cultural institutions may not look like it's part of that same war chest. But antismoking activists say that the company's corporate giving program is an integral part of its defense strategy. Not only do such contributions provide Philip Morris with a veneer of respectability, but critics worry that by carefully choosing the recipients of million-dollar grants the company is quietly buying the neutrality and, in some cases, the grudging support of important parts of the American body politic.

"They're buying silence," says Douglas. "For years, the health community, in its effort to combat tobacco, has sought the buy-in of many affected communities and has had great difficulty enlisting their support." Citing Philip Morris contributions over the years to groups like the NAACP, the Urban League, the National Organization for Women, the National Council of La Raza, and many others, Douglas says, "Many of them were either silent or provided testimony to Congress opposing tobacco-control legislation."

Further, Philip Morris's charitable giving is skewed significantly toward groups that represent parts of the population specifically targeted by cigarette marketers, especially women and minorities. These are populations whose representatives could have been expected to ally with the tobacco industry's opponents, but that hasn't happened. In 1999, for instance, Philip Morris provided major support to the Dance Theater of Harlem and the Alvin Ailey American Dance Theater as well as to the United Negro College Fund, the American Indian College Fund, and the Thurgood Marshall Scholarship Fund. "They have befriended minority groups for a long time," Novelli says. "And they're getting a lot for their money there."

Antismoking groups have tried for years to convince recipients not to take money from the tobacco industry, with varying success. "In the public health community, there is virtually a united front against the idea of taking money from Philip Morris," says Joel Spivak of the Campaign for Tobacco-Free Kids. "We say, 'You shouldn't take money from an organization that does so much harm.' But I'd be lying to you if I said it was an easy sell. And Philip Morris knows that."

An ace in the hole for Philip Morris is its long-standing relationship with the highbrow

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fine arts community. For decades the company has provided substantial support to leading institutions like New York's Whitney Museum of American Art and the Solomon R. Guggenheim Museum. Philip Morris's partnership with the Whitney began in 1967, perhaps not coincidentally just after the first report of the U.S. surgeon general on the cancer-causing nature of tobacco smoke. In 1983 the two established the Whitney Museum of American Art at Philip Morris, housed in the tobacco company's New York world headquarters. Over the years, the company has funneled millions of dollars to icons of the New York cultural establishment, including the Lincoln Center—which in the 1980s handed out cigarettes in bags of favors to patrons—the Joffrey Ballet, the Brooklyn Academy of Music, the American Ballet Theater, and the Brooklyn Museum of Art, among others.

On occasion, there's been an explicit quid pro quo. In 1994, when the New York City Council was considering restrictions on smoking in public places, Philip Morris threatened to leave the city—taking its arts funding with it—and the company leaned on grantees to join it in opposing the bill; some did. And when Philip Morris tried to wrap itself in the Bill of Rights by sponsoring a nationwide celebration of that constitutional document, among those appearing prominently in the company's campaign was Judith Jamison, artistic director of the Alvin Ailey American Dance Theater.

By and large, the beneficiaries of Philip Morris's largesse say that they have no qualms about taking money from America's most vilified corporation, and they vehemently deny being influenced in any way by its support. Paul Hansen, executive director of the Izaak Walton League, says bluntly, "The Philip Morris people have never asked us for squat." At the American Farmland Trust, whose research is partly funded by Philip Morris, a spokesman says, "They have been a very generous funder over the years, and there are no strings attached."

That's not to say that there's no controversy over the company's donations. Case in point: Philip Morris's support for battered women's shelters, lately one of its highest-profile campaigns. Together with the National Network to End Domestic Violence, Philip Morris created a program called Doors of Hope. Beginning with \$1 million in 1998, the program expanded this year to \$2.5 million, funneled to 180 organizations across the country. The campaign also took flight in glossy, two-page advertisements in magazines like *George* and *Vanity Fair*, in which battered women told moving stories about being survivors of domestic violence. According to Karen Brosius, who oversees the program, Philip Morris CEO Geoffrey Bible himself "felt this was one area in which we could really make a difference."

Elaine Hughes, who serves on the board of directors of the National Network, recognizes the stigma associated with money from Philip Morris, but defends taking the money. "It's very difficult, when you get into the corporate world, to avoid tainted money," she says. "I'm comfortable with it. But we have been criticized for it." Still, says Hughes, Philip Morris "provides money that battered women's shelters could not otherwise get." Under the program, the National Network reviews grant applications from around the country and then "basically . . . tells Philip Morris who to give the money to."

That worries Rita Smith, executive director of the National Coalition Against Domestic Violence, another major player in the movement. Last year the coalition's board of directors voted not to participate in Philip Morris's domestic violence pro-

gram. "The amount of money Philip Morris could give could not equal the damage it could do," says Smith, adding that coalition members objected to the company's money "because cigarette companies have been dishonest, lying to the public, and marketing to children." After Philip Morris paid for a full-page ad announcing its Doors of Hope initiative on the inside cover of the program handed out at the coalition's annual meeting last year, says Smith, "Some members protested, and we announced that those who objected could tear the covers off the program. Quite a few tore their covers off. You could hear ripping all over the place."

The most common defense for taking money from tobacco companies is the one offered by Hughes at the National Network: that taking money from just about any corporation carries some sort of stigma. Tom Metzger, spokesman for the National AIDS Fund, uses that argument to defend his organization's partnership with Philip Morris in a program called Positive Helpings, which provides nourishing food to people with AIDS. Citing the fact that Philip Morris's Kraft subsidiary produces foods, Metzger says, "Nothing's more benign than Jell-O. When you look at any multinational, you will find critics of something they produce."

Yet it's hard to escape the notion that somehow cigarette makers are in a class by themselves, having achieved virtual pariah status. The idea that an organization involved with a deadly disease like HIV or AIDS would welcome money from a company whose product kills far more people than AIDS does horrifies John Garrison, CEO of the American Lung Association. "My advice to the AIDS people would be to refuse the money," he says. While other industries and corporations might be criticized for one reason or another, says Garrison, "Nobody else is killing 430,000 people a year."

Despite the obvious irony, Garrison thinks that the company may be able to postpone its day of reckoning long enough to allow it to secure its future in other ways. "What Philip Morris is trying to do," says Garrison, "is to buy its image the way it buys elected officials, and hold the line here in the United States while they build markets overseas."

"Philip Morris is extremely good at strategic thinking, and they are taking the long view here," says Bill Novelli of the Campaign for Tobacco-Free Kids. Not long ago, he says, in an opinion poll taken by Harris Interactive, Philip Morris finished 10th out of 10 among companies about whom Americans had a negative impression. "They can't climb out of that hole overnight," he says. "But they're trying to buy some respectability."

And despite the long odds, it's not impossible that Philip Morris's campaign could succeed in restoring a modicum of acceptance for the company—or at least help it survive until the industry can secure a stronger market position in Russia, China, and the developing countries. Yes, there is a surreal quality to Philip Morris's charm offensive, sort of a *Springtime for Hitler* unreality about the company's straightforward effort to resurrect itself. Yes, after so many years without television commercials for cigarettes, it's startling to see Philip Morris's signature on the boob tube once again. And, yes, it's easy to laugh at the fact that the company is spending more money telling people about its good works than on the good works themselves. But in all, the campaign is an important reminder that the tobacco industry, though down, is not out. ♦