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Transcript

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PROGRAM Nightline

Ted Koppel, anchor:

After decades of denial, now they say cigarette smoking is addictive. But why now? Tonight, is the world's largest cigarette maker coming clean or simply cleaning up it's image? (Clips from tobacco makers testifying before Congress; tobacco spokesman from previous TV program; Visual of Philip Morris logo)

Unidentified Announcer: From ABC News, this is Nightline. Reporting from Washington, Ted Koppel.

Koppel: If anyone is under the impression that Philip Morris, the largest cigarette maker in the world, has just run up the white flag of surrender, hold that thought for another day.

Granted, the headline in this morning's New York Times reads: Philip Morris Admits Evidence Shows Smoking Causes Cancer. Which is exactly right. That is what the company does admit. That this is the message of public health authorities worldwide. It won't necessarily adopt that message themselves in court but you'd have to find that between the lines of it's latest public relations offensive.

On its new corporate Web site, launched yesterday, Philip Morris seems to admit that smoking is addictive. Some of our other colleagues in the media have reported as much, suggesting that Philip Morris itself now concedes that smoking is addictive and causes lung cancer, heart disease, emphysema and other serious diseases.

But in point of fact, that is not what Philip Morris is saying. The company is simply quoting the medical and scientific consensus and suggesting that potential smokers rely on those messages rather than say the next campaign for Marlboro cigarettes.

As for cigarette smoking being addictive, I've got a quarter says their lawyers won't concede that point in

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Philip Morris' next court case. Anyway, here's Nightline correspondent Michel McQueen to tell you how the story has evolved.

Michel McQueen reporting:

It was one of the most memorable scenes of political theater in recent memory. (Clip from tobacco makers testifying before Congress) In April, 1994, the chief executives of the country's top seven tobacco companies refused to say under oath whether smoking causes cancer.

Andrew Tisch (Lorillard Incorporated): (April 1994) Well, we--we have looked at the data and the data that we have been able to see is all the statistical data that has not convinced me that smoking causes death.

McQueen: And they insisted it is not addictive.

William Campbell (Philip Morris Company): (April 1994) Cigarette smoking is not addictive.

Unidentified Man #1: I don't believe that nicotine or our products are addictive.

Unidentified Man #2: I believe nicotine is not addictive.

Unidentified Man #3: I believe that nicotine is not addictive.

McQueen: Well, what a difference five years and a two-hundred-billion-dollar legal settlement makes. This week, Philip Morris, the country's leading cigarette maker, posted a new Web site that acknowledges that, quote, "there is an overwhelming medical and scientific consensus that cigarette smoking causes lung cancer, heart disease, emphysema and other serious diseases in smokers," end quote.

And it goes on to say that, quote, "cigarette smoking is addictive as that term is most commonly used today," end quote. (Visual of Philip Morris Web pages)

The new language provoked a flurry of television coverage and a front page story in the New York Times. (Visual of The New York Times) It earned praise from President Clinton.

President Bill Clinton (United States): This formal acknowledgement comes far too late, but still we must all welcome it. It can be the beginning of clearing the air.

McQueen: And one leading anti-tobacco activist, former Food and Drug Administration chief, Dr. David Kessler called it a significant development.

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Dr. David Kessler (Anti-Tobacco Activist): No matter how you read that language, Philip Morris has now come out and said directly that nicotine is an addictive substance. And that has profound consequences. It has profound consequences for how we view this product.

McQueen: But all the hoopla around the new Web site obscures one central fact: the language was all but dictated by the landmark legal agreement signed last November between the tobacco companies and forty-six state governments. The tobacco companies agreed to pay the states two hundred six billion dollars to settle the avalanche of state lawsuits against them.

Under the agreement, tobacco manufacturers are barred from making any, quote, "material misrepresentation of fact regarding the health consequences of using any tobacco product," end quote.

Moreover, tobacco executives have carefully made some of the same points in recent years, including on this program. Here is Philip Morris vice president Steven Parrish in June 1990.

Koppel: (June 25, 1990) Do you still insist that there was no evidence between that--you know, pointing to death by lung cancer, emphysema, heart disease caused by tobacco smoking?

Steven Parrish (Vice President, Philip Morris): (June 25, 1990) Ted--Ted, we do not say there is no evidence. There clearly is evidence that links cigarette smoking with lung cancer and other diseases. We don't deny that cigarette smoking is a risk factor for lung cancer and other diseases.

Koppel: Tim?

Dr. Timothy Johnson: (June 25, 1990) By the way, Ted, I'm ner--fascinated that they are no longer denying it. Because they do in courtrooms when the suits come of course.

McQueen: As the tobacco companies will no doubt continue to do as the settlement agreement also says that nothing in it shall, quote, "limit the exercise of any First Amendment right or the assertion of defense or position in any judicial, legislative or regulatory forum," end quote. Which makes today's acknowledgement, in the views of this anti-tobacco activist, either a new legal defense strategy, a giant PR stunt or both.

Kathryn Vose (Campaign For Tobacco-Free Kids): They're not even saying now that they agree with the consensus of the

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scientific and medical community. They're not even saying that they agree with that. They're saying there is this knowledge out there and they're putting it out there for people to take a look at.

McQueen: Indeed, the new Web site was posted as part of a multimillion dollar public relations campaign for Philip Morris. (Visual of Philip Morris building exterior) It will include ads like these, promoting the company's non-tobacco businesses and extensive charitable involvement. (Clips from Philip Morris commercials)

Vose: I think it is an attempt to improve their tarnished reputation and to make them look like they're good corporate citizens at a time when they're under siege.

McQueen: But other activists, like David Kessler, think it doesn't matter what the company intended. The effect on the public debate cannot be underestimated.

Kessler: I sat there when they said over and over and over again that nicotine was not addictive. That was their defense why--FDA shouldn't regulate the product. That no longer is the case.

McQueen: Whether the moves by Philip Morris represents a PR stunt or a break with the pack, there can be no doubt that the tobacco industry remains under fire. Just last month, the administration filed a massive lawsuit against the tobacco companies seeking billions in damages for the cost of treating smoking related illnesses. And in December, the Supreme Court will consider whether the FDA has the right to regulate tobacco products.

This is Michel McQueen for Nightline in Washington.

Koppel: When we come back, I'll be asking a Philip Morris executive exactly what his company is up to.

(Commercial Break)

Koppel: Joining us now from Philip Morris headquarters in New York, Steven Parrish. He's senior vice president for corporate affairs. And beyond the fact that we're both nine years older and a lot grayer, what else has changed since you were on this program nine years ago?

Parrish: Well, I wouldn't have believed it then, but tobacco has gotten to be even a more contentious issue and a more controversial product than it was nine years ago. That's certainly one thing that's changed.

Koppel: What's changed in terms of what you were saying then and what you were empowered to say tonight?

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Parrish: Well, I'd say two things have changed. One thing is we not only are saying some new things, but we're trying to do a better job of being out there and communicating and developing a dialogue that I think people like Dr. Kessler and President Clinton were welcoming today when they reacted to what we had put up on our Web site. Cause our view is that we needed to make a good-faith effort to open that dialogue, because all of the acrimony and endless debates of the last nine years really hadn't resulted in much progress on a lot of these tobacco issues. So we want to get that dialogue going. We want to work with people in the public health community and try to do some things that will move the ball forward.

Koppel: As Michel McQueen noted in her piece, you're actually precluded under your agreement with the states from saying anything publicly that is not true. So that does give you a little bit of an incentive to be better corporate citizens. But as to the point that both she and I made, your lawyers are not precluded from still maintaining that the--the tobacco and nicotine are not addictive, are they?

Parrish: Well, we will defend ourselves in the courtroom, and as we've always done. There may be new strategies that develop in the courtroom over time. I think there very likely will be. But, of course, I'm not going to get into those right now.

Koppel: No, I wouldn't expect you to. But I--I--I do expect you to be a little more straightforward about answering the question if I say to you, Steve Parrish, right now, tell me, is nicotine addictive? You will have no trouble saying yes, is that correct?

Parrish: I will have no trouble saying what--exactly what is on our Web site, that under the definition that's commonly used today, it absolutely is.

Koppel: Now, under the definition that is commonly used today, the definition that is commonly used today is probably not going to be the definition that is adopted by Philip Morris attorneys in court. Would that be a reasonable assumption?

Parrish: Well, again, I don't know what the lawyers are going to go when they go into the courtroom. I'm not involved in the legal strategy, but I can predict that they will say in the courtroom that under the definition that's accepted today, it is addictive.

Koppel: Under the definition that is accepted today, but there's nothing to preclude them from saying, if we are going to adopt a legal definition, the definition that is adopted today may not necessarily rise to that level. In

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other words, you wouldn't be one bit surprised if your lawyers, in court, say something that is directly contradictory to what Philip Morris is saying on its Web site today.

Parrish: I would be surprised to see lawyers directly contradicting what we're saying in our Web site. But, you know, you raise an interesting point, which I think has been part of the problem we've had over the past few years. That is, if we end up in these endless arguments and debates about what the right definition of a term is, we really don't make any progress. And what we found as we negotiated our settlement with the state AGs and when we negotiated the comprehensive resolution that we proposed in 1997 is you can, in fact, sit down with people who have historically been our critics. You can find some common ground, and you can work some--toward some solutions. It's not easy, but we're prepared to do that, and that's why we're trying to open up this dialogue with the public.

Koppel: You were good nine years. You're even better today. I'm--I'm just a little bit confused by when--when you say that you think your lawyers are not going to contradict what is being saying--what is being said publicly. Are you telling me your lawyers are going to court and saying, Yes, nicotine is, in fact, addictive? Will they--will they concede that point? I'm not getting into your--I'm not getting into any other aspects of your--of your strategy now. I just want to know whether you think they're going to concede that.

Parrish: I understand. And I have not talked to our trial lawyers bu--about this, but I do not believe that they are going to contradict the statements on our Web site.

Koppel: They don't have to contradict it. They simply have to say that there's a a legal definition and there's a commonly accepted definition, and the two don't necessarily have to be the same.

Parrish: Well, I'm not sure what the legal definition is. But that's really not the point of this Web site, is to get into an argument about is there a legal definition of addiction and what is the legal definition of addiction? It is to say, people out there in the country have a notion of what addiction is. And we have told them, we agree that under that definition, cigarette smoking is addictive. And the public health community agrees with that. They've wanted--wanted us to say that for a long time. We have said that. So now it seems to me, we can take a step forward, as the president said today, and try to clear the air of some of the acrimony that has really gotten us bogged down.

Koppel: Tell me what you think is really new. I mean,

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what is different from what Philip Morris is saying today from what its executives said four years ago? And beyond the fact that they are obliged now under their agreement with the states to tell the truth, is there any new evidence that has come into your--into your position that has caused Philip Morris to change its view?

Parrish: Yeah. Let me just be clear about one thing. The settlement with the states did not require us to say anything. As you rightly pointed out earlier--

Koppel: It requires you to tell the truth.

Parrish: It--it requires us not to make misrepresent--misrepresentations about the health effects of smoking. And we think our Web site is perfectly consistent with that. What we have said today is that, clearly, there is a tremendous amount of evidence out there that smoking causes disease, that there's an overwhelming consensus in the medical and scientific community, that that is true. We also believe that public health authorities justifiably have concluded, based on the evidence that's out there, that smoking causes disease, and that it is appropriate for them to tell that to people. And we've also told our--the public that we believe that when they're making decisions, when adults are making decisions about smoking, they should believe the public health authorities when they say smoking causes disease and smoking is addictive.

Koppel: Actually, in your--in your Web site, you use a legal term of art, which is that they should rely upon it, rather--and--and rely, I mean, the only reason I'm raising it is rely is one of those important words that end up being used in court. And now you've, in effect, told the public they need to rely on those statements. Now whether you go--if you go out now and buy cigarettes on your own, that's your legal problem.

Parrish: Well, it just seems to me that it's not a bad thing for the American public to rely on what the surgeon general has to say.

Koppel: Yeah. I--I--I guess the only think that's a little bit confusing is it's taken the tobacco industry so long to come to that conclusion.

(Commercial Break)

Koppel: And we're back once again and with Philip Morris senior vice president, Steven Parrish:

What--what were those company CEOs--tobacco company CEOs talking about five years ago when they got up before congress and said, nope, it ain't addictive?

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Parrish: Well, if you go back and look at the entire tape or transcript of what happened, there were questions asked about the--what those individuals believed about the addictiveness of nicotine and smoking. One of the CEOs began to explain what he meant. He was cut off and directed by the--one of the members of congress to give a yes or a no answer. And they each gave a yes or a no answer. They all said they did not believe, in their opinion, that it was addictive. If you look at what they had said in their testimony before that, they clearly were arguing for a particular definition of addiction. And under that definition they thought, in their opinion, it was not addictive.

Koppel: Tell me about that. I mean...

Parrish: What--what I'm s--

Koppel: ...what was that definition? I mean, what definition--in other words they were saying it's not addictive the way heroine is addictive or it's not addictive because it's not illegal? What was the--what was the thrust of their argument?

Parrish: What--what I recall is that those executives were saying that under a classic pharmacological definition of addiction, you need three things. You need tolerance. You need--see if--I can't remember the other three, but--the other two--but there were three clear criteria under a classic pharmacological definition of addiction. Those--

Koppel: Let me try to help you, because I think...

Parrish: OK.

Koppel: ...I think--I think one of the points was--and maybe this was the point. You tell me if I'm right. That it in some way alters your--your state as alcohol alters your state of awareness or consciousness...

Parrish: That--that may have been one.

Koppel: ...and that cigarettes don't do that.

Parrish: That may have been one.

Koppel: Is--is that the point they're still making, today, or--or have we dumped that now?

Parrish: No. I think the point that we're trying to make today is that we feel it's no longer productive to keep arguing about what the definition of addiction is. Clearly people in the scientific community, particularly in the public health field, people like the surgeon general, do

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not feel that the classic pharmacological definition of addiction is an appropriate one to be used for cigarette smoking. And we're prepared to accept that. And under the definition that they use, that a lot of people are using out there, cigarette smoking is addictive. So now the question to me becomes what do we do about this? How are we going to move forward and make s--some progress? I think--I don't think anybody, right now, is advocating that we ban the sale of cigarettes to adults. So what are we going to do about it?

Koppel: Well...

Parrish: Like keep it out of the hands of kids, for example.

Koppel: ...clearly one of the questions that--that is before the country right now is whether the FDA is going to make it a controlled substance. And if indeed you folks are now acknowledging that the product is addictive, then that would seem to strengthen the FDA's case. Would you...

Parrish: Well...

Koppel: Would you continue to fight that?

Parrish: Yeah. The FDA has not proposed that cigarettes be regulated as a controlled substance. They've been--

Koppel: Not--not yet.

Parrish: No. They have proposed that cigarettes be regulated as medical devices and that FDA be given the authority to regulate cigarettes like medical devices and to have the power to unilaterally ban the sale of cigarettes to adults. That is in the statute. It is clear the FDA has conceded that in court that they would have that power. I don't think that makes any sense. There's got to be a better way to do this.

Koppel: If, indeed, cigarettes are addictive, then tell me why--I mean, other than the economic reasons, which are self-evident, tell me why the tobacco industry would continue to fight that.

Parrish: To fight the FDA rule?

Koppel: Exactly.

Parrish: Because we don't think congress ever intended for the Food And Drug Administration to regulate cigarettes as medical dises--devices.

Koppel: Well, forget about...

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Parrish: And...

Koppel: Forget about congress...

Parrish: And--

Koppel: Forget about congress for a moment, Mr. Parrish, let's--let's get back to that sense of reasonableness that you were--that you were touting at the beginning of the program. Does that--

Parrish: All right. Let me--let me say something.

Koppel: Go--go ahead.

Parrish: You say something I think's very reasonable. That the FDA should not be given the authority to ban the sale of cigarettes to adults.

Koppel: Well--

Parrish: I think that's very reasonable. And that cl--FDA has conceded that if their rule goes into effect, they will have that power.

Koppel: If FDA simply wanted to do the same thing with tobacco that it has already done with alcohol--and that is that it is a--it is sold as--under certain regulations--would you have any problem with that?

Parrish: No. If you think back to 1997 when we pro--along with others, including some people in the public health community, proposed to congress that there be a comprehensive regulatory scheme involving tobacco. And there was, in fact, in that proposal, FDA regulation of tobacco but as tobacco and not as medical devises with the--with the ability to ban the product to adults.

Koppel: When you go--when you go back to work tomorrow or a week from now, what would you consider to be a success? I mean, coming out of the opening of your new Web site, today, with a particular focus on what you and I have been discussing?

Parrish: Well, I think...

Koppel: What do you--what do you--what do you hope the public comes away with?

Parrish: I think it's encouraging that the president said that he welcomes this and some of the anti-smoking groups have said that this is a good first step. We know this is a long-term process. We want to open the dialogue. It's going to take a long time for us to restore our credibility to where we think it should be. We're prepared to make

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that commitment and work with others to try to open the dialogue and make some progress on some of these issues. But we do recognize it's a long-term process.

Koppel: Philip Morris stock is--is pretty low these days, about as low as it's been in about a year. Any hope that this is going to help Philip Morris stock?

Parrish: Well, you know, our business is in excellent shape. What has been really a--the overhang, if you will, on our stock has been some of the litigation issues. This effort to open up the dialogue is not a litigation-related effort. It is really an effort to--for us to be a part of the process as a lot of these issues re--regarding all of our products, including tobacco, are debated and resolved.

Koppel: Mr. Parrish, thank you. It's always a pleasure talking with you. Good of you to come in.

Parrish: Thanks very much.

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