Commentary

The Opium Wars Revisited as US Forces Tobacco Exports in Asia

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Abstract: The tobacco industry has lobbied successfully to obtain the support of the United States government for opening Asian Markets to American tobacco products. This paper comments on two issues arising from these efforts: the development of an atmosphere of invasion and resistance to invasion in Asia; and the change in the image of the United States in Asian nations from that of a leader in health to that of an exporter of death. The threat of sanctions and the effects of the open market and United States tobacco company advertising in Japan, Taiwan, and South Korea are noted. Parallels are drawn between the opium wars a century and a half ago in China and the current threat of trade sanctions. Reacting to American policy, an Asia-Pacific Association for Control of Tobacco has been formed and linked with the US Coalition Against Smoking. (*Am J Public Health* 1990;80:659–662.)

Introduction

In a recent statement on the export of tobacco products to foreign countries, former Surgeon General C. Everett Koop said in a television program: "It's reprehensible for industrial nations to export disease, death, and disability in the way of cigarette smoke to developing countries, putting on their backs a health burden that they will never be able to pay for 20 or 30 years from now."*

The tobacco industry has lobbied intensively to get the support of the United States government for opening markets to US tobacco products in Asian countries. Two factors have contributed to the tobacco lobby's efforts: the decline of tobacco consumption in the United States since World War II, and the unfavorable balance of trade between the United States and some Asian nations, notably Japan, Taiwan, and South Korea. The United States government, in support of the tobacco lobby's interests, has used the 1974 Trade Act, Section 301 as an instrument to pressure Asian nations to open their markets.[1]

Section 301 empowers the United States Trade Representative to investigate unfair trade practices by foreign nations. Should these practices be judged unfair, the Trade Representative may recommend to the President that he take action to retaliate against the offending nation. Under the thrust of Section 301, negotiations with several Asian nations have led to the opening of markets to American tobacco products: in Japan in 1986, in Taiwan 1987, and in South Korea in 1988. Thailand is targeted as the next country to be pressured to open its markets.

Cigarettes or Sanctions

In late 1986, Japan became the first Asian nation to lift its tariffs on foreign cigarettes. Aggressive western-style advertising methods were then introduced by the American tobacco companies. By the end of 1988, cigarettes ranked second in total television advertising, up from 40th place two years earlier. Furthermore, since the opening of the Japanese market, Japanese cigarette sales have increased 2 percent, reversing a 20-year downward trend.[2]

In the beginning of 1987, Taiwan also found itself facing threats of retaliation under Section 301. In response, Taiwan dropped its strict quotas and tariffs on imported cigarettes and agreed to lift restrictions on previously banned cigarette advertising. As a result, the average Taiwanese smoked 80 more cigarettes in 1987 than in 1986.[3]

Clayton Yeutter, the United States Trade Representative at that time, moved next to negotiate with South Korea. In May of 1988, the South Korean government was informed that trade sanctions would be applied against its textile exports unless: United States tobacco products were accepted; tariffs were reduced on imported cigarettes; the number of retail outlets selling imported cigarettes increased; and cigarette advertising was permitted. The government of South Korea bowed to the pressure and agreed to these demands.[4]

The campaign to open Thailand to American tobacco products began in the spring of 1989 and was marked by a "decision of the US Trade Representative to accept a petition from the United States Cigarette Export Association to initiate an investigation of alleged 'unfair trade practice.' "[5] In response, the Thai Anti-Smoking Campaign Project sent a letter to the United States Trade Representative signed by chairpersons of their Anti-smoking and Health Coalition. Included among the signatures are the President of the Thoracic Society of Thailand, the President of the Pediatric Society, and the President of the Royal College of Physicians. In summary, they state, "We strongly believe that the export of cigarettes should not be a trade matter, but is primarily and solely a health issue. You could do a great deal for the image and future world relations of your government with other nations if you should publicly support this view and desist from threats of retaliation on this issue."**

The government of Thailand currently prohibits television, radio, magazine, and newspaper advertising of all cigarettes and does not allow importation of foreign cigarettes. In July of 1989, the Thai Cabinet, on the recommendation of Thailand's Minister of Health, reaffirmed the ban on imports of foreign cigarettes because of the Thai government's concern about the health effects of tobacco use.

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*NOVA, Horizon Production Company, London, England, May 1989.

**Prakit V: Letter to A. Jane Bradley, Chairwoman, Section 301 Committee, Office of US Trade Representative, June 20, 1989.

Presently, per capita smoking rates are far lower in Thailand than in the United States.[6] Should Thai markets become open to United States cigarettes and advertising, it can be expected that, as in the case with Japan, this downward trend would quickly reverse itself.

From Monopoly to Open Market

Japan, Taiwan, South Korea, and Thailand had established a government monopoly over the production and sale of tobacco products. Prior to 1987, in Taiwan, high duties, quotas on cigarette imports, and a discriminatory retail distribution network restricted imported cigarettes to about 1 percent of the domestic market.[7] Since tobacco products were a government monopoly in these countries, cigarette advertising was considered unnecessary. While on the one hand, these monopolistic practices made brand competition almost nonexistent, on the other hand, they may have discouraged increases in the number of smokers.

The change from monopoly to open markets and its effects on smoking rates has been analyzed by Shepherd in a study of Latin America in the 1960s.[8] He has ascribed the low rates of smoking in the region to the domination of noncompetitive state tobacco monopolies. Shepherd further observed that these countries responded with a liberalization of advertising and promotion as the multinational companies entered the market: smoking rates rose sharply throughout the region as measured by total cigarette output as well as by per capita consumption.

The success of the American tobacco companies' advertising campaigns in Latin America serves as a model for the American companies to use in expanding the Asian market.[9] To achieve their objective in Asia, however, the US tobacco companies directed their advertising primarily at youth. This strategy was used because it appeared that in Asian nations, these groups, as nonsmokers, offered the best potential for increasing the market. Thus, American rock stars have been featured as role models, and cigarette advertising is prominently presented in public places where young people congregate; popularly read magazines are full of advertisements by American tobacco companies.

The result of the Asian advertising campaign is impressive. In all of the aforementioned countries, the smoking rates for both women and youth are on the rise. For example, in Taiwan a 4 percent rise in the smoking population is reported for 1988.[10] Another Taiwan study reports that of those youth who report smoking cigarettes regularly, 80 percent indicate their preference for foreign brands. In Japan, girls are reported to be four times more likely than their mothers to be smoking cigarettes.***

The Opium War Revisited

Forcing Asian nations to open their doors to imported cigarettes has led some of the Asian media to compare it with the events that led to the 19th century opium wars in China. A brief chronicle of events points to some parallels. The Dutch in 1662 introduced opium mixed with tobacco into China through their control of the Formosan trade.[12] Opium smoking was legal in China until 1729 when the Imperial Court in Peking issued an edict banning its importation. This ban proved unenforceable and the opium trade continued to grow.[13]

By the middle of the 17th century, Chinese tea and silk had found a ready market in England. The result was a balance of trade favorable to the Chinese government. Partially as a result of the unfavorable English balance of trade, the British East India Company in 1781 with the aid of the British government greatly expanded the importation of opium into China. Addiction spread rapidly throughout China and the demand for opium kept increasing. An alarmed Chinese government responded by calling opium the "Viper of the Society." The then current emperor issued an edict forbidding importation in 1796, but again it was not enforced.[14]

Finally, 42 years later, in 1838, Lin Tse-hsu was empowered by the emperor to enforce the edict. He moved to force foreign merchants to destroy their stocks of opium, an event which eventually led to war with Great Britain, the excuse being the insistence of Lin Tse-hsu on trying some drunken British sailors who were accused of the murder of a Chinese national early in 1839.[15] The English refused to permit the sailors to be brought to trial and conditions between the two countries continued to deteriorate.

Hostilities began in earnest with the arrival of a British expeditionary force in the summer of 1840. In the spring of 1841, Lord Palmerston, in order to force concessions on the opium trade from the Chinese government, instructed the British plenipotentiary: "H. M. Government makes no demand in this matter; for they have no right to do so. The Chinese government is fully entitled to prohibit the importation of opium, if it pleases; and British subjects who engage in a contraband trade must take the consequences of doing so. But it is desirable that you should avail yourself of every favorable opportunity to strongly impress upon the Chinese Plenipotentiary, and through him upon the Chinese Government how much it would be for the interest of the Chinese Government itself to alter the law of China on this matter, and to legalize, by a regular duty, a trade which they cannot prevent."[16] The Chinese continued to resist and their defeats led to the treaty of Nanking, ceding Hong Kong to England for 99 years and opening five treaty ports to foreign trade. The opium trade, now that China was unable to contain it, continued to increase. The average annual import of opium grew from 26,000 chests just before the war to 70,000 chests by the 1850s.[17]

This brief chronology suggests some of the parallels between the United States' demand that Asian nations open their borders to importation of American cigarettes and the first opium war. In both cases an addictive drug whose continued use results in illness was imported from abroad against the wishes of the host country. A second similarity is the presence, at that time, of an unfavorable balance of trade between England and China much like the present unfavorable trade balance between the United States and several Asian nations. An additional parallel concerns the earlier role played by the East India Company which, much like the American tobacco companies, stood to make large profits on the opium trade. Finally, the Chinese capitulation and the rapid spread of opium addiction that followed have similarities with the capitulation of Asian nations and the resulting increase of cigarette smoking in those countries. It should also be noted that in the aftermath of the opium war, several treaties were concluded with China granting Britain, France, and other countries extraterritorial rights within China. This was truly an "invasion" and was accompanied by the growth

***Kawano MM: A review of anti-smoking movement in Japan. A paper presented in the Asian-Pacific Conference on Cigarette Smoking and Health, Taipei, June 12, 1989.

of anti-foreign feeling and a decline in the prestige of the Chinese government.

The Asian Response

Until 1985, there was very little anti-smoking activity in most Asian nations. The threat of trade sanctions as a means of breaking the government tobacco monopoly in these countries received much attention in the Asian media.[18] Existing health and consumer groups responded by developing an anti-smoking position linked to a position against the importing of foreign tobacco products. These groups were relatively small and without resources of their own. In order to increase their strength, the Asia-Pacific Association for the Control of Tobacco (APACT) was formed on June 12, 1989 at a conference held in Taipei, Taiwan. The membership included representatives from health and consumer groups from nine Asian nations: Hong Kong, Indonesia, Japan, South Korea, Malaysia, the Philippines, Singapore, Thailand, and Taiwan. A report of the Association meeting underscores their call for a smoke-free Asia by the year 2000 and their request that all Asian countries implement aggressive tobacco control programs that would ban all cigarette advertising, restrict smoking in public places, and develop comprehensive educational programs.[19] A letter was written to President George Bush stating: "The cigarette issue is not an issue of trade or trade imbalances. It is an issue of human health, and Asian health is as important as American health. Asians want to purchase good American products not harmful ones. . . . We urge you to be a champion of Asian health and reject the possible damaging effects of this investigation."† In addition to the APACT protest, the American Public Health Association collected over 140,000 signatures from individuals living in all 50 states and numerous countries expressing outrage at the United States' tobacco trade policy and urging its change. These were also presented to President Bush along with a letter from Iris B. Shannon, President of APHA. Dr. Shannon stated in her letter, "It is reprehensible that in nations where women and children have traditionally had very low prevalence rates of smoking (under 10 percent), aggressive western marketing has been targeted at luring women and children to smoke."††

Future Aspects

The conflict around the opening of Asian markets is between trade and health. On the one hand, the tobacco trade benefits the tobacco industry and reduces the United States' trade deficit. On the other hand, the increase in the prevalence of smokers among Asian people threatens their health, and our pressure on their markets threatens their autonomy. America pays a price for involvement in this conflict. The price of our unethical actions is a change in America's self image and its world image.[20] As US Representative Chet Atkins has said, "For the past 100 years America has been the world's foremost exporter of public health . . . now the US Trade Representative wants to add a new chapter to that legacy . . . a chapter entitled: America the world's greatest exporter of lung cancer, heart disease, emphysema and death. It is time to close the book on R. J. Reynolds and Philip Morris and restore a trade policy that benefits United States farmers, manufacturers and our foreign partners."††† A further indication of the recognition in American congressional circles of the need to limit the actions of the American tobacco companies overseas is the sponsoring of HR 1249, the Tobacco Export Reform Act sponsored by 33 United States representatives. This act is currently being circulated in the US House of Representatives.

Section 301 of the 1974 Trade Act was intended to be used to deal with the establishment of fair trade practices between the United States and other countries. If health is seen as a human right of all peoples, then a nation's right to protect its people's health should not be labeled an unfair practice.

APACT has developed long-range plans to achieve the goal of a smoke-free Asia by the year 2000. These plans include:

- organizing the health communities in various Asian nations and establishing linkages whereby these groups can work together;
- assisting Asian nations to collect baseline data on cigarette smoking and health in their countries;
- developing and exchanging policies and methods of implementation including techniques that are successful in banning smoking in public places, requiring warning labels, limiting cigarette advertising and promotion, and implementing taxes on tobacco.

In conclusion, this move on the part of the Asian health communities, to work together to ensure that health is a human right transcends, the more provincial view of the primacy of national interests. Such a view as represented by the Opium War of the 19th century and the use of trade sanctions to open foreign markets against their will is no longer tenable. Indeed, a new page in history has been turned and health for all can be seen as one of the unifying ideas that can help lead humankind to the ideal of one world.

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†Yen D: Letter to President George Bush, July 19, 1989.

††Shannon IR: Letter to President George Bush, July 19, 1989.

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NCHS to Hold Data Users Conference in August 1990

Users of data files from the National Center for Health Statistics will have a special opportunity to expand their knowledge of data resources when the National Center for Health Statistics holds its fifth biennial Data Users Conference, August 15–17, 1990, in Rockville, Maryland. The conference provides a forum for users to learn of current and potential applications for the public use data sets, discuss technical and analytical issues with NCHS staff, and exchange information with other data users.

A plenary session will provide a preview of future directions in data collection, analysis and dissemination by NCHS. NCHS Director, Dr. Manning Feinleib, will deliver the keynote address. The three-day conference program consists of 38 workshops on specific data files from the many NCHS data systems, as well as sessions on cross-cutting topical and analytical issues.

Special sessions will be devoted to the NCHS data on: Health of Minorities; Occupational and Environmental Health; Health and Health Care Needs of an Aging America; and HIV Infection and AIDS.

In addition, there will be presentations on the Center's cognitive research program to improve the quality and collection of national health statistics, on software developments, on the integrated survey design for NCHS data systems, and on new technologies in cartography and graphics. First-time conference attendees can take advantage of an overview of NCHS data systems, intended for those who are looking for more guidance about the types of data gathered by NCHS, before attending the in-depth workshops.

NCHS is the federal government's primary vital and health statistics agency and is a part of the Centers for Disease Control, Public Health Service. Through interview, health examination, and health record surveys and the vital statistics system, NCHS produces a wide array of health and health-related data. More than 600 public use data files are available representing data from the more than a dozen separate data systems. There is no registration fee for the conference, but space is limited. To receive an invitation and registration packet, contact Barbara Hetzler, NCHS, Room 1100, 6525 Belcrest Road, Hyattsville, MD or call (301) 436-7122.