

NATIONAL BETTER BUSINESS BUREAU, INC.

CHRYSLER BUILDING, 42ND ST. AND LEXINGTON AVE., NEW YORK, N. Y.

Affiliated with 49 Local Bureaus from Coast to Coast

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Advertising Practices of the American Tobacco Company

IN the published statement of the American Tobacco Company, revealing its profitable business during the first five months of 1930, the President of this corporation is quoted as crediting its advertising policy with being an important factor in its success.

"We sincerely attribute a large measure of the prosperity of our company to the assistance that newspaper advertising has given to us. Second only in importance to the quality of the product, in our opinion, is the question of its exploitation by advertising. Our policy of advertising, editorial in nature, as crammed full as we can make it of timely and appealing human interest, approximates the policies laid down by successful editors. We firmly believe that our copy not only competes for public attention with other advertisements, but with the news articles of the day, and we attribute in no small measure the prosperity of our company in recent years to the proper use of newspaper publicity."

This quotation undoubtedly attracted the attention of the public and many business executives since business generally suffered a depression during the same period. Successful accomplishment commands attention and is frequently accepted as a guide to those seeking improvement. For these reasons, it would seem quite logical to examine the advertising of the American Tobacco Company and try to determine from it whether the American Tobacco Company has put into effect advertising practices that justify public confidence and to which industrial executives should subscribe.

The audacity of the American Tobacco Company in using advertising for its product Lucky Strike Cigarettes based on an untenable health appeal has proved profitable, but if it is safe to accept this advertising campaign as a criterion of the latitude advertising of the future will take, it is also safe to disregard consumer confidence in advertising as an entirely unnecessary element for advertising success.

Lucky Strike advertising in effect is a prescription in which the doctor, who in this instance is the American Tobacco Company, prescribes cigarettes for public health.

Lucky Strike advertising has frequently been criticized by competent authorities acting in the public interest but criticism of the American Tobacco Company seems to fall on deaf ears. Its objective seems to be to earn immediate profits even though the means

used to earn them are in conflict with fair dealing. Its record of unfair dealing is quite convincing.

Unfair Sales Practices in Porto Rico

In January 1929 the American Tobacco Company was enjoined from continuing practices in violation of the Clayton Act in Porto Rico by the U. S. Circuit Court of Appeals. The Court found that the American Tobacco Company was endeavoring to drive a Porto Rican company out of business by unlawful means and stated that its activities were not made "for good reason or in good faith" and were "foreign to any legitimate competition."

Federal Trade Commission Acts

In January 1930 the Federal Trade Commission published a statement to the effect that a tobacco company using the advertising claims that appeared in Lucky Strike advertising had agreed by stipulation to modify them.

Condemned by Senator Smoot

Senator Smoot in offering an amendment to the Pure Food & Drug Act in 1929 used the advertising of the American Tobacco Company in his presentation speech as an outstanding example to show what he believed to be the need for his amendment.

Insincere Purchased Testimonials

Early in 1927, the American Tobacco Company inaugurated the practice of incorporating testimonials from various celebrities in its advertisements for Lucky Strikes. In published advertisements and over the radio famous personages were quoted as having stated that they found protection from irritation, a means of staying slender, or a method of keeping fit through smoking Lucky Strike Cigarettes.

Investigation by the Federal Trade Commission disclosed that certain of the testimonials were purchased for valuable considerations. In another case the alleged author did not prepare or see the statement attributed to him prior to its use, and to cap this insincerity some testimonials were from non-cigarette smokers.

As for the testimonials of ex-football players,

SOUND ADVICE!
When tempted to over-indulge
"Reach for a Lucky instead"



Be moderate—be moderate in all things
 even in smoking. Avoid the fierce
 shadow by smoking one Lucky instead. It
 would maintain the modern, ever youth
 full figure. "Reach for a Lucky instead"

**Lucky Strike, the finest Cigarette you ever
 smoked, made of the finest tobacco—The
 Cream of the Crop—"IT'S TOASTED."**
**Lucky Strike has an extra, secret heat-
 ing process. Everyone knows that heat puri-
 fies and so 20,679 physicians say that
 Luckies are less irritating to your throat**

"It's toasted"
Your Throat Protection—against irritation—against cough.
*We do not say smoking Luckies reduces flesh. We do say when tempted to over-indulge, "Reach for a Lucky instead."

coaches and officials, used to exploit Lucky Strikes, W. W. Roper, famous football coach of Princeton, put into words the sentiments of many prominent athletic directors when he stated: "I know of nothing that has exasperated me more in my entire twenty-five years' experience with football than the flaming bill-boards with the pictures of several ex-football players, coaches and officials, advertising Lucky Strike Cigarettes."

Alleged Recommendation by Physicians

In 1929, in an advertisement over the signature of the President of the American Tobacco Company, the statement was made: "Then comes the secret toasting process which in the opinion of 20,679 physicians makes *Lucky Strike* less irritating than other cigarettes."

Commenting on this matter the Journal of the American Medical Association representing a membership of 90,000 physicians states:

"The modern tendency for advertisers of all kinds of merchandise to drag the health angle into their advertisements is one of the most disturbing features in the modern advertising field. The medal for the most horrible example would seem to go to the American Tobacco Company. In the spring of 1927 the advertising agency for this concern circularized a large number of American physicians in the interests of 'Lucky Strike Cigarettes.' Each physician received a carton of a hundred cigarettes

and a questionnaire, consisting of a card carrying two questions. The first of these questions read:

"1. In your judgment is the heat treatment, or toasting process, applied to tobacco previously aged and cured likely to free the cigaret from irritation to the throat?"

"Obviously, not one physician in ten thousand is, or could be, competent to answer this question. Yet the exploiters of Lucky Strike Cigarettes have claimed that over 18,000 physicians answered that question in the affirmative! If this claim is not grossly false, it does not redound to the credit of the eighteen thousand."

Attack on Non-competitive Industry

During 1928 and 1929 the American Tobacco Company waged an advertising attack upon the non-competitive candy and sugar industry with the slogan "*Reach for a Lucky Instead of a Sweet.*" It was claimed that by smoking Lucky Strikes instead of eating sweets women could retain slender figures and banish overweight. The investigation of the Federal Trade Commission did not support these claims.

The "Shadow"

The present "shadow" advertising of Lucky Strikes has shortened the previous slogan to "Reach for a Lucky Instead" but the cigarettes are still offered as a part of a prescription for physical improvement. Again let us quote the Journal of the American Medical Association:

"Trade protests brought a discontinuation of the 'Reach for a Lucky Instead of a Sweet' slogan, but the present advertising practically carries with it the same suggestion. In it are shown pictures of a young girl in profile, casting a shadow in which a double chin is the main feature, and suggesting the use of a Lucky Strike as an aid to moderation in eating!"

"Physicians will readily admit that many young women eat more candy than is good for them, but they will certainly not agree that the substitution of cigarets in such cases is in the interest of public health."

"It's Toasted"

Because they are "toasted" Lucky Strikes are advertised with the statement "Your throat protection—against irritation—against cough."

Commenting on the heat treatment another cigarette manufacturer in a full page advertisement stated in part:

"The publication of a fake testimonial is no greater perversion of the truth than to imply that the heat treatment of tobaccos is an exclusive process with any single manufacturer.

"The FACT is that the use of heat treatment in the manufacture of tobacco is about the most commonplace and universally practiced method in the industry. It has long been standard practice."

Contacts in the tobacco industry consulted by this Bureau confirm the general use of the heat treatment for manufacturing cigarettes.

Inconsistency

At the same time that Lucky Strike Cigarettes were being offered for physical improvement, the American

Cigar Company, a subsidiary of the American Tobacco Company, advertising 'Roi Tan cigars, was denouncing cigarettes as flat and conducive to the formation of "nervous habits"!

The Latest Hokum

Continuing the "shadow" theme in advertising of a most forceful type, the American Tobacco Company urges the public to substitute Lucky Strike Cigarettes for over-eating and supports its advertising appeal with data from alleged scientific authorities. The data quoted however, our investigation indicates, was published without any relation to cigarette smoking. It seems only reasonable that a corporation of the size of the American Tobacco Company which advocates the use of its habit forming product on such an important theme as public health should have taken every precaution that such an appeal was supported by recognized authorities. Nostrum vendors frequently quote a fact or an authoritative opinion in an attempt to support an untenable claim to sell their wares. We see little difference between the practice of many nostrum vendors and the American Tobacco Company's Lucky Strike advertising. As has been noted, the American Medical Association, instead of advocating smoking cigarettes as a substitute for overeating has published a statement that such a substitution cannot be agreed to as in the interest of public health.

On July 10, 1930, the American Tobacco Company published an advertisement for Lucky Strikes which contained the following statement:

"In his famous book entitled 'Foods for the Fat,' Dr. Yorke-Davies gives this advice: 'Any system for reducing fat will be of no avail if the patient persists in eating between meals.' We do not represent that smoking *Lucky Strike* Cigarettes will bring modern figures or cause the reduction of flesh. We do declare that when tempted to do yourself too well, if you will 'Reach for a *Lucky* Instead,' you will thus avoid over-indulgence in things that cause excess weight and, by avoiding over-indulgence, maintain a modern, graceful form."

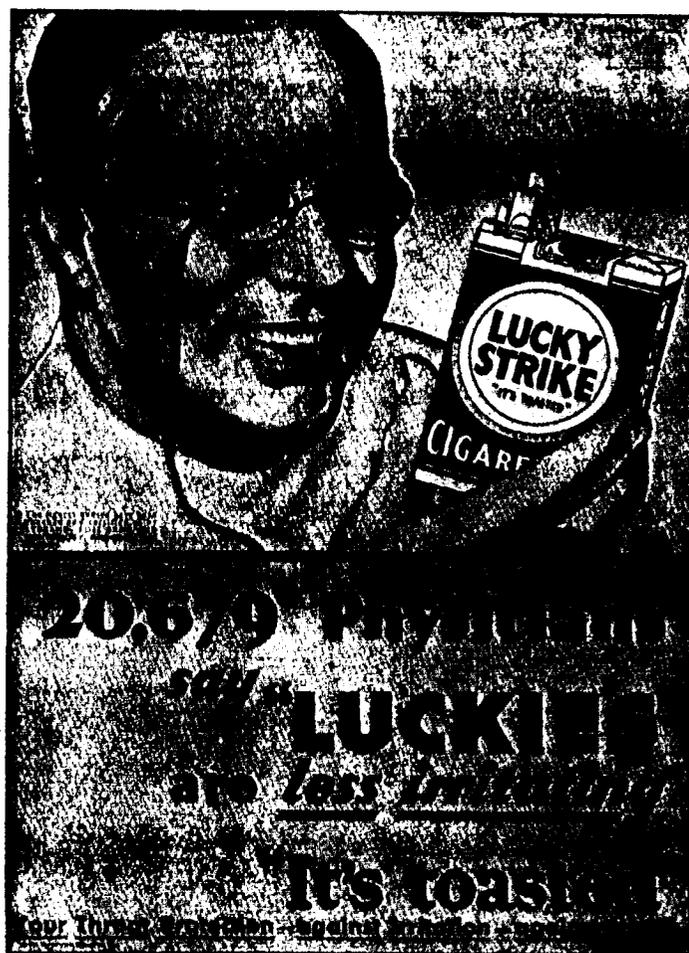
The statement is so worded that readers would be entitled to believe that Dr. Yorke-Davies was a contemporary authority on nutrition and a widely read author.

The facts are that the doctor, a perfectly reputable English physician, was born in 1844 and is deceased. "Foods For the Fat" was published many years ago, the seventh edition appearing in 1895, and is at present out of print.

Undoubtedly the quoted statement from Dr. Yorke-Davies is approved by present-day medical authorities but we fail to see the justification for its use as a part of an advertisement which urges the public to smoke *Lucky Strike* Cigarettes.

On July 15, 1930, a *Lucky Strike* advertisement, again suggesting this cigarette as an obesity preventative, stated:

"There is only one remedy for fat, and that is eat the right food . . . There are at least one hundred so-called obesity cures. None of these is permanent. All of these



are injurious,' says Vance Thompson, Ph.D., in his famous little book, 'Eat and Grow Thin,' published by E. P. Dutton & Company. . . . We do not represent that smoking *Lucky Strike* Cigarettes will bring modern figures or cause the reduction of flesh. We do declare that when tempted to do yourself too well, if you will 'Reach for a *Lucky* instead,' you will thus avoid over-indulgence in things that cause excess weight, and by avoiding over-indulgence, maintain a modern, graceful form."

Vance Thompson died in June 1925. He was not a physician. He was known as an author and playwright. Among things medical he wrote sponsoring articles for an "elixir of life" and a tuberculosis nostrum.

To further impress upon the public mind the important part played by *Lucky Strikes* in swaying the balance scale between life and death, the American Tobacco Company published the following statement in an advertisement which appeared on July 8, 1930:

"An investigation conducted by the Association of Life Insurance Medical Directors and the Actuarial Society of America revealed the fact that the death rate increases practically 1% for every pound of excess weight carried between the ages of 40 and 44 years. In other words, a man 40 pounds overweight at this age has only 60% of expectancy of life of a man of normal weight. We do not represent that smoking *Lucky Strike* Cigarettes

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nation of his te Department orted, to induce British Govern- more whaling necessary, to this is to be t and prudence admiral Byrd's display. He e doubly sure, confident that undone that s sides here or rers, private as he remains asion for the . It may be caused by the may call for t the next two t it need not ke hysteria or

CASE. ENCE HATRY at fraud and con- omotions, with teen years' im- many instances ration of jus- The "Hatry grief on Sept. ths had there- penalty was t the closing ed by the de- nty, but that cause of belief pnding ver- rring of the tainly provides ith the history eedings of our tirely dissim- S W. MORSE lve months bank funds of the Institu- in 1907, that him guilty. however, the not thrown a British institu- company act, hich was only November, was

ave been possible.

CLAIMING TOO MUCH.

Since "health and vigor to men, slender figures to women and re- duction of flesh in all cases will "not necessarily result from the "smoking of respondent's brand of "cigarettes," the Federal Trade Commission has induced a cigarette manufacturer to refrain from adver- tising to that effect. It is a move in the direction of better advertising methods. Perhaps the moral phase is not so important as the cultural. Few readers can have implicitly be- lieved that Mme. Coloratura pre- served her clear tones largely be- cause she smoked Vocos. There must have been even fewer who did not think Mr. Executo a trifle optimistic when he ascribed the calm of spirit which led to his success to the use of the same cigarettes. The argu- ment that if every time one craved a substantial meal one smoked a packet of cigarettes instead and thus stayed slender may have had some influence. But the reader knew he could stay just as slender if he chewed on a straw when hungry. There couldn't have been much harm done to anything save the standards of advertising. And the Federal Trade Commission, striking for honesty in claims, has given national good taste a push forward.

Some time ago the President re- marked that there is nothing so ac- tive as a man with an emotion. The advertising manager who conceived the large idea, which the commis- sion has buried, began with an emotion. It was to prove that his client's cigarettes could go several millions higher in annual sales. The first objective was "big names." Whether they smoked Vocos made no differ- ence; pay them \$1,000 and let them imply that whatever quality the world admired them for had some- thing to do with the use of that particular brand. From that begin- ning, it was a short step to the pre- mise that health is the foundation of success; and, on the stage, health joined to beauty. Day after day pic- tures and endorsements from obvi- ously healthy and beautiful — and successful — folk linked them with "the respondent's brand." It was fine until envious competitors, and joshing by friends of non-smokers whose endorsements and photo- graphs had appeared in the adver- tising columns, interested the Federal Trade Commission. Now the cigarettes have to fall back upon their, doubtless, excellent intrinsic merits as smoking material only.

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NEW YORK

There is no

will bring modern figures or cause the reduction of flesh. We do declare that when tempted to do yourself too well, if you will 'Reach for a Lucky instead,' you will thus avoid over-indulgence in things that cause excess weight and, by avoiding over-indulgence, maintain a modern, graceful form."

There is no question about the genuinely scientific standing of the organizations referred to. Eminent actuaries advise us, however, that the conclusion which this advertisement draws, namely, that a man 40 pounds overweight at the age of 40 has only 60% expectancy of life of a man of normal weight is entirely unjustified.

Actuaries also point out that, contrary to the advertisement, their investigations show nothing about the normal weight of individuals but are concerned merely with the average weight of groups of individuals.

The American Tobacco Company's use of actuarial figures and its own interpretation of the same to boost the sale of Lucky Strike Cigarettes appears to us to be a reckless disregard of public welfare for the following reasons:

First: The actuarial figures quoted were prepared without giving any consideration to the effect of cigarette smoking for the practical use of life insurance experts who have a competent understanding of their relation to life insurance risks.

Second: Owing to the inability of the layman to interpret actuarial figures to his personal physical condition there is a grave chance that he will misinterpret them.

Third: The interpretation of the actuarial figures used by the American Tobacco Company "in other words, a man 40 pounds overweight at this age has only 60% expectancy of life of a man of normal weight" is not supported by actuarial authorities.

The foregoing is a brief sketch of a part of the American Tobacco Company's advertising which in the company's announcement is described as "editorial in nature, as crammed full as we can make it of timely and appealing human interest."

It seems to us that the American Tobacco Company presents an example of business success that demands the attention of all business factors: producer, distributor and consumer. If these practices are based on sound economic procedure, it quite naturally follows that profits justify the advertising methods to obtain them—that the public is fair game for unfair exploitation—that business executives should not hesitate to use unfair competitive attacks if they can make them profitable—that the authorities who condemned the American Tobacco Company's advertising as unfair were economically in error—that both the solace and justification for unfairness is profits.

But will business as a whole subscribe to this theory? Has the public to be re-educated to a rejuvenated business principle of caveat emptor?

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An editorial which appeared in the New York Times for January 25, 1930