

How tobacco tried to promote its friendly face



No comment ... Philip Morris executive Jenny Fung knew the importance of sponsorship in the community

Jenny Fung Ma Kit-nan, a senior Philip Morris Asia executive with high-level contacts across Hong Kong's social and political spectrum, wrote many confidential memos that are among the documents now released.

On March 10, 1992, for example, Ms Fung, a former Consumer Council executive, whose husband Ricky Fung Choi-cheung is the Legislative Council Secretariat secretary-general, wrote a memo titled, Funding Requests for Hong Kong Projects, to her senior, Matthew Winokur.

"The first concerns the sponsorship of Roland Petit and the Ballet Nationale de Marseille in November, 1992," says Ms Fung's memo. "This will be the highlight of the 1992 Regional Council Festival which PM [Philip Morris] is hoping to co-sponsor with the council. You would of course recall that in 1987 the Urban Council, the Regional Council's counterpart in the urban area, passed a resolution of not accepting sponsorship from corporations whose business includes tobacco. The Regional Council followed suit and the same resolution was passed soon afterwards.

"Despite growing anti-smoking sentiments, it came as a pleasant surprise that the ruling was reversed by the Regional Council in December 1990. For this, we have to thank Haider Barma, who, being a most open-minded and pragmatic civil servant, as well as a good friend of PM, instigated the reversal when he was Director of Regional Services, head of the Regional Council's executive arm.

"Nothing happened in 1991 since the tobacco companies, hard hit by the tax increase, somehow "froze" their sponsorship budgets.

During that time, Haider was transferred and in his place we have another old-time friend, Adolf Hsu [Deputy Secretary for Health and Welfare in the mid 1980s]. He approached us for the Roland Petit sponsorship and both Don and I found the offer difficult to turn down.

"The reasons are many. First, it is unprecedented for any public body, let alone the Regional Council which is the Government in the eyes of the public, to backtrack on a policy that is in line with the Government's stance on smoking. Non-action on our part would quickly prompt a change of heart. More so, PM's in-

volvement will be a slap in the face of the Urban Council chairman who also chairs the Council on Smoking and Health (COSH)."

The sponsorship will also present a good opportunity to gain access to these newly elected legislators

"The total cost of bringing in Roland Petit is HK\$3.5 million (ie

US\$450,000). Usually a corporate sponsor is expected to pay half of the expenses. We have however negotiated it down to US\$85,000, inclusive of in-kind ad spend."

"Adolf is most excited about our possible involvement. Better still, he is willing to brace himself for criticisms from the anti's, along with the whole of Regional Council."

"The second project is sponsorship of the Hong Kong Team's participation in the 1992 Paralympics in Barcelona. I suppose I need not reiterate on the justifications for supporting this cause. However, one added "plus" is that with the recent deletion of one Deputy Secretary for

Health and Welfare post from the branch, Helen Yue, the remaining deputy who used to handle just health issues, now has the welfare portfolio as well.

"It will certainly gain us a lot of brownie points if Yue is personally aware of our contributions in this area."

Contacted by the *Post*, Haider Barnia, who retired from the Government in 1996, said of the memo: "It could well be right, but to the uninitiated or the casual reader it may suggest that I battled for the interests of Philip Morris or the tobacco industry. I make the point emphatically that would be a totally wrong conclusion. We wanted to promote cultural and sporting events and corporate companies

had the ability to finance these. From my perspective it was done to promote sports and culture rather than the tobacco industry. They never asked me if we would help them with lobbying. I don't think I have lobbied for them in that sense, or at all. I would not do that, it would be improper."

"I was always happy to have sponsors in accordance with council policy," Mr Hsu told the *Post*. "I did not approve it on my own, I went to the council with a proper council paper. Jenny Fung is a friend, yes. No, I never lobbied for the industry."

Lobbying was clearly a large part of Ms Fung's job in Hong Kong for the tobacco industry. In December, 1988, she briefed her senior Mr Winokur about intensive behind-the-scenes efforts to dissuade Cathay Pacific management from introducing smoking bans on certain short-haul flights.

"Rothman's representatives in London took the matter up with Cathay's parent company, John Swire & Sons in London," her memo says. "Legislative Councilors close to the Cathay management were requested to dissuade Cathay's directors. Cathay Pacific directors were approached by individual cigarette companies."

"Unfortunately, this time our lobbying efforts had not been successful in that all the people whom we approached felt that it was not unreasonable to ban smoking on

short hauls. In brief, it had been a hard nut to crack. The only consolation was that our lobbying did produce certain compromises."

According to Ms Fung's memo, the compromises included introducing the non-smoking flights on a limited trial basis on one unpopular daily flight to Taipei, rather than outright as initially envisaged. Furthermore, it would be a "trial with no fanfare and publicity", an important win for an industry keen to roll back the momentum of public support for non-smoking flights and public places.

The memo continues: "To date, not even the travel agents have been notified of the move. The reservation desk would only advise passengers of the ban when they book that specific flight."

In February, 1990, under the heading of Important Issues Ahead, Ms Fung proposed in a memo to her Philip Morris Asia boss, Donald Harris, that the company "engage economists of good social/academic standing to conduct research to refute spurious claims by the anti's about social costs of smoking in HK". In the same memo under the heading Accomplishments in 1989/90, Ms Fung wrote in glowing terms of the efforts of [BAT staffer] Brenda Chow Kai-wah, who "excelled herself" in the lobbying of District Board chairmen over a bid to forestall bans on advertising and sponsorship.

"Her successful lobbying of DB members, arts and sports groups have generated overwhelming support for the industry. It is hence unlikely that the Government will proceed with the proposed bans."

Ms Fung did not return the *Post's* calls.