

Burnt out

Kenneth Clarke's work for British American Tobacco should disqualify him from office

If someone told you that the Conservatives would form the next government, then asked you who you would like to see as their leader, what answer would you give? I suspect that most Guardian readers would choose Kenneth Clarke. Opposed to the invasion of Iraq, sympathetic to the European Union, liberal, avuncular, Clarke is the obvious antidote to the swivel-eyed ideologues who have run the party for much of the past 30 years. You were doubtless glad to hear that he will declare his candidacy over the next few weeks and that, if he joins forces with David Cameron, he could win.

There's just one small problem. To see him as a credible candidate, you must forget what he has been doing for the past seven years. Since 1998, he has been deputy chairman of British American Tobacco (BAT). It seems to me that this renders him unfit for public office.

Let us begin by examining BAT's contribution to public health. Smoking, according to the World Health Organisation, "is currently responsible for the death of one in ten adults worldwide ... half the people that smoke today – that is about 650 million people – will eventually be killed by tobacco." BAT sells one sixth of the world's cigarettes. Were responsibility to be divided according to market share, we could accuse it of causing the deaths of 100 million people.

In the rich nations this is a declining problem. In the United States, smokers have fallen to 22% of the adult population – the lowest rate since the second world war. In Australia, according to a study published last month, smoking, on current trends, will

be extinct by 2030. So BAT's growth relies on poorer nations: Turkey, Iraq, Pakistan, India, Bangladesh, Vietnam, and Nigeria. Last year its profits rose by 20%.

There are two obstacles to its further expansion in developing countries. The first is the international attempt, led by the World Health Organisation, to help those countries resist the pressure to deregulate tobacco sales. In 2002, the Guardian revealed that BAT had been paying a middleman up to £250,000 a year to lobby countries to reject international attempts to put stronger health warnings on cigarette packs, reduce the levels of tar and nicotine in cigarettes and increase tobacco taxes. On Sunday, the Observer revealed that Kenneth Clarke attended a meeting in Geneva in 1999, at which BAT discussed with its competitors how they might resist the advertising bans proposed in a draft international treaty.

The second is the attempt by national governments to discourage smoking, in particular by imposing taxes on cigarettes. Over the past five years, BAT documents have been uncovered which appear to implicate the company in smuggling.

At first it looked as if BAT's involvement was indirect. The papers discovered in the company's archives by the International Consortium of Investigative Journalists suggested that it supplied cigarettes to wholesalers in the expectation that they would find their way onto the black market. In some countries, they indicate, it knowingly advertised the smuggled brands. But in 2001 the journalists discovered a series of letters which suggested that BAT subsidiaries were organising smuggling operations. One set of papers shows that cigarettes were dispatched to BAT's agents on the Caribbean island of Aruba, then shipped by BAT's exclusive distributors to the South American mainland, then smuggled by middlemen into Venezuela and Colombia. Until 1997, proceeds from this operation appear to have been collected by a BAT branch based in Surrey. After that they were channelled into a subsidiary based in Geneva. By 1998, the year in which Clarke joined the company, the documents suggest that 8 billion BAT cigarettes a year were leaving Aruba, harvesting an annual \$200m for the Geneva operation.

When the first smuggling allegations were published, in early 2000, Clarke responded that "British American Tobacco is a good corporate citizen which maintains high ethical standards. We reject allegations that we have "condoned tax evasion and exploited smuggling". But he went on to admit that "businesses such as ours who are engaged in international trade are faced with a dilemma. ... we act, completely within the law, on the basis that our brands will be available alongside those of our competitors in the smuggled as well as the legitimate market."

He told the House of Commons health committee that BAT "is a company of integrity. It is an extremely good corporate citizen." Claims that it was organising smuggling, he

stated, were “quite unfounded ... We do not, and we would not, and we would stop any of our employees doing it.” He later admitted that he did not “have any detailed knowledge of the day to day activities” of the Geneva office. He remains vulnerable to the charge that he misled the Commons.

BAT’s relationships with its suppliers bear certain resemblances to its relationships with its consumers. Christian Aid has published two reports detailing the company’s treatment of tobacco farmers in Brazil and Kenya. The farmers are tied to contracts obliging them to buy their chemicals, seed and equipment from BAT’s subsidiaries. The company also determines the price it gives them for the tobacco they produce, and is widely accused of paying far less than the market rate. The result is that many farmers end up owing the company more money than they receive. Partly because of this, some are obliged to employ their children in the fields. Many of the farmers contracted to the company, lacking proper protective clothing, suffer from pesticide-related diseases. A fax from BAT Kenya’s regional director reveals that a Kenyan law forbidding farmers to grow tobacco for more than one company (and therefore to seek higher prices) “was actually drafted by us.” In Brazil, Christian Aid reveals, BAT’s subsidiary was claiming, on the tobacco growers’ behalf, the government credit intended for small farmers.

Such behaviour, Christian Aid alleges, is whitewashed by BAT’s corporate social responsibility programme. The man in charge of it is Kenneth Clarke. He was the director who helped to broker the deal with Nottingham University establishing a centre for corporate social responsibility, sponsored by the company. BAT was one of the last British-based multinationals to leave Burma: it did so, in 2003, only after a sustained public campaign and a direct request from the British government. It remains one of the largest foreign investors in Uzbekistan.

These are the activities which, for the past seven years, Kenneth Clarke, wittingly or otherwise, has assisted. We should remember that he has previously held the posts of health secretary – responsible for reducing the impacts of smoking; home secretary – responsible for upholding the law; and Chancellor of the Exchequer – responsible for ensuring that Customs and Excise is not cheated of its revenues.

I am not suggesting that Clarke has knowingly engaged in illegal activities, or has done anything to offend current criminal law. But it seems to me that in a fair world – a world in which human life was valued by our legislators – he would not now be contemplating the leadership of Her Majesty’s Opposition. He would be behind bars.