



POSSIBLE SOURCES OF FUNDING FOR ST. MICHAEL'S COLLEGE IN THE UNIVERSITY OF TORONTO



DONOR: Neo-Nazi Party
PROGRAM: Race Relations Forum



DONOR: Ku Klux Klan
PROGRAM: African Studies Workshop



DONOR: Slobodan Milosevic
PROGRAM: Human Rights Legislation



DONOR: Tobacco Industry
PROGRAM: Study of Corporate Ethics

After thinking neither long, nor hard, the leadership at the University of St. Michael's College decided to accept a donation from a disreputable (albeit legal) source: the tobacco industry. What's more, they used the donation, from an industry with a decades-long record of lying about the addictiveness and deadliness of its products, to fund a course in corporate ethics. That's right, Corporate Ethics. To find out more, read the following three pages, and help put a stop to the St. Mike's partnership with the tobacco industry. Because ethics, universities and Big Tobacco just don't mix.

TAKE BIG TOBACCO OUT OF UNIVERSITIES

Cash or Conscience? Using tobacco money to fund the study of Corporate Ethics

Setting the record straight

In December 2000, the University of Nottingham accepted a donation from British American Tobacco to fund a centre for the study of business ethics and corporate social responsibility. BAT is the parent of Canada's Imperial Tobacco. The revelation that a university would accept funding from a tobacco company for the teaching of ethics and corporate responsibility created a scandal. The expressions of outrage led to international condemnation of the university.

The editor of the prestigious *British Medical Journal*, a professor of medi-

cine at Nottingham, resigned in protest. A cancer research team relocated. The top student of the year at Nottingham refused to accept his award.

With Health Canada predictions that cigarette makers will cause the premature deaths of 3 million Canadians presently alive, with tobacco companies explicitly shunned by all ethical investment funds, why would the University of St. Michael's College (USMC) in the University of Toronto accept an Imperial Tobacco donation to fund a course in business ethics and corporate social responsibility?

We asked St. Mike's for some answers. We are still waiting for a response.

USMC accepted the \$150,000 Imperial donation and used it to fund the Certificate in Corporate Social Responsibility programme and the study of business ethics (CSR). But the decision triggered outrage among many who were close to the programme.

First, one of the core partners in the CSR programme, Leadership Horizons headed by USMC Visiting Scholar Dr. Laurent Leduc, protested strongly. Then a number of members of the St. Mike's CSR Advisory Board resigned. Despite such protests, few in the university community, or in the wider community, ever heard about Big Tobacco funding the study of ethics and the issues this raised.

On November 5, 2002, in response to the failure of the university to reconsider its relationship with Imperial Tobacco, a letter detailing our concerns was couriered to USMC's President Dr. Richard Alway. Over three months later, Dr. Alway had not felt it necessary to respond. Excerpts from that letter appear on this page.

The letter that St. Mike's chose not to answer.

Dr. Richard Alway, President
University of St. Michael's College, University of Toronto

Dear Dr. Alway :

It is difficult for us to understand how any institution of higher learning dedicated to the pursuit of truth and with a mission dedicated to social justice could form a partnership with a rogue industry. This is a cynical attempt by Imperial Tobacco Limited to buy respectability and legitimacy through an association with your university. As Professor Richard Smith, editor of the *British Medical Journal*, wrote in *The Guardian* with respect to a similar sponsorship at Nottingham University, "It's absurd that a university run by academics, not surrealists, should take this money from an industry that has killed 100 million people and behaved more unethically than any other" [emphasis added].

The money in question is tainted. It was obtained as a result of predatory behaviour unmatched in terms of its destructiveness and unparalleled in its absence of conscience. We are writing to ask that your university return this money to the sponsor and to sever this relationship. We are also asking that both the University of St. Michael's College and the University of Toronto establish an ethical screen that would block future funding by the tobacco industry.

... no matter how urgent the financial need, nothing can rationalize the acceptance of funding from an industry that kills half of its long-term users [emphasis added]. Nothing can justify the partnership of the University of St. Michael's College with an industry which has an unparalleled track record in dishonesty and which, according to Health Canada, will kill 3 million Canadians presently alive.

... In the interests of social justice, we hope the university will now sever its relationship with Imperial Tobacco and refuse any future scheduled contributions toward this sponsorship. Continuation of this relationship will, as in the Nottingham University example, harm the reputation of your University.

Sincerely,

Garfield Mahood
[Executive Director,
Non-Smokers' Rights Association,
Recipient of the international Luther L. Terry Award,
Outstanding Organization Category, 2000]*

Joanna Cohen, Ph.D.
[Assistant Professor,
Department of Public Health Sciences,
University of Toronto, and
Author of the editorial "Universities and tobacco money"
British Medical Journal, Vol. 323, July 7, 2001]*

Bob Willard, M.Ed.
[Author of *The Sustainability Advantage*, and
former Member of the Advisory Board,
Certificate in Corporate Social Responsibility programme]*

Laurent Leduc, Ph.D.
[Visiting Scholar,
University of St. Michael's College, and
Director, Leadership Horizons,
Founder, Certificate in Corporate Responsibility programme]*

Bruce Buchanan, M.D.
[Senior Policy Advisor (retired)
Ontario Ministry of Health
Alumnus, University of Toronto]*

Marilyn Laiken, Ph.D.
[Professor of Adult Education,
Ontario Institute for Studies in Education, and
former Member of the Advisory Board,
Certificate in Corporate Social Responsibility programme]*

* bracketed portion for identification purposes only – not in the original

Imperial Tobacco's donation to St. Mike's

In 2001, when the Imperial Tobacco donation was made to St. Mike's, the Certificate in Corporate Social Responsibility programme was a partnership between USMC, the Conference Board of Canada and Leadership Horizons headed by the USMC's Dr. Laurent Leduc. Corporate social responsibility (CSR) programmes teach transparency, stakeholder involvement and accountability. CSR principles are all about ethics.

Had St. Mike's officials, like President Richard Alway and Director of Continuing Education Mimi Marrocco, adhered to the teachings of their own CSR program, we believe the Imperial Tobacco donation would have been

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It's about Ethics and Judgement at the University of Toronto

What could St. Michael's have been thinking?

The parallel between British American Tobacco's (BAT's) funding of an ethics centre at the UK's Nottingham University and Imperial's donation to USMC is obvious (BAT is the parent of Canada's Imperial Tobacco). Here is what Dr. Richard Smith had to say at Nottingham:

"...you have weighed the value of BAT's cash against the expected negative publicity and concluded that in return for riding a short term storm, you would be happy to take their money. You have acted with cynicism and short-sightedness in uncritically taking money from such a tainted source and, as a result, jeopardized the university's reputation and made it a laughing stock ..."

*Is the balance of greed versus bad publicity the final arbiter ...
Would you take money from repressive regimes to establish a chair in human rights?"*

From a letter from Dr. Richard Smith,
Professor of Medicine, and Editor, *British Medical Journal* to
Sir Colin Campbell, Vice-Chancellor University of Nottingham

rejected on principle. Stakeholders would have set off alarms before the decision was made and the university would have recognized the necessity to distance itself from Canada's largest tobacco manufacturer.

There was zero transparency with respect to the tobacco donation and no stakeholder involvement. The CSR Advisory Board and core faculty were never consulted. The donation was presented as a *fait accompli*. And the protest of Leadership Horizons, a CSR programme partner was ignored. As for accountability, Dr. Alway's decision to answer with stony silence to the November 5th letter on the opposite page speaks for itself.

For the record

The University of Toronto's Professor Joanna Cohen, in an editorial "Universities and tobacco money" in the prestigious *British Medical Journal* says,

"The acceptance of funding provides these [tobacco] companies with respectability by association; recipients may also act as *de facto* spokespersons for the industry, defending its interests, or, more subtly, remaining silent

on issues that may impact negatively on the industry. This helps maintain the 'legitimacy' of this industry and its products."

There are several arguments that St. Mike's officials have used to defend their acceptance of the tobacco donation. Some of these arguments have St. Mike's acting "as *de facto* spokespersons for the industry." Here are five:

1 USMC has argued that the donation was not from a tobacco company but from an alumnus, Bob Bexon, now CEO of Imperial Tobacco.

USMC claimed that the donation was made by an individual until an internal memo surfaced that showed this to be untrue and the corporate grant appeared on the Imperial Tobacco website.

2 On CBC Radio, USMC President Richard Alway said he welcomed a healthy debate about this issue, "the [CSR] programme that the money helps us mount is meant to debate and discuss questions like this one."

This was Dr. Alway's public face. Off the air, he was not happy with the

protest over the Imperial grant. Off the air, an honest public airing of the issues was not welcome.

3 USMC claims that the Imperial donation will not affect the CSR course content or programme.

Here the issue of academic freedom comes to the surface. Dr. Leduc was contracted to prepare a study assignment for a CSR session. He decided to test the commitment of USMC to academic freedom around course content. He prepared his assignment using the tobacco donation to the University of Nottingham as a case study. St. Mike's rejected the idea. USMC would have us believe that the rejection had nothing to do with the Imperial Tobacco donation.

Days after the November protest, a prominent Canadian was scheduled to lecture to the CSR programme. He was never told of the Imperial funding. Had there been transparency and had he been told of Imperial's connection up front, we were told, he would not have accepted the invitation to give his address. How many others who would normally agree to teach in the CSR programme would refuse to appear if they knew they were being paid by Imperial Tobacco?

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4 USMC initially claimed that the Imperial donation would go into general revenues thereby distancing the donor from the ethics programme.

Some of us might call this a form of money laundering. As it turned out, internal documents show that the Imperial donation was in fact applied to the CSR ethics programme.

5 USMC argued that the acceptance of this donation would not promote Imperial's agenda.

Previously secret tobacco documents obtained in litigation show clearly that the tobacco industry is engaged in a massive attempt to remake its image in the wake of worldwide revelations of its unconscionable behaviour. Supporting the USMC CSR programme is one way to assist the remake.

Professor Cohen points out another benefit. In the process of defending the acceptance of financial support from cigarette companies, recipients end up arguing tobacco industry positions more credibly than the industry can itself. Here is Dr. Alway on CBC Radio:

“...one of the questions about social responsibility and how one reacts to this sort of issue is where do you start and where do you stop in terms of drawing the line? Does it mean that ...donations from liquor companies would not be accepted because people die from liquor-related causes? Does it mean that places like GM who certainly help contribute to pollution around the world... [should be rejected]?”

This is a perfect recitation of a tobacco industry spin that is often used to oppose tobacco control reform. The strategy is to make other industries appear in the same light as the tobacco industry so that reforms appear too large to undertake.

Our answer to Dr. Alway is clear. If he can identify another industry that kills 45,000 Canadians a year, another industry that addicts children, another product that kills one out of two of its long term users when used exactly as the manufacturer intends, another industry with a track record of unparalleled fraud and deceit,

he should draw the line at such an industry as well. As the head of an institution of higher learning, he should recognize the fallacy of the all-or-nothing argument.

Why Big Tobacco deserves to be blocked by University of Toronto ethical donation screens

When Imperial Tobacco offered to make a donation to fund the study of ethics, alarm bells should have gone off in a university that specializes in graduate programmes in theology. As Bob Willard, author of *The Sustainability Advantage*, put it after he resigned from the USMC CSR Advisory Board:

“Governing one’s behaviour by the minimal standard dictated by what is merely legal is often not an acceptable standard for ethical behaviour.”

St. Mike’s and the University of Toronto must develop an understanding as to why the tobacco industry falls outside the norms of behaviour for legal, ethical business. They must appreciate why tobacco industry products are unlike other products in the marketplace. Here is what puts the tobacco industry and its products in a class by themselves, especially where universities are involved:

a. universities engage in real science and the objective pursuit of truth.

In contrast, the tobacco industry has a track record of being anti-science, of suppressing the truth, of attacking and undermining respected scientists;

b. the tobacco industry’s predatory marketing created massive disinformation campaigns which sowed doubt, created confusion, killed millions and cost economies billions of dollars;

c. unlike any other product, tobacco

industry products addict children and kill on an unparalleled scale. Tobacco industry products have no safe level of use. According to Health Canada, this industry will kill 3 million Canadians presently alive.

Behind tobacco money is unparalleled illness, death and families torn apart.

With good reason, we ask St. Mike’s to return this donation to Imperial Tobacco.

How you can help

- 1** *Tell the University of St. Michael’s College to return the Imperial Tobacco donation. Insist that USMC establish an ethical screen that will prevent future donations from the tobacco industry. Send us a copy of your letter or by email to toronto@nsra-adnf.ca.*
- 2** *Ask USMC to press the University of Toronto to establish a university-wide ethical screen to block tobacco industry donations and, like Harvard University, the Universities of Michigan, California, Johns Hopkins and Alberta, to divest of all tobacco stocks in its investment portfolio. Send us a copy of your letter or email.*
- 3** *Visit the Campaign to Take Big Tobacco Out of Universities at www.nsra-adnf.ca. Sign our letter to University of Toronto President Robert Birgeneau.*
- 4** *Raise this issue for discussion in classes. Contact us for more information.*

Campaign to Take Big Tobacco Out of Universities

NON-SMOKERS’ RIGHTS ASSOCIATION
PHYSICIANS FOR A SMOKE-FREE CANADA

Contact the campaign at
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