Scientists Conclude: Liggett Deal May Be Hazardous to Public Health

By ACSH Staff — April 8, 1997

Scientists from the American Council on Science and Health confirmed today that the Liggett Group settlement is not the public health victory it appears, contrary to the near-universal positive response from the rest of the public health community.

In an editorial in today's Wall Street Journal, Dr. Elizabeth Whelan, ACSH president, pointed out that a little-known addendum to the Liggett deal ensures that it brings no health gains at all. Rather, it will serve as a fresh coating of legal Teflon for the cigarette company. It may even be the prototype for a coming deal involving the entire industry. It's no wonder that shares of Brooke Group, which owns Liggett, soared after the settlement.

According to the terms of the deal, Liggett will publicly admit to cigarettes' health consequences, give court access to internal industry documents, and pay 25% of their pre-tax income, fully tax-deductible for 25 years. In return, they have been granted much more than immunity from public lawsuits related to recouping Medicare and Medicaid costs.

In a little-known link to the settlement, the presiding judge, with a questionable ruling, exempted Liggett from all litigation, public and private, nationwide. As a result, consumers are now barred from pursuing individual litigation against the company.

The public health community should veto such a settlement, asserts Dr. Whelan, "because the threat of litigation is a strong incentive for an industry to behave responsibly to keep its products safe or to issue very specific warnings . . . tobacco companies should be required to tread the same legal turf as any other American company."

On a level legal playing field, future jury decisions could lead to a natural decline of smoking in America by prompting, first, higher cigarette prices, second, aggressive attempts to develop a safer cigarette and third, restrictions on advertising and sales of cigarettes to children.