Tobacco Détente: American Leaf in the Cold War, 1964-1977

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ABSTRACT

Everything changed for the American tobacco industry in 1964. Smoking had long since been suspected of being unhealthy. But now the US Surgeon General made it official: smoking is harmful to one's health. Suddenly, tobacco found itself in the crosshairs of antismoking forces in Congress and the American public. New regulatory and public relations challenges did not mean tobacco companies would accept losses; it meant they needed to find new markets. American tobacco companies looked beyond the Iron Curtain. While the Johnson administration encouraged liberalized trade with Eastern Europe during the 1960s, and the Nixon and Ford administrations sought to maintain the difficult balance of détente during the 1970s, tobacco delegations made up of private businessmen and members of the US Department of Agriculture visited the Soviet Union, while Soviet delegations visited the United States. Tobacco firms, chiefly Philip Morris and R.J. Reynolds, set their eyes on vast, untapped eastern markets. In North Carolina, members of the Export Leaf Association and Tobacco Associates Inc. believed U.S. tobacco exports to the Soviet Union and its satellites would help the North Carolina farmer and called for unrestricted trade between the two superpowers. But, as thousands of industry documents available due to the 1998 Master Settlement Agreement show, which include delegation itineraries, business memos, and RJ Reynolds', Philip Morris's, and North Carolina's

Tobacco Associates annual reports, tobacco played a bigger role than a simple commodity in an emerging East-West trade. Using an array of telegrams and memorandums found in the Office of the Historian's *Foreign Relations of the United States* and drawing on works such as Tricia Starks' *Cigarettes and Soviets: Smoking In The USSR* and Mary Neuburger's *Balkan Smoke: Tobacco and the Making of Modern Bulgaria*, this work explores tobacco as a microcosm of détente during the years 1964-1977. During these years, tobacco played a small but important part in foreign policy and the international economy. Plenty of North Carolinian cold warriors did not approve, but plenty did. Despite public and political protest, the proponents of liberalized trade won out. Tobacco was a moving piece of détente, and by the late 1970s, Marlboros were being manufactured and smoked in the Soviet Union.

Tobacco Détente: American Leaf in the Cold War, 1964-1977

A Thesis

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By

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Introduction: “Almost as Good as Gold”

“In these times of tension and difficult international competition,” Alice Widener wrote in the September 1960 volume of her anti-communist magazine *U.S.A.,* “it is good to be able to take pride in an American success, great or small.” She was, of course, talking about American cigarettes. To Widener, they were “almost as good as gold” and indeed as good as currency when traveling abroad. Widener acknowledged the myriad of global tensions in the late summer of 1960. Still, American cigarettes seemed to bridge all cultural gaps, and she even claimed that no matter where one traveled, a pack of American cigarettes was “the only U.S. giveaway sure to make a friend.”[1]

In 1960, the International House of New Orleans, created after World War II to encourage American trade with foreign nations via missions abroad, foreign language courses, and exchange programs, conducted its “Trade and Travel Mission” beyond the Iron Curtain.[2] The trip was International House’s fortieth abroad since its founding. The mission toured Czechoslovakia, Poland, and the Soviet Union. Charles Nutter, International House’s managing director, wrote about the trip. His piece ran alongside Widener’s and presented a controversial opinion: “This visit to Russia left me with the very definite belief that the real Soviet threat is economic, not military.” To Nutter, the Soviet Union was “startlingly successful,” but only because he saw the Soviet population as slave labor in the “all-embracing Soviet monopoly.” “Communism in Russia,” Nutter said, “[was] not communism at all” because it acted as “one gigantic trust.” Nutter proposed a foreign policy that focused on economics, and he concluded

[1] Widener, Alice. “Cigarettes An American Success,” September 9, 1960. *U.S.A.* RJ Reynolds Records; Master Settlement Agreement.
[2] Gary A. Bolding. “New Orleans Commerce: The Establishment of the World Trade Mart.” *Louisiana History: The Journal of the Louisiana Historical Association,* 8, no. 4 (Autumn, 1967): 351, 359.

his article by urging the United States to "take the economic offensive and prove that the capitalistic system is a superior one to theirs."[3]

It is fitting that Nutter's and Widener's articles ran back-to-back in *U.S.A.* Soviet struggles with tobacco production, emerging health concerns in the United States, and the ever-present Cold War led to the fusion of Widener's pride, excitement, and total belief in American tobacco products with Nutter's goal of economically infiltrating a communist system he viewed as having gone horribly wrong. Undoubtedly, the two did not pen their 1960 pieces as part of a grand new foreign policy strategy. Nevertheless, for better or for worse, by 1964, a new vision of economic and cultural exportation combined with pride and confidence in American tobacco products led to a unique, more unrestricted, and liberalized tobacco trade with the East – communist states beyond the Iron Curtain and the Soviet Union itself.

The Birth of Tobacco Détente

In the years after World War II, American tobacco firms attempted to expand. But they weren't the only ones. The Bulgarian state tobacco monopoly, Bulgartabek, also tried to extend its sphere of influence in the Soviet Bloc. In 1947, economic historian Koitko Beltchev identified tobacco as a centerpiece in the emerging East-West struggle. While Bulgaria worked to increase exports into Western Europe and the Americas, Beltchev noted that Virginia tobacco, introduced into Europe by American soldiers during the war years, was gaining popularity across the continent.[4]

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[3] "The Soviet Threat.," 5. *U.S.A.* provided an editor's note disagreeing with Nutter and said that "In our opinion, the military and economic threats of the Soviet Union are equally grave and alarming."

[4] Koitko Beltchev. *Tobacco in Bulgaria.* (Sofia, Plovdiv, Stara Zagora, Milan, Zurich: Marco Beltchev Sons Limited, 1947): 142. Though written in 1947 and translated in the United States in 1950, Beltchev's analysis of the Bulgaria's tobacco exportation sphere of influence proved accurate and changed little over the coming decades.

During the Twentieth Century, tobacco grew into a massive industry and played an instrumental role in American history. As such, it comes as no surprise that tobacco and tobacco products – this study focuses on leaf and cigarettes – have received plenty of scholarly attention. However, existing literature largely neglects the years of détente, during which tobacco resided at the intersection of geopolitical struggles and played an integral role in foreign policy.

This work focuses on tobacco as an economic product and cultural export from 1964 through 1977 at a time when the Cold War was in flux. Scholars often describe the foreign policy of détente as encompassing the years 1969 through 1979. But East-West relations were warming considerably within the tobacco industry by 1964, and the year acts as a starting point to examine the tobacco industry's new international strategy. By 1965, Soviet-American trade exceeded $143 million. Anticommunist cold warriors expressed concern and even outrage over this new and increased trade and argued that the Free World should not do business with Soviets or Iron Curtain countries.

Between the years 1964 and 1977, tobacco was central to U.S. foreign policy. The commodity acted as a conduit for increased communication between U.S. and Soviet governments, a channel for desired scientific and technical cooperation, an arena for continued economic competition, and a U.S. weapon of cultural infiltration of communist markets.

The year 1973 saw an influx in communication between men such as Dimitûr Iadkov of Bulgartabek and Hugh Cullman, the CEO of Philip Morris. Throughout the 1960s and 1970s, the industry evolved into a microcosm of a greater global struggle and became a small but essential piece of détente. Soviet and American delegations visited each other's countries to learn production techniques, steal ideas, or demonstrate goodwill. This competition, blended with cooperation, was unique within the Cold War and a departure from previous foreign policy. But this departure from the previous policy should not be confused as the United States no longer waging the Cold War. While cooperation did breed an uptick in friendliness in limited circumstances, it reflected a new strategy to win the Cold War, not a decision to quit fighting it.

The focus of this research ends two years before détente's traditional "end date" of 1979. The year 1977 marked the culmination of Philip Morris's "Mission to Moscow," when the company successfully signed a licensing agreement with Glavtobek, the Soviet Union's tobacco monopoly. Marlboros were going to the Soviet Union and were there to stay, while RJ Reynolds' Winstons were being produced all over the Eastern Bloc.[5]

Tobacco played a role within détente. But what was that role exactly? Did the increased tobacco trade break down barriers and promote better relations between East and West? Or did Soviet Bloc and American officials see tobacco as an economic and cultural weapon that could work to their opponent's detriment? This study addresses these and other questions that the existing literature has not fully explored.

This thesis situates tobacco in an international context, arguing that the commodity from raw material to finished product played an underestimated part in the ongoing struggle between the United States, the Soviet Union, and their allies. While this struggle occurred in Washington, Moscow, and other capitals, it was also rooted in locales like North Carolina, the heart of the American tobacco industry. As such, this study will examine how corporate spokespersons and other regional stakeholders heavily invested in the tobacco industry and thus highly dependent on exports responded to the challenges and opportunities the tobacco industry faced internationally.

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[5] Tricia Starks. *Cigarettes and Soviets: Smoking the USSR.* (Ithaca and London: Cornell University Press, 2022): 187. RJR. R.J. Reynolds Industries, Inc., 1975 (750000) Annual Report. 1975, 8.

Intersecting Historiography: Tobacco, Détente, Sovietology, and North Carolina

Drawing on works by diplomatic historians such as John Lewis Gaddis, Raymond L. Garthoff, Walter Hixson, and Anne Hessing Cahn, this study seeks to contribute to existing scholarly literature by examining détente through a "tobacco lens."[6] Any thorough analysis of tobacco is impossible without including North Carolina, North Carolinians, and their perspectives. However, this work crosses state and international borders. The state appears as part of a wider, global history of interregional tobacco exchange. It shows North Carolina headlines, actors, and businesses as overlapping with international tobacco companies, Soviet and American diplomats, and public health officials during the 1960s and 1970s.

There is no shortage of literature examining North Carolina and its famed tobacco industry. However, little of this literature covers the Cold War era. Take *The North Carolina Historical Review*, for example. The volume of the journal's articles concerning tobacco has sharply declined in recent years. Since the 1970s, the *Review* has published just three articles covering the tobacco industry in the post-World War II years. Of the three, only one solely focused on the postwar period. Jonathan Adler used the Lorillard Tobacco Company plant,

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[6] John Lewis Gaddis, *Strategies of Containment; A Critical Appraisal of American National Security Policy During the Cold War* (New York, New York: Oxford University Press, 1982.) Especially helpful for this project are two chapters in Gaddis's work. "Nixon, Kissinger, and Détente" and "Implementing Détente." Raymond L. Garthoff, *Détente and Confrontation; American-Soviet Relations from Nixon to Reagan* (Washington DC: The Brookings Institution, 1985.) Garthoff's chapter, "Confrontation to Détente" acts as excellent reference material for expanded trade between the United States and the Soviet Union, after the Export Administration Act of 1969 was passed. A prominent American export specifically focused on, is grain.Walter Hixson, *Parting the Curtain: Propaganda, Culture, and the Cold War, 1945-1961* (New York, St. Martin's Press, 1997.) Most relevant to this thesis is Hixson's chapter, "From the Summit to the Model Kitchen: The Cultural Agreement and the Moscow Fair." Hixson writes about the U.S. cultural infiltration of the Soviet Union.Anne Hessing Cahn, *Killing Détente; The Right Attacks the CIA* (University Park, PA: The Pennsylvania State University Press, 1998.) Cahn argues that while détente was popular with the American public, it was a policy brought down at any costs by conservatives. Furthermore, she argues that the money that subsequently went into fighting the Cold War after the abandonment of détente is a national travesty, considering the things the money could have been spent on instead: education and decaying inner cities are just a few.

which opened in Greensboro in 1956, as a case study to contrast the harsh treatment African American workers received with the more benign conditions Lorillard officials portrayed.[7]

Roger Biles's article, "Tobacco Towns: Urban Growth and Economic Development in Eastern North Carolina," is illustrative. Using Kinston, Greenville, Wilson, and Rocky Mount as case studies, Biles's piece asks why the state's eastern half has remained relatively rural. "Tobacco Towns" finds that these locales' tobacco warehouses effectively served as cultural hubs that worked to slow urbanization in the region. Though influential, Biles's article is noteworthy for this study in two respects. One, a work of local history, it largely ignores the international context. Two, it pays scant attention to the postwar years, devoting less than one page to the industry's decline after World War II.[8]

Anthony Badger's *Prosperity Road: The New Deal, Tobacco, and North Carolina* similarly focuses on the pre-World War II era. Badger examines the Agricultural Adjustment Act's (AAA) tobacco program in North Carolina to address two more significant questions: to what extent did the New Deal impose its will on the nation, and how did local conditions constrain or alter federal policy?[9] Badger argues that AAA programs succeeded in keeping

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[7] Jonathan Adler. "'Brown Skin, Bright Leaf,' and Brand Image: Racial Discrimination and Public Relations at the P. Lorillard Tobacco Company, 1956-1970." *The North Carolina Historical Review* 95, no. 4 (October 2018): 405-433. In 1955, the *Carolina Times* began publishing a seven-part series produced by the Lorillard Tobacco Company. The objective of the series was to explain the role African Americans played in the production of tobacco in North Carolina. Jonathan Adler used the newly opened Lorillard plant in Greensboro in 1956, as a case study to compare the reality of treatment African-Americans received as tobacco workers, with that of the reality the Lorillard Tobacco Company sought to present. Adler argues that Lorillard's practice of discrimination in the workplace was more about profits than a deep-seated racism. He writes that studying the Lorillard Tobacco Company allows the researcher to better understand the relationship between capitalism and systemic racism. This article is important and provides a fresh look at the history of the tobacco industry in North Carolina. However, Adler is using tobacco as a case study for capitalism and racism, rather than as a starting point for someone who wishes to better understand the tobacco industry in North Carolina in the years after World War II.

[8] Roger Biles. "Tobacco Towns: Urban Growth and Economic Development in Eastern North Carolina." *The North Carolina Historical Review* 84, no. 2 (April 2007): 156-190. Biles briefly writes about the harsh contrast seen when comparing tobacco towns' heyday with their current socioeconomic status.

[9] Anthony Badger, xvi. *Prosperity Road: The New Deal, Tobacco, and North Carolina.* (Chapel Hill: University of North Carolina Press, 1980.)

tobacco farmers relatively prosperous during the New Deal years. Still, paradoxically, their success only confirmed growers' cultural conservatism, which generally led them to reject federal incentives.[10] Badger's work, while not directly studying Cold War culture or politics, does serve to historize the worldview of the North Carolina farmer, enhancing understanding of the tobacco industry, government, and its implications. Though Badger writes outside of the intended chronology of this project, an understanding of tobacco programs in place before World War II is required to contextualize North Carolina tobacco culture as a whole.

A growing body of literature situates tobacco in international contexts. Howard Cox's *The Global Cigarette: Origins and Evolution of British American Tobacco, 1885-1945*, and Maurice Duke and Daniel Jordan's *Tobacco Merchant: The Story of Universal Leaf Tobacco Company* provide excellent reference material, especially for understanding Universal Leaf Tobacco Company's relationship with China. Though both works mainly focus on the pre-World War II years, they shed important light on the boom of the international cigarette market.[11]

Because Washington attempted to promote American tobacco products during the 1960s and 1970s, it is crucial to understand the government's role in the tobacco game and how official programs and policies directly impacted the farmer, businessman, and laborer. Robert Miles's *Coffin Nails and Corporate Strategies* is an excellent source for understanding specific actions the federal government took regarding tobacco throughout the Twentieth Century, specifically after World War II. Topics such as the creation of the Tobacco Research Council and the role of the Surgeon General of the US are detailed.[12] Nannie Tilley's *The RJ Reynolds Tobacco*

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[10] Ibid: 216-217.

[11] Howard Cox. *The Global Cigarette: Origins and Evolutions of British American Tobacco, 1880-1945.* (Oxford: Oxford University Press, 2000): 19-45. Maurice Duke. Daniel P. Jordan. *Tobacco Merchant: The Story of Universal Leaf Tobacco Company.* (Lexington, Kentucky: The University Press of Kentucky, 1995): 2-3

[12] Robert H. Miles. *Coffin Nails and Corporate Strategies*: (Englewood Cliffs, New Jersey: Prentice Hall Incorporated, 1982): 61-62. Tilley, Nannie M. *The R.J. Reynolds Tobacco Company.* Chapel Hill and London, The University of North Carolina Press. 1985.

Company also provides excellent reference material, though outside of the chronology of this project.[13]

Perhaps most valuable for this thesis are Tricia Starks's *Cigarettes and Soviets: Smoking in the USSR* and Mary C. Neuburger's *Balkan Smoke: Tobacco and the Making of Modern Bulgaria.* Starks provides an exhaustive history of the tobacco industry and culture in the Soviet Union, its role in socialism, the Soviet cessation movement, and Philp Morris's "tobacco détente." Similarly, Neuburger studies Bulgaria's tobacco industry and culture, Bulgartabek's business with Philip Morris and RJ Reynolds, and Bulgaria's tobacco exports to the Soviet Union. Though hyper-focused on the tobacco industry in the USSR and Bulgaria, Starks and Neuburger come the closest to blending a study of foreign policy concerning Eastern Europe with an international study of tobacco. While focusing on the American tobacco industry, this thesis intends to bridge that gap further.[14]

A Note on Structure and Sources

This study concentrates on 1964 to 1977. Chapter One focuses on 1964 through 1968, during which time the evolving tobacco industry played a limited but essential role in East-West trade and, ultimately, détente. An important theme of the chapter is the American resistance to trade with communists and tobacco's role on the international stage during the Johnson Administration's push for liberalized trade, or "bridge building."

Chapter Two examines détente's beginnings as an official policy during the Nixon Presidency and covers 1969 to 1973. "Red tobacco trade," or tobacco trade between the

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[14] Tricia Starks. *Cigarettes and Soviets: Smoking the USSR.* (Ithaca and London: Cornell University Press, 2022.) Mary C. Neuburger. *Balkan Smoke: Tobacco and the Making of Modern Bulgaria.*. (Ithaca and London: Cornell University Press, 2013.)

communist Eastern Bloc and the United States, met many obstacles from 1969 to 1971. But 1972 and 1973 were turning points. Executives from American tobacco giants like Philip Morris and RJ Reynolds sat down with their Soviet counterparts as American and Soviet tobacco delegations traveled to each other's countries. A giant leap forward for the American tobacco industry was the 1972 Soviet and American signing of the Basic Principles of Agreement, which outlined guidelines, though unenforceable, for both nations to follow on their continued path of détente.[15]

Chapter Three covers tobacco détente's final act from 1974 to 1977. By 1974, the détente "dance" was becoming a more difficult balancing act and, by 1976, more politically polarizing. Despite this, the tobacco industry persevered and participated in joint production projects, continued to export American cigarettes to Soviet satellite states, and, by 1977, signed licensing agreements with the Soviet Union and multiple Eastern European (EEC) communist states.[16]

My work links two seemingly disparate things – tobacco and foreign policy – to provide a fresh perspective on a well-studied topic, détente. Several primary source collections exist to draw these connections. East Carolina University's Special Collections in Joyner Library include Eastern North Carolina community correspondence: the J.C. Peele, M.D. Papers are noteworthy. In 1966, Peele, a staunch anti-communist outraged by reports that RJ Reynolds was purchasing tobacco from the non-Soviet controlled communist Yugoslavia, circulated a petition attempting to bar U.S.-based companies from buying goods from communist states. Peele was not representative of all North Carolinians. Still, his papers provide a glimpse into his Cold War

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[15] "PRINCIPLES OF RELATIONS BETWEEN THE UNITED STATES OF AMERICA AND THE UNION OF SOVIET SOCIALIST REPUBLICS," May 29, 1972, doc., 116 in *Foreign Relations of the United States* [hereafter *FRUS*,] *1969-1976*, Volume I, *Foundations of Foreign Policy, 1969-1972,* ed. David S. Patterson, (Washington: Government Printing Office, 2003).
[16] Starks, 187.

mindset, showing that détente and tobacco diplomacy were passionate topics to cold warriors like himself.[17]

Four digitized collections were indispensable to this project. The *Foreign Relations of the United States (FRUS)* series, the official documentary record of U.S. foreign policy published by the Department of State, provides telegrams, airgrams, memorandums of phone and in-person conversations, and other files documenting U.S. policy revealing the centrality of tobacco to international trade and foreign policy. Likewise, the U.S. National Archives *Access to Archival Databases* (AAD) contains electronic telegrams from the State Department in Washington and U.S. embassies in Sofia and Moscow. Brimming with trade reports, tobacco delegation tour schedules and itineraries, and plans for diplomatic dinner parties and cocktail hours, tobacco is demonstrated to be a commodity that led to cooperation and competition.

Sifting through newspaper articles was an illuminating and necessary part of this research. *ProQuest Historical Newspapers* contains a multitude of pieces involving tobacco, the Soviet Union, and foreign policy. Newspaper articles and editorials served two overarching purposes. First, they served as secondary source information, enabling the establishment of links between events documented in *FRUS* and *AAD* and existing literature. Second, they served as evidence of the varying national mood concerning East-West trade and détente and often humanized the web of unfolding business and trade agreements.

Lastly, the University of California-San Francisco's *Truth Tobacco Industry Documents* is a priceless source for anyone studying the tobacco industry. The UCSF Library created the database in 2002 to "house and provide permanent access to tobacco industry internal corporate documents produced during litigation between U.S. states and seven major tobacco industry

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[17] "Letter from Mothers' Crusade." J.C. Peele, M.D. Papers (#1030), Box 11, East Carolina Manuscript Collection, J.Y., Joyner Library, East Carolina University, Greenville, North Carolina, USA.

organizations."[18] Enormous in scope, *Industry Documents* contains over fifteen million files. Business memorandums, meeting minutes, newspaper articles, industry publications, and annual reports are all available here. *Industry Documents* also provide perspective on the industry in North Carolina. Tobacco Associates Inc., out of Raleigh, the self-described "ambassadors for U.S. Flue-Cured Tobacco Growers," have been promoting North Carolina tobacco and working to expand export markets since 1947.[19] All of the annual reports and addresses of their presidents can be found in *Truth Tobacco Industry Documents.* This profusion of sources, combined with a plentitude of Cold War, foreign policy, and diplomatic historical literature, leads to a new understanding of the tobacco industry and its role internationally and within the context of U.S. foreign policy.

A New Industry

By the time Alice Widener wrote her article touting the success of American tobacco in 1960, plenty of questions about smoking and its links to cancer were openly discussed. But many Americans remained unconvinced. Widener herself wrote that smoking as a cause of cancer had not been "scientifically proven" and that the anti-smoking movement was led by those who "deriv[ed] a kind of sadistic enjoyment, while at the same time lining their own pockets, by preaching that other peoples' comforts and pleasures [were] all wrong."[20] In the Soviet Union, doctors openly stated that "Smoking [was] not a cause of cancer."[21] However, in the United States, the debate ended officially in 1964 with the U.S. Surgeon General's warning. Health

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[18] "Overview," Truth Tobacco Industry Documents. https://industrydocuments.ucsf.edu/tobacco/about/overview/ [accessed 2 March 2024.] The database includes all litigation documents.
[19] "Who We Are: Ambassadors for US Flue-Cured Tobacco Growers," Tobacco Associates, Inc. http://www.tobaccoassociatesinc.org/Promotion_about-us/wwaRL_index.aspx [accessed 20 January 2024.]
[20] "Cigarettes An American Success,"2.
[21] "Soviet Cancer Expert Tells of Mass Check [Exhibit] Cipolione v Liggett, ex DJT - 5000-311. August 7, 1959. Liggett & Myers Records.

concerns would persist in the Soviet Union as well, albeit not taken as seriously. RJ Reynolds included in one of its reports that Soviet doctors were less worried about cigarettes leading to cancer, in part because they believed oriental tobacco differed from bright leaf and contained less poisons.[22]

Tobacco exchanges began in 1962, but there was still little indication of the fundamental shift over the next decade and a half. Even during the first few years of the 1960s, when the Soviet Union struggled with tobacco shortages, business relations between American companies and Glavtobek did not appear to be blossoming. In 1964, Dr. William Dunn, head of the Philip Morris Research Center in Virginia, called Russian cigarettes “vile and nasty.” A Soviet delegation had visited the facility and, according to Dunn, “sadly acknowledged” the inferiority of their cigarettes. The Soviets asked for some of Philip Morris’s secrets, but Dunn turned them down. Maybe Dunn and Philip Morris were adding to the mystique of American cigarettes. Soviets enjoyed their own Oriental tobacco, so perhaps the story of visiting U.S.S.R. dignitaries pining over American industry secrets was embellished. Either way, tobacco détente was in its infancy in 1964.[23]

But soon enough, all that would change. Tobacco détente weathered domestic firestorms, controversial trade deals, conflicting ideologies, growing health concerns, and international crises. “If peaceful economic competition were to be replaced by forceful communist aggression,” Alice Widener said, “American cigarettes would be a powerful help to our armed forces.”[24] The potential war Widener and millions of others feared never happened. But she was

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[22] Beffinger, IJ. Tobacco Smoking Research. “I am Bringing to your Notice the Latest Report From The Soviet Ministry of Health, Moscow, Which States That...” August 6, 1960. RJ Reynolds Records, Master Settlement Agreement.
[23] “Soviet Asks for an American Cigaret Blending Secret – The Answer: Nyet.” October 28, 1964. Philip Morris Records; Master Settlement Agreement.
[24] “Cigarettes An American Success,” 2.

right about one thing. Throughout the next thirteen years, American leaf and cigarettes finally led to victory, even if not the victory policymakers, generals, and politicians may have imagined.

Chapter 1
1964-1968: Tobacco Seeds of Détente

"It is now official; it could hardly have been otherwise," the *New York Times* announced in a summary of the U.S. Surgeon General's 1964 smoking report. "To put it bluntly," The *Times* continued, "smoking is harmful to health – and remedial action must be taken." Everything changed in the American tobacco industry in 1964. The U.S. Surgeon General officially declared a link between smoking and lung cancer, a fact that was probably already known or assumed by many.[1] In the Soviet Union, there was a tobacco shortage, and to the U.S. tobacco industry's dismay, Soviet authorities purchased 2.7 million pounds of Ontario leaf from Canada.[2] The media, which had previously covered bland stories of exchanges and sales, began reporting on the industry's new desire to tap into Eastern markets.

Between 1964 and 1968, tobacco played a small but essential role in leading the US and USSR toward trade, limited cooperation, and ultimately détente. This chapter explores the evolving tobacco industry, the emerging trade and resistance to it between East and West, and how tobacco played a part on the world stage. No major trade agreements or business deals were reached during these years, leaving many in the industry frustrated that there was not more progress. The public relations hurdle it faced at home was equally challenging to the American tobacco industry. However, the four-year evolution mirrored changes in policies and public opinion in the United States. This change set the stage for a new era of cooperation and competition that would characterize the early 1970s when the American tobacco industry more aggressively pursued business relationships with the East.

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[1] "The Smoking Report." *The New York Times*, January 12, 1964.
[2] "Russia Purchases 2.7 Million Pounds of Ontario Tobacco." *Wall Street Journal*, January 24, 1964.

New Markets Behind the Iron Curtain

Nineteen sixty-four marked a turning point, but changes began earlier. During the Dwight Eisenhower and John Kennedy administrations, policymakers were frustrated at the US's perceived inability to stop the USSR from capitalizing on nationalistic movements in Asia, the Middle East, and Africa.[3] Deterrence and brinkmanship were the name of the game during the Eisenhower years, while flexible response was the cornerstone of foreign policy during the Kennedy administration. Still, "seeds" of détente were planted during the late 1950s and early 1960s. The US and USSR agreed on education, cultural, and technological cooperation.[4] What would this cooperation achieve? For the US, it was a chance to beat the USSR by doing what it did best – produce and create consumers. After the 1959 American National Exhibition at Sokolniki Park in Moscow, Soviet retail began emulating the US. Stores in Moscow started to carry more processed foods and medicines. Khrushchev and Soviet officials knew their citizens wanted to buy American products. In response to the growing desire for Western goods, the Communist Party of the Soviet Union (CPSU) made a special effort to assure its people that their "material existence was improving."[5]

Only two months before the Cuban Missile Crisis, Vasili Kopylov, M.J. Parshikow, Victor Sokolov, and other visiting Soviet dignitaries sat down in the United States for a nice steak lunch. The delegation also toured a frozen foods plant and enjoyed the pleasing aroma of country-cured ham. The team even joked that Sokolov, the group's youngest member, might be enjoying American women – though Sokolov good-naturedly said he couldn't say anything

[3] John Lewis Gaddis. *Strategies of Containment: A Critical Appraisal of American National Security Policy During the Cold War.* (Oxford and New York: Oxford University Press, 2005): 175. For an in-depth examination of the Eisenhower administration's foreign policies, see Gaddis's sixth chapter, "Implementing the New Look." Gaddis argues that the U.S. was in a stronger position by the end of Eisenhower's presidency than at the beginning.
[4] Ibid., 187, 274-275.
[5] Walter L. Hixson. *Parting The Curtain: Propaganda, Culture, and the Cold War, 1945-1961.* (New York: St. Martin's Press, 1997): 211.

about that since his wife might see the newspapers. Thick steaks for lunch, smiles, and jokes – dark-fired tobacco brought a Soviet delegation to rural America in 1962. The Soviet Federal Planning Commission sent the agricultural experts as part of a cultural exchange to observe American tobacco production methods in Robertson County, Tennessee. Yet despite the goodwill trip, there were no business relations between the US and the USSR. Exchanges like these were themselves relatively new.[6]

While the Soviet tobacco delegation visited in 1962, fourteen representatives from the American tobacco industry traveled to the USSR. It garnered a brief headline in the *Durham Morning Herald.* The State Department sent the delegation to observe tobacco growing, harvesting, and marketing techniques in the Soviet Union. Observers included Kenneth Keller of North Carolina State's Agricultural College, Malcolm Seawell of the Tobacco Associates of the U.S. Tobacco and Leaf Exporters Association based in Raleigh, North Carolina, and Carl Hicks, a tobacco grower from Walstonburg, North Carolina, and representative of the Flue-Cured Tobacco Cooperative Stabilization Corporation. The trip lasted sixteen days and gave exchange members a glimpse into the Soviet tobacco industry. But the *Morning Herald* did little to emphasize tobacco's importance as a potential tool of diplomacy. Instead, it merely noted that "The State Department believes such exchanges contribute to the betterment of mutual understanding and to the broadening of cooperation between the people of the two countries."[7]

In 1964, the USSR was searching for new tobacco producers. It looked to India, North Korea, Brazil, and Southern Rhodesia. But, as the *Wall Street Journal* reported, these nations could only provide a little over 100 million pounds of leaf. Canada could provide some – and it

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[6] Hal Herd. "Russian Like U.S. Tobacco, Ham." *Tennessean.* August 28, 1962. Council For Tobacco Research Records; Master Settlement Agreement.
[7] "7 U.S. Tobaccomen Will Make Study of Industry in Russia." *Durham Morning Herald,* August 6, 1962. US Tobacco Records on Smokeless Tobacco.

did – but *The Journal* quickly emphasized that the US was the only country that could meet Soviet demand.[8]

Since 1962, the same year the US sent a tobacco delegation to the Soviet Union as part of the educational, cultural, and technological exchanges agreed upon during the Eisenhower years, the USSR had been in a tobacco crunch. Soviet authorities were some 135 million pounds short of needed tobacco. Cigarette production inside the USSR was down by almost 2 trillion pieces. Production remained virtually stagnant throughout the rest of Eastern Europe, which meant tobacco exporters in satellite states could not meet the needed boost to the USSR. It was a perfect shortage storm. China had previously been the biggest tobacco exporter to the Soviet Union. But in 1962, due to the Soviet-Sino split, its exports fell by half. Bulgaria, another country the Soviets relied heavily on for tobacco, could not meet demand due to mold-damaged crops.[9] Inside the Soviet Union, despite an emphasis on production, which included round-the-clock shifts at cigarette factories, the tobacco industry could not meet demand, primarily due to labor shortages.[10]

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[8] "Commodities: Russia, Eastern Europe To Seek Big Purchase Of Tobacco This Year." *Wall Street Journal.* January 2, 1964.
[9] Ibid.
Laverne Creek, Tom Capehart, and Verner Grise. *U.S. Tobacco Statistics, 1935-1992.* (Washington, 1994): 220.
Mary C. Neuburger, Balkan Smoke: Tobacco and the Making of Modern Bulgaria, 208 (Ithica and London: Cornell University Press, 2013.) Neuburger dives into the explosion of the Bulgarian tobacco industry and its strong ties to Moscow. Though Bulgaria continued to export more and more products to the USSR through the second half of the 1950s, its stockpiles were not enough to meet quotas once the mold problem struck.
[10] Tricia Starks. *Cigarettes and Soviets: Smoking the USSR.* (Ithaca and London: Cornell University Press, 2022):160-161. In the decades following World War II, Soviet citizens expected higher living standards. Quality cigarettes, as well as appliances for the home, were desired and sought after. In her sixth chapter, "Recovered: Women's Kingdoms and Manly Habits," Starks describes the growing demand for a better lifestyle after World War II, the state's response to that demand, and the subsequent problems that hampered production in the tobacco industry. Despite Khrushchev's claim that the USSR would arrive at communism by 1980, there were labor problems. One problem was the result of a 1944 law that kept pregnant and nursing women from working the third shift at factories. Following World War II, pregnancies among unwed mothers were on the rise, which meant that there was often a struggle to find workers to replace them.

Labor problems plagued production in the satellite states. Mold was only one of the challenges Bulgaria faced. From 1956 to 1960, Bulgaria implemented a shortened work week, from forty-eight to forty-one hours, including Sundays off. Increased leisure time may have been enjoyable to the average citizen, but it challenged the Bulgarian Communist Party (BCP) both economically and culturally. Like citizens inside the USSR, Bulgarians came to expect a higher standard of living.[11]

By 1964, American tobacco companies were eyeing eastern markets. In the United States, Congress began what Richard McGowan has called the second wave of government tobacco regulation. The first wave, which occurred earlier in the century, was the general restructuring of the U.S. tobacco industry. But this new regulatory wave was about the health of consumers. Health warnings, advertising regulations, and new demand for filtered cigarettes all changed the industry's landscape. It was clear that with the changing environment of tobacco culture, companies would be forced to adapt to the new economic and political climate. Over the next six years, Philip Morris and RJ Reynolds would far and away be the two most successful in this evolution.[12] Within a few years of the Surgeon General's 1964 warning, many Americans decided to give up the habit. But this did not mean that tobacco companies would accept losses. It only meant that new markets needed to be found.[13]

Nineteen sixty-four marked a change in U.S. foreign and economic policy as well. President Johnson began encouraging U.S. industry to trade with the East, meaning the Soviet

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[11] Neuburger, *Balkan Smoke,* 169-174.

[12] Richard McGowan. *Business, Politics, and Cigarettes: Multiple Levels, Multiple Agendas.* (Westport, Connecticut, London: Quorum Books, 1995): 19-21. McGowan highlights one apparent paradox of tobacco regulation. Warning labels, added in 1971, were intended to inform consumers of health risks. It is difficult to quantify how the effects of these labels. However, McGowan notes that labels have provided tobacco companies with plausible deniability. Companies can now point to the labels as evidence that consumers are fully aware of the dangers of smoking.

[13] Brandt, Allan M. *The Cigarette Century: The Rise, Fall, and Deadly Persistence of the Product that Defined America.* (New York: Basic Books, 2007): 449-450.

Union and the Eastern European Community (EEC.) One government spokesperson even told the press that it was in the US's best interest to sell as much tobacco as possible to Eastern Bloc countries.[14] However, Johnson's encouragement of trade between the two powers did not magically boost U.S. tobacco exportation to the USSR. Soviets historically preferred Oriental leaf – In Bulgaria, Russian trade representatives told Philip Morris executives that their taste was "mainly Oriental" – and it would take hard work for U.S. companies to make inroads in the East and convince consumers that American blend cigarettes were of high quality.[15]

U.S. tobacco companies hoped Soviet doctors and government officials would come to different conclusions about tobacco's effect on health. In 1965, the *Western Tobacco Journal* cited numerous studies. Some were undoubtedly detrimental to the tobacco industry; the most damning being a study conducted by the Roswell Park Memorial Institute. The study found that mice subjected to applications of raw tobacco developed cancerous tumors. However, other studies provided ammunition to an industry ready to claim tobacco wasn't all that unhealthy. One argument claimed cigarette smoke contained chemicals that *prevented* cancer. Another said that smoking before the age of 45 was safe.[16]

An entire subsection of the article was devoted to hoping Russians would conclude that smoking was safe. The *Journal* conceded that Russians had not wholly "exonerated cigarettes as a health peril."[17] For example, Leonid Orlovsky of the All-Union Institute of Health Education in the USSR admitted that cancers of the mouth and lungs were connected to smoking. But he cited cigarettes as only one of numerous possible causes. Neither Orlovsky nor his colleagues believed

[14] H.J. Maidenberg. "Tobacco Men Are Seeking Ways to Spur Export Volume." *New York Times.* March 15, 1964.
[15] Neuburger, 208-209.
[16] *Western Tobacco Journal.* January 1, 1964; December 31, 1965. R. J. Reynolds Records; Master Settlement Agreement.
[17] Ibid.

"that smoking is the direct and only cause. The theory most Soviet oncologists accept is that cancer may be the result of several factors, including smoking."[18] Orlovsky's statement would likely do little to ease the mind of a twenty-first-century consumer. But the *Journal* spun it to minimize smoking's ill effects. Russian oncologists, the article concluded, theorized that cancer came from factors other than smoking and that smoking merely weakened lungs already harmed by the disease.[19]

In any case, the US already had its foot in the tobacco door via another product: wheat. When the EEC experienced wheat shortages, United States policymakers sought to exploit the situation by first using tobacco as an economic guinea pig. The State Department wanted the U.S. legation in Bulgaria to proceed with wheat, cotton, and tobacco sales. The State Department deemed this beneficial because it would reduce storage costs and improve the U.S. balance of payments. Bulgaria highly desired U.S. wheat, but the State Department used tobacco as leverage and told the legation in Sofia to sell $8 million worth of tobacco first. They were instructed to hold off on selling wheat for the next seven to ten days. This window was used to "test Bulgarian sentiment."[20] In other words, if Bulgaria wanted wheat, they needed to buy tobacco, too. Suddenly, in 1964, U.S. tobacco was first at the center of health concerns and political controversy, then as a bargaining chip in the international economy and diplomacy.

Though such deals fostered cooperation, East-West competition persisted. Six months after the State Department telegrammed the U.S. legation in Sofia, the U.S. minister to Bulgaria, H. Eugenie Anderson, and the Bulgarian Foreign Minister, Ivan Bashev, discussed US-Bulgarian

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[18] Ibid.
[19] Ibid.
[20] Department of State to the Legation in Bulgaria, Telegram, Feb. 19, 1964, doc. 28, In *Foreign Relations of the United States* [hereafter *FRUS*], *1964-1968,* Volume XVII, *Eastern Europe*, eds. David C. Humphrey, Charles S. Sampson, (Washington: Government Printing Office, 2001.)

relations. While Anderson seemed relatively positive – he referenced Bulgaria's Agricultural Production Minister visiting the US, Bulgaria's purchase of U.S. agricultural commodities, the US exhibit at the upcoming Plovdiv International Trade Fair in Bulgaria, and what seemed to be the continuing growth of "two-way cultural relations" – Bashev was dismissive. He believed there was "nothing to be pleased about as far as US-Bulgarian relations are concerned."[21] His main concern was Bulgarian exports, which he felt the US hindered. "Trade should be two-way trade," he said.[22]

This discussion is especially revealing, for it demonstrates that the superpowers, or their satellites, were only bettering relations as long as they could better their economies at the expense of competitors. The BCP and Bulgartabek (Bulgaria's state-controlled tobacco monopoly) failed to provide the USSR with needed tobacco. In the spirit of "educational, cultural, and technological cooperation," Bulgaria turned to the US for American blend leaf. But all parties had ulterior motives, and the common denominator between the US and EEC was a desire for superior and stable economies that satisfied popular demand.

Moreover, as the US embarked on its quest for better relations with the East, Soviet officials were vexed that the US did not lump all of "The East" together. Soviet embassy officers in Washington surprised Secretary of State Dean Rusk by being less than enthusiastic about President Johnson's desire for more significant trade between the US, the USSR, and Eastern Europe. Sure, the Soviets were all for increased trade between the superpowers. Still, the US habit of improving ties with Eastern Europe by "separating these countries from the Soviet

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[21] Memorandum of Conversation, August 6, 1964, doc., 29 in *FRUS, 1964-1968,* Volume XVII, *Eastern Europe,* ed. James E. Miller, (Washington: Government Printing Office, 1996.)

[22] Ibid: Bashev was upset that though Bulgaria purchased commodities such as tobacco from the U.S., the U.S. did not purchase commodities from Bulgaria. When Bulgaria wanted to buy electrical locomotives from the U.S., the U.S. refused. According to Bashev, cultural relations alone were of "small interest to [Bulgaria.]" Bashev believed that trade on an "equal footing" was necessary for truly better relations.

Union" disturbed Soviet Ambassador Anatoli Dobrynin.[23] Yes, the Soviets did feel optimistic about increased trade, Dobrynin said, and were pleased and surprised that some American media were interpreting Johnson's 1965 State of the Union as an invitation to Soviet officials to the United States – though Dobrynin made it clear that Soviet leaders could not "rush off" to Washington.[24] But Johnson's credibility was lessened by treating Eastern European countries as sovereign states, even using "self-determination" when speaking about East Germany. Still, the fact that both parties were showing a desire for trade and other improvements like the opening of consulates and an air agreement demonstrated a collective new attitude.[25] Shifting opinions of tobacco at home, and not for the better as far as the tobacco industry was concerned, along with new markets overseas – what better product than tobacco to improve this trade? Though it would be slow and arduous, both powers were open to the idea. It was Americans who ultimately proved most resistant.

Citizen Cold Warriors and Red Trade Resistance

While big U.S. tobacco companies wanted to sell to countries beyond the Iron Curtain, they also began buying from a communist state to produce a specific cigarette blend. The supplier was Yugoslavia. By 1965, six U.S. tobacco companies were purchasing leaf from Yugoslavia. The imported leaf was mixed with American Bright Leaf and Burley to blend Camel cigarettes. Once again, tobacco found itself in the middle of controversy. The Johnson Administration had pushed for greater trade with the East, or "bridge building." But this did not mean American cold

[23] Department of State to the Embassy in the Soviet Union, Telegram, January 8, 1965, doc., 84 in *FRUS*, *1964-1968*, Volume XIV, *Soviet Union*, ed. James E. Miller (Washington: Government Printing Office, 1996.)
[24] Ibid.
[25] Ibid.

warriors who viewed communism as a genuine threat to the country were willing to do business with the enemy.

Secretary of State Dean Rusk, Defense Secretary Robert McNamara, and Commerce Secretary John Connor insisted that importing Yugoslavian tobacco was "entirely consistent with our national security."[26] But that didn't matter to Americans at the grassroots and anti-communist politicians who mobilized against East-West trade. Protesting Americans cited two main reasons for their resistance. First, Christian Americans recognized communism as a godless ideology that directly conflicted with American values and constitutional government. Second, trade with communist states appeared treasonous when American soldiers were being sent across the globe to fight a communist enemy in Vietnam. After all, this was 1964. The Cold War was at its height. Unsurprisingly, many viewed doing business with communists as no less than trading with the enemy.

Efforts to block trade with the East had a mixed record of success. Glenard Lipscomb, a Republican Representative from California, did his best to inform ordinary Americans of business dealings and export licenses American companies were receiving. He spoke on the subject to Congress in 1965. He did not specifically mention tobacco. But his speech raised concerns about the need for more transparency concerning East-West trade. He listed countless business deals that he claimed were unknown to average Americans. For example, the US granted an export license in July of 1965 to ship chemical wood pulp, a substance used for tires, to the Soviets. Lipscomb argued that selling the pulp would benefit the Soviet military. Around the same time, the Department of Commerce authorized a shipment of grinding machines, mainly used in automotive crankshafts and camshafts, valued at almost $2.5 million. Earlier that

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[26] B. Gwertzman. "Three Top Cabinet Officers Back Buying Tobacco From Reds." October 12, 1965.*Washington Evening Star*. Philip Morris Records; Master Settlement Agreement.

year, the US sold technical data to the USSR to aid in constructing an ethylene plant. The plant would produce hydrogen propane, propylene, butane, butylene, and gasoline. "The Department of Commerce does not know what the end use of the products would be," stated Lipscomb.[27]

Lipscomb may have exaggerated the threat. Selling chemical wood pulp to Moscow did not necessarily contribute to the Soviet military buildup. But East-West trade deals were undeniably controversial. Take the failed proposal to build a Firestone synthetic rubber plant in Rumania. Lipscomb claimed that the Johnson administration hand-picked Rumania for "special treatment."[28] Rumania proposed paying for the plant with just 15 percent cash and 85 percent credit through the Export-Import Bank (EXIM.) EXIM also announced that similar terms might apply to future Rumanian deals, possibly including a $20 million fertilizer plant. Firestone refused to assume any of the risks.[29]

Public outcry followed. Many Americans were outraged not only by the proposed Firestone deal but also by any East-West trade at all. They argued that it was immoral for America to trade with totalitarian states who had pledged to destroy the US, that trade with the East would strengthen communist economies and damage American national security, and that communist states had little to offer the US anyway.[30] Firestone quietly canceled its plans. Lipscomb heralded Goodyear's earlier decision not to build a plant, also in Rumania, as an example for the rest of U.S. industry to follow: "You cannot put a price tag on freedom,"

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[27] "Life Lines: What We Should Know about Red Trade. Speech By U.S. Rep. Glenard Lipscomb (Calif.) In Congress." *Life Lines 7*, no. 118. (October 1, 1965): 1-2.
[28] Ibid., 2.
[29] Memorandum of Conversation, February 15, 1965, doc., 148 in *FRUS, 1964-1968*, Volume XVII, *Eastern Europe*, ed. James E. Miller (Washington: Government Printing Office, 1996.)
[30] Richard B. Bilder "'East-West Trade Boycotts: A Study in Private, Labor Union, State, and Local Interference with Foreign Policy." *University of Pennsylvania Law Review*, 118, no. 6 (May, 1970): 848-849.

Goodyear explained, adding that technical knowledge, in its view, should not be sent beyond the Iron Curtain.[31]

Firestone's cancellation, as well as Lipscomb's speech, demonstrated two things. One, Americans were paying attention, and many were adamantly against trade with communist states. Trade associations, including the North Carolina Tobacco Associates, which had considerable influence among North Carolina tobacco farmers, were pushing for trade with the East.[32] But many Americans strongly disapproved. Their disapproval was enough to slow or even stop some business deals.

Two, anti-trade efforts faced considerable pushback from the Johnson Administration and the mainstream media. Lipscomb's speech appeared in *Life Lines*, a conservative newspaper that described itself as "a patriotic voice of freedom." *Life Lines* and the publications of other like-minded organizations, such as the Christian Crusade and the John Birch Society, allowed citizen cold warriors to network and pressure representatives. According to a *Washington Post* report, Firestone's decision to withdraw from the deal was primarily due to the Young Americans For Freedom. This conservative group picketed outside numerous Firestone plants in Ohio.[33]

Many U.S. officials blamed these efforts for blocking attempts to warm Cold War relations and expand East-West trade. Senator William Fulbright of Arkansas, chair of the Senate

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[31] "Life Lines," 2.
"Universal Oil Products Proceeds on Building Refinery for Rumania. Firm Says It Completed Accord Despite Furor on Firestone's Dropping Talks With Nation." *Wall Street Journal.* July 27, 1965. *The Journal* covered Goodyear's involvement in the story differently than Congressman Lipscomb did. It reported that Senator Fulbright, D-AR, charged the company with providing its salesmen "right-wing" publications to use against Firestone. Despite Goodyear's public decision not to build and sell a plant in Rumania, followed by Firestone's decision to do the same, Universal Oil Products Corp. still built an oil refinery in Rumania. Universal Oil's Vice President George Orescan told the media that the company wasn't trying to "set foreign policy" and was only following the policy of the Federal Government.
[32] "Palmer Wants Trade With China, Soviet Bloc." *Southern Tobacco Journal.* May, 1966. Council For Tobacco Research Records; Master Settlement Agreement.
[33] "Rumania Plant Deal Cut Off by Protests." *The Washington Post.* April 30, 1965.

Foreign Relations Committee, accused groups such as the Young Americans of having a bad case of "profit-sacrificing patriotism" and only having "got religion" to look good to the American public.[34] But most importantly, Fulbright hinted that the federal government had not adequately supported Firestone and criticized the Young Americans for inserting themselves into foreign policy.[35]

When the Firestone deal fell through, policymakers quickly looked for new ventures to "fill the gap." There was no policy reversal or acknowledgment of American concerns about trading with a communist country. Instead, David Klein of the National Security Council Staff told Johnson's Special Assistant for National Security Affairs, McGeorge Bundy, that though the deal was over, it was "important to bring key members of the government into agreement with what has generally been understood to be this government's policy."[36]

Even so, the Johnson Administration's support of tobacco leaf purchases from Yugoslavia met stiff opposition. In October 1965, Alexander Galloway, President of RJ Reynolds, received a letter from L.B. Ensey, a retired Navy Commander disillusioned with the United States Government and RJ Reynolds. "I have been a Camel smoker for twenty years," Ensey's letter opened. "Propaganda" that smoking was linked to cancer had not led him to quit.

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[34] "Fulbright Says Pressure Blocked Rumanian Deal." *New York Times.* July 26, 1965.
[35] Willliam D. Smith. "U.S. Concern Sets Rumania Project. Universal Oil Will Go Ahead Despite Earlier Controversy." *New York Times.* July 27, 1965. Fulbright accused the Young Americans of calling for a national boycott of Firestone products. The Young Americans denied that they had called for a nationwide boycott but did admit that some local chapters did. The exact details of Firestone's decision remain unclear. Bad press and the efforts of Americans against the U.S. trading with communist states had an impact. But the company never made an official statement, and Bill Moyers, Johnson's press secretary, said that he was under the impression Firestone's decision was due to projected losses from the public pressure. Still, Moyers argued that the business deal would have been in everyone's "best interest."
[36] David Klein to Bundy, memorandum, doc., 151 in *FRUS*, 1964-1968, Volume XVII, *Eastern Europe*, ed. James E. Miller, (Washington: Government Printing Office, 1996.)
Anatole Shub. "Rumania Destalinizing Without a Lot of Fuss." *The Washington Post, Times Herald.* May 23, 1965. *The Post* covered a changing Romania, comparing it to other Eastern bloc countries, specifically Bulgaria. The standard of living in Rumania was on the rise, Rumanian officials worked to ensure the safety of Americans at the American embassy, and Rumania was generally more welcoming of and in tune with the West, the story argued. This was in heavy contrast with Hungary, Poland, and Czechoslovakia.

Neither had pestering from his wife. But trade with Yugoslavia was too much for the retired Navy man. His letter was scathing:

> Probably the only thing that could have made me stop smoking has occurred. When I found out that you are supporting the enemies of the United States of America by buying tobacco from a Communist country, that did it, I quit. Let's give some thought to the fact that Communists are killing Americans in various places of the world. Let's don't try and fool ourselves that there are good Communists and that there are bad Communists.[37]

Ensey cited Article III, Section III of the Constitution and accused RJ Reynolds of treason by giving aid and comfort to enemies of the United States. He concluded by pleading with RJ Reynolds to stop buying Yugoslavian tobacco and to "have the courage to announce this change publicly."[38]

Anger over U.S. importation of Yugoslavian tobacco was a classic case in which the principle of the matter was more important than the actual impact. The *Wall Street Journal* reported that the 10.2 million pounds imported from Yugoslavia for tobacco flavoring was only about 10 percent of the total amount the US imported.[39] But 10 percent was still significant to the tobacco farmer, who wanted tobacco companies to buy and export his leaf rather than import from Europe. Over the previous decade, more and more tobacco farmers had closed up shop. In 1954, there were over 500,000 tobacco farms in the United States. By 1964, there were approximately 330,000. The decline in tobacco crop acreage, down to 1.03 million acres in 1964 from 1.55 million acres in 1954, roughly paralleled the decrease in total farms.[40]

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[37] Ensey, L.B, "In View of the Recent News Item to the Effect that the Reynolds Tobacco Company is Buying Tobacco from Communist Yugoslavia, I Thought That You Would be Interested in Giving Some Thought to the Following..." October 24, 1965. R.J. Reynolds Records; Master Settlement Agreement.

[38] Ibid. There is no record of a response to Commander Ensey. However, it can be assumed that the letter made some impact, as it was saved and filed by Galloway. It was later digitized and can be found in UC-San Francisco's *Truth Tobacco Industry Documents* database.

[39] Journal of Commerce. Tobacco Firms Praised. "Six Big Cigarette Firms Use Yugoslav Tobacco, Snub Pressure Groups." *Wall Street Journal.* October 12, 1965. Philip Morris Records; Master Settlement Agreement.

[40] Laverne Creek, Tom Capehart, and Verner Grise. *U.S. Tobacco Statistics, 1935-1992.* (Washington, 1994): 67.

The debate continued through late 1965 and into 1966. Newspapers all over the country weighed in. Many echoed Fulbright's sentiments that freedom of speech did not justify hijacking foreign policy. The *Des Moines Register* emphasized "building bridges," which Congressman Lipscomb had denounced. American tobacco firms that sought to trade with Yugoslavia or other Eastern Bloc countries might lead to Iron Curtain countries seeing through anti-US propaganda. East-West trade might convert communists to free-marketeers, suggested the *Register*.[41] In any case, the *Register* praised the Johnson administration for "wheeling out its big guns," Dean Rusk, Robert McNamara, and John Connor, to defend the companies buying Yugoslavian tobacco.[42]

The *Louisville Courier-Journal,* based in tobacco-producing Kentucky, weighed in too. Perhaps surprisingly, it defended the companies and their decision to import. The *Courier-Journal's* opinion of red-trade protesters was summed up in its headline: "More Volunteer Trade Experts Evoke A Washington Protest." The editorial reiterated many of the arguments made by other outlets – that Yugoslavia was Western-looking, that Americans didn't have the right to disrupt the foreign policy process, and that imports from Yugoslavia were a drop in the bucket anyway. The *Courier-Journal* was notable in calling for the Johnson Administration to take a more substantial lead in East-West trade deals. The paper wanted more trade, not less, and a firm governmental hand to guide it.[43]

American Heart Association; American Cancer Society; Campaign For Tobacco Free Kids. False Friends: The U.S. Betrayal of American Tobacco Farmers. December, 1999. Brown & Williamson Records; Master Settlement Agreement. By 1999, the number of tobacco farms in the U.S. had dropped to 85,000.
"The President's News Conference of August 18, 1967: Farm Prices" in *The Johnson Presidential Press Conferences, vol. 2.* (New York: Earl M. Coleman Enterprises Inc., Publishers): 822. Johnson referenced the decreasing number of farms when advocating for price support. He told the press in 1967 that "I do think that people are leaving the farms by the thousands and going into the cities. I do think that this is creating a very serious problem for us."

[41] "Trade With Communists." *Des Moines Register.* October 13, 1965. Ligget & Myers Records.

[42] Ibid.

[43] "More Volunteer Trade Experts Evoke A Washington Protest." *Louisville Courier-Journal.* October 13, 1965. Philip Morris Records; Master Settlement Agreement.

Nineteen sixty-five turned to 1966, and cold warriors who opposed doing business with communists were still upset. In Eastern North Carolina, Dr. J.C. Peele networked with other anti-communists inside and outside the state. Much like Commander Ensey from California, Dr. Peele was adamantly against any "peaceful coexistence" or "aid and trade" with communists.[44]

To anti-communists like Peele, trade with the USSR or any of its satellite states, including Yugoslavia, was not an effective strategy for injecting capitalism into communist nations. If anything, it was the other way around. In one of his hundreds of letters to various newspaper editors across Eastern North Carolina, he told Jack Rider of *Lenoir County News* that the US was playing directly into Lenin's metaphorical hands. Unsuspecting U.S. citizens, Peele argued, were helping communists reach their ultimate objective. "Lenin explained it this way," he said. "'Without an alliance with non-Communists in the most varied spheres of activity, there can be no question of any successful constructive work." U.S. oil refineries in Yugoslavia, wheat sales and tobacco trade with countries behind the Iron Curtain, Philip Morris and R.J. Reynolds' exploration of business with Moscow, and the purchase of Yugoslavian leaf – according to Peele, all of this was the alliance Lenin spoke of.[45]

Peele and like-minded people he communicated with around North Carolina and the nation would not allow trade with communists to continue without a fight. A prominent ear, nose, and throat doctor from Kinston, North Carolina, he had the respect and attention of North

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[44] "Letter to Peele from Gloria Hardee." March 12, 1966. J.C. Peele, M.D. Papers (#1030), Box 11, East Carolina Manuscript Collection, J.Y., Joyner Library, East Carolina University, Greenville, North Carolina, USA.

[45] "Letter to the Editor." January 28, 1966. J.C. Peele, M.D. Papers (#1030), Box 11, East Carolina Manuscript Collection, J.Y., Joyner Library, East Carolina University, Greenville, North Carolina, USA. Peele's letter to the editor mainly focused on the communist organization American Institute for Marxist Studies (AIMS) and its activity within academia. Much of the letter's purpose was to identify communists in prominent places, most notably the director of AIMS, Herbert Aptheker. Peele cited the anti-communist newspaper *Tocsin,* out of Oakland, California, for much of his claims.
"Our Last Issue: Tocsin to Quit Publication." *Tocsin.* January 29, 1964. Tocsin's last publication was approximately a month before Dr. Peele's letter to the editor.

Carolina politicians. By the summer of 1966, Peele was involved in a protest that grabbed the attention of U.S. senators and congressmen from all over the country and at least peripherally, the president of the United States.

Dr. Peele regularly corresponded with an organization called Mothers' Crusade For Victory Over Communism. Based in Mesa, Arizona, the all-volunteer group of anti-communist mothers tirelessly distributed informational pamphlets about communism, organized petitions to Congress, and focused on "helping in any way we can to save our country for our children"[46] To protest red trade, the organization sent letters to President Johnson. Aiming to influence public opinion, they raised funds to print anti-communist newspaper advertisements nationwide.[47] In 1966, Mothers' Crusade sent Peele 200 copies of a sheet titled "Facts and Opinions You May Not Have Read Concerning United States And Allied Trade With Communist Nations." In a letter to Mothers' Crusade, Peele agreed to distribute the literature. "I can get this material out in about 30 days to the 200 contacts I have in 21 states," Peele wrote.[48]

Peele also sent Mothers' Crusade the "Reynolds Memorandum," detailing RJ Reynolds' importation of Yugoslavian tobacco. Now, Peele and Mothers' Crusade set to work. Together,

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[46] "Letter from Mothers' Crusade." J.C. Peele, M.D. Papers (#1030), Box 11, East Carolina Manuscript Collection, J.Y., Joyner Library, East Carolina University, Greenville, North Carolina, USA. Peele often received answers to his numerous letters to U.S. senators and congressmen representing North Carolina. For instance, in early 1966, U.S. Senators Sam J. Ervin Jr. and B. Everett Jordan and Representatives Alton Lennon and L.H. Fountain responded to Peele's letter urging them to vote against extending federal minimum wage and hours to agricultural workers. Like Peele, all four men opposed the proposed Federal Minimum Wage Law amendments.
"History of Changes to the Minimum Wage Law," U.S. Department of Labor, Wage and Hour Division. https://www.dol.gov/agencies/whd/minimum-wage/history [accessed 3 December 2023]. Despite opposition, amendments to the Fair Labor and Standards Act passed in 1966 and took effect in February 1967. Amendments included extended coverage to numerous industries and, as feared by Peele, farms that had employment reaching over five hundred man-days of labor during their best quarter of 1966.

[47] "Form Letter from Mothers' Crusade for Victory Over Communism." J.C. Peele, M.D. Papers (#1030), Box 11, East Carolina Manuscript Collection, J.Y., Joyner Library, East Carolina University, Greenville, North Carolina, USA. Mothers' Crusade had the attention of U.S. Congress Republicans.

[48] "Mothers Crusade for Victory Over Communism." January 11, 1966. J.C. Peele, M.D. Papers (#1030), Box 11, East Carolina Manuscript Collection, J.Y., Joyner Library, East Carolina University, Greenville, North Carolina, USA. "Form Letter from Mothers' Crusade for Victory Over Communism. "Mother's Crusade for Victory Over Communism." March 4, 1966. J.C. Peele, M.D. Papers (#1030), Box 11, East Carolina Manuscript Collection, J.Y., Joyner Library, East Carolina University, Greenville, North Carolina, USA.

they began a petition to U.S. Congress to stop U.S. companies from importing products from communist states. The movement seemed to be picking up steam.[49]

> A lady called me from High Point, North Carolina and asked me to please send her 5 more 'Petitions.' She said that when people she had contacted in High Point found out that tobacco companies in the United States were buying tobacco from Communist countries, they got boiling mad. One store owner was in the process of putting up a sign in his store saying that he didn't buy merchandise made in Communist countries, when my lady contact walked in his store and showed him that the cigarettes he was selling were made by United States tobacco companies who were buying tobacco from Communist countries. He was furious and volunteered to help the lady get more 'Petitions' signed.[50]

While Peele and Mothers' Crusade pushed to get the word out about the East-West tobacco trade, Congressman Lipscomb worked tirelessly to alarm the American public. Focusing on chemicals and agricultural machinery rather than tobacco, he found that the East-West trade had jumped from approximately $50 million in 1962 to $409 million by 1964. "I am utterly unable to understand how it makes any sense to help equip the Communists who are assisting aggressors to kill and maim our soldiers in Viet Nam," Lipscomb said.[51] It was a common sentiment in Mothers' Crusade literature and pamphlets. In a form letter the group sent out, Representative John Buchanan Jr. of Alabama echoed Lipscomb's feelings. He endorsed the organization's work, stating, "This is one Congressman who does <u>not</u> believe that you can fight the enemy in Vietnam and try to shake his hand in Europe."[52] Senator Peter Dominick was also quoted as endorsing the group and said that if the nation continued pursuing trade with communist bloc nations, then it was "asking our boys [in Vietnam] to sacrifice too much."[53]

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[49] Ibid.
[50] Ibid.
[51] "LBJ Pushes Ahead on Red Trade." *Manchester Union Leader.* May 12, 1966. J.C. Peele, M.D. Papers (#1030), Box 11, East Carolina Manuscript Collection, J.Y., Joyner Library, East Carolina University, Greenville, North Carolina, USA.
[52] "Form Letter from Mothers' Crusade."
[53] Ibid.

These voices did not necessarily speak for most Americans or North Carolinians. Peele's network and influence were extensive – his variety of correspondence and consistent letters to editors of Eastern Carolina newspapers printed as full-length articles prove that – but so were the voices of other North Carolinians who believed liberalized trade with communist states was pro-American and pro-farmer.

"There is a demand in the Soviet bloc for U.S. leaf as well as for manufactured cigarettes," John Palmer of North Carolina's Tobacco Associates said in 1964 before reemphasizing the point in 1966.[54] Created in 1947, Tobacco Associates (TA) was striving, and still does, to promote U.S. flue-cured tobacco worldwide. Its role was and is "assistance and promotion."[55] As president of TA, Palmer had two main objectives concerning international trade. The first was to begin business anew with mainland China. To Palmer, this was admittedly unrealistic in 1966, when the US was engaged in Vietnam. But his other goal seemed attainable: "initiating a volume business with those countries in the Soviet bloc."[56]

To Palmer, the positive impact trade with the East could bring to North Carolina was simple. At the time, the combined population of China and the Soviet bloc was over one billion. Ideology was not crucial to Palmer. He lamented that China had been one of the biggest U.S. flue-cured tobacco buyers a mere thirty-five years earlier. China becoming a communist state made no difference to TA's president. What mattered was the economic well-being of the North Carolina farmer, tobacco agent, businessman, or warehouseman.[57]

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[54] "Palmer Wants Trade With China, Soviet Bloc." May, 1966. Council for Tobacco Research Records; Master Settlement Agreement.
[55] "Who We Are: Ambassadors for US Flue-Cured Tobacco Growers," Tobacco Associates, Inc. http://www.tobaccoassociatesinc.org/Promotion_about-us/wwaRL_index.aspx [accessed 20 January 2024.]
[56] "Palmer Wants Trade With China, Soviet Bloc."
[57] Ibid.

The Johnson Administration pressed ahead. During the Summer of 1966, Johnson continued to tell the American public that he wanted to develop "peaceful cooperation" with Eastern Europe and the USSR and that he wanted to continue "building the bridges of friendship."[58] Corporations pressed ahead as well and worked with policymakers. In October 1966, executives from twenty-four American businesses took a tour of Hungary, Romania, Czechoslovakia, Poland, and Yugoslavia. *Time* magazine sponsored the trip, which chartered the delegation's private jet. Besides supporting the trip, *Time* hinted at which side of the red trade debate they fell. "The importance of the trip was enhanced by the Johnson Administration's decision to liberalize trade with Eastern Europe," the magazine reported. The delegation's mission was to put together a report for administration officials about the future of continued financial and trade relations.[59]

To the Johnson Administration, the trade Palmer envisioned was not the treasonous betrayal of American troops seen by the store owner in High Point or Mothers' Crusade. It was a method of weakening the Soviets.[60] Congressmen like Lipscomb may have given strongly worded anti-communist speeches in Congress, but Johnson was a cold warrior, too. Though his tactics may have differed from those of his opponents across the aisle and detractors across the nation, his objective of winning the Cold War did not. Mothers' Crusade, Peele, and conservative newspapers like *Tocsin* and *Livewire* were all efficient at spreading the word about liberalized trade with the East. But as loud as protests against East-West trade were, so too were those who favored it. Editorialists at *Time,* The *Des Moines Register, Louisville Courier-Journal,* and the

[58] Mitchell Lerner. "'Trying to Find the Guy Who Invited Them': Lydon Johnson, Bridge Building, and the End of the Prague Spring." *Diplomatic History 32*, no. 1 (2008): 87.
[59] "24 U.S. Executives Visiting Red Bloc." *New York Times.* October 21, 1966. Philip Morris Records; Master Settlement Agreement.
[60] Simon Miles. "Envisioning Détente." *Diplomatic History* 40, no. 4. (September 2016): 744.

New York Times were influential in denouncing Americans who protested against business with the East. American tobacco firms and associations such as Tobacco Associates, all of whom employed blue-collar Americans, consistently pursued new markets beyond the Iron Curtain. Despite the best efforts of those who fought against it, U.S. trade and foreign policy were moving in a decidedly new direction. A liberalized freer trade policy would continue.

Bridge Building

Johnson pushed forward with his trade policies and assured the USSR and its Eastern European allies that the US would go "step by step with them just as far as they are willing to advance" in improving relations and building trade.[61] By late 1966, the policy seemed to be winning public approval. Johnson assured the press that he wasn't abandoning deterrence, urging the US to let go of "old enmities" and striking a "healthy balance" between it and improved East-West relations.[62] Many in the US, and beyond the Iron Curtain, approved of Johnson's plan as a turning point toward reproachment.[63]

Policymakers had reason for optimism. Earlier in 1966, the US had been encouraged by its relationship with Bulgaria. Relations had greatly improved since the summer of 1964 when Bulgaria had expressed displeasure over the US's lack of "two-way trade."[64] Not that things had become affable. One airgram sent from the legation in Sofia to the Department of State described American personnel getting "manhandled" repeatedly.[65] The escalation of fighting in Vietnam had infuriated Bulgarians, who launched assaults on the legation offices and displayed violent

[61] Ibid.
[62] Ibid., 744-746.
[63] Ibid.
[64] Legation in Bulgaria to the Department of State, Airgram, Jan. 26, 1966, doc., 32 in *FRUS*, *1964-1968*, Volume XVII, *Eastern Europe*, ed. James E. Miller (Washington: Government Printing Office, 1996.)
[65] Ibid.

anti-American propaganda. Angry Bulgarian citizens found pictures of coffins coming home from Vietnam, which glorified American death. The pictures were put on full display in the legation office windows.[66]

Despite this, expanded trade between East and West seemed to be working, slowly but surely; "cautious improvement," American minister Nathaniel Davis called it.[67] The violent images in office windows disappeared. Bulgaria showed interest in more cultural and technology exchanges. And American business and Bulgarian state monopolies struck deals – among the most significant objectives of bridge-building. A contract was signed to build a Coca-Cola plant, and an agreement was made with Standard Oil of Ohio. On the tobacco front, no American leaf was exported to Bulgaria. However, a multimillion-dollar deal was made with American Machine and Foundry to renovate multiple Bulgarian tobacco factories.[68]

RJ Reynolds was immersed in shaping public opinion. After the bad publicity surrounding the importation of Yugoslavian tobacco, the company began formulating ways to convince customers best that trade with the East would benefit all. The company conducted a study to gauge American attitudes about Yugoslavian tobacco. It wasn't the first study undertaken concerning the imported leaf. RJ Reynolds previously found that most customers were unaware of business dealings with Yugoslavia. But what concerned the company was that most customers who were aware looked unfavorably upon the Yugoslavian imports. Now, RJ Reynolds worked to provide various kinds of "background information" to their customers.[69]

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[66] Ibid.
[67] Ibid.
[68] Ibid.
[69] Stuart J. "Yugoslavian Tobacco Attitude Study MRD#CR-67-29." May 22, 1967. R.J. Reynolds Records; Master Settlement Agreement."

Participants in the study were read one of five different versions of "background information." All versions focused on four facts. Fact number one was that RJ Reynolds was hardly the only company importing Yugoslavian tobacco. Not only that, but the amount imported was a tiny sum. Fact number two: there was an organization called the Committee against Communist Trade that had been attacking RJ Reynolds for doing business with a nation that used its money to buy weapons for North Vietnam. Simply put, according to the committee, RJ Reynolds was contributing to US servicemembers killed in action. Fact number three asserted that the government, since the days of Eisenhower, had supported RJ Reynolds and confirmed that Yugoslavia did not send weapons to Vietnam. Fact number four was more of a warning; RJ Reynolds was considering legal action against the Committee Against Communist Trade.[70]

The Committee Against Communist Trade managed to grab the attention of RJ Reynolds and the U.S. Secretary of Defense. Based out of Miami Shores, Florida, the group led the boycott against RJ Reynolds. Operations were shadowy. Bowman Gray, RJ Reynold's Chairman of the Board, mentioned in his 1967 annual report that the group surfaced in various spots around the country and used names of various American Legion posts despite being told to stop by the actual American Legion. Secretary of Defense Robert McNamara sent the group a letter and explained that the Committee's accusations that RJ Reynolds was indirectly aiding the enemy in Vietnam were "distortions or, at least, misconceptions."[71]

At any rate, Version IV had the most favorable responses. Participants had numerous choices and picked favorable and unfavorable answers. In Version IV, RJ Reynolds noted that the United States Government "says that Yugoslavia is not a part of the communist Bloc and that

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[70] Ibid.
[71] RJR; Galloway AH. RJ Reynolds Tobacco Company Summary Report. Annual Meeting of Stockholders and First Quarter of 1967 (670000.) April 19, 1967. RJ Reynolds Records; Master Settlement Agreement.

Yugoslavia has not supported communist aggression." The version shrewdly closed with an argument that RJ Reynolds was helping fight communism – "This trade helps keep Yugoslavia free from Russian control," it bragged.[72]

Each version received plenty of unfavorable responses. Unfavorable participants commonly chose "We grow enough tobacco here/in US/don't need their tobacco." Another common choice stated, "I don't like buying anything from communist countries." But there were encouraging responses, too – encouraging not just for RJ Reynolds but also for policymakers. Many favorable responses chose "I'm for it if it's helping the US/creating peaceful relations." Many people chose versions indicating that if the government approved, they approved: "It's ok if the Government supports this trade" was one. Yes, many citizen-cold warriors were vehemently against any trade with a communist state. But there were many Americans who, maybe, did not trust big tobacco companies but at least trusted the government and Johnson's foreign policy.

Many participants were in the middle. Of the four hundred people who responded, 153 provided favorable-only responses, and unfavorable-only responses clocked in at 146. The other 101 participants gave a mixture of answers. In any case, the study's objective was not to figure out American ideology. It was how to spin information best.[73]

The debate continued, but the pursuit of importation and licensing deals with Iron Curtain countries quietly continued. By the Summer of 1967, Johnson was meeting with Soviet Premier Kosygin in New Jersey near the United Nations headquarters. While the meeting was not without tense moments – Kosygin was frustrated and contended that it was challenging to understand U.S. policy – Johnson felt it was successful overall. He admitted to Kosygin that U.S. policy was

[72] Ibid.
[73] Ibid.

sometimes poorly communicated. But the summit set a new tone for American-Soviet relations.[74]

Redefining an economic relationship was, after all, hard work. A "new tone" of relations between the superpowers did not mean agreements were reached in short order. The meeting between Johnson and Kosygin at Hollybush, New Jersey, may have been historic, but it led to no significant trade agreements. There were some questions about how much power and influence Kosygin even had. Shortly after the meeting in Hollybush, a reporter asked Johnson about "Mr. Kosygin and his place in the Soviet scheme of things." Johnson tactfully held off on analysis of the Soviet government. But he did say diplomatically that Kosygin was a "very able exponent of [Soviet] viewpoint and a well-prepared speaker for Soviet interest."[75] No doubt, Johnson's answer was politically safe. Yet trade with the USSR and its satellites seemed to be in sight.

So, while the administration continued its trade endeavors, American tobacco companies, chiefly Philip Morris International but followed by RJ Reynolds, kept their eyes on Moscow. Chipping away at the Eastern Bloc, Philip Morris gained what historian Tricia Starks has called their "soft entry" into the Soviet Union.[76] At the same time, in North Carolina, Tobacco Associates continued supporting President Johnson's liberalized trade plans. Happily reporting that TA sold "substantial quantities of our flue-cured" to East Germany in 1966, John Palmer clarified in his 1967 annual report that his vision was of expanding future trade with the East.

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[74] Miles, "Envisioning Détente:" 746-749. Miles aptly notes that "the Cold War didn't end in Glassboro, New Jersey." He does argue that Sovietologists and historians, who have often been criticized for "not getting it right" or failing to predict future events in the Cold War, have been subject to unfair analysis. "This approach expects policy-makers and academics to see both the present and future, and ignores the fact that most turning points in the Cold War were highly contingent phenomena." Miles argues that after Khrushchev's ousting in 1964, Sovietologists who had early visions of détente "mostly got it right."

[75] "The President's News Conference of August 18, 1967: Arms Shipments in Middle East." in *The Johnson Presidential Press Conferences, vol. 2.* (New York: Earl M. Coleman Enterprises Inc., Publishers): 799-800. Media interest in Johnson's discussions with Kosygin seemed to be limited. A reporter asked if the President and Premier came to an agreement about arms shipments in the Middle East and of the president's assessment of the Kosygin's role in the Soviet government—the majority of questions focused on proposed tax increases and Vietnam.

[76] Starks, 175.

"Trade with East Germany is only one small step toward our ultimate goal of unfettered global trade in tobacco," Palmer said. He called for an East-West trade bill allowing Eastern Bloc merchandise to enter the US at equal duty rates to Western European countries. "Only then can Eastern Bloc countries buy our tobacco in volume and pay for it," Palmer concluded.[77]

TA hoped to broaden its exports to communist countries, while Philip Morris searched for factories to renovate and use beyond the Iron Curtain. The company was exploring potential sites to produce American blend cigarettes. In Yugoslavia, fourteen factories were examined. Philip Morris provided a report for each. There were problems with many of them. Obsolete machinery in some factories, such as in Zagreb, would require severe overhauls before producing at levels Philip Morris required. Factories in Sarajevo and Ljubljana were relatively modern but needed to be bigger to handle the envisioned operation. Factories in Vanja Luka, Novi Sad, Kumanova, Mostar, Zardar, Titograd, Vranje, and Rovinj could be shut down soon due to post-1965 Yugoslavian economic reforms.[78]

American firms, including the seemingly ever-present TA who ran trade fair exhibits in Greenville and Wilson, North Carolina, in the same year, participated in the Leipzig International Trade Fair in East Germany in 1968. The fair gave TA the "added opportunity to contact tobacco officials from every country in that part of the world."[79] Once again, Palmer proudly announced that Tobacco Associates had exported over three million pounds of dry-weight leaf to East

[77] John Palmer, Tobacco Associates. *Tobacco Associates Inc. Annual Report.* March 7, 1967. Council for Tobacco Research Records; Master Settlement Agreement: 6. According to "Exports of U.S. Tobacco By Types and Countries, 1966" on page 12 of TA's annual report, East Germany was the only country beyond the Iron Curtain that purchased from TA.

[78] R. Jones. "Possible Factories in Yugoslavia Where American Blend Cigarettes Could Be Manufactured." May 1, 1967. Philip Morris Records; Master Settlement Agreement. Jones provided a report for fourteen factories. He bunched some of the factories, such as the ones he believed would be closed soon. His report included an analysis of the primary, making, and packaging departments and a general overview. According to Jones, production in the smaller factories likely to be shut down would be consolidated in Nis, Prilep, and Skopje.

[79] John Palmer, Tobacco Associates. *Tobacco Associates Inc. Annual Report.* March 7, 1967. Council for Tobacco Research Records; Master Settlement Agreement: 3-4.

Germany. He admitted that the three million pounds in and of itself were not very much but added that "the potential is of great significance."[80] TA's position on red trade remained consistent. "We look to the day when political and trade relations between the United States, East Germany, and other Eastern European countries will be normalized and when they will be able to buy our tobacco in impressive quantities."[81]

However, questions surrounded the future of LBJ's trade visions with the EEC. In late March, Johnson announced he would not seek or accept the Democratic nomination for President."[82] Lame duck status did not stop his push for liberalized trade with Eastern Europe. But by the waning days of his presidency, full of pressure and questions surrounding the war in Vietnam, the future of bridge-building and liberalized trade was unknown. Shortly before Nixon's election in November, Johnson was asked if he planned to travel to Europe for a summit meeting with the Soviets. Johnson put a bit of a damper on the prospect. He dismissed the question by saying reports of his desire to travel were greatly exaggerated and that he didn't "see the trip in the offing."[83]

Johnson may have been done traveling, but industrialists and agricultural specialists were not. In June, a farming trade mission, which included TA's John Palmer, left for Eastern Europe. The mission explored Poland, Hungary, Czechoslovakia, Romania, and Yugoslavia. The delegation was warmly received everywhere it went, and in Palmer's words, "there was an unconcealed eagerness to do business."[84] But the missions seemed to be stagnating. Goodwill,

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[80] Ibid.

[81] Ibid.

[82] C-SPAN, "Reel American Preview: LBJ Announces He Won't Run 3/31/68." YouTube, video file, 1:50. https://www.youtube.com/watch?v=CJeLoMCF6Jo

[83] "The President's News Conference of September 6, 1968: Reports of Possible European Summit Meeting." in *The Johnson Presidential Press Conferences, vol. 2.* (New York: Earl M. Coleman Enterprises Inc., Publishers): 980.

[84] John Palmer, Tobacco Associates. "Tobacco Associates Inc. Annual Report." February 5, 1969. Council for Tobacco Research Records; Master Settlement Agreement: 3-4.

cultural, technological, and agricultural exchanges were good. However, no new trade agreements eased barriers between the East and the West. Palmer was frustrated by high tariffs. If a country did not have Most Favored Nation status (MFN,) Bulgaria, for example, then the duty rate for its imports was 35 cents. An MFN country's imports sat at 12 cents.[85]

Two months after the agricultural trade mission visited Eastern Europe, the Soviet Union, along with four of its Warsaw Pact allies, invaded Czechoslovakia in response to the Prague Spring. Now, there was another obstacle to liberalized trade. Palmer recognized the damage brought on by the invasion and wrote in TA's 1969 annual report that it "postponed even more indefinitely the normalization of economic and political relations between the East and the West."[86]

On November 5th, 1968, Richard Nixon won the presidency. After taking a call from a conceding Hubert Humphrey at 11:30, he met supporters in the ballroom at the Waldorf-Astoria. "Having lost a close one eight years ago and having won a close one this year, I can say this – winning's a lot more fun," he triumphantly announced to the eruption of cheers.[87] The following day, the president-elect and his family left for some post-election relaxation in Key Biscayne. But after the five-day trip, Nixon flew back to New York City. A few days later, he met with Johnson at the White House to discuss the transition. But his first order of business was to put together an administration. The future of trade with the EEC remained to be seen.[88]

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[85] Ibid.
[86] Ibid.
[87] Richard Nixon. *The Memoirs of Richard Nixon.* (New York: Grosset and Dunlap: 1978.): 334-336.
[88] Ibid.

Conclusion

Nineteen sixty-four saw uncertainty in the tobacco industry. Health concerns, covered by American media, raised doubts that American tobacco companies could continue turning a profit. At the same time, early cultural exchanges between the US and USSR appeared to be little more than human interest stories. But by the time Johnson left office in 1969, trade with the EEC was growing and did not appear to cease anytime soon. To be sure, questions surrounded the new administration concerning the direction of foreign policy and trade. Rapid reform could and would not happen due to ongoing international events – the Vietnam War and the suppression of the Prague Spring.

But the perseverance of large American companies such as Coca-Cola, Standard Oil, Philip Morris, and R.J. Reynolds, who struck or sought lucrative deals in the East meant that a new administration was unlikely to dismantle existing trade practices. Despite the lack of blockbuster trade deals and the continued efforts of Cold Warrior citizens and congressmen, American tobacco growers and companies were the closest to selling leaf and cigarettes in the East, as they had been during the entire Cold War. Liberalized trade policies remained intact. Public opinion was shifting, albeit not dramatically. During the 1960s the tobacco industry faced new health and image problems in the United States. Nevertheless, the industry continued to push for new markets and set its sights beyond the Iron Curtain. In 1964, these markets seemed barely attainable. Though still distant in 1968, the growing potential for a significant and lucrative red tobacco trade began to emerge.

Chapter 2
1969-1973: Tobacco Détente Perseveres

"We are entering a period when tariff and non-tariff walls between imaginary lines of East, West, North, South should start tumbling down," said Joseph Williams, who succeeded John Palmer as president of Tobacco Associates (TA.) "The United States should follow the lead of Europe and reestablish full economic and political relationships with Russia and Eastern Europe," he added in his 1973 annual address, delivered at Raleigh's Sir Walter Hotel.[1] Williams was certainly bullish about the prospect of liberalized East-West trade. The realities of the "new era" hit as Dimitûr Iadkov, a representative of Bulgartabek, the Bulgarian state tobacco monopoly, completed a tour of the American South. After studying the region's mechanization, harvesting, and processing technologies, Idadkov met with Philip Morris' CEO, Hugh Cullman. The meeting was friendly enough. But Cullman made it clear that he someday hoped to displace Bulgartabek as the leading exporter of tobacco and cigarettes to the Soviet Union. At the time, Bulgaria was the leading exporter of cigarettes to the USSR, a position American tobacco companies greatly coveted.[2] After all, the Soviets imported 53 billion cigarettes in 1972. Less than half of one percent of them came from the United States.[3]

The push for red tobacco trade stalled in the years 1969-1971. But in 1972, the warming of relations between the US and the USSR led to a shift in the international industry. This chapter focuses on the years 1969-1973. It begins with an overview of Nixon's new foreign

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[1] Joseph R. Williams, "Statement of Joseph R. Williams, President, Tobacco Associates, Inc., at 26th Annual Meeting Hotel Sir Walter, Raleigh, North Carolina March 6, 1973." 1973, March 6. R.J. Reynolds Records; Master Settlement Agreement: 6.

[2] Mary C. Neuburger. *Bulgarian Smoke: Tobacco and the Making of Modern Bulgaria*. (Ithaca and London: Cornell University Press, 2013): 198-200. Mary C. Neuburger.

[3] Horace R. Kornegay, "Unknown." Letter from Kornegay to Cullman. 1973, August 1. Philip Morris Records; Master Settlement Agreement: 1. In his letter to Joseph Cullman, Chairman of the Board of Philip Morris, Kornegay asked for guidance on what Cullman wished Kornegay to convey to the Soviets. Kornegay was going as a representative of all member companies of the Tobacco Institute.

policy détente and where tobacco fit within it. The bulk of the chapter focuses on the years 1972-1973. Détente's Basic Principles, signed by the superpowers in 1972 at the Moscow Summit, led to 1973 being an actual turning point in the liberalized East-West tobacco trade. U.S. tobacco delegations traveled to the USSR, and Philip Morris executives sat down with their Soviet counterparts and toured their production facilities in Moscow. Finally, by the end of 1973, business deals were close to being struck, and joint production of a new cigarette, a mere stepping stone for Phillip Morris, which ultimately hoped for licensing agreements, was discussed. But this turning point reflected more than just the "normalization" of relations between the US and USSR. The tobacco trade was a microcosm, exemplifying the contradiction at the heart of détente, namely that the superpowers, while engaged in friendly dialogue, continued to compete for worldwide tobacco markets.[4]

Furthermore, exchanges and business in 1973 were set against the backdrop of the much-debated Trade Act of 1974, which Gerald Ford finally signed in January 1975. Policymakers and private industry pushed for liberalized trade while Congress discussed granting the Soviet Union most favored nation status (MFN.) The Jackson-Vanik Amendment to the 1974 Trade Act proposed to link MFN status with Soviet exit fees, specifically, the tax required of Soviet Jews wishing to immigrate out of the USSR.[5] So, there was an ever-present dichotomy. Détente could

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[4] Memorandum of Conversation, October 25, 1974, doc., 69 in *Foreign Relations of the United States* [hereafter *FRUS*], *August 1974 – December 1976*, Volume XVI, *Soviet Union*, ed. David C. Guyer, (Washington: Government Printing Office, 2012.) In October of 1974, Henry Kissinger sat down with Leonid Brezhnev in Moscow. The meeting served as a classic example of the paradox that was détente. Before the meeting, Kissinger stated that "the United States has to be stronger for there to be peace in the world." Brezhnev didn't understand Kissinger's meeting and pressed for an explanation. Kissinger explained that the United States didn't have to be stronger than the Soviet Union – only that the United States needed to be "second to none." Kissinger claimed that the U.S. military was not designed to attack the Soviet Union and that it was only engineered to prevent an attack and, at the same time, be stronger.

[5]Editorial Note, doc., 76 in *FRUS, 1969-1976,* Volume XV, *Soviet Union*, *June 1972-August 1974*, eds. Douglas E. Selvage and Melissa Jane Taylor (Washington: Government Printing Office, 2011.)

only work if both powers strived to make it work. But neither power was willing to abandon pursuing its interests. In the words of Henry Kissinger, détente could only work if the US fulfilled its "responsibility to block Soviet encroachments."[6] And if the Nixon administration did threaten to veto an act deemed detrimental to détente – in this case, Jackson-Vanik – Nixon's advisors quickly pointed out that it would cause acrimony within the administration and possibly be overridden anyway.[7]

If the Trade Act and Jackson-Vanik were a backdrop, Watergate was a complete spectacle, destroying a presidency, challenging détente, and dividing a nation. As 1973 came to a close, liberalized trade, trade bills, and foreign policy alike all hinged upon the credibility of a presidency that appeared to be losing it. Amongst scandal, political strife, and evolving American views of US-Soviet relations, détente was a balancing act. Tobacco was right in the middle of it.

Détente

In 1968, six months before his election, Nixon hinted at foreign policy changes to come. Most of the changes were structural. Nixon argued that delegating power to reasonable and competent people was crucial. Too much centralized power in Washington, he said, was a bad thing.[8]

But soon after taking office, Nixon consolidated foreign policy decisions in the hands of a select people, namely himself and National Security Advisor Henry Kissinger. The two men

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[6] Henry Kissinger, *White House Years* (Boston, Toronto: Little, Brown and Company, 1979): 1250.
[7] Sonnenfeldt to Kissinger, Memorandum, September 17, 1973, doc., 32 in *FRUS, 1969-1976,* Volume XXXI, *Foreign Economic Policy, 1973-1976,* ed. Edward C. Keefer, (Washington: Government Printing Office, 2009).
[8] Asaf Siniver. "The Making of U.S. Foreign Policy During the Nixon-Kissinger Years" in *Nixon, Kissinger, and U.S. Foreign Policy Making: The Machinery of Crisis.* (Cambridge, New York, Melbourne, Madrid, Cape Town, Singapore, Sao Paulo, Delhi: Cambridge University Press, 2008): 42-44. Siniver's chapter mainly addresses the restructuring of the foreign policy machinery inside DC and the Nixon administration, as well as various actors' personalities when crafting policy.

were not friends. Kissinger had worked for rival Nelson Rockefeller during the Republican presidential campaign and openly admitted that during his ten years of teaching at Harvard, he had been surrounded by a disdain for Nixon, which was "established orthodoxy" in academia.[9] For his part, Nixon stated, "I don't trust Henry, but I can use him."[10]

Nixon and Kissinger devised a linkage policy that they hoped would limit Soviet involvement in the developing world. The US would continue to pursue détente and liberalized trade, but cooperation with the Soviets would depend on their global activity.[11] In Washington, Nixon and Kissinger played their cards close. Soon after his inauguration, Nixon stated, "Both of our countries bear a special responsibility to work, together with all our other countries, for the goal of creating a genuine and lasting peace for all mankind."[12] Flowery speeches notwithstanding, Nixon and Kissinger felt previous administrations had appeared too eager for diplomacy with the USSR. The Nixon Administration, in a calculated decision, was in no rush. For their part, Soviet ambassador Anatoly Dobrynin made it clear that the USSR was not yet receptive to linkage. But in June, Soviet Foreign Minister Andrei Gromyko gave a speech to the Supreme Soviet and called for closer Soviet-American relations. Things were happening, but they weren't happening quickly enough.[13]

Efforts that began with LBJ to liberalize trade with the Soviet Bloc did not change, but the procedures within the National Security Council (NSC) did.[14] Kissinger criticized the Johnson administration's handling of foreign policy on systemic grounds. According to Kissinger, LBJ could never implement a foreign policy vision, partly because opportunities were

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[9] Ibid., 52.
[10] Ibid.
[11] Raymond L. Garthoff. Détente and Confrontation: American-Soviet Relations From Nixon to Reagan. (Washington DC: The Brookings Institution, 1985): 69-74.
[12] "Nixon Tells Soviets of Onus for Peace." *The Washington Post*, *Times Herald.* February 12, 1969.
[13] Garthoff, 69-74.
[14] Ibid., 57-58.

discussed at great length and decisions got bogged down in inefficient bureaucracy. Kissinger conceded that this process had advantages regarding flexibility and openness of discussion but included insufficient methods for reviewing alternatives. By restructuring the NSC, Nixon and Kissinger hoped to improve standard operating procedures by eliminating oral reports, often leading to uncertainty about precise decisions. Reports would flow to the NSC's Senior Review Group, chaired by Kissinger. Ideally, there would be no consensus in submitted documents, so alternatives could always be explored. The Review Group returned decisions that did not require presidential approval to the Under Sectaries Committee. Kissinger took everything else directly to the president. The new mechanisms had a clear objective: the NCS would be a more effective decision-making instrument, allowing the president to issue more National Security Decision Memorandums (NSDMs.)[15]

International events hampered détente and the hope of extended trade with the East. Kissinger blamed the Soviets for not exerting more pressure on the North Vietnamese to seek an end to the war. In late 1970, the Soviets considered building a submarine facility in Cienfuegos, Cuba. The SALT talks had begun during the previous year, but it took until late 1970 for either power to make any specific proposals.[16]

In 1969 and 1970, life for the tobacco farmer in North Carolina and the industry were good. Production and prices were up. By 1970, North Carolina leaf prices were at a record $73.94 per hundred pounds.[17] Nineteen sixty-nine saw high output in North Carolina, but 1970 was even better. The early growing season had been marked by dry weather in early June.

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[15] Ibid., 57-61.
[16] Henry Kissinger. *The Kissinger Transcripts: The Top Secret Talks With Beijing and Moscow.* Edited by William Burr, (New York: The New Press, 1998): 11-13.
[17] Celanese. Cigarette Tow Newsletter. 1970 December. "N.C. Leaf Sets $73.94 record." *Charlotte Observer*. September 3, 1970.

However, rain during the last week of the month and into July brought a production increase of 1.3 percent.[18] Philip Morris and R.J. Reynolds had good years and saw sales increase. Philip Morris announced the construction of its largest factory, which would begin soon in Richmond, Virginia.

Trade with the Eastern Bloc and the Soviet Union, Philip Morris's "Mission to Moscow" was still not fully realized.[19] In Raleigh, Tobacco Associates' President John Palmer wrote his annual report. Unlike years past, his statement on East-West trade was relatively lengthy and addressed serious concerns besides calling on the government to lift trade barriers. The familiar controversy surrounding imported Yugoslavian tobacco was mentioned as an example of the stigma surrounding imported communist goods. And, like so many things in America at the time, the issue of Vietnam was ever-present. The Vietnam War, Palmer conceded, had to be settled before East-West trade policy could be changed.[20]

Palmer was still subdued when he gave his address again the following year. Bringing attention to the vastness of the eastern markets – Palmer repeatedly used the fact that tiny Denmark purchased more tobacco from TA than the USSR, Poland, Czechoslovakia, Romania, Hungary, Yugoslavia, and East Germany combined – his report seemed resigned to commercial stagnancy with the East. He still cited positives. Willie Brandt's 1969 election and the possibility of reconciliation between the two Germanies was one. Nixon's visit to Romania was another. However, Palmer remained realistic, saying that "none of these moves contains the remotest guarantee that they will lead eventually to successful results, but that they have been made is

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[18] Celanese. Cigarette Tow Newsletter. 1970 December. "N.C. Flue-Cured Crop To Top '69." *Charlotte Observer.* July 20, 1970.
[19] "Philip Morris Net Up 33.1% to High In Second Period." *Wall Street Journal.* July 30, 1970.
"R.J. Reynolds Set Highs in 1st Half And 2nd Quarter." *Wall Street Journal.* July 17, 1970.
[20] "Tobacco Associates Inc. Annual Report, 1969:" 4.

encouraging."[21] He made one more contained yet hopeful remark. "One is reminded of the ancient proverb that it is better to light one small candle that to curse the darkness" Palmer said before transitioning to pesticides.[22]

Even the giants Philip Morris and RJ Reynolds had gotten quiet about business with the Soviets. Some discussion may have gone undocumented, but Philip Morris's historical records show no mention of the company's "Mission to Moscow" in 1969, 1970, or 1971. Patience was the new name of the game. Tobacco companies, most notably Philip Morris and RJ Reynolds, certainly had an added motive to expand markets overseas. Through the 1960s and 70s, more and more Americans, and at least some arms of the U.S. government, were becoming "anti-smoking." Yet "anti-smoking attitudes" and the continued Western desire for its culture to reach the East happened simultaneously.

Since the Surgeon General's 1964 warning that "cigarette smoking is a health hazard," Congress had decidedly come down on the side of the anti-smoking forces. In 1966, Congress passed, and Johnson signed the Cigarette Warning Label Act. In 1971, tobacco companies were prohibited from advertising on television and radio due to 1969's Public Health Cigarette Smoking Act.[23] How directly these regulations and restrictions affected cigarette sales is up for debate. For Philip Morris and RJ Reynolds, sales between 1964 and 1984 did not drop – neither did margins per dollar – but domestic profit did.[24] At any rate, U.S. Congress may have taken actions to discourage smoking, but there is no denying that both federal and state governments enjoyed the revenues via tobacco products. By 1973, the total tobacco product revenues collected

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[21] John Palmer, Tobacco Associates. Twenty-Third Annual Report. March 11, 1970. R.J. Reynolds Records; Master Settlement Agreement: 3-4.
[22] Ibid.
[23] Richard McGowan. *Business, Politics, and Cigarettes: Multiple Levels, Multiple Agendas.* (Westport, Connecticut, London: Quorum Books, 1995): 18-19.
[24] Ibid., 12.

by the combined federal, state, and local governments in the United States had reached well over $5 billion.[25]

Tobacco companies were still optimistic, and exporting American tobacco and cigarettes to the USSR was still the ultimate goal. NBC news correspondent Kenneth Bernstein reported from Moscow in 1969 that West German cigarettes suddenly appeared at kiosks in Moscow city streets a few years earlier. They were "immediately sold out, never to be seen again." The demand for Western tobacco was there. Not only that, but anti-smoking campaigns in the USSR appeared to be limited. Health concerns among the populace had still not caught on. "While the doctors take the subject seriously, ordinary Russians rarely do," Bernstein said. USSR officials were much more concerned with the abuse of alcohol – not tobacco.[26]

Tobacco Exchanges and the Basic Principles

While American society began frowning upon smoking, the number of smokers in the Eastern Bloc continued to rise.[27] The average number of cigarettes purchased by adults counted as individuals over fifteen, in Bulgaria went from four in 1960 to over six by 1970.[28] During those same years in Poland, the average had gone from six to eight.[29]

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[25] Laverne Creek, Tom Capehart, and Verner Grise. *U.S. Tobacco Statistics, 1935-1992.* (Washington, 1994): 63.
[26] Report From Moscow. February, 1969. Tobacco Institute Records; RCPI Tobacco Institute and Council for Tobacco Research Records; Master Settlement Agreement.
Celanese. Cigarette Tow Newsletter. December, 1970. American Tobacco Records; Master Settlement Agreement. Despite much antismoking publicity, total cigarette output continued to rise globally. The U.S.S.R. and the rest of the Eastern Bloc countries, produced 506 billion cigarettes in 1969. The expected 1970 output was higher. Health concerns, whether in the United States or beyond the Iron Curtain, seemed to have little impact on production and consumption. Warning labels around the world, and the Surgeon General's warning in 1964, did seem to lead more consumers to choosing filtered cigarettes.
[27] Mary C. Neuburger. "Cigarette Advertising in Cold War Bulgaria," *Journal of Historical Research in Marketing* 8, no. 1 (2016): 142.
[28] Barbara Forey. Jan Hamling. John Hamling. Alison Thronton. Peter Lee. *International Smoking Statistics Web Edition: A Collection of Worldwide Historical Data; Bulgaria.* (Sutton, U.K., 2016): 12-14.
[29] Barbara Forey. Jan Hamling. John Hamling. Alison Thronton. Peter Lee. *International Smoking Statistics Web Edition: A Collection of Worldwide Historical Data; Poland.* (Sutton, U.K., 2014): 16.

Moreover, making inroads into the Soviet market was no small feat. The US had to compete with Bulgaria, which sent 90 percent of its exports to the Soviet Union. Yet, in some ways, détente was a catalyst for Bulgaria's explosion of tobacco exports during the 1960s and 70s. After all, the Soviet appetite for cigarettes led to huge quotas Bulgaria strove to fulfill, not always successfully; to export as much as possible, Bulgaria looked to the West for technology and business acumen.[30] As far back as 1965, an airgram from the U.S. embassy in Sofia to the Department of State in Washington had called Bulgaria a "moderately progressive regime of Eastern Europe" and observed that the regime had, by the mid-1960s, given "greater autonomy to individual enterprises."[31] But while tobacco exporting nations worked together and competed, the continued exporting of the commodity in the United States ultimately led global prices to fall by the end of the 1970s.[32]

In the early 1970s, many Americans interpreted the seemingly new attitudes in the Soviet Union and its satellite states as communists evolving into capitalists. "Mr. Brezhnev is well on his way to making his trademarks the turn to détente with the West and his current bold venture at cooperative East-West commerce," the *New York Times* proclaimed in June 1973.[33] *Times* writer Hendrick Smith cited Brezhnev's penchant for nice cars, tailored suits, and good food and drink – not to mention Brezhnev reportedly enjoyed smoking Philip Morris multifilters so much that he kept them in a box with a timed lock to slow his pace down – as evidence that the Soviet General Secretary had made a decisive turn since the days of the invasion of Czechoslovakia.

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[30] Mary C. Neuburger. *Balkan Smoke: Tobacco and the Making of Modern Bulgaria.* (Ithica and London: Cornell University Press, 2013): 201.
[31] Legation in Bulgaria to the Department of State, Airgram No. A-285, January 26, 1966, doc., 32, in *FRUS, 1964-1968,* Volume XVII, *Eastern Europe,* ed. James E. Miller (Washington: Government Printing Office, 1996.)
[32] Sarah Milov. "Smoking as Statecraft: Promoting American Tobacco Production and Global Cigarette Consumption, 1947-1970." *The Journal of Policy History, 28.* No. 4 (2016): 727-728.
[33] Hendrick Smith. "Soviet Union's Chairman of the Board. Leonid Ilyich Brezhnev." *The New York Times.* June 18, 1973.

Two days later, the *St. Louis Post-Dispatch* went further, mentioning the make and model of the two vehicles President Nixon had given Brezhnev – a Cadillac during his visit to Moscow and a Lincoln Towncar upon Brezhnev's visit to the United States.[34] Though the *Times* noted the tyranny of Stalin in the past and the "de-Stalinization" of Khrushchev, it did not mention communism as an ideology. Instead, it briefly said that Brezhnev's earlier speeches spoke harshly about the corruption of capitalism.[35] Yet to the 1973 reader, the *Times* portrayed the General Secretary as a man prepared to plunge into full-blown free market economics. A month later, another article ran in the *Times*. Edward Spitzer, vice president of the Nadler and Larimer ad agency, had visited the Soviet Union at the same time Brezhnev visited the US and Nixon. Spitzer claimed that Soviet advertising was becoming "more and more like capitalist advertising" and that their executives were "indistinguishable from executives in the United States."[36]

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[34] "Gifts Donated for Brezhnev." *St. Louis Post-Dispatch.* June 20, 1973. Next to the article was "Summary of 4 Pacts Signed by U.S., Russia." It briefly described the U.S.-Soviet cooperative agreement establishing the Joint Committee on Agriculture. The *Post-Dispatch* also added a not-so-subtle shot at Nixon, informing the reader that though the cars had been "gifts" from Nixon, they had been paid for by General Motor and Ford Motor Companies.
[35]"Soviet Union's Chairman of the Board. Leonid Ilyich Brezhnev." Smith writes in his profile that cartoonists have been putting considerable effort into humanizing Brezhnev. In many respects, it appears that Smith set out to do the same thing. The article briefly delves into Brezhnev's political background but devotes the most words to covering him as a person; his struggles with weight, his family apartment, his favorite local soccer team, and his personality make up most of the article. Department of State, Office of the Historian. "Memorandum From the President's Assistant for National Security Affairs (Kissinger) to President Nixon" in *Foreign Relations of the United States, 1969-1976, Volume XIV, Soviet Union, October 1971 – May 1972.* 870-871. Kissinger's report to President Nixon is another valuable source for a better understanding of Brezhnev's personality and mannerisms – or at least an American policymaker's analysis of it. Memorandum of Conversation, January 21, 1976, doc., 249 in *Foreign Relations of the United States, 1969-1976,* Volume XVI, *Soviet Union, August 1974 – December 1976*, ed. David C. Guyer, (Washington: Government Printing Office, 2012.) Sometime between 1972, when Kissinger wrote his report on Brezhnev for Nixon, and 1976, when Kissinger went to Moscow for SALT II talks, Brezhnev quit smoking. Before the serious business of the talks began, Kissinger and Brezhnev engaged in good-humored banter about their health. Kissinger asked where the "cigarette case that had the clock on it" was. Brezhnev shared that he had given it up upon the doctor's urging. The jokes and laughter continued for a time. As the meeting got down to business, Brezhnev added, "I feel when people can joke with each other, they are in a good mood and can do business with each other. A man who can't joke isn't a good man."
[36] Philip H. Dougherty. "Advertising: Change in Soviet. *The New York Times.* July 5, 1973. Dougherty was following East-West trade. A month before "Change in Soviet," he wrote another piece: "Advertising: Moscow Missions." In it, Dougherty asserted that the "hottest topics in the world today – outside of Watergate – is East-West trade." It is important to understand that this interpretation of communists behaving as capitalists is distinctly American. It is certainly not without reason. Marx himself had spoken against consumer culture, which, of course, is epitomized by marketing and advertising. Yet in places such as Bulgaria, advertising and consumption of cigarettes were used as propaganda to promote the "socialist good life." Mary C. Neuburger writes about this extensively in

The 1973 articles reflected what appeared to be a new national mood. Now, 34 percent of Americans had a favorable view of the Soviet Union. Only two decades earlier, in 1954, that number had been 5 percent.[37] Exchanges in which the US and USSR sent tobacco teams to each other's countries to observe, learn, spy, or steal occurred since 1962. By 1973, private industry was sending more and more delegations. By 1974, RJ Reynolds had agreed with the Soviets to experiment jointly with tobacco growth on Russian soil.[38] For its part, the United States had been pursuing a tobacco tax-harmonization scheme to stabilize global prices since at least 1971.[39]

Key to the success of tobacco exchanges were "The Basic Principles of Relations Between the United States of America and the Union of Soviet Socialist Republics." SALT and the Basic Principles signaled détente's peak. The Basic Principles were signed in Moscow three days after the SALT agreements. Diplomatic historian Raymond Garthoff has argued that the Soviets gave the Basic Principles more credence and that in America, they were "overshadowed by the greater attention accorded to the SALT agreements." Still, the twelve principles that made up the agreement outlined the continued path of détente.[40]

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her article "Cigarette Advertising in Cold War Bulgaria." The Bulgarian state tobacco monopoly, Bulgartabek, worked with American tobacco, and borrowed American technology and marketing practices. But Neuburger notes an important difference between American tobacco companies and Bulgartabek. Beginning in the 1960s, many Americans were willing to forego their rights in the free market, all in the name of the "common good." Meanwhile, Bulgartabek accelerated its production, also in the name of the "common good." Bulgaria's common good was the "socialist good life," while America's "common good" was the improved physical health of its citizens.

[37]Ann Hessing Cahn. *Killing Détente: The Right Attacks the CIA.* (University Park, Pennsylvania: The Pennsylvania State University Press, 1998): 6-7. It is important to note, that though American attitudes toward the U.S.S.R were changing, these attitudes were not always shared in the halls of Congress. In *Killing Détente,* Cahn writes about the many opponents of the policy and their concerted efforts to undermine and dismantle it.

[38] Robert H. Miles in collaboration with Kim S. Cameron. *Coffin Nails and Corporate Strategies.* (Englewood Cliffs, New Jersey: Prentice-Hall, Inc, 1982): 125.

[39] Department of State to Certain Posts, Telegram, December 3, 1971, doc., 213 in *FRUS, 1969-1976,* Volume III, *Foreign Economic Policy; International Monetary Policy, 1969-1972,* ed. Bruce F. Duncombe, (Washington: Government Printing Office, 2001.)

[40] Raymond L. Garthoff. *Détente and Confrontation: American-Soviet Relations From Nixon to Reagan:* (Washington DC: The Brookings Institution, 1985): 290-291.

Tobacco exchanges did not pertain to the majority of the Basic Principles. Most of the principles addressed the need for the US and USSR to do their best to avoid military confrontation, faithfully implement treaties, and continue efforts to limit armaments. The Basic Principles closed by summarizing the agreements and emphasizing that both nations recognized the sovereignty of all states and that the agreements did not affect obligations made by the respective powers with other states.[41] But tobacco exchanges pertained to the agreement's seventh, eighth, ninth, and tenth principles. Principle 7 stated:

> The USA and the USSR regard commercial and economic ties as an important and necessary element in the strengthening of their bilateral relations and thus will actively promote the growth of such ties. They will facilitate cooperation between the relevant organizations and enterprises of the two countries and the conclusion of appropriate agreements and contracts, including long-term ones.[42]

Principles 8, 9, and 10 buttressed the seventh principle. They called for developing mutual contacts, reaffirmed intentions to deepen cultural ties, and called for "cooperation in the fields of science and technology" and the joint commission and joint bodies for all fields in which cultural ties were possible.[43]

Still, it can be tempting to overemphasize the language of peace and cooperation. None of these principles eliminated global competition, and the agreement's closing paragraph, which assured both superpowers that obligations to countries earlier assumed, can be read as foreboding. Nevertheless, the Principles acted as détente's "rule book" or, at the very least,

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[41] "Paper Agreed Upon by the United States and the Soviet Union: BASIC PRINCIPLES OF RELATIONS BETWEEN THE UNITED STATES OF AMERICA AND THE UNION OF SOVIET SOCIALIST REPUBLICS," May 29, 1972, doc., 116 in *FRUS, 1969-1976*, Volume I, *Foundations of Foreign Policy, 1969-1972,* ed. David S. Patterson, (Washington: Government Printing Office, 2003).
[42] Ibid., 391.
[43] Ibid.

general guidelines. There could be no détente, at least in theory, without the superpowers agreeing to pursue the outlined code of conduct.[44]

Allies at Odds

The United States was committed to détente, economic cooperation, and joint committee meetings despite lingering mistrust. A little less than a week before the joint committee meeting in Moscow, a U.S. delegation met with a European Community (EC) delegation. The United States maintained a delicate dance when the undersecretary of agriculture observed a "changing situation in agriculture" in which countries would need a "reexamination of policies."[45] The US expressed interest in the EC's industrial policy and was open to the EC's idea of sending US specialists to Europe who could "explain U.S. objectives" and work toward "multilateral arrangements."[46] At the same time, the EC delegation, chaired by Sir Christopher Soames, was not as enthused about embarking on the same foreign and trade policies with the USSR as the United States.[47]

Farmers, dealers, and warehousemen in North Carolina hoped the US delegation would push back against any economic barriers put in place by the EC. TA met with the president's special representatives for trade negotiations and the Foreign Agricultural Service (FAS) throughout 1972. They specifically requested that tobacco be kept "in the forefront of negotiations."[48] 1972 had seen good prices due to a worldwide tobacco shortage. Couple that

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[44] Raymond L. Garthoff. "American-Soviet Relations in Perspective." *Political Science Quarterly,* 100, No. 4 (Winter, 1985-1986): 548-549. Garthoff cites the superpowers' failure to follow a code of conduct as a leading reason for détente's eventual failure.
[45] US-EC Consultations, October 29-31, 1973, Document No. 1973STATE139634, Access to Archival Databases (AAD,) the National Archives.
[46] Ibid.
[47] Ibid.
[48] Joseph R. Williams, Tobacco Assoc. "Tobacco Associates Incorporated Twenty-Sixth Annual Report." 1973, March 6. Council for Tobacco Research Records; Master Settlement Agreement.

with the fact that 60 percent of all U.S. tobacco exports went to the EC – roughly a quarter of all E.C. tobacco imports came from the US – and it is little wonder that the many small farmers represented by TA urged Congress and the delegation to push for free trade.[49]

The Soviets had proposed economic talks between the Council for Mutual Economic Assistance (CEMA,) an economic organization of socialist states led by the Soviet Union, and the EC. But Soames and the EC appeared to have little motivation to participate in these talks unless they were involved in existing trade responsibilities. The EC wanted to pursue multilateral discussions, and CEMA was more interested in bilateral agreements. Furthermore, intersecting global trade agreements and the economic web being weaved by détente continued complicating matters. India was still frustrated at its inability to export tobacco to the Soviet Union. Soames warned the U.S. delegation that as of January 1, 1974, tariffs in the UK would increase. He assured the U.S. delegation that the tariffs would not discriminate against specific lesser-developed countries (LDCs) and that the EC was willing to make provisions for certain commodities. He cited India and its tobacco as an example; India could go on exporting tobacco to the EC, but only at its present export dollar value, without paying heavy duties on the soon-to-be-added tariffs.[50] In 1973, India produced over 820 million pounds of tobacco, the third-highest total in the world, only behind China and the United States. And India's international tobacco business had been increasing since 1960. That year, it had exported just under nine million pounds of tobacco. By 1973, it was exporting more than 18 million.[51]

[49] Ibid.
[50] Ibid.
[51] Laverne Creek, Tom Capehart, and Verner Grise. *U.S. Tobacco Statistics, 1935-1992.* (Washington, 1994): 178. As it was, India's total exported tobacco hovered just below eighteen million until 1981, when it exported more than 23 million pounds.

But the US voiced concerns. If the EC granted preferential treatment to India and its tobacco, then the US was likely not to give India preferential treatment under the Trade Act of 1974 still being debated in U.S. Congress. Congress was worried about two things. First, it wanted to protect the U.S. tobacco industry. Second, U.S. tobacco companies, mainly Philip Morris, and the hybrid U.S. delegations of tobacco industrialists and public policymakers were engaged in exchanges and joint committee talks with the USSR. The USSR had been importing less and less Indian tobacco.[52] In other words, in pursuit of détente, the US was potentially willing to grant Most Favored Nation status to its superpower rival – dependent on Jackson-Vanik, which proposed MFN status hinge on the Soviet Union's emigration policy for Jews wishing to emigrate to Israel – but not to India, despite the wishes of its Western European allies.

The Jackson-Vanik Amendment proved to be a lose-lose situation, not for US representatives and Senators who championed the cause, but for the Nixon Administration and policymakers. Once again, détente hung in the balance. The Trade Act amendment served to disrupt not only détente but also American relations with its allies. Kissinger ruthlessly displayed his commitment to détente by withholding military supplies to Israel during the October War until they rescinded their support for Jackson-Vanik. Nevertheless, the provision of the Trade Act would not be stopped by the Nixon Administration and led to Nixon losing credibility with the Soviets while contributing to the US being at odds with Western allies and Israel.[53] Jackson-Vanik's linkage to MFN and Jewish immigration exposed the inherent paradoxes of détente. Policymakers wished to devise a way for more significant trade and cooperation between East and West. But cooperation was always based on ultimatums.

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[52] US-EC Consultations, October 29-31, 1973, Document No. 1973STATE139634, Access to Archival Database (AAD,) The National Archives.

[53] Noam Kochavi. "Idealpolitik in Disguise: Israel, Jewish Emigration from the Soviet Union, and the Nixon Administration, 1969-1974." *The International History Review,* Vol. 29, No. 3 (September, 2007): 552.

Political and diplomatic moving parts notwithstanding, the talk ended in a friendly manner. American media had reported the EC was requesting agreements to be negotiated on wheat, rice, sugar, and dairy products and that they wanted a "significant reduction" of tariffs on industrial goods. The *Washington Post* specifically reported that Washington favored "across the board slashes" of EC tariffs for it to keep its tariffs and protect American producers. Europe, *The Post* claimed, had vowed to fight these "linear slashes."[54] Months earlier, in April, *The Post* also reported that the US had abolished export subsidies and pressured the European Common Market to do the same. EC countries, *The Post* said, were taking "a tough stand against American demands for compensation."[55] At any rate, Soames and the E.C. delegation denied they were taking a "deliberate hard line on trade issues."[56] The U.S. delegation, according to a Brussels-to-Washington telegram, "welcomed this explanation" and must not have been terribly worried. The summary of events briefly logs this interaction and then describes the closing discussions on the trade bill. U.S. delegates and Soames were eager for the bill to pass.[57] There were more than economic hurdles to overcome. Due to the growing focus on scandal, the Nixon Administration had been withstanding attacks from both sides of the aisle throughout the latter half of 1973. In his memoirs, Kissinger attributes Nixon's crumbling base as the reason the administration could never fully implement its vision or strategy.[58] Furthermore, rumors of Nixon's drunkenness during the Watergate debacle, particularly during the Yom Kippur War, continued to hamper his reputation and credibility. Kissinger began making significant decisions

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[54] Douglas Ramsey. "Delay Accepted In Trade Talks." *The Washington Post, Times Herald.* October 28, 1973.
[55] Tom Lambert. "European Community: First 100 Days." *The Washington Post, Times Herald.* April 16, 1973.
[56] US-EC Consultations, October 29-31, 1973. Document No. 1973STATE139634, Access to Archival Databases (AAD,) The National Archives.
[57] Ibid.
[58] Kissinger, 1255.

without consulting the president and even let the commander-in-chief sleep through a meeting on at least one occasion.[59] With leadership in question, détente stood on shaky ground.

But tobacco, in an overlooked detail of the EC talks and during the floundering of a presidency throughout late 1973 and 1974, proved to be a commodity that acted as its own indirect tool of détente but also as a spoke in the wheel of world trade agreements.

Tobacco Détente

Bettering commercial relations proved to be a challenge. Frustrated by the slowness of the U.S. Congress, Soviet Foreign Minister Gromyko told President Nixon and Henry Kissinger in June, weeks after the Principles were signed, that it was "one thing to see relations develop in the political field but quite another when those relations are buttressed by commercial relations."[60] Gromyko accused Congress of trying to leverage the Soviet Union, mainly regarding agricultural exports, and emphatically stated that the USSR was not so desperate for commodities that it would give any concessions to receive aid.[61]

Gromyko's accusations had some merit. By 1973, countries explicitly requested that the United States export and provide lines of credit for wheat, tobacco, and cotton. Countries ranging from the Philippines to Poland requested that portions of their respective lines of credit for wheat be converted to tobacco. A year later, in 1974, Poland asked for a line of credit for 1975, a total of over $55 million. The money was used to purchase tobacco, amongst other agricultural commodities.[62]

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[59] Siniver, 211.
[60] Memorandum of Conversation, September 28, 1973, doc., 137 in *FRUS, 1969-1976,* Volume XV, *June 1972 – August 1974*, ed. Douglas E. Selvage, Melissa Jane Taylor, (Washington: Government Printing Office, 2011.)
[61] Ibid.
[62] "CCC Credit – Shift From Wheat to Cotton and Tobacco," March 29, 1973. Document No. 1973STATE058370, Access to Archival Databases (AAD,) The National Archives.

At the same time, foreign relations between other countries cooled due to Soviet reluctance to import tobacco. In 1971, India and the Soviet Union signed the Indo-Soviet Treaty of Friendship and Cooperation. But by August of 1973, the relationship was difficult to define. Analyzing the current agreement status, one telegram sent from the American embassy in New Delhi to the State Department in Washington noted that the relationship seemed to be "molded day by day" and that there was no clear strategy between the two nations concerning foreign policy or economic development.[63] Furthermore, India appeared frustrated by détente, partly due to growing East-West trade making it more difficult for India to export products to the USSR, tobacco included.

In late September, one month after the State Department's analysis in New Delhi, the U.S. tobacco team met Soviet Raznoexport and Food Ministry officials. At the beginning of October, a joint commercial commission was held in Moscow. A U.S. delegation headed by Secretary of the Treasury George Shultz attended.[64] The meeting was necessary to continue building relationships between the US and the USSR and between Philip Morris brass and Soviet officials. Breaking into the untapped Soviet market was not a new objective of Philip Morris – since the 1960s, the company had been working to gain entry indirectly via Poland, East Germany, and Yugoslavia – but it was challenging due to the USSR's refusal to allow the ruble's conversion to other currencies.[65]

Springsteen to Scowcroft, Memorandum, September 9, 1974, doc., 48 in *FRUS, 1969-1976,* Volume E-15, Part I, *Documents on Eastern Europe, 1973-1976,* ed. Edward C. Keefer, (Washington: Government Printing Office, 2008). Congress debated the passage of the Trade Act, which was finally signed into law by President Ford in 1975. Much to Gromyko's chagrin, Senator Jackson of Wyoming was pushing for his amendment to the law, which would restrict trade with Eastern Bloc markets if they restricted freedom of movement for Jewish emigrants.

[63] "Indo-Soviet Relations: A Current Assessment," August 29, 1973. Document No. 1973NEWDE09693, Access to Archival Databases (AAD,) The National Archives.

[64] Ibid.

[65] Tricia Starks. *Cigarettes and Soviets: Smoking the USSR.* (Ithaca and London: Cornell University Press, 2022):178-179. Currency was not the only challenge. Soviet smokers were used to and enjoyed oriental leaf.

Détente also provided the opportunity for the United States to export anti-communist culture into the Soviet Union and its satellite states. Though more complicated to define than a tangible commodity export, Soviet authorities believed a cultural export, such as tobacco, could genuinely damage "true socialism." At the very least, the injection of a "bourgeoise habit," such as smoking American tobacco, created a debate between communist smokers and their anti-smoking counterparts.[66] But it also created tension between the United States, the Soviet Union, and other satellite states, such as Poland, which had been purchasing tobacco from the North Carolina-based Tobacco Associates since 1960.[67] This was not a new phenomenon. Since the Eisenhower years, the US attempted to use Western culture to undermine communism. Historian Walter Hixon has written that after the American Exhibition at Sokolniki Park in 1959, the Soviets organized an "extensive counterattack against the Western cultural invasion."[68]

Because of this, American firms originally focused more on providing machinery for the production of cigarettes rather than the leaf itself.

[66] Mary C. Neuburger. *Balkan Smoke: Tobacco and the Making of Modern Bulgaria.* (Ithica and London: Cornell University Press, 2013): 173-175. Neuburger writes of the abstinence movement in both the Soviet Union and post-World War II Bulgaria. In the 1960s, the Bulgarian Communist Party (BCP) used cigarettes as a prop to describe slovenly workers who failed to live a true socialist lifestyle. Yet Neuburger also provides plenty examples of communists in the Soviet Union and Bulgaria, who were "passionate smokers." Though considered a "bourgeoise" pastime, legislation against smoking cigarettes was never a realistic goal, especially since the common worker was often times a smoker. It stands to reason that the anti-smokers beyond the Iron Curtain had a valid point; during the 1960s, more and more lavish restaurants and resorts dotted the Black Sea coast. Cigarette smoking was often seen as connected to these luxurious establishments, which did not seem to represent "real socialism."

[67] "Proposed Visit of Wheat Milling and Baking Technician," March 12, 1973. Document No. 1973WARSAW01122, Access to Archival Databases (AAD,) The National Archives. In an April 1973 telegram from Warsaw to Washington, it was expressed that the Polish Cereal Foods Processing and Grain Storage Industry (PZZ) was disappointed in the quality of grain it had been receiving from the U.S. According to PZZ, American wheat had been just as good as Canadian or Soviet wheat in the past. Details about the grain were not included in the telegram. Interestingly, the GOP Foreign Trade Enterprise for Grain, which wanted to meet with PZZ officials, were warned PZZ officials planned on devoting less time to meeting with them, due to their plans to meet with soy and tobacco product representatives during the GOP Foreign Trade trip. Milov, 735. Milnov writes about the growing success of North Carolina's Tobacco Associates, at selling to East Germany and Poland, from 1960 through the early 1970s. "Grain Situation and Outlook," May 9, 1973. Document No. 1973WARSAW02183, Access to Archival Database (AAD,) The National Archives. Though unhappy with the quality of the grain recently received, Poland asked only two months earlier for more credit to purchase grain, tobacco, and other commodities.

[68] Walter L. Hixson. *Parting the Curtain: Propaganda, Culture, and the Cold War, 1945-1961.* (New York: St. Martin's Press, 1997): 185-186.

Furthermore, just as détente led to tension between the Soviet Union and India, it caused tension between the United States and Western Europe. For example, France expressed concerns about several issues, including how agricultural trade with the USSR might negatively impact French stakeholders. French foreign minister Michel Jobert mentioned the US's proposal to be France's sole soybean provider. But embarrassingly, the US had no soybeans to export in 1973. Jobert expressed concerns that something similar might happen with other crops, particularly wheat, oranges, and tobacco. The American ambassador to the US embassy in Paris tried explaining the reasons for soybean shortages. Still, the French minister was adamant that France could not put itself in a position to be overly dependent on the US for products, including tobacco. This was all while the US sold wheat and organized tobacco exchanges with the Soviet Union.[69]

So, while détente seemingly led to more "normal relations" and cooperation between the two superpowers, it also periodically drove a wedge between the powers and their allies. While both used language that appeared to lessen hostilities, they continued to use certain commodities, like tobacco, to divide the world into respective spheres of influence. Thus, détente became a veritable paradox in which apparent friendlier relations could create greater worldwide tensions. But this complex trade web was by design, though outwardly appearing contradictory. Diplomatic historian John Lewis Gaddis notes in his work *Strategies of Containment: A Critical Appraisal of American National Security Policy During the Cold War* that détente's network of trade agreements was designed in part to "enmesh the USSR in a network of economic

[69] "Pre-Vatican Meeting with Foreign Minister Jobert," August 1, 1973. Document No. 1973STATE154136, Access to Archival Databases (AAD,) The National Archives.

relationships that would make it difficult, if not impossible, for the Russians to take actions in the future detrimental to western interests."[70]

The exchanges themselves were détente in action. Americans and Soviets demonstrated their apparent goodwill. Perhaps best exemplified in May of 1973, the State Department sent a telegram to the U.S. embassy in Moscow. Accepting an invitation from the Soviet Food Ministry for a tobacco delegation to visit in September, the State Department also pushed for the tobacco team to see Raznoeksport, calling the proposed part of the trip "highly desirable," presumably to better understand the Soviet exports. Most of those making the trip, such as Joseph Williams of TA, were from the private sector. At least twelve Soviet officials would meet with the tobacco team of fourteen visitors. There would also be Soviet interpreters present, paid by the United States. The trip was not all work and no play. The US planned on hosting a dinner at a Moscow hotel for the core group and proposed a cocktail party for a "somewhat larger group." All of this would be on the dime of private-sector tobacco representatives.[71]

Agricultural exchanges, also being conducted for wheat sales, allowed both countries to put boots on the ground in each respective state. Though the exchanges had been happening since 1973, the Joint Cooperation Agreement signed at the 1974 Moscow Summit called for ten years of economic, industrial, and technical cooperation and gave the USSR and the US the specific right to send exchanges to each respective country. The private industry had already been shipping its delegations. Philip Morris led the pack in breaking into the Eastern Bloc.[72] The

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[70] John Lewis Gaddis. *Strategies of Containment: A Critical Appraisal of American National Security Policy During the Cold War.* (Oxford, New York: Oxford University Press, 1982): 308-309.

[71] "Exchanges: Tobacco," May 25, 1973. Document No. 1973STATE100866. Access to Archival Databases (AAD,) The National Archives.

[72] Woodrow Price, "The Tar Heel of the Week: Reynolds Industries Has Diversified Under His Leadership." April, 1973. *The Raleigh News and Observer.* Philip Morris was of course not the only company attempting to expand into the Soviet Union. In April of 1973, Colin Stokes of R.J. Reynolds told the *News and Observer* that the company had begun preliminary talks with representatives from the Soviet Union, as well as China.

company sent representatives to Moscow in June 1973 to discuss food packaging. While in Moscow, Philip Morris accepted an invitation to participate in a symposium the following year. The company understood that the Soviet antismoking campaign did not have the same intensity as the one emerging in the United States. However, it was still something to consider when doing business. Tobacco would be included in a symposium focused on other commodities. This allowed Philip Morris to continue building relationships with the Soviets without bringing unwanted health attention from a separate tobacco symposium. David Morse of Surrey, Karasik, and Morse, a firm out of New York City working with Philip Morris, advised that the company could use its foothold in Bulgaria to infiltrate the Soviet market. Using Bulgaria's facilities as a means for Philip Morris to import tobacco into the country and exchange technology, Bulgaria could then be used as a springboard into the Soviet Union.[73]

However, the meeting yielded more than the continued development of relationships between Philip Morris and the Soviet Union. It provided for the continued implementation of détente. Aleardo Buzzi, the Area Vice President of Philip Morris Europe, met with Geintselman Anatoli Eduardovich, the Chief of Packaging for Food Ministry, and said that Philip Morris would like to pursue cooperation in producing an "American cigarette" in the Soviet Union – an idea the Soviet minister was enthusiastic about. This was an opening not only for Philip Morris to expand in the Eastern Bloc but also for the US to put diplomats, technicians, and private industrialists on the ground in the Soviet Union for extended periods. Buzzi explained that to pursue joint cooperative enterprises, Philip Morris technicians would need the ability to study the

[73] Philip Morris Europe; A. G. Buzzi, A. Gembler, D.A. Morse, W.S. Surrey. "Philip Morris Mission to Moscow 730617-730620." June 17, 1973. Philip Morris Records; Master Settlement Agreement: 4.

tobacco industry in the Soviet Union. With the approval of ministry officials, Philip Morris decided to make a second visit, tentatively scheduled for September or October.[74]

The meeting was undoubtedly a success. A few days after the June visit, Ronald Thomson, president of Philip Morris Europe, wrote a review of the talks referred to within the company as “The Moscow Mission.” He stated that the Soviets were “likely to initiate business discussion” during the upcoming October visit and that direct sales of Philip Morris cigarettes in the Soviet Union were attainable by upgrading the Soviet market “to the U.S. type of tobacco.”[75]

This was good news, not just for Philip Morris, the Nixon administration, or U.S. policymakers. At least some North Carolinians welcomed the news and participated in the second exchange. Clyde Wayne, Chairman of the Board of Tobacco Associates and a North Carolina farmer, was slotted to make the trip, now dubbed the “Tobacco Trade Mission to the Soviet Union.”[76] It was not lost on Clyde Wayne or Horace Kornegay, representatives for member companies of the Tobacco Institute, that in 1971 and 1972, the Soviet Union had imported approximately 53 billion cigarettes. But out of this astronomical number, only 200 or 300 million were imported from the United States.[77] Besides, most of those cigarettes were sold in specialized stores to Western tourists rather than the Soviet population.[78]

Plans for the ten-day Moscow visit in September were solidified. The twelve-person team was divided into two groups. One group focused primarily on processing, research, marketing, and manufacturing. The second group comprised those more interested in curing, harvesting,

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[74] Ibid., 9.
[75] “Initial Review of the Results of the Moscow Mission with Mr. R. Thompson, President of Philip Morris Europe and Members of the Moscow Mission.” June 22, 1973. Philip Morris Records; Master Settlement Agreement: 15.
[76] Horace R. Kornegay, “Unknown.” Letter from Kornegay to Cullman. 1973, August 1. Philip Morris Records; Master Settlement Agreement: 1. In his letter to Joseph Cullman, Chairman of the Board of Philip Morris, Kornegay asked for guidance on what Cullman wished Kornegay to convey to the Soviets. Kornegay was going as a representative of all member companies of the Tobacco Institute.
[77] Ibid., 2.
[78] Starks, 178.

cultivation, and fermentation. The US assured the Soviets that a reciprocal trip was still on the table.[79]

It also paved the way for further business between the East and West. While plans were made for the 1973 visit, another delegation, this time to Bulgaria, was in the works. Communication between the US and USSR for the September trip set a new precedent. Bulgaria's Deputy Minister of Foreign Trade, Lukanov, told Undersecretary of State for Economic Affairs William Casey that though a trade agreement between Bulgaria and the United States was not yet feasible in July of 1973, an agreement would soon be possible. Lukanov told Casey that the Soviet precedent would be "easy to duplicate when right moment comes."[80] He added that Bulgaria planned to spend hundreds of millions over the "next few years" on Western industrial equipment in petrochemical, metallurgical, and food and tobacco processing fields.[81]

On August 30, only a few weeks before the September trip, it was decided that Assistant Secretary Brunthaver would head a separate delegation to Moscow. This delegation's objective was to create a joint committee as part of the U.S.-U.S.S.R. Agricultural Cooperation Agreement. Timed so Brunthaver could also attend the meetings between Soviet officials and the tobacco team, the separate delegation confirms tobacco's relevance on the world diplomatic stage.[82]

The trip was a whirlwind. The team departed from the United States on September 16th. On the 17th, they arrived in Moscow and enjoyed a brief day of recovery from jetlag. The delegation would visit the Krasnodar Food Industry Institute and All-Union Tobacco Institute on

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[79]"Exchanges: Tobacco," July 26, 1973. Document No. 1973STATE147166. Access to Archival Databases (AAD,) The National Archives.

[80] "Lukanov Call on Undersecretary Casey," July 19, 1973. Document No. 1973STATE141986, Access to Archival Databases (AAD,) The National Archives.

[81] Ibid.

[82] "US-USSR Agricultural Cooperation Agreement," August 20, 1973. Document No. 1973STATE173032, Access to Archival Databases (AAD,) The National Archives.

the 18th. This was an all-day affair before visiting the Sukhumi Fermentation Plant and departing for Tbilisi, Georgia, the same day. They saw the Tbilisi Tobacco Factory and a collective farm in Georgia on September 20th and 21st. The 22nd allowed the team to take in Tbilisi at leisure and rest. Still, the 23rd was business as usual as the team departed Tbilisi and began heading for Kishinev Fermentation Plant in Moldavia. There, they explored another collective farm. The team started its journey back to Moscow on the 25th, where it had its final meeting with the USSR Food Ministry in the evening. On the 26th, the team returned to the United States.[83]

The stop in Moldavia was a perfect opportunity for the U.S. delegation to gain intel. In 1973, Moldavia was the youngest of the Soviet Socialist Republics. Though neighboring Romania was a communist ally of the Soviet Union, Moscow carefully monitored the relationship. If a republic was ripe for infiltrating Western culture and capitalism, Moscow and the Moldavian Communist Party feared it would be Moldavia. The First Secretary of the Moldavian Communist Party complained in 1973 that not enough Moldavians learned Russian, that too many of them complained about their economic role within the Soviet Union – the republic made up 0.15 percent of the USSR's population but supplied it with 2.3 percent of its farm output and 33 percent of its tobacco – and that its magazines and newspapers were not vigilant enough in blocking nationalistic writing.[84]

To be sure, not everyone was happy with the trip's outcome. Breaking into the coveted markets of the Soviet Bloc had long been the dream of tobacco growers and outfits such as TA.

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[83] "n/a," August 21, 1973. Document No. 1973MOSCOW09973, Access to Archival Databases (AAD,) The National Archives.

[84] Murray Seeger, New York Times staff writer. "Rich Moldavia Harvest Feeds Soviet Union." *Los Angelas Times.* November 1, 1973. Seeger's profile provides an interesting glimpse into the 1973 perspective of Moldavia. On the one hand, it is clear why a US delegation would want to visit the small republic. The rich soil of the nation, and its late collectivization would lead one to think that the US could sow the seeds of discontent and work to export western values and culture there. On the other hand, Seeger notes that "backwards Moldavia" had actually experienced measurable improvements under the Moscow regime.

Nevertheless, the exchange itself was viewed by some as nothing more than a gesture of goodwill. And while farmers in North Carolina and other tobacco-producing states were glad of the potential new markets, others viewed their presence on the trip as a hindrance. Malcolm Seawell, Executive Vice President of the Leaf Tobacco Exporters Association, Inc., out of Raleigh, North Carolina, put it bluntly: "The trip was a junket; the delegation was too large; and had too many farmers who contributed nothing to the ultimate goal of seeking to sell tobacco in the USSR."[85] Sure, members of the delegation schmoozed with tobacco bosses who "wined and dined" them as they toured food industry institutes, collective farms, fermentation plants, and small Russian towns alongside the Black Sea.[86] However, Seawell's analysis of the trip, especially compared with the Philip Morris analysis of their trips, painted a much more cautious picture. Was there real potential for selling American leaf and cigarettes within the USSR? According to Seawell, there was. But it was time for American companies to schedule their own trips instead of the junket-style exchanges Seawell described. While Seawell and his fellow Tobacco Trade Mission travelers may have been unwittingly participating in détente, Seawell showed no interest in being an actor of foreign policy on the world stage. Referencing a future Soviet delegation's trip to the United States, he said that though he did want them to see manufacturing and redrying plants, he would not take part in any "parading [of] members of the Russian delegation from Virginia to South Georgia."[87]

Seawell was not the only one with concerns. The tobacco industry warily observed U.S. wheat exports. Many, including farmers and organized labor, felt the Soviet Union was taking

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[85] Malcolm B. Seawell. "Unknown." Memorandum to Members of Leaf Tobacco Exporters Association, Inc. 1973, October 4. Philip Morris Records; Master Settlement Agreement: 1.
[86] Ibid.
[87] Ibid., 2.

the United States and its ten-cent grain subsidy for a ride.[88] The media raised concerns about suspected wheat export corruption. Assistant Secretary of Agriculture Clarence Palmby had recently resigned from his post after returning from Moscow. He soon went to work as the vice president of a grain company that enjoyed the largest share of Soviet purchases.[89] Americans were nervous about shady tobacco deals, similar to the perceived lousy wheat deals.[90] Most, though, believed that the trip, junket or not, paid dividends.

After the September exchange, the US and USSR planned to meet again, all while American tobacco companies continued their effort to tap potential markets. In July, shortly before the September visit, the USDA reported that the US sold over $500,000 of tobacco to China.[91]

Tobacco delegations and government agencies met with Soviet Agriculture ministry officials concurrently. As agreed at the 1974 Summit, the U.S. Department of Agriculture met with the Soviet Agricultural Counselor Konygin for a Joint Committee Meeting. The meeting's objective was simply for each power to answer the other's questions about specific projects and crops. But the mixed goals and feelings surrounding détente were revealing. Initially, Counselor Konygin felt that the U.S. list of projects was not entirely truthful. He did not directly make accusations involving tobacco, but he did complain that the US was not acting in good faith by

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[88] Cahn, 36-38.
[89] "Another Big Deal?" *St. Louis Post-Dispatch.* May 13, 1973. In the Spring of 1973, the mistrust of government and the pessimism surrounding the Watergate scandal, seemed to touch everything. The *Post-Dispatch* article implying that U.S. grain sails to the U.S.S.R. were corrupt, sat on the same page next to articles condemning the president for the air war in Cambodia, and his actions in Watergate.
[90] Milov, 726. Milov's article explores how the North Carolina based Tobacco Associates, worked to export tobacco to the Soviet bloc during the years of the Marshal Plan, and through the 1960s and 70s.
[91] July 16 EA Press Summary," July 17, 1973. Document No. 1973STATE139634, Access to Archival Databases (AAD,) The National Archives. The USDA did express doubt that the PRC would continue to make tobacco purchases at that rate.

demanding to know about its unginned cotton crops. But also, on the U.S. list of information required of the Soviets was the status of Soviet tobacco.[92]

Unlike the September exchange itinerary, the Joint Committee Meeting reveals more of what each country was striving to learn and understand about the other. The list of what the US asked the Soviets to share was exhaustive. Marketing of specific farm products, information on collective farms, monthly numbers for grains during harvest, and a final number for the crop year, to name a few. But the most helpful intel would come from number six on the list shared with Kosygin. The US wanted "monthly data on volumes and values of foreign trade on all agricultural commodities listed previously, as well quarterly information, and on a one-time basis, data for everything from the past ten years."[93]

The Department of Agriculture's role in tobacco exchanges and Joint Committee Meetings was a direct voice for the farmers. Men like Seawell viewed farmers as "in-the-way" and not helpful to reaching market expansion during international business dealings. But farmers had considerable influence, albeit invisible to most. Represented by groups like TA and the Export Leaf Association, they had been calling for new markets ever since the U.S. government started more heavily regulating the industry in 1964.[94] Joint Committee meetings were used to fact-find and reflected the contradictory status of détente. Even as the superpowers continued to cooperate, they continued to compete and collect intel on each other. Despite contentious meetings and mistrust, tobacco détente continued to gain momentum.

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[92] Meeting of US-USSR Joint Committee On Cooperation In Agriculture," November 5, 1973. Document No. 1973STATE218057, Access to Archival Databases (AAD,) The National Archives.
[93] Ibid.
[94] Sarah Milov. *The Cigarette: A Political History.* (Cambridge: Harvard University Press, 2023): 127. Secretary of Agriculture Orville Freeman had testified against the Surgeon General's warnings on packaging because he believed that a reduction in tobacco demand would harm farmers. In North Carolina, "Mr. Tobacco" Fred Royster, a farmer and warehouseman, argued that regulation and package warnings would gravely endanger the North Carolina grower.

A month after the talks between the E.C. and the U.S. delegations, top executives from Philip Morris visited Moscow. The U.S. delegation that called in September had been a blend of bureaucrats and private tobacco industrialists. But now Philip Morris was once again traveling on its own accord, with the help of lawyer Walter Surrey and the U.S. embassy. The talks were deemed "promising" and focused on proposed cooperation between the company and Glavtobek, the Soviet tobacco monopoly. There was still a long way to go before deals were struck. Plans were underway for another meeting in March, during which a scientific/technical cooperation agreement would be signed. The Soviet State Committee for Science and Technology urged the top brass from Philip Morris to be in attendance.[95]

Eighteen various higher-ups of Philip Morris attended the Incorporated Mission to Moscow, including Aleardo Buzzi, Vice President of Philip Morris International and Philip Morris Europe, Andreas Gembler, Vice President of Philip Morris Europe, and Dr. H.R. Wakeham, Vice President of Research, Philip Morris USA.[96] In its summary report, Philip Morris reiterated that no business deals had been reached – that would have to wait until the much-anticipated March visit in 1974. But the company brought back vast quantities of information and hundreds of pages to pour over. Though the apparent goodwill demonstrated between Americans and the Soviets is challenging to ignore, the delegation acted as a fact-finding mission. The Soviets were primarily interested in getting help with mechanization. However, they did ask the six Philip Morris specialists to help with a parasitic plant problem and

[95] "Philip Morris Talks With Soviets," December 21, 1973. Document No. 1973MOSCOW15906, Access to Archival Databases (AAD,) The National Archives.
[96] "Philip Morris Incorporated Mission to Moscow – 001207." 1973 December 7. Philip Morris Records; Master Settlement Agreement."

the invasive Colorado Beetle.[97] Soviet representatives were invited to visit the United States. The Soviets informed the team that they planned the trip for August the following year.[98]

Again, the trip demonstrated the American export opportunity to the Soviet Union, and the specialists collected a treasure trove of data and intelligence. During the tour of the Dukat factory – the heart of the trip since the specialists toured the plant on December 12th, 13th, and 14th – the team of specialists learned that 25 percent of all tobacco in the USSR was imported from nineteen countries. Half of this tobacco came from either Bulgaria or India. On the second day of the factory tours, the specialists were allowed to examine machinery inside the plant. Five people operated a machine module that produced about 1.3 million daily cigarettes. At around 2:30 pm., it was announced that the tour was over. A speech was given. The factory manager expressed how glad he was to host Americans and that the visiting specialists reminded him of the Americans he had met during World War II.[99]

Delegates again discussed the March symposium during the third day of the Dukat Factory tour. The specialists and the Soviets both wished they could have more time scheduled at the symposium. However, as the tobacco discussions would only be a session within a more extensive food and packaging symposium, the talks would be limited to four to five hours. It was agreed that the focus of the talks would be a general review of material handling, descriptions of processing equipment, and the process for reconstituting tobacco.[100]

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[97] "Summary of December Trip to Moscow." 1973, December 11. Philip Morris Records; Master Settlement Agreement: 2. Perhaps surprisingly, there was no coordination between Philip Morris and the U.S. Industry Tobacco Trade Mission.

[98] Ibid., 3.

[99] Ibid., 6-8. During the second day of touring the Dukat factory, factory managers announced the rest of the tour was postponed until the following day. Five minutes later, the tour resumed. No explanation was provided for the conflicting announcements.

[100] Ibid., 11.

The trip ended on December 18th. The Philip Morris specialists met with M.B. Arzumanian, the Deputy Director of Razonexport. Arzumanian was, in a way, the gatekeeper Philip Morris would have to convince and impress if it hoped to do future business with Glavtobek. He controlled all tobacco exports and imports for the entire Soviet Union. One of the Philip Morris executives expressed an interest in gaining permission to import tobacco into the Soviet Union.[101]

The trip ended with a bit of intrigue. To better grasp factory production, Philip Morris wanted to verify whether or not the Soviet Union had been importing British Molins Mark 9 cigarette makers. But there had been no confirmation by the second to last day of the trip. The Soviets, for their part, denied importing any of the Mark 9s. Then, while meeting with the Deputy Chief of the Tobacco Department of the Ministry of Food Industries, Vera Penkova, an interpreter, interrupted the meeting. A phone call from the British embassy asked about a certain Helen Barber. Later, the team learned from the receptionist that Helen Barber was a Molins representative who had traveled to the USSR to meet with the Machine Import Agency.[102] So, in a strange twist, the trip exemplified two things: first, though there is no reason to believe Philip Morris didn’t want to help the Soviets with machinery or the invasive Colorado Beetle, or that the Dukat Factory manager’s pleasure to host Americans was not genuine, both delegations were continuing to hold their cards close. Second, bettering relations between the United States and the USSR placed another wedge between the US and one of its allies, though admittedly small.

The Helen Barber episode was not the only time the Soviets were not completely transparent, though it can be assumed Americans withheld information and were sometimes duplicitous in their own right. When James Kurtzweil, President of Philip Morris International,

[101] Ibid.
[102] Ibid.

asked the Food Ministry's packing chief, Geintselman, for information on packaging and converting operations, he was told that no such operations existed in Moscow. But later on in the trip, Kurtzweil went to a supermarket and found plenty of products packed in the Moscow area.[103] Whether Geintselman engaged in subterfuge or mistakenly provided inaccurate information is up to interpretation. Packaging was undoubtedly a concern of the Soviets – Robert Etter, the President of Paper Group Philip Morris Industrial, participated in lengthy meetings during which packaging, label, and paper technology were discussed. Other reports of Geintselman and the rest of the Soviet entourage were generally positive. "Friendly attitudes and found the facilities (conference room) quite adequate," noted Etter in his trip report.[104]

Nine days after the Philip Morris executives returned from the Soviet Union, they drafted an *Agreement on Scientific and Technical Cooperation between the State Committee of the Council of Ministers of the USSR for Science and Technology and Philip Morris Incorporated*. It directly cited Paragraph 8 of the "Basic Principles of Relations" and Article 4 of "Agreement Between the Government of the USSR and the Government of the USA." It implemented science and technical cooperation, specifically in paper packaging, growing tobacco, and manufacturing. Subject to a mutual agreement, there were to be continued exchanges of scientific and technical information, exchanges of delegations, continued lectures and symposia addressing problems of interest to both parties, and mutual consultations to discuss scientific and technical issues. There was to be joint research and sharing of the "know-how" of manufacturing products. To accomplish this, each party would organize groups of experts to meet alternatively in the US and the USSR. Any information one party learned from the other was only shared with the respective

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[103] James B. Kurtzweil. "Red Carpet Report: Packaging Group James B. Kurtzweil, President Philip Morris Industrial." 1973 December. Philip Morris Records; Master Settlement Agreement.
[104] Etter, R.G. "Red Carpet Report Robert G. Etter, President Paper Group Philip Morris Industrial." 1973 December. Philip Morris Records; Master Settlement Agreement.

express consent. The agreement lasted five years, though either party could withdraw anytime.[105] The landmark moment led Americans and Soviets to explore producing a cigarette together. The possibilities seemed endless. To Philip Morris, joint production was only the beginning. Despite tensions surrounding Jackson-Vanik, Watergate, and the dismantling of a presidency, the sometimes-contentious meetings with Soviet ministry officials, and the continuation of superpowers competing for global supremacy, tobacco détente had persevered.

[105] State Committee on the Council of Ministers; Goldsmith, G.H. "Agreement on Scientific and Technical Cooperation Between the State Committee of the Council of Ministers of the USSR for Science and Technology and Philip Morris Incorporated (USA.)" 1973, December 27. Philip Morris Records; Master Settlement Agreement: 1-6.

Chapter 3
1974-1977: Tobacco Mission Accomplished

In August of 1973, a seven-member U.S. delegation visited the Soviet Union. The expedition was unique. Civil Rights activist Madeline W. Murphy and, no relation, journalist George B. Murphy Jr. made the journey. They trekked over 6,000 miles from Moscow to Abkhazia on the Black Sea, north to the Bay of Finland, and to Moscow again. The delegation's objective was to meet Soviet citizens of African origin. According to Madeline Murphy, the trip's highlight was the rededication of Mount Robeson, named for singer, actor, and civil rights activist Paul Robeson, in the Tien Shan range in Kirghizia. Murphy wrote about the trip five months after returning to the United States. In the May 1974 edition of *Afro-America*, Murphy's article detailed the delegation's multiple visits to collective farms. Tobacco was not the focus of the article. But the delegation stopped at a collective in the Caucus that grew such quality tobacco; Murphy noted in her article, "The tobacco is of such excellent quality, it is exported all over the world, even the U.S."[1]

Competing with the Soviet-preferred Oriental leaf was only one of the obstacles American tobacco companies had to overcome from 1974 through 1977. The Nixon Administration's demise and the turbulence surrounding it led to détente's uncertain future. By August of 1974, Nixon had resigned, and Gerald Ford was president. Shortly before November's Strategic Arms Limitation Talks (SALT) in Vladivostok, Helmut Sonnenfeldt, the Counselor of the Department of State, wrote to Secretary of State Henry Kissinger that Soviet decisions, whether they be SALT or human rights, would "proceed with the atmospherics of détente, but to reserve on the substance."[2]

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[1] Madeline W. Murphy. "A visit to Soviet Union: 'a people of good soul." *Afro-American*, May 18, 1974.

[2] Sonnenfeldt to Kissinger, memorandum, October 18, 1974, doc., 62 in *Foreign Relations of the United States* [hereafter *FRUS*], *August 1974 – December 1976*, Volume XVI, *Soviet Union*, ed. David C. Guyer, (Washington:

Through 1974 and 1975, the American tobacco industry reflected the delicate balance of a foreign policy carefully maintained over the previous five years. As discussed during the December 1973 visit, Philip Morris traveled to Moscow again and met with Soviet officials at the March 1974 symposium. Philip Morris reached a landmark agreement with the Soviet State Committee for Science and Technology of the Council of Ministers, and together the following year, they produced a cigarette commemorating the joint Apollo-Soyuz Space Mission.[3] Soon after that, in 1976, Philip Morris finally achieved its "Mission to Moscow" dream. Soviets purchased a license to manufacture *Marlboro* for one year.[4] By 1977, the Ford Administration was gone, and with it, the architect of détente, Henry Kissinger. An era had ended, but a seemingly new era was beginning. American cigarettes were coming to Moscow.

In the eyes of U.S. policymakers, détente still required U.S. leadership. But it was hard for policymakers to define that role. In Moscow, Brezhnev pointedly asked Kissinger what he meant by saying, "The United States has to be stronger for there to be peace in the world."[5] The discussion seemed to go in circles. Kissinger explained that while the US never claimed it had to be stronger, it did maintain that it needed to be "second to none."[6] The debate over the Jackson-Vanik Amendment also continued. Frustrated over the proposed amendment's effect on foreign policy, Henry Kissinger spoke to academics at the end of 1974. He claimed that during SALT negotiations and discussions about Jackson-Vanik, the Soviets had accepted 90 percent of American demands. Kissinger argued that the Soviets had been flexible and that the US needed

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Government Printing Office, 2012.) Sonnenfeldt did note that one "card to play" for Kissinger, was Brezhnev's involvement in détente. Sonnenfeld asserted that "he cannot deliberately want to see a deterioration. He must at least hedge against it by continuing to play up the external signs of good relations."

[3] Tricia Starks. *Cigarettes and Soviets: Smoking the USSR.* (Ithaca and London: Cornell University Press, 2022):181-187.

[4] Ibid., 187.

[5] Memorandum, October 25, 1974, doc., 69 in *FRUS, August 1974 – December 1976*, Volume XVI, *Soviet Union*, ed. David C. Guyer, (Washington: Government Printing Office, 2012.)

[6] Ibid.

to be the same. After all, according to Kissinger, academics had been insisting on expanded trade with the Soviet Union since the 1960s. Now, in an attempt to link human rights to a trade deal – the Jackson-Vanik Amendment would mean Soviet most favored nation status (MNF) was dependent on the ability of Soviet Jews to emigrate – these same academics were creating a roadblock to further American-Soviet trade.[7]

Relations between the Soviet Agriculture Ministry and the US Department of Agriculture were also strained. The superpowers were supposed to be sharing agricultural yield data. During the November 1973 Joint Council meeting, Soviet Agriculture Ministry officials had been cooperative. In the Spring of 1974, the US expected to receive a copy of a Central Statistical Administration report including barley, corn, tobacco, and livestock numbers. However, the Soviets sent material that included none of the expected information.[8]

Health concerns continued to plague the American tobacco industry. Earlier in the 1970s, American tobacco companies were hoping the Soviet Union would downplay the health risks associated with smoking. But by 1976, Soviet General Secretary Leonid Brezhnev openly spoke to the press about his decision to quit smoking at the request of his doctors. Kissinger stood alongside Brezhnev at the press conference and mentioned he hoped his wife would quit smoking. He added that the doctor had even recommended hypnosis to his wife. “She [Kissinger’s wife] lit up a cigarette while telling me about it,” Kissinger said with laughter. “But the nurse has given up smoking.”[9] Despite the humorous exchange, Brezhnev’s decision to quit was a telling admission. Two years earlier, Kissinger included details on the General Secretary’s

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[7] Memorandum, December 19, 1974, doc., 62 in *FRUS, 1969–1976,* Volume XVI, *Soviet Union,* ed. David C. Guyer, (Washington: Government Printing Office, 2012.)
[8] US-USSR Agreement on Agricultural Cooperation: Press Comments On Soviet Economic Data Submissions,” April 2, 1974. Document No. 1974STATE066029, Access to Archival Databases, The National Archives.
[9] Memorandum, January 21, 1976, doc., 249 in *FRUS, 1969–1976,* Volume XVI, *Soviet Union, August 1974 – December 1976,* ed. David C. Guyer, (Washington: Government Printing Office, 2012.)

ill health in a lengthy report. At the time, there had seemed to be no indication that Brezhnev would give up the habit.[10]

But despite international health concerns about smoking, a Jackson-Vanik Amendment disliked by Soviet officials, persistent mistrust between superpowers, continuing suspicion that détente was merely atmospheric, and a Watergate scandal that scarred not only the American public's faith in the government but Soviet policymakers' as well, American tobacco trade beyond the Iron Curtain and inside the Soviet Union furthered its reach and ultimately resulted in joint production, a licensing agreement, and importation agreements. By 1977, the days of American tobacco looking longingly to the East and wishing for a likely unrealistic business relationship, seemed a distant memory.

This chapter focuses on the years 1974 to 1977. The official end of détente is often described as occurring in 1979 when the Soviets invaded Afghanistan. But 1977 was the culmination of long and organized efforts to get American cigarettes and leaf to Soviet shelves. The story did not end in 1977. Soviet imports and production of Marlboros continued to increase for the rest of the 1970s. But 1977 was the capstone of an era that began in 1964. An East-West tobacco trade had finally been fully realized.

The 1974 Trade Act

In February of 1974, eleven months before the Trade Act was signed, Vladimir Alkhimov, the Soviet Union's leading expert on bank credits, visited the US. Plump, quick-witted, and humorous, Alkhimov's job was to "sell trade" to the United States. He saw many major U.S.

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[10] Kissinger to President Ford, Memorandum, November 14, 1974, doc., 87 in *FRUS*, *1969–1976*, Volume XVI, *Soviet Union, August 1974 – December 1976,* ed. David C. Guyer, (Washington: Government Printing Office, 2012.)

cities, including San Francisco, Houston, and Pittsburgh. His final stop was Washington. Alkhimov was co-chairman of the quasi-public Joint Trade and Economic Council and was heavily invested in seeing a successful trade deal reached in which the Soviet Union could attain MFN status.[11]

Before Alkhimov visited the US, the council met in Budapest, Warsaw, Belgrade, Moscow, and Washington in 1973. The council's objective was long-term cooperation between U.S. industry and Soviet ministries. American businessmen and Soviet ministry officials made up the committee. In its 1973 annual report, the U.S. Export Administration noted a steady increase in exports to the Soviet Union. Soybeans, wheat, and corn were among the items listed. But noticeably, tobacco was missing.[12] Just as glaring was Alkhimov's omission of any mention of a major tobacco company. In *Business Weekly,* he listed many men who ran significant U.S. companies doing business with Moscow that he planned to meet with in Washington. American tobacco companies like Philip Morris may have been courting Moscow, but there were still no agreements.[13]

Not that the development of the Joint Council wasn't encouraging. Thirty-seven promotional events in East-West trade were scheduled between February and June 1974. Thirteen of these events took place inside the Soviet Union.[14] A U.S. commercial office opened in Moscow, and in Washington, a Soviet trade representation was approved. The Export Administration was optimistic that the USSR would continue developing its natural resources

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[11] "Moscow's Supersalesman is here to sell trade." *Business Weekly.* February 23, 1974. Philip Morris Records: Master Settlement Agreement. The council was run by sixty corporate members who did not work for the government. According to *Business Weekly,* this was by design to avoid government oversight.

[12] Bureau of East-West Trade; Domestic and INTL Business Association; US Dept of Commerce; Dent, F.B. Export Administration Report, third quarter, 730000 East-West Trade, 1973. Philip Morris Records, Master Settlement Agreement, v.

[13] "Moscow's Supersalesman is here to sell trade." *Business Weekly.*

[14] Bureau of East-West Trade; Domestic and INTL Business Association; US Dept of Commerce; Dent, F.B. Export Administration Report, third quarter, 730000 East-West Trade, 1973: i.

and that exporting its raw materials would lead to greater foreign exchange and a closer Soviet relationship with the West.[15] Large firms weren't the only ones who could benefit by trading with the Eastern European Community (EEC.) The Export Administration asserted that many smaller firms were also profiting from domestic sales to more giant corporations trading beyond the Iron Curtain.[16] "The US can compete effectively with other Western suppliers to the Eastern market," the administration said. The report's forward concluded: "Thus, there are good prospects that the United States will realize long-term economic benefits throughout the continued expansion of East-West trade."[17]

During 1974, U.S. relations with Bulgaria had been "in the doldrums" again.[18] The US had agreed to a scientific and cooperation agreement with the Soviet Union, which led to the joint production of a US-USSR cigarette in 1975. But no such agreement existed with Bulgaria. Even so, the US had agreed to participate in the Plovdiv Fair. By March, the U.S. legation in Sofia reported that a U.S. tobacco firm had purchased $8 million of Bulgarian tobacco.[19]

Optimism aside, Jackson-Vanik was still looming, and American tobacco firms still had not made desired inroads into the Soviet Union. Though there were council trade discussions in four countries, the USSR, Poland, Yugoslavia, and Hungary, Yugoslavia was the only one doing any business with an American tobacco firm, a coproduction agreement it had entered into with Philip Morris.[20] In March 1974, Tobacco Associates was still gladdened by the tobacco delegation's trip to the USSR during the previous fall. Once again, though, to TA, there seemed

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[15] Ibid., v.
[16] Ibid., vi.
[17] Ibid.
[18] Bulgarian Quarterly Trends Report (January-March), March 25, 1974. Document No. 1974SOFIA00410, Access to Archival Databases (AAD,) The National Archives.
[19] Ibid.
[20] Bureau of East-West Trade; Domestic and INTL Business Association; US Dept of Commerce; Dent, F.B. Export Administration Report, third quarter, 730000 East-West Trade, 1973: vi.

to be two steps backward for every positive step forward. TA's president, Joseph Williams, was encouraged that the delegation witnessed a "nation [the USSR] of 240 million people on the move."[21] Still, he expressed the now familiar frustration that though smoking rates in the Eastern Bloc matched Western Europe, tobacco exports to the EEC were only "token amounts." What vexed Williams the most in 1974 was the trade bill and the deletion of MFN for the USSR. To Williams, the bill had got caught up in "the totally irrelevant and non-Germaine immigration policy of the Soviet Union."[22]

But did strained relations equate to an end of détente or the collapse of East-West trade discussions? Not according to Secretary of State Kissinger or Assistant Secretary of State Carol Laise. "Americans are sophisticated and subtle in their suspicion that progress toward détente does not mean progress toward the end of strained relations with the Soviet Union or even the end of the Cold War,"[23] Laise told Secretary Kissinger in a 1974 memorandum. Laise had overseen a review of editorial and public opinion surveys, and her findings were positive. Despite hiccups – negative press coverage in 1972 of American grain sales to the USSR or the Soviet invasion of Czechoslovakia in 1968 are two examples – the number of Americans who supported détente was growing. Laise provided encouraging statistics. In 1968, 50 percent of Americans believed a "long-term agreement in the world which will work" was impossible.[24] By 1974, only twenty-two percent of Americans thought a long-term agreement was impossible.[25]

Equally heartening were the reasons a growing number of Americans supported the policy. Laise identified three building blocks of détente: arms control, trade, and scientific and

[21] Joseph R. Williams. Tobacco Associates, Inc. Twenty-Seventh Annual Report. March 5, 1974. Tobacco Institute Records; RCPI Tobacco Institute and Council for Tobacco Research Records; Master Settlement Agreement.
[22] Ibid.
[23] Laise to Kissinger, memorandum, December 9, 1974, doc., 96 in *FRUS*, *1969–1976,* Volume XVI*, Soviet Union, August 1974 – December 1976,* ed. David C. Guyer, (Washington: Government Printing Office, 2012.)
[24] Ibid.
[25] Ibid.

cultural cooperation. A thriving tobacco trade with the Soviet Union would fulfill two blocks. But distressing was the lack of public and editorial support for the Jackson-Vanik Amendment.

Despite the foreign policy problems brought on by Jackson-Vanik, Kissinger had been able to smooth things over with Soviet Ambassador Dobrynin. It took work. Carefully, an informal yet delicate plan was conceived. Kissinger would receive assurances from Dobrynin that the Soviet Union would relax its emigration policy. From there, Kissinger would relay this good news to Senator Jackson, co-sponsor of the amendment. Jackson would agree that a relaxed emigration policy meant sixty thousand Jews could emigrate. The Soviets would quietly capitulate, and the deal would be done.[26]

But the plan hinged on Kissinger's assurances that American policymakers and politicians would not take a public victory lap and brag over the diplomatic win. In October of 1974, Jackson, who had presidential aspirations, traveled to the White House, where letters resolving the emigration issue would be signed. Soon after the meeting, a Jackson staffer disastrously distributed copies of the letters at a press conference. Kissinger and Brezhnev were furious.[27] For his part, Kissinger had never approved of the US tying "intrusive demands on Soviet internal matters that we ourselves could not accept."[28] Moreover, when the Soviets agreed to these demands, Jackson refused to listen to Kissinger and Ford. "When you step out, just say we agreed," they told him.[29] Nevertheless, in a move summarized by Ford as political posturing, Jackson still made sure copies of the letter found their way to the public.[30]

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[26] Ibid.
[27] Ibid.
Memorandum, December 19, 1974, doc., 62 in *FRUS*, *1969–1976,* Volume XVI, *Soviet Union*, ed. David C. Guyer, (Washington: Government Printing Office, 2012.)
[28] Memorandum, December 19, 1974, doc., 62 in *FRUS*, *1969–1976*, Volume XVI, *Soviet Union,* ed. David C. Guyer, (Washington: Government Printing Office, 2012.)
[29] Ibid.
[30] Ibid.

Linking human rights to a trade bill garnered little support among editorialists. Nevertheless, in January 1975, Ford signed the Trade Act into law, complete with Jackson-Vanik, after it passed unanimously in the House and Senate. The USSR replied a week later that MFN would not help emigration. The Soviet decision not to agree to a modified trade agreement meant two things. First, they were freeing themselves from the conditions of the 1972 trade agreement. And second, they would no longer be making agreed-upon lend-lease payments.[31]

One of the conditions of the 1972 trade agreement was the creation of the US-USSR Trade and Economic Council. So, when the Soviets rejected the new trade amendment in 1975, there were questions surrounding continued technical and technological exchanges. The 1974 Trade Act, with its Jackson-Vanik Amendment, has a mixed legacy. Conservative Republicans pushed the amendment. On the surface, linking trade with human rights appeared perfectly reasonable. But the process surrounding its passage, rather than only the amendment's content, raised Soviet eyebrows. The amendment was first proposed after the 1972 trade agreement was reached. To the USSR, it undoubtedly appeared that the US was not acting in good faith. Also, the amendment did not strong-arm the Soviets as hoped. By 1975, the number of Jewish emigrants from the Soviet Union was half the number in 1973.[32] However, after the Arab-Israeli War in 1967, through 1973, the number of Jewish emigrants to Israel increased from 379 to 33,000.[33]

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[31] Ibid.

[32] John Lewis Gaddis. *Strategies of Containment: A Critical Appraisal of American National Security Policy During the Cold War.* (Oxford and New York: Oxford University Press, 2005): 312-313. Diplomatic historian John Lewis Gaddis calls the Jackson amendment a “clumsy attempt” to “impose its own linkage.” Viewing the amendment from a foreign policy perspective, Gaddis provides three main criticisms. First, the Jackson Amendment was proposed after vast quantities of wheat had already been sold to the USSR. Therefore, farmers were pleased and used to the status quo. Second, it undermined the Nixon Administration’s authority since it was proposed after the 1972 trade deal was made. Lastly, the amendment was simply ineffective.

[33] Anne Hessing Cahn. *Killing Détente: The Right Attacks the CIA.* (University Park, Pennsylvania: The Pennsylvania State University Press, 1998): 39-45.

Like most industries striving to engage in more East-West trade, the tobacco industry favored granting MFN status to the USSR. Philip Morris was no different. Over a year after Ford signed the Trade Act, Ross Milhiser of Philip Morris Incorporated prepared answers for potential questions asked after a speech at Duke University. His notes stated that the company was sensitive to Soviet Jews who wished to emigrate, especially because Philip Morris employed American Jewish corporate officers who supported the emigration possibilities of Soviet Jews. But his notes also said that Philip Morris remained unconvinced legislative action would be of any help to Soviet Jewish plight and that since the passage of Jackson-Vanik, Soviet Jews leaving the USSR had lessened anyway. Instead, Milhiser's notes read that Soviet MFN would benefit the United States and "could also help in the pursuit of détente."[34]

At any rate, the debate was over, and the amendment was included in the 1974 Trade Act. Despite this potential setback to tobacco's Eastern aspirations, American firms would find a way to persevere. Americans in Moscow had reason to believe that tensions over the Trade Act might not be bad enough to disrupt potential business. The commercial office fielded dozens of calls from American firms uneasy about the future of trade relations. The office happily reported in a stateside-headed telegram that Soviet contacts in ministries and industry continued to be cooperative and that, so far, there had been no "apparent hesitation to proceed with ongoing programs."[35] Coincidentally, a Philip Morris delegation was in Moscow at the time of the telegram and told the commercial office that in interactions with Soviet ministry officials, there had been no reference to the 1972 trade agreement or the Trade Act of 1974.[36] There were other

[34] R.R. Milhiser Duke University Speech –Possible Questions and Suggested Answers. 1976. Philip Morris Records; Master Settlement Agreement.
[35] "Soviet Foreign Trade Officials Limit Their Reaction To MFN/Credits Impasse," January 18, 1975. Document No. 1975MOSCOW00750, Access to Archival Databases (AAD,) The National Archives.
[36] Ibid.

positives to focus on, too. Unlike in the United States, there were no label warnings on cigarette packs in Eastern Europe. There were still no government anti-smoking programs in Czechoslovakia, East Germany, and Hungary.[37] There was reason to believe Bulgaria was ready to import large quantities of American leaf.[38] As Laise pointed out, tobacco détente would not end strained relations. But it was still a vital commodity that furthered communication and negotiation between the US and USSR and other communist states in Eastern Europe. Tobacco détente forged ahead.

Tobacco Triumph: Apollo-Soyuz

In 1975, Hugh Cullman, president of Philip Morris International, distributed the company's confidential five-year plan. Cullman wasted no time in expressing the importance of tapping into new markets. His introductory memo noted that emerging markets, including Eastern Europe, were at the forefront of Philp Morris's five-year plan, and highlights from the previous fiscal year listed on page one included "emerging opportunities in Europe."[39] According to Cullman, new opportunities in Eastern Europe could also lead to better sales globally. He optimistically claimed that the "freer flow of goods" and "liberalized attitudes" could "gradually cause other monopolies to follow the lead of EEC monopolies."[40] Philip Morris still prioritized Western Europe, but the company strongly believed the Eastern Bloc's development of more significant contact with the West was gaining momentum.[41]

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[37] PM, Philip Morris; Cullman H. Philip Morris International Five-Year Plan 750000 – 790000. July, 1974. Philip Morris Records; Master Settlement Agreement.
[38] "Bulgaria's Thriving Leaf, Cigarette Trade." *Tobacco Reporter, The Business Magazine of the International Tobacco Industry.* Volume 101, No. 3. March, 1974. American Tobacco Records; Master Settlement Agreement.
[39] PM, Philip Morris; Cullman H. Philip Morris International Five-Year Plan 750000 – 790000, 1.
[40] Ibid., 17.
[41] Ibid., 18.

Cullman's positivity was largely due to the success of the previous year's symposium. On March 16, 1974, Philip Morris tobacco specialists arrived in the Soviet Union. The two-week trip included the tobacco symposium discussed during their previous trip in December. Bulgartabek, Bulgaria's state-owned tobacco monopoly, sent representatives, and a similar symposium in Bulgaria was tentatively scheduled. The symposium was only a fraction of the planned events. The specialists arranged meetings with the Ministries of Agriculture and Food, tours of three different Soviet cigarette and papirosa factories, visits with the All-Union Research Institute of Tobacco, and sightseeing.[42] The trip was of immense importance. It produced no blockbuster business deals, at least in the short run, but the specialists did more than network and engage in goodwill talks and tours. The symposium's agenda, meeting minutes, and detailed notes about each of the three visited factories reveal a much more specific attempt by Philip Morris to devise a clear strategy to once and for all reach an agreement with Moscow and sell their cigarettes inside the Soviet Union. Philip Morris's goal was spelled out in no uncertain terms: "Our ultimate objective is the sale of blended cigarettes in the Soviet Union ruble market either by importing or by developing and producing blended-type cigarettes in the Soviet Union."[43]

The specialists faced two main challenges. First, they had to convince the Soviets that they could produce bright and burly leaf on Soviet soil. This required strengthening of relationships with the Ministry of Agriculture. Philip Morris was ready to export to the USSR, but importing bright and burley leaf was a hang-up for the Soviets. According to Philip Morris the Ministry of Agriculture hesitated to import a product it could not produce itself in the future.

[42] Merritt, HB; Wakeham, H. "Report of Meetings with USSR Tobacco Representatives During the Period Friday 740315 Through Friday 740329." April 17, 1974. Philip Morris Records; Master Settlement Agreement: 1-2.
[43] Ibid., 2. The report is forty-nine pages long and includes the trip's itinerary, a summary, conclusion, and recommendations, a list of contacts made by the tobacco group, minutes for meetings with each ministry, sketched maps of factories the group visited, and an agenda and outline for the Tobacco Symposium.

Therefore, Philip Morris worked to convince the Soviets that they were able to grow their own successfully. The company's second serious challenge was convincing the Soviets of wanting a blended cigarette in the first place. As Murphy's delegation witnessed in 1973, the Soviet tobacco industry and growers were proud of their product. Oriental leaf, such as grown on the Caucus collectives, was preferred. If Philip Morris couldn't persuade the Food and Agricultural Ministries that Soviet consumers would want the product, then negotiations were dead on arrival. The specialists were aware of this necessity. They recommended that the company give this task to a newly formed particular leadership group.[44]

Of course, these were not the only challenges. Difficulties with translation proved to be one of the biggest obstacles to a productive exchange. Only a few days into the trip, the specialists met in Moscow with the Ministry of Agriculture on Monday. The Soviets were hoping for a formal presentation by the Americans on the following Friday. The Philip Morris team wasn't prepared to do this and repeatedly tried explaining. Eventually, it was figured out that the phrase "discussion of the subjects" in Russian implied substantive material. Despite numerous apologies and explanations of the mishap, it took the Americans four or five times to explain before the situation was put to rest.[45]

However, hang-ups such as these served as microcosms of détente. Why was the Soviet displeasure at the lack of a formal presentation voiced less than a week before the supposed presentation's date? Why were expectations not made clear to the specialist team when meeting with the Food Ministry at the symposium? "It appears that communication between the ministries are not too good," the report matter-of-factly stated.[46] In other instances, the team tried

[44] Ibid., "Summary, Conclusion, and Recommendations," 3-4.
[45] Ibid., "Minutes of Meeting During Second Russian Trip, March 18, 1974," 3.
[46] Ibid., 3.

explaining the American system of small farms, agriculture stations, and university research centers. According to meeting minutes, the specialists were anything but confident that ministry officials grasped this foreign concept.[47] Considering language barriers and vastly different systems, it is no surprise that ministry officials and specialists hit snags in their interactions. Still, the Philip Morris delegation successfully toured three factories – Yava in Moscow, Yritskogo in Leningrad, and Combinat in Krasnodar – and, at the behest of the ministry officials, arranged for meetings between the Soviet Food and Agriculture Ministries and the U.S. Department of Agriculture.[48] American tobacco persevered despite frustrations and tension – the ministry officials were none too happy over the lack of formal presentation – and led Soviet and American government agencies to communication and cooperation. Tobacco détente was working for private industry and government agencies.

There was still a long way to go. The Soviets may have been irked by the lack of formal presentation. However, by the end of Philip Morris's second trip, specialists were still not allowed to examine any of the Soviet factories in the detail necessary to analyze production. On the last day of the trip, Dr.Wakeham of Philip Morris made this point clear to the Food Ministry and told them: "If in the future we are expected to make an honest analysis of their production problems, then they must make time and opportunity available to see everything (including those things clearly identified as secret.")[49] There was also little motivation for Philip Morris to participate in technology exchanges since the specialists had "seen no technology which would be of interest to us."[50]

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[47] Ibid., 4.
[48] Ibid.
"Minutes of Meeting During Second Russian Trip, March 19, 1974, 10:00-11:30 a.m.," 1.
"Minutes of Meeting During Second Russian Trip, March 19, 1974, 12:15-2:00 p.m.," 1.
"Minutes of Meeting During Second Russian Trip, March 19, 1974, 4:30-5:30 p.m.," 1.
[49] Ibid., "Minutes of Meeting During Second Russian Trip, March 28, 1974, 12 Noon – 2:30 p.m.," 2.
[50] Ibid.

But Philip Morris had a significant foot in the door. Mr. Kholostov of the Food Ministry heard and took Dr. Wakeham's points seriously. He suggested that Soviet tobacco factories and Philip Morris manufacture a new cigarette – the Apollo-Soyuz. Jointly producing a cigarette had been proposed before. Now, specifics were being discussed. In the spirit of the 1974 Agreement on Scientific and Technical Cooperation, and as excitement grew for the launch during 1974, Voldemar P. Lein, the Soviet Minister of Food Industries, suggested the production of the American-Soviet cigarette. The USSR had a tradition of manufacturing cigarettes to commemorate Soviet achievements; such cigarettes had been produced to celebrate both the original Sputnik launch and Sputnik II.[51] The cigarette was named to commemorate the Apollo-Soyuz test project in which American and Soviet astronauts, for the first time, linked their separate spacecraft in Earth's orbit. The product would not be a Marlboro. But it would lay the groundwork for Soviet Marlboro production in the future. Philip Morris's Mission to Moscow was well on its way to fruition.[52]

Never before had tobacco so clearly symbolized détente. Philip Morris was well aware of the gravity of the situation. The company's project notes specifically summarized the Basic Principles of scientific and technical cooperation. In the words of a Philip Morris executive – the author of the project notes is unidentified – the space mission, and subsequently the Apollo-Soyuz cigarette pack "follow[ed] the general policy of détente of which the Apollo-Soyuz space

[51] "Notes Re U.S.S.R. Ministry of Food Apollo Soyuz Cigarette Project," 2.
"Cigarettes, Scent Tied to Space Trip. July 6, 1975. *The Washington Post.* Philip Morris wasn't the only U.S. company to jointly manufacture products with the Soviets to celebrate the Apollo-Soyuz Space Mission. The Revlon Cosmetic Company was jointly producing a cologne with the Soviets. The cologne's formula was Soviet. Revlon was in charge of packaging and distribution. Samual A. Towers. "Stamps. Joint Apollo-Soyuz Issues." June 29, 1975. *New York Times.* The United States and the Soviet Union also issued commemorative stamps. The stamps were identical besides the names of the country, language, and denomination.
[52] Ibid., 4.

link-up project is itself a part of."[53] Plans for the joint space mission had been in the works since 1969. The project emphasized cooperation rather than competition.[54] The mission was highly publicized and a departure from Soviet standard operating procedure. Unlike NASA, the Soviets did not announce launches or allow spectators. This launch was different. In an agreement signed only five days before the flight, the Soviets decided to televise the launch in the Soviet Union.[55] Soviet media enthusiastically covered the story. Citizens could watch the launch and news coverage of the events leading up to it. Soviet newspapers all printed lengthy stories heralding the importance of the project.[56]

By June 1975, production of Apollo-Soyuz had begun. Reception of the new cigarettes in the USSR was positive. As part of the excitement for the launch, Soviet consumers eagerly purchased the American-style blended cigarettes.[57] They were manufactured in the Yava Cigarette Factory in Moscow, one of the three factories the Philip Morris specialist team had visited during the 1974 symposium trip. Production of the cigarettes was a monumental first step for an American tobacco company. American-style cigarettes had never been made in the Soviet Union before. Not only that, but the cigarettes were available for purchase using rubles. Packaging had always been one of the biggest challenges for the Soviet Food Ministry. Discussions on packaging paper and cellophane had been recurring as one of the main topics during the December 1973 and 1974 visits. Packaging was jointly produced, just like the cigarette.[58] The cigarettes came in a white pack. A dark blue sphere was framed within the white

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[53] "Notes Re U.S.S.R. Ministry of Food Apollo Soyuz Cigarette Project." June 9, 1975. Philip Morris Records; Master Settlement Agreement, 1.
[54] Jennifer Ross Nazzal. "'Détente on Earth and in Space: The Apollo-Soyuz Test Project." *OAH Magazine of History,* 24, no. 3 (July 2010): 29-30.
[55] Ibid., 32.
[56] "Perfume and Cigarets 'Poyekhali." *Philadelphia Inquirer.* July 15, 1975.
[57] "Perfume and Cigarets 'Poyekhali.'"
[58] "Notes Re U.S.S.R. Ministry of Food Apollo Soyuz Cigarette Project," 2.

in the center of the box. The docking spacecraft were centered in the middle of the sphere. Apollo-Soyuz appeared at the top of the pack in block letters. Under the brand name were the words “commemorative brand.” One side was in English. The other side was in Russian.[59]

The cigarette was a joint effort, not just a Marlboro in commemorative packaging. There was slightly less nicotine than in a regular Philip Morris cigarette, and due to the sauce used for flavoring, a bit more sugar. American Tobacco assembled a panel, submitted a report on the Apollo-Soyuz, and concluded that the “smoke taste to be of medium impact and slightly sweet with spicy notes.”[60] The panel generally liked the product's taste.”[61] In barely legible handwriting, a panel member jotted down that the smoke had a “sharp low level [indecipherable] flavor don’t think of it a typical high Philip Morris taste. Good smoke.”[62]

It may have been a tasty cigarette readily purchased by Soviet consumers – Glavtobek even asked to produce another three hundred million units in 1976 – but it did not sell well in the United States.[63] The *Los Angeles Times* called it a “resounding flop” and reported on Apollo-Soyuz’s poor sales in America. At a dollar per pack, they were too expensive for most customers, and unlike in the Soviet Union, the United States did not have a tradition of enjoying commemorative cigarettes. But the *Times*, which cheekily announced the Apollo-Soyuz brand was “in ashes,” judged success based on sales and unwittingly highlighted the accomplishments of the new cigarettes by writing that “détente reached U.S. tobacco counters.”[64]

[59] Starks,184-185.
[60] Lougee-VB-III, ATCO. Apollo Soyuz Cigarettes Developed By Philip Morris Inc., And Glavtabek, U.S.S.R., And Manufactured In U.S.S.R. Yava Factory, Moscow. September 19, 1975. American Tobacco Records; Master Settlement Agreement.
[61] Ibid.
[62] Apollo-Soyuz – Philip Morris. August 13, 1975. American Tobacco Records; Master Settlement Agreement.
[63] Starks, 186.
[64] “Apollo-Soyuz Brand in Ashes. Space Age Cigarets Flop.” August 13, 1975. *Los Angeles Times.*

Philip Morris did not expect to profit from the venture, but this was acceptable. Approximately 97 percent of Apollo-Soyuz was only sold in the USSR anyway.[65] The joint production of Apollo-Soyuz was a hugely impactful first step for the company to continue efforts at licensing agreements in the USSR.[66] Everybody seemed happy. The Soviets were adamant that Apollo-Soyuz be sold in the United States.[67] This was no problem at all. Lee Pollack of Philip Morris USA and Owen Smith of Philip Morris Europe met with NASA officials as production in the Soviet Union began. NASA's Public Information Office was enthused and had no problem with Philp Morris selling the product in the United States. They particularly loved the packaging. Pollak and Smith were pleased to report that they left sample cartons.[68]

It seemed everyone was curious about this new cigarette. Pollak and Smith left the NASA meeting and reported to another one, this time with the Office of Soviet Union Affairs at the State Department. State Department officials were interested in the project overall and wanted to hear about Philip Morris's negotiations with the Soviet Food Ministry. Bob Herzstein, the team's lawyer, was also scheduled to meet with the Department of Commerce, which was eager to discuss East-West trade further.[69]

Meanwhile, Philip Morris was hardly the only U.S. tobacco firm still determined to do business beyond the Iron Curtain. They had won the race to Moscow regarding production, but RJ Reynolds was also working with the Soviets. The company announced in its 1975 annual report that it signed a technical agreement with the USSR. In July, the same month production of Apollo-Soyuz began, RJ Reynolds representatives met with the State Committee of the U.S.S.R.

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[65] "Business Bulletin. A Special Background Report On Trends in Industry and Finance." July 17, 1975. *Wall Street Journal.*
[66] Starks, 182-186.
[67] Starks, 185.
[68] Philip Morris Incorporated; Pollak, L. NASA's Reaction To U.S. Distribution of Apollo Soyuz Cigarette. June 18, 1975. Philip Morris Records; Master Settlement Agreement.
[69] Ibid.

Council of Ministers for Science and Agriculture and signed a long-term agreement. They aimed to "expand production and improve the quality of tobacco and cigarettes in the Soviet Union on a cooperative basis." [70] The *Wall Street Journal* summarized the agreement and reported that RJ Reynolds would sell services and processes to the Soviet Union. The company's real goal, of course, was to market its product in the USSR.[71] The news was vague and made nowhere near the media splash Apollo-Soyuz did, but it still appeared promising for RJ Reynolds. More promising was their licensing agreement with Bulgartabek in Bulgaria. By the end of the year, Bulgaria was manufacturing and distributing Winstons. Still, RJ Reynolds was second to Philip Morris, who signed a licensing agreement with Bulgartabek the same year. For almost a decade, Bulgartabek had resisted licensing deals with both giant tobacco companies. In the case of Philip Morris, their original reasoning was simple. Philip Morris wanted a 51 percent controlling share, which Bulgaria recognized as an American firm attempting to exploit a socialist market.[72]

The cultural infiltration of a communist state was apparent in Bulgaria, where Philip Morris's Marlboros and RJ Reynolds's Winstons were being consumed. Many believed they were partaking in cigarettes manufactured in the US. They weren't – western cigarettes were all being made in Bulgarian factories – but Bulgartabek soon found a shift in consumer preferences. Bulgarians enjoyed blended cigarettes made from burley flue-cured tobacco.[73] The differences between Oriental and American burley leaf were significant. RJ Reynolds sampled reconstituted Bulgarian tobacco and described it as having a "heavy abrasive nature."[74]

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[70] RJR. R.J. Reynolds Industries, Inc., 1975 (750000) Annual Report. 1975, 8.
[71] "Reynolds, Soviets Sign Agreements on Tobacco." *Wall Street Journal*, July 8, 1975.
[72] Mary C. Neuburger. *Bulgarian Smoke: Tobacco and the Making of Modern Bulgaria*. (Ithaca and London: Cornell University Press, 2013): 214.
[73] Ibid., 216.
[74] Eskew, TH. Leaf Processing; Blends and Filter Development Section – Monthly Report. June 19, 1974. RJ Reynolds Records; Master Settlement Agreement.

American tobacco companies were firmly entrenched beyond the Iron Curtain and in the Soviet Union. Tobacco companies that initially participated in détente and had been calling for liberalized trade with the East since the early to mid-1960s now seemed to represent détente itself. The triumph of Apollo-Soyuz was symbolic in its celebration of the joint space mission – détente in action – but undoubtedly also acted as a tangible agreement that served as both a public relations victory and a strategic business venture. Meanwhile, licensing agreements in Eastern Bloc countries showed no signs of slowing down.

A New Détente

1976 was a General Election year. Détente was a buzzword, or, in the case of Gerald Ford, a word no longer used. Ronald Reagan, highly critical of détente, challenged Ford for the Republican nomination, and as a result, Ford decided to drop "détente" from his lexicon.[75] Politically, 1975 had been especially trying for détente and Ford. The President consistently tried to please conservative Republicans and Democrats who were critical of détente and centrists who favored it. The fall of Saigon was devastating. Ford requested military assistance, but Congress refused. From a public relations standpoint, despite Congress's decision, it was Ford who suffered.

Then, there was the debacle with Soviet dissident Aleksander Solzhenitsyn, who believed the Soviets merely used the term "détente" to mask tyranny and aspirations of global domination and expansion. After being expelled from the USSR, Solzhenitsyn visited the United States. Upon Kissinger's advice and hoping not to offend the Soviets before a summit in Helsinki, Ford turned down a dinner with Solzhenitsyn organized by Republicans Jesse Helms and Strom

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[75] Phil Williams. "'Soviet-American Relation." *Proceedings of the Academy of Political Science,* 36, no. 4 (1987): 58.

Thurmond. Ford hoped to meet Solzhenitsyn in secret as a compromise, but the offended dissident refused. The president likely would have been better off taking Deputy Assistant Max Friedersdorf's advice. Friedersdorf told the president, "I just don't think this issue is going away with the conservatives," and added, "If détente is so fragile that it cannot stand a meeting with Solzhenitsyn, it will fall on some other account."[76]

In Helsinki, Ford failed to please either side again. Advocates of détente did not believe linkage should have been used to influence Soviet domestic policy. Even so, at the summit, Ford received a formal statement from the Soviets that they acknowledged human rights as a legitimate concern. To pro-détente centrists, this was a significant concession for the USSR. But, angering the more hawkish wing of conservative Republicans and disaffected Democrats, he also recognized Soviet claims over the Eastern Bloc. Even before he signed the accords, Solzhenitsyn criticized him for his "betrayal of Eastern Europe."[77]

Ford barely survived Reagan's challenge before narrowly losing the general election to Democrat Jimmy Carter. There is a historiographic debate about Carter and the evolution of détente. Diplomatic historian Brian Muzas argues that during the Carter and Reagan years, détente was not abandoned but consummated. Carter may have applied linkage to human rights more than Nixon or Ford, though certainly, Congress had linked human rights to foreign policy via Jackson-Vanik, but Carter continued to seek arms reductions.[78] In 1978, Gebhard Schweigler of the German Society for Foreign Affairs claimed that the détente under Carter changed.

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[76] Friedersdorf to President Ford, July 12 1975, doc., 165 in *FRUS, 1969-1976,* Volume XVI*, Soviet Union August 1974-December 1976,* ed. Edward C. Keefer, (Washington: Government Printing Office, 2012.)
[77] Julian E. Zelizer. "Détente and Domestic Politics." *Diplomatic History*, 33, no. 4 (September 2009): 10-11. President's Deputy Assistant (Friedersdorf) to Ford, July 12 1975, doc., 165 in *FRUS, 1969-1976,* Volume XVI, *Soviet Union August 1974-December 1976,* ed. Edward C. Keefer, (Washington: Government Printing Office, 2012.)
[78] Muzas, Brian K. "Jimmy Carter, Ronald Reagan, and the End (or Consummation?) Of Détente." Ed. Peter Feaver. *Strategic Retrenchment and Renewal in the American Experience.* Strategic Studies Institute, US Army War College, 2014, 200.

Kissinger used linkage to "create a network of political, economic and cultural relations" but refrained from meddling in Soviet affairs because to do so would be ineffective and threaten world peace.[79] Thus, according to Schweigler, Carter continued the policy but emphasized human rights, ultimately leading to the deterioration of détente.[80] Raymond Garthoff cites numerous reasons for the demise of the policy, but among them, he lists the failure of the superpowers to define a code of conduct. Garthoff applies this to Kissinger and Nixon, Ford, and Carter. But a specific example he cites is Carter's reaction and double standard displayed to the Soviet invasion of Afghanistan in 1979.[81]

At any rate, as both candidates campaigned in 1976, the tobacco industry looked on with reservations. From the industry's perspective, if détente ended, operations beyond the Iron Curtain might come to a grinding halt. Philip Morris International acknowledged this conundrum candidly in its 1976 five-year plan. "Will détente with Russia and other Eastern European countries continue and thereby provide the ability for negotiation and further entry into these markets?" the company asked.[82] Perhaps to avoid politics, Joseph Williams of Tobacco Associates was unusually silent about trade with the Soviet Union and its satellites in his 1976 Annual Report. But his 1977 address seemed glad of Carter's victory. Frustrated by Washington's "most vicious anti-tobacco lobby in history," Williams hoped that a Southern

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[79] Gebhard Schweigler. "Carter's Détente Policy: Change or Continuity?" *The World Today,* 34, No. 3, (March 1978): 81-82.
[80] Ibid.
[81] Raymond L. Garthoff. "American-Soviet Relations in Perspective." *Political Science Quarterly,* 100, No. 4 (Winter, 1985-1986): 548-549. Garthoff also cites the failure of American and Soviet policymakers to arrive at a shared understanding of détente's primary role at its conception and a failure to use collaborative measures other than military power.
[82] PM, Philip Morris. Philip Morris International Five-Year Plan 760000-800000. 1976. Philip Morris Records; Master Settlement Agreement.

president – Carter had an agricultural background and was from Georgia – could provide relief for the tobacco industry and superior price supports.[83]

The tobacco industry did not solely have anxieties about the continuation of détente. Soviet trade policies, including transportation, were problematic as well. The *Tobacco Reporter* covered the Soviet Union's heavy trade rates - compared to Western Europe's fixed trade rates – both in sea lane shipping and the Trans-Siberian Railroad. The USSR had recently opened new container port terminals in Siberian and Baltic ports. Discounts were offered on the Soviet Fesco shipping line and the railway. The railway was lucrative for the Soviets, especially since it had expanded throughout the 1970s and allowed them to control approximately 15 percent of all tobacco exported from Western Europe to Japan. But *Tobacco Reporter* raised concerns. Shipments were sometimes "lost" – quotations included by the *Reporter* – and were never seen again. *Tobacco Reporter* hinted at nefarious activity but didn't expand on the suggestion. Nevertheless, distrust of the Soviets was fully displayed despite a continued desire for East-West trade.[84]

In 1976, as presidential campaigns revved up, the goodwill exchanges continued. In May, a twelve-person Soviet delegation visited the United States to meet with the American Council of Young Political Leaders (ACYPL.) The delegation planned to meet with young politicians to discuss the role of youth in political structures and made a special visit to the Tobacco Institute.[85] But the ACYPL made a reciprocal trip to the Soviet Union later that year, and nothing tobacco-related was included on their itinerary.[86] Exchanges like these were no longer necessary for the

[83] Williams, JR, Tobacco Assoc. Tobacco Associates Incorporated Thirtieth Annual Report. March 1, 1977, 6.
[84] *Tobacco Reporter, For The International Tobacco Industry*, Vol. 103, No. 2. February 1976. American Tobacco Records; Master Settlement Agreement.
[85] CYPL-CYO Exchange: Delegation of Soviet Young Political Leaders," April 17 1976. Document No. 1976STATE093487, Access to Archival Databases (AAD,) The National Archives.
[86] ACYPL Visit to the Soviet Union," October 29, 1976. Document No. 1976167494, Access to Archival Databases (AAD,) The National Archives.

tobacco industry. By now, the two American giants, RJ Reynolds and Philip Morris, had a firm foothold behind the Iron Curtain. Philip Morris Europe was purchasing three to four hundred tons of Bulgarian Oriental leaf a year, and Philip Morris USA was buying Oriental leaf from Yugoslavia.

Philip Morris Europe also made hefty flue-cured and burley tobacco purchases from the Eastern Bloc. They had no contractual agreement to buy from Poland, Hungary, or Romania, but the purchases were necessary to continue business. Philip Morris had a licensing agreement with Poland by now, and Poland insisted the firm cover the value of all Marlboro tobacco they imported. Hungary would only buy Marlboros if Philip Morris bought their leaf in return. And in an inter-office memo, Philip Morris specifically noted that "we do not like Romanian [oriental, flue-cured, and burley] tobacco at all" but that it was "the only way to get a license agreement signed and/or sell to them."[87] Philip Morris Europe was even purchasing Oriental leaf from the USSR, though by no means was this their ultimate objective. The company still hoped for a licensing agreement with the Soviets.[88]

Of course, by doing business with individual satellite states, U.S. companies were, in effect, treating them as sovereign nations, a sticking point for the Soviet Union dating back to the 1960s. The Soviets wished to portray economic solidarity with all of Eastern Europe. Still, in January of 1976, the Romanians, whom Philp Morris was reluctantly buying tobacco from to reach a licensing or import agreement, refused the Soviet Union's rule that EEC nations go through CEMA when negotiating with the European Community.[89]

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[87] PME, Philip Morris, Europe; Karandjoulis, G. Leaf Buying. March 15, 1976. Philip Morris Records; Master Settlement Agreement.
[88] Ibid.
[89] Elizabeth Pond. "East Europe economic summit eludes Soviets." *Christian Science Monitor.* January 21, 1976.

Despite internal strife in the EEC and détente hanging in the balance of a fast-approaching American election, Philip Morris quickly gained ground in its mission to Moscow. The Tobacco Institute reported only a few days before Carter's victory that Soviet anti-smoking campaigns – one Russian city had taken it upon itself to slip health warnings into cigarette packs – were failing and that smoking was more fashionable among women and young people than ever before.[90] The experimental effort to remove smokers from public space occurred in the Black Sea resort town of Sochi, where designated non-smoking beaches and anti-smoking signs were prominently displayed throughout the city. The *Christian Science Monitor* went so far as to say that "a common first impression for Western visitors here is the amount of smoking" despite the ban in public spaces such as subways and stores.[91] The *Monitor* claimed the public's disregard for the anti-smoking campaign had discouraged similar campaigns throughout the rest of the Soviet Union.[92] Sochi's anti-smoking mission didn't end up a complete failure. A year after *Christian Science Monitor's* piece, the *Los Angeles Times* reported that despite the perceived lack of success, Dr. Vladimir Sarmakeshev, who helped lead the campaign, claimed that there had been a 15 percent drop in cigarette sales in the city. Still, the *Times* noted that Sarmakeshev had no statistics to support his claim.[93]

Soviet anti-smoking forces aside, the USSR had grown accepting of blended cigarettes. Not only that, but the Soviet Union was still the world's leading cigarette importer, and their import numbers were only increasing. In 1975, they had imported 53.4 billion units, up 15 percent from 1974. The lion's share of the imports came from Bulgaria.[94] Ambitious plans for

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[90] Tobacco Institute Newsletter Number 159. October 27, 1976. Tobacco Institute Records; Master Settlement Agreement.
[91] David K. Willis. "Soviet anti-smoking campaign flickers." November 23, 1976. *Christian Science Monitor.*
[92] Ibid.
[93] "Discreet Puffing OK. Soviet Resort's Smoking Ban No Blazing Success." December 15, 1977.
[94] "Editorial view from here … …on cigarette consumption." November, 1976. *Tobacco Reporter.* American Tobacco Records; Master Settlement Agreement.

increased tobacco production in Moldavia were also in the works. By late 1976, the Soviet Union was still not purchasing significant amounts of tobacco from the United States because of the priority Soviet planners placed on U.S. soybeans and grain.[95] Nevertheless, whether it be exports or licensing agreements, the market was there.

Continued goodwill exchanges, mostly failed Soviet anti-smoking campaigns, jointly produced cigarettes commemorating a symbolic moment shared by the two superpowers in outer space and licensing and import agreements with numerous countries behind the Iron Curtain. The American tobacco industry was both in the middle of and hoping for the continuation of détente. Now, it was knocking at the door for a breakthrough deal inside the Soviet Union. On December 14, 1976, a month after Carter's election, Philip Morris logged in its Corporate Products Committee Meeting: "The Committee approved a one-year license for the Soviet Tobacco Monopoly [Glavtobek] to manufacture Marlboros."[96]

Soviet Marlboros

"Marlboro cigarettes are going to the Soviet Union, but the Marlboro man will probably have to stay home," read the introductory paragraph of a 1977 *Wall Street Journal* article. A five-paragraph blurb found on an inside page of the *Journal,* the story listed compromises reached between Moscow and Philip Morris. Russian Marlboros would contain U.S. flue-cured and burley tobacco, but they would also include some Soviet-grown Oriental leaf. The Soviets would manufacture the cigarettes and were in charge of marketing. Marlboro advertisements in the

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[95] "Soviet Russia Increasing its leaf and cigarette imports." October, 1976. *Tobacco Reporter.* American Tobacco Records; Master Settlement Agreement. David K. Shipler. "Consolidation and Specialization Program Forms Big Production Units." October 12, 1976. *New York Times.* In an attempt at greater efficiency, the USSR embarked on a project of massive agricultural complexes. The objective was the consolidation of agriculture and industry. The giant collective farms included storage units and processing centers. Moldavia was the USSR's leading testing ground.
[96] Lincoln, JE. Corporate Products Committee Meeting 761214. December 14, 1976. Philip Morris Records; Master Settlement Agreement.

Soviet Union, normally spearheaded by the famous cowboy Marlboro Man, were nonexistent. Philip Morris was not the only winner in the deal. The company agreed to purchase Soviet tobacco for use in its European brands. Almost as an afterthought, the article's final sentence briefly mentioned that Philip Morris would assist the Soviet Union in their experimental quest to produce burley tobacco in Moldavia.[97]

The Journal was one of many newspapers to report the events. The same day they ran the story, a bland and shorter piece appeared on page 49 of *The New York Times*. The headline ran: "Soviets to Get Marlboros." The *Times* ignored Philip Morris not marketing their product. But it did report that this was the first time Soviet tobacco had ever reached an agreement with a foreign company.[98] *The Journal* stated that the deal was "hailed as the first such agreement between the U.S.S.R. and a foreign concern."[99] Neither of the articles made the front page, but anticlimactic or not, they were right to note the deal's significance.

Production began mid-year. Soon after the licensing agreement was signed, the Soviet government contradicted itself and once again ramped up its anti-smoking campaign. The less-than-resounding results in Sochi, as well as the Soviet production of Marlboros, didn't prevent the Ministry of Health from once again trying to convince its citizens to kick the habit. Disturbing statistics in the Soviet Union were becoming more mainstream: a six-to-one ratio of men to women who smoked, the average man's lifespan being nine years less than women, and an unsettling amount of sixth, seventh, and eighth-grade children who tried it, perhaps because,

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[97] "Philip Morris Says Soviets To Make Own Marlboros." *The Wall Street Journal,* January 18, 1977.
[98] "Soviets to Get Marlboros." *The New York Times,* January 18, 1977.
[99] Wall Street Journal staff reporter. "Philip Morris Says Soviets To Make Own Marlboros." *The Wall Street Journal,* January 18, 1977.

according to the Ministry of Health, so many teachers smoked without any attempt to hide it from students.[100]

But the reality was that in 1977, smoking wasn't going anywhere in the USSR. The Soviet Union's five-year plan still called for a 15 percent increase in tobacco output between 1976 and 1980. Translated from French, a Philip Morris Europe memo noted in 1977 that smoking in the Soviet Union was "well established" and went so far as to take credit for the continued Soviet habit, claiming citizens were weaned off low-quality papirosa – "bitter cigarettes full of tar that Stalin liked" – by the "more sophisticated cigarettes put at the Soviets' disposal such as Apollo-Soyuz."[101] Myths and stories circulated of ancient smokers who were well over one hundred years old and had been smoking for their whole lives.[102] It was decades before the Russian people, before and after the Soviet Union disintegrated, even began a cultural shift from smoking.

For better or for worse, the American tobacco industry had achieved something remarkable. By the mid-1970s, as U.S. culture and politics rapidly grew even more disapproving of the habit, the industry survived and had made itself an integral part of détente. Soviet satellite states manufactured Marlboros, Winstons, and Camels and imported burley flue-cured tobacco from the US. Tobacco led the way in an evolving liberalized trade that opened doors between U.S. government agencies and Soviet ministries. By 1977, the American public, many of whom only a decade before had been highly critical of détente and East-West trade, appeared more

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[100] Robert C. Toth. "Government in Tobacco Business. Russ Belatedly Start Antismoking Drive." May 22, 1977. *Los Angeles Times.*

[101] La Suisse; S.D. USSR: Little War Against 'Tabagism.' August, 1977. Philip Morris Records; Master Settlement Agreement.

[102] TI, Tobacco Inst. "Pesty Anti-Smokers Blasted." May, 1976. *The Tobacco Observer*. Lorillard Records; Master Settlement Agreement. The *Observer* predicted that the anti-smoking movement would eventually try to outlaw smoking in the United States. As evidence that smoking was not as bad for one's health as antismokers led the public to believe, a picture of Kfar Tarkulovna Lasuria was shown. Supposedly, she was 140 years old and smoked two packs of cigarettes a day, plus an occasional pipe.

accepting of it, though, throughout the Carter years, cracks appeared in the foreign policy. In North Carolina, attention shifted away from Eastern Bloc and Soviet markets, focusing on home tobacco subsidies.[103] But tobacco reflects an essential shift in the Cold War, which should not be ignored. In 1964, exporting large quantities of tobacco to the East was mostly a dream. In 1976 and 1977, U.S. firms directly carried out détente policy and made deals directly manifesting US-Soviet agreements. Twelve years before the Cold War ended, tobacco détente transformed the American and Soviet tobacco industries, injected Western culture into the East, and was a conduit for American and Soviet relationships. Cooperation did not bring forth the end of competition. But tobacco, a microcosm of détente, was central to U.S. foreign policy, an evolving Cold War landscape, an international web of trade, and an evolving globalist culture that persisted into the 1980s, 90s, and the Twenty-First Century.

[103] Williams, JR, Tobacco Assoc. Tobacco Associates Incorporated Thirtieth Annual Report. March 1, 1977, 3-9.

Conclusion

"Germany may have Volkswagen, but the US has cigarettes," Horace Kornegay of Tobacco Institute optimistically proclaimed in a 1980 speech to Tobacco Associates in Raleigh.[1] Despite growing anti-smoking efforts, Philip Morris products remained on shelves through the 1980s into the tumultuous 1990s and are still sold in Russia today. RJ Reynolds continued to pursue greater business beyond the Iron Curtain as well.[2] However, as the giant companies found success by 1977 and beyond, smaller firms and associations struggled to compete. Developing nations that also produced tobacco received Generalized Special Preferences from the European Economic Community in 1976. In 1977, Tobacco Associates executives expressed frustrations that TA export numbers to Western and Eastern Europe were lower than desired, despite the estimated one trillion cigarette market in the Eastern Bloc, and continued to call for removing trade barriers.[3]

Still, during the years 1964 through 1977, large companies and smaller associations and farmers enjoyed significant success in Eastern markets. TA doggedly kept up its fight to tear down any trade barriers, especially those with the East, but by 1980, as Philip Morris and RJ Reynolds enjoyed lucrative licensing and import deals with Eastern European communist states, farmers and associations such as TA directly benefited from tobacco-friendly government programs, even if the same government continued to raise awareness about the perils of smoking. The industry received $35 million in direct subsidies in 1977 and enjoyed business all over the

[1] Kornegay, Horace R. Tobacco Institute. [Letter from Horace Kornegay to Charles A. Tucker Regarding Speech to the Tobacco Associates Which Appeared in the Congressional Record]. April, 1980. Tobacco Institute Records; RPCI Tobacco Institute and Council for Tobacco Research Records; Master Settlement Agreement.
[2] Tricia Starks. *Cigarettes and Soviets: Smoking the USSR.* (Ithaca and London: Cornell University Press, 2022.) Starks' chapter "Partnered: Space Cigarettes and Marlboros" provides an in-depth look at large tobacco firm – mainly Phillip Morris – and their operations in the Soviet Union.
[3] Williams, JR, Tobacco Assoc. Tobacco Associates Incorporated Thirtieth Annual Report. March 1, 1977. Council for Tobacco Research Records; Master Settlement Agreement, 3.

globe, thanks in part to the $123 million doled out by the United States as loans to purchase U.S. tobacco.[4] Tobacco Associates may have wished for even more exports to the East and may have called on legislators to reform trade policy, but from 1964 to 1977, both farmers and industry enjoyed international success. And though TA longed for the numbers to grow, in contrast to the early 1960s, total export numbers to the Soviet Bloc and Western Europe, specifically in cigarettes, had skyrocketed, from just over 20 thousand million pieces in 1962 to almost 67 thousand in 1977.[5] In a thirteen-year window, both the Cold War and the tobacco industry had undergone remarkable change.

Tobacco and the End of Détente

In March 1978, President Jimmy Carter, speaking to a crowd at Wake Forest University in Winston Salem, North Carolina, near RJ Reynolds's headquarters, announced that he was glad to "be in tobacco country." His brief but kind words regarding the tobacco heartland were welcome but seemed to carry little weight. Carter's Health, Education, and Wellness Secretary, Joseph Califano, was waging an antismoking campaign, and in the words of the *Washington Post,* this was "anything but popular" in North Carolina. His speech contained mixed messages: "Joe Califano has a responsibility to protect and enhance the health of the American people," Carter told the crowd.[6]

But the president's words, contradictory to the tobacco industry and North Carolinian tobacco farmers, were also disquieting to proponents of détente. The Carter administration had been keeping a watchful eye on Soviet activity in the Horn of Africa, where Soviet advisors were

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[4] I JS. A Cigarette. January 1, 1981. RJ Reynolds Records; Master Settlement Agreement.
[5] Laverne Creek, Tom Capehart, and Verner Grise. *U.S. Tobacco Statistics, 1935-1992.* (Washington, 1994): 226-227.
[6] Edward Walsh. "U.S. Will Match Soviet Military, Carter Warns." *The Washington Post.* March 18, 1978.

aiding Ethiopian and Cuban troops, and Europe, where the Soviets appeared to be increasing their military presence. Carter announced that while his administration fully supported continued cooperation in social, scientific, and economic goals, "popular support for such cooperation will erode" if the Soviets didn't practice "restraint in missile programs and other force levels." Moscow fired back that Carter was "shifting the emphasis away from détente."[7]

While the arduous balancing act of détente seemed to be growing more difficult to maintain, the Soviet antismoking campaign was also finally growing more serious. It was not that U.S. industries were not continuing to make headway in Soviet markets. In fact, the 1979 Russian athletic games, Spartakiade, acted as a trial and rehearsal for the 1980 Olympics and allowed the Washington-based Spartan Advertising Corporation to recruit fifty advertisers to fill up 2,000 billboards in twenty-nine stadiums. In June, three months after Carter's Winston-Salem speech, Spartan's president Bodo Dolch worked to sign giant firms like IBM, Ford, McDonald's, and Gillette to use the billboards. But there were limitations to the Soviets' new attitude toward Western advertising. Tobacco advertisements were prohibited.[8] The United Nations was ramping up its antismoking campaign, too. U.N. economists encouraged tobacco-growing nations to switch to alternate crops, and the UN devised an ambitious plan that included a global ban on tobacco promotion, limits on tar and nicotine contents, and the discouragement of tobacco exports.[9]

Yet, in the waning days of détente, tobacco continued to be a commodity the US supplied to the Soviet Union. Quoting a U.S. Department of Agriculture report on market prospects in the USSR, Tobacco Institute shared in its September 1978 newsletter that "Russia 'is likely to

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[7] Ibid.
[8] Martin Rossman. "Advertising and USSR: Not Incompatible." *Los Angeles Times.* June 4, 1978.
[9] Thomas Land. "UN Tackles Tobacco Habit, Trade." August 1979. RPCI Tobacco Institute and Council for Tobacco Research Records; Master Settlement Agreement.

remain a net importer of leaf tobacco and [cigarettes] through ’80.’”[10] In May 1979, the U.S. Department of Health and Human Services contacted the American embassy in Moscow and asked for a report on Soviet anti-smoking efforts. The embassy’s telegram answered candidly. The Soviet Union prohibited tobacco advertisements. It was taking steps to limit smoking in public, and healthcare facilities forbade it. Selling tobacco to minors was illegal. The Ministry of Health even issued a directive for increased educational efforts. But despite these efforts, the embassy’s assessment still stated: “The number of smokers has not decreased, and the number of people who take smoking seriously is rather low.”[11]

Soviet health officials had growing concerns about tobacco. Still, those concerns hadn’t spread to citizens, especially the young people who made up an estimated one-third of the Soviet smoking population.[12] Not only that, but Soviet tobacco production was only expected to grow. The Institute for Eastern Market Research in Hamburg estimated that between 1980 and 1985, production would rise by 20 percent. In 1980, the institute reported that the Soviet Union had produced 348,000 tons of tobacco.[13] Despite the 1979 Soviet invasion of Afghanistan and the apparent end of détente, tobacco acted as a continuing channel of cooperation in the years that followed.[14]

The 1980s and Beyond

In 1980, North Carolinians continued to fight for the tobacco industry and watch international events. North Carolina’s single-term Democratic senator, Robert Morgan, spoke on the Senate

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[10] TI. TI Newsletter. September 19, 1978. RJ Reynolds Records; Master Settlement Agreement.

[11] “Soviet Efforts to Combat Smoking.” May 2, 1979. Document No. 1979MOSCOW10809, Access to Archival Databases (AAD,) The National Archives.

[12] Ibid.

[13] Soviet Union Expands Cigarette Industry” 1980. Philip Morris Records; Master Settlement Agreement.

[14] Historians debate the exact end of détente, or even if it ended before the end of the Cold War in 1989. See Chapter 3, “Tobacco Mission Accomplished,” for a brief summary of the end of détente and its debated historiography.

floor and championed tobacco as an economic good for the state and the nation. “At a time when we are witnessing the impact of the Soviet grain embargo, I would like to remind my colleagues that we continue to export tobacco to many countries, and this helps our balance of payments.”[15]

On the surface, TA’s annual meeting in 1980 looked to have minimal differences from its yearly meetings in the past. Kirk Wayne, TA’s new president, acknowledged that none of the EEC countries allowed private advertising. But Wayne seemed optimistic and said that TA’s promotional approach to the Eastern Bloc – mainly participation in trade fairs in places like Leipzig in East Germany – though different from that to Western nations, was successfully “strengthen[ing] the U.S. tobacco farmers’ relationship with the Eastern European buying intent.” Like TA’s former presidents, Wayne called on Congress to grant Eastern Bloc nations MNF status. He said the “limited availability of hard currency” was the “major obstacle restricting leaf tobacco sales to the Bloc countries.” Wayne and others had hoped that when the United States recognized the People’s Republic of China, it would “pave the way” for MFN status for Eastern Bloc countries. But, Soviet influence over Eastern Europe was hard to overcome. And Jimmy Carter’s embargo of U.S. grain exports to the USSR following the Soviet invasion of Afghanistan, Wayne reported, slowed greater trade progress.[16]

Examining TA’s 1980 annual report reveals a shift in focus. Yes, Wayne still called for satellite states to be granted MFN status and wanted North Carolinian farmers to enjoy increasing trade with the East. However, the desire for continued tobacco subsidies and the mounting pressure of antismoking efforts raised concerns. “Our industry is a prime target,” Wayne said, referencing tobacco tax hikes in four states since TA’s 1979 annual meeting.

[15] Kornegay, Horace R. Tobacco Institute. [Letter from Horace Kornegay to Charles A. Tucker Regarding Speech to the Tobacco Associates Which Appeared in the Congressional Record]. April, 1980.
[16] Wayne, K; Tobacco Associates. Tobacco Associates Incorporated Thirty-Third Annual Report. March 12, 1980. American Tobacco Records; Master Settlement Agreement, 4-5.

"Accordingly, there will be no time to rest on the oars. Let's face it: we are rowing upstream, and any pause in our efforts will send us right back where we started from if not all the way over the dam."[17]

Horace Kornegay also gave a speech at TA's 1980 annual meeting. His address stressed the importance of exports and international trade. Still, like Wayne's report, his speech mainly focused on mounting antismoking pressure. Kornegay chose to be positive but acknowledged that 1979 had been a particularly rough year for tobacco due to lousy weather, revenue and exports in poundage declining, and the United Kingdom, TA's leading leaf customer, slashing its purchases by half. He claimed that the antismoking message was being trumpeted by the media but rejected by everyday Americans. Numerous antismoking Congressmen had lost reelection bids, and even Joe Califano, Kornegay happily reported, "the nation's anti-smoking Ayatollah has been sent packing."[18]

Carter fired Califano less than a year and a half after his speech at Wake Forest. Reports on what led to the firing vary. But his departure was not mourned by politicians from the tobacco belt. Democrat Senator Robert Morgan of North Carolina said that the "departure will not be regretted by many in North Carolina," and Virginia Governor John N. Dalton charged that Califano was only one among many who had unsuccessfully attempted to "wipe out tobacco."[19]

A turning cultural tide in the United States, and even to a smaller extent, in the Soviet Union, did not stop giant companies from continuing to do business in the East years after détente's end. In 1985, Philip Morris still had licensing agreements in Bulgaria, Czechoslovakia,

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[17] Ibid., 9-10.
[18] Kornegay, Horace R. Tobacco Institute. [Letter from Horace Kornegay to Charles A. Tucker Regarding Speech to the Tobacco Associates Which Appeared in the Congressional Record]. April, 1980.
[19] "Carter Fires Califano." August 1979. American Tobacco Records; Master Settlement Agreement."

East Germany, Hungary, Poland, Yugoslavia, and the Soviet Union.[20] Inversely, however, the continued business between East and West through the 1980s and until and after the end of the Cold War meant a breakdown, or at least the perceived breakdown, of scientific and technical cooperation between the superpowers on another front, one inextricably linked to tobacco.

In 1972, Nikolai N. Trapeznikov visited Seattle. A Soviet oncologist and director of Moscow's All-Union Oncological Research Center, he had traveled to Seattle to meet with American "cancer fighters."[21] But in 1982, two years into the Reagan presidency, cooperative research between the two countries had declined. The *Seattle Post-Intelligencer* covered Trapeznikov and his efforts to write a book about a decade of cooperation between the US and USSR in their common fight against cancer. But due to the declining cooperative research, the *Post-Intelligencer* claimed, "He worries that the book won't have a happy ending." Trapeznikov made no political speculations or overtures and only stated that he hoped for "a thaw."[22]

Philip Morris reached another agreement with Glavtobek, the Soviet Union's tobacco monopoly, in 1981. Operations were expanding, and the production of American-style cigarettes continued.[23] During the 1980 Summer Olympics in Moscow, boycotted by the United States, kiosks appeared all over city streets with imported Marlboros, Camels, Kents, and Salems.[24] American companies may not have been allowed to advertise or market their products beyond the Iron Curtain, and the means of détente may have been coming to an inglorious end. Still, the seeds détente planted were coming to fruition. The Soviet decision to import Western cigarettes

[20] Philip Morris Profile. 1985. Philip Morris Records; Master Settlement Agreement.
[21] Susan Paynter. "Russian urges détente in the war on cancer," September 8, 1982. *Seattle Post-Intelligencer*. Tobacco Institute Records; RPCI Tobacco Institute and Council for Tobacco Research Records; Master Settlement Agreement.
[22] Ibid.
[23] Tricia Starks. *Cigarettes and Soviets: Smoking the USSR.* (Ithaca and London: Cornell University Press, 2022):187.
[24] Ibid., 192.

proves, at least indirectly, that the injection of capitalism and Western culture, in this case, flue-cured tobacco, was successfully used to infiltrate the communist system. People like Trapeznikov may have called for a return to détente during an era in which, on the surface, it looked as if the superpowers were becoming more estranged. But at the 1980 Olympics and throughout the rest of the 1980s, the Soviet Union purchased and utilized commodities from the West to prove – to the West – that its system was working.

Tricia Starks argues that the sheer scarcity of Marlboros led to greater mystique and obsession. By the late 1980s, Marlboros were made in Moldavia and imported from the United States. Soviet citizens carefully inspected packs of Marlboros, verifying that the cigarettes they were about to consume were the preferred ones from the US. Starks writes, "This was … publicity that Philip Morris could not buy."[25] Americans were aware that the Soviets enjoyed Western tobacco. And tobacco seemed to represent a desire felt by citizens on both sides of the struggle for relations to "normalize."

Jim Stimpfle, from Nome, Alaska, seemed to think so. Embarking on his own détente from the Bering Sea coast in 1987, he sent up a weather balloon loaded with friendly notes and American gum and tobacco, hoping it would reach Siberia. The *Washington Post* covered the story, and a tone of optimism permeated. Détente may have been over, but its spirit seemed to live on, now only two years before the Cold War ended.[26]

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[25] Ibid., 193.
[26] Jay Mathews. "From Nome, Trying to Open the Back Door to the Soviet Union," *The Washington Post.* December 7, 1987. Stipfle's balloon never reached Siberia. It landed only three miles away from its launch site, and was recovered by his "Eskimo friend" Timothy Gologergen.

Tobacco in a post-Cold War World

In the late summer of 1990, the sun was setting on the Soviet Union. During the year's first half, the country had reduced production by fifteen billion cigarettes. Bulgarian suppliers were supposed to provide the USSR with five billion cigarettes, but they failed. Soviet citizens, reacting to a crumbling economy, took to the streets. The last straw for many was food, liquor, and tobacco shortages. In Siberia, shop windows and cars were smashed, and firebombs were thrown in unsettling demonstrations of the severity of the nation's economic collapse and its tobacco dependence. In other parts of the country, farmers refused to bring in harvests unless they were paid in cigarettes. In city streets, angry citizens stopped traffic. More than one hundred "tobacco rebellions" occurred in Moscow alone.[27]

Perhaps it was fitting that tobacco, a tool in the détente war chest and a symbol of Western culture, played a part in the Soviet Union's final act. After all, Philip Morris and RJ Reynolds did not pass on the business opportunity. The companies made deals with the USSR and sent over 34 billion Marlboros and Winstons. Desperate, the Soviets agreed to pay the firms in hard currency. Anthony Ramirez of the *New York Times* seemed sympathetic to the deal, citing the need for stability in a nation plagued by street demonstrations. Others in the media were not so sure. Alexander Cockburn of the *Wall Street Journal* decidedly found the Philip Morris deal predatory from a health and economic perspective and likened the tobacco behemoths to "drug pushers."[28]

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[27] Carey Goldberg. "Smokers Doing a Slow Burn Over Scarce Cigarettes." *Los Angeles Times.* August 24, 1990. Elizabeth Shogren. "Shortages Prompt Siberian Riots." *Los Angeles Times.* August 26, 1990.
[28] Anthony Ramirez. "Two U.S. Companies Plan to Sell Soviets 34 Billion Cigarettes." *New York Times.* September 14, 1990.
Alexander Cockburn. "The Other Drug War, Where Tobacco Firms Are the Pushers." *Wall Street Journal.* September 27, 1990.

Then again, predatory or not, an American company providing commodities to disoriented and discouraged people may have been for the best. Jack Rosenthal of the *New York Times* said as much in his 1990 column. He compared the broken system in Moscow to postwar Europe four decades earlier. According to Rosenthal, the difference was that "in postwar Europe, the people were stunned and exhausted but knew how to rebuild their economies. In the post-Cold War Soviet Union, there's no sense that people have any idea how to get from here to there."[29] After all, as the column pointed out, no communist state had ever converted itself to the free market. Maybe tobacco was the best way to try. At any rate, American tobacco companies were well established in the collapsing Soviet Union and Eastern Europe. Years after the collapse, the companies remain.

Conclusion

Détente, the "normalization" of relations, and "bridge building" were a series of contradictions and paradoxes. During the 1960s and early 70s, Americans were asked to provide sons, fathers, and husbands to the Vietnam War, during which the US fought to contain communism. Meanwhile, U.S. businesses were encouraged to further trade with Eastern Bloc countries and the Soviet Union. Offensive to many Americans, the perceived absurdity of East-West trade seems to have been a long-term successful strategy for American victory. John Palmer, Joseph Williams, and Kirk Wayne of Tobacco Associates, and Horace Kornegay of Tobacco Institute may not have referred to themselves as cold warriors. Still, free trade between the US and the USSR would ultimately weaken the Soviets.

[29] Jack Rosenthal. "Capitalism, Soviet Style." *New York Times.* September 28, 1990.

This does not suggest that the tobacco trade, or even trade overall, single-handedly defeated the Soviet Union. Nor does it indicate that the US was even required to defeat the Soviet system in the first place – the communist system seems to have devoured itself by 1991.[30]

However, the tobacco industry was well positioned within the broader ideological conflict. It pushed for greater competition between the superpowers but also led to greater cooperation. The sector helped modernize production facilities and farms in the Soviet Union but also played a part in the eventual chaos and unrest in Soviet streets. It brought government agencies from the competing powers together, such as the U.S. Department of Agriculture and the Soviet Ministry of Agriculture, but despite what may have appeared as conflicting ideologies "meeting in the middle," never led Americans to become "more Soviet" and did lead to Soviets becoming, or at least behaving more Western. Tobacco détente celebrated joint productions and licensing agreements with Glavtobek and the Soviet Union. The same tobacco industry drove wedges between allies during trade talks and exploited a vanquished, albeit not a traditionally defeated enemy, only fourteen years later.

In 1964, due in no small part to the U.S. Surgeon General's report, the tobacco industry changed permanently. A thriving tobacco trade with countries beyond the Iron Curtain seemed out of reach. However, international demand and new trade policies with the East led to licensing and import deals exploration during the mid to late 1960s. Americans and North Carolinians, such as the members of Mothers' Crusade and Dr. Jesse Peele, as well as politicians like Glenard Lipscomb, battled tooth and nail against business with a communist enemy. But others, like John

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[30] Martin Malia. *The Soviet Tragedy: A History of Socialism in Russia, 1917-1991.* (New York, Toronto, Oxford, Singapore, Sydney; *The Free Press,* 1994.) Malia's final two chapters, "The Perverse Logic of Utopia" and "Epilogue: The Legacy," provide an in-depth look at the Soviet Union's last days. Malia argues that the collapse of the Soviet Union was a fulfillment of socialism and that a total collapse of an industrialized society without suffering a military defeat, such as Tojo's Japan or Hitler's Germany, is unprecedented. American trade, according to Malia, would only act as a catalyst for collapse, not as the leading cause of it.

Palmer of Tobacco Associates, relentlessly pushed for America to do business with Eastern markets. Those favoring trade with the East won in the political arena and the court of public opinion.

And so, a gradual evolution took place. Hybrid tobacco delegations, consisting of private-sector industrialists and policymakers, embarked on exchanges with the Soviet Union and its satellites. Soon, the private sector led the way, and specialization teams, most notably those of Philip Morris, began their campaigns. Profits were undeniably their main objective. But in an ideological war between capitalism and communism, international profit-seeking ventures, not to mention on enemy soil, placed tobacco in the heart of the Cold War. By 1976, American tobacco leaf found its way into Soviet and Eastern Bloc factories and then into Eastern fingertips, and by 1977, Glavtobek was producing its own Marlboros. Tobacco was an integral part of détente, effectively sparking competition and fostering cooperation. While it is doubtful that tobacco was intentionally included in the US's Cold War arsenal, it played a consequential, if not morally controvertible, role in U.S. foreign policy from 1964 to 1977 and beyond.

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