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CHARACTER ISSUES

Honestly, Who Else Would Fund Such Research? Reflections of a Non-Smoking Scholar

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ABSTRACT

WELCOME TO SourceWatch—your guide to the names behind the news. SourceWatch is a collaborative project of the Center for Media and Democracy to produce a directory of the people, organizations and issues shaping the public agenda. A primary purpose of SourceWatch is documenting the PR and propaganda activities of public relations firms and public relations professionals engaged in managing and manipulating public perception, opinion and policy. SourceWatch also includes profiles on think tanks, industry-funded organizations and industry-friendly experts that work to influence public opinion and public policy on behalf of corporations, governments and special interests.

—SourceWatch website (hyperlinks removed)

I QUALIFY, EVIDENTLY, AS AN “INDUSTRY-FRIENDLY EXPERT” WHO WORKS to influence policy and opinion on behalf of corporations and special interests. The SourceWatch entry on me runs to more than 1100 words. It reports that I have “a long term relationship with Phillip Morris,” which isn’t true. It lists many of my writings on smoking policies and my acknowledgements to the tobacco industry for financial support. It also notes that I was a member of the Academic Advisory Board of a “pro-tobacco junk science report.”

After working at US Treasury in Washington, DC, I came in 1988 to San Luis Obispo, California, to become an economics professor at Cal Poly. I still live

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in San Luis Obispo. Among its many charms, San Luis Obispo is noted for the fact, highlighted by its Wikipedia entry, that “The city also banned indoor smoking in all public locations, including bars and restaurants, in 1990, making it the first city in the world to do so.” Despite this much lauded achievement and my longstanding interest in public economics, I had never given our smoking ban much thought prior to its launching. Prior to the ban, there were a few times that my wife and I had left some local restaurants prior to ordering because the smoke levels were unpleasant to us. But these restaurants were exceptions and mostly catered to tourists, and we never had any difficulty finding restaurants that had voluntarily forbid smoking, or had accommodated smokers and non-smokers by way of smoking/non-smoking sections, outdoor smoking patios, or other means that met our preferences. My only observation about the ban’s introduction was that it didn’t appear particularly contentious in a college town that appeared to have few smokers and conformed to the “California is different” perception that those of us originally from the East-Coast can’t help but experience.

I am probably more tolerant of behaviors I don’t follow than those who believe that it is critical for government to actively address personal behaviors. Deep-seated judgments regarding what matters as well as which ideas to pursue in research are important for readers to understand. My ideological sensibilities are in the direction of believing that private or free markets tend to allocate resources pretty well, and that pro-interventionists tend to not understand very well how private markets operate. I see pervasive paternalism, a hastiness to find fault with private markets and a tendency to romanticize government intervention. In short, my ideological sensibilities run along the lines of “public choice” analysis, with a strong dose of Milton Friedman’s advocacy of empirical testing of competing hypotheses. My interest in public choice analysis is not surprising, given my graduate training at Virginia Tech when it housed the Public Choice Center. My fascination with empirical work stems from my view that the essential public-policy question is always: *Since both private markets and governments fail to allocate resources perfectly, which does a better job?*

My involvement in our local smoking ban issue came about when my fellow Cal Poly economist and Business School Dean Bill Boyes was contacted by a local group to propose an economic study of the ban under a public health grant made possible through state taxes on smokers. Bill thought this would be a good local public-relations project for our school and suggested we work together because he thought this policy issue was “right up my alley.” At first, I was not particularly interested in pursuing a cost-benefit study of the smoking ban because I was writing a public finance textbook and didn’t need the distraction. I also was hesitant about getting involved in what could become a contentious issue within our fish-bowl town of about 40,000 people, and within the campus community. My first suspicion was that many locals were unlikely to be appreciative of any costs we uncovered since the local newspaper and public health groups were gushing about

how progressive they were in pushing for the ban. Prior experience had taught me that individuals who push for government expansion rarely enjoy learning of attendant costs.

But I was just finishing a chapter on externalities in my public finance textbook which included a long section on Ronald Coase's (1960) article on social costs. I devoted five pages to the so-called Coase theorem. One of the vivid memories of my graduate student days at Virginia Tech during 1975-78 was reading Coase's paper during my first course in microeconomics taught by Robert Staff. Though I struggled with this paper, I came away with the understanding that the Coase theorem demonstrated that under certain circumstances private markets are reasonably capable of dealing with externalities and therefore provided a cautionary tale for the many economists who Coase apparently believed were too quick to jump to government intervention. At the time, I did not understand what all the fuss was about, why we were required to read Coase or who all these economists were who were so tempted to expand government's role in our economy. Over the years, I remained intrigued with Coase's focus on transaction costs, especially as I began to ponder why so many people I met were so enthusiastic for expanding government, which certainly carries its own transaction costs. My first 10 working years were spent in Washington, DC, first at George Washington University and then the US Treasury, and I learned that eager interventionists really are pervasive.

Coase highlighted the "reciprocal nature of externalities." The insight helps us to understand that affected parties may find diverse ways of coming to agreement. Now, we all understand that Coase's lesson was as much to highlight the need to assess comparative failure as to posit low transaction costs, but the issue into which Boyes was enticing me was, in fact, one enclosed within a well-defined sphere of private ownership. Transaction costs are low in the important sense that you can easily avoid a smoky experience by not going to the restaurant. Owners recognize your power to exit, and hence consider your interest in how the experience at their restaurants should be managed.

Thus, Coase's insights were "front and center" in the proposal that Bill Boyes and I presented to the grants committee in San Luis Obispo. We began with simple questions: *How did owners of businesses deal with the issue of smoking prior to the ban? Do owners manage their resources to enhance the long-term values of their businesses?* Undoubtedly, owners understand that smoking is unhealthy, since that has been public knowledge since at least the 1964 Surgeon General's Report on Smoking and Health. Owners also understand that many non-smokers find the smoke unpleasant.

Our proposal argued that, while negotiation and grimacing between restaurant patrons is not a good solution to the problem, strong incentives motivate owners to manage the place so as to accommodate, mitigate, and balance the interests of smokers and non-smokers.² The airspace in question is privately owned,

2 See Boyes and Marlow (1996), Boyes and Marlow (1997) and Dunham and Marlow (2000A).

and the owner has cause to manage it in such a fashion as to increase profits. As long as owners desire profit, it would appear reasonable that a private market in accommodation exists. The next logical step was to study this private market and see how it manages resources.

Part of our proposal was to collect and examine data on pre-ban accommodation practices of local business owners. This seemed to me an interesting question and necessarily an important part of any cost-benefit analysis of a smoking ban. I thought that it was pretty hard to ignore that smoking-nonsmoking sections were becoming commonplace in restaurants and that such accommodation was virtually nonexistent 20 years previous. Another major method, though less obvious to restaurant goers, is ventilation—in principle, a non-smoker could dine in comfort while seated alongside a smoker provided that fans made sure that the fumes never came her way. Ventilation is the secret to no-flush toilets in secluded homes off the sanitation grid.

We also proposed to survey owners regarding profit changes following the ban. I didn't predict that all owners would lose, and in fact, thought most would either be unaffected or somehow gain from a ban, since this was the first city to ban smoking so fully, and so it made sense to me that the city had relatively few smokers and thus little opposition. But, I thought that it was important to determine how many would lose, even if it was a small number, because I don't see how their welfare could be unimportant. I was enthusiastic about researching the Coase theorem and even wrote a five-page appendix applying it to smoking bans in my externalities chapter. I pulled the appendix after receiving negative feedback from my editors following outside reviewers who found it somewhat unsavory to discuss smoking in this way.

Perhaps, we should have anticipated reaction to our proposal when we presented it to the grants committee of about 7 individuals. I remember seeing quite a bit of apprehension on their faces as I discussed the reason for collecting information on the pre-ban accommodation practices of owners. When I explained that we needed the knowledge to understand who would tend to lose or gain, they looked at each other uncomfortably. Their facial expressions turned especially unfriendly when I mentioned that owners who previously had many smoking customers might suffer losses. We were then politely told: *We already know the answers to these questions. All owners benefit from the ban and so it would be a complete waste of money to collect such data.* A few days later, Bill Boyes informed me that they rejected our proposal and later I heard from another colleague of rumors that the grant committee concluded that we did not understand the economics of smoking bans very well.

I was not particularly sorry about our rejection because I had other work to deal with. However, Bill Boyes wasn't fazed by the rejection and quickly suggested that I put together a group of economics students to collect our own data without benefit of any grants. Cal Poly requires all students to complete a senior project and we had no problem enlisting eight students to collect data. We simply gave them our

survey instruments containing a multitude of questions from our rejected proposal. The students administered one survey to all affected owners of restaurants and bars, asking about their pre-ban accommodation practices and what effects the ban would have on profits. The students also administered a consumer-side survey randomly to residents and tourists, asking about their own smoking habits, preferences, opinions, and experience as consumers.

The data were interesting and provided the empirical basis for our paper “The Public Demand for Smoking Bans,” published in *Public Choice* (Boyes and Marlow 1996). From our survey of 764 randomly chosen individuals within San Luis Obispo, we found that 62 percent of nonsmokers and 40 percent of smokers believed that smoking/nonsmoking sections were “effective” accommodation strategies. Prior to the ban, 95 percent of nonsmokers and 31 percent of smokers requested non-smoking sections of restaurants.

On the supply side, we found that 68 percent of owners had not received “many” complaints about smokers prior to the ban. 53 percent of all owners had been in favor of the ban prior to its passage. To the question of profits, 25% of owners predicted negative impacts, 17% predicted positive impacts, and 57% predicted no effects. As for accommodation efforts prior to the ban, 61 percent of all owners reported having expended resources toward reducing smoke within their establishments. Of those owners, 62 percent reported the implementation of smoking/nonsmoking sections, and 19 percent had provided smoking patios. Thus, the data demonstrated active efforts in accommodation, with owners as intermediaries. It appeared that the Coase Theorem was alive and well in explaining how the private market dealt with the smoking issue prior to the ban in San Luis Obispo. It also demonstrated that the prediction by the grants committee of no adverse economic impacts was clearly wrong.

ARE WE WRONG TO INVESTIGATE MARKETS IN ACCOMMODATION?

Some economists simply dismiss out-of-hand the first-round empirical checks on whether there is a private market in accommodation. I offer just a few choice quotes here. An early dismissal is contained in a health economics textbook, that states:

Trying to use agreements ... between people in a restaurant to determine whether smoking would take place would be the height of absurdity, and nobody would think seriously of a full “property rights” approach to such a problem. The transactions costs of reaching agreements would overwhelm the problem. (Phelps, 1992, 430)

Private markets could not possibly deal with the complex bargaining issues of

smoking, and we can simply save a lot of time and effort by jumping ahead to smoking bans. The hidden message appears to be: *Researchers who investigate whether private markets attempt to deal with smoking preferences should simply be dismissed or ridiculed by those who understand that private markets must fail at this endeavor.* Clearly, from the outset there is a bias in favor of government intervention.

A recent example comes during an exchange between David Henderson (2007) and Benjamin Alamar and Stanton Glantz (2007), which began when Henderson argued that both theory and empirics in the latter's 2004 *Contemporary Economic Policy* article were illogical. Alamar and Glantz (2004) concluded that imposition of smoking bans somehow raises values of restaurants (median increase of 16 percent) and therefore smoking bans not only exert no harm, but actually raise values of businesses. In response to Henderson's (2007) argument that a private market deals with smoking externalities, Alamar and Glantz (2007, 292) respond:

This assertion cannot be true. It is not possible for a restaurant owner to internalize the cost of second-hand smoke on the health of the staff or the patrons. There is no mechanism by which a restaurant owner can compensate a patron for any health costs related to second-hand smoke, therefore it is not possible for the owner to have completely internalized the costs of the externality imposed by the smoker. This fact is one reason that the public has demanded laws to make restaurants smokefree. (Alamar and Glantz 2007, 292)

At the end of their paper Alamar and Glantz reiterate their main result and add: "This result is consistent with all other literature on the subject that has not been funded by the tobacco industry" (2007, 293). That statement is untrue—Boyes and Marlow (1996) was not funded at all, and, really, happened against long odds. But even if it is nearly true, perhaps it tells us about the unwillingness of parties other than the tobacco industry to fund research that might come to politically incorrect conclusions.

Why not further examine data on accommodation? But data is hard to locate or acquire or gather. I recommend that interested readers conduct an Internet search themselves and see how much data are available on accommodation. Best I can tell, no one else has ever gathered such data. What are abundant, however, are numerous web pages describing how smoking bans exert no harm on businesses because there are so many studies that prove that conclusion. A much cited literature review, coauthored by Glantz, reports:

All of the studies concluding a negative impact were supported by the tobacco industry. 94% of the tobacco industry supported studies concluded a negative economic impact compared to none of

the non-industry supported studies... *All of the best designed studies report no impact or a positive impact of smoke-free restaurant and bar laws on sales or employment. Policymakers can act to protect workers and patrons from the toxins in secondhand smoke confident in rejecting industry claims that there will be an adverse economic impact.* (Scollo, Lal, Hyland, and Glantz 2003, 13; italics added)

Why are there never any studies showing how poorly the private market works? The dominant belief must be that the issue is so well settled that no discussion is necessary, other than to tell readers that any research to the contrary is wrong and is somehow connected to the tobacco industry. Perhaps, not surprising, these other studies never seem to mention the few studies that address this issue.³

**JOHN DUNHAM, CHIEF DOMESTIC ECONOMIST OF PHILIP MORRIS
MANAGEMENT CORPORATION**

I thought my work on the topic ended with my *Public Choice* paper with Boyes. About a year after completing the paper, John Dunham, who at the time was the chief domestic economist of the Philip Morris Management Corporation, contacted me about extending the work. I had never received a corporate grant before, and had never heard of John Dunham. But I was happy to receive funding on an issue that I thought was interesting and neglected. Dunham had heard about my work on smoking bans from Bill Orzechowski, who was then the chief economist for the now defunct Tobacco Institute. Bill and I knew each other from my days in Washington, DC when he was at the US Chamber of Commerce and we had co-authored several papers on tax issues unrelated to tobacco issues. I was also pleased that my work was considered valuable by Phillip Morris Corporation, certainly a very large business, and perhaps because as a business school professor I had many times heard the adage, “*those who can, do; those who cannot, teach.*”⁴

My relationship with Dunham continued for several years in which we worked together on a number of projects from which we published four papers on the subject of smoking bans—in *Economic Inquiry* (2000), *Contemporary Economic Policy* (2000), *Applied Economics* (2003), and *Eastern Economic Journal* (2004)—four established, refereed economics journals, three of which are in the *Social Sciences Citation Index*.

The point is that my numerous professional works—with Boyes, with Dunham, and other sole-authored work (see reference list)—are very often simply

3 Research considering whether private markets accommodate smoking preferences has been both infrequent and unempirical; e.g., Thompson, Frost and Plaskett (1990), Lee (1991) and Tollison and Wagner (1992).

4 Woody Allen, of course, added: “and that those who cannot teach, teach gym.”

ignored or dismissed, despite passing peer-review muster, simply because, as SourceWatch confirms, Philip Morris provided funding for some of my research. Others who have published politically incorrect findings and ideas face similar problems—it's not just in smoking research. There seems to be a tacit understanding that it is OK to dismiss such politically incorrect research.

The relationship with Dunham proved valuable to me because, not only does he have excellent insight into how regulations affect businesses, but his institution could fund the collection of data necessary to test hypotheses. I was also pleased that Dunham insisted that our research stand the test of peer-reviewed publication, because I would have been otherwise hesitant to pursue research ties. My writing was never subjected to internal censorship and always acknowledged the funding.

The primary focus of my work with Dunham was to uncover the depth of private markets in accommodation and to test the effects of such bans on business owners, workers, and their customers. The studies again found an active private market in accommodation. Here is a gloss of the findings:⁵

- National survey data indicate that in communities without bans owners do not adopt identical accommodation strategies. Some owners voluntarily ban all smoking and others allow smoking throughout or dedicate areas where smoking is not allowed. We found that nearly one-fourth allocated at least three-fourths of their seating to non-smoking use.
- Owners with fewer smoking customers allocate more resources toward non-smokers (more non-smoking seating, better ventilation, and other accommodations).
- Owners with more smoking customers predict losses from bans more often than those with few smoking customers.
- Owners often adjust prices, wages, hours of operation, and other business attributes in response to bans, so bans also affect customers and workers.
- Smoking bans are not fully enforced. Formal collection of noncompliance data appears to be only funded by public health and tobacco-control agencies. For example, the California Department of Health Services (2001) reported that 10 percent of bars attached to restaurants throughout California were noncompliant in 2001. Weber, Bagwell, Fielding and Glantz (2003) report a 24% noncompliance rate for freestanding bars in Los Angeles in 2002. Numerous newspaper articles document noncompliance across the country, but such frequent anecdotal evidence does not summarize easily. Common sense suggests that compliance is inversely related to the degree of harm imposed on owners.

⁵ See Dunham and Marlow (2000A, 2000B, 2003, 2004).

- Bars experience more harm than restaurants because bars are more hospitable to patron interactions. Few bars voluntarily disallow smoking or provide smoking/non-smoking sections. We found that 92 percent of bar owners allowed smoking throughout their establishments, and bar owners were more than twice as likely to experience losses as restaurant owners.
- Because bans are mostly adopted in jurisdictions with fewer smokers, jurisdictions that ban smoking experience less harm than would jurisdictions that had more smokers.
- The probability that an area has a ban is positively related to the non-smoking share of the population, so bans are endogenous and tend to be enacted after private markets have already been accommodating in favor of non-smokers.

Of course, the available research does not estimate “perfection” and prove that private markets achieve it. But the evidence does reveal a private market where owners allocate resources in directions consistent with economic theory and therefore predicts that, as smokers dwindle in numbers, smokers will continue to lose ground to non-smokers. The market process evolves over time, and it is undoubtedly true that owners expend greater accommodation efforts now than in the past, simply because they pursue profits in a competitive environment in which consumers are more opposed to smoke. As is often the case, the social trend precedes the political movement.

The next logical step is to examine how many owners are harmed by bans, because extent of harm is one issue that a community might consider when debating passage of a ban.

HOW TO SHOW THAT BANS INFLICT NO HARM

In submitting smoking-ban research for publication at economic journals, I’ve received roughly 10 referee reports. Not one referee or editor questioned the prediction that bans would exert differential effects on businesses. Readers might then be surprised that a fairly large empirical literature reports that bans exert no adverse effects on owners—the public policy equivalent of showing that “water runs uphill.” Some empirical studies even advance arguments that bans raise profits so much that owners should, in effect, thank ban advocates for raising their wealth. A recent literature review states, “the vast majority of studies find that there is no negative economic impact of clean indoor air policies, with many finding that there may be some positive effects on local businesses” (Eriksen and Chaloupka (2007, 375) I now discuss how these economic studies arrive at such conclusions.

IGNORE, DENIGRATE, OR DENY PRIVATE MARKETS IN ACCOMMODATION

A common research strategy is to simply dismiss the idea that private markets can manage resources efficiently. There is, of course, a problem with this logic because governments, too, are imperfect. Without plentiful data on accommodation, concluding that bans are the only or the best solution becomes rather silly. I have yet to see researchers who claim that bans exert no harm ever collect, examine, or even acknowledge such evidence. I invite the reader to explore how many times pro-ban advocates cite any of my publications with Boyes and with Dunham and debate whether such accommodations are sufficient at dealing with smoking. Please let me know when you find one such instance.

Another means of denying existence of a private market is to forget that most economists would never claim that zero air or water pollution is a meaningful goal simply because reduction comes with both costs and benefits. A smoking ban, however, overturns this logic since, in effect, the arguments for zero smoking must mean no costs are ever incurred when owners are forced to eliminate smoke. Lost customers or sales following a ban, or lost smoker welfare, can clearly be considered a cost of purity. A more informed policy might allow a finite number of tradable permits to be auctioned off in jurisdictions whereby owners whose businesses benefit the most from smoking can, at a price, have such rights over their property. I have never seen this method proposed by ban advocates, even though it directly parallels the now accepted idea of tradable emission rights. Entertaining the argument would, of course, acknowledge that bans might harm some businesses.

An interesting twist is the strong reactions to improved ventilation. Drope, Bialous and Glantz (200) describe how the tobacco industry, in concert with the hospitality industry, “developed a network of consultants to promote ventilation as a ‘solution’ to secondhand smoke (SHS) in the USA” (41). These authors were alarmed that improved ventilation could undermine passage of bans, and, as their proof, these authors argue that the tobacco industry involvement must somehow demonstrate that ventilation does not solve any of the problem with smoke. A more useful approach might focus on how well ventilation works and whether there are sufficient incentives for private firms to invest and innovate in improved ventilation. But, again, this study would have to acknowledge existence of a private market in accommodation.

EMPLOY THE “COMMUNITY EFFECTS” METHODOLOGY, AND DON’T REVEAL ITS SHORTCOMINGS

Do researchers claiming that bans exert no harm investigate how many firms gain, lose, or are unaffected? Not really. Most studies employ a “community

effects” methodology that aggregates all businesses into one number and then examines whether this aggregate changes following a ban. The examination becomes: *Do aggregate sales or tax revenues rise, fall, or stay the same following a ban?* Studies routinely conclude that sales and tax revenues never fall, but rise or stay the same.

The “community effects” method is like comparing over a ten year period how the average weight of 50 students has changed, and after observing that the average weight started 160 pounds and remained 160 pounds ten years later, concluding that no changes occurred over the period. Meanwhile, some students gained 20 pounds, some lost 10 pounds, and still others exhibited no change. Maybe there’s a defense of the “community effects” approach, but I have never seen one, because these studies never address the basic criticism.

A recent example is the paper by Eriksen and Chaloupka (2007). In the abstract to “The Economic Impact of Clean Indoor Air Laws,” published in *CA: A Cancer Journal for Clinicians*, they write:

The vast majority of scientific evidence indicates that there is no negative economic impact of clean indoor air policies, with many studies finding that there may be some positive effects on local businesses. This is despite the fact that tobacco industry-sponsored research has attempted to create fears to the contrary. Further progress in the diffusion of clean indoor air laws will depend on the continued documentation of the economic impact of clean indoor air laws, particularly within the hospitality industry. This article reviews the spread of clean indoor air laws, the effect on public health, and the scientific evidence of the economic impact of clean indoor air laws. (367)

These experts appear rather convinced. But, again, most of the studies supporting their position employ the “community effects” approach and this fact is not discussed. No references to my studies with Boyes or Dunham are contained within their extensive survey of the literature. The authors are also apparently content to repeat the mantra that tobacco-industry funding is the reason for why any studies might contradict their conclusions.

There are possible defenses for the “community effects” approach, but they never seem to merit discussion. One possibility is that smoking bans might help solve a collective action problem of owners. Suppose, for instance, that, although a general ban might raise revenues of all owners, cartel-like cheating undermines this result. The fact that firms are tempted to cheat and be noncompliant does not demonstrate that the ban isn't in their collective interest. It merely means that individual owners can do even better for themselves by having a general ban and then cheating unilaterally. Of course, if everyone cheats, there is no gain. The difficult trick then would be to conduct “community effects” studies only in those

communities where no cheating occurs.

It also might make sense to look at “community effects” when some owners lose because, even if individual firms do suffer, they might in principle be compensated by those who gain. There are, of course, well-known problems with “potential compensation” versus “actual compensation”, but this approach is common in welfare economics and might merit discussion by advocates of bans. Entertaining the argument would, of course, acknowledge that bans might harm some businesses.

**DISMISS ALL CONTRARY RESEARCH AS BIASED OR EVEN DECEITFUL,
ESPECIALLY WHEN FUNDED BY THE TOBACCO INDUSTRY**

A prime example of this strategy is Scollo, Lal, Hyland and Glantz (2003) which reviews 97 studies on the economic effects of smoking bans on restaurants and bars. This widely-cited study concludes that, while roughly one third of all studies indicate that bans impose some harm, they are all seriously flawed. The authors point out that 94% of studies showing harm are somehow associated with tobacco industry support and they don't appear to have any reservations about leaving readers with the thinly-veiled assumption that any association with the tobacco industry explains conclusions counter to their thesis that bans exert no harm. The fact that most other studies conclude either positive or no impact on businesses leads the authors to conclude: “Policymakers can act to protect workers and patrons from toxins in second-hand smoke confident in rejecting industry claims that there will be an adverse economic impact” (13). The fact that none of these studies received any tobacco industry support is also used to suggest that these conclusions are correct as well as intuitively obvious. The survey by Eriksen and Chaloupka (2007) is the most recent study using this tactic to explain away all contrary research, and cites Scollo, Lal, Hyland and Glantz (2003) as evidence.

It would take too many pages to point out the many flaws in Scollo, Lal, Hyland and Glantz (2003) and others, so let me highlight a few of the major problems. Studies finding no economic harm never formulate how smoking bans might affect businesses. They never allude to private markets in accommodation, so such facets never enter into hypotheses. They never mention studies that find private market accommodation. The extent to which authors develop hypotheses can be summarized in the following two-part story:

- Because owners cannot effectively deal with smoking, bans are necessary to protect patrons and workers from second-hand smoke; and
- Owners don't suffer harm because bans will draw more non-smokers into businesses, and, because there are more non-smokers than smokers in the population, businesses gain more than they lose when disgruntled smokers

spend less.

Even if this two-part story is correct, these studies cannot really test the no-harm hypothesis because they employ the above-discussed “community effects” approach and must, by research design, ignore effects imposed on individual owners.

Another common strategy is to denigrate all survey data of business owners as “biased”. Scollo, Lal, Hyland and Glantz (2003) make the following case for why we should heavily discount any such data:

Unverifiable predictions of future changes or estimates of recent changes in patronage or spending were deemed ‘subjective’. Subjective measures included anecdotal reports and self report data collected in polls of, or interviews with, patrons or owners of restaurants, bars or similar businesses, conducted either before or after the policy was put in place. (14)

Would owners not be the best judge of whether bans hurt their business? Apparently owners’ reports must be systematically biased. Invariably one finds insinuations about survey-based data collection and the tobacco industry, providing readers a reason to suspect that data collected on individual owners are biased and misleading. That such data are essential to examining differential effects on owners is never mentioned. Ban advocates repeat the “bias” argument over and over, since otherwise they might have to reveal to readers that something other than a “community effects” analysis might provide a better understanding of how bans affect owners.⁶

WHAT ABOUT SMOKERS?

In economics we discuss efficiency in terms of both producers and consumers, but this norm is not followed in research on smoking bans. Do smokers not deserve to be included in our welfare analysis? While non-smokers are clearly a majority of the population, and growing,⁷ there are still many smokers left out of the analysis. Ignoring smokers is an easy way of ignoring costs imposed by the bans. Pro-ban researchers simply ignore the elimination of blocks of consumer

6 Even if we accept the “community effect” method, Dunham and Marlow (2000B) argue that past applications of this method do not really demonstrate no harm. Problems include: “cherry picking” of data, imperfect enforcement of bans, examinations based on revenues and not profits, and the error of concluding that bans don’t harm when sales rise following bans when, in fact, bans exert harm when they cause sales to rise at a slower rate than otherwise would have occurred.

7 From 1990 to 2005, U.S. taxed sales per capita have fallen 38%, from 101 to 63 packs (Orzechowski and Walker 2006), and smoking prevalence of adults has fallen from 25.5 to 20.9 percent (Centers for Disease Control 2006).

surplus.

The costs to smokers find various manifestations. Loss of freedom over smoking may foster some of the following behaviors. Smokers may eat or drink out less often, spend less time in areas subject to bans, congregate outside of banned areas to smoke, smoke outdoors more often in inclement weather, smoke more at home, purchase higher nicotine cigarettes so that they spend less time puffing to achieve preferred nicotine levels, change intensities by which they puff since they must now “time” their smoking differently, suffer stigmatization in their smoking, and perhaps behave as “closet smokers.” They may also substitute some or all of their cigarettes for smokeless tobacco, gum, or hard candy. The list of changes probably goes on and on. Some suggest that the new costs of smoking—higher prices, inconvenience, stigma—are a factor in growing obesity.⁸

Dunham and Marlow (2003) find that affected owners alter prices, wages, hours of operation, and other business attributes that raise or lower welfare of both smoking and non-smoking patrons and workers. Evans and Farrelly (1998) and Farrelly et al. (2004) find that higher taxes cause smokers to raise purchases of cigarettes with higher tar and nicotine. Adda and Cornaglia (2006B) analyze compensatory behavior of smokers as evidenced by data on concentrations of cotinine (a metabolite of nicotine) and find that higher taxes cause smokers to extract more nicotine per cigarette. While these studies do not explicitly study effects of bans, it is reasonable to suppose that bans are a factor. It is widely believed that higher concentrations exert more harm than lower concentrations and so bans might exert adverse health effects on some smokers.⁹

Adams and Cotti (2008) report an increase in fatal driving accidents involving alcohol following smoking bans in bars. They find evidence consistent with the explanation that smokers drive longer distances to get to a bar where they may smoke, sometimes to a bordering jurisdiction without a ban, sometimes to bars that still allow smoking, perhaps by non-compliance or an outdoor area. After departing the bar they have a longer drive, hence more alcohol-related driving accidents.

Surprisingly, there are studies that fail to find that bans reduce smoking. Buddelmeyer and Wilkins (2005) find that smoking bans in Australia don't significantly lower smoking for most types of individuals. They also find a significant “rebellion” effect among 18-24 year old smokers because they became more likely to continue smoking following bans. Apparently, a “James Dean” effect on youth may exist whereby bans make it easier to display “anti-social” behavior.

Non-smokers may also suffer adverse health effects if they inhale more second-hand smoke when they are with smokers within cars or homes. Adda and

8 Early studies connecting smoking cessation with weight gain are Williamson et al. (1991) and Flegal et al. (1995). Regal (2007) argues that, if smoking prevalence in 1999-2002 were at the higher 1971-1975 smoking level, estimated 1999-2002 obesity prevalence in 1999-2003 would be 22.5% rather than the actual value of 23.9%.

9 See Thun et al. (1997) for a discussion of these adverse effects.

Cornaglia (2006A) examine effects of bans on passive smoking through analyzing cotinine concentrations on a large sample of non-smokers over time. While they found that bans exert on average no effects on non-smokers, bans in recreational public places perversely increase some non-smokers exposure by displacing smokers to private places.

Adam Smith famously said that in the chessboard of human society each piece has principles of motion all its own. We do not—and cannot—know how the human chess-pieces react. The point is that acknowledgement of such factors, arising from imposed costs, are commonly left out. Advocates of bans typically represent the “man of system” attitude that presupposes inert “chess pieces”—exactly the mentality Smith was challenging (Smith 1790, 233-34).

Moreover, there are also reasons to believe that we do not fully understand health consequences associated with second-hand smoke. My point is simply that statements like *“Policymakers can act to protect workers and patrons from the toxins in secondhand smoke confident in rejecting industry claims that there will be an adverse economic impact”* (Scollo, Lal, Hyland and Glantz 2003, 13; italics added) are irresponsible.

MEN OF SYSTEM

In the late 1990s I attended a session at the Western Economic Association meetings organized by a well-known public health economist who had invited 3 papers on the economics of tobacco control by researchers who had all received various public health grants. One of the papers concluded that smoking bans were ideal policies because they protected non-smokers from toxins in second-hand smoke. During the question period, I did something quite out of the ordinary for me. I asked: *“Are you concerned that bans might raise the intensity of puffing by smokers which, if true, might cause them additional harm?”* The presenter spent about 4 seconds on my question with a response something like: *“I don’t really understand why this is a problem.”* For some reason, I persisted and after about the third time, I rephrased the question as simply: *“So, if smokers want to smoke in this manner and worsen their health, this is not really our concern because it’s really about protecting non-smokers?”* The presenter replied quickly with something like: *“That is correct,”* and interestingly, neither he, nor any those on the panel or in the audience, seemed to have any problem with his response.

If your gang simply points to smokers and claims *“they are the source of the problem,”* it might be easy to convince yourself that government should impose taxes or regulations on them. But—particularly in spaces customarily arranged to host and accommodate smoking—smokers might feel that non-smokers or busy-bodies are the problem, in which case they might just as well want their behavior corrected—that is, to butt out. Pro-ban advocates ignore Coase’s insights and, along the way, reveal that they do not really care about harm to the minority or business owners that cater to them.

TOWARDS AN UNBIASED TREATMENT OF BIASES

My reflections bring us into issues of systemic bias in the way research is initiated, formulated, funded, validated, and received—biases not merely in the reasoning of any particular work, but in the cultural structures and processes within which the work comes into being. It's plain to me that deep problems exist, so the deep biases need to be diagnosed. The trouble is: How does one assure that the diagnosis of biases isn't biased? And if I offer such assurances, how about assurances that the assurances of unbiased diagnosis of biases are not biased? Subscripts, anyone?

ARE NON-SMOKING RESEARCHERS BIASED?

Although few academics might admit biases based upon political affiliation, many recent studies suggest how little diversity exists among professors in the social sciences, humanities, social welfare, and health fields.¹⁰ Although a Gallup poll found Republicans more likely than Democrats to support smoking bans in restaurants, hotels and the workplace, the same poll indicates that supporters mostly rally around one characteristic: whether or not they smoke.¹¹ This result is consistent with what Boyes and I found in our study of the smoking ban in San Luis Obispo. It is also well known that smoking prevalence falls with education.¹² Highly-educated researchers are therefore unlikely to smoke and, as a result, may also strongly support bans on others smoking in public.

BIASES ATTENDANT TO NON-TOBACCO INDUSTRY FUNDING OF RESEARCH

What are the funding sources other than the tobacco industry? It doesn't take long to recognize the variety and frequency of acknowledgements that authors make regarding their financial support. The National Cancer Institute and National Institute of Health are commonly thanked, as are public health groups such as the National Heart Association, Americans for Non-Smokers Rights, and the W.E. Upjohn Institute. Of course, many funding dollars are also granted by

10 For example, the fields of biology, health, and social welfare are very lopsided, medicine and nursing less extreme so but also preponderantly Democratic. See Gross and Simmons (2007, 34) and (Cardiff and Klein 2005, 247); on the Democratic tent being relatively narrow, see Klein and Stern (2005; 271-273); on the economics profession in particular, and its paucity of free-market supporters, see Klein and Stern (2007).

11 Levels of support were: Republicans (62%) and Democrats (53%); see Moore (2005).

12 National Center for Health Statistics (2006) reports the following prevalence rates in 2004 broken down by education for those aged 25 and above: 29% (less than high school), 26% (high school graduate), 21% (some college, no degree) and 10% (bachelor's degree and above).

the many schools of medicine, government, and public health.¹³

The review of over 90 studies by Scollo, Lal, Hyland and Glantz (2003) acknowledges the following support:

The VicHealth Centre for Tobacco Control is funded by the Victorian Health Promotion Foundation to conduct economic, legal, and social research in tobacco control. Dr Hyland's work was supported by the Roswell Park Cancer Institute NCI-funded Cancer Center Support Grant, CA16056-26 as a member of the Biomathematics/Biostatistics Core Resource. Dr Glantz's work was supported by US National Cancer Institute grant CA-6102. (18)

Eriksen and Chaloupka (2007) acknowledge support of the Georgia Cancer Coalition and the Robert Wood Johnson Foundation's ImpacTeen project. What about those groups? Maybe they are biased against researchers willing to arrive at politically incorrect conclusions? Take a look at the websites of the Georgia Cancer Coalition (like [here](#)) or the Robert Wood Johnson Foundation (like [here](#)) and decide for yourself.

State tobacco control agencies also fund much research, and often directly via taxes on smokers.¹⁴ "Tobacco control programs" fund school programs, enforcement of smoking bans and age limits, counter-marketing, cessation programs, and studies that demonstrate program effectiveness. Funding appears to go not only to studies demonstrating program effectiveness, but studies showing *only* benefits from such programs, and that such programs should be expanded.¹⁵ From 1994 thru 2005, Massachusetts state government spent slightly over \$400 million (\$2003) on tobacco control,¹⁶ and California from 1988 thru 2006 spent over \$2 billion (\$2003).¹⁷ We do not have a breakdown that tells us how much went specifically to fund research.

Finally, what about funds from pharmaceutical firms interested in marketing nicotine replacement therapies? It is likely that some researchers are funded directly by these private firms, or at least indirectly, when such firms contribute to various lobbies, universities, or public health groups to support their products. Bans may well enhance their markets. These firms may also be interested in selling

13 The website of *Tobacco Control* lists the ten *Tobacco Control* articles that received the most downloading during 2007 (the articles were published between 2002 and 2006). The ten articles contain acknowledgements to 12 instances of funding support: Norwegian Institute of Public Health, Roswell Park Cancer Institute, National Cancer Institute (6 times; some papers listed multiple NCI grants), Flight Attendants Medical Research Institute, Health Canada/Canadian Institutes of Health Research, Australian National Health and Medical Research Council and the US National Institutes of Health. As for the authors of the articles, most were employed at universities and most department or school affiliations contained the words health, pharmacy or medicine. Other places of employment were National Health Screening Service (Norway), Norwegian Institute of Public Health, the Roswell Park Cancer Institute, Massachusetts Tobacco Control Program, World Health Organization and Organisation for Economic Co-Operation and Development.

14 See Marlow (2006).

15 See Marlow (2006).

16 See Koh et. al. (2005)

17 See Marlow (2007).

their products to public health agencies that then dispense them to smokers. Studies may also promote acceptance of their therapies by private and public health insurers. Little concern of bias is ever expressed. Perhaps, this industry gets a “pass” in the bias debate because it is on the right side of the smoking issue.

In an important article, “Warning: Anti-Tobacco Activism May be Hazardous to Epidemiologic Science,” published in 2007 in *Epidemiologic Perspectives & Innovations*, Carl Phillips argues that much funding for anti-tobacco researchers does come with many strings attached:

[M]uch of the funding from anti-tobacco organizations, both government and private, comes with major strings attached, often all but declaring what the conclusions of the research should be ... Hardly a word is heard from that quarter about the pharmaceutical industry or others who have a financial interest in tobacco use or cessation methods, and who help fund the anti-tobacco organizations. Rather, those organizations are intent on making sure that they get to control the funding, and thus the agenda, in “their” area, and the only significant threat to this monopoly is tobacco industry funding. For example, despite the fact that anti-tobacco organizations’ funds dwarf tobacco industry grants to academic researchers, no major research effort in tobacco harm reduction has been able to get fundamental funding without seeking it from the industry. (Phillips 2007, 12)

This view is consistent with a public choice view of the world.¹⁸ The interrelations of government and academic institutions create a kind of centripetal groupthink, which allows the “right” private corporate sources of funding onto the team. Information and agenda control come from monopoly over funding and probably go a long way toward explaining the multitude of studies that claim that bans cause no harm. Consistent with this thesis is the fact that efforts have recently been made to forbid researchers at universities from receiving any funding from the tobacco industry.¹⁹

18 Tullock (1966) attributes many of these problems to the presence of a single buyer for research output. In this case, various government agencies and public health non-profits might be operating as a loose cartel whereby they determine the parameters of “acceptable” science and help orchestrate attacks on opposing research.

19 Blumenstyk (2007) discusses how various universities, such as public health schools at Johns Hopkins University and Harvard University, have banned researchers from accepting tobacco-industry money for research. Recently, the University of California had considered such a ban, but instead adopted a less-stringent policy whereby researchers may only accept such money following approval by a special scientific committee that verifies that any proposed study “uses sound methodology and appears designed to allow the researcher to reach objective and scientifically valid conclusions.”

THE FILE DRAWER

If studies failing to show one's preferred hypothesis tend to be deposited in "file drawers," then published studies will be biased toward showing support for preferred hypotheses. Reporting biases have been discussed for many years. Leamer's (1983) paper "Let's Take the Con out Of Econometrics" describes the many biases that arise when researchers fail to report the many tests that they have conducted. Reporting a subset of all empirical runs conducted over the course of research promotes overconfidence in published results that are probably facilitated with rapid declines in computing costs and greater data availability. Ioannidis (2005) goes so far as to claim: "Simulations show that for most study designs and settings, it is more likely for a research claim to be false than true. Moreover, for many current scientific fields, claimed research findings may often be simply accurate measures of the prevailing bias" (124).

Even if researchers were indifferent to whether smoking bans impose costs, journal editors and reviewers would promote the file drawer effect when they strongly preferred one hypothesis over another. There appears great potential for this bias given that there is one journal that exists solely for the purpose of publishing papers on controlling tobacco. *Tobacco Control* bills itself as "An international peer review journal for health professionals and others in tobacco control" and is published by the BMJ Group which is a global medical publishing organization and a wholly owned subsidiary of the British Medical Association.²⁰ It shouldn't take readers long before they realize that the vast majority of papers published in *Tobacco Control* conclude that tobacco control measures are very effective. Many of the no-harm papers cited in the literature review by Scollo, Lal, Hyland and Glantz (2003) were published in *Tobacco Control*. And the Scollo, Lal, Hyland and Glantz (2003) review itself is published in *Tobacco Control*. Similar observations can be made for other public health journals such as the *American Journal of Public Health* and the *Journal of the American Medical Association*. Rarely do papers published in these and other journals conclude that government interventions do not effectively mitigate one problem or another. One might wonder how full the "file drawers" have become.

"GOOD INTENTIONS" BIAS

Smoking bans are often promoted on the basis of good intentions: *we are doing this to protect non-smoking patrons and employees; we are doing this for the health of children; we are doing this to protect addicted or uninformed smokers who cannot help themselves; we are doing this because owners do not understand that bans are good for them; and so on.*

The following quotation is the abstract of a 31-page *Journal of Economic Sur-*

²⁰ See Tobacco Control's website: <http://tobaccocontrol.bmj.com>.

veys literature survey of tobacco-control studies:

This survey focuses on government efforts to curb the use of undesirable goods, notably tobacco products. We synthesize the economics literature and examine the effectiveness of government curbs on tobacco consumption through non-price controls (such as bans on cigarette advertising, health warnings, and workplace smoking bans) and price measures (or higher prices through higher taxes). This literature review is unique in that we do not merely aim to provide a summary of the literature. Rather, our main focus is to draw conclusions from the literature regarding the effectiveness of alternate policy measures across countries in checking smoking and to provide directions/suggestions for extending the scope of government intervention to other tobacco products. (Goel and Nelson 2006, 325)

The survey contains 103 separate references and never addresses the fundamental issue of why it is that we need these anti-smoking remedies or how they know that private markets fail to effectively deal with smoking. The authors appear to have no reservations about pursuing interventions as long as they correct “undesirable” behaviors such as smoking. As the authors say, their purpose is to “provide directions/suggestions for extending the scope of government intervention to other tobacco products.”

There may be a bias toward not going much farther than “good intentions,” especially among a reference group consisting mostly of people who do not smoke, do not own a business, and romanticize the ability of governments to improve society. So, it might be pretty easy to persuade many that bans don’t impose costs. It’s also likely that many of us would prefer to never experience smoking again. These biases probably predispose many of us to not scrutinize evidence claiming that bans yield benefits with no harm.

SECOND-HAND SMOKE: SUSPECT SCIENCE

The following recent quotation summarizes the view that second-hand smoke isn’t a major health problem.

While there is ample evidence that chronic exposure to secondhand smoke increases the risk of cardiovascular disease, and therefore heart attack risk, and there is some suggestive evidence that acute exposure to secondhand smoke may present some danger of risk to individuals with existing severe coronary artery disease, there ap-

pears to be no scientific basis for claims that brief, acute, transient exposure to secondhand smoke increases heart attack risk in individuals without coronary disease, that it increases such risk to the level observed in smokers, that it can cause atherosclerosis, that it can cause fatal or catastrophic cardiac arrhythmias, or that it represents any other significant acute cardiovascular health hazard in nonsmokers. (Siegel 2007, 24)

This summary comes from a paper entitled “Is the Tobacco Control Movement Misrepresenting the Acute Cardiovascular Health Effects of Secondhand Smoke Exposure?” in *Epidemiologic Perspectives & Innovations* in 2007. The author, Michael Siegel, is Professor of Social & Behavioral Sciences at Boston University’s School of Public Health and, on his own website, he writes of himself: “He has been active in promoting smoke-free bar and restaurant policies throughout the country and has served as an expert witness in several major tobacco litigation cases.”²¹

Siegel’s (2007) paper discusses what he refers to as wild claims regarding adverse health effects of second-hand smoke of many pro-ban advocates and discusses how he has been personally attacked for criticizing such claims.

The general approach has been to attack ad hominem, rather than to directly confront the arguments being made. For this reason, I have come to the impression that the tobacco control movement does not allow room for any difference of opinion, and that those who dissent with any aspect of the prevailing wisdom must be discredited, attacked and silenced. I sense a rather McCarthyistic element in the tobacco control movement. Whether the scientific arguments I have made are valid or not is up for question and debate; the unwillingness of the movement to be willing to entertain a discussion of the validity of its scientific claims, on the other hand, is a dangerous element in a public health movement. (Siegel 2007, 20)

The claims that Siegel is referring to are contained in his blog tobaccoanalysis.blogspot.com and interested readers might be rather surprised at the degree to which Siegel describes the “junking” of epidemiology. In brief, Siegel (2007) has been vehemently attacked for criticizing views of leading anti-tobacco activists on the extent of health risks to non-smokers. Siegel fears: “The dissemination of inaccurate information by anti-smoking groups to the public in support of smoking bans is unfortunate because it may harm the tobacco control movement by undermining its credibility, reputation, and effectiveness” (24).

A rather public fight is ongoing between Siegel and Stanton Glantz, with

21 The webpage containing the quotation is [here](#).

the latter one of the leaders of the tobacco control movement and co-author of papers quoted here several times. As quoted in a recent *Boston Globe* article, Glantz states the following about Siegel:

I view him as a tragic figure—he has completely lost it. His view is that everybody in the tobacco control movement is corrupt and misguided except for him. You have to be careful what you say to preserve credibility in academic circles, and he is not doing that. (Glantz qtd. in Beam 2007)

Carl Phillips, an epidemiologist at the University of Alberta, has also written about personal and financial attacks leveled against him, as he, too, has been vocal about what he perceives as junk science in the study of environmental tobacco smoke (ETS):

There is little doubt that inhaling smoke is unhealthy, but equally clear evidence shows that we can only demonstrate disease risk from ETS for those at the highest level of exposure. The evidence about health effects of smoke and the legitimate aesthetic objection to involuntary ETS exposure are quite sufficient to justify prohibiting indoor smoking in public places, though clearly insufficient to justify public policies that prohibit voluntary low-level ETS gain. The activists involved, many of whom hold titles that indicate that they should behave as scientists and academics, appear unconcerned about subverting science to further their worldly agendas, hurting the careers of honest scientists, driving students away from politically controversial fields, attacking the principles of free academic research, and threatening the reputation of epidemiology as a field. (Phillips 2007, 7)

UCLA medical researcher James E. Enstrom also writes of extensive personal attacks following publication of his 2003 *British Medical Journal* paper that found little relationship between ETS and tobacco-related mortality. Enstrom (2007) documents his many claims that anti-tobacco activists have not properly presented evidence on effects of second-hand smoke and at times have also misrepresented evidence. The paper compares “current ETS epidemiology in the U.S. with pseudoscience in the Soviet Union during the period of Trofim Devisovich Lysenko” (2). Enstrom highlights Stanton Glantz as a major source of attacks.

INTIMIDATION AS A STRATEGY

Intimidation appears to be part of the strategy used against those who do not fully support anti-tobacco activists. In the Internet age it is pretty easy to learn about the lives of researchers. Recent inspection of SourceWatch's entry for UCLA epidemiologist Enstrom, just mentioned, reveals the following summary:

Enstrom is a controversial figure who has accepted funding from the Philip Morris tobacco company and the Center for Indoor Air Research (a tobacco industry front group), and subsequently published research that contradicted scientific consensus about the health effects of secondhand tobacco smoke ... (SourceWatch, [link](#))

I recently read a paper published in a prestigious economics journal to remain nameless that called into question some of the claims of tobacco control activists. I enjoyed the paper and sent a quick email to one of the authors stating that I thought they had done a good job and sent along a suggestion where they might extend their research. Within a few hours I received an email back from one of the authors, but clearly the email was not intended for me to see. In it, one of the two authors wrote to the other author that *"I don't think we should get involved with this guy because I hear he has very deep connections with Phillip Morris."* I figured out pretty quickly that the email was supposed to be for their eyes only, but, by mistake, was sent to me as well. I had no doubts that they had located my listing under SourceWatch. I immediately sent the authors a reply email that simply read something like: *"Thanks for the quick reply and I appreciate your honesty,"* to which I received another email from one of the authors within a few minutes that read something like: *"I am very sorry for that, I hit the wrong button on my email program. We have to be very cautious about our work as we experienced very strong personal attacks to this paper we just published."* I ended the exchange with something like: *"Welcome to the club, I am not surprised, and best of luck."*

One more personal story appears appropriate. I have recently been publishing articles in peer-reviewed journals that question the influence of tobacco-control spending on cigarette consumption and smoking prevalence.²² I have not received grants of any kind for this research from any tobacco-related entity. In fact, my grants from the tobacco industry ended quite awhile back, when I finished my work on smoking bans. Fortunately, I have been able to obtain data on tobacco-control programs from the Internet and, unlike smoking bans, lack of funding is not much of an obstacle to this research effort. My research finds that public spending exerts little effect on smoking consumption and prevalence, despite continual statements by anti-tobacco activists that spending not only signifi-

²² Marlow (2006), Marlow (2007), Marlow (2008A) and Marlow (2008B).

cantly lowers smoking, but programs are critically under-funded. I am sure these conclusions are not well received by anti-tobacco activists, even though I would have thought they would be interested in re-allocating funding in ways that might reach their objectives of eliminating smoking.

One of these papers, which I will not name, was accepted for publication after going through a fairly lengthy review period in which I made many good changes to the paper. A few weeks after its acceptance, I received an email from the editor of the journal stating that he had received word from someone that my paper did not acknowledge the fact that I was someone with strong ties to the tobacco industry and that it was unethical to not disclose this conflict to readers. Again, the source was probably SourceWatch's faulty information. The editor asked if this was true. I replied that, although I had received grants in the past for work on smoking bans, that I had not received any funding for this or related work on tobacco-control spending. I then added that I wasn't really keen on adding a disclosure that read that "*I had received grants in the past from the tobacco industry, but not for this paper*". The editor agreed, and to his credit, said he was satisfied with my response and that no further action was necessary.

WHO WOULD FUND SUCH RESEARCH?

I have suggested that tobacco firms have aimed their funding toward research that focuses on how private markets work, while non-tobacco funding sources aim their funding toward research that shows that government intervention is effective. Further, I have suggested that ideological sensibilities differ between these two different research paths, and that still other biases might be in play. However, I doubt that the two opposing predispositions regarding the proper role of government somehow balance out. In the smoking ban literature, it is clear that there are many more studies showing that smoking bans inflict no harm on any business and, as it turns out, most of these studies are funded by dollars outside of the tobacco industry.

We should address the following question: Who else would fund studies that seriously examine how private establishments manage diverse preferences regarding smoking? Pro-ban researchers never collect such data nor give much consideration to private market efforts. Given the pervasive factors—the costly nature of data acquisition, the paucity of free-market researchers, the preponderance of non-smokers, the seductions of “good intentions,” and the many funding sources available to those who prefer government intervention—very little research on private markets is conducted. If not funded by industries adversely affected by such intervention or think tanks interested in free markets, even less research would be conducted. Moreover, given the apparent scarcity of journals that have editors, officers, and referees interested in uncovering how well private

markets manage resources, it's not particularly surprising that little research on private markets is conducted. I can just imagine how my proposals for conducting smoking-ban studies would have been received if I had submitted them to the many funding sources available to anti-tobacco activists.

An interesting view is expressed in Phillips (2007) regarding the strings attached to research funding:

Anti-Tobacco activists have long coasted on the cigarette industry's misdeeds regarding producing illegitimate research. The substantial and deplorable misdeeds from thirty or forty years ago are well documented, and it is clear that the industry has been guilty of many of the same crimes against epidemiology practiced by anti-tobacco activists today: One result of that guilt coming to light is that claims by the industry are widely discounted, making them little present threat to honest science. Despite this, anti-tobacco activists are still trying to attribute epidemiology that they do not like to the (largely nonexistent) influence of the industry in the field. Another result of the guilt is that the industry's every move is carefully watched, making tobacco industry funding a professor's dream: the funder does not dare say a word to try to influence the research. (Phillips 2007, 12)

This account certainly accords with my own experience. No one was looking over our shoulders, or attempting to manipulate our research. The overriding issue was to publish peer-reviewed work and gain credibility. But, as discussed many times in this article, activists have not shied away from claiming that all research connected in any way to the tobacco industry must be incorrect and even deceitful. Thus far, this strategy has largely been effective in protecting them from coming to terms with opposing research.

All studies, whether sponsored by private or public monies, deserve scrutiny and a degree of skepticism. But the more central ethical principle of scholarly discourse should be, rather, what Wayne Booth (1974) calls "the rhetoric of assent," that is, an initial readiness to suppose that the other guy or gal is also fair minded and trustworthy, and deserves being heard out. I should not dismiss studies funded by anti-tobacco sources, and others should not dismiss studies funded by the tobacco industry. It's not a matter of either 100 percent trust or 100 percent skepticism. It is an initial inclination toward assent combined with a degree of fair and responsible skepticism after you've heard the other guy or gal out.

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