

Summary of Deposition of Geoffrey C. Bible
CEO and Chairman of the Board of Philip Morris Companies

08/21/97

Page/Line

Question/Answers

8:24-9:3

9:13-9:16

Q: My name is Ron Motley, and I will be asking you questions. Would you state your name, please, sir, your age, and your address for the record.

A: My name is Geoffrey Bible. I'm 60 years of age, and I live in Greenwich, Connecticut.

Q: Mr. Bible, would you state your current position with Philip Morris.

A: Yes. I'm chief executive officer and chairman of the board of Philip Morris Companies.

10:19-10:25

Q: Well, do you recall likening Philip Morris and the cigarette industry to Winston Churchill and President Roosevelt of the United States?

A: I don't recall saying that, no.

Q: Do you recall describing antitobacco advocates as the Germans and bad guys in World War II?

A: No, I never said that.

11:3-11:22

Q: You did not then compare the cigarette industry as the allies and the antitobacco public health advocates as Germans?

A: No, I don't remember saying that at all.

Q: Did you recall assuring the 2,000 or so Philip Morris employees that Philip Morris would eventually win over the public health advocates in the cigarette battle?

A: I don't recall saying "the public health advocates." I could have -- I don't remember saying that. But I could imagine myself having said that we would win the battle.

Q: Win the battle. And the battle is between the cigarette industry and the public health community?

A: No, I think I would say those people who are antitobacco generally.

Q: Well, that would include the Surgeon General of the United States?

A: Could, hm-hm.

13:5-13:10

13:19-11:9

Q: And you were disturbed because a former employee's finance named Hasy Heep had turned over to the press documents including a document by a researcher in which he described cigarettes as hooking your customers. Do you recall that?

A: I recall the event, yes.

Q: Well, you don't recall yourself, Geoffrey Bible, using the words, "I will not sit silently as secret research materials are leaked to the media"?

A: I don't recall that statement, but I doubt I would have used the word "secret" because I don't believe we have secret documents.

Q: Do you recall, sir, that a judge in the state of Minnesota has accused your company of trying to hide documents in European subsidiaries from the court in Minnesota?

A: I've heard that, yes.

Q: Yes. Well, were you disturbed that a judge would accuse Philip Morris of trying to hide secret research material in Europe?

A: Yes, I was disturbed, because I don't believe we do.

14:14-14:19

Q: Would you, as the number one man at Philip Morris agree to turn over all documents that might be in Europe that deal with cigarettes and health to the State of Florida?

A: Oh, I'd take the advice of my general counsel on that.

15:3-15:7

Q: So there would be circumstances that you would agree that documents could be secreted away in Europe from United States courts?

A: No, it would depend upon what my general counsel would advise me.

15:16-16:1

16:15-16:21

Q: Do you recall telling your 2,000 employees on April 25th, 1996,

that Philip Morris has never lost a smoking-related case and that you didn't intend to lose any in the future?

A: I remember that.

Q: Did you remember telling the 2,000 employees gathered on April 25th, 1996, in tents in Richmond, Virginia, that Philip Morris was going to fight to the death the Food & Drug Administration's efforts to regulate cigarettes as nicotine delivery devices?

A: I remember that.

Q: that a person who is addicted loses his free will to make a choice?

A: No, I'm not familiar with that.

Q: Well, would you agree sir, that is a person's addicted to something, that his ability to exercise his free will is destroyed?

20:10-20:16

Q: Do you approve, sir, as the number one officer of Philip Morris, of executives of the company discussing amongst themselves destroying data?

A: Well, that doesn't sound something that I should not be unconcerned about; it would

always concern me, but I would always need to know the circumstances.

20:24-21:12

Q: Sir, you advocate adults in America having the freedom of choosing whether to smoke, do you not?

A: Yes, I do.

Q: Are you aware that there's a corollary to freedom of choice, and that's called full disclosure? In other words, people should have all the information needed to make their choice?

MR. BLEAKLEY: Objection to the form of the question.

SPECIAL MASTER RUTTER:
Overruled.

Q: You can answer, sir.

A: No, I wasn't aware of the corollary, but it sounds sensible.

22:1-22:7

22:20-23:3

Q: I suspected perhaps you did.
Can you tell me, sir, how many
cancer-causing substances are in
Marlboro when you smoke one?

A: I believe that there are around
40 animal carcinogens that have
been identified in cigarette smoke.
That was I think in the Surgeon
General's report.

Q: Do you know when you smoke
a Marlboro, that you may be taking
in radioactive substances in your
body?

A: No, I didn't know that.

Q: Have you ever heard of
polonium 210?

A: I think I have, yes.

Q: Do you know that polonium 210
is a contaminant of tobacco?

A: No, I didn't know that.

23:19-24:5

Q: Mr. Bible, would you describe your current compensation package by Philip Morris Companies, Inc?

A: Yes, I have a base salary. You need to know the amount?

Q: Yes, sir.

A: One - That's 1.5 million dollars.

Q: Yes, sir.

A: And at the end of each year we have a bonus, and my bonus last year I think was one and a half million dollars. And we have stock options. And we have a long-term incentive bonuses payable every three years. That's essentially my package.

25:1-25:5

Q: You currently own approximately seven million or more dollars in stock value with Philip Morris?

A: No. I own about seventy-five, seventy-eight thousand shares, and that would be about three million dollars. Plus the restricted stock.

26:16-26:18

Q: Sir, what year - what age did you begin smoking?

A: Fourteen -- approximately 14.

28:3-28:25

Q: you are aware of that. Sir, if it were established to your satisfaction, to your satisfaction, that cigarettes were a cause of lung cancer, would you order your company to stop manufacturing cigarettes until what it is in cigarettes that cause lung cancer could be removed?

A: Well, that's a tough hypothesis. I think if that were to happen, my first reaction would be to very quickly see what it was that was causing the difficulty, and to see quickly if we could remove it, address it satisfactorily. I think I'd need to speak with the government very quickly to see if they would continue to consider the product a legal product, because if it were an illegal product, then naturally we couldn't continue to manufacture it.

The tobacco industry is a -- is a large industry, huge economic impact in this country. Lots of very vital interests, like tobacco growers and retailers, employees.

I think I'd need to assess the circumstances at the time to see exactly what I would do, instantly.

But I would address it with full vigor and consult with the government.

29:5-30:2

Q: So while you decide what to do, Philip Morris would continue to produce two billion cigarettes a day?

A: No, I didn't say that.

Q: Would you - Would you shut it down?

A: It would depend on the circumstances. It's a bit hard for me to say in a vacuum here. I think -- If you'll force me to say what would I do in those circumstances, I'd probably say sure I'd shut it down instantly to get a better hold on things, but I would hope to get a better hold and talk with the government very quickly.

Q: So you don't agree with the chief executive officer of Lorillard that as long as -- until the United States declared cigarettes illegal, and even if 139,000 Americans died every year of lung cancer, he'd continue selling cigarettes. You don't agree with that philosophy --

A: I don't know why he said that. What he says is his opinion and not my opinion, so --

Q: And you don't share that opinion?

A: I can't comment on that. I've told you what my opinion is.

35:1-35:8

Q: And the warning, if you'd hold it there, says that "Smoking causes lung cancer," correct? That's what it says.

A: That's right. Government health warning.

Q: That's a government warning. Does Philip Morris agree with the government of Australia that smoking causes lung cancer?

A: No.

36:2-36:16

Q: Does Philip Morris agree that smoking is addictive? "Yes" or "No", sir?

A: You need to define -- As far as I know, to answer that I need to give the definition of it. In a sense, pharmacologically it is not addictive.

Q: In other words, Philip Morris --

A: Behavioral it is, perhaps.

Q: Philip Morris does not agree with the warning placed on cigarettes manufactured in the United States and sold in Australia that says "smoking is addictive"; you just -- you don't agree with that?

A: No.

Q: Now --

A: Certainly not pharmacologically addictive anyway.

38:6-38:16

38:24-39:3

Q: So, in the United States, you

sell cigarettes that have more tar in it than the Australian government allows you to sell, correct?

A: That's right. And the same with the European Union.

Q: So you make cigarettes in Richmond for the American market that contains 16 milligrams of tar, but when you sell the same cigarette to Australia, it has to have less, correct?

A: That's right. That's in conformity with the law.

Q: So you were selling cigarettes in Europe and in the United States that had warning labels on it, but you were selling it to Third World countries that had no warnings whatsoever, before 1990?

A: In some markets, I believe that's right.

43:3-43:7

Q: Are you aware of whether or not Philip Morris, for a period of time, paid the legal fees of the Liggett group in tobacco-disease litigation?

A: I'm aware we paid some of their litigation fees, yes.

44:10-44:14

Q: And what does it say, sir?

A: It says, "Warning: Smoking is Addictive."

Q: And that is a cigarette that is sold by Philip Morris in other parts of the world, correct?

A: It's a trademark, yes.

45:25-46:10

Q: Yes. And he's the first industry manufacturer of cigarettes in the United States to take that position, that nicotine is a drug and nicotine is addictive, correct?

A: To the best of my knowledge, yes.

Q: Do you believe nicotine is a drug, Mr. Bible?

A: I think it's a drug, but I think it's a drug with very mild pharmacological effects.

Q: Do you believe cigarettes are a nicotine delivery device?

A: No, I don't.

51:4-51:12

Q: Okay. Mr. Bible, I'm going to be finished here in a few minutes, believe it or not, and -- but I want to ask you a few questions about something called the gentlemen's agreement. Are you aware that there's an allegation that cigarette companies in the 1950's joined hands together and entered into a silent, secret gentlemen's agreement not to do biological testing with animals in-house internally?

A: No, I'm not aware of that.

55:13-55:22

Q: You wouldn't countenance even discussing destroying documents from the Surgeon General this day, would you?

A: Documents from the Surgeon General?

Q: Withholding documents --

A: Withholding documents from the Surgeon General.

Q: Yes.

A: It would depend on the documents. I'd need to ask my general counsel if they are privileged.

62:11-63:15

Q: "In markets where Marlboro Reds' share of young adult smokers has declined, share of starters was also down. Thus the ability to attract new smokers and develop them into a young adult franchise is a key to brand development."

Does that indicate to you, sir, that at least the marketing department was discussing ways to get people to start smoking?

A: No. I can be really frank about this. What that means is that to the extent that people decide to start smoking, we want them to smoke our brand. So our ability to have the new smoker choose our brand versus a competitor's brand is what that's referring to.

Q: Well, how do you get a nonsmoker to start smoking your brand? By advertising?

A: We don't. But they need to have a certain awareness that the brands exists.

Q: How do you get that awareness? You do that by advertising, correct?

A: Well, yes, advertising, sponsorship.

Q: Now, are you aware that a Philip Morris marketing five-year plan in 1983 calls children ages 15 to 19 the primary source of new smokers and sets forth a plan to exploit smoking menthol brands among young people through means such as, quote, "increased distribution of menthol at youth locations"?

A: What year was it again?

Q: 1983.

A: No, I'm not aware of it.

65:9-65:19

Q: Sir, my last question to you is -- is very simply this. Would Philip Morris agree that a single American citizen who smoked their products for 30 or more years, a single one, has ever died of disease caused in part by smoking cigarettes?

A: I think there's a fair chance that one would have, yes. Might have.

Q: How about a thousand?

A: Might have.

Q: A hundred thousand?

A: Might have.