

Howard Cox. *The Global Cigarette: Origins and Evolution of British American Tobacco, 1880-1945.* Oxford: Oxford University Press, 2000. xxii + 401pp. Â£35.00, cloth, ISBN 978-0-19-829221-0.



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Published on EH.Net (March, 2001)

Global Cigarette charts the history of modern cigarette production from its origins in the 1880s through to the development of an internationalised industrial and marketing structure in the 1940s. The subject is British American Tobacco (BAT), which was formed in 1902 when an American invasion of the British market triggered an Anglo-American alliance between the leading tobacco interests. BAT was an arm of the American Tobacco Corporation (headed by US tobacco kingpin James Buchanan Duke) and British-based Imperial Tobacco. The latter was given exclusive control of the British market, while the rest of the world was allotted to BAT (with the Americans holding a majority of the equity) - thus marking out BAT from the outset for a career as multinational. When the controlling American interests were forced to withdraw in 1911 after an anti-trust action, BAT became British-owned and controlled and its overseas business expanded rapidly in the inter-war period.

Cox's account is basically chronological, beginning with a discussion of the exploits of Duke, the mechanisation of cigarette manufacture, and

the growth of international competition between the 1880s and 1902. This is a fairly well known story and the least original part of the book, though the main developments are set out very clearly. BAT's growing control of the international market between 1902 and 1918 is considered next. From its London headquarters, BAT - as one of the world's first manufacturing-based multinational corporations - began to expand into markets in the British Dominions, Europe and the Far East. Here the author starts to deploy a wide range of source materials - BAT archives, public records, government data, and trade journals - that enable a detailed analysis of BAT's overseas trade and its business structure. A detailed breakdown of BAT data is presented in appendices. While the Americans were still in control, Anglo-American differences in business methods were apparent, though by the 1920s it is argued that BAT had developed its own culture and hierarchical organisation.

A major section looks at BAT's activities in China and India and so attempts a host country perspective. BAT's marketing drive in China

(which had been an American idea) was significant: in the early 1920s, it had eighty per cent of cigarette sales there, though political and economic developments soon eroded this dominant position. In India, BAT became the first British manufacturing multinational to invest in production capacity in that country. Interestingly, BAT's management approach in these two countries reflected the importance of national cultures: more commercially-minded in China, where BAT's American input was apparent; but paternalistic in India, where BAT's colonial sentiments were to the fore.

The last part of the book describes the emergence of renewed international competition in the 1920s and the increasing cartelisation of the industry in the 1930s. BAT now turned its attention to Latin America and the American market, where the formation of BAT subsidiary Brown & Williamson was to reap rich dividends. By the 1930s, BAT was involved in fifty separate markets, largely through a forest of nominally independent concerns. The collapse of these markets during the war was to present BAT with a major challenge.

Attempting to evaluate the performance of this multinational network is evidently a daunting task, even for someone with Cox's knowledge of BAT's empire. The picture that emerges from all the detail is somewhat similar to that presented by business historians of other companies and industries in the inter-war period: decidedly mixed. This was inevitable, given the range of countries covered and the volatile international economic and political situation in the 1930s. On the other hand, BAT's overseas policy - typical of British firms in that era - of running subsidiaries fairly loosely from head office was also part of the reason for this mixed record. This reflected the thinking of BAT chairman Sir Hugo Cunliffe-Owen, who was the driving force behind company strategy in the inter-war period. Cox provides a favourable if somewhat pedestrian account of Cunliffe-Owen, noting some of his weaknesses, but basically

viewing him as the architect of great company whose death was a great blow. BAT did make money under Cunliffe-Owen, but his main achievement seems to have been to create an unwieldy and inefficient overseas business empire that depended far too much (as Cunliffe-Owen intended) on central control. His other activities, which Cox politely describes as 'unorthodox' and financially sophisticated, included diverting BAT money into some rather shady business ventures, which resulted in major losses and a financial scandal. Even in the 1930s, it seems, BAT was no stranger to controversy.

Cox says that his book is not a conventional corporate history (presumably because it is management oriented). However, it has the feel of one with its company photographs, foreword by BAT chairman Sir Duncan Oppenheim, and its mostly favourable view of BAT's management and development. Generally, *Global Cigarette* shows both the strengths and weaknesses of much current business history writing: on the one hand, painstaking research and careful analysis of a wide range of sources dealing with a major industry; on the other, too much detail for most readers, a preoccupation with multinationals and management (can't business historians write about anything else?), and arguably not sufficiently distanced from big business. The book has been supported by BAT's public relations department and Cox strikes a sympathetic note when crediting an industry that he says has been obliged to become instinctively suspicious and defensive, arguing that BAT's support represents an "extraordinary act of faith." BAT, of course, is well known for its largesse to worthy academic causes (not least its eyebrow-raising sponsorship of the Association of Business Historian conference at Cox's university in 1999), but it is easy to see why it would be pleased with this effort. It does not discuss anything controversial. BAT is the subject of intense interest at present, both for its activities in China (where it has been alleged that the company has smuggled cigarettes), the nature of its rela-

tionship with Brown & Williamson, and the status of its archive at Guildford, where lawyers and historians are afforded only the most carefully controlled access. Cox has written an interesting and detailed book, but he would have found a much wider market for his skills if he had engaged with a historical time-frame that took in some of these more recent developments.

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Citation: Geoffrey Tweedale. Review of Cox, Howard. *The Global Cigarette: Origins and Evolution of British American Tobacco, 1880-1945*. EH.Net, H-Net Reviews. March, 2001.

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