

“Big Tobacco” cuts arts funding in New York City

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Altria Group, the recently assumed name of Philip Morris Companies, announced this month that because of corporate restructuring, it would no longer be making its \$7 million annual contribution to the arts in New York City. The largest US tobacco company - maker of Marlboro, the world's most popular cigarette, as well as the producer of numerous other US and global cigarette brands - has been funding art museums and dance and theater groups for 40 years. It is the third largest corporate arts benefactor in the so-called arts capital of the world.

Its recipients are the cream of New York cultural institutions, each of whom has received \$100,000 or more in a given fiscal year: Lincoln Center for the Performing Arts, Brooklyn Academy of Music, Alvin Ailey American Dance Theater, Jazz at Lincoln Center, Apollo Theater Foundation, Metropolitan Museum of Art, The Romare Bearden Foundation, Inc., Whitney Museum of American Art, Dance Theatre of Harlem, Inc., Aaron Davis Hall, Museum of Modern Art, Dance Theater Workshop, and The Studio Museum in Harlem.

Some organizations say they've had to overcome qualms about being funded by Big Tobacco. One embarrassing incident occurred in 1998 when a charitable exhibit of the gowns of Diana, Princess of Wales to raise money for the Cancer Research Foundation of America found that Philip Morris was one of its \$25,000 benefactors. While the Foundation officials strongly objected to the donation, they did not actually give it back, claiming the tainted money was not used directly to fund their activities.

Philip Morris has sought to make it easier for the recipients of its largesse, disguising its “mal odor” by changing its name in 2003 to Altria, a made-up word suggesting “altruism” and lacking the company's brand-recognition.

But before such scruples arose, the company began its charitable giving in the mid-1950s with a donation to the

United Negro College Fund. It began sponsoring the arts in 1958, when it funded an outdoor concert in Louisville, Kentucky near one of its factories. Its close relationship with the Whitney Museum of American Art, which has an annex gallery at the Altria Group's New York headquarters, began in 1967.

Beginning in the 1970s and 1980s, Philip Morris funded new and experimental dance groups ranging from the New York City Ballet to the Mark Morris Dance Group and Shen Wei Dance Arts. It was also an early donor to Next Wave Cinema at the Brooklyn Academy of Music, a program showing experimental and international films.

At the same time, however, Philip Morris USA was involved in ruthlessly fighting individual and class action suits eventually in all 50 states for hundreds of billions of dollars for deaths of smokers due to misleading advertising. (One settlement of \$10 billion was overturned in the tobacco company's favor by current nominee to head the Justice Department, Michael Mukasey when he was United States District Judge in New York in 1995.) The number and scale of suits has intensified since the 1990s; not surprisingly, the company ramped up its charitable contributions to \$1.2 billion over the same period.

By 2007, it ranked 11th in corporate giving, according to *The Chronicle of Philanthropy*, giving \$200 million in cash and in-kind donations to domestic violence shelters, hunger programs and disaster relief. In this context, the \$7 million for the arts in New York is a drop in the bucket, and the charitable contribution as a whole certainly buys good will on the cheap. And of course such contributions are tax-deductible.

It also seems Philip Morris was not above expecting some *quid pro quo* for their money. According to Matthew L. Myers, president and chief executive of the Campaign for Tobacco-Free Kids, in 1994 the tobacco company asked the arts groups it funded to press the New

York City Council not to pass a bill that would ban smoking in public places. (*NY Times*, 10/08/07)

Self-serving as Philip Morris Companies' charitable activities are, however, they are not out of the ordinary in the world of corporate gift-giving. Increasingly, corporations treat their arts sponsorship as a component of marketing. As a six-figure sponsor of City Center's "Fall for Dance" program, Time Warner required that its logo appear prominently on hundreds of thousands of brochures and ads, as well as on every ticket envelope.

The argument that accepting money from a tobacco company is somehow morally worse than other corporate sources holds little merit. Why is the money of the Ford Foundation or ExxonMobil, both of whom are major contributors to arts and social causes, any better when their products arguably contribute to global warming and imperialist wars? In any case, the profits of all corporations, even makers of the most benign products, are derived from the exploitation of labor, which has no control over how these profits are used. And if a fraction of these hundreds of billions is spent on worthy causes, it is only after the lion's share had been distributed in CEO's multi-million dollar salaries, and stockholders' dividends.

As government support for anything remotely to do with the "public good" is eliminated and put in the hands of private businesses — from health care to public education, from arts programs to disaster relief - these services are increasingly subject to the bottom line of corporate profit margins. Altria Group's art funding was cut because the company is closing its New York office in order to expand Philip Morris International, its overseas branch, as it aggressively pursues emerging markets in India and China, which offer billions of potential smokers and fewer regulations.

If anything, the withdrawal of Altria's arts funding exposes the inherently unstable and irrational situation that results from having organizations such as private charities and non-profit foundations, religious groups and the goodwill of wealthy individuals responsible for maintaining social infrastructure. Priorities that should be decided rationally and democratically are instead determined by a handful of groups and individuals with their own, often competing, sometimes fickle, concerns.

In fact, according to the Giving USA Foundation, giving by individuals far outstrips that of corporations and non-profit foundations; it accounted for \$222.89 billion or 75.6 percent of all estimated giving in 2006. This is an increase of 4.4 percent over the previous year. Nor is it

only the wealthiest who are philanthropists. Approximately 65 percent of households with incomes below \$100,000 gave to charity last year.

By far the largest recipient (32.8 percent) of these contributions are religious organizations; education is second, receiving 13.9 percent; human services receives 10 percent; arts and culture, a mere 4.2 percent.

In fact, what is most striking about the crisis in arts funding is how paltry the amounts are—amounts that nevertheless determine the existence of many cultural programs. Since the evisceration of the National Endowment for the Arts (NEA) in the 1990s as the opening act of the right-wing assault on the Clinton administration, funding for the arts has dropped to less than one percent of the federal budget. Even state sources of funding, such as the New York Foundation for the Arts, are themselves underwritten by corporate donors, the Altria Group among them.

Grants to individual arts, such as the Guggenheim Fellowships, that give artists \$40,000 - i.e. enough to live on for a year - are extremely scarce and competitive. Today, typical grants to artists range from a few hundred to five thousand dollars for specific projects.

It is on this level that these rather routine shifts in corporate funding are felt most painfully. On the shoestring budgets of small arts groups such as the experimental Big Dance Theater, for whom Altria was the sole corporate funder, the difference of a few thousand dollars is vital. Big Dance Theater received a parting gift from Altria of \$15,000, three times its previous annual grants.

Yet when another \$200 billion has been demanded for the wars in Afghanistan and Iraq to destroy not only lives, but the prerequisites of basic human life itself, turning necessities such as water and electricity into luxuries, it is little wonder that the arts are considered superfluous.



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