# Costs of Smoking

I abominate smoking and I do not grow or sell tobacco, nor do I have any shares in tobacco companies. During my medical career, I discouraged (not very successfully, I fear) all my patients from smoking, using all the usual arguments.

Nevertheless I was startled by a figure in a recent article in the British Medical Journal titled How the tobacco industry refuses to die. It was a Venn diagram in which the costs and benefits of smoking in the UK were displayed. On the benefits side was a smaller grey circle marked £9.5 billion. On the costs side was a vividly multi-coloured circle marked £12.9 billion.

The text of the article, however, said that the Exchequer received £10 billion in excise duty on cigarettes and a further £2 billion in VAT on cigarettes. British American Tobacco paid £1.45 billion in taxes, and if Imperial Tobacco paid taxes pro rata according to its profits, it would pay £0.7 billion. In other words, the figure in the benefits circle should have been at least £14.15 billion. This does not include the benefits of employment by the industry and – horrible to relate – the reduction in pensions that have to be paid to those who die early as a result of smoking. This would be an unpleasant figure to calculate, but if we are talking of economic costs and benefits it ought to have been included.

There is another difference between the economic costs and benefits of smoking as laid out in the BMJ. The economic benefits are certain – presumably the amount of taxes paid by smokers and the industry is known with a fair degree of

accuracy – but some of the costs are highly speculative. Nearly two thirds of them are ‘cost to business of smoking breaks’ (£5 billion) and loss to productivity due to premature death (£3 billion). Do only smokers get breaks in industry and private enterprise, then? If people stopped smoking, would they cease to need breaks? Considering that during the infamous 3-day week, production was 80 per cent of what it was during the 5-day week, how confident can we be that the figure of £5 billion represents any reality? And note that the costs side of the equation includes costs to production but the benefits do not include the lower pension payments.

I still dislike smoking. But let us permit or prohibit it on grounds other than economic, and let us, if we must consider its economics, do so honestly.

First published in