



Winston-Salem, N.C. 27102  
919-741-5000

March 8, 1994

Dear Colleague:

Many of you have asked about RJR's response to the highly inaccurate media stories and allegations by FDA Commissioner Kessler contending that tobacco companies add nicotine to their products to addict smokers.

Let me be as clear as I know how to be: RJR does not increase the nicotine in the tobacco we use in the manufacture of our cigarettes.

A number of you are familiar with the "G7" or "reconstituted leaf" process that was featured on the ABC program "Day One." That process enables us to press small pieces of tobacco and stems into useful tobacco sheets that we can use in cigarettes. ABC's allegation that nicotine is added to the tobacco sheets is absolutely false, and you should feel free to refute any claim that we do.

The fact is, nicotine levels in reconstituted tobacco are about 30 percent LOWER than the levels in leaf tobacco, and the process has played a big role in the industry's ability to reduce "tar" and nicotine levels in our products by 60 percent in the last 40 years. (See attached chart.)

It has been suggested in the media that simply because cigarettes contain nicotine they should be regulated as a drug by the FDA. That clearly would be inconsistent with past judicial interpretations of the intent of Congress when it enacted our Food and Drug Law, and therefore, would require congressional action. Some have claimed that this all changes because of their unfounded belief that we are "boosting" the nicotine content of our products. In fact, the cigarette manufacturing process actually reduces the nicotine content of the final tobacco blends.

I have written to the FDA administrator and clarified for him the role reconstituted tobacco has played in reducing "tar" and nicotine levels. The effort on the part of the anti-smoking industry to force the FDA to ban cigarettes from the marketplace is nothing more than an extension of their efforts at prohibition of cigarettes. We must fight them at every opportunity. All of us know where prohibition would lead: smuggling, black markets, crime and joblessness.

We have also written to ABC's standards and practices attorneys, highlighting for them the glaring and unconscionable errors they permitted in the first "Day One" broadcast. In regard to this Monday's broadcast concerning ingredients, since 1986 tobacco manufacturers have annually submitted ingredient information to the Department of Health and Human Services. HHS has given no indication that its review of cigarette ingredients has created any basis for concern. Ninety-nine percent of cigarette ingredients identified on the HHS list are also used in foods eaten every day. A government official appearing on "Day One" claimed 13 ingredients not allowed for food are added to cigarettes. The truth is that some of these are not used in cigarettes, and several others are approved as food additives. The remainder are approved as cigarette additives by government agencies in either Great Britain, Germany or both.

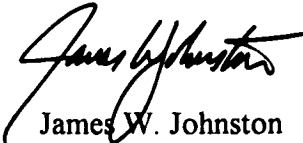
"We work for smokers."

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I take these events of the last week very seriously. Our industry has worked diligently for 40 years to meet consumer demand for lower "tar" and nicotine products, and developed innovative product improvements to do so. We can continue that tradition if the public health community works with us. Millions of Americans do and will continue to smoke. We can be part of the process to bring them continually improved products if legislators and regulators move themselves out of the past and look realistically to the future. We must change the attitudes that are tying the hands of this industry to address changing consumer desires.

I urge you to take every opportunity to set the record straight regarding the false allegations made about our company in the past week. Our company and our industry need your support.

Sincerely,

A handwritten signature in cursive script, appearing to read "James W. Johnston".

James W. Johnston

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# Sales-Weighted Average "Tar" and Nicotine Deliveries

