

DRAFT

September 24, 1993

I am writing to provide you R.J. Reynolds' perspective on the letter sent by 27 state attorneys general to Chairman Janet D. Steiger of the Federal Trade Commission, urging her to accept a staff recommendation to ban further use of the Joe Camel advertising caricature.

The argument made by these attorneys general is based on articles that appeared in the December 11, 1991 issue of the "Journal of the American Medical Association." In the nearly two years that have passed since those articles were published, that work has been analyzed and thoroughly discredited by academicians representing specialties ranging from marketing to economics. Copies of papers prepared by Professors Claude Martin (University of Michigan), Joel Dubow (St. Joseph's University), William Krumske, Jr. (Millersville University), Howard Beales (George Washington University) and Richard Mizerski (Florida State University) are attached.

Without a solid nexus between the banning of Joe Camel and the direct advancement of the cause of reducing smoking by those below the age of 18, neither the Supreme Court's Central Hudson test nor the FTC Unfairness Standard are satisfied. Without evidence that Joe Camel advertising causes smoking initiation -- something which despite vociferous ad hominem attacks almost since the advertising began does not exist -- one cannot even argue that there is a lawful basis for stripping Joe Camel of its First Amendment protection.

Like the attorneys general, we are concerned about smoking by those under the lawful age. And, until put in context, the citation of a statement like "the percentage of underage smokers has risen rapidly, with an astounding 12% increase in smoking at the junior high level reported in 1991-92" is of great concern.

Broad-based, national studies sponsored by agencies of the United States government demonstrate that the overwhelming majority of young people do not even smoke one cigarette in 30 days -- the overly inclusive definition used by many researchers to categorize someone as a smoker.

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When a more reasonable standard, at least one cigarette a day, is used, the problem can be better understood. The "Monitoring The Future" survey conducted by the University of Michigan and sponsored by the National Institute on Drug Abuse, has been collecting information on cigarette use from 12th-grade students for well over a decade. Last year it began collecting information from 8th- and 10th-grade students as well. The reported results on daily cigarette use comparing 1992 versus 1991 showed the following:

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| <u>8th Grade Students</u> | <u>Down 2.8%</u> |
| <u>10th Grade Students</u> | <u>Down 2.4%</u> |
| <u>12th Grade Students</u> | <u>Down 7.0%</u> |

Furthermore, this same study has shown that, since 1987 when the Joe Camel advertising first appeared, there has been a drop in daily smoking among 12th-grade students of more than 8%. And, when you look at seniors who smoke one-half pack or more daily, the level of decrease over this period is over 12%.

Reynolds Tobacco, along with the rest of our industry, is very concerned about youth smoking and has had active programs for several decades supporting our position: youth should not smoke.

An advertising and informational campaign launched by RJR in 1991 addresses the No. 1 reason why kids smoke, as disclosed in the Teenage Attitudes and Practices Survey conducted by the Centers for Disease Control: peer influence. The program focuses on in-school programs which have reached more than 3 million junior high or middle school students in more than 160 U.S. cities. Free materials written for parents are also available from RJR and other industry partners.

We also agree that restricting access to cigarettes can be an effective means to reduce underage smoking. Since 1991, the tobacco industry has succeeded in getting all states which hadn't previously done so to pass legislation setting 18 as their minimum purchase age. Last summer, RJR also rolled out an in-store program called "Support the Law." Developed with retailers' advice, "Support the Law" provides training tools to teach store personnel effective and noncombative ways to decline to sell cigarettes and other age-restricted products to underage patrons.

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The criticisms levied at Camel and tobacco advertising in general come from a small, but very vocal, group of antismoking extremists. The use of manipulated data, however, is not an acceptable technique to influence public policy. At R.J. Reynolds we are addressing the issue of youth smoking responsibly, and we will continue to defend our right to communicate with adults who choose to enjoy smoking.

Sincerely,

attachments