

GOOD MORNING.

I WOULD LIKE TO SPEND THE NEXT 15 MINUTES OR SO TELLING YOU ABOUT OUR NATIONAL ADVERTISING PROGRAM.~~XV~~. THE REASONS FOR IT.~~XX~~. THE STRATEGIES WE'RE USING.~~XV~~. AND THE RESULTS WE ARE NOW SEEING.

EVERY OTHER YEAR SINCE 1968 / WE HAVE CONDUCTED A FAIRLY BROAD SURVEY OF ATTITUDES TOWARDS CIGARETTES AND THE TOBACCO INDUSTRY. AND.~~X~~. BY AND LARGE.~~X~~. WE HAVE WATCHED AS PUBLIC SUPPORT OF OUR PRODUCTS.~~XX~~ OUR POSITIONS.~~X~~ AND OURSELVES HAS DROPPED TO ALL-TIME LOWS.

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TIMN 0121859

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OUR MOST RECENT SURVEY ~~X~~ CONDUCTED JUST THIS PAST SPRING ~~X~~ FOLLOWED THE TREND. LET ME SHARE SOME EXAMPLES: *Rare*

- 2
- o TWO-THIRDS OF THE ADULTS IN OUR SURVEY SAMPLE FELT THAT CIGARETTE SMOKE IN THE AIR IS HARMFUL TO NONSMOKERS. THAT'S UP SEVEN POINTS IN JUST THE LAST TWO YEARS.
 - 3 o MORE THAN A THIRD THOUGHT GOVERNMENT SHOULD TAKE MORE STEPS AGAINST SMOKING. ~~XX~~. AND ONE QUARTER FELT STEPS SHOULD BE TAKEN AGAINST PUBLIC SMOKING.

COMPARED TO SOME OTHER ITEMS. ~~X~~. LIKE MARIJUANA. ~~X~~. THOSE AREN'T BIG NUMBERS. CLEARLY / THE AMERICAN PUBLIC HAS GREATER WORRIES THAN CIGARETTES. ~~XX~~

T 507431

TIMN 0121860

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BUT / IT IS SOBERING TO NOTE THAT ONE
OUT OF THREE ADULTS ARE CONCERNED ENOUGH TO
SUPPORT GREATER GOVERNMENT CONTROL OVER OUR
INDUSTRY.

IT IS ESPECIALLY SOBERING WHEN ONE
REALIZES THAT AN EQUAL NUMBER ~~X~~⁰ ONE OUT OF
THREE ADULTS IN THE U.S. ~~X~~ CHOOSE TO SMOKE.

SPEAKING OF THEM ~~X~~. HOW DO SMOKERS
VIEW THESE ISSUES? THEY ARE OUR MEMBERS'
CUSTOMERS. BY RIGHTS / THEY SHOULD BE SOLIDLY
BEHIND US.

WELL ~~X~~. I WISH THEY WERE. S.P.

4
FIRST OF ALL / FEWER PEOPLE THAN EVER
SAID THEY WERE SMOKERS. IN 1974 / THE FIGURE
WAS AT 41 PERCENT ~~X~~. BY 1980 / THE NUMBERS
HAD DROPPED TO 36 PERCENT ~~X~~ AND THIS YEAR /
WE FOUND OURSELVES AT 32 PERCENT.

T 507432

TIMN 0121861

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I SAID THAT FEWER PEOPLE SAID THEY WERE SMOKERS. THERE IS EVIDENCE. X. CIGARETTE SALES FIGURES/ STATISTICS/AND OTHER OPINION RESEARCH/ WHICH STRONGLY SUGGESTS THAT MORE PEOPLE ARE/ IN FACT/ SMOKING.

BUT/ IT SAYS A LOT/ WHEN A PERSON WHO SMOKES WON'T ADMIT TO IT.

5 OF THOSE WHO SAID THEY DO SMOKE. XX WE SAW A JUMP IN THE PERCENTAGE WHO SAID THEY WOULD "VERY MUCH LIKE TO QUIT." IN 1980/ 23 PERCENT FELT THAT WAY X THIS YEAR/ THE NUMBER WAS 33 PERCENT. X. TEN POINTS IN TWO YEARS.

6 AND/ IT'S NO WONDER. XX SMOKERS HAVE BEEN TOLD THAT SMOKING WILL KILL THEM. X. HURT THE FOLKS AROUND THEM. X. MAKE THEM LESS

T 507433

TIMN 0121862

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ATTRACTIVE. ✕. CAUSE FIRES. ✕. CREATE LITTER. ✕
WRINKLE THEIR SKIN ✕. YELLOW THEIR TEETH ✕.
AND EVEN OFFEND GOD.

AGAIN / TURNING TO OUR RESEARCH. ✕ ✕ 55
PERCENT OF THE PEOPLE WHO SAID THEY WERE
SMOKERS / ALSO SAID THEY WERE "FREQUENTLY" OR
"OCCASIONALLY" UNCOMFORTABLE ABOUT SMOKING
AROUND OTHERS. THAT NUMBER HASN'T CHANGED
MUCH IN RECENT YEARS. ✕. BUT IT'S TOO HIGH. ?

LADIES AND GENTLEMEN. ✕. OUR CHALLENGE
IS CLEAR.

THE QUESTION IS ✕ WHAT ARE WE DOING
ABOUT IT? ^{??} IF I HAD MY ~~WISH~~ ✕. THE TOBACCO
INDUSTRY WOULD BE SEEN AS A PUBLIC-SPIRITED
INDUSTRY COMPOSED OF SMALL AND LARGE
COMPANIES / INDIVIDUALS / AND FAMILIES. ✕ ✕ WITH
A GLORIOUS ^{Treacher} ~~HISTORY~~ / AND WHICH PROVIDES A
PRODUCT ENJOYED BY MANY ADULT AMERICANS.

T 507434

TIMN 0121863

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IF I HAD MY ^{WAY} ~~WISH~~ / WE WOULD NOT BE
CONTROVERSIAL ENOUGH TO DRAW THE ATTENTION
OF A POLITICIAN OR A BUREAUCRAT. OUR INDUSTRY
WOULD BE SEEN AS A NICE BUNCH OF FOLKS /
EARNING A MODEST LIVING AND MINDING THEIR
OWN BUSINESS ~~X~~. OUR CUSTOMERS WOULD NOT BE
UNDER SIEGE.

FROM MY EXPERIENCE ~~X~~. THAT'S A
REASONABLE DESCRIPTION OF THE U.S. TOBACCO
INDUSTRY.

BUT CLEARLY ~~X~~. WE DO NOT HAVE THAT
IMAGE. I BELIEVE WE ARE SEEN AS GREEDY ~~X~~.
UNCARING ~~X~~. AND OVERLY POWERFUL.

IN MY JUDGEMENT / IT WILL TAKE MANY YEARS
FOR US TO CREATE A MORE POSITIVE / LASTING
IMAGE FOR THE U.S. TOBACCO INDUSTRY.

A JOURNEY OF A THOUSAND MILES BEGINS
WITH A SINGLE STEP ~~X~~. WHERE DOES ONE START?

TIMN 0121864 T 507435

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HOW DOES ONE BEGIN TO REVERSE THE TRENDS OF
A DOZEN OR SO YEARS?

FOR US. WE BEGAN BY SETTING THREE/
SHORT-TERM/ MANAGEABLE GOALS. GOALS TO
HELP US BETTER ORGANIZE AND EQUIP OURSELVES
FOR THE BATTLES AHEAD.

7 GOAL NUMBER ONE. TO ACHIEVE GREATER
PRIDE AND UNITY WITHIN THE TOBACCO INDUSTRY.
WE HAVE TO EXPRESS OURSELVES.

IN THE UNITED STATES/ THERE ARE
VIRTUALLY HUNDREDS OF THOUSANDS OF PEOPLE
WHO EARN THEIR LIVING. AT LEAST IN PART.
FROM TOBACCO. THERE ARE TENS OF MILLIONS
OF AMERICANS WHO CHOOSE TO ENJOY TOBACCO
PRODUCTS.

T 507436

TIMN 0121865

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EVERY ONE OF THOSE PEOPLE HAS A STAKE
IN THIS INDUSTRY'S LONG TERM SUCCESS.

THEREFORE. ~~X~~ THIS GOAL IS AIMED AT
COUNTING OUR FRIENDS. ~~X~~. OBTAINING A FEW
OTHERS. ~~XX~~ ORGANIZING. ~~X~~. AND BECOMING THE
NATIONWIDE "TOBACCO" CONSTITUENCY WE NEED
SO BADLY.

8

GOAL NUMBER TWO. ~~XX~~ IN A WORD: ~~X~~
CREDIBILITY. IF PEOPLE DON'T BELIEVE YOU. ~~X~~.
THEY DON'T LISTEN. IF THEY DON'T LISTEN ~~XX~~.
THEN WHY ARE WE TALKING. ~~X~~. AND TO WHOM?
SO. ~~X~~. CREDIBILITY. ~~X~~. AS BASIC AS IT IS. ~~X~~.
IS ONE OF OUR HIGHEST PRIORITIES.

HOW DOES ONE GO ABOUT BECOMING
"CREDIBLE?"

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TIMN 0121866

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AS AN INDUSTRY. ✕. WE NEED TO DO SOME OF THE THINGS PEOPLE WOULD LIKE US TO DO. ✕. WE NEED TO SHOW THE PUBLIC WE ARE WORTH LISTENING TO. ✕. AND FRANKLY, WE NEED TO SAY THINGS WHICH CONFORM WITH THE WAY PEOPLE THINK. LET ME SHARE SOME EXAMPLES: ✕ ✕ *?*

WHEN WE SPEAK ABOUT THE ECONOMIC CONTRIBUTION OF TOBACCO. ✕. PEOPLE RESPOND. PEOPLE UNDERSTAND AND APPRECIATE JOBS. ✕. TAXES. ✕. MONEY.

WHEN WE TELL PEOPLE THAT CIGARETTE SMOKE DISSIPATES WHEN IT HITS THE AIR. ✕. ✕. IT MAKES SENSE TO A LOT OF PEOPLE.

BUT WHEN WE TELL PEOPLE THAT CIGARETTE SMOKING MAY NOT BE HARMFUL. ✕. EVEN THOUGH WE ARE EXACTLY CORRECT. ✕. WE ARE NOT BELIEVED.

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TIMN 0121867

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SO. ~~X~~. CREDIBILITY IS GOAL NUMBER TWO.

9 GOAL NUMBER THREE. ~~X~~. WE MUST BEGIN TO SET THE AGENDA AND NOT SIMPLY REACT. ~~TO~~

~~ACCUSATIONS.~~

CERTAINLY / THERE ARE TIMES WHEN THE ACCUSATIONS ARE SO SERIOUS. ~~X~~ AND SO WIDELY HEARD. ~~X~~. THAT WE DO RESPOND.

BUT / I THINK / WE SOMETIMES OVERESTIMATE THE INFLUENCE OF THE ANTI-SMOKERS. ~~X~~ THE AMERICAN PUBLIC DOES NOT DWELL ON EVERY WORD THEY SAY. BY TRADING BULLET FOR BULLE WITH THEM. ~~X~~. I FEAR WE SIMPLY INCREASE PUBLIC AWARENESS OF THE ACCUSATIONS.

I'VE SPOKEN FOR A FEW MINUTES ABOUT HOW THE PUBLIC VIEWS US. ~~X~~. AND WHERE WE'D LIKE TO BE IN THE SHORT TERM. 507439

THAT LEAVES THE BIG QUESTION ~~X~~ HOW ARE WE GOING TO GET THERE? ONE ANSWER IS OUR NATIONAL ADVERTISING PROGRAM.

TIMN 0121868

10 HERE ARE SOME OF THE ADS THAT HAVE
APPEARED SO FAR. XX

11 OUR FIRST AD INTRODUCED THE PROGRAM. XX

12 AD NUMBER 5 SPOKE ABOUT AMBIENT SMOKE. XX.

13 AD NUMBER 3 XX. IT DEALT WITH CIGARETTE
ADVERTISING AND KIDS. XX

14 AND AD NUMBER 7 QUESTIONED THE NEED FOR
PUBLIC SMOKING LAWS.

 WHAT ARE OUR OBJECTIVES? WELL X I WOULD
ARGUE THAT OUR NATIONAL ADVERTISING
OBJECTIVES ARE THE SAME AS THE THREE I JUST
FINISHED DESCRIBING.

15 1. WE WANT THEM TO SERVE AS A RALLYING
POINT. XX FOR PEOPLE IN THE INDUSTRY X. FOR
SMOKERS WHO WANT TO SEE THE OTHER SIDE OF THE
STORY XX. FOR NONSMOKERS WHO ARE WEARY OF THE
ANTI-SMOKERS. TIMN 0121869 7 507440

16 2. WE WANT THEM TO HELP BUILD
CREDIBILITY. XX WE HAVE MADE A POINT OF SAYING
THINGS IN A MODERATE / REASONABLE WAY. XX. WE

HAVE TACKLED ISSUES WHERE PEOPLE STILL SEEM WILLING TO LISTEN.X. AND/ THIS FALL/ WE ARE FEATURING SUBJECTS WHERE PUBLIC SUPPORT IS EVIDENT:

17 AD #4.XX. "DO CIGARETTE COMPANIES WANT KIDS TO SMOKE?"^{s.p.} MAY SURPRISE SOME READERS WHEN THEY FIND THE ANSWER IS A RESOUNDING 'NO.

18 AD #6.XX "WHAT HAPPENS TO CIGARETTE SMOK IN THE AIR?"X WILL SURPRISE NO ONE SINCE THE ANSWER IS NOTHING MORE THAN COMMON SENSE. BUT/ ISN'T IT TIME THAT SOME COMMON SENSE CAME INTO THE BATTLE?

SO.X. I DO BELIEVE THEY HELP US WIN CREDIBILITY.

19 OBJECTIVE_3.XX BOTH FOR THE ADVERTISING AND OVERALL.X. IS THAT WE SET THE AGENDA. WE HOPE TO PUT THE ANTI-SMOKERS ON THE DEFENSIVE. TIMN 0121870 7 507441

AS YOU HAVE JUST SEEN.X. WE HAVE A HALF DOZEN ADS PREPARED AND IN USE. THE FORMAT ALLOWS US TO DEAL WITH MOST ISSUES.X. AND TO

BUILD READERSHIP OVER TIME.

20 THE ADS WILL BE SEEN IN MAJOR CONSUMER AND TOBACCO MAGAZINES THIS YEAR BY NEARLY EIGHT OUT OF EVERY TEN AMERICAN ADULTS. IT IS HARD TO FIND ANOTHER ISSUE ADVERTISING PROGRAM THAT HAS REACHED AS MANY PEOPLE / AS QUICKLY OR AS BOLDLY.

22 RIGHT ABOUT NOW / YOU MAY BE SAYING TO YOURSELF. X. "THE ADS ARE ATTRACTIVE. X. AND THEY SAY THE RIGHT THINGS. X. BUT WHAT ARE THEY DOING FOR THE INDUSTRY?"

TIMN 0121871

SINCE OUR CAMPAIGN BEGAN LAST WINTER / WE HAVE BEEN LOOKING VERY CLOSELY AT THE RESULT IN STARTING / WE KNEW THAT NO ADVERTISING PROGRAM X-NO MATTER HOW CLEVER OR ATTRACTIVE X IS CAPABLE OF REVERSING 30 YEARS OF BAD PUBLICITY IN SIX MONTHS. WE KNEW THAT ANY SHORT TERM IMPROVEMENT WOULD BE SMALL. X. IF

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IT EXISTED AT ALL.

WE ALSO RECOGNIZED THAT OUR ADS ARE NOT THE ONLY SHOW IN TOWN. AND/ AS IT TURNED OUT/ THE SURGEON GENERAL ISSUED HIS 1982 REPORT A FEW DAYS BEFORE OUR FIRST ADS WERE PUBLISHED. CONGRESSIONAL HEARINGS ON NEW WARNING LABELS WERE HELD. CONGRESS DEBATED THE PRICE SUPPORT PROGRAM AMENDMENTS, AND THE USUAL ANTI-SMOKER RHETORIC CONTINUED. STILL. AN INVESTMENT OF THIS MAGNITUDE DEMANDS RESULTS.

SO/ UP FRONT/ WE AGREED WE WOULD BE SATISFIED IF THE INITIAL RESEARCH SHOWED THAT

23

o PEOPLE WERE SEEING THE ADS. AND FOUND THEM INTERESTING.

24

o PEOPLE STARTED THINKING BETTER OF THE INDUSTRY. ABOUT SMOKING. AND ABOUT SMOKERS.

25 o FINALLY / WE HOPED THAT SMOKERS WOULD
LIKE THE ADS. WE FELT IT WAS TIME THAT
SMOKERS READ SOMETHING NICE ABOUT TOBACCO

WE HAVE MEASURED RESULTS IN SEVERAL WAYS X

26 FIRST / WE QUESTIONED 2,000 ADULTS SELECTED X
RANDOMLY FROM THE NATIONAL POPULATION X IN
FEBRUARY AND AGAIN IN JUNE. X. JUST BEFORE
AND JUST AFTER THE ADS RAN THIS PAST SPRING.

THEN, WE TOOK THE UNUSUAL STEP OF IDENTIFYING
1,400 KNOWN SMOKERS AND 1,400 KNOWN

NONSMOKERS FROM OTHER SURVEYS AND WE

INTERVIEWED THEM THREE TIMES. X X BEFORE. X.

DURING / AND AFTER THE SPRING ADS APPEARED.

WE MAILED REPRINTS OF OUR ADS TO THESE
PEOPLE. THIS WAS TO FORCE A READING. X. TO

MAGNIFY WHAT WOULD BE HAPPENING IN THE

GENERAL POPULATION.

TIMN 0121873

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LET ME GIVE SOME EXAMPLES OF WHAT THESE SURVEYS SHOWED:*

- 27
- o DID ANYONE SEE THE ADS? IF PEOPLE SAID THEY READ THE MAGAZINES WE'RE USING / WE ASKED IF THEY REMEMBERED ANY ADS THAT SPOKE TO THE CONTROVERSY OVER CIGARETTE SMOKING.
IN FEBRUARY X. ABOUT 22 PERCENT SAID THE DID. BY JUNE / THE NUMBER WAS AT 27 PERCENT. WE FELT THAT FIVE POINTS IN SIX MONTHS WAS ACCEPTABLE.
 - 28 o OF THOSE WHO SAW THE ADS / WE ASKED X "DID YOU FIND THEM VERY INTERESTING?" IN FEBRUARY / JUST FIVE PERCENT THOUGHT SO X.
BY JUNE THE NUMBER HAD NEARLY TRIPLED.
 - o WERE THE ADS PERSUASIVE? REMEMBER / WE HOPED TO SLOW THE DOWNWARD TRENDS. WE WERE PLEASANTLY SURPRISED.

29

WE ASKED ~~X~~ WHO SPENDS MORE MONEY ON MEDICAL RESEARCH ON SMOKING AND HEALTH? WAS IT THE TOBACCO COMPANIES / OR THE CANCER SOCIETY / LUNG ASSOCIATION AND HEART ASSOCIATION COMBINED? OUR NUMBERS WENT UP SLIGHTLY ~~X~~. THEIRS WENT DOWN. BUT THERE'S STILL A LONG WAY TO GO.

30

DOES CIGARETTE ADVERTISING CAUSE KIDS TO SMOKE? IN FEBRUARY / 25 PERCENT THOUGHT SO ~~X~~. IN JUNE / THE NUMBER WAS A BIT LOWER.

IS CIGARETTE SMOKE IN THE AIR HARMFUL TO NONSMOKERS? IN FEBRUARY / 70 PERCENT THOUGHT SO ~~X~~. BY JUNE / THE NUMBER HAD DROPPED BY THREE PERCENT.

TIMN 0121875

T 507446

AND SHOULD THERE BE SEPARATE FACILITIES FOR SMOKERS AND NONSMOKERS? WELL ~~X~~. THERE WAS NO CHANGE OVER THE SIX MONTHS. IT REMAINED AT 74 PERCENT WHO FELT THERE SHOULD BE.

31

THE NUMBERS COULD HAVE BEEN FAR WORSE. X.
THERE WERE NEARLY 40 PUBLIC SMOKING BILLS
DEBATED IN 23 STATES WHILE WE WERE
SURVEYING. MORE THAN 110 MILLION PEOPLE
LIVE IN THOSE STATES AND / CHANGES ARE / THE
"PUBLIC SMOKING" DEBATE WAS CONDUCTED WITHIN
EARSHOT OF THEM.

THE SURVEYS WERE / AND WILL CONTINUE TO BE /
A MAJOR SOURCE OF INFORMATION.

TIMN 0121876

BUT / OUR ANALYSES OF THE READER MAIL ARE
OFTEN MORE ENLIGHTENING. CONSIDER THIS X A
PERSON WHO TAKES THE TIME TO WRITE US AT
THEIR OWN EXPENSE X WHEN THEY COULD WRITE
THEIR CONGRESSMAN / OR THE EDITOR / OR THEIR
LOCAL NEWSPAPER JUST AS EASILY X IS A
CERTAIN KIND OF PERSON. WE WANTED TO KNOW
MORE ABOUT THAT KIND OF PERSON.

T 507447

OUR ADS OFFERED A BOOKLET. AMONG NEARLY
25,000 REQUESTS WE RECEIVED VERY FEW
CRITICAL LETTERS.✕. A GOOD SIGN. WE TOOK
THE ADDITIONAL STEP OF SURVEYING 500 OF THE
PEOPLE WHO ASKED FOR THE BOOKLET. MANY OF
THEM TURNED OUT TO BE SMOKERS.✕. WELL
EDUCATED.✕. REASONABLY WELL OFF. AND WE
FOUND THAT THEY LIKED THE ADS AND LIKED THE
BOOKLET. AS WE SUSPECTED / THEY WERE THE
KIND OF PEOPLE WHO WRITE THEIR CONGRESSMAN.

BEYOND THE SURVEYS AND THE MAIL, WE WATCHED
THE NEWS MEDIA FOR REPORTS OF OUR AD
CAMPAIGN. WE WERE NOT DISAPPOINTED.✕. THE
PRESS / PUBLIC OFFICIALS / AND ANTI-SMOKERS
HAVE NOT REACTED NEGATIVELY TO THE PROJECT.
MAYBE AT LONG LAST, WE'VE LEFT THEM
SPEECHLESS.

T 507448

TIMN 0121877

I HOPE I HAVE NOT LEFT YOU SPEECHLESS. I
WOULD BE HAPPY TO ANSWER ANY QUESTIONS YOU
MAY HAVE.

TIMN 0121878

T 507449