

CARAVAN

SDC
11/19
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(See Page 8)

Cigarette excise taxes: a burning issue

Health care will cost Americans \$939 billion this year, according to *USA Today*. Providing health-care coverage for all uninsured Americans under the Clinton health-care reform proposal is expected to cost an additional \$30 billion to \$90 billion.

To help pay for health-care reform, Clinton Administration spokespersons have indicated they plan to hike the federal cigarette tax 75 cents to \$1 per pack. And there are some legislators in Washington who would like to raise the tax by as much as \$2 per pack. With two federal cigarette tax increases since the beginning of 1991, smokers, tobacco growers and others associated with tobacco have said enough is enough on taxes and are mounting a fight against any increase.



Tobacco grower Pender Sharp (right) and other growers from North Carolina traveled to Raleigh to present Gov. Jim Hunt (left) with petitions signed by more than 500,000 people who oppose an increase in the cigarette excise tax.

Smokers' rights groups nationwide have been collecting hundreds of thousands of signed petitions and

presenting them to legislators. Tobacco growers in Southern states have visited legislators in Washington and in their own states. Retailers and other interested members of the business community are buying newspaper ads and writing letters to editors opposing a tax increase. In fact, many people with no vested interest in tobacco are speaking out against the unfairness of singling out one group of people to pay the health-care bill. Voices across the country are crying out for fairness and against any increases in taxes.

The day after President Clinton's health-care reform address to the nation, a group of 30 smokers gathered in Tampa, Fla., to protest

President Clinton's "promise" to raise the cigarette tax. They held a rally outside a facility where ABC was broadcasting a live, special edition of "Nightline" with President Clinton on health-care reform.

In Kentucky, the *Owensboro Messenger-Inquirer* interviewed several individuals working against a tax increase. Stan Arachikavitz, president of a smokers' rights organization, said, "I agree we need a health-care plan, but the way Clinton is going about it will totally devastate this state." The newspaper article indicated that since April, Arachikavitz and his group have collected thousands of petition signatures protesting a tax increase.

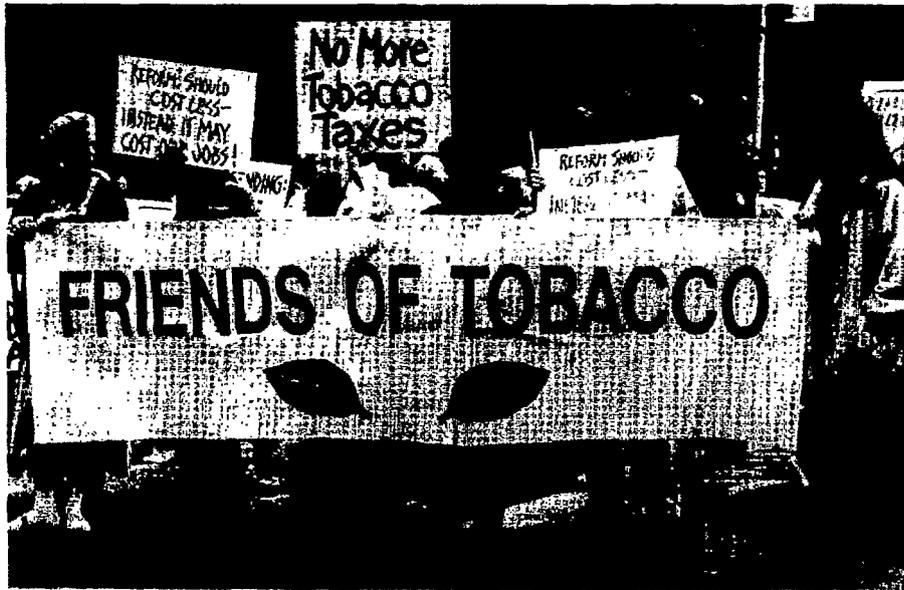
Also interviewed was Gary Huddleston, a spokesman for the Kentucky Farm Bureau, which represents 340,000 members in Kentucky. Huddleston said, "If they raise taxes 75 cents to \$1 in one swoop, then I'd have to assume their intent is to legislate the tobacco industry out of business." The group ran full-page ads in five Kentucky newspapers opposing any increase in the cigarette tax.

In North Dakota, the *Bismarck Tribune* reported that the North Dakota Smokers' Rights Coalition met with Sen. Kent Conrad and presented him with more than 50,000 signatures from people across the state who are against any increase in the cigarette tax. The group had gotten word that Conrad believed that his constituents were not opposed to an increase in the cigarette tax. "I don't know where he got the idea that there would be no opposition throughout the state regarding this tax," said Arlys Fowler, president of North Dakota's Smokers' Rights Coalition. "We are asking him to reconsider his opinion and thoroughly think this through."

Sen. Conrad said his response had been taken out of context, and that he has not yet endorsed a tax on cigarettes. He told the group he will wait until the health-care plan is delivered to Congress and review it in its entirety to determine if the tax level is appropriate.

In Washington, D.C., a group called Individual Rights Association marched at the Capitol to make it clear to Washington lawmakers that they are tired of discrimination. The group included tobacco farmers who had driven from surrounding states to join the protest.

In a recent *Wall Street Journal* editorial, ▶▶



(Continued from page 1)
 Norman Ture, president of the Institute for Research on the Economics of Taxation, said "Presumably, the health-care problem the Clintons want to solve is of national interest. If this is not the case, the federal government has no business meddling even more than it now does in the health-care market. To justify the extensive and expensive changes in the funding and delivery of health-care services, the nation's health-care problem must be one that involves everyone in the country. For this reason, everyone in the country, not only cigarette smokers, should help pay for the proposed remedies.

"The proposed hike in the cigarette tax is perfectly consistent with Mr. Clinton's track record to date on tax matters. Convenience seems to be his only criterion. This, of

A group of smokers in Tampa, Fla., held a rally to oppose an increase in the cigarette excise tax. The demonstration was held outside a facility where ABC was broadcasting a live, special edition of "Nightline" with President Bill Clinton on health-care reform.

course, conforms perfectly with Congress's predisposition over the past several years to treat tax policy as merely the means to get the most added revenue with the least political pain. The only principle to be found in this approach is that which guided bank robber Willie Sutton: Go where the money is. You have to wonder what, or who, will be the next victim."

In North Carolina, tobacco growers traveled to Raleigh to present Gov. Jim Hunt with petitions signed by 500,000 people who oppose an increase in the cigarette tax. Gov. Hunt promised to send the petitions on to President Clinton.

Employees from R.J. Reynolds Tobacco Co. took personal vacation time and traveled to Chapel Hill, N.C., where President Bill Clinton was speaking on health-care reform. They joined more than 1,000 friends of tobacco from several states in a peaceful demonstration against the proposed increase in the federal excise tax on tobacco.

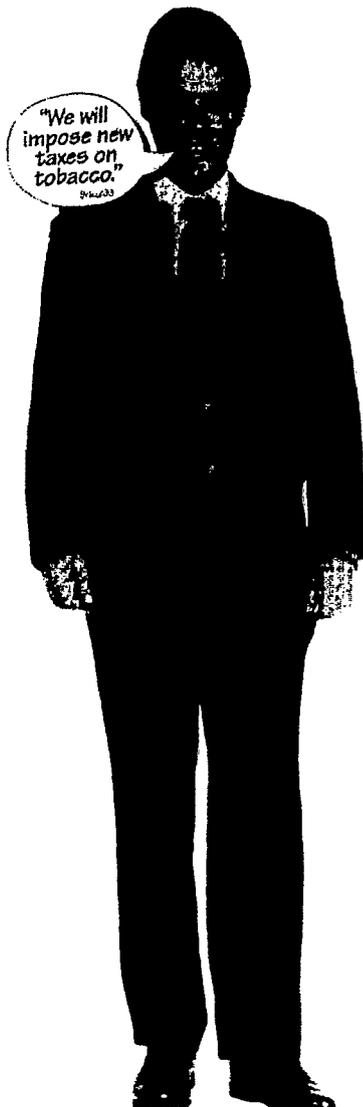
Pender Sharp, spokesman for the group and a tobacco grower in Wilson County, told Hunt, "It [a tax increase] would completely destroy our livelihoods....when he [President Clinton] talks about taxing tobacco, he's talking about putting me and my family out of business. I cannot afford to pay for health insurance for the whole country."

An item in a recent edition of *The News and Observer*, a Raleigh, N.C., newspaper, reported that Friends of Tobacco, a tobacco growers group in Seven Springs, was asking people to "display green ribbons today on homes, businesses and clothes to demonstrate opposition to higher cigarette taxes."

Joe Leonardo, chairman of the board for the National Association of Convenience Stores (NACS) in Alexandria, Va., recently spoke out against the



proposed tax increase. "With more than 25 percent of convenience store revenues coming from the sale of cigarettes, a major increase in the tax could put a number of stores out of business, and result in thousands of retail job losses." Leonardo said that in May, the Association launched a nationwide grass-roots campaign against a tobacco tax increase and, at its annual meeting in San Francisco, the Association assisted more than 3,000 NACS members in writing letters to their Congressman opposing increased tobacco taxes. In addition, they signed a giant-sized letter to President Clinton opposing the tax. The letter was signed by



hundreds of NACS members at the meeting and the group plans to deliver it to the President this fall.

David Brewer of High Point recently wrote a letter to the editor of the Greensboro *News & Record*. "The proposed tax increase is unfair. It would harm the very people, the middle class, that our officials have been promising to protect. Excise taxes take proportionately more money from lower- and middle-income people than they do from the wealthy....Smokers already pay more than their fair share."

During a recent visit by President Clinton to the University of North Carolina at Chapel Hill, the agricultural community from several states and employees of several tobacco companies joined ranks to protest the proposed FET increase. More than 1,000 people, including members of The Friends of Tobacco, the Virginia Concerned Citizens of Tobacco and the Virginia Tobacco Association, growers, warehousemen, leaf buyers and employees of R.J. Reynolds Tobacco Co., American Tobacco Co., and Philip Morris gathered in a peaceful rally outside Kenan Stadium where President Clinton spoke. The focus of the group's protest was the loss of jobs that will result if any increase in the FET is passed by Congress. The demonstrators received national and statewide media coverage for the tobacco industry's position on excise taxes.

Many Reynolds Tobacco employees also participated in a letter-writing program in the flue-cured tobacco states encouraging tobacco growers to write their Congressmen. The effort generated more than 2,000 letters over a three-week period.

At R.J. Reynolds Tobacco Company, the Tobacco Action Coalition (TAC), an employee group that has formed to



Arlys Fowler (left), president of North Dakota's Smokers' Rights Coalition, and Myron Kapp, a coalition member, visited Sen. Kent Conrad in Bismarck and presented him with more than 50,000 signatures on petitions opposing any increase in the cigarette excise tax.

address important tobacco issues, conducted a letter-writing campaign among Winston-Salem-based employees. TAC members manned tables at facilities around the company so that employees could stop by and write letters and sign petitions. About 8,500 employees wrote more than 11,700 letters to legislators asking them to vote no on a cigarette tax increase.

If you want to write a letter to the President, Congressmen or Senators to oppose an increase in the federal excise tax, following are the addresses:

President Bill Clinton
The White House
Washington, D.C. 20500

Congressman *(name)*
U.S. House of Representatives
Washington, D.C. 20515

Senator *(name)*
U.S. Senate
Washington, D.C. 20510 ■

Should tobacco taxes pay for health-care reform?

Many Americans agree that the nation's health-care system needs reform. Americans pay more for health care than any other industrialized nation — more than 14 percent of the U.S. gross national product (GNP). Major economic competitors — Japan, Germany, Canada, England and France — spend far less. In fact, Japan and England spend less than 7 percent of GNP. Yet all those countries have health care for all their citizens.

The intent of "reform" in the U.S. health-care program is to provide universal access to care for all Americans and to control costs. The Clinton Administration estimates that about 37 million people currently don't have health-insurance coverage.

Consumer Reports puts health-care industry waste at \$200 billion a year. And Joseph Califano, President Carter's secretary of health, education and welfare, says that cutting out fraud and abuse in the system would provide more than enough money for "all health care needs."

But to the Clinton Administration, it seems "reform" means more spending. To fund their plan, smokers are being singled out. According to press reports and statements by administration officials, a cigarette tax increase of 75 cents to \$1 per pack is being considered to pay for universal health-care. And there are some in Washington who would like to see an even higher tax imposed on smokers.

If smokers are singled out to pay for the cost of health-care reform, it will mean that low- and middle-income Americans will bear the heaviest financial burden. The Congressional Budget Office, in a 1987 report, called cigarette taxes the "most regressive" of all taxes. Check out the facts about tobacco taxes!

Based on data compiled by the accounting firm Price Waterhouse, following are facts about tobacco taxes:

- The tobacco industry provides direct or indirect employment for about 2.3 million people who earn about \$66 billion a year.
 - The tobacco industry directly employs about 680,000 workers who earn more than \$16 billion a year. The companies and their employees paid more than \$7.5 billion in federal, state and FICA taxes.
 - Payments made by those in the industry — for everything from farm tractors to cigarette paper — result in the employment of another 1.6 million workers who earn more than \$50 billion a year.
 - The tobacco industry alone contributes more than \$50 billion a year to the GNP.
 - Smokers pay more than \$11 billion per year in cigarette taxes — about \$5 billion in federal taxes and \$6 billion in state taxes.
- An increase of \$1 in the federal excise tax could result in:**
- A projected loss of about 388,000 jobs affecting virtually every state in the U.S. and resulting in a loss of about \$11 billion in payroll.
 - A loss of about 25,000 jobs in the tobacco community in the Southeast, which account for about \$158.4 million in paychecks.
 - In the retail sector across the country, employment could drop by 28,000 jobs.
 - A projected cigarette sales decline of about 17 percent, resulting in \$11 billion in lost state cigarette tax revenues.

Here are some other points to consider in the debate about the tobacco-tax piece of the health-care proposal.

The Clinton Administration says "sin taxes" in the form of a major federal excise tax on cigarettes will raise almost \$15 billion a year. The fact is the net revenue would be less than half what the Clinton Administration claims. The reason? Automatic, federally mandated cost-of-living-adjustments (COLAS) to the nation's massive entitlement programs, for starters.

George Mason University Professor Robert Tollison just completed a study that reveals that with just a 75-cent-a-pack increase in the federal cigarette tax, the Consumer Price Index (CPI) would jump a full 1 percent and spark an automatic \$4.12 billion in additional federal outlays in social security, welfare, food stamps and government pensions. (Cigarettes are part of the market basket of goods used to calculate inflation.) *This is not a theoretical argument.* The impact of the CPI is simple fact. As Dr. Tollison wrote recently: "[The CPI impacts] are simple, straightforward and indisputable." Dr. Tollison goes on to add to this a projected \$2.8 billion loss in federal income tax from displaced tobacco industry workers; another \$1.2 billion would go to unemployment benefits, other excise tax declines and revenues lost to indexing — and the \$14.47 billion the Clintons are saying "sin taxes" would bring in *ends up being only \$6.33 billion.*

Unemployed people tend to cost the federal government a lot of money. Workers can contribute to health-care plans; unemployed people cannot. The financial burden of health care for jobless people falls back on the government. An increase in excise taxes would have such severe economic consequences that more federal revenue might be eaten up by higher unemployment claims, tax losses incurred by state governments and disaster aid to tobacco-producing states. How can unemployment and a reduction in tax revenues help solve any of this nation's health-care problems?

Some people who want to "reform" health care lust for higher tobacco taxes as a source of revenue for higher health-care spending. We've already got the most expensive health-care industry in the industrialized world. Government and media investigations have discovered that hospitals charge incredible markups on



Nearly 40,000 jobs would be lost in the South alone if cigarette taxes are increased by 75 cents per pack.

everyday items: 1,500% on over-the-counter pain relievers, 2,600% on disposable slippers, over 3,000% on ice. American hospitals have so many empty beds that they have to advertise for customers — and yet they keep building new facilities. Before asking Americans to sink more money into the health-care pit, Congress should require the industry to put its house in order.

Anti-tobacco groups applaud higher cigarette excise taxes as a way to discourage smoking. If anti-smokers want to outlaw smoking — bringing back another "Prohibition" era — let them try to get it through Congress! But if they can't accomplish that, they shouldn't interfere in the private behavior of Americans.

Most people's idea of a fair tax is one that rises with the taxpayer's income. On that test of fairness, cigarette taxes fail miserably. To raise taxes in a fair way, tax a lot of people a little instead of a few people a lot.

Some people say that smokers should pay a penalty or a premium to make up for the "social costs" of smoking. Smokers, they claim, are less productive, absent from work more often than nonsmokers, and place more claims in private and public health-insurance programs. But studies repeatedly show that smokers do not impose a greater strain on our workplace or on our health-care programs than nonsmokers.

For example, the 1989 Surgeon General's Report acknowledged that "there is little supportive actuarial evidence that nonsmokers incur fewer claims." A staff report from the Office of Technology Assessment about the alleged

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Where do North Carolina legislators stand on the cigarette excise-tax increase?

Following are excerpts from letters and news reports regarding North Carolina legislators' positions on the cigarette tax issue.

Twenty-six democrats, including Reps. Steve Neal, Martin Lancaster, Eva Clayton, Tim Valentine, Bill Hefner, David Price, Mel Watt and Charlie Rose, recently sent a letter to President Bill Clinton. The letter was initiated and delivered to the President by Rep. Neal. Following are excerpts of the letter.

"We commend you for stepping forward and providing much-needed and long-awaited leadership to overhaul the nation's health care system....We believe, however that a critical element is missing. That element is 'fairness.' ...As you indicated, financing for the plan will rely solely upon two sources of new taxes: an increased tax on tobacco products and a surcharge on large corporations who choose to retain their existing self-funded health care plans...Be assured that the 681,000 people engaged in the production, manufacture, and sales of tobacco products who live in our states and Congressional districts and whose livelihoods are being jeopardized do not view an unreasonable tax as fair. Mr. President, we would like to work with you and the First Lady on the specifics of the plan before you send it to Capitol Hill. In that regard, we request the

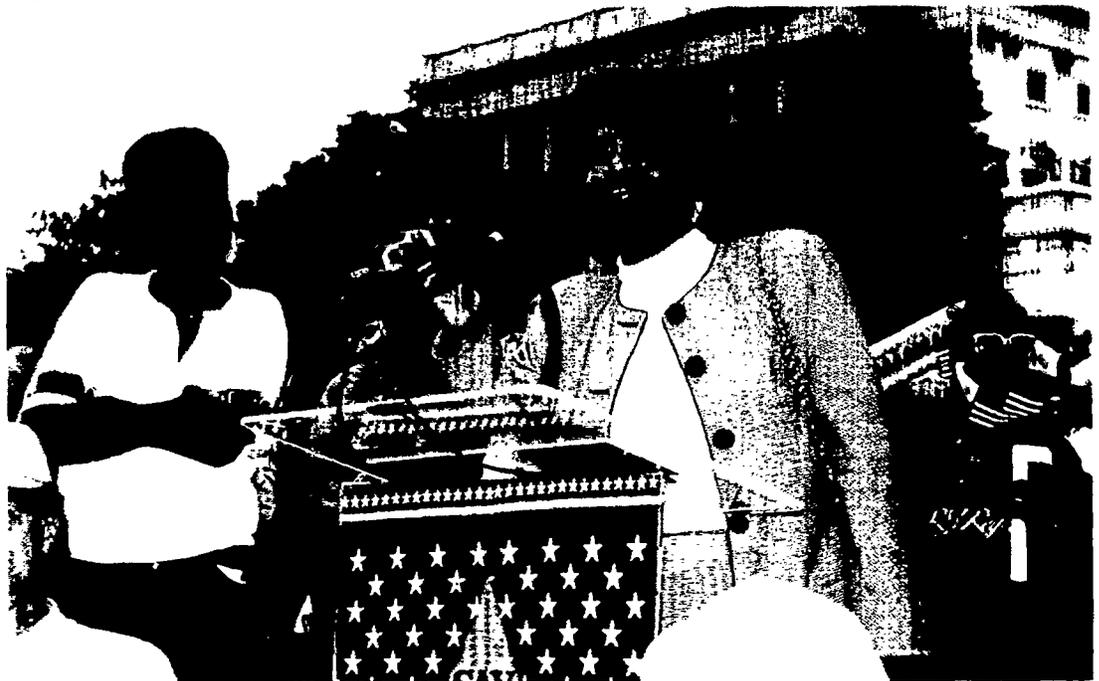
opportunity to meet with you as soon as possible. We must ensure our constituents that the plan is balanced and equitably financed."

Sen. Lauch Faircloth and Sen. Jesse Helms recently wrote a letter to President Bill Clinton. Rep. Howard Coble (R-N.C., 6th district), Rep. Cass Ballenger (R-N.C., 10th district) and Rep. Charles Taylor (R-N.C., 11th district) also signed the letter. Following are excerpts of the letter:

"We want to make certain that there is no misunderstanding regarding our position on the proposed increase on the excise tax for cigarettes. We oppose any increase in the tax. Recent newspaper reports have implied that the North Carolina congressional delegation was agreeable to an increase in the excise tax so long as the current \$.24 tax was no more than doubled. The implication being that a 48 to 50 cents increase in the tax would be acceptable. It is not acceptable. It has been our position all along that no increase in the tax is acceptable....We will not support any increase in the excise tax on cigarettes."

An editorial written by Rep. Martin Lancaster, (D-N.C., 3rd district) rebutting an editorial by Dr. C. Everett Koop was recently published in the

Rep. Eva Clayton addressed RJR employees who visited Washington earlier this year.





Rep. Steve Neal says about tobacco taxes: "It is simply not fair to ... require us to pick up the tab for the whole country."

Washington Post. Following are excerpts:

"I made universal health care my top priority years before it became a Clinton national priority. Four years ago, I held the first rural health care conference in any congressional district. It will hurt to do so, but I and other Tobacco Belt representatives will do everything in our power to defeat any health care reform package that singles out tobacco for a confiscatory tax and does not fairly spread the burden across other viable revenue sources. No single product, industry, state or region can or should be targeted to bear all of the costs of national health care reform. That sort of financing scheme is a recipe for failure. The costs of health care are growing; revenues that can be counted on from cigarettes are shrinking. As one economist recently told *The Post*: 'It will be like building on quicksand.' Dr. Koop may be a great pediatrician, but he's not much of an economist."

Rep. Charles Taylor addressed Congress on Sept. 9, saying: "Mr. Speaker [Speaker of the House Tom Foley], higher taxes are bad for the economy. Higher excise taxes hurt rural consumers. President Clinton just got the highest tax increase in history passed through Congress. Is it not time we gave the citizens of this country a break? Let us all take the no tax pledge."

Rep. Howard Coble addressed Congress on Sept. 15. He said, in part: "The Speaker [Speaker of the House Tom Foley] was recently quoted as saying he anticipates a very impressive increase in cigarette taxes. Mr. Speaker, the only thing

that will be impressive as a result of a huge increase in taxes will be the number of jobs lost — 74,000 in North Carolina alone....I hope back room deals have not already been struck on increased tobacco taxes. The future of too many hard working North Carolinians is at stake to be playing let's make a deal."

Cass Ballenger told *The News and Observer*: "I'm against any tax increases for anything."

A recent article in Raleigh's *The News and Observer* reported that "the Southern Democrats met with administration officials for nearly an hour...to reiterate that they cannot vote for a health care plan financed solely by cigarette taxes."

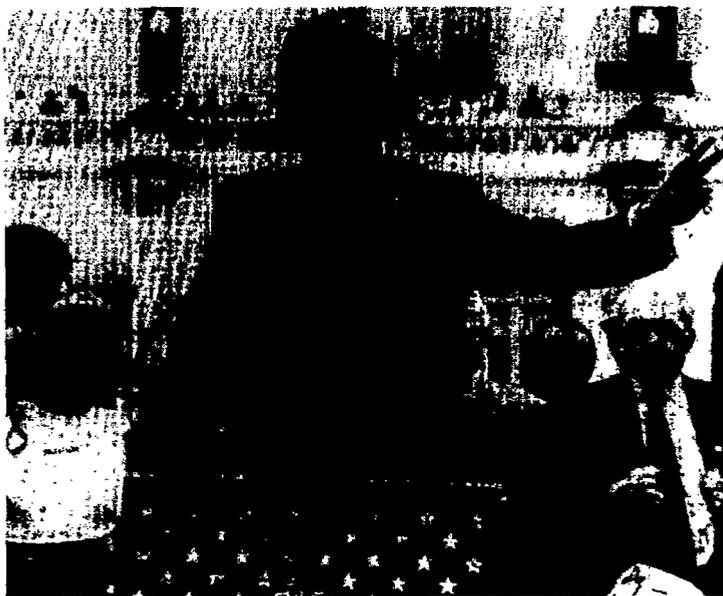
The article quoted **Rep. Charlie Rose** (D-N.C., 7th district): "We think it's time for the White House to get real about alcohol. Anything more than a 100 percent increase in the cigarette tax is punitive and very discriminatory."

Also, Rose told *The News and Observer* that "our tobacco companies have convinced our farmers that tobacco taxes are sinful....It's the companies that are angry because they don't like to see their profits flowing into the U.S. Treasury."

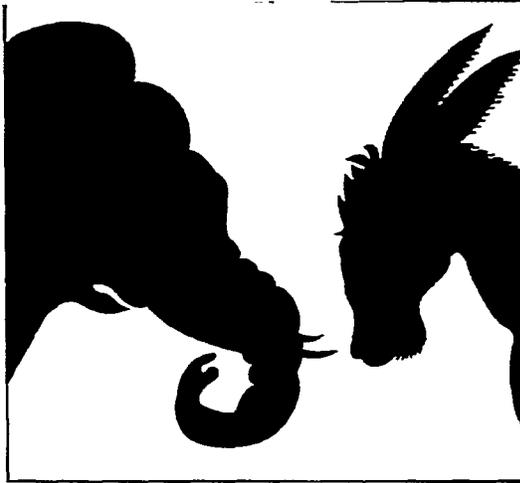
Another article in *The News and Observer* said that "**U.S. Rep. Tim Valentine**, (D-N.C., 2nd district), predictably trashed the idea of financing a significant portion of health reform with an increase in the cigarette tax, decrying the 'sheer unreasonableness and naked, unadulterated unfairness' of singling out tobacco." Valentine said, "There's no way I'm

Senator Jesse Helms says he opposes any increase in cigarette excise taxes.

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VOTE
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Editor's note: Election day is Tuesday, Nov. 2, so don't forget to vote. Residents of Winston-Salem will be voting for city officials, including mayor and aldermen. As a service to BJR employees, following are the candidates who are running for various municipal offices. We asked candidates to provide Caravan with a synopsis of what they believe are the major issues facing the city of Winston-Salem and what initiatives they think should be taken to improve the local economic development climate in the city. Following is the information provided by each candidate.

★ **MAYOR**



Democrat
Martha S. Wood - Incumbent

Three major issues confronting Winston-Salem:

1. Crime and violence in our community
2. Continued economic progress
3. Overcoming racial division

Economic initiatives the city should take to improve the economic development climate:

1. Continue to build successful public/private partnerships.
2. Strengthen efforts to build a skilled and adaptable work force.
3. Support and encourage the contributions of small business.



Republican
Charles S. Smith

Three major issues confronting Winston-Salem:

1. Crime
2. Economic development
3. Management and accountability of city trusts

Economic initiatives the city should take to improve the economic development climate:

1. Assemble a blue-ribbon commission to research worldwide manufacturing needs and bring those needed manufacturing capabilities to the area.

★ **ALDERMAN**



North Ward
Democrat
Nelson L. Malloy - Incumbent

Three major issues confronting Winston-Salem:

1. Crime and violence
2. Economic development
3. Education

Economic initiatives the city should take to improve the economic development climate:

1. More programs to increase recruitment of industry/business throughout the Triad area.
2. Programs to create and retain small, mid-range and minority businesses.

Republican
Tommy L. Throckmorton

Three major issues confronting Winston-Salem:

1. Law enforcement relations/crime
2. Economic development
3. Housing

Economic initiatives the city should take to improve the economic development climate:

1. Reserve tax dollars for pursuing new industry.
2. Work to keep present industry in the city.
3. Support programs for re-education of our citizens who have lost their positions at the workplace. Also re-education for industry that will start up in our area on the needs of our city and its citizens.



Northeast Ward
Democrat
Vivian H. Burke - Incumbent

Three major issues confronting Winston-Salem:

1. Unemployment, underemployment
2. Affordable, decent housing
3. Crime

Economic initiatives the city should take to improve the economic development climate:

1. Recruit industry; eliminate bureaucracy.
2. Work with the Chamber of Commerce, Business Technology Center and educational institutions through training and education.



Republican
Rasheed Bey

Three major issues confronting Winston-Salem:

1. Homelessness
2. Employment
3. Drugs

Economic initiatives the city should take to improve the economic development climate:

1. Start-up loan program for small businesses.



**East Ward Democrat
Joycelyn V. Johnson**

Three major issues confronting Winston-Salem:

1. Minority economic development
2. Adequate health care
3. Crime and violence

Economic initiatives the city should take to improve the economic development climate:

1. Program to accentuate the positive aspects of our communities during the promotion of economic endeavors.
2. Increase public/private/volunteer partnerships.
3. Investigate and invest in Trans-African textile exchanges.
4. Maintain and support the educational institutions in the area to produce an adequate work force for the community.

**Republican
Wilbert A. Allen Sr.**

No information provided.



**Southeast Ward Democrat
Larry W. Womble**

Three major issues confronting Winston-Salem:

1. Economic development
2. Crime
3. Lack of adequate housing

Economic initiatives the city should take to improve the economic development climate:

1. Incentives to entice industry to locate in poorer communities.
2. Day-care support for people who are learning and training.
3. Program that would build roads, defer or spread out taxes, provide low-interest loans and expand water and sewer services in poorer areas.

**Republican
Robert W. Nordlander**

Three major issues confronting Winston-Salem:

1. Crime
2. Jobs
3. Taxes

Economic initiatives the city should take to improve the economic development climate:

1. Cost/benefit analysis with every regulation or law passed to ensure that homework is done before decisions are made.
2. Develop a "war chest" for business incentives and aggressively recruit businesses to relocate to Winston-Salem.



**South Ward Democrat
Frank L. Frye**

Three major issues confronting Winston-Salem:

1. Crime and violence
2. Recruitment of business and industry to the city and area
3. Race relations

Economic initiatives the city should take to improve the economic development climate:

1. Strive to provide the public safety, services, roads and industrial-site availability necessary to recruit good business and industrial citizens to the community. It is incumbent upon the city to provide an atmosphere of managed growth that will attract the highest quality recruits to our area.
2. Provide a climate that welcomes new business as well as protects the built and natural environments, which makes it easier to recruit top quality, clean business.



**Republican
J. Hugh Wright - Incumbent**

Three major issues confronting Winston-Salem:

1. Crime
2. Jobs
3. Economic development

Economic initiatives the city should take to improve the economic development climate:

1. Sites for plants and companies to relocate to, with infrastructure in place.
2. More projects such as 311 Project with private and public sector participation.
3. No more taxes.



**Southwest Ward Democrat
Lynne S. Harpe - Incumbent**

Three major issues confronting Winston-Salem:

1. Crime and violence
2. Economic development
3. Race relations

Economic initiatives the city should take to improve the economic development climate:

1. Continued incentives for business and industry and retention and expansion of existing businesses.
2. Take initiative to assemble industrial sites under single ownership with appropriate zoning classification and infrastructure.
3. Seek labor-intensive, clean, light manufacturing industries to expand employment opportunities for existing labor force. ▶▶

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**Republican
Robert J. Edwards**

Three major issues confronting Winston-Salem:

1. Crime
2. Race relations
3. Taxes

Economic initiatives the city should take to improve the economic development climate:

1. Program to promote more involvement with area business people.
2. Programs for a better educated work force.
3. Lower tax rates.
4. Improved community planning.



**West Ward
Republican
Robert S. Northington Jr. -
Incumbent**

Three major issues confronting Winston-Salem:

1. Crime
2. Economic development
3. Race relations

Economic initiatives the city should take to improve the economic development climate:

1. Continue to offer incentives to existing business for expansion as well as recruit new business and industry.
2. Address the crime and race relations issues to make the situation better and therefore make Winston-Salem more attractive.
3. Build roads to attract and retain economic development, and promote our assets.



**Northwest Ward
Republican
Nancy T. Pleasants -
Incumbent**

Three major issues confronting Winston-Salem:

1. Creation of new jobs and a diverse economy
2. Crime and violence
3. Education/training of today's and tomorrow's work force

Economic initiatives the city should take to improve the economic development climate:

1. Move forward with needed roads, continue working with the private sector and other local economic development agencies to provide incentives, add industrial-site acreage and Class-A office space and pursue a technology park to attract new industry and businesses.
2. Maintain a stable tax rate.
3. Curb crime and support improvement in schools.



BOND ISSUES

Voters statewide will vote on four separate bond issues totaling \$740 million. The bonds will be used for:

Water and sewer capital projects - \$145 million

\$100 million to be used for loans to local governments for water and sewer capital projects; and \$45 million for the state's Clean Water Revolving Loan and Grant Fund, with loans going to the neediest areas.

Community colleges - \$250 million

The money will be used to fund projects at all 58 community colleges in the state. Projects will include construction of advanced technology centers, health-care teaching facilities, labs and multi-use classrooms.

University of North Carolina (16-campus system) - \$740 million

To be used for more than three dozen projects to make renovation and additions to existing facilities.

State parks - \$35 million

To be used for repairs and renovations, new facilities and services, purchase of land and waterways to complete existing parks.

★ Constitutional Amendment — Economic Development Financing

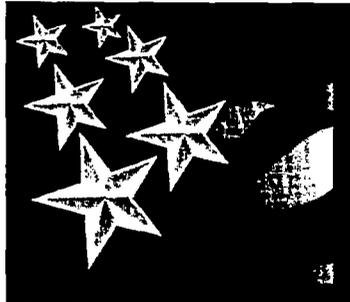
The Economic Development Financing (EDF) proposal is a development tool that would allow new and expanding companies to finance needed infrastructure and site improvements. Local governments would earmark the additional tax revenues from the private investment to finance improvements. EDF is part of Gov. Jim Hunt's jobs/economic development package passed by the N.C. General Assembly in July. EDF is intended to create more jobs, county revenue, attract new business, help existing industry expand and make North Carolina more competitive.

Tobacco taxes

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"costs" of smoking declined to address this issue, calling it too "complex." An article in the *Journal of the American Medical Association* (March 17, 1989) said: "On balance, smokers probably pay their way with the current level of excise taxes on cigarettes." Consider that this statement was made when the federal excise tax on cigarettes was 16 cents per pack — before the 50 percent increase in January 1993 that hiked it to 24 cents per pack.

☛ The government hopes that higher cigarette taxes will generate an additional source of revenue for health-care reform. But in reality, the government may actually *lose* money by raising taxes. When consumer goods are taxed, people avoid the taxes by not buying the products. In 1990, the federal government raised the alcohol tax from \$12 to \$13.50 a gallon — and lost \$87 million as sales dropped steeply. After Canada enacted huge cigarette tax increases in late 1991, initial estimates said that the government would lose \$800 million a year. (Final figures for 1992 are not yet available.) Cigarette imports from Canada to the United States doubled, as Canadians crossed the border to buy their brands in U.S. stores. ■



RJR receives flag flown at Capitol

At a recent meeting of the Tobacco Action Coalition (TAC), Odell Farley, TAC vice president, presented Executive Vice President — External Affairs Tom Griscom with a flag that flew over the United States Capitol Building in Washington, D.C.

"This flag was flown over the Capitol to honor the American spirit of the people who came to Washington, D.C., to make their voices heard concerning the proposed increase in federal excise tax on tobacco," Farley said. "The American flag stands for the best our country has been, and always will be. For many of us, it stands for the basic American right to speak your mind and heart about issues that affect your life. That's what 1,500 members of the Tobacco Action Coalition did on the bus trip to Washington."

The flag, which arrived with a certificate of authenticity, will be framed and displayed in the tour section of Whitaker Park.

TAC is a grass-roots organization concerned about current issues facing the tobacco industry. Membership is open to all friends of tobacco. For more information about TAC, please contact TAG president Dottie Ratledge at 741-1551. ■

NC Legislators

(continued from page 7)

going to support any kind of program that will treat tobacco farmers unfairly."

U.S. Rep. Mel Watt, (D-N.C., 12th district) told *The News and Observer* he is "resigned to the fact that some amount of money will have to be raised" to pay for the health care plan. Watt said: "I think it will have to be addressed fairly quickly, quickly enough so we can focus on the merits of the health-care plan itself and not get carried away by speculation on where the money will come from."

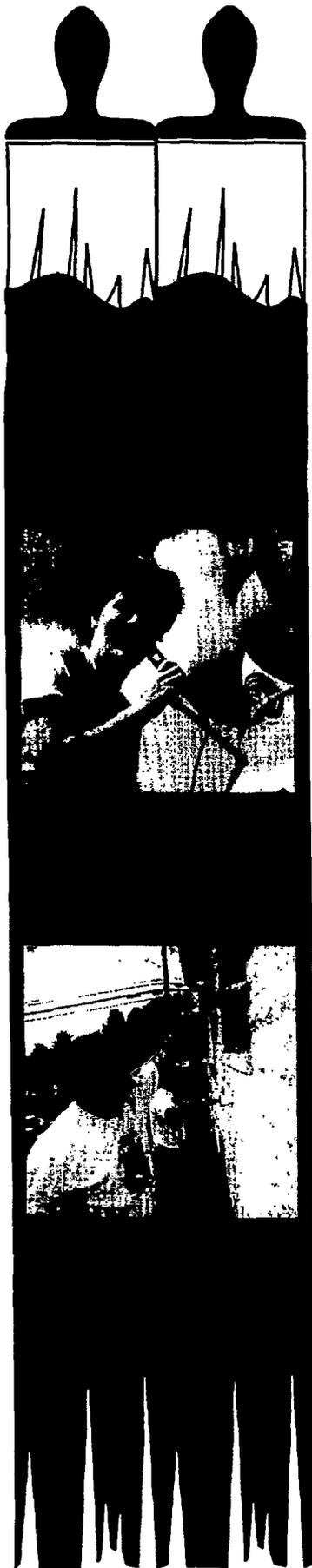
According to the *News & Record* Rep. Steve Neal (D-N.C., 5th district) said: "It is simply not fair to single out one commodity, one section of the country and require us to pick up the tab for the whole country."

The News and Observer quotes Rep. W.G. "Bill" Hefner, (D-N.C., 8th district): "If you're going to talk about sin taxes, you've got to consider other things including wine and hard liquor."

Rep. Eva Clayton, (D-N.C., 1st district) told *The News and Observer* that a proposed \$2 tax on tobacco was unreasonable and unacceptable. She said: "We should not be expected to pay the full cost of health care."

In a Greensboro *News & Record* article, Rep. Howard Coble (R-N.C., 6th district) said: "What we need to do in the Tobacco Belt is dig in our heels and say tobacco is taxed sufficiently as it stands now."

Editor's note: The Caravan editorial staff researched news media and congressional records and could find no stated position on the cigarette tax increase from Rep. Alex McMillan (D-N.C., 9th district) or Rep. David Price (D-N.C., 4th district). An article in The Charlotte Observer indicates that McMillan wants health-care reform, but thinks the Clinton plan gives government too much control. The article says that Rep. David Price is still undecided or taking no position on the health-care reform plan. Rep. Price did sign Rep. Steve Neal's letter to the President. ■



From gleaming car bumpers to paint buckets and brushes, the 1993 RJR employees' United Way campaign was a smorgasbord of activities as departments throughout the company helped employees learn more about the United Way and its 51 member agencies.

"Neighbor Helping Neighbor - Meet the Challenge" was this year's theme. "We knew that there were many people in our community who needed our help," says Jim Wilson, vice president of manufacturing and the 1993 RJR United Way campaign chairman. "This year in addition to raising \$1.2 million in pledges, we rolled up our sleeves and tackled several United Way service projects that reflected our dedication to the company's tradition of helping others."

RJR employees participated in two major United Way projects: Operation Paintbrush and Operation Lunchbox. "RJR Packaging served hot lunches to children at city recreation center programs in Winston-Salem," says Kathy Sapp of RJR Packaging. "It was our first year participating in Operation Lunchbox, and we loved doing it. Meeting the children and seeing their excitement over our visit was wonderful. All of us felt that we were really helping out right here where it was needed - in our community."

RJR's marketing department also took part in Operation Lunchbox, and they teamed up with the sales department for Operation Paintbrush. "Sales and marketing employees were very enthusiastic," says Natalie Davis of marketing. "We enjoyed working together as a team to paint a whole house. We had more than 50 volunteers who spent about three weekends painting a house for a widow. We saw a vast improvement in the house, and felt our time was well spent."

Wilson noted that RJR was

the largest company participant in Operation Paintbrush, helping to paint seven houses in Winston-Salem.

With sun bouncing off the gleaming bumpers of more than 100 cars, the annual Tobacco Processing Extravaganza raised more than \$6,500 for A.B.C.D. (The Association for the Benefit of Child Development) and the Stokes County Cancer Services, Inc. Most of the proceeds were raised by auctioning off merchandise donated by local merchants. "We always pledge the proceeds to two United Way agencies," says Lynne Huss. "By adopting two new agencies each year, the tobacco processing employees learn what these agencies do in our community and what their pledges provide for the people who need services."

United Way agencies participated in all RJR events. Employees at Whitaker Park held a family fun day and a United

**From left:
Jim Murphy,
Dennis Haile
and Kathy
Sapp of RJR
Packaging
participated
in "Operation
Lunchbox."**



Way agency fair. Tobaccoville employees held an agency fair, played softball, ate hot dogs and went on a hayride. And agencies such as the Christmas Cheer Toy Shop and The Bethlehem Child Development Center participated in a lunchtime presentation of United Way services in the Galleria of the Reynolds and Plaza buildings.

Bill Smith of RJR's purchasing department had a personal favor to return in this year's United Way campaign. Just a year ago, the American Red Cross provided lifesaving blood to Smith during emergency heart surgery. To say thank you, he created a pledge fun run and raised nearly \$1,000 for the agency. "Take it from me," Smith says, "you'll never know when you'll need a United Way agency."

"Reynolds Tobacco employees have a proud history of helping others," Wilson says. "The United Way is an easy way for all of us to support these 51 agencies of the United Way that make our community the best it can be. And I want to thank employees for continuing their tradition of giving." ■



There were smiles all around when Ray Ledbetter of RJR Packaging plant 200 served dessert to the children as part of "Operation Lunchbox," a United Way service project.



From left: Reba Warren, Mary Ward and Janet Wheeler of R&D wrote and performed an original rap song urging employees to contribute to the United Way during a talent show at the Bowman Gray Technical Center.



D. Bowen - 35

SERVICE AWARDS

45 YEARS - SEPTEMBER

Richard J. Patterson
No. 90 blending - variable labor



C. Groce - 35

35 YEARS - SEPTEMBER

Donald E. Bowen
No. 604 material flow packaging

Terry R. Crutchfield
National sales - packaging

Richard L. Dilworth
Media



J. McBride - 35

Harvey B. Draughn
No. 604 plant services, printing

Clarence R. Groce
Distribution and logistics

Charles J. Gunter
No. 200-16 foil production

Johnny G. Marion
No. 604 laminators variable



A. Jackson - 30

Robert S. Martin
No. 200 presses and cutters

Johnson A. McBride Jr.
No. 604 plant services, printing

William H. Mooney Jr.
Whitaker Park making and packing



B. Willard - 30

30 YEARS - SEPTEMBER

James E. Byrd
Central supply

Andrew Jackson
No. 603 blending - variable labor

David A. Jones
Product development

J.R. Lewis
No. 200 metals slitting and separating

Rhenda H. Steele
Health and environmental sciences



B. Berry - 25

Brenda W. Willard
Mail services

25 YEARS - SEPTEMBER

Billy J. Allen
Tobaccoville making and packing export room

Larry A. Armbruster
Financial planning and analysis

Barbara W. Berry
Administrative and conference services

Douglas R. Beshears
Tobaccoville making and packing

A.L. Bivens
Sales

Steven L. Brookshire
CDC receiving

Paul H. Cockerham
Tobaccoville making and packing

Fred W. Conrad Jr.
Health and environmental sciences

David S. Daye
Tobaccoville making and packing

J.E. Detrick
Sales

Joyce H. Dickerson
Packaging

R.D. Fox
Sales

A.F. Fusaro
Sales

Tony N. Garris
No. 200 sheet production

Perry C. Gwyn
No. 92 processing

Vickie H. Harbin
RCFCU administration

R.A. Harris Jr.
Whitaker Park transfer room

Thomas F. Harris
Tobaccoville packaging maintenance

Clayton E. Hill
Tobaccoville making and packing

Arnold L. Howard
Tobaccoville making and packing

Larry L. Hutchens
No. 604 extruders

Lewis D. Jackson
No. 200 sheet production

P.D. James
Tobaccoville making and packing

Jerome Jones
Whitaker Park transfer room

David F. Kiger
No. 200 - metals slitting/separating

Larry O. Kimbrough
No. 603 processing - variable labor

Kenneth R. Lee
Sales

James A. Long II
Whitaker Park tobacco receiving

Preston L. McConnell
Tobaccoville production support maintenance

Curtis D. McGee Jr.
Product development

Edward O. McHone
Tobaccoville making and packing

Ralph B. McKinney Jr.
Tobaccoville making and packing

Larry W. Merritt
Tobaccoville primary machinery and equipment maintenance

Jerry H. Metz Jr.
CDC receiving

Albert R. Nifong
Tobaccoville making and packing

J.J. Paulsen
Sales



Terry McRoberts, production recovery operations, received a \$1,205 award for ordering plain cases without markings instead of marked cases to recase wholesalers' returns.



Donald Chamelin, No. 200 packaging, received a \$1,270 award for modifying print cylinder bearing blocks to prevent slipping and reduce repairs.

W.E. Ramspott
Sales

Marvin R. Ransom
Facilities planning services

H.B. Ray
Sales

W.M. Ray
Whitaker Park process services

Tommy W. Reece
Whitaker Park process services

Dennis V. Rehnke
Sales

Jerry R. Roberts
No. 200 laminators

Linda L. Ross
Environmental affairs and support services

Jerry L. Speer
Tobaccoville process services

Michael W. Tate
Tobaccoville making maintenance

Clifford H. Tatum
Whitaker Park making and packing

Bonnie T. Taylor
RJRT customer financial services

Paul A. Thomas
Whitaker Park transfer room

Robert O. Thomas
Whitaker Park plant production engineering primary mechanics

David T. Tilley
Whitaker Park making and packing

Walter M. Treadway Jr.
No. 200 maintenance services

Henry R. Troutt Jr.
Whitaker Park maintenance primary electronics and instruments

Franklin W. Tucker
CDC receiving

D.C. Turner
Sales

Harold W. Tuttle
Tobaccoville making and packing

Wade M. Vernon
Tobaccoville production services

W. Ladford Walls
No. 604 presses

Nathaniel D. Wells
Whitaker Park casing and cutting

Don H. White
No. 200 presses and cutters

Ronnie L. Willard
BGTC new business development

Roy E. Willard
Tobaccoville production services

Daniel L. Williams
Whitaker Park tobacco receiving

Billy J. York
No. 200 plant services, casting

20 YEARS - SEPTEMBER

Carolyn G. Brinkley
Public affairs

R.C. Chelli
Sales

Janet G. Conrad
Product development

Wayne E. Davis
Whitaker Park operations

Luann V. Hamby
RJRT customer financial services

E.L. Hatcher Jr.
Sales

J.L. Peterson
Sales

Pamela F. Stockert
Operations finance

15 YEARS - SEPTEMBER

Freelan C. Bell
Product reclaimed goods

Michael J. Burton
Davie storage

Bert M. Gordon
Technical support



S. Brookshire - 25



P. Cockerham - 25



P. Gwyn - 25



D. James - 25



J. Jones - 25



D. Kiger - 25





L. Kimbrough - 25



J. Long - 25



L. Merritt - 25



J. Metz - 25



A. Nifong - 25

(continued from page 15)

Evelyn V. Harlow
Sales

William C. Hill
Project management

Michael O. Johnson
Law

Richard D. Kistler
Auto/truck maintenance

James P. McMahon
Sales

Gary W. Meek
Sales

Jack D. Michael
Sales

David S. Morris
Operations finance

Elissa Moss
Sales

Mark A. Pardue
Central supply

Marilyn P. Patterson
Disbursements accounting

Darryl L. Prude
Sales

Ann R. Pyrtle
No. 200 presses and cutters

Lucinda C. Sheer
Sales

Linda A. Shumate
No. 603 processing - variable

James W. Smith
Kernersville storage

Randy R. Smith
Forklift maintenance

Douglas R. Somers
CO₂ variable labor

Timothy K. Spry
Davie storage

Donald L. Vance
Technical services

Mark T. Wall
Computer operations

Fredrick R. Wicker Jr.
Operations planning

10 YEARS - SEPTEMBER

Fred C. Atwell Jr.
Tobaccoville primary
electronic and instrument
maintenance

Dempsey B. Brewer Jr.
R&D process technology
and development

Kevin A. Byrd
Tobaccoville process services

Kevin J. Delury
Sales

Bruce W. Goodman
Tobaccoville utilities plant

Renee S. Grubbs
Purchasing

Eibert C. Jones Jr.
Product development

Michael W. Light
Whitaker Park primary
electronic and instrument
maintenance

Patsy S. Morrison
Downtown utilities

James R. Whiting
Sales

Thomas L. Wiersma
Sales

5 YEARS - SEPTEMBER

Robin R. Allen
Law - COMPLISS

Tina R. Alley
Manufacturing automation
systems

Kenneth W. Carter
Law - COMPLISS

Francis J. Clifford
Sales

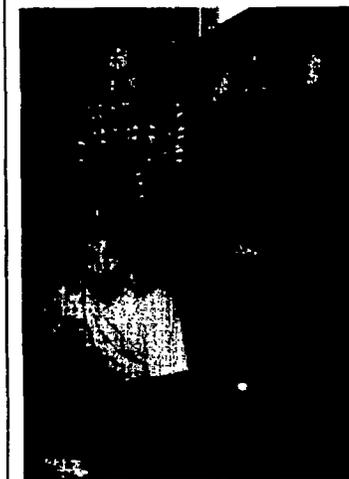
Sarah M. Cox
RCFCU administration

Janis M. Davenport
Law - COMPLISS

Rebecca H. Fullton
Sales



Charlie York (left) and Richard Fulp of Whitaker Park shared a \$2,605 award for recommending modification of the oil drain line, thereby eliminating oil leakage problems at the bottom of the SE gearbox, resulting in labor savings.



David C. Vogler, James K. Motsinger (front: from left), Jackie E. Tolley and Ronnie J. Vestal (back: from left), tobacco processing, shared a \$1,200 award for recommending that conveyor belts 1604 and 1609 be scheduled on preventive maintenance and replaced with a new type of belt, resulting in material and labor savings.

Lucinda A. Harris
Business information and analysis

Rhonda L. Hartman
Customer financial services

Andrew P. Hjort Jr.
Tobaccoville plant engineering

Jane C. Ingram
Law - COMPLISS

Yvonne D. McBride
Law - COMPLISS

Lennette D. Mickens
Purchasing

Robert J. Moreland III
Technical support

Wanda F. Morrison
Customer financial services

Betsy G. Nance
Law - COMPLISS

Ronald G. Parrish
Law - COMPLISS

Jacqueline E. Pike
Sales

James N. Pruitt
Tobaccoville operations

Regina A. Reece
Law - COMPLISS

Everrett A. Scott
Financial services marketing

Brenda D. Spillman
Law - COMPLISS

Deborah V. Stanley
Law - COMPLISS

Rastislav Stupka
Tobaccoville plant engineering

Lydia J. Tilley
RCFCU administration

Margaret J. Tilley
Sales promotions

Keith H. Tonooka
Sales

Angel R. Townsend
Law - COMPLISS

Ann R. Treadaway
Technical support

Lois W. Vernon
Law - COMPLISS

Sandra G. White
RCFCU administration

Lauren S. Young
RCFCU administration

PROMOTIONS & APPOINTMENTS

BRAND-MEDIA-DIRECT MARKETING

Deborah B. Bratton
to assistant information manager

BUSINESS INFORMATION AND ANALYSIS

Ricky W. Abernethy
to production engineer III

CIGARETTE GENERAL

Clarence O. Huie Jr.
to production manager

Ronald F. Ray
to shift operations director - manufacturing

INFORMATION RESOURCES

Jeffrey O. Bager
to systems engineer III

Gale H. Hawkins
to lead systems analyst

Richard W. Joyce
to programmer/analyst I

John M. Patton
to systems engineer III

RJR PACKAGING

Brian C. Adderton
to senior pilot plant technician

Darrell L. Boles
to craft trainee - 10

Mary L. Doub
to rotogravure press helper

Emma S. Eaton
to carton inspector/stacker

Dennis L. Haile
to assistant rotogravure press operator

Dennis S. Hauser
to director - manufacturing

Mitzi G. Hill
to quality assurance senior technician

Randy H. Hodges
to technologist I

Mary Jo Keegan
to senior engineer - sales

Roy E. McKnight
to rotogravure press helper

Pamela P. Moose
to laminator/coating helper

Terry L. Poole
to rotogravure press helper

Tony W. Seaford
to technologist I

Robert V. Simone
to director - graphics

John E. Southard Jr.
to assistant press/extruder operator

James C. Tatum
to rotogravure press helper

PERSONNEL

Ann A. Johnston
to director - compensation, employee benefits and human resources information

PLANNING

Edward C. Landry
to senior planning analyst ▶▶



J. Roberts - 25



F. Tucker - 25



N. Wells - 25

(continued from page 17)

PLANT PRODUCTION ENGINEERING

Reginald C. Whitaker
to safety and health professional III

PRODUCTION

James W. Barker Jr.
to mechanic - GDX-1

Charlie L. Brown
to mechanic specialist - GDX-1

Lisa J. Caldwell
to manager - human resources -
Tobaccoville

Jo Ann Cook
to production services attendant

Jimmy N. Garris
to mechanic specialist - GDX-1

Adron N. Hayes Jr.
to production services attendant

Gary W. Hull
to mechanic - GDX-1

Spencer E. McCall
to production services attendant

Richard A. Russell
to making machine operator -
Protos

Robert D. Scales
to packaging machine operator - GDX-2

Jerry O. Summey
to mechanic - Protos

Mary B. Williams
to making machine operator - Protos

PURCHASING

Gary L. Branon
to principal buyer

RESEARCH & DEVELOPMENT

Linda A. Crumpler
to senior R&D chemist

Lorraine E. Curtis
to director - quality assurance

Bernard T. Foy
to senior engineer

Chin K. Lee
to principal scientist

Christa N. Mathis
to R&D librarian assistant III

Daniel R. Meckley
to senior R&D toxicologist

Anne M. Starnes
to R&D librarian assistant I

Roy A. Vernon
to R&D technologist III

TRUCKING

Timothy D. Hiatt
to vehicle service attendant

Terry A. Milton
to industrial equipment mechanic "A"

Randy R. Smith
to industrial equipment mechanic "A"

IN MEMORIAM

Robert L. McCravy, 50, an annealing oven operator at Plant 200 annealing, died Sept. 30. A resident of Pfafftown, N.C., he had 25 years with the company.

Kelly S. Smith, 46, an industrial vehicle operator at G-13 storage-GOE, died Sept. 3. A resident of Pilot Mountain, N.C., he had 24 years with the company.



Allen Z. Morris (left) and Adam J. Jessup, truck and storage, shared a \$10,510 award for recommending combining two front-loader garbage truck routes into one, thereby more efficiently utilizing a second driver and truck, resulting in labor and material savings.



Susan H. Flynt, research and development, received a \$1,020 award for recommending changing supplier and type of cutting mat used at No. 604 packaging lab, resulting in material savings.

Employee named volunteer of the year

Ron Buchanan believes our schools need a bit of doctoring. But it's going to take more than an apple a day for the teacher to improve schools.

"We need more volunteers right now — period," says RJR employee Ron Buchanan. "Adults can set an example for children. Volunteering in schools sends a clear message to both teachers and students that you are willing to work hard to improve the schools for the future of our children."

Buchanan, a making operator in complex 6B at Tobaccoville, practices what he preaches. For two years in a row, he has been honored as "Outstanding Volunteer of the Year," in two middle schools in Forsyth County. He received this award from Kennedy Middle School in 1992 and from Hill Middle School in 1993.

"I have to give a lot of the credit for these awards to the company," Buchanan says. "I've always been interested in working with youth, but never did anything about it until the RJR Success Academy was formed. Because the company made this program so easy, I was glad to help. I really enjoy my volunteer time at the schools."

RJR Success Academy is an intense after-school tutorial program emphasizing back-to-basics skills in reading, writing and mathematics that began in October 1990 with an RJR grant for \$300,000, the largest

private grant ever received by the Winston-Salem/Forsyth County school system.

Buchanan has served in the schools as both a mentor and a tutor. He has developed close personal relationships with the students he has helped. "I try not only to tutor them, but also to teach my students something about life, in addition to the regular class work," says Buchanan. "I spend time with these kids so they will learn to have self-respect and make better choices in their lives."

Besides tutoring, Buchanan serves on the executive board of the PTA for both Hill Middle School and Clemmons Elementary. As a member of the alumni chapter of Kappa Alpha Psi, Buchanan started a school incentive program for "the most improved student" at Hill. In addition, he has been chosen to serve on Mayor Martha Wood's Violence-Reduction Task Force.

"If we can start to reach children when they're young and urge them to stay in school," Buchanan says, "then we'll have a better chance of offering them a safer future. We have a problem with crime here and the best way to solve it is to improve the desire for kids to stay in school."



Ron Buchanan has been honored two years in a row for his volunteer work with students.



Education volunteers needed

Recognizing that education directly impacts everyone's quality of life, the R.J. Reynolds Tobacco Co. Education Committee continues to work with local schools and community groups to provide funding for programs that help keep children in school and interested in education. Funding, however, is not enough. To really make a difference, everyone's time and talents are urgently needed.

Employees, retirees and spouses who are interested in volunteering time for the RJR Success Academy in Winston-Salem/Forsyth County Middle Schools, Yadkin County Schools or the Winston-Salem Public Housing communities should complete an RJRT/RJRTI Volunteer Data Sheet and return it to Vivian Turner,

Contributions Department, 10302, 3-Reynolds (P.O. Box 2959, Winston-Salem, N.C. 27102). To request forms, call Vivian Turner at 919-741-0049. After submitting the form, you will be contacted by persons responsible for these programs in order to set up your specific schedule.

Also, anyone interested in serving as a "coach" at The Downtown School should call Vivian Turner for further information. Coaches should be willing to spend one to two hours each week in the classroom participating in activities such as reading, singing, physical education, computer training and other educational activities. Parents of students in the school already have a volunteer commitment and, therefore, are not encouraged to become coaches.

Johnston to head RJRN worldwide tobacco; new CEO named for Tobacco International

RJR Nabisco Holdings Corp. announced recently that James W. Johnston, chairman and chief executive officer of R.J. Reynolds Tobacco Co., has assumed responsibility for the company's worldwide tobacco business. RJR Nabisco also announced that Anthony J. Butterworth, formerly managing director and chief executive officer of London International Group, plc, has become president and chief executive officer of R.J. Reynolds Tobacco International, Inc., reporting to Johnston. Butterworth succeeds Dale F. Sisel, who plans to retire at the end of the year, but is serving as a consultant to the company.

Charles M. Harper, chairman and chief executive officer of RJR Nabisco, says the new worldwide tobacco organization reflects the belief that the company's tobacco businesses can be managed more effectively on a global basis.

"There are significant opportunities for growing our tobacco business on a worldwide basis," Harper says. "By bringing our domestic and international businesses together, we will be able to effectively coordinate our company strengths and realize greater efficiency and shareholder returns in both our domestic and international operations. Jim Johnston's experience in the domestic and international sides of the tobacco business makes him the ideal person to lead these efforts as chairman and chief executive officer of Reynolds Tobacco worldwide.

"Dale Sisel told me some months ago of his desire to retire at the end of this year," Harper continues. "Since then, he and Jim Johnston have conducted a worldwide search for the best possible person to succeed Dale. I'd like to congratulate Dale on the job he has done in recent years overseeing Tobacco International during a period of dynamic growth. In the five

years he has headed the business, sales growth has far outpaced that of the industry while earnings have more than doubled.

"We are pleased to have found someone with Tony Butterworth's experience in international packaged goods," Harper adds. "We're confident that he will be able to accelerate the already impressive growth trends in our international tobacco business."

Butterworth was chief executive officer of London International, a global health and personal products and photo processing company based in London, since 1991. He served as that company's chief operating officer from 1989 to 1991. Prior to joining London International he was president of Chesebrough Pond's International from 1985 to 1988 and was president of Carnation International from 1984 to 1985. Earlier in his career, Butterworth spent 16 years with the Coca-Cola Company. His last position at Coca-Cola was corporate vice president of worldwide marketing planning from 1979 to 1981.

"We are very fortunate to have an executive with Jim Johnston's experience to lead our worldwide tobacco activities and to have Tony Butterworth join us as the new head of Tobacco International," Harper adds. "Jim first joined the company in 1979 as executive vice president of the Asia/Pacific group at Tobacco International and was named president and CEO of Asian and Pacific operations a year later. He has been chairman and CEO of R.J. Reynolds Tobacco Co. since 1989, when he rejoined the company after five years with Citibank." ■



Johnston



Butterworth

CARAVAN

Volume 27, Number 5, October 1993

Published for employees and retirees of R.J. Reynolds Tobacco Co. and their families by the Public Relations Department. Address all communications, including requests to reprint any portion of this publication, to: Caravan, 2nd Floor, 11601, Reynolds Building, Winston-Salem, NC 27102. Telephone (919) 741-7069.

Editor:

Barbara Goho

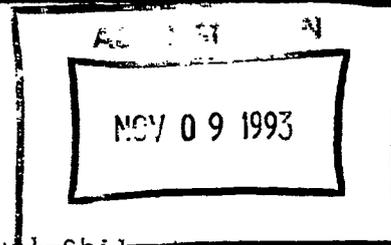
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