PHILIP MORRIS U.S.A.

100 Park Avenue, New York, N.Y. 10017

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Edward A. Grefe

California Update

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August 28, 1978 3

I. Media

Initial test results show movement. For the first time, our opposition vote has dipped below 50 percent. (See attached) Movement to undecided column encouraging. More complete data now being collected from 500 panel back to June survey and 500 new interviews. Presentation of new survey to CCS on September 7. Also on 9/7, copy to us for review by Morgan, Zoler, and others. Ad strategy and rough copy to be presented by CCS to donor committee in California on September 11. Reaction by committee on September 12.

Studies of viewer perception of two TV ads (the Squad Room and the spot in which the narrator moves from facility to facility pointing out the inconsistency in the application of the law) indicate an approximate memorability score of 49 percent for Squad Room and 40 percent for the other. A 49 percent figure places the ad in the top 1 percent of 30-second commercials; a 40 percent, between the top 5 percent and 10 percent.

Radio results equally encouraging. Quick survey, 37.5 percent had heard ad. Of that number, 39 percent would vote "no" on Prop 5; 36 percent, yes; balance undecided. (Survey data has been given to Jon Zoler. Copies available.)

Billboards - "They're at it again. Vote No on Proposition 5" begin going up next week.

Newspaper - New ad layout presented. Copies available next week.

Ads soon to begin carrying names of individuals and organizations that have endorsed our position to counter claim of opponents that only tobacco companies oppose them. Possible ad (Need comment by September 11):

Headline: The Following People Who Oppose Smoking;
Oppose Proposition 5

Idea fits strategy - suggested by endorsement by Gardiner Hempel.
(See attached)

Media interest among press heating up. More articles appearing, many humorous put down of opposition. (See attached) Magazine interest high.

In short, early flight of media accomplished all goals: (1) sparked awareness among electorate that a debatable, real issue existed; (2) move many "switchables" to undecided column from whence conversion is more possible; (3) aroused our troops, generated morale previously lagging.

II. Voter Contact

Employee participation in voter activities high. (See attached) Low election day volunteer effort may be due to fact employees believe they will be working that day. CCS requests we give people day off.

Some 40 - 50 Coffee Klatches organized for early September. Number not high, but considering few of our people have ever worked in a campaign, a good beginning. We will publicize among our people to encourage others.

III. Speakers Bureau

Fifty-six in Southern California, 25 in Northern California have been selected, trained, and sent to represent CCS in a number of broadcast and public appearance situations. None work for any part of industry. Screening process of volunteers meticulous. However, some are not as dynamic as we would hope, and CCS will monitor more carefully.

Endorsement program building. Teamsters have signed on. Restaurant and real estate associations rolling up sleeves, and in terms of volunteer response and activity, putting tobacco people as a group to shame, according to Woodward & McDowell.

IV. Direct Mail

Market St. Charles on State

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Speaking from a prejudiced viewpoint, it is the most exciting part of the campaign. Cross index research has suggested precinct priorities for identifiable switch voters statewide. Only exception - entire precinct Spanish surname, predominantly Black. Predominantly liberal will be added if a respected member of that community can be recruited to sign letter.

Pretesting in September of (1) graphics, (2) format, and (3) message saliency. Rollout first wave early October. Three of the top experts handling. Very impressive.

In addition to our own mail program, AFL-CIO COPE will mail 2.8 million slate cards to all union members in California with endorsement to vote No on Prop 5; also, Los Angeles area council AFL-CIO will do a similar, separate mailing.

V. Retail

35,000 sets of point-of-sale materials now being delivered. 62.5 million packs of matches begin delivery all retail outlets in state next week; only matches to be available until election day, more complete report on retail acceptance of program due shortly.

VI. Opposition

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Three of their TV ads have been turned down by ABC as being not factual, compared to one of ours. They are reacting to our strategy (see attached mail appeal); tempers mounting in public appearances. Note to our people to be cool to be repeated, often.

If this report seems overly upbeat, the one cold note we all recognize is the possibility of some bomb being dropped by the supporters of the other side long about November 1. That apart, we seem to be moving down the right track.

VI. Notes

(1) We may have some good news. The Deputy Chief of Safety of the California Division of Occupational Safety and Health, in a signed letter (see attached) says that enforcement of the proposed initiative would be "unwarranted, unmanageable, and unenforceable." Further, that the rejection of a proposed ban on smoking in public places of employement by the OSHA Board was proper in 1976.

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to CCS. (2) Tobacco Exporter International (Dunhill) will contribute \$5,000

(3) Dr. Wakeham reports SRI report due on October 1.

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Attachments

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